



E&P Global Holdings Limited 能源及能量環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code :1142)



2023

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

This report is the seventh Environmental, Social and Governance Report (the “**ESG Report**”) issued by E&P Global Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”). This ESG Report shows the Group’s environmental, social and governance (the “**ESG**”) management approach, strategy, priorities and objectives for the financial year ended 31 March 2023.

ABOUT THIS REPORT

The Group contributes to sustainable development by delivering environmental, social and economic benefits to various stakeholders in a balanced way. The board of directors (the “**Board**”) of the Company is pleased to present the ESG Report for the year ended 31 March 2023 for the purpose of demonstration of its efforts on sustainable developments to various stakeholders.

The Group believes that sound environmental, social and governance performance has a decisive influence on the future sustainable development of the Group, achievement of its long-term goals and creation of long-term value for the shareholders. Therefore, the Group pays close attention to the discharge of corporate social responsibility and sustainable development.

Report Compilation Basis

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**ESG Guide**”) and the Reporting Guide on Environmental KPIs and Reporting Guidance on Social KPIs issued by The Stock Exchange of Hong Kong Limited. The Company has complied with the “comply or explain” provisions set out in the ESG Guide for the year ended 31 March 2023. The ESG Report is divided into two parts, namely, environmental and social. The four basis of reporting principles are materiality, quantitative, balance and consistency:

- **Materiality Principle:** Materiality assessment was conducted and reviewed from time to time to assess the relative importance of the ESG topics identified. Topics that are relevant and important to the operations of the Group and various stakeholders must be covered in the ESG Report.
- **Quantitative Principle:** If the key performance indicators (“**KPIs**”) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions.
- **Balance Principle:** The ESG Report aims to disclose data in an objective way, which aims to provide stakeholders with a balance overview of the Group’s overall ESG performance.
- **Consistency Principle:** ESG data presented in the ESG Report are prepared using consistent methodologies over time unless otherwise specified either in text or footnote.

The executive directors of the Company, the management and designated staff of the Group have participated in the preparation of the ESG Report to assist the Group in identifying relevant and material ESG issues.

The ESG Report is designed to enable the shareholders and investors (including potential investors) of the Company together with the public to have a more comprehensive understanding of the Company’s corporate governance and culture. The Company is willing to take up more social responsibilities in order to maintain the balance between the interest of the shareholders of the Company and social benefits.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Data contained in the ESG Report is derived from various Company's documents and reports, as well as summary and statistical data provided by the Company's subsidiaries. Certain data of the ESG Report is extracted from the audited consolidated financial statements of the Group for the year ended 31 March 2023 (prepared in accordance with the applicable Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards and Interpretations), whilst other data comes from the internal database of the Group and other relevant statistics.

Scope of the ESG Report

The ESG Report describes the Group's environmental, social and governance management approach, strategy, priorities and objectives covering various main areas including environmental protection, employment and labour practices, operating practices and community investment. For corporate governance of the Group, please refer to pages 23 to 33 in the 2023 annual report of the Company.

The ESG Report covers the Company and its material subsidiaries, disclosing the situation of the above areas in the operation of the Group's core businesses, i.e. trading of diesel, gasoline and other petroleum products in Korea, and holding of mining and exploration rights of coal mines in Russia. The principal places of operation of the core businesses are Korea, Russia and Hong Kong.

There were no significant changes in the scope of this ESG Report from that of the 2022 ESG Report published on 30 August 2022.

Reporting Period

The information published in the ESG Report covers the period from 1 April 2022 to 31 March 2023 (the "**Reporting Period**"), which is the same as the financial year as reported in the 2023 annual report of the Company.

BOARD STATEMENT AND GOVERNANCE STRUCTURE

The Board has an overall responsibility for overseeing and determining the Group's environmental, social, and climate-related risks and opportunities impacting the Group, establishing and adopting the ESG policy and ESG targets of the Group, and reviewing the Group's performance from time to time against the ESG targets and revising the ESG strategies as appropriate if significant variance from the target is identified.

