

AZEUS

A CMMI LEVEL 5 COMPANY

Azeus Systems Holdings Ltd.



SUSTAINABILITY REPORT

2019

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Established in 1991 and listed on the Singapore Exchange Limited ("SGX") (Stock Code: BBW) since 2004, Azeus Systems Holdings Ltd. ("Azeus" or the "Company") is an investment holding company that provides Information Technology ("IT") consulting, project management, implementation services and maintenance and support services mainly in its Hong Kong headquarters, and several other countries such as the United Kingdom and the Philippines. It operates through two segments, Professional IT Services and Azeus Products Sales.

Its Professional IT Services includes designing, developing and implementing various IT systems, and providing maintenance and support services. Azeus Products Sales includes developing innovative technologies and solutions such as proprietary products known as "AzeusCare" and "Azeus Convene", marketing and selling the products.

AzeusCare

AzeusCare is a flexible, integrated system that provides a wide range of solutions for managing and delivering social care. It promotes personalisation, prevention, and the delivery of best outcome for service users. Its flexibility and adaptability offer greater control to those who require it, making it an essential tool for social care practitioners at a time of change. AzeusCare supports health service delivery as well as social care service delivery, either in separate contexts or combined.

- *Adults services*

AzeusCare supports the delivery of the requirements of the UK Care Act 2014 with a comprehensive suite of tools to manage both the case management and finance requirements in one fully integrated system.

- *Children services*

AzeusCare provides a comprehensive recording environment for service delivery in the areas of children's social care, early intervention, special educational needs and disabilities (SEND), etc..

Azeus Convene ("Convene")

Azeus Convene is a user-friendly suite of mobile and web-based board meeting applications. It streamlines organizations' board meeting processes by providing directors easy and secure access to board papers anywhere, anytime, while giving administrators an efficient solution to prepare and manage board meetings. Used in more than 80 countries, Convene is available on Windows, Mac, Android, and iOS devices.

- *Easy to Use*

Convene is very easy to use. At the 2016 SaaS Awards, the de facto recognition platform for excellence and innovation in the sphere of Cloud Computing, Convene was recognized as a finalist under Best UX/UI/Design in a SaaS Product. Direct customer feedback on Convene's usability has also been consistently positive.

ABOUT THE GROUP

- *Powerful*

Convene is packed with powerful features that let organizations accomplish high productivity meetings. Convene provides real-time annotations, useful notifications, bookmarks, audit log, content lifespan settings, fine-grained permission controls, enterprise-grade security, offline support, remote wipe, among others.

- *Secure*

Convene is designed for security. Convene is used by organizations which handle sensitive information such as banks, investment firms, Fortune 500, FTSE 100 companies, government departments, and statutory bodies, in more than 80 countries around the world – a testament to the trust and an endorsement of the security measures put in place in Convene.

- *Flexible*

With native apps for iPad, Android, Windows and Mac, Convene has the widest platform support among all other board meeting applications. Convene also lets directors securely access meeting materials, review and annotate documents, and make decisions from the device of their choice, online or offline, anytime, anywhere.

Convene can be hosted on-premise and on the cloud hosting. It can also be integrated with a comprehensive range of enterprise repositories such as Dropbox, SharePoint, and Box, as well as enterprise directories such as Active Directory and LDAP.

Modern economies rely on technology and information services to develop and grow. With technology rapidly evolving, new challenges for sustainability are emergent. New technology should address issues of social and environmental externality in order to protect stakeholders. The sustainability agenda of Azeus is based on the principle that it has to be part of everything we do, and fully integrated into our business activities.

Customer Base



Values and Mission

Azeus upholds the core values of “Commitment to the highest quality”, “Responsibility and Integrity” and “Collaboration and Teamwork”, with the aim to deliver quality services that win clients’ confidence, maintain open and honest communication with stakeholders, as well as to promote an environment of teamwork and collaboration among our employees.

Azeus strives to provide sound technical consultancy and implementation services for complex IT systems while building a company that respects its employees.

ABOUT THIS REPORT

As the second Sustainability Report (the “report”) published by Azeus, this report continues to disclose policies, practices, targets and performances of the Group in terms of the material environmental, social and governmental factors identified by the Group. The report aims at enabling all stakeholders to understand the progress and sustainability directions of the Group. It has been uploaded to the websites of SGX and Azeus (<https://www.azeus.com/sustainability-report>).

Reporting Boundary

The report focuses on the operation of business segments of Professional IT Services¹ and Azeus Products between April 2018 and March 2019 (the “reporting year” or “FY2019”). The reporting boundary covers the operation of offices in Hong Kong (the “Hong Kong office”)², the Philippines (the “Philippines office”)³ and the United Kingdom (the “United Kingdom office”)⁴, which is consistent with the reporting boundary in the Sustainability Report 2017-18.

Azeus plans to consistently refine the internal data collection process and gradually expand the scope of disclosure in the coming reporting years.

Reporting Standard

The report is prepared in accordance with the ‘comply or explain’ provisions of SGX-ST Listing Rules 711A (“LR 711A”) on sustainability reporting, as well as the guidance set out in the Practice Note 7.6: Sustainability Reporting Guide (“PN 7.6”) issued by the SGX. The five reporting components prescribed by the SGX-ST Listing Rules 711B (“LR 711B”) underline the key structure of this report. It takes reference from the sustainability reporting framework provided by Global Reporting Initiatives (“GRI”), the GRI Standards (version 2016 and 2018). The disclosures in this report seeks to achieve the GRI’s Reporting Principles for defining report quality – accuracy, balance, clarity, comparability, reliability, and timeliness.

