



United Nations Global Compact

Communication on Progress Report 2021/22

By EcoSage Limited

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

empowering
sustainability





Our Commitment and Annual Statement

We are pleased to confirm that EcoSage Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption throughout our activities and operation.

In this annual Communication on Progress Report, we will describe our sustainable development, circularity, actions, policies, and outcomes to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations to help our clients achieve sustainability.



The cover period of this report is from 02 September 2021 to 02 September 2022 and commit to sharing the communication information with our stakeholders, clients, suppliers, contractors, and other interest parties continually.

We support public accountability and transparency, and therefore commit to report on progress annually according to the UN Global Compact COP policy.


This includes:

- A statement signed by our Director and Founder expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake)



to implement the UN Global Compact principles in each of the four issues areas (human rights, labour, environment, anti-corruption).

- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results)



Mr. TAM Wai Kit, Alex

Director

EcoSage Limited

19 Aug 2022



Introduction

EcoSage Limited is leading in Hong Kong as a Sustainability Solution Integrator. We drive sustainability for our customers through a data-driven waste management approach, by integrating sustainability in every process of IT Asset Disposition and reversed supply chain management, we enable our customers to make positive impacts on the society and environment, and higher business returns.





Human Rights

- *Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights*
- *Principle 2 - Make sure that they are not complicit in human rights abuses*

Human rights are kind of a universal value that everyone, every country and business should respect and follow. The principles of "respect for the rights of others, protection of the rights of self-interest" are inseparable and should be shared by human society. EcoSage Limited support and respects internationally proclaimed human rights and is against all kinds of human rights abuses in our Company.

OUR POLICY

We commit to support and respect the human rights and dignity of our employees, those employed in our supply chains, and relevant interested parties in which we operate through implementing the "Human Rights Policy".

- **Diversity and Inclusion**
 - Company aims to create an inclusive and supportive working environment for all our people regardless of their age, gender, gender identity, sexual orientation, relationships, family status, disability, race, ethnicity, nationality, or religious or political beliefs. Our employment decision is based on merit, considering qualifications, skills, and achievement, and work to eliminate discriminatory bias in all its forms.
- **Health and Safety**
 - We are concerned the health and safety of our workforce is fundamental to our business achieving long-term success. We implement the health and safety management system to protect our staff, such as providing



information, instruction, training and supervision. We would take all reasonable steps to eliminate safety and health hazards in the Company's operation, and where this is not reasonably practicable, to devise procedures and guidelines to reduce such hazards to an acceptable level. Unsafe conditions and practices once identified, should be rectified as soon as possible.

- Employment and Operation Work
 - We have flexible working hours and working days which achieve the work-life balance to ensure the mental and physical health of our employees. During the epidemic period, our Company implement the work from home and shift duty approach to reduce the risk of infection and protect our employee's health.

COMMUNITY ENGAGEMENT

During the epidemic period, all the schools in Hong Kong have been class suspension and the students require study at through online classes. However, many grassroots students lack computer facilities, which may affect their learning progress and education quality.

In 2021, we have partnered with Caring For Children Foundation and Rotary Club of Golden Bauhinia Hong Kong to organize the activity "OneMoreLife", which recycle electronic goods, those desktops, and laptop with the good condition were donated to the children. We believe everyone have an eligibility of quality education and should not be affected by poverty, financial burden or other factors.

Many resources are reusable and recyclable after repair and upcycle, we organize some donation activities to the community achieving win-win situation, which both beneficial to our company and society. Such as furniture donation to the primary school for reuse. We also donated the uniforms with good quality to the NGOs, which is to give youth dress properly for interview, event activities, studio use or photo taking purpose, to reuse the resources and reduce the financial pressures of youth.



Apart from donations, we also participate many seminars and activities in recycling, sustainability, and circularity. For example, we were invited by The Education University of Hong Kong as a mentor to give the students and alumni a seminar about sustainability development, to share our experience and knowledge to them that pursue their dreams and creations by starting up a sustainable venture relating to EdTech, education innovation and social innovation.

Measurement of Outcomes

- All of our code of conduct, policy, procedure, flow chart and statements have English and Chinese versions to ensure our employees understand that.
- Provided training to our employees to understand our human rights policy and workplace code of conduct.
- Received many thanksgivings cards and certificates from the receiving organization after donation.
- In case of any violations, they would be recorded and properly and quickly resolved.



Labour

- *Principle 3 - Businesses should uphold freedom of association & effective recognition of the right to collective bargaining*
- *Principle 4 - The elimination of all forms of forced and compulsory labour*
- *Principle 5 - The effective abolition of child labour*
- *Principle 6 - Eliminate discrimination in respect of employment and occupation*

EcoSage Limited respects the labour rights to join trade or labour unions and to collective bargaining.

POLICY

We have a policy as “Human Right Policy” and “Equal Opportunities and Non-discrimination Statement” to protect and support our employee’s rights.

In the Labour Practices, we prohibit the use of child labour in our businesses and supply chains. All our employees are above the legal age of employment in the countries in which they are employed. Interns and those gaining work experience who are under the legal age of employment are only engaged where it is legal and safe to do so.

