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**ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT**
FOR THE YEAR ENDED 31 DECEMBER 2023



CCF FORTIS
中建富通集團有限公司
Stock Code : 138

environmental, social and governance report

ABOUT THIS REPORT

CCT Fortis Holdings Limited (“**We**” or the “**Company**”) regards sustainability as one of core strategies in maintaining and developing the Company for the long term and our efforts in fulfilling environmental social responsibility will contribute to the long term value to the Company and the community in which we operate.

In this environmental, social and governance (“**ESG**”) report (“**this Report**”), we mainly focus on the disclosure of environmental and social matters. For the matter of corporate governance, which is stated separately in the section of “Corporate Governance Report” in the annual report for the financial year ended 31 December 2023 (“**Annual Report 2023**”) published in April 2024.

REPORTING PRINCIPLES

This Report complies with the provision of the ESG Reporting Guide under Appendix C2 of the Listing Rules issued by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and is prepared in accordance with the four reporting principles: materiality, quantitative, balance, and consistency; and the “comply or explain” provisions contained therein. It is recommended that this Report is read in conjunction with the Company’s Annual Report 2023, in particular the sections of Corporate Governance Report, the Directors’ Report and Sustainable Operations and Development.

This Report has been reviewed by the board of the Company (the “**Board**”).

REPORTING PERIOD

The reporting period of this Report is from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”).

ESG MANAGEMENT STRUCTURE

The Board is responsible for overall direction of the ESG strategy of the Company and its subsidiaries (the “**Group**”) and ensure the effectiveness of the ESG risk management and internal control system are in place. The Board adopts a top-down ESG governance structure.

Our management and employees, who have in-depth knowledge on the Group’s operations are responsible for gathering ESG-related information on the Group to compile this Report.



REPORTING SCOPE

During the Reporting Period, the principal businesses of the Group were: (i) property development; (ii) securities business; (iii) Blackbird's multi-faceted automotive business and investment in valuable collection; and (iv) cultural entertainment business.

Unless otherwise indicated, this Report primarily covers companies with substantial effect to the financial of the Group and actual operational units/outlets and our offices located in Hong Kong. The scope in this Report is largely consistent with those included in last ESG report published by the Company, except for DeMain Culture Media Holdings Limited and its subsidiaries were excluded from the scope of this Report due to the Company disposed of a major shareholding of 71% in the cultural entertainment business in July 2023.

For the convenience of comparison, some data are cited from the previous ESG report where the reporting period was from 1 January 2022 to 31 December 2022.

The information disclosed in this Report is derived from the Group's internal statistical results from various departments and operational units/outlets.

STATEMENT OF THE BOARD

During the Reporting Period and as at 31 December 2023, to the best knowledge, information and belief of the directors of the Company (the "**Directors**") after having made all reasonable enquiries, no member of the Group had been involved in any material breach, or non-compliance, with any applicable environmental laws or regulations, or laws or regulations relating to employment, employee's health and safety, labour standards, product and service responsibility or corruption that had a significant impact on the Company or the Group.

HOW TO OBTAIN THIS REPORT

To reduce paper waste, this Report is published in electronic format, which is available for inspection on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.cct-fortis.com in the sub-section of "Corporate Social Responsibility Reports" under the section of "Investor Information".

CONTACT US

The Group welcomes any opinions and suggestions from stakeholders. Please feel free to provide your valuable opinions on this Report via cctinfo@cct.com.hk or mail to Floor 26A, Fortis Tower, 77-79 Gloucester Road, Hong Kong.



STAKEHOLDER ENGAGEMENT

As stakeholder's engagement is an essential part in the continuous advancement of sustainability performance, the Group values all stakeholders and respects its opinions on its operation and ESG affairs.

Based on the business scope of the Group, the Group has identified its main stakeholders, which include the shareholders/investors, customers, employees, bankers, landlords, suppliers as well as governments and regulator authorities.