The Board is responsible for evaluating and determining the Group's environmental, social and governance risks, the formulation of the corresponding strategies, and ensuring that appropriate and effective environmental, social and governance risk management and internal control systems are established and maintained. The Board also examines and evaluates the Group's performances in different aspects such as environment, safety operation and labour standards, etc. The executive directors of the Company play a leading role in the preparation of the ESG Report and assign specified staff of each office to assist the environmental, social and governance risk management and handle the collection of relevant information for the preparation of the ESG Report. The ESG Report has been reviewed and approved by the Board.

MATERIALITY ASSESSMENT

The executive directors of the Company, together with the management and designated staff of the Group have participated in the preparation of the ESG Report to assist the Group in reviewing the operations and identifying relevant ESG issues. Materiality assessment has been conducted to assess the importance of related matters to the businesses and various stakeholders. To identify potential material topics for disclosure in the ESG Report, the Company has adopted the disclosure topics of the ESG Guide. Based on the assessed significant ESG issues, information was collected from relevant departments of the Group.

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As sustainability is essential to the Group's cultural values, the Group strives for sustainable development by investing in the economic, social and environmental well-being into the business decision-making. In order to maintain a quality standard of life for both the present and future generations, the Group also promotes environmental protection, makes positive contribution and creates long-term value in the communities.

During the financial year ended 31 March 2023, the Group committed to the prevailing standard of corporate social responsibility and strictly complied with relevant laws and regulations reporting.

The table underneath shows various aspects on the ESG Guide to be assessed and those ESG issues determined to be material to the Group.

ESG Aspects As Set Forth In The ESG Guide	Material ESG Issues For The Group
A. Environmental	
A.1 Emissions	<ul style="list-style-type: none"> Emission from town gas or vehicle and non-hazardous waste
A.2 Use of Resources	<ul style="list-style-type: none"> Use of energy
A.3 The Environment and Natural Resources	<ul style="list-style-type: none"> Air quality
A.4 Climate Change	<ul style="list-style-type: none"> Climate change mitigation and adaption
B. Social	
B.1 Employment and Labour Practices	<ul style="list-style-type: none"> Employment and labour practices
B.2 Health and Safety	<ul style="list-style-type: none"> Workplace health and safety
B.3 Development and Training	<ul style="list-style-type: none"> Employee development and training
B.4 Labour Standards	<ul style="list-style-type: none"> Anti-child and forced labour
B.5 Supply Chain Management	<ul style="list-style-type: none"> Supply chain management
B.6 Product Responsibility	<ul style="list-style-type: none"> Product responsibility
B.7 Anti-corruption	<ul style="list-style-type: none"> Anti-corruption
B.8 Community Investment	<ul style="list-style-type: none"> Community investment

STAKEHOLDER ENGAGEMENT

The Group believes that the support and trust of its stakeholders are essential to the Group's growth and success. The stakeholders of the Group include government and regulatory authorities, shareholders, investors, suppliers, customers, business partners, employees, media and the public.

As a responsible corporate entity, the Group considers the needs of its stakeholders while striving to improve business performance, in order to balance the interests of all parties. The Group does its utmost to minimize the adverse impact on the natural environment and community; create a good working environment for employees and provide them with appropriate trainings and equal opportunities; make commitments to business partners and customers to provide quality products and services; comply with applicable laws and regulations to strengthen corporate governance and improve internal controls; and participate in community activities to share the value with the society.

The Group places emphasis on communications with its stakeholders and has developed open and good communications with them to understand their expectations and requests. It communicates with the stakeholders through financial reports, statutory announcements, shareholders' meetings, face-to-face meetings and other channels, in order to reveal its financial and operating conditions to the stakeholders. The ESG Report is also intended to allow the stakeholders to understand its performance on environmental protection, community and sustainable corporate development.

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The Group welcomes its various stakeholders to share their enquiry or opinion on the Group's sustainability issues via the following communication channels:

By post: Units A & B, 15/F, Chinaweal Centre, 414-424 Jaffe Road, Causeway Bay, Hong Kong
By telephone: (852) 2511 8999
By fax: (852) 2511 8711
By email: investor@enp.com.hk

Going forward, the Group will endeavor to improve its current policies, strengthen communications with the stakeholders, strive to enhance the stakeholders' value and achieve a mutually beneficial outcome.