We do not employ forced labour, including prison, indentured, bonded, military or slave labour. Nor do we engage in human trafficking. We do not tolerate physical punishment, threats of violence or other forms of physical, sexual, psychological or verbal abuse as a means of enforcing discipline or control in the workplace.

We also comply with applicable laws and regulations relating to freedom of association, and respect our employee’s right to join, form or not join the labour



unions in accordance with local law without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we negotiate with the union in good faith.

In addition, we have zero tolerance for discrimination and harassment. We require all its employees to strictly observe professional conduct at all times. The discriminatory acts included:

- Sexual harassment
- Sex discrimination
- Marital status discrimination
- Pregnancy discrimination
- Breastfeeding discrimination and harassment
- Disability discrimination, harassment and vilification
- Family status discrimination
- Racial discrimination, harassment and vilification; and
- Victimization

TRAINING

Training employees on human rights and equal opportunities and non-discrimination to ensure employees understand their rights and the company respect and support it. The training course, traditional on-site training, and physical policy signings would be required annually.

COMMUNICATION WITH EMPLOYEES

We have many different channels available to communicate with our employees such as email, face-to-face communication, live chats and the anonymous mailbox was placed on the office which designed for those who do not wish to reveal their names. Apart from that, we also have a labour meeting monthly that all the employees can share their opinions, comments, suggestion and case finding during the operation, the investigation and corrective action will be taken for improvement. All the records and comments will be reported and disclosing annually.

We support and respect the employees join and form the labour unions, our



company's representative is also willing to attend meetings, dialogue and have a speech at the conferences organized by the labour unions if required, to understand the aspirations of employees and to improve the company's labour policy that ensures their rights are not infringed. All the improvements and records will be disclosed to our website and social media.

Measurement of Outcomes

- Achieved 10 year + Caring Company Certificate in 2021-2022, which programme to build a cohesive society by promoting strategy partnerships among business and social service partners, and inspiring corporate social responsibility through caring for the community, employees and the environment.
- All of our manager completed a training course of Safety and Health Training for Management Staff in Waste Recycling Industry organized by The Occupational Safety and Health Council. The managers were eligible to provide a safety and health training course to our employees and all the employees were completed the training course and understand their rights.
- The policy was updated according to local government new regulations and the new guidance from Labour Department.
- Conducted the meetings on the labour unions and negotiations will legally recognized labour unions in our factory if required.
- No employee dispute, complaints, lodge claim or any undermines of labour rights was issued and reported in 2021.
- In case of any labour issue occur, the investigate and corrective action will be taken for improvement. All the outcome will formally record and reported.



Environment

- *Principle 7 - Businesses should support a precautionary approach to environmental challenges*
- *Principle 8 - Undertake initiatives to promote greater environmental responsibility*
- *Principle 9 - Encourage the development and diffusion of environmentally friendly technologies*

Climate change and limited resources make environmental impacts be a universal values and global concern issue, people are becoming more environmentally conscious and higher environmental awareness. Manage environment issue in sustainable way is one of the indicators for enterprise towards sustainable business. EcoSage Limited commit to undertake the environmental responsibility that manage the use of resources in the most effective and efficient manner, incorporate environmental issues into our operations, compliance with the local and international environmental protection legislation to reduce environmental impacts and financial cost.

ENVIRONMENTAL POLICY

Our Company establish the “Environmental Policy” with environmental objectives and targets that reduce carbon emission and waste through our operation.

We are committing to

- alleviate reduce environmental impacts through our daily business
- continual improvement on environmental performance
- adopt green purchasing practice
- compliance with HKSAR environmental regulation
- obtain at least one environmental achievement



To reduce carbon emissions and unnecessary waste, we will implement energy controls and waste management in our factories and offices.

For energy saving, we are targeted to reduce the electricity by 10% compared to the previous year and 5-10% reduction each year thereafter in order to mitigate climate change. We also prefer the use of renewable energy instead of fossil fuel.

In waste management, put the recycling box in our factory and office that maximum the materials use, achieving 80% or above recycling rate and reuse the materials as much as possible to achieve the SDGs13.

We keep emerging environmental technologies to minimize environmental impact and continuously monitor manufacturing processes and machinery that make improvements to keep adverse environmental impact to a minimum.

In addition, implement the “Green Procurement Policy” that engaged in procurement decision-making guidance for green procurement to minimize the adverse environmental impacts and prioritize the use of environmentally friendly materials. All of our materials and products are procured according to our Green Procurement Policy and environmental consideration.

