

platt nera

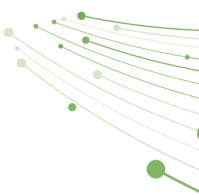
PLATT NERA INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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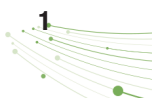


Environmental, Social and Governance Report 2019



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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

ABOUT THIS REPORT

Platt Nera International Limited and its subsidiaries (collectively, the “**Group**”) is pleased to present its first Environmental, Social and Governance (“**ESG**”) Report (“**ESG Report**”). This ESG Report details the Group’s environmental, social and governance policies, measures and performance. Through reporting the above to stakeholders, the Group aims at (i) attaining transparency and responsibility of information disclosure and; (ii) increasing public confidence; and (iii) helping stakeholders better understand the Group’s sustainability progress and development direction.

SCOPE OF REPORTING

This ESG Report details the ESG performances of the Group for year 2019 (i.e. 1 January 2019 to 31 December 2019). The Group provides IT solutions to financial institutions, government departments and agencies predominantly in administrative, telecommunications and utility sectors in Thailand. Unless otherwise stated, this ESG Report covers the operations of the Group in Thailand (principal location of the Group’s operation) which represents the majority of the Group’s environmental and social impacts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDELINES

The Group’s environmental, social and governance guidelines are designed to continually improve the transparency and responsibility of information disclosure. Therefore, the ESG Report will be released annually by the Group for public review. Besides, the Group aspires to create long-term value for stakeholders that grows in tandem with the Group’s business growth and sustainable development while being in line with environmental interests. The Group strives to incorporate ESG principles into its practices and governance, as well as to contribute to the sustainable development of the society and environment.

BASIS OF PREPARATION

This ESG Report is prepared and presented with reference to the Environmental, Social and Governance (ESG) Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited:

1. **Materiality:** ESG issues that become sufficiently important to investors and other stakeholders should be reported.
2. **Quantitative:** KPIs, if any, need to be measurable and should be accompanied by a narrative, explaining their purposes, impacts, and giving comparative data where appropriate.
3. **Balance:** The ESG report should provide an unbiased picture of the issuer’s ESG performance and avoid selections, omissions, or presentation formats that may inappropriately influence readers’ decisions and judgments.
4. **Consistency:** The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time. The issuer should disclose in the ESG report any changes to such methodologies.



COMMUNICATION WITH STAKEHOLDERS

The Group believes that effective feedback from stakeholders not only contributes to the comprehensive and impartial evaluation of the ESG performance but also improves its performance based on the feedback. On this ground, the Group engages in regular communication with stakeholders in an open, honest and positive manner through a variety of channels, including publishing results announcements and annual reports. Besides, the Group shares the latest information with stakeholders through the Group's website <https://www.plattnera.com>.

The Group will continue to maintain communication with stakeholders, collect opinions from stakeholders through different forms and improve the ESG performance. At the same time, the Group will enhance the reporting principles of quantification, balance and consistency, so as to define the content of the ESG Report and presentation of the information that is more in line with stakeholders' expectations.

A. ENVIRONMENTAL

The nature of the Group's business is office-based and not energy-intensive. Hence, the impact on the environment is limited. However, the Group considers it equally important to shoulder the responsibility in the context of caring for the environment. In addition to complying to all applicable local environmental laws and regulations, the Group strives for enhanced energy efficiency and reduced carbon emissions within its work premises. The following are some of the initiatives on environmental conservation.

1. GREENHOUSE GAS EMISSIONS

The Group is principally engaged in providing IT solutions in various sectors, which do not generate a lot of discharges to air, water nor land. Nonetheless, the Group has established internal guidelines to promote its environmental policy. By developing specific environmental guidelines for office operations, the Group systematically integrates the use of resources and management of emissions into day-to-day operations.

The Group's greenhouse gas emissions ("GHG Emission") come from office operations, including power consumed for day-to-day operations. During the reporting period, the Group generated a total of approximately 58 tonnes of carbon dioxide equivalent (CO₂e) greenhouse gases, representing an emission density of approximately 1 tonnes of carbon dioxide equivalent per employee.

Scope of GHG Emission	Emission source	Emission (In tonnes of CO ₂ e)	Intensity (Emission/employee)	Total emission (In percentage)
Scope 1				
Direct emission	N/A	N/A	N/A	N/A
Scope 2				
Indirect emission	Power consumption	51.95	0.91	89.53%
Scope 3				
Other indirect emission	Disposal of paper waste	6.08	0.11	10.47%
Total		58.03	1.02	100.00%

Table 1 — Total greenhouse gas emissions during the reporting period



The Group adopts various measures to reduce power consumption in the office to reduce emissions. For instance, the Group encourages employees to turn off idle electrical appliances and equipment and turn off lighting and air conditioning when leaving the workplace. The Group prefers using low-power electrical appliances or products and avoids using unnecessary high-power equipment. For instance, the Group preferably choose LED lighting to effectively reduce power consumption, thereby achieving the goal of reducing greenhouse gas emissions.