Through the following stakeholders' engagement and communication channels, the Group incorporates the issues of concerns to each stakeholder group as follows:

Stakeholder Groups	Major Channels for Communication Channels	Issues Concerned
Shareholders/ Investors	<ul style="list-style-type: none"> Annual general meetings and special general meetings Annual reports and interim reports Results announcements, announcements and circulars 	<ul style="list-style-type: none"> Economic performance Corporate governance Compliance operation Anti-corruption Employment and labor standards
Customers	<ul style="list-style-type: none"> Activities for customers Customer service centers Websites 	<ul style="list-style-type: none"> Product quality and customer service Customer satisfaction and complaint Protect consumer information Security and privacy
Employees	<ul style="list-style-type: none"> Employee communication channels (e.g. internal emails and memorandum) Regular management communication and performance appraisals Staffs training Leisure activities 	<ul style="list-style-type: none"> Staff welfare Labor standard Staff safety and health Staff training and promotion
Bankers	<ul style="list-style-type: none"> Visits Correspondences 	<ul style="list-style-type: none"> Economic performance Corporate governance Compliance operation Anti-corruption
Landlords	<ul style="list-style-type: none"> Visits Correspondences 	<ul style="list-style-type: none"> Economic performance Compliance operation
Suppliers	<ul style="list-style-type: none"> Product launch briefings Visits Correspondences 	<ul style="list-style-type: none"> Supply chain management Protection of intellectual property rights Anti-corruption
Governments/ regulator authorities	<ul style="list-style-type: none"> On-site inspection Correspondences Annual reports and interim reports Announcements and circulars 	<ul style="list-style-type: none"> Compliance with statutes Anti-corruption Employment and labor standards Shareholders' rights Environmental protection



OVERVIEW OF MATERIAL ESG ASPECTS

The Group is committed to making eager effort to have an accessible and clear dialogue with stakeholders, including employees, customers, shareholders, investors, suppliers, bankers and landlords. The Group engages its key stakeholders through diversified channels such as staff meetings, telephone communication, annual general meetings, special general meetings and business communication etc. to judge their expectations and evaluate on how we could deal with ESG issues in our best manner.

This Report serves as an important tool to address the key concerns and interests of our stakeholders.

The material ESG aspects of the Group for the Reporting Period and their respective relevance to our business operations are summarised in this Report below.

A. ENVIRONMENTAL

As mentioned above, this Report primarily covers companies with substantial effect to the financial of the Group and actual operational units/outlets and our back offices located in Hong Kong.

Given that our Group is not involved in any large-scale production and therefore the pollutant emission is relevant low. We mainly consume electricity and water in our operations and no significant solid and liquid wastes are produced in the operations.

The Group was not aware of any material non-compliance with local environmental laws and regulations relating to greenhouse gas (GHG) emissions, discharges of pollutants into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group during the Reporting Period.

A.1 Greenhouse Gas Emissions

During the business operations of the Group, our offices and business operations consume a relative low level of the electricity energy and therefore greenhouse gas (GHG) emissions generated by the Group is arise from the daily use of electricity by offices and operating units/outlets in Hong Kong and mainly generated indirect GHG emissions purchased from CLP Holdings Limited and The Hong Kong Electric Company Limited.

Our Group does not own or control any direct emission source such as generator and gas cookers, and neither does it use fuels such as coal, gasoline, diesel, nature gas, etc. Hence, there is no direct GHG emissions.

The data related to indirect emission from electricity for the Group's operations for 2022 and 2023 is summarised as follows:

	Unit	Year 2023	Year 2022
Carbon dioxide (CO ₂)	Metric Tonne	1,446	1,382



A. ENVIRONMENTAL *(continued)*

A.1 Greenhouse Gas Emissions *(continued)*

A.1.1 Energy Efficiency Management

The Group is aware that a significant portion of our GHG emission and carbon footprints was constituted by general electricity consumption. As such, we actively maintain a steady focus on reducing our energy consumption to reduce our impact on the environment.

The Group adopted several energy-saving initiatives and practices to reduce our GHG emission and to conserve energy usage, including but not limited to:

- Maintaining indoor temperature at an optimal level for comfort;
- Encouraging employees to switch off machines and devices, such as switch off computers and monitors when not in use; and
- Placing “Green Message” reminders on office equipments and workplaces to further enhance employees’ environmental awareness.

A.2 Waste Management

No significant solid and liquid wastes are produced in our operations. Nevertheless, our Group continuously strengthens the management of wastes and we are committed to protect the environment. We try our best to minimise the generation of wastes from our operations as much as we can and ensure the waste materials are handled in an environmental friendly manner.

Management of hazardous and non-hazardous wastes

The major wastes produced mainly from our day-to-day operational units/outlets including lube oil, batteries and non-halogenated solvent which are hazardous wastes. Hazardous wastes below are disposed by government approved licensed contractors in accordance with the industry standard.