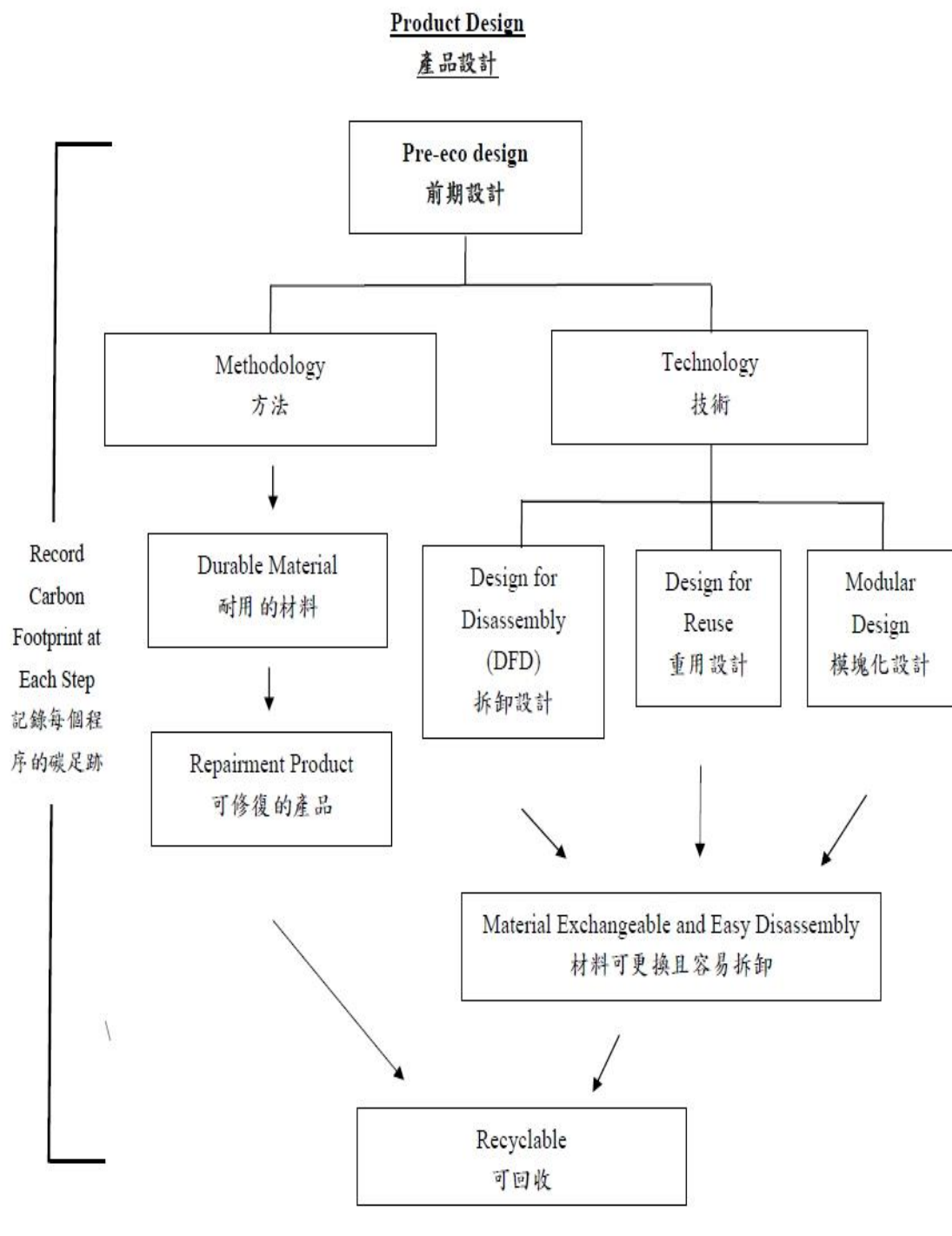
ENVIRONMENTAL MANAGEMENT

We have certified ISO 14001 Environmental Management System (EMS) that well-developed environmental policy, planning, implementation and operation, inspection and corrective measures, management evaluation/review which compliance with the local environmental legislations. It endorsed our environmental performance and take a social responsibility in circularity.

All of our operation and procedure have well evaluated with its environmental impacts and mitigation measures, which is the effective way toward sustainability and circularity. Also, we will manage and record the carbon footprint throughout the whole operation procedure of circularity and sustainability solution, such as