The Group is also concerned about carbon emissions caused by business travel and has introduced a number of measures in this regard, including giving preference to local suppliers, centralised management of vehicle use, and making good use of modern communication tools to interact with business partners.

(a) Waste Management

The Group adheres to principles of waste management and strives to properly handle and dispose waste generated from its business activities. In order to reduce environmental impact, the Group classifies and recycles waste whenever feasible.

Due to its business nature, the Group did not generate a large amount of hazardous waste during the reporting period. The non-hazardous waste generated was mainly paper (approximately 1.3 tonnes). The Group has particularly stringent requirements on paper use and encourages employees to reduce paper usage and adopt double-sided printing.

Waste	Emission (in tonnes)	Intensity (Emission/ employee)
Non-hazardous waste	1.27	0.02

Table 2 — Waste generated during the reporting period

During the reporting period, the Group strictly complied with the relevant environmental laws and there was no case of prosecution against the Group for violation of environmental laws.

2. USE OF RESOURCES

The Group adheres to the concept of energy conservation and emission reduction that achieves green production. In order to effectively use resources, reduce waste and protect the ecological environment, the Group is committed to protecting resources to achieve environmental and operational benefits. By monitoring and managing the use of resources, the Group aims to improve energy utilisation efficiency, achieve low-carbon practices and emission reduction in operation, and reduce the use of resources. Details on energy and water consumption will be discussed in the following sections.

(a) Resources

During the reporting period, the resources directly consumed by the Group for operations are as follows:

Resources	Unit	Consumption Quantity	Intensity (Consumption/Employee)
Electricity	kWh	117,014.00	2,052.88
Water	m ³	335.00	5.88

Table 3 — Consumption of resources during the reporting period

To develop a green approach at the office, the Group established various environmental management practices so as to develop an environmental management system that supports sustainable development.

Office Operations

- Keep the air conditioner temperature at 25°C or above;
- Adjust and reduce lighting in non-working areas;
- Use LED lamps;
- Post environmental information at lamp and air conditioner switches to remind employees of conserving energy;
- Remind employees to turn off idle lighting, air conditioning and other electrical equipment;
- Give preference to energy-efficient products when replacing electrical equipment;
- Advocate double-sided printing and recycling;
- Give preference to materials that are easy to disassemble, degrade, nontoxic and harmless;
- Use advanced computer systems to realise office automation for basic procedures and approval processes; and
- Encourage paperless office and store documents in a central server

(b) Water Consumption

Sustainable and responsible use of water resources is a major global issue. The Group is aware that water shortage, excessive demand and overuse of water can cause serious problems. Due to its business nature, the Group does not use or discharge significant amounts of water.

3. ENVIRONMENT AND NATURAL RESOURCES

As a socially responsible enterprise, protecting nature and the environment has become an integral part of the Group's corporate culture. The Group constantly looks for ways to maximise benefits with minimal resource consumption and environmental impact and continue to strive for sustainable development.

In addition, the Group continuously identifies, assesses and manages potential adverse impacts on the environment, and strives to maintain a balance between industry development and ecological environment for long-term sustainable development. When reviewing its business strategies and planning for future business development, the Group will take environmental protection and conservation of natural resources into consideration. Since its business involves no manufacturing or production activities, the Group does not have a significant impact on the environment and natural resources.

4. CLIMATE CHANGE

The Group's operations mainly locate in Thailand. The impact of climate change mainly comes from the threat of intense rainfall and floods. On this ground, the Group identified and evaluated the risk from climate change, and established measures to secure the safety of employees, such as strictly following the relevant extreme weather guidelines issued by the government.

The Group has formulated emergency guidelines and measures to reduce future damage from natural disasters. The Group will regularly review its climate change policies and is committed to ensure its effectiveness.

B. SOCIAL

1. EMPLOYMENT AND LABOUR PRACTICES

The Group reckons that employees are the most valuable assets and have a critical impact on the quality of the Group's products and services. They are also the cornerstone for sustainable corporate development.

The Group strives to build a safe, healthy, fair and non-discriminative work environment and maintain a harmonious relationship with employees, so as to bring together all employees to promote the long-term sustainable development of the Group.