A. ENVIRONMENTAL

As a part of its social responsibility, the Group is dedicated to environmental-friendly development through rational resource utilisation and practices of environmental protection, in order to contribute to the improvement of the ecological environment and sustainable development as well as to ensure compliance with existing environmental protection laws and regulations.

The Company engages in investment holding, while the principle subsidiaries of the Company are engaged in (i) holding of mining and exploration rights of coal mines in Russia, of which the stage by stage development is under approval from the State Committee of Reserves under the Russian Federation Ministry of National Resources; and (ii) trading of diesel, gasoline and other petroleum products in Korea. Accordingly, its operations mostly confine to offices in Russia, Korea and Hong Kong and it did not generate hazardous waste, material level of non-hazardous wastes and air, water and land pollution during the Reporting Period.

A.1 Emissions

The Group closely monitors and strives to minimize the adverse environmental effects to its surroundings. In addition to its compliance with the laws and regulations in relation to environmental protection, such as the Federal Law on Environmental Protection of the Russian Federation, Waste Disposal Ordinance of Hong Kong, the Framework Act on Environmental Policy of the Republic of Korea and Wastes Control Act of the Republic of Korea, it has also carried out various measures for environmental protection.

The Group has implemented a range of energy saving measures to reduce the corresponding carbon emissions. Details of which can be found in the section headed "Use of Resources" below.

To mitigate emissions from vehicles, the Group pays close attention to the proper management and operation of the Group's vehicles, conducts necessary and periodical maintenance on its vehicles, makes careful transportation arrangements to enhance time and fuel savings, and encourages the usage of public transit for all non-urgent and private matters.

No substantial emission of air and greenhouse gas ("GHG") is generated from the Group's business activities. The air emissions and GHG emissions are mainly discharged from the self-owned vehicles and indirect resources consumed during its daily operations, such as electricity, paper, and business travel. The amount of air emissions and GHG emissions for the year ended 31 March 2023 has decreased comparing to that of last year due to the decreased usage of the self-owned vehicles as one vehicle was disposed and increasing usage of public transportation. The Group will continue to closely monitor and control air emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

A.1 Emissions *(Continued)*

To reduce waste in daily operations, the Group has adopted the principle of “Reduce, Reuse and Recycle” in the offices. It has implemented waste separation of non-hazardous waste. Environmentally friendly goods such as recycled paper, bio-degradable garbage bags, ozone-friendly correction fluid and ball pens with replaceable cartridges have been acquired as much as possible. Besides, employees are advised and alerted to practice green, to conserve resources and to protect the environment, for example, to handle documents electronically and print documents on double sides as practicable as possible.

Through the adoption on waste reduction measures and as no paper packing materials were used in its operation, there was no substantial non-hazardous waste generated for the year ended 31 March 2023, which was same as last year.

During the Reporting Period, the policies and measures regarding environmental protection were effective and the Group was not subject to any confirmed violation cases nor breached any laws and regulations relating to environmental protection.

The Group’s target is to achieve 10% reduction of emission by 2031 from the base year of 2021 (scopes 1, 2 and 3).

To achieve the objective, following energy saving measures are adopted:

- installation of energy-saving lighting system,
- set optimal temperature on the air-conditioning, and
- switch-off the lighting and air-conditioning after office hours.

The Group’s target is to achieve 10% reduction of non-hazardous waste by 2031 from the base year of 2021. Accordingly, the following measures are adopted:

- provide education and training relating to reduce, recycle, reuse, and replace will be provided to all employees,
- advocates employees to reduce the usage of papers by encouraging internet communication,
- assess the necessity of printing,
- apply duplex printing, and
- reuse any single-sided printed papers where appropriate.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

A.1 Emissions *(Continued)*

The emission data is as follows:

Emissions	Unit	For the year ended 31 March 2023	For the year ended 31 March 2022
Nitrogen Oxides (NOx)	grams	2,307.408	51,621.621
Sulphur Oxides (SOx)	grams	82.452	180.090
Particulate Matter (PM)	grams	169.890	4,945.547
Total GHG Emissions (Note 1)	Unit	For the year ended 31 March 2023	For the year ended 31 March 2022
Scope 1 (Vehicle fuel)	tonnes	14.919	32.570
Scope 2 (Purchased electricity) (Note 2)	tonnes	14.638	12.943
Scope 3 (Paper waste disposal at landfills and business air travel by employees) (Note 3)	tonnes	0.693	1.242
Total	tonnes	30.250	46.746
Intensity (per floor area — tonnes/square meter)		0.072	0.111
Intensity (per employee — tonnes/employee)		3.025	4.675
Waste	Unit	For the year ended 31 March 2023	For the year ended 31 March 2022
Total Hazardous Waste	tonnes	Nil	Nil
Total Non-hazardous Waste	tonnes	Nil	Nil
Intensity (per floor area — tonnes/square meter)		Nil	Nil
Intensity (per employee — tonnes/employee)		Nil	Nil

Notes:

- Total GHG emissions = CO2 emissions + CO2 equivalent emissions of other GHGs emitted.
- For Hong Kong, according to Hong Kong Electric Company Sustainability Report 2022, with 1 kilowatt hour ("kWh") of power generated through combustion of fuel, 0.68 kg of CO2 emission equivalent is produced. For Russia, according to Climate Transparency Report 2022, with 1 kWh of power generated through combustion of fuel, 0.322 kg of CO2 emission equivalent is produced. For Korea, the consumption of electricity is limited, and the relevant fee is included in the monthly rental fee; therefore, it does not constitute a focus in the ESG Report.
- Emissions from air travel are calculated based on the Carbon Emissions Calculator of the International Civil Aviation Organization.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

A.2 Use of Resources

The Group is dedicated to controlling the usage of energy and resources in the business operations and improving energy and resource utilization to achieve economic benefits and minimize pollution.

The consumption of water during the Reporting Period was merely for general offices cleaning and sanitary purposes, hence volume of water so consumed had been kept in extremely low level.

The Group does not have any issue in sourcing water. The Group's target is continuing to achieve a low consumption level in water usage in the coming decades. Accordingly, the Group has adopted the following measures:

- Use of water-saving devices,
- Use recycled water in wherever possible, and
- Conserve water through improved practices.

The water consumption data is as follows:

Water	Unit	For the year ended 31 March 2023	For the year ended 31 March 2022
Total water consumed	m ³	33.000	28.684
Intensity (per floor area — m ³ /square meter)		0.078	0.068
Intensity (per employee — m ³ /employee)		3.300	2.868

The Group does not use packaging material for finished products, the reporting on the consumption of packaging material is not applicable in the ESG Report.

The Group's target is to achieve 10% decrease in energy use by 2030 from the base year of 2021. In order to save the energy within the office premises, the Group prefers high energy efficient devices, for example, electronic appliances with Grade 1 energy label and light-emitting diode lights. The Group places signage in offices to enhance the environmental awareness of the employees. It encourages its employees to make use of natural light, and minimize power consumption, including maintaining the indoor temperature at an appropriate level, keeping the lights and electronic appliances off when they are not used and turning off computers, photocopy machines, printers and facsimile machines when they are off duty or on leave. In addition, permission is required for lighting and air-conditioning during non-business days. The resource saving measures are effective and employees' awareness to practice green has been enhanced.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

A.2 Use of Resources *(Continued)*

In respect of energy consumption, the amount of fuel consumption has decreased generally for the year ended 31 March 2023 comparing to that of last year due to the decreased usage of the self-owned vehicles as one of the vehicles was disposed and increasing usage of public transportation. The Group will continue to closely monitor and control the energy consumption. The consumption of electricity during the Reporting Period was kept at relatively low level and was mainly for general offices purpose.

The energy consumption data is as follows:

Energy	Unit	For the year ended 31 March 2023	For the year ended 31 March 2022
Fuel Consumption	litres	5,609	12,251
Intensity (per floor area — litres/square meter)		13.260	28.962
Intensity (per employee — litres/employee)		560.900	1,225.100
Electricity	kWh'000	28.985	25.895
Intensity (per floor area — kWh'000/square meter)		0.069	0.061
Intensity (per employee — kWh'000/employee)		2.899	2.590

A.3 The Environment and Natural Resources

Due to the existing nature of trading business of the Group and the fact that the Group's coal mining sites have not yet commenced coal production, the adverse impact of its operations on the environment and natural resources is not significant. In order to generate long-term values to the stakeholders and community as a whole, the Group will continue to review the environmental practices, assess the environmental risks of its business, adopt further eco-friendly practices and preventive measures when necessary, as well as ensure the compliance with relevant laws and regulations.