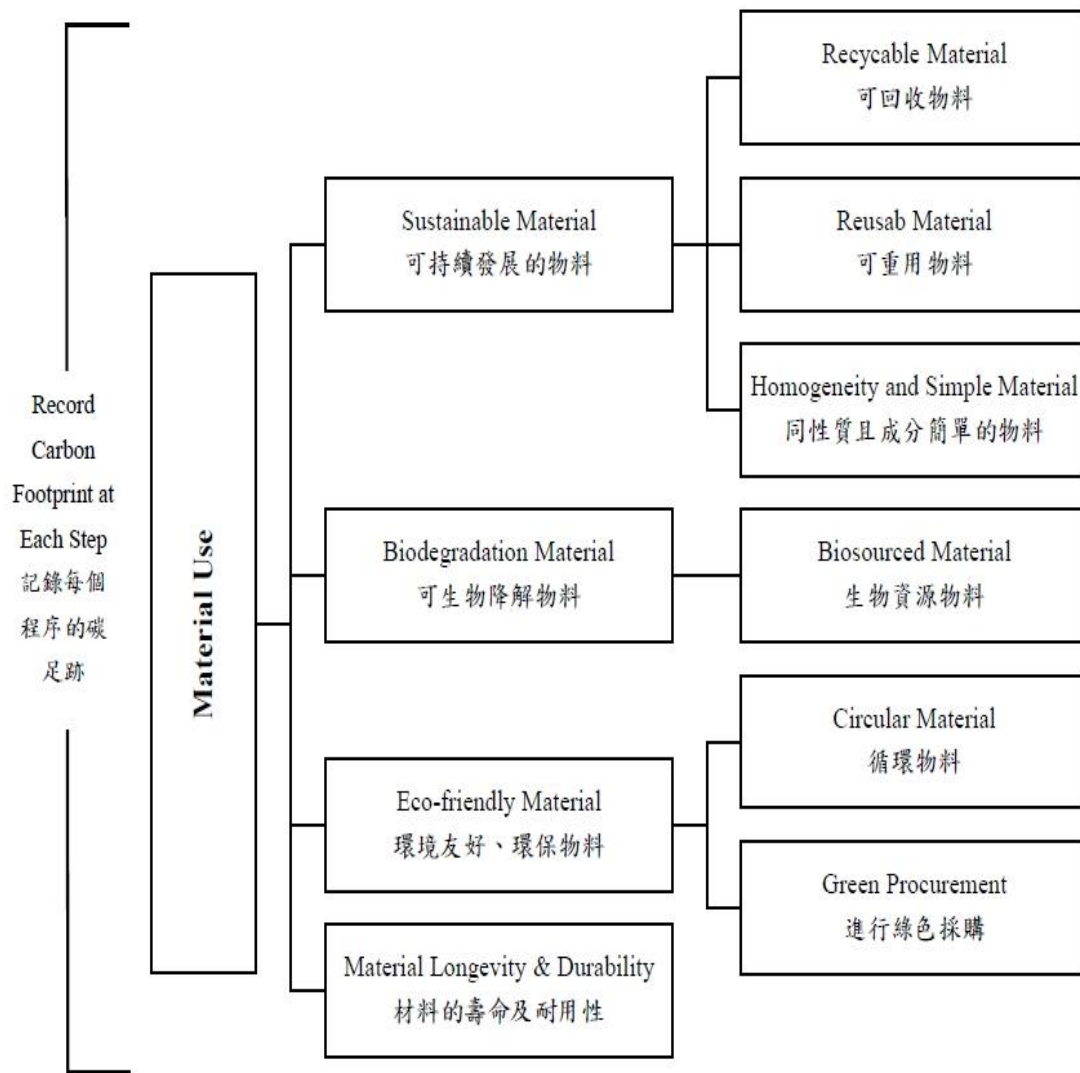
from product design, material selection, production and operation, to the end-of-life products disposition.