To ensure the reporting quality and credibility, Azeus commissioned an external consultancy to conduct stakeholder engagement and report compilation. In addition to the required disclosures provided by GRI, selected topic-specific disclosures are included for enhanced reporting. A complete GRI-SGX Content Index is inserted in the last section.

Confirmation and Approval

Information documented in this report is based on official documents, statistics, and operational information of and collected by Azeus according to Group’s policies. The report has received approval from the Board of Directors (the “Board”) in 30 August of 2019.

¹ It includes IT Services with sales of project hardware and software, as well as maintenance and support services.

² The Hong Kong office is managed by the Company’s subsidiary, Azeus Systems Limited (“Azeus HK”).

³ The Philippines office is managed by the Company’s subsidiary, Azeus Systems Philippines Limited (“Azeus Philippines”).

⁴ The United Kingdom office is managed by the Company’s subsidiary, Azeus UK Limited (“Azeus UK”).

Azeus values the opinion of stakeholders for continual improvement in sustainability performances. If you have any questions or suggestions regarding the content of the report, please contact the Group via the following channels:

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Website: www.azeus.com

BOARD STATEMENT

Responding to changes with innovative solutions is key to the success of Azeus. Among the most significant changes faced by our society today, issues related to sustainability, such as climate change, require our most urgent attention.

Azeus's management philosophy is to embrace sustainability in the management of our business and operations and the interaction with our stakeholders. Issues such as customer privacy, talent development, environmental management and economic performance impact every aspect of our business operations. Therefore, the Board has always prioritized these key issues in strategic formulation in order to develop and adopt appropriate management tools.

The Board recognizes its responsibility in overseeing the management of sustainability issues and monitoring our performance in relation to them. Through communication with key stakeholders, we identify the environmental, social and governance factors that are material to the Group and to stakeholders on a regular basis. These issues represent the focus of both our effort during the reporting period and this report.

Acknowledging the importance of sound sustainability management, a dedicated sustainability task force will be established to coordinate all related work within the Group, including the formulation of a group-wide sustainability policy. The task force will comprise representatives of different departments with diverse backgrounds to ensure that our sustainability journey is guided by overarching principle of inclusiveness. By actively listening to the voice of our stakeholders, we look forward to building a more sustainable model of development that will benefit all of our employees and business partners.

LEE WAN LIK

Founder and Managing Director

On behalf of all directors of the Board

Azeus believes that adoption of good corporate governance principles and practices enable stakeholders to have trust and faith in the Group to fulfill its social responsibility and create long-term values for them. To enhance and safeguard the interests of stakeholders, the Board has the overall responsibility for the oversight of the Group’s policies, initiatives and performance on sustainability matters.

The Board continues to explore ways to further strengthen sustainability governance of the Group. It is on its agenda to establish a Sustainability Taskforce in the next reporting year. Comprising members of senior management and other levels of employees, the working group will be delegated with the authority from the Board to review and monitor the Group’s policies and practices in relation to environmental and social issues, to respond to emerging sustainability issues and to make recommendations to the Board where appropriate on improving the Group’s sustainability performance.

The Board is responsible for ensuring the adequacy and effectiveness of the system of internal financial, operational and compliance controls, and risk management policies. The management is responsible for internal control and for ensuring compliance therewith. The Group establishes the Audit Committee that comprises of Independent Non-Executive Directors to assist the Board in discharging its internal control review responsibilities, such as reporting to the Board at least annually on the evaluation of effectiveness of internal controls.

Azeus establishes procedures and methodologies for business processes to ensure that the Group maintains high quality standards.

CMMI	ISO 27001
<p>The work processes of Azeus have been assessed at Level 5 under the Capability Maturity Model for Software (SW-CMM) model since 2002 and appraised at Level 5 under Capability Maturity Model Integration for Software Engineering (CMMI-SW) model since 2003. These models establish standards for assessing service quality of software development.</p>	<p>Since 2015, Azeus UK has been assessed and certified as meeting the ISO 27001 requirements for software development sales and first line support. This recognizes the effort of safeguarding information security of the Group.</p>
ISO 14001	ISO 9001
<p>Azeus is committed to protecting the environment. The Hong Kong operation of the Group has been certified for complying with the requirements of ISO 14001 for the provision of software consultancy, software development and system integration services.</p>	<p>Since 1997, Azeus was awarded the ISO 9001 certification for providing software consultancy services, software development and system integration services, which is the first Hong Kong-based IT company to receive the accreditation. Azeus ensures the provision of quality products and services in every project.</p>

SUSTAINABILITY RISKS AND OPPORTUNITIES

Azeus considers risk management as an integral part of operational management and resource planning to meet with increasing demands for sustainability. Considering the potential impacts of material sustainability topics on operation and strategic planning, the Group has identified a range of sustainability-related risks and opportunities with the support of external consultants.