The Group also provides information and updates on environmental protection to employees so as to raise their environmental awareness and further improve the overall office environmental performance.

A.4 Climate Change

Climate change can affect the business operations of the Group if the climate-related risks are not appropriately assessed. According to the Task Force on Climate-related Financial Disclosure (TCFD), climate-related risks are divided into two major categories, namely, transition risks and physical risks.

In-line with the mega-trend, there is a global transition to a lower-carbon economy which refers to transition risks. Policy, technology and market changes in mitigating and adapting a low-carbon economy may lead to changes to the Group. The Board is proactively considering new technologies and equipment to respond to low-carbon economy. There is no significant impact on operations of the Group at the present stage.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL *(Continued)*

A.4 Climate Change *(Continued)*

Physical risks can be caused acutely (event driven) or chronically (long-term shift) in climate patterns. Due to the nature of the core businesses of the Group, climate change has a limited impact on daily operations of the Group so there is no significant impact at the present stage.

B. SOCIAL

EMPLOYMENT AND LABOUR PRACTICES

B.1 Employment

The Group believes that employees are valuable assets and nurturing them is always one of its primary development goals. It has established and implemented an effective human resources management system pursuant to the applicable laws and regulations, for example, Labour Code of the Russian Federation, Employment Ordinance of Hong Kong, Mandatory Provident Fund Schemes Ordinance of Hong Kong, Employees' Compensation Ordinance of Hong Kong, Minimum Wage Ordinance of Hong Kong, Labour Standards Act of the Republic of Korea and Equal Employment Policy Act of the Republic of Korea, and with reference to the general practices and benchmark of the industry. All employees are bound by the provisions of the work guidelines and employment contracts made thereunder.

The human resources management system covers areas including the employment policies (such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare), rights and responsibilities, code of professional ethics, and workplace safety and health, in order to protect the interests of both the Group and its employees.

With the intention to attract and retain talents for its long-term and stable growth, the Group remunerates employees at a competitive level. Remunerations are determined in accordance with the level of position, working experience and education background. The remuneration packages are reviewed annually based on the assessment results of the annual performance evaluation. The Group's remuneration packages include basic salary, medical insurance, group insurance, work-related injury insurance, performance bonus, share options, sick leave, annual leave, maternity leave and statutory retirement fund.

Furthermore, the Group also organizes company functions and activities for its employees from time to time to increase their sense of belonging to the Group. The Group introduces and enhances employees' recognition of its corporate core values, namely, devotion, loyalty and service, and incorporates them in performance evaluation to set up standards for mindset and behaviour, ensuring that employees' attitude and behaviour embody and conform to its corporate culture.

With the aim of internal cultivation, the Group has established organizational structure and formulated plans on sustainable career development for employees based on corporate development strategies. It provides vast opportunities for employees to leverage their talents and achieve personal ambition, making the Group a desirable employer for them.

The Group undertakes the responsibility of an equal opportunity employer to create a fair, discrimination-free and respectful workplace and culture for employees. It ensures that all employees and job applicants are entitled to equal opportunities and are treated fairly in all employment arrangements, such as employment, deployment, recruitment, training, promotion, rates of pay and benefits.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