Material Selection Hierarchy

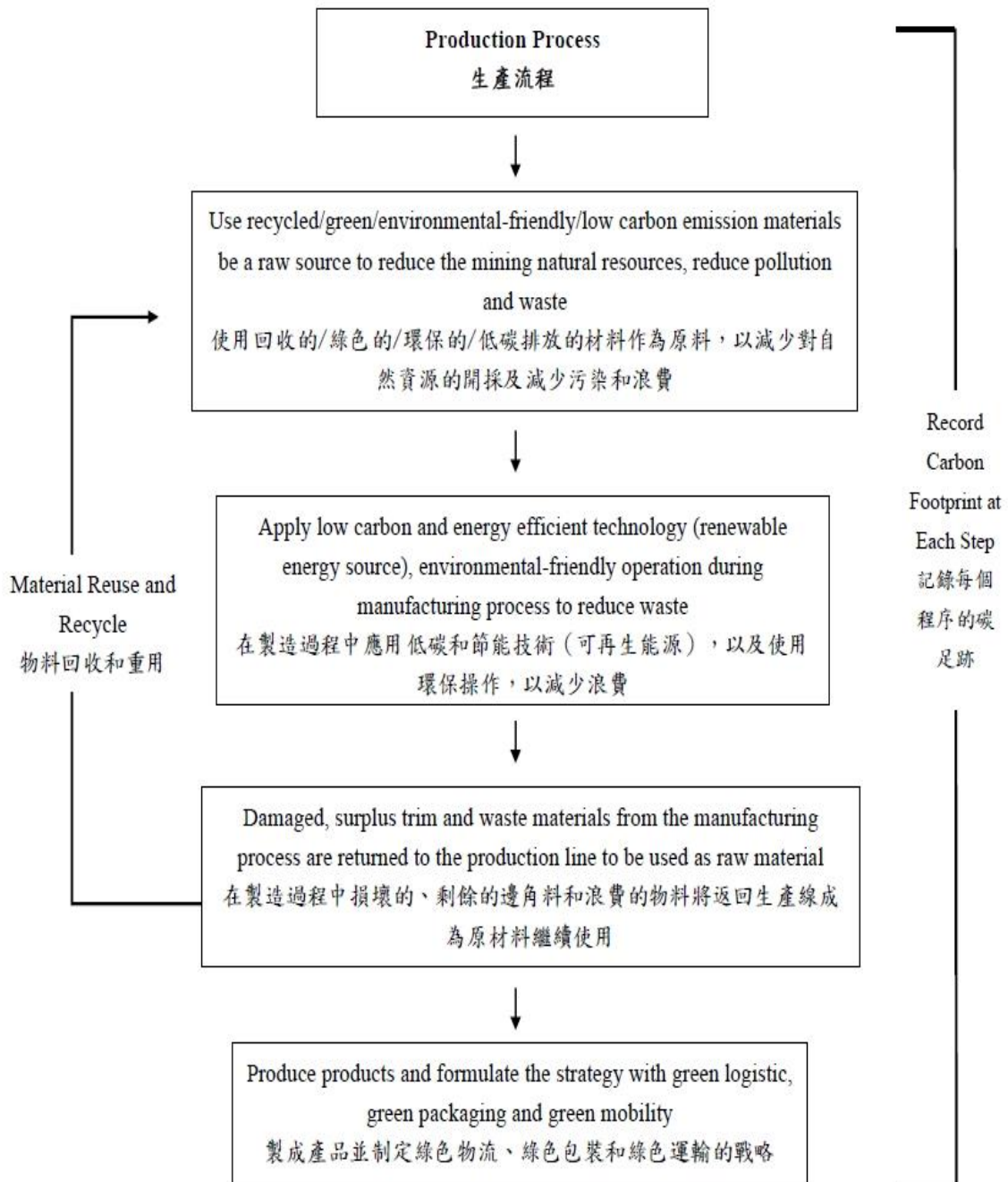
材料選擇

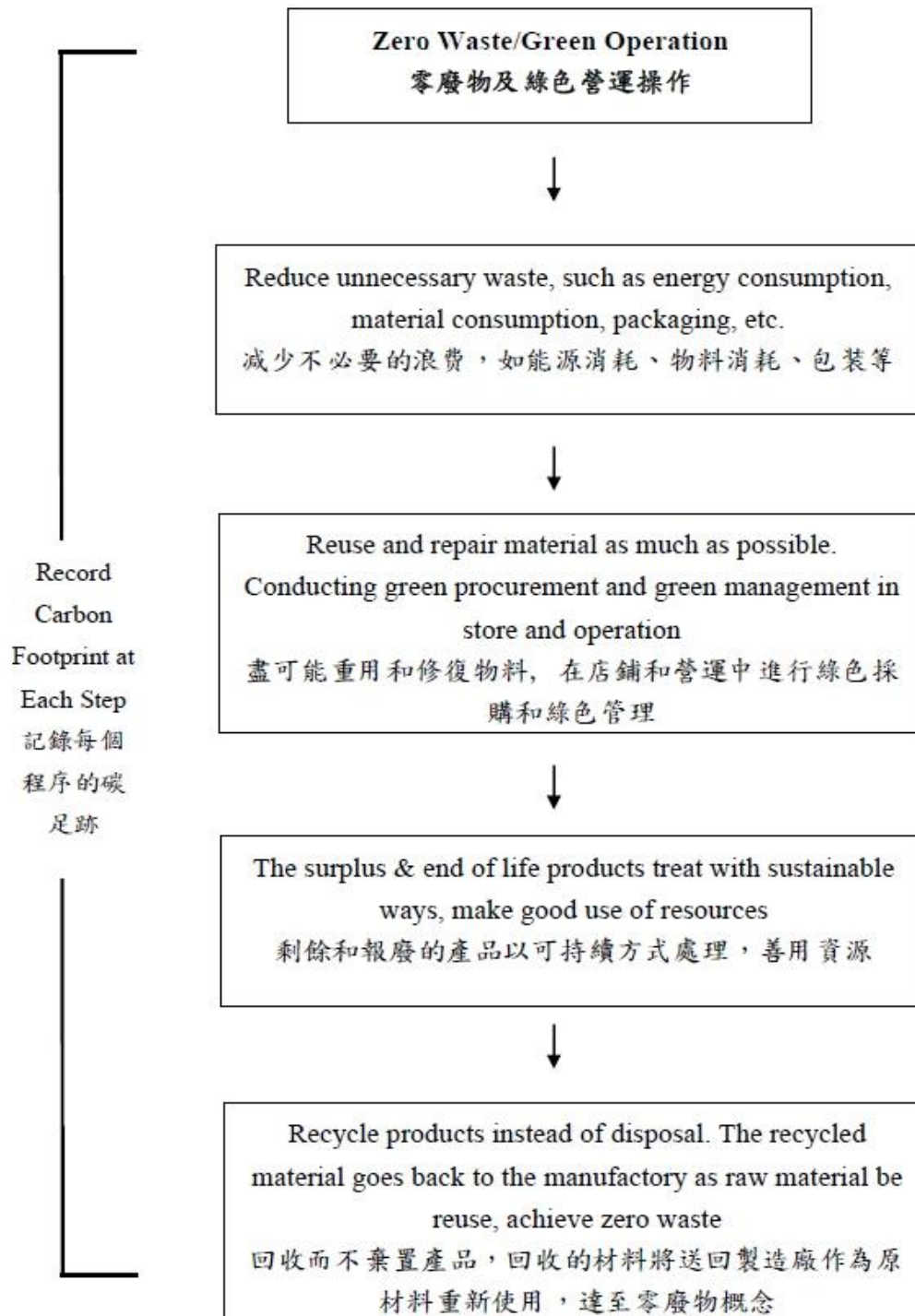




Production and Operation Process

生產及營運

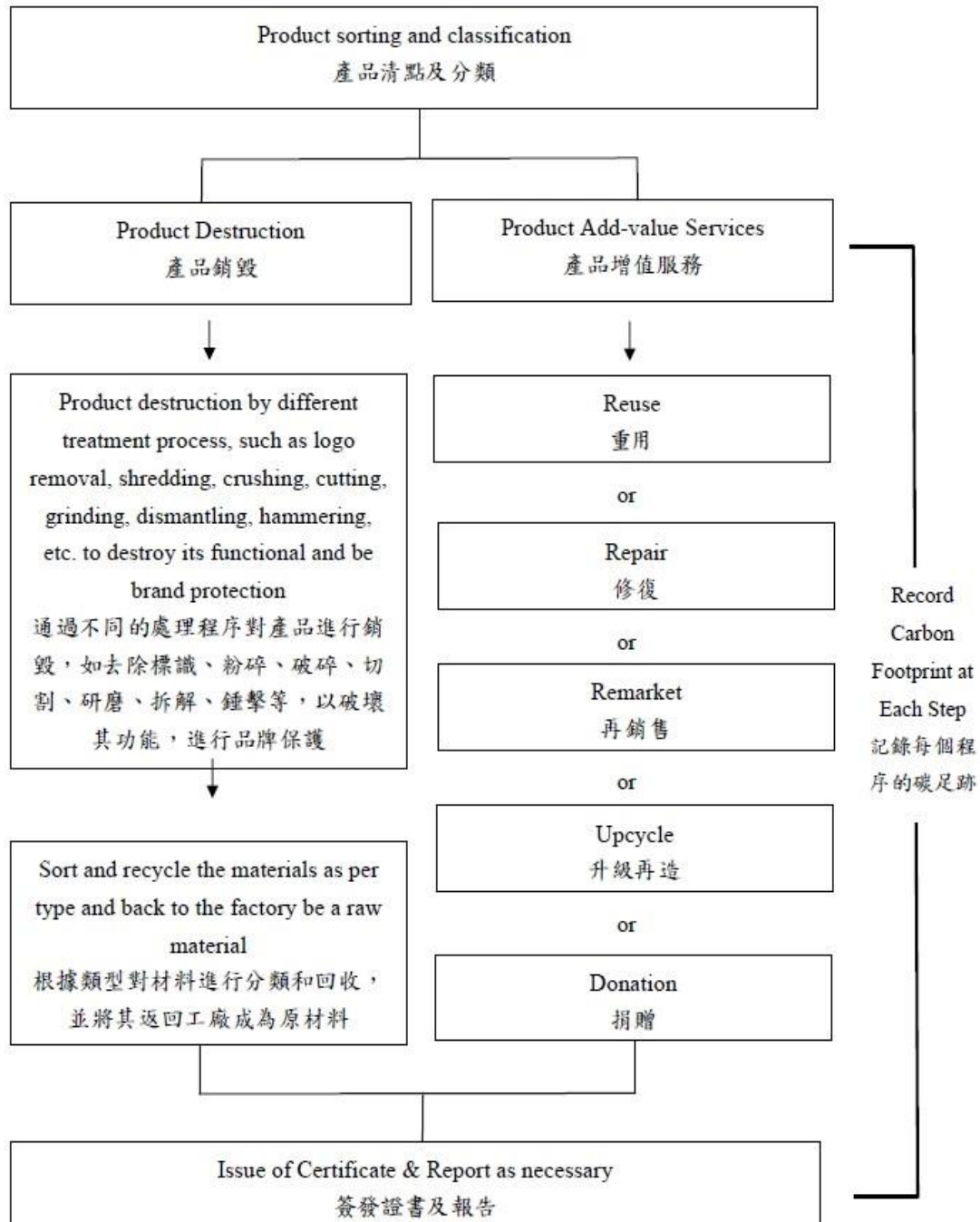






End-of-life Products Disposition

產品報廢/銷毀處理





We are the first Company that certified Circularity and Sustainability Solution in Hong Kong, which means all our operation, process, data generate and carbon emission calculation have been certified by the Hong Kong Quality Assurance Agency with transparency and traceability, according to International Standard on Assurance Engagement (ISAE) 3000 (Revised) – “*Assurance Engagement Other Than Audits or Reviews of Historical Financial Information*” issued by the International Auditing and Assurance Standards Board.

Based on the process and procedures conducted, there is no evidence that the information stated in the Report:

- is not materially correct and is not a fair representation;
- has not been prepared in accordance with relevant international protocols or practices.