Risk	Responses and Opportunities
<p><i>Customer Privacy</i></p> <p>There is security risk in collecting, handling, and storing customer information given the rapid change of cyber technologies. Loss or breach of customer privacy can result in financial loss and non-financial reputational damage</p>	<p><i>Improving System Security</i></p> <p>The Group implements procedures to safeguard confidential information, such as establishing the Code of Conduct and Information Classification Policy for ensuring that information assets receive an appropriate level of protection.</p>
<p><i>Talent Attraction and Retention</i></p> <p>Hiring and retaining skilled employees is a challenge for the IT industry. Loss of skilled employees can deplete the Group's institutional knowledge base and erode the competitiveness.</p>	<p><i>Improving Employment Management System</i></p> <p>The Group provides fair employment system and practices through establishing a set of employment policies.</p> <p><i>Providing Learning and Development Opportunities</i></p> <p>Azeus Institute provides training programmes which focus on a wide spectrum of topics to train skilled employees in the IT industry, as well as in Sales and Marketing.</p>
<p><i>Occupational Health and Safety</i></p> <p>The prolonged use of display screen equipment puts our workers at high risks of associated occupational hazards and injuries. There are also risks for workers working alone. The loss of working days due to employees' injuries and diseases can lead to decrease of production capabilities of the Group.</p>	<p><i>Improving Employee Wellbeing and Health</i></p> <p>Stringent management policies and regulations are in place to avoid injuries and health problems. For example, the Group establishes the Safety Committee and Health and Safety Guidelines to administer the safety and health program.</p>
<p><i>Environmental Protection</i></p> <p>Climate change is an inevitable challenge in today's global context. Extreme weather brought about by climate change directly or indirectly affects the ability of the Group to access resources and sustain operations.</p>	<p><i>Improving Environmental Management System</i></p> <p>The Group addresses the environmental-related risks through implementing the environmental management system and green procurement policy, which advocates the environmental initiatives not only internally, but also externally.</p>

STAKEHOLDER ENGAGEMENT

Understanding and responding to the needs and ideas of stakeholders⁵ are key to achieving business sustainability and satisfactory outcomes for stakeholders. The Group's stakeholders are those who stand in a position to materially influence or are materially affected by the Group's business. Stakeholders' inputs steer the Group in shaping priorities and activities.

The Group constantly engages our key internal and external stakeholders through multiple channels.

Stakeholders		Major Means of Communication
Internal	Board of Directors and Senior Management	Board meetings Presentation Focus groups Regular meetings Internal communication
	Employees	Presentation Focus groups Regular meetings Seminars Trainings Charity events Employee social events Opinion box Emails (e.g. whistleblowing emails)
External	Shareholders / Investors	Annual General Meetings Announcement to SGX Annual report Investor relations website Analyst briefing and roadshows
	Customers	Social media Websites Written reports Presentation Visits Training Exhibitions Hotlines
	Suppliers	Social media Websites Written reports Presentation Visits Training Exhibitions Hotlines
	Community	Charity events Social media

Identifying Material Factors

Combining insights from the regular stakeholder engagement activities and results of management interviews, Azeus continues to focus on the following topics as the material environmental, social and governance (ESG) factors. These topics are ranked with their materiality in the table below:

Environmental Areas	Economic Areas	Social Areas
<ul style="list-style-type: none"> Water consumption Energy use Emissions and waste management 	<ul style="list-style-type: none"> Economic performance Anti-corruption Procurement practices 	<ul style="list-style-type: none"> Customer data protection and customer privacy Employment management system Training and education Diversity and equal opportunity Occupational health and safety Local communities

⁵ Stakeholders refer to groups or individuals materially influencing or affected by Azeus's business.

BOUNDARIES OF MATERIAL FACTORS

The impact and influence of each material factor identified may have wider impacts beyond the business operations of Azeus, and thus require consideration. The table below summarizes where impacts occur for each material factor. All topics are material within⁶ and outside⁷ of the Group. The Group will continue monitoring any significant changes in the boundaries of material factors.

Material ESG Factors	Impacts addressed in this Report	Employees	Shareholders/ Investors	Customers	Suppliers	Community
Economic Performance	Responsible Operation	✔	✔	✔	✔	
Anti-corruption	Responsible Operation	✔	✔	✔	✔	
Customer Data Protection and Customer Privacy	Responsible Operation	✔		✔	✔	
Procurement Practices	Responsible Operation	✔		✔	✔	
Employment Management System	Employment Practices	✔				
Diversity and Equal Opportunities	Employment Practices	✔				
Occupational Health and Safety	Employment Practices	✔				
Training and Education	Employment Practices	✔				
Use of Resources	Environmental Protection	✔				✔
Emissions and Waste Management	Environmental Protection	✔				✔
Local Communities	Engaging the Community	✔				✔

⁶ The boundary for impacts within the Group aligns with the Reporting Boundary.

⁷ The boundary for impacts outside the Group takes reference from the key external stakeholders identified for the reporting year.

Economic Performance

Economic Performance is a core concern of the Company. The Company monitors its economic performance by having a budgeting process in place. An annual budget is set, which is then reviewed periodically throughout the financial year to monitor whether the targets set are met, and what actions can be taken to help achieve the same.

Details of the business segments and their economic performances are in the table below:

Segment	Professional IT Services	Azeus Products
Revenue (HK\$)	HK\$97.9 million	HK\$49.9 million
Share of Group revenue (%)	66%	34%

The major sector served by Azeus includes the public sector, for which the Group has completed over 100 projects for more than 40 government departments in Hong Kong. In addition, the Group has also completed over 20 projects for the private sector in Hong Kong.