(a) *Equal Opportunity Policy*

The Group is convinced that equal employment relations can improve employee satisfaction, which in turn helps retaining and motivating outstanding talents and thus promotes the Group's business development. As such, in order to prevent prospective employees from being discriminated against in the hiring process, the Group has formulated relevant recruitment procedures to ensure that recruitment decisions are made based on capabilities, knowledge and experience of the job applicants related to the open positions irrespective of factors such as gender, age, race, family status, religious belief and disability.

(b) Compensation System

The Group provides a fair and competitive compensation package, including basic salary, incentives bonus and other fringe benefits to attract and retain quality talents. In addition, the Group continually reforms and improves its employee compensation policies and systems and fully considers increasing employee compensation in tandem with the Group's performance, in an effort to ensure that employees are rewarded fairly based on their contributions.

Moreover, the Group also has a set of comprehensive human resources management policy to support human resources function. The policies include compensation and benefits, working hours and holidays, recruitment and selection, performance management, promotion, employment termination, training and development.

The Group strictly observed the relevant legislations in Thailand regarding equal employment opportunities, child labour and forced labour. The Group abides by the employment regulations, relevant policies and guidelines of the relevant jurisdictions where it operates. During the reporting period, the Group did not have any cases of violation of relevant employment laws and regulations, nor did it receive any complaints related to recruitment.

	Number of employees	Percentage of total
By gender		
Male	40	70.2
Female	17	29.8
Total	57	100.0
By age group		
18–30	27	47.4
31–45	18	31.6
46–60	12	21.0
Total	57	100.0
By geographical location		
Thailand	57	100.0
Total	57	100.0
By employee category		
Senior management	16	28.0
Middle management	14	24.6
General employee	27	47.4
Total	57	100.0

Table 4 — Breakdown of employees by gender, age group, geographic location and employee category

Breakdown of the turnover rate by gender and age group during the reporting period:

	Number of employees	Percentage of total
By gender		
Male	5	55.6
Female	4	44.4
Total	9	100.0
By age group		
18–30	5	55.6
31–45	2	22.2
46–60	2	22.2
Total	9	100.0
By geographical location		
Thailand	9	100.0
Total	9	100.0

Table 5 — Breakdown of employees turnover rate by gender, age group and geographic location

2. OCCUPATIONAL HEALTH AND SAFETY

The Group values the health and well-being of every employee. The Group has established a risk assessment program that consists of a number of sequential procedures, such as evaluation, treatment, monitoring and reviewing based on the existing controls and recommendations to reduce risks which are not deemed to be under acceptable limits.

The Group requires employees to strictly comply with the safety policy and guidelines which specify workflows, various safety measures and guidance as well as employees' responsibilities for their health and safety at the workplace. For instance, provide adequate sanitation and participate in fire drills and fire safety talks arranged by property management companies.

The Group strictly observed the relevant occupational safety and health legislation in Thailand and where it operates. During the reporting period, the Group found no case of violation of laws and regulations related to occupational safety and health, nor did it receive any complaints about work conditions. Also, there were no work-related deaths or injuries within the Group.

3. DEVELOPMENT AND TRAINING

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. Therefore, the Group encourages them to participate in personal development and training. In addition, the Group conducts performance appraisal on an annual basis, and guide employees based on the appraisal results. The Group has developed a staff training policy with a complete set of training measures, which specifies the management responsibilities of the person in charge of training in each department, and provides corresponding training courses for employees to continuously increase their working knowledge and skills.

During the reporting period, a total of 6 employees completed the Occupational Health & Safety, and soft skills training, accounted for 54 hours of training.

Training rates of employees during the reporting period by gender and employee category are as follows:

	Number of employees	Percentage of total
By gender		
Male	4	66.7
Female	2	33.3
Total	6	100.0
By employee category		
Senior management	2	33.3
Middle management	2	33.3
General employee	2	33.3
Total	6	100.0

Table 6 — Training rates of employees by gender and employee category

Training hours completed by employees during the reporting period by gender and employee category are as follows:

	Number of training hours	Percentage of total (%)
By gender		
Male	36	66.7
Female	18	33.3
Total	54	100.0
By employee category		
Senior management	18	33.3
Middle management	24	44.5
General employee	12	22.2
Total	54	100.0

Table 7 — Training hours completed by gender and employee category

4. LABOUR STANDARDS

(a) *Prohibition of Child Labour and Forced Labour*

The Group strictly complies with all applicable national laws and local regulations as well as relevant labour laws and regulations in the place where it operates. Also, the Group has developed rigorous and systematic measures for recruitment and selection, to prevent itself from hiring child labour and ensure that the employee complies with relevant laws and regulations.

Before hiring any job applicant, the Group will check the age-related documents to verify his/her age. The Group adheres to the principle of fair and voluntary recruitment, strictly forbids forced or fraudulent recruitment, ensures that all employees work voluntarily, and prohibits forced labour in any form.