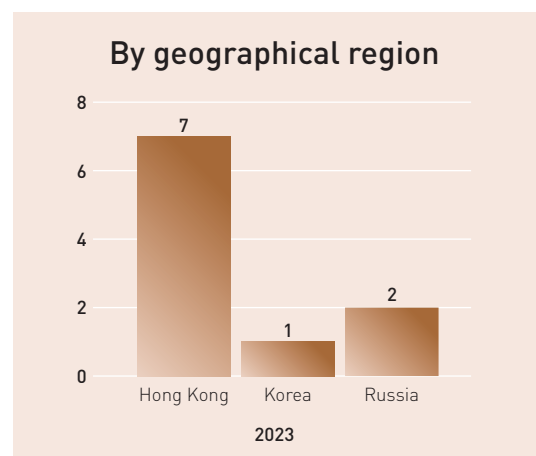
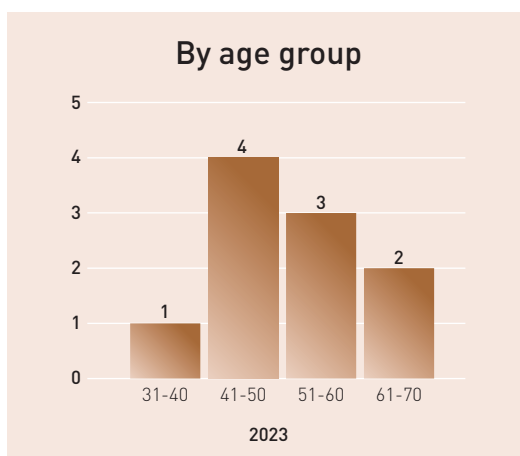
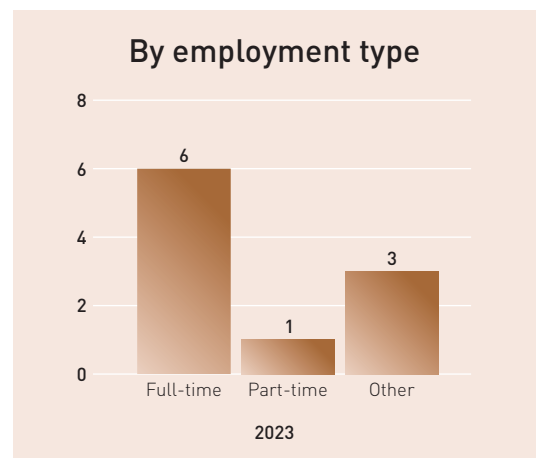
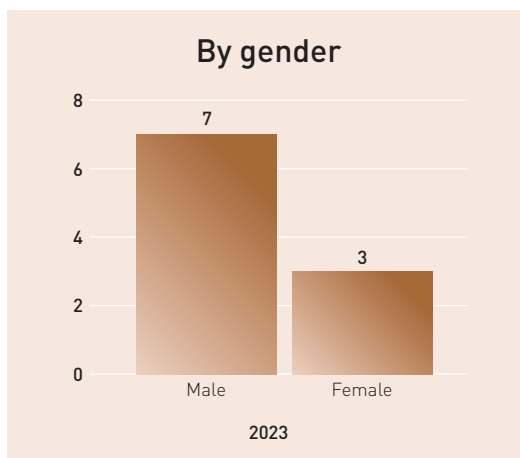
EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B.1 Employment *(Continued)*

The Group adopts zero tolerance to harassment and bullying in the workplace. It monitors the behaviors of employees, urge employees to report complaints when they find any misconduct, conducts detailed investigations and takes necessary disciplinary actions if needed.

During the Reporting Period, the Group did not violate or breach any laws and regulations relating to employment and labour practices and no labour disputes were recorded both internally and externally.

As of 31 March 2023, there were 10 employees and the following graphs show the total workforce by gender, employment type, age group and geographical region.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B.1 Employment *(Continued)*

The following table sets for the turnover rates of the Group's employees for the Reporting Period by gender, age group and geographical region. As the absolute total number of employees at each office was rather small, any resignation of just one or two employees at each office would mathematically come up to a rather high percentage of employee turnover rate.

Turnover rates	2023
Overall	40.0%
By gender	
Male	33.3%
Female	50.0%
By age group	
31-40	66.7%
41-50	42.9%
51-60	25.0%
61-70	0%
By geographical region	
Hong Kong	25.0%
Korea	50.0%
Russia	60.0%

B.2 Health and Safety

The Group attaches high importance to building a safe, healthy and hygienic workplace for its employees. It has adopted various measures in strict compliance with the Constitution of the Russian Federation, the Basic Law on Labour Protection of the Russian Federation, Labour Code of the Russian Federation, Occupational Safety and Health Ordinance of Hong Kong, Occupational Safety and Health Act of the Republic of Korea and relevant laws and regulations to provide a safe working environment and protect employees from occupational hazards.

The Group has established and implemented occupational health and safety precautions to provide employees the necessary directions to practice safe work behaviours. The effectiveness of the precautions is monitored regularly.