In the reporting year, the total liabilities and total shareholders' equity of the Group were HK\$46.8 million and HK\$96.8 million respectively. The net profit for the reporting year was HK\$12.6 million. There was no significant change to the organization and our supply chain in the reporting year.

Statement of Economic Value Generated and Distributed

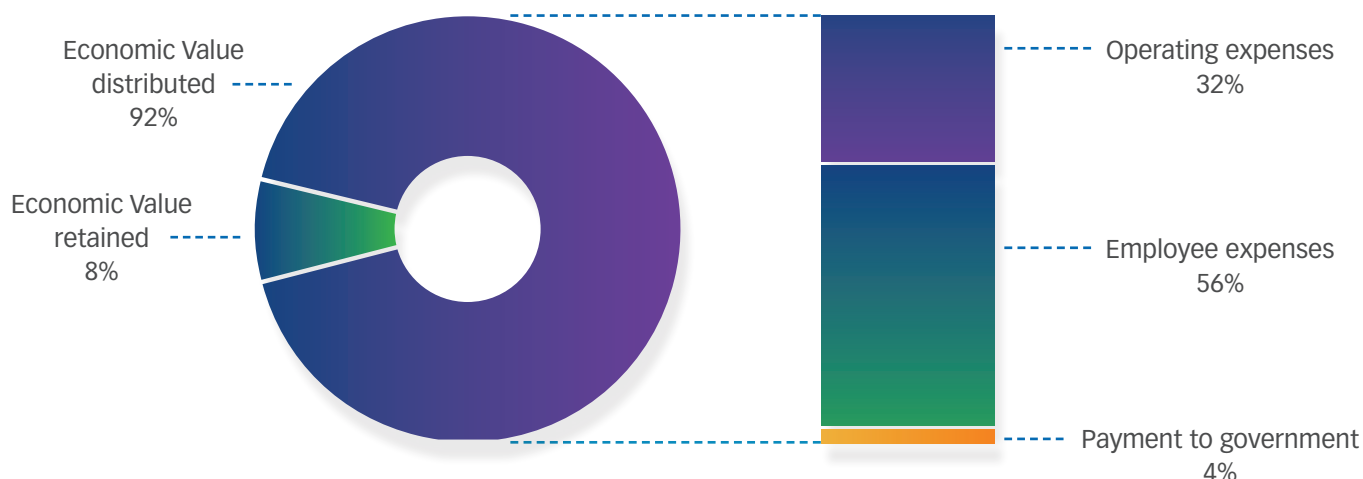
	FY2019 HK\$'000	%	FY2018 HK\$'000	%
ECONOMIC VALUE GENERATED				
Revenue	147,834		102,360	
Other income	91		12,304	
TOTAL ECONOMIC VALUE GENERATED	147,925	100	114,664	100
ECONOMIC VALUE DISTRIBUTED				
EMPLOYEE WAGES & BENEFITS				
Salaries and Wages	82,957		77,643	
TOTAL	82,957	56	77,643	68

RESPONSIBLE OPERATION

Statement of Economic Value Generated and Distributed (continued)

OPERATING EXPENSES				
Subcontractors' expenses	1,736		767	
Depreciation, amortisation and impairment	4,842		8,574	
Other operating expenses	40,463		24,499	
TOTAL	47,041	32	33,840	29
PAYMENT TO GOVERNMENT				
Income Taxes	4,938		964	
Other Taxes	356		352	
TOTAL	5,294	4	1,316	1
TOTAL ECONOMIC VALUE DISTRIBUTED	135,292	92	112,799	98
ECONOMIC VALUE RETAINED	12,633	8	1,865	2

Economic Value Generated and Distributed



The economic value distributed by the Group in FY2019 amounted to approximately HK\$135.3 million, or 92% of the economic value generated. Most of this amount refers to salaries and wages (56%). Compared to the FY2018 figures, the economic value distributed by the Group rose by 20%.

Azeus is committed to improving supply chain and quality management to provide customers with quality products and services. The Group establishes a series of operational measures covering the anti-corruption, customer data protection and customer privacy, and procurement practices.

Anti-corruption

Corruption negatively impacts social and economic development as well as environmental sustainability. The value of Azeus underpins a high standard of ethical conduct. Respecting and believing in fair development opportunities and sustainable development of society, the Group stands firm against corruption.

As stated in the Group's policies, employees should avoid situation which might make it difficult to act or make decision in the best interests of the Group. The Hong Kong office, Philippines office and UK office establish the Code of Conduct to outline our requirements to the employees. All employees should be fully aware that soliciting or accepting advantages is a serious crime which should be prohibited in any circumstances. If the acceptance of an advantage is unavoidable for reasons of courtesy, employee must immediately report the offer or acceptance to the Group for disposal or retrospective permission. Employees should also avoid or declare any conflicts of interest.

During the reporting year, there were no confirmed incidents of corruption or any legal cases regarding corruption within the Group.

Moving forward, Azeus plans to achieve the following target for anti-corruption:

Target for 2020	
Anti-corruption	<ul style="list-style-type: none"> To provide additional anti-corruption training to internal stakeholders based in different geographical regions of Azeus's operations

Customer Data Protection and Customer Privacy

Data privacy and data security are cornerstones of customer trust. It is the Azeus's priority to ensure information security within our own organization as well as for our clients. The Group has a set of measures designed to protect data that it handles across its operations.