(b) *Employee Benefits*

The Group strives to establish harmonious labour relationships, create a happy working environment, and promote a positive and healthy lifestyle. As such, employees are more engaged in their work. Accordingly, the Group established the welfare committee which reviews the employee benefits regularly. For instance, the Group provides maternity leave, paternity leave, grand-child birth leave, work-related injury leave and provide monthly birthday parties.

The Group strictly complies with relevant labour laws and regulations in Thailand and where it operates. During the reporting period, the Group found no incidents in violation of the laws and regulations on labour standards.

5. SUPPLY CHAIN MANAGEMENT

The Group emphasises promoting good communication and cooperation to jointly maintain the quality and safety of products and services. The Group implements supplier management in accordance with internal guidance which governs the engagement of suppliers. Based on the quality and price, suppliers are chosen to subject to screening and evaluation procedures among the suppliers.

Moreover, to ensure suppliers' capability in quality assurance, safety and environmental responsibility, the Group carries out regular quality assessments on suppliers' overall capabilities. The Group will sign agreements with suppliers to regulate their product quality, environmental and safety performance. To protect the rights and interests of customers and comply with social standards and norms, suppliers selected by the Group must be legitimate companies in compliance with business registration regulations.

During the reporting period, the Group has 91 active suppliers*.

* A supplier became an active supplier when its goods, materials, or services have been supplied to the Group in the reporting period.

6. PRODUCT RESPONSIBILITY

The Group is committed to provide quality products and services to customers. Since 2017, the Group has been certified on ISO 9001:2015 Quality Management Systems for the provision of design, installation and provisions of ATM solutions, as well as system integration for network and application for computer system. The Group established internal controls and compliance procedures to ensure employees comply with all applicable laws and regulations. For instance, customers enquiry channels are available on the company website and via facsimile, and the Group has dedicated complaint officers for handling customers' issues.

7. INTEGRITY

The Group endeavours to advocates honest operation and fair competition and expects all employees to observe the highest ethical, personal and professional standards. The Group has developed a sound risk management policy and internal control protocol, including setting out the relevant policies in the employee handbook and guides the employees to abide by the code of conduct. The code of conduct provides a clear definition of the provision and acceptance of interests, such as gifts and souvenirs, and ways to deal with conflicts of interest.

The Group has established and implements an internal integrity system to strengthen the integrity of employees in governance practices. Besides, the Group has established an effective whistle-blowing procedure, encouraging employees to report directly any misconduct and dishonest behaviours, such as bribery, fraud and other offences. Furthermore, the Group has specified in the employee handbook that the Group is entitled to terminate the employment contract with any employee who has been discovered to accept bribes in whatever form, and reserves the right to take further actions against such person.

The Group developed the Corporate Governance Policy which is delegated by the Board to provides clear guidelines against misconduct such as bribery, corruption, embezzlement, insider trading and theft of company assets to ensure that employees can report matters of concern through various channels in a confidential manner.

During the reporting period, the Group complied with all laws and regulations that are material to the Group and related to bribery, extortion, fraud and money laundering, and was not involved in any legal prosecution of corruption.

8. COMMUNITY ENGAGEMENT

The Group understands well of the importance of making positive contributions to the community where it operates and considers community benefits as one of its social responsibility. The Group considers that enterprises and communities are inseparable as a whole. Enterprise development is also inseparable from the support and help of the community. In order to better fulfil its social responsibilities, the Group is committed to participating in community activities and undertakes the responsibility as a good corporate citizen to contribute to the communities by encouraging employees to provide charity and social services.

During the reporting period, the Group contributed to the following donations and participated in the charity events:

- “The Community Chest of Hong Kong” — donation of HKD1,000,000
- “King Mongkut’s University of Technology Thonburi Alumni Association” — donation of THB 30,000
- “Netherlands Alumni Association” — donation of THB 50,000
- “Protection and Development Centre for the Disabled” — donation of THB 10,000



Chart 1 — Donations made by the Group during the reporting period

The Group will continue to regularly review its objectives for community investment, and supervise community investment, sponsorship and donation activities and the relevant approval policies. The Group will also examine each year whether its social performance is in line with its community investment policy and objectives for community activities to ensure that such policy is well implemented in all departments. In addition, the Group will continue to oversee and improve its team’s capabilities in this regard.

OUTLOOK

The Group believes that the implementation of current measures regarding environmental and social responsibility measures is sufficient for compliance with relevant laws and Listing Rules, though necessary reviews and amendments are needed from time to time to meet the requirements of laws, Listing Rules and internal management. The Group will continue to carry out more measures beneficial to the environment, society and governance in business operations to live up with its commitment to the environment and society.