ENVIRONMENTAL REPORTING

Our proprietary Sustainable Report which is a task completion report that summarize all related information to demonstrate the chain of custody (including time, quantity, personnel, etc.). EcoSage will transform the data into sustainability performance. We can visualize the Carbon Footprint arising from our service, and the corresponding the carbon offsetting calculation aligned with international recognized standard;

EcoSage initiative in the establishment of sustainability performance database empowers EcoSage keeping track our client’s environmental and carbon footprint performance, EcoSage can provide quick response to meet the client’s need in performance monitoring.

Our internal Product Carbon Footprint Database containing a total of 2,687 carbon footprint value from different Brand allow us to visual the carbon emission reduction. Its strengths the client’s effort and visibility in improving the increase energy demand.



TRAINING

Training course of ISO 14001 and EMS would be provided by our senior manager and chairperson. All of our employees require completed the training course and understand the environmental control, environmental policy and corrective action in the workplace and operation. The training course is the traditional on-site training, the physical policy signings would be required for our employees annually.

COMMUNITY COLLABORATION

We have established the partnership of various sectors locally, such as NGOs, civil society, public and business partner to create the material and resources reuse network, we would share the resources for recycle, reuse, upcycle and donation etc., in order to give second life of materials and reduce waste.

We also set up the EcoArt Association that grouping together talented designers to upcycle the materials into value-add and meaning products, which giving new value to the products and extending its lifecycle. It used to promote sustainability and waste reduction through material circulation and upcycling.

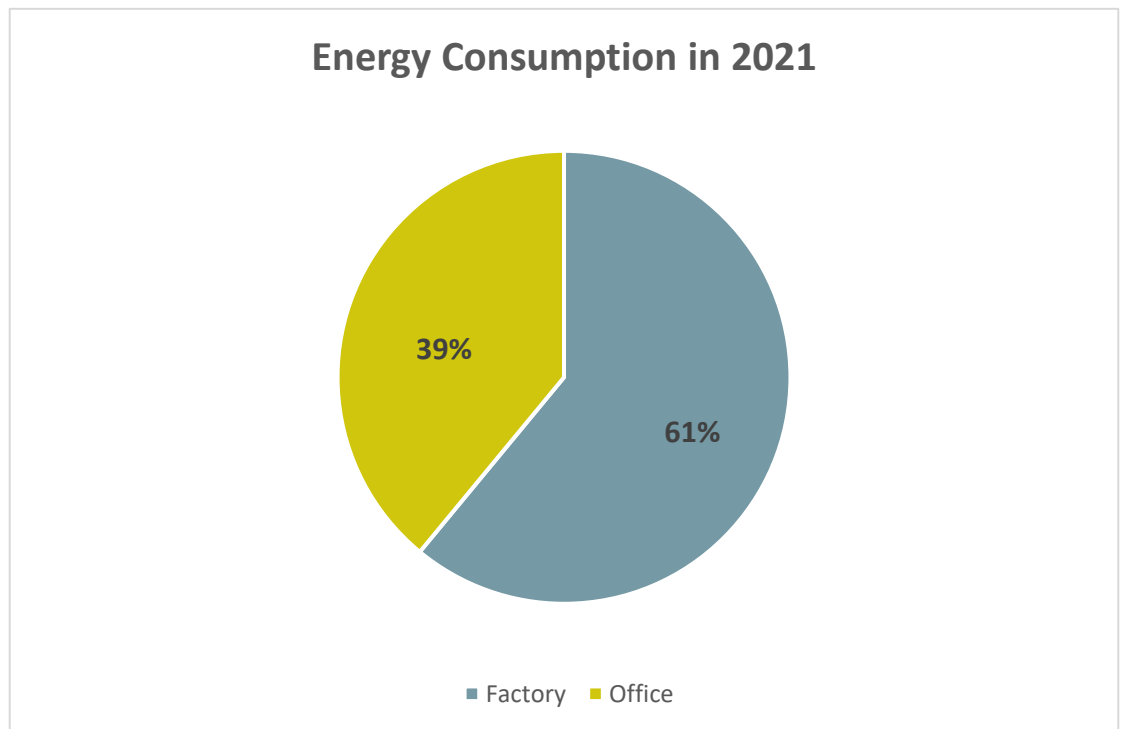
We are encouraging collaboration with various sectors to create a sustainable waste reduction culture and to make sustainable development more diverse and efficient.

Measurement of Outcomes

- Environmental Achievement
 - Achieved 10 year + Caring Company Certificate in 2021-2022, which programme to build a cohesive society by promoting strategic partnerships among business and social service partners, and inspiring corporate social responsibility through caring for the community, employees, and the environment.
 - Certificated the Circularity and Sustainability Solution for all of our operation, procedure, and process. All the carbon footprint records and reports are endorsed by HKQAA.
 - Renewed the certification of ISO14001 as applicable.
 - Certificated as a Green Exhibitor in the Eco Expo Asia 2021.



- Achieved 88% of recycling rate in E-waste at 2021.
- Energy Consumption
 - In factory, the energy consumption is 11029 kWh in 2021.
 - In office, the energy consumption is 7054 kWh in 2021.