The data on our operational wastes for 2022 and 2023 is summarised as follows:

Type of wastes	Unit	Year 2023	Year 2022
Lube oil	Liter(s)	16,200	12,000
Batteries	Tonne(s)	9.21	9.01
Non-halogenated solvent	Liter(s)	200	200



A. ENVIRONMENTAL *(continued)*

A.2 Waste Management *(continued)*

Management of non-hazardous wastes

Another wastes produced mainly from day-to-day operation from our offices in Hong Kong including ordinary office waste and paper with a relative low level of consumption during the Reporting Period.

Nevertheless, we still make every effort to reduce and control it at source include but not limited to:

- encouraging employees to copy or print on both sides as much as possible and reuse of single-sided printed papers;
- collecting and recycling waste papers by the administrative department;
- encouraging employees to reuse envelopes; and
- sharing environmental protection information to employees to enhance their environmental awareness.

A.3 Emissions Target

The Group has established an emission reduction pathway with a long-term perspective as a directional target to review the GHG emissions from time to time in the coming year by closely implementing the measures as disclosed in section A.1.1 of this Report.

We are dedicated to contributing to environmental protection. We will continue to review the effectiveness of the existing initiatives and continue to identify opportunities for increasing energy efficiency in future years.

A.4 Use of Resources

The Group strives to take all feasible measures to incorporate sustainability into its business operations and improve its environmental performance. Realising that resource conservation is crucial for maintaining environmental sustainability, we promote green office management and encourage our employees to be aware of the need for resource conservation in daily operations.

The resources used by the Group are principally attributed to the consumption of electricity and water at the back offices and operating units/outlets; and paper usage at the back offices.

A.4.1 Electricity Consumption

Electricity is consumed during the daily business operations from using electrical equipment. To promote an environmentally friendly office, the Group promotes and advises several measures as disclosed in section A.1.1 of this Report.



A. ENVIRONMENTAL *(continued)*

A.4 Use of Resources *(continued)*

A.4.2 Water Consumption

Water is another important resource. The water used by the Group is supplied by the Water Supplies Department.

Although non-significant amount of water is consumed through the business activities, the Group also encourages water saving by posting water conservation labels in the workplaces, washrooms and staffs pantries to remind the employees to save water.

A.4.3 Use of Packaging Materials

When designing products, we concern the products' environmental impact even though the Group considered the amount of use of packaging materials generated was immaterial during the Reporting Period.

The Group has consumed the following amount of resources during the Reporting Period and Year 2022:

	Unit	Year 2023	Year 2022
Indirect Energy Usage			
Electricity consumption	kWh in '000s	1,976	1,903
Electricity consumption intensity	per HK\$1 million of revenue	2.58	2.34
Water Usage			
Water consumption	Metric Tonne	5,844	4,154
Water consumption intensity	per HK\$1 million of revenue	7.64	5.12

Note:

The Group consumption intensity for 2022 and 2023 is calculated by dividing the total volume by the Group's total revenue for the years ended 31 December 2022 and 2023 was approximately HK\$812 million and HK\$765 million respectively.



A. ENVIRONMENTAL *(continued)*

A.4 Use of Resources *(continued)*

A.4.4 Efficiency Target

The Group will review the use of resources of the electricity and water from time to time in the coming year by closely implementing the measures as disclosed in sections A.1.1 and A.4.2 of this Report.

A.4.5 Paper Consumption

Although papers usage during our operation at the offices is insignificant, the Group also implements measures as mentioned in sub-section headed "Management of non-hazardous wastes" under section "A.2 Waste Management" above with the aim of reducing paper consumption.

A.5 Environment and Natural Resources

The Group believes that its production and business operation activities do not have a significant impact on the environment and natural resources. The Group has disclosed different ways and strategies above to reduce environmental impact brought by the business operation.

A.6 Climate Change

Regarding the business nature of the Group, we are not aware of any significant impact of the business activities on the environment and natural resources. With the implementation of aforementioned measures to reduce GHG emissions, waste generation and resources consumption, the Group strives to enhance environmental sustainability and minimise the impacts on the environment.



B. SOCIAL

We treasure our employees which are one of the most valuable assets to the Group and are essential to the Group's success.