In the course of performing duties, employees may access sensitive information from customers. As stated in the Code of Employee Conduct of Hong Kong office, Philippines office and UK office, employees should treat all information relating to the affairs or business of the Government as confidential and comply with relevant laws and regulations. The Group will promptly notify the government in case of any breach of confidence of our employees.

Since 2015, Azeus UK has been assessed and certified as meeting the requirements of ISO 27001 for software development sales and first line of support. The UK office has in place the Information Classification Policy for ensuring that information assets receive an appropriate level of protection by assigning classifications to information assets according to its levels of sensitivity. The UK office also establishes the Acceptable Use of IT Facilities to prohibit unauthorized access to information or facilities. Employees should be aware of the general information protection measures, such as preventing disclosure of personal system passwords or security details, leaving computers unattended without logging off, as well as always checking removable media for viruses.

RESPONSIBLE OPERATION

In the reporting year, there were no cases of incidents, complaints or non-compliance in relation to breaches of customer privacy within the Group.

Procurement Practices

Azeus seeks to work with our suppliers by sharing the Group's commitment to managing social and environmental risks throughout the lifecycle of the business operations. The Hong Kong office establishes the Instruction for Green Procurement to outline the procurement process.



- The Group employs a tendering-based procurement process. Suppliers are encouraged to submit proposals electronically.
- Environmental evaluation of potential suppliers is conducted based on the previous performance assessment records.
- The order or contract of suppliers will be declined if their environmental performance are found "Unacceptable".
- The environmental performance of suppliers is reviewed regularly.
- Suppliers with unsatisfactory performance are communicated through appropriate channels, including emails and direct calls.

Decent work and reasonable remuneration is a key to improving the standard of living of the employees. One of the targets of the United Nations' sustainable development goals is to achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value by 2030. To help realise this goal, the Group establishes a set of labour standards that provides fair remuneration for all employees.

Categories		Percentage of employees
By gender	Male	64%
	Female	36%
By age	<30 years old	48%
	30-50 years old	48%
	>50 years old	4%
By position	Senior management	3%
	Middle management	37%
	Entry-level/General employees	60%
Total workforce		318
Male to female employee ratio		1.8:1

Categories		Percentage of employees
By gender	Male	56%
	Female	44%
By age	<30 years old	89%
	30-50 years old	11%
	>50 years old	0%
Total percentage of new employee hires		18%

Employment Management System

Azeus establishes a set of employment policies in relation to employment practices, including recruitment, promotion, dismissal, working hours, leaves, insurance, compensation and benefits. Their employment policies set the Group's expectation clear with our employees, while safeguarding fair treatment of employees through transparent practices.

As the Group has global entities, the Group ensures that all entities comply with the local employment regulations set in the country where the entity operates.

To promote work-life balance for the employees, the Group organizes a variety of fun-filled activities, such as biking, hiking and lunch gathering. These activities also aim at promoting interaction between employees and esprit de corps in the Group.

EMPLOYMENT PRACTICES

Going forward, the Group aims to improve its employment system with the following commitment:

Commitment for 2020	
Employment	<ul style="list-style-type: none"> To review the coverage of employees on basic pension, medical insurance, work injury insurance and maternity insurance

Diversity and Equal Opportunities

Azeus cherishes our employees and treats them with respect and dignity in a safe environment free from discrimination and harassment. The Group is committed to achieving equal opportunity in the workforce and treating all employees fairly, without regard to any characteristics that have no bearing on job performance. The Group establishes the Equal Opportunities Policy to outline the procedures with regard to recruitment and selection, training and promotion.

The Group reviews the effectiveness of the policy and action regularly to identify areas of and reasons for unintentional impact on particular groups in the workforce, as well as identify appropriate corrective action, such as defining targets for future change to take place.

Categories		Board composition (by percentage)
By Gender	Male	80%
	Female	20%
By age	<30 years old	0%
	30-50 years old	0%
	>50 years old	100%

The policy and action programmes are communicated widely to employees. The legally required notices are openly displayed to promote employees and applicants' awareness of equal opportunity.

The Group establishes the grievance procedure for employees to raise their concern on any unfair or unlawful discrimination or any type of racist or sexist abuse or harassment, through approaching the relevant Group HR director.

Going forward, the Group aims to further achieve diversity and equal opportunities at the work place with the following commitment:

Commitment for 2020	
Diversity and Equal Opportunities	<ul style="list-style-type: none"> To provide regular trainings on diversity and equal opportunities to employees based in different geographical regions and engaged in different functions of work.

Occupational Health and Safety

Occupational health risks are identified to be a core threat to Azeus. Stringent management policies and regulations are in place to avoid injuries and health problems whenever possible. Apart from compliance with the relevant laws and regulations, the Group also establishes rules and practices that go beyond the statutory requirements. The Group establishes the Safety Committee at each office to coordinate, implement and administer the safety and health program.

	Number	Rate
Number of fatalities by work-related injury	0	0%
Number of high-consequence work-related injuries (excluding fatalities)	0	0%
Number of recordable work-related injuries	0	0%
Number of fatalities caused by work-related ill health	0	0%
Number of recordable work-related ill health	0	0%

Hong Kong Office

On account of Azeus’s office-based nature, the Group identifies the prolonged use of display screen equipment (continuously for at least 4 hours; or cumulatively for at least 6 hours during a day) as the major risks of occupational hazards and injuries. The Group implements preventive measures, such as providing guidelines on recommended computer workshop design and working posture, as well as improving work organization and work practice. The Group also establishes the Manual Handling Guidelines to advise employees on correct posture of handling loads to prevent incorrect application of bodily force, and to provide guidance on the use of protective and appropriate clothing.