The Group properly provides protection facilities and equipment for prevention of occupational hazards and work injuries in the workplace and offers work-related injury insurance and other commercial insurances to employees so as to provide adequate protection for the interests of employees. It also prohibits smoking and abuse of alcohol and drugs in the workplace, offers clean and tidy offices, and provides sufficient ventilation and lighting system as well as adjustable chairs and monitors in offices.

In addition, it provides health and safety information to employees to enhance their awareness. Trainings on contingency measures in relation to emergencies such as fire, typhoons and rainstorms, as well as emergency use of equipment in response to accidents are provided to employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B.2 Health and Safety *(Continued)*

During the Reporting Period, the Group did not violate or breach any laws and regulations relating to health and safety and did not record any work-related injury or fatality of employees, nor any lost days due to work injury. Also, the Group is able to uphold a zero-fatality rate for years.

B.3 Development and Training

The Group understands that training and development of employees are essential for its success, and it aims to provide the Group with a capable, engaged and productive workforce. Based on the direction and needs of the business development and employees' position, it encourages employees to have appropriate training, and to acquire skills and career development opportunities, including new employees orientation, technical and professional skill enhancement training, workplace safety training, on-the-job training and personal training on business management, etc., with a view to enhance employee quality, qualifications and skills so that they can achieve personal growth and realize their potential. All directors, company secretary and senior management are encouraged to participate in continuous professional development trainings. On top of internal trainings, the Group also encourages employees to participate in externally organized trainings to pursue their personal career development goals. To motivate its employees, the Group from time to time subsidizes training and seminar fees.

The Group provides internal promotion opportunities for employees with ambition, enthusiasm and development potential to pursue their career goals. Through job appraisal, it communicates job performance and career development goals with employees and at the same time gives appreciation and advice to employees to help them grow and obtain greater job satisfaction at the same time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B.3 Development and Training *(Continued)*

For the year ended 31 March 2023, a total of approximately 436 hours of training and seminar were undertaken by the directors of the Company and the employees of the Group.

Percentage of employees trained	2023
By gender	
Male	100%
Female	66.7%
By employee category	
Senior management	100%
Middle management	100%
General staff	0%

Average training hours per employee	2023
By gender	
Male	54.1
Female	28.5
By employee category	
Senior management	52.0
Middle management	36.0
General staff	0

B.4 Labour Standards

The Group does not tolerate the use of child or forced labour. It strictly follows the Labour Code of the Russian Federation, Employment Ordinance of Hong Kong and Labour Standards Act of the Republic of Korea and makes reference to international labour standards and industry practices. The human resources management system governs all recruitment and promotion activities so as to ensure no existence of child and forced labour. It also reviews the overall employment practices to avoid child or forced labour and other potential irregularities from time to time.

The Group does not hire child labour aged below the relevant legal threshold of the respective countries. At the interview, the human resources department would request job applicants to present valid identification documents to verify their actual ages. It also conducts background checks and comprehensive recruitment reviews to ensure the accuracy and trueness of the applicant's information. In case any irregularities in ages, identities and/or validities of employment status are found, the relevant employment will be terminated immediately, and the Group will report the incident to relevant authorities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B.4 Labour Standards *(Continued)*

To ensure no forced labour, the Group conducts open and fair recruitment according to corporate plans and needs to ensure no forced labour. It respects employees' rights that stipulated in the laws and regulations that all employees would receive a salary not less than the statutory minimum wage, have prescribed working hours pursuant to employment contract, and enjoy sufficient rest time and paid holidays. Any necessary arrangements of overtime working would be agreed upon by employees voluntarily. Overtime working and overtime pay (where applicable) are in line with the local laws and regulations. During working hours, employees are allowed to move freely within the work premises. Employees are permitted to terminate employment contracts after giving reasonable notice according to the relevant employment contract.

During the Reporting Period, the Group did not violate or breach any laws and regulations relating to preventing child and forced labour and no disputes or litigations on labour matters were reported.

OPERATING PRACTICES

B.5 Supply Chain Management

Supply chain management is one of the key elements in the Group's quality control system. The Group adheres to offer equal opportunities to all potential suppliers and partners to fulfill various needs of different customers. It believes that keen market competition can help the Group improve product quality, achieve cost minimization, rapidly respond to customers' needs, and provide them with more options.