B.1 Employment

Each operating segment of the Group has developed a sound remuneration, recruitment, working hours, welfare, medical and retirement insurances, promotion and dismissal policies for our employees at operational level.

During the Reporting Period, the Group has not identified any material non-compliance with applicable laws and regulations in Hong Kong relating to employment that would have a significant impact on the Group. Such laws and regulations include but not limited to the Hong Kong Employment Ordinance, the Hong Kong Employee's Compensation Ordinance and the Hong Kong Minimum Wage Ordinance.

Summary of the employees and turnover rate to be classified by gender, employment type, age and geographical groups as of 31 December 2023 as below:

	No. of employees	Employees %	Turnover rate %
By gender			
Female	111	37.5%	5.95%
Male	185	62.5%	9.92%
By employment type			
Full time	262	88.5%	14.06%
Part time	34	11.5%	1.82%
By age group			
18-30 ages	49	16.6%	2.69%
31-45 ages	140	47.3%	7.51%
46-60 ages	93	31.4%	4.99%
Over 60 ages	14	4.7%	0.75%
By geographical			
Hong Kong	295	99.7%	15.88%
China	1	0.3%	0%



B. SOCIAL (continued)

B.2 Health and Safety

We care about our employees. The Group has placed significant resources in providing a safe, healthy, clean and comfortable workplace for our employees, in all the places where we operate.

We put workplace safety as our number one priority in our workplace environment initiatives. We comply with all local laws, rules and regulations relating to workplace safety. All our work places and offices in Hong Kong are maintained in safe, healthy, clean and comfortable manner so that all employees enjoy working with the Group.

During the previous COVID-19 pandemic, we have implemented various measures including work from home, flexible working hours and various precautionary measures in order to protect our workplace and our staff from the infection of the coronavirus.

Summary on work-related fatalities and injuries covered from 1 January 2023 to 31 December 2023 and year 2022.

	Year 2023	Year 2022
Work-related fatalities		
No. of people	0	0
Percentage (%)	0%	0%
Work-related injuries		
No. of people	4	5
Percentage (%)	1.35%	1.56%
Average lost days due to work-related injuries	252	82

Note: In the past three years including this Reporting Period, no work-related fatalities were identified.

In 2023, there was a notable increase in the average number of days lost to work-related injuries. It is important to highlight that this rise is not due to severe incidents. Medical certificates for sick leave indicate that the affected individuals are temporarily unfit for work, as their jobs demand high levels of concentration and an exceptionally good and stable mental state.

Listed below are some of the measures that the Group regularly practices in accordance with applicable local workplace safety regulations for reducing the accidents rate of workplace:

- Providing personal protective equipment and other safety equipment at the workplace.
- Prohibiting smoking at the offices, workplace and outlets.
- Regular cleaning of the water boiling machines and water supply filters.
- Daily garbage removal and floor cleaning.



B. SOCIAL *(continued)***B.3 Development and Training**

We encourage staff training and development. Employees are encouraged to join external training in job-related courses, seminars and programmes.

In addition, training programmes, courses and seminars are developed or organised both internally and externally for different grades of employees from time to time, with an objective of advancing their competence for performance improvement and career development.

During the Reporting Period, the percentage of employees trained and the average training hours completed per employee by gender and employment category were as follows:

Training	Percentage of employees trained	Average training hours (hours/employee)
By gender		
- Male	9.73%	18.74 hours
- Female	9.91%	19.00 hours
By employment category		
- Senior management	83.33%	13.81 hours
- General (offices and operational)	8.28%	19.31 hours

Note:

- Senior management means directors and senior management in the listed company level.
- In the previous ESG report for the year ended 31 December 2022, the middle management was included. However, following the Company's recent disposal of a 71% shareholding in the cultural entertainment business in July 2023, the middle management has been excluded from this ESG Report.
- Training covers topics such as accounting, legal, corporate governance and enrich knowledge on the products.



B. SOCIAL (continued)

B.4 Labour Standard

Preventing Child Labour and Forced Labour

The Group has adopted clear policies of not using forced labour and child labour in the places where we have operations.

Employees work and leave the Group at their own free will, in accordance with the terms of the employment contracts. It is necessary to check the identity card of the recruited person when recruiting personnel, and it is forbidden to recruit minors under the age of 18 and introduce employment for minors under the age of 18.