To go beyond the standard set out in the regulations and to maintain a safe and healthy workplace, employees could directly report to the HR or Admin Department if they encounter any incidents.

Philippines Office

The Safety Committee established for Philippines Office include:

- conducting or facilitating safety and health training;
- providing resources related to health and safety for supervisors and employees;
- identifying potential hazards;
- identifying methods to control or eliminate the hazards;
- ensuring employees engage in safe and healthful work practices.

Employees participate in regular health and safety inspections to identify potential hazardous conditions. After reviewing, the Safety Committee will implement timely corrective actions and notify the outcome to the employee who reported the hazard or potential hazard.

EMPLOYMENT PRACTICES

United Kingdom Office

Apart from providing Health and Safety Guidelines which outline the good practices at offices, the Group also establishes the Health and Safety Policy for the United Kingdom office, which aims at ensuring a safe working environment for employees working alone and providing guidance on the avoidance and reduction of risks related to health and safety. Risk assessment is conducted for identifying the improvement of procedures and safety equipment. The Line Managers are kept informed and are assigned to continuously review the risks

Going forward, the Group has set out the following social targets for occupational health and safety:

Targets for 2020	
Occupational Health and Safety	<ul style="list-style-type: none">• To develop procedures to identify work-related hazards and assess risks• To provide awareness training on occupational health and safety• To optimise accident or incident investigation procedures• To optimise safety inspection procedures to cover the work environment, workers' health, and first aid and emergency treatment• To optimise the functions and increase the coverage of the safety committee to allow worker participation and consultation related to occupational health and safety issues

Training and Education

Azeus promotes a culture of lifelong learning and supports our employees to achieve their full potential. The Group office establishes the Training and Development Policy to help fulfil our commitment to the continuous development of our employees through a planned and structured approach to learning.

The Group proactively assesses the training needs of employees through the Training Needs Assessment ("TNA"). Based on the organizational direction, needs of employee and project, as well as the changes of processes and procedures, the TNA group which consists of management team and Human Resources department performs the assessment to identify and analyse the training needs. The identified training needs will then be submitted to Azeus Institute for subsequent arrangements.

The Azeus Institute provides training programmes on a wide spectrum of topics such as orientation, web programming and product testing. After the training, the trainer will conduct evaluation and arrange discussion with the participants to gather feedbacks for improving subsequent training courses and projects.

Azeus seeks to continually improve environmental performance of our business operations. Recognizing the escalating effects of environmental degradation, the Group establishes the Environmental Policy to incorporate measures for environmental protection throughout our operations. Apart from advocating the environmental initiatives internally, the Group also formulates the Environmental Guidance Notes to stipulate our requirements to the suppliers and contractors.

The Hong Kong office implements the Environmental Management System (EMS) that complies with the requirements of ISO 14001 standards. To improve awareness of the employees, the Hong Kong office provides regular environmental training to the employees.

Use of Resources

A core component of maintaining sustainable development is to effectively manage the use of resources so that the well-being of future generations will not be endangered. Azeus is committed to integrate measures to conserve resources into our business decisions.

Water consumption

While currently Azeus's operation does not face any water scarcity, the Group acknowledges the global water stress and that the world is in need of more stable supply of clean water. By assessing our water consumption, the Group is able to effectively manage and reduce water usage. The Group adopts a series of measures to effectively manage the use of water.

Water reduction initiatives

- regularly checking pipes and taps for leakage and repairing when needed
- regularly monitoring water consumption
- adopting water efficient appliances

Region	Water Consumed in FY2019 (cubic meter)	Water Consumed in FY2018 (cubic meter)
Hong Kong	48	59
Philippines	155	214
United Kingdom	15	58
Total	218	331

Target actions for 2020

Water and Effluents	<ul style="list-style-type: none"> • To review the outcomes of water reduction initiatives • To identify an action plan for continuous reduction of water consumption
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ENVIRONMENTAL PROTECTION

Energy Use

It is Azeus's aim to make a positive influence while ensuring business continuity. The Group has in place a series of initiatives to reduce energy consumption of our operations.

Energy reduction initiatives		
<p><i>Electrical appliances</i></p> <ul style="list-style-type: none"> Switching off idle office equipment (e.g. monitors, computers, printers and photocopiers) when they are not in use Setting appliances to energy saving mode where possible 	<p><i>Air-conditioning</i></p> <ul style="list-style-type: none"> Ensuring that external doors are closed to conserve internal heat/cold 	<p><i>Lighting</i></p> <ul style="list-style-type: none"> Maximizing the use of natural light Switching off office lights when not in use

Region	Energy consumed in FY2019 (GJ)	Energy consumed in FY2018 (GJ)
Hong Kong	281	318
Philippines	1,020	1,099
United Kingdom	9	24
Total	1,310	1,441

Target for 2020	
Energy consumption	<ul style="list-style-type: none"> To identify and implement more diverse initiatives of energy efficiency, specifically for the Philippines office, replacement of fluorescent lights with LED system to be carried out by end of FY2020

Emissions and Waste Management

Greenhouse Gas ("GHG") and Air Emissions

GHG emissions are closely related to climate change. To quantify the GHG emissions produced by the operations, Azeus conducted carbon assessment with reference to GHG protocol guidelines.