Appropriate criteria are adopted in selecting suppliers and partners, and they are required to possess rich experience and continuous ability to provide satisfactory product quantity and quality, reasonable price, timely delivery and good services. In addition, they must conduct business in compliance with the environmental and social regulations.

The Group strictly monitors the procurement process to ensure that the entire process is conducted in an open, fair and just manner and lack of interests transfer or corruption of any kind. All procurements are conducted in the form of contract. It closely supervises performance of the contract terms and at the same time conducts checks and analysis to ensure the security of the supply chain.

In addition, the Group constantly collects viewpoints and opinions from the customers through various methods and channels, and makes timely improvements. The Group maintains good relationships with both the suppliers and customers.

B.6 Product Responsibility

The Group believes that products and services of good quality are one of the key factors of success. It has always complied with the relevant laws and regulations such as Product Liability Act of the Republic of Korea, Fair Labeling and Advertising Act of the Republic of Korea and Personal Information Protection Act of the Republic of Korea, etc., and product quality is monitored closely to ensure the stability of high quality and safety of the products. The Group from time to time conducts quality checks to ensure product quality. It strives to prohibit fraudulent, misleading, deceptive, and other unfair commercial practices that may undermine customers' confidence and rights.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

OPERATING PRACTICES *(Continued)*

B.6 Product Responsibility *(Continued)*

The Group has adopted pre-determined procedures and preventive measures to deal with enquiries and complaints. It has conducted regular meetings with the customers to address their concerns and complaints. In addition, as customer privacy protection is one of the most important concerns, the Group has implemented appropriate data security system and measures to ensure that unauthorized use of customers' information is prevented, collected data is protected, and customers' privacy is well respected and secured.

During the Reporting Period, the Group has sold 89.84 million liters of diesel, 22.36 million liters of gasoline and 17.09 million liters of kerosene in the Republic of Korea. The Group did not violate or breach any laws and regulations relating to product responsibility and no complaints or claims on the products were recorded.

Regarding the privacy protection, the Group is committed to comply with the privacy laws and regulations. The Group undertakes to strictly comply with the requirements of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Corporate Finance Consultant Code of Conduct and local legislations of respective countries, to ensure that all data are securely kept in the internal system with access control. The Group has separated the customer data from other ordinary information to protect customers' privacy. Meanwhile, only authorized personnel can access the personal data collected from the Group's customers. Through the internal trainings and confidential agreements with employees, the Group emphasizes confidentiality obligations and the legal consequences of the breaches of relevant rules.

During the Reporting Period, the Group did not aware of any incidents of non-compliance with any privacy laws and regulations.

B.7 Anti-corruption

The Group adheres to the philosophy of honesty and integrity in conducting business and adopts zero tolerance to corruption or any misconduct which is against the Group's interest. It has implemented various measures in compliance with relevant laws and regulations, for example, the Anti-corruption Law of the Russian Federation, Prevention of Bribery Ordinance of Hong Kong and Anti-corruption Act of the Republic of Korea.

The Group has implemented and regularly reviewed the internal control system and related party transactions management measures to prevent bribery, extortion, fraud and money laundering, and to maintain good corporate governance. It has incorporated the anti-bribery and anti-corruption policy in the staff handbook, requiring all directors, senior management, and other employees to uphold their personal and professional conduct. The Group provides anti-corruption information and trainings to employees to enhance their awareness and promote professional conduct.

During the Reporting Period, there is no concluded legal cases regarding corrupt practices brought against the Group or the employees. The Group also did not violate or breach any laws and regulations relating to anti-corruption and there was no enquiry or concern regarding bribery or corruption from the government or banking officials.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL *(Continued)*

COMMUNITY

B.8 Community Investment

The Group values corporate social responsibility and promotes employees' awareness of caring for the community and mutual help. It highly supports employees to participate in volunteer activities and social services to take care of and help the needy.

TARGET

Looking forward, the Group aims and plans to strengthen its environmental, social and corporate governance performance by optimizing the existing policies and measures, reviewing the effectiveness of the procedures, keeping up to date to the latest development of relevant issues and maintaining continuous dialogue with the stakeholders.