- Carbon Emission
 - Estimated at least 212.06 Metric Ton of carbon emission have been reduced through recycle, reuse and upcycle the materials (e.g. Paper, Plastic, Metal, E-waste, etc.) in 2021.
 - We are planning to participate the Tree Plantation programme in the coming future, to neutral the carbon emission in our operation and achieve carbon neutral and zero waste business, toward sustainability and circularity.
 - In the coming future, we are plan to record all the transportation information for transparency and traceability, such as distance, types of



vehicles, types of petroleum use and manpower to calculate the carbon footprint through transportation and collection, in order to calculate carbon emission in all sectors.

- Completed the internal audits of EMS on factory and offices, the internal reviews shall be released and reported on the annual meeting. We would continuously be reviewing and monitoring our EMS for improving the environment.
- All of our employees have completed the environmental training course.
- Renewed the certification of ISO 14001 on 2021.
- No environmental impacts caused by 2021 and no conviction or offence from HKSAR of environmental legislation.
- Any potential environmental issue occurs, the corrective action initiated accordingly with an auditor conducting the investigation, then formally record the outcome.



Anti-corruption

- *Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery*

EcoSage Limited against all kinds, forms and types of bribery, extortion and corruption, which counterproductive for the country as whole and business in particular, leading to distort and obstruct in social and economic environmental. We believe honesty, integrity and fair play as our core values that must be upheld by all directors and employees of the Company at all times.

POLICY

We establish the “Non-Bribery and Non-Corruption Policy”, which is the Code sets out the basic standard of conduct expected of all directors and employees, and the Company’s policy on acceptance of advantage and handling of conflict of interest when dealing with the Company’s business.

We prohibit all forms of bribery and corruption. All directors and employees are prohibited from soliciting, accepting or offering any bribe in conducting the Company’s business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the Company, they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong.

Our employees should avoid any conflict-of-interest situation. When actual or potential conflict of interest arises, the employee member should make a declaration to the Company through the reporting channel.

Any potential corruption occurs, the corrective action initiated accordingly with an auditor conducting the investigation, then formally record the outcome.



TRAINING

Training employees on non-bribery and non-corruption is necessary for protecting our Company from risk and ensuring that employees are acting in a way that is reflective of the ethical standards set by the company. The training course, traditional on-site training, physical policy signings would be required for our employees annually and also encourage them to participate the seminar or workshop organized by ICAC to understand the important of honesty and integrity.

The basic knowledge of anti-corruption and ethic of business are required to our employees. It is their responsibility to comply with our security policy and to ensure that all information is kept confidential and secure.

SECURITY

We have signed the Non-Disclosure Agreement (NDA) with our client for IP Protection, to ensure do not disclosure any client's information to other and provide the tailor-made solution to the client. For the highest security requirement, all our employees, suppliers, vendor, and relevant interest parties would be signed the NDA and contacts.

We have certified ISO/IEC 27001 Information Security Management System (ISMS), which is an international standard of security system. EcoSage is ensure the ISMS is established, implemented and maintained by the company. Business head and all functional heads shall give full support and co-operation to them for effective implementation of documented ISMS. Ensuring the information is secure and not-disclosure, to avoid the bribery and corruption.

For ISMS, the company has implemented some security measure included but not limited to:

- Access Control
- Digital Combination Lock
- CCTV Monitoring
- Visitor Record with name, ID, date, time, etc.



- Data Backup

We also one of the Licensed Security Company in Hong Kong, which is the type(s) of security work Type III in installation, maintenance and/or repairing of a security device and/or designing (for any particular premises or place) a security system incorporating a security device. To ensure our data and information security in our facility.

The brief training will be provided to our employees before the operation to ensure each employee understand the procedure. The unrelated persons will not be allowed to enter our facility.

Measurement of Outcomes

- Completed the internal audits and business balance system on factory and offices, the internal reviews shall be release and reported on the annual meeting.
- Renewed the certification of ISO/IEC 27001 on 10 Sep 2021 and Security Company Licence on 13 February 2022 as applicable.
- All of our employees have completed the training course and understand our anti-corruption and information security policy. They also signed the contract of NDA and anti-corruption pledge.
- According to the information by Hong Kong Police Force, our Company and employees do not have any criminal and bribery offences issued in 2021. All the employees are required to declare and sign if any criminal offences records issued.
- No data or information leakage during 2021.
- Any potential corruption occurs, the corrective action initiated accordingly with an auditor conducting the investigation, then formally record the outcome.



Conclusion

There are aware of the continuous challenges of sustainability and carbon neutral in the enterprise. Zero carbon is the government political target around the worldwide, all the country has been set the carbon neutral duration and encouraged all the business sectors to achieve it. In Hong Kong, it has published the Hong Kong's Action Plan 2050 which would strive to achieve carbon neutrality before 2050.

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EcoSage Limited is liable to take our enterprise responsibility throughout our policymaking to achieve carbon neutral, sustainability and circularity onward. All of our operations and policies fulfill the Sustainable Development Goals and net-zero carbon in social, economic and environment aspects. We care our community, labour and the environment, we would bring together the overall strategies, plans, targets and actions to achieve the target.

We are welcome the comments and feedback on the operation, management and this COP from all the stakeholders, which let us have an improvement.

--- End of Report ---