Apart from adopting energy reduction measures, Azeus also strives to implement relevant GHG reduction measures through utilizing the green application technology.

Application technology: Convene Board Portal

The Company developed Convene, an award-winning meeting solution provider that enhances the effectiveness and efficiency of meetings, from organising and distribution to conducting, documenting, and generating actions. It supports both paperless and remote meetings, enabling staff to save on paper costs for printing documents, as well as transportation costs for traveling to meeting venues. With Convene, organizations can reduce paper usage by as much as 100,000 pages per month. Cost savings can be verified using this calculator: <https://www.azeusconvene.com/paperless-board-meeting-savings-calculator>.

As proof of its continuous innovation and widening reach, Convene has received multiple awards from prestigious institutions:

In 2016, Convene was hailed as the Storage and Information Management Solution of the Year at the concluded European IT & Software Excellence Awards, besting hundreds of software entries from more than 31 countries. Past awardees include trusted brands such as Hewlett Packard, Red Hat, and VMWare. Convene also brought home two silver awards Best in Biz International Awards in two categories: Most Innovative Product of the Year – Enterprise and App of the year – Enterprise and SMB. With its highly selective panel of judges, best in Biz Awards is able to leverage the experience and expertise of an influential group of global opinion makers to determine award winners.

In 2017, Convene was dubbed as the winner of the Golden Peacock Innovative Product/Service Award that was established by the Institute of Directors (IoD) of India. It is a great honour for a Hong Kong-based product to win an award in India, where the top IT companies are based.

In 2018, Convene received two accolades from internationally acclaimed institutions – a Silver Award for Innovation in Business Utility Apps at the Asia-Pacific Stevie Awards and the title of SaaS Enterprise Solution of the Year at the European IT & Software Excellence Awards.

Convene’s growth as a commercial, off-the-shelf solution is aligned with the Company’s vision to not only use solutions that reduce carbon footprint, but also to provide said solutions to other organizations looking to achieve the same goal.

In the reporting year, Azeus completed assessment of GHG emissions for the operations of the Hong Kong office, Philippines office, and UK office, with results summarized in the following table:

Scope	Emissions (tonnes)
Direct (Scope 1) GHG emissions	0
Indirect (Scope 2) GHG emissions	285
Other indirect (Scope 3) GHG emissions	42
Total GHG emissions	327

ENVIRONMENTAL PROTECTION

The Group will annually assess, record and disclose our GHG emissions. Annual monitoring of emission data will help with formulation of more accurate emissions reduction targets in the coming years.

To further reduce emissions of air pollutants, the Group encourages employees to use public transportation to travel. To understand more about our air emissions and provide stakeholders with a more comprehensive overview of our environmental performance, the Group will continue to improve its data collection system and cover other air emissions, including ozone-depleting substances, nitrogen oxides, sulfur oxides and other significant air emissions among the value chain.

Targets for 2020

GHG emissions	<ul style="list-style-type: none"> To review and prioritise actions for the reduction of GHG emissions To improve environmental data collection system
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Waste Management

While business operations of Azeus produce different types of waste, the Group makes an effort to ensure that each type of waste is appropriately handled by qualified bodies to minimize our impact on the environment during the process of disposal.

The Hong Kong office formulates the instruction for outlining appropriate waste management practices.

Region	Waste generated (kg)
Hazardous wastes	158
Non-hazardous wastes	538

Waste type	General waste	Chemical waste	Regulated electrical equipment
Handling procedures	<ul style="list-style-type: none"> Solid wastes are segregated to general refuse, paper wastes, packaging wastes and metal wastes for recycling Personnel (e.g. cleaning staff or contractor) are assigned to collect and transfer the waste to storage area 	<ul style="list-style-type: none"> Licensed collectors are appointed to collect and dispose of UPS batteries UPS batteries are stored in separated storage container 	<ul style="list-style-type: none"> Appropriate practices are adopted to collect the regulated electrical equipment, e.g.: <ul style="list-style-type: none"> choosing the statutory free removal service delivering to Community Green Stations delivering E-waste Collection Vehicle stations appointing licensed collectors

The Environmental Management Representative (EMR) should ensure that the specified waste management practices are followed by employees and contractors while the Administration Department is responsible for identifying the noncompliance and corrective actions.

Local Communities

As a caring enterprise, Azeus is keen on fulfilling the expectations of various stakeholders and the communities which we operate in. The Group is committed to investing in and supporting different initiatives. For example, the Group provides scholarships for select students and offers on-the-job training to expose college students to the IT industry.

The Group provides support to employees when they volunteer in or sponsor community events. They are entitled to take sabbatical leave, financial allowances or stipends, for activities such as teaching in Universities.

Care for the Elderly and the Underprivileged

The Hong Kong office organized a Chinese sticky rice dumpling handicraft making activity in June 2019. The volunteer team had a great time making more than 50 traditional paper rice dumplings. The paper dumplings were then sent to Hong Kong Christian Service and the Hong Kong Society for the Aged for a shower of festive blessings for the Dragon Boat Festival.