We offer competitive remuneration package, provident fund, welfare and benefits in order to attract, develop and retain competent and capable people for the sustainable growth of the Group. We strictly comply with all the relevant labour laws and regulations which apply to our operations.

The Group strictly implements the Regulations on the Paid Annual Leave of Employee, advocates efficient work, and encourages employees to complete tasks during working hours. If overtime, employees can take compensation leave based on the overtime hours. The Group is dedicated to putting an end to the unreasonable overtime work phenomenon.

During the Reporting Period, the Group did not have any breach cases of child labour and forced labour.

B.5 Supply Chain Management

The Group manages a list of qualified suppliers and contractors. Quotations are sought for purchase or supply of essential materials, components, equipment and machinery, and office supplies. We have a system in place to evaluate and review regularly all major suppliers and contractors from aspects of prices, quality, and business reputations to their CSR policies and practices. We give priority to those suppliers and contractors who advocate the Group's CSR initiatives, if other attributes of the suppliers and contractors are equal.

During the Reporting Period and year 2022, the data for the supply chain management as follows:

	Year 2023	Year 2022
Total number of suppliers	282	395
Number of suppliers by Geographical region		
– Hong Kong	262	376
– Japan	11	9
– Italy	4	3
– France	2	1
– Germany	1	2
– New Zealand	1	N/A
– U.S.A.	1	N/A
– China	N/A	3
– England	N/A	1

As mentioned at the beginning of this Report, we disposed of a 71% shareholding in the cultural entertainment business in July 2023. This resulted in a reduction in the number of suppliers to a certain extent.



B. SOCIAL (continued)

B.6 Product Responsibility

We commit to deliver premium customer experience with superior products and excellent services to our customers to meet their satisfaction and expectation.

We comply with all relevant international and local environmental, health and safety standards, applicable to our operations.

The Group has consistently adhered to principal of “quality first” and regard quality as its core strategy in providing products and services to its customers of its diversified businesses. The Group has achieved strong reputation and accolade in its pursuit of superior quality and business excellence in all its principal businesses.

The Group established customer service centres to service customers as well as, if any, handle complaints related to our products and services and verifying customer’s feedback, suggestions and complaints.

B.6.1 Personal Data Privacy Policy

We strictly comply with the laws in maintaining a high level of security and privacy protection on personal data. Great importance is attached to the privacy of personal data to resolutely maintain and protect personal information. We only collect personal data that we believe to be relevant and required to conduct our business. We use personal data only for the purpose for which data is collected or for a directly related purpose unless consent is obtained from customers. Personal data will not be transferred or disclosed to any entities other than the members of our organisation without consent from customers, unless otherwise required by the laws or notification is given to customers in advance. In addition, we maintain appropriate safety measures to prevent unauthorised access to personal data.

We observe and protect intellectual property rights, and oppose any form of intellectual property infringement. We have ensured its strict implementation through established corporate policies, systems and processes.

During the Reporting Period, the Group did not receive any complaints in relation to leakage of customer data.

B.7 Anti-corruption and bribery

We have created and nourished a corporate culture of honesty and integrity. It is the Group’s practice to prohibit the Group and its employees from illegally offering, giving, accepting money or cash equivalents in business engagements. We encourage and require our management and staff to maintain their conduct concerning obedience to the law, integrity, honesty and professionalism. We have adopted and maintained a whistleblowing policy and an anti-corruption and bribery policy to facilitate employees, any third parties who deal with the Group to raise matters of significant concern in confidence. The whistleblowing policy and the anti-corruption and bribery policy are available on the website of the Company at www.cct-fortis.com/eng/investor/governance.php.

During the Reporting Period and as at 31 December 2023, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to bribery, fraud, extortion or money laundering. Such laws and regulations include but not limited to the Hong Kong Prevention of Bribery Ordinance.



B. SOCIAL *(continued)*

B.8 Community Engagement

The Group has contributed its efforts and resources to support the community in which it operates for many years. Over the year, we have made substantial donations to support educations, elderly people and local community in which we operate. Furthermore, we sponsor and encourage our employees to participate in various charitable activities and volunteering events in the local community in which we have operations.

During the Reporting Period, we made donations of approximately HK\$50,000 (2022: HK\$30,000) in aggregate to various charitable organisations. We also sponsored and participated in various charitable activities and caring events for the elderly people.

During the Reporting Period, our community participation continued to focus on elders and distributed mainly foods to elders.