GRI CONTENT INDEX

Disclosure	Description	SGX	Page	Remarks
GRI 102: General Disclosures 2016				
Organizational Profile				
102-1	Name of the organization	-	1	-
102-2	Activities, brands, products, and services	-	1-3	-
102-3	Location of headquarters	-	1	-
102-4	Location of operations	-	1	-
102-5	Ownership and legal form	-	1	-
102-6	Markets served	-	1,3,11	-
102-7	Scale of the organization	-	1-3	-
102-8	Information on employees and other workers	-	15	-
102-9	Supply chain	-	14	-
102-10	Significant changes to the organization and its supply chain	-	-	Convene DWC LLC and Convene India Private Limited were incorporated; There were no significant changes to its supply chain
102-11	Precautionary Principle or approach	-	8	-
102-12	External initiatives	-	-	In review
102-13	Membership of associations	-	-	Information unavailable
Strategy				
102-14	Statement from senior decision-maker	LR711B-1e	6	-
102-15	Key impacts, risks, and opportunities	PN7.6-3.3	8	-
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behaviour	-	3	-
Governance				
102-18	Governance structure	PN7.6-3.1	7	-
102-21	Consulting stakeholders on economic, environmental, and social topics	PN7.6-3.7	9	-
102-29	Identifying and managing economic, environmental, and social impacts	PN7.6-3.3	9-10	-

Disclosure	Description	SGX	Page	Remarks
Stakeholder Engagement		PN7.6-3.3		
102-40	List of stakeholder groups		9	-
102-41	Collective bargaining agreements		-	Information unavailable
102-42	Identifying and selecting stakeholders		9	-
102-43	Approach to stakeholder engagement		9	-
102-44	Key topics and concerns raised		10	
Reporting Practice				
102-45	Entities included in the consolidated financial statements	-	1	-
102-46	Defining report content and topic Boundaries	-	4	-
102-47	List of material topics	-	9	-
102-48	Restatements of information	-	-	There were no restatements of information
102-49	Changes in reporting	-	9	-
102-50	Reporting period	-	4	-
102-51	Date of most recent report	-	-	29 March 2019
102-52	Reporting cycle	-	4	-
102-53	Contact point for questions regarding the report	-	5	-
102-54	Claims of reporting in accordance with the GRI Standards	LR711B-1d	-	GRI-referenced claim
102-55	GRI content index	-	24-27	-
102-56	External assurance	PN7.6-3.8	-	In review
Material Topics				
GRI 205: Economic Performance 2016				
103	Management approach disclosures	LR711B-1 b&c	-	Annual Report 2019
201-1	Direct economic value generated and distributed	-	11-12	-
201-2	Financial implications and other risks and opportunities due to climate change	-	11-12	-
201-4	Financial assistance received from government	-	-	There was no financial assistance received from government
GRI 204: Procurement Practices 2016				
103	Management approach disclosures	LR711B-1 b&c	14	-

GRI CONTENT INDEX

Disclosure	Description	SGX	Page	Remarks
GRI 205: Anti-corruption 2016				
103	Management approach disclosures	LR711B-1 b&c	13	-
205-3	Confirmed incidents of corruption and actions taken	-	13	-
GRI 302: Energy 2016				
103	Management approach disclosures	LR711B-1 b&c	20	-
302-1	Energy consumption within the organization	-	20	-
302-2	Energy consumption outside of the organization	-	20	-
302-4	Reduction of energy consumption	-	20	-
302-5	Reductions in energy requirements of products and services	-	20	-
GRI 303: Water and Effluents 2018				
103	Management approach disclosures	LR711B-1 b&c	19	-
303-1	Interactions with water as a shared resource	-	19	-
303-2	Management of water discharge-related impacts	-	19	-
303-3	Water withdrawal	-	19	-
GRI 305: Emissions 2016				
103	Management approach disclosures	LR711B-1 b&c	20-22	-
305-1	Direct (Scope 1) GHG emissions	-	21	-
305-2	Energy indirect (Scope 2) GHG emissions	-	21	-
305-3	Other indirect (Scope 3) GHG emissions	-	21	-
305-5	Reduction of GHG emissions	-	22	-
GRI 306: Effluents and Waste 2016 (waste-related only)				
103	Management approach disclosures	LR711B-1 b&c	22	-
306-2	Waste by type and disposal method	-	22	-
306-3	Significant spills	-	-	There were no spills
306-4	Transport of hazardous waste	-	22	-
GRI 401: Employment				
103	Management approach disclosures	LR711B-1 b&c	15	-
401-1	New employee hires and employee turnover	-	15	-

Disclosure	Description	SGX	Page	Remarks
GRI 403: Occupational Health and Safety 2018				
103	Management approach disclosures	LR711B-1 b&c	17-18	-
403-1	Occupational health and safety management system	-	17-18	-
403-2	Hazard identification, risk assessment, and incident investigation	-	17-18	-
403-3	Occupational health services	-	17-18	-
403-9	Work-related injuries	-	17	-
403-10	Work-related ill health	-	17	-
GRI 404: Training and Education 2016				
103	Management approach disclosures	LR711B-1 b&c	18	-
404-2	Programs for upgrading employee skills and transition assistance programs	-	18	-
GRI 405: Diversity and Equal Opportunity 2016				
103	Management approach disclosures	LR711B-1 b&c	16	-
405-1	Diversity of governance bodies and employees	-	16	-
GRI 413: Local Communities				
103	Management approach disclosures	LR711B-1 b&c	23	-
413-1	Operations with local community engagement, impact assessments, and development programs	-	23	-
413-2	Operations with significant actual and potential negative impacts on local communities	-	23	-



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