



**Standard Development Group Limited**  
**標準發展集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
*Stock Code : 1867*

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT **2024**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## I. ABOUT THE REPORT

Standard Development Group Limited (the “Company”, together with its subsidiaries, collectively as the “Group” or “We”) is pleased to present our Environmental, Social and Governance (“ESG”) Report for the period from 1 April 2023 to 31 March 2024 (“FY2024” or the “Reporting Period”). The report presents our practices and initiatives to address environmental and social impacts, reaffirming our steadfast commitment to sustainable development. Additional information in relation to the Group’s corporate governance and financial performance can be referred to our Annual Report 2024.

The Group acknowledges its responsibility for ensuring the integrity of this ESG Report. The Group takes responsibility for its impact on society and environment, and is committed to creating long-term value for our stakeholders. To the best of its knowledge, this ESG Report addresses the principles of materiality, quantitative, balance and consistency, presenting the Group’s ESG performance in a balanced manner.

### 1.1 Scope and Reporting Boundary

Adopting the operational control approach, this ESG Report covers the Group’s main business engaged in construction and engineering, including interior fitting-out and renovation services, alteration and addition works for properties, and petroleum trading and farming businesses in Mainland China and Hong Kong.

As we seek to establish a consistent boundary for reporting the ESG aspects across the Group’s structure, the reporting boundary of this ESG Report is established based on the criteria that key operations and entities reported are substantially owned by the Group and are under our management. As a result, we do not report entities which are outside of the Group’s structure, where we do not own the assets and do not directly engage or employ the workforce, and where we do not operate the asset under a contractual obligation. In consistent with the disclosure boundary of the Annual Report, the reporting scope of this ESG Report has expanded to include the operations of the new subsidiaries in FY2024.

The reporting period of this ESG Report is the financial year from 1 April 2023 to 31 March 2024 unless specifically stated otherwise. Part of the content may review the Group’s performance in the past years to present readers with a comprehensive picture. The reporting boundary includes the operation entities in the regions mentioned above.

### 1.2 Reporting Guidelines

This ESG Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) under the “comply or explain” provision. A complete index in line with the ESG Reporting Guide is available at the end of this ESG Report for reference, with explanations of the provisions that the Group considers are inapplicable to its operations.

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## 1.3 Reporting Principles

This ESG Report is prepared following the four Reporting Principles as stated in the ESG Reporting Guide, informing the content of the report and how information is presented.

**Materiality:** The Group emphasised the principle of Materiality to identify the material ESG factors related to different stakeholders. In FY2024, the Group conducted its materiality assessment through online questionnaires to collect feedback from stakeholders. The Group's directors and senior management are mainly responsible for reviewing and endorsing the key ESG factors based on the assessment results.

**Quantitative:** The data presented in this ESG Report have been reviewed to be measurable. The methodologies and assumptions used to calculate the indicators are outlined in the respective performance tables.

**Balance:** To present an unbiased picture to readers and stakeholders, the Group adheres to the principle of Balance to transparently present its sustainability performance for both achievements and areas for improvement in FY2024.

**Consistency:** Unless otherwise stated, the disclosures, methodologies and key performance indicators are used and calculated in a consistent approach throughout the years to facilitate comparability over time. Any notable discrepancies from the previous reporting framework will be appropriately explained.

## 1.4 Reporting Framework

With reference to the ESG Reporting Guide and the Group's business operation, this ESG Report divides the relevant aspects and Key Performance Indicator ("KPIs"), which are considered to be relevant and material to the Group, into four subject areas: Environmental Performance, People, Operating Responsibly and Contributing to Our Community.

## 1.5 Data Collection

The data in this ESG Report are extracted from the Group's internal management system and statistics and are part of the data collected in previous years. Unless otherwise stated, Hong Kong dollars (HKD) are used in this report as its functional currency.

## 1.6 Report Availability

The Group will publish the ESG Report in respect of the financial year ended 31 March 2024 on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.bzg.cn](http://www.bzg.cn)) at the same time as its Annual Report is published. The ESG Report will be accessible under the "Investor Relations" section of the Company's website.

## 1.7 Contact

As the Group aims for excellence, comments and suggestions regarding this ESG Report or our sustainability performance are always appreciated. Comments or views can be sent to [ir@bzg.cn](mailto:ir@bzg.cn).

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## II. EFFORTS IN THE ESG MANAGEMENT

### 2.1 ESG Policy

Recognising the critical role of ESG considerations in delivering long-term value for all, we continuously improve our corporate management structure to incorporate ESG factors into the decision-making process. The Group has developed a robust internal ESG policy that aligns with its values and business mission. Through the implementation of the ESG policy we adopt sustainable practices across our value chain, from the supply chain to our customers, and extend our impacts to the communities in which we operate. The Board of Directors (the “Board”) makes the following statements regarding our ESG policy.

#### **Tackling Climate Change**

With the growing global concerns about climate-related crises, the Group prioritises climate change over other ESG-related issues. In response to the national “30 60” decarbonisation target, we take action to reduce our carbon footprint and strive to minimise the adverse impacts on the environment through green operations. In addition, we update our long-term goals as technologies advance and cost structures change to contribute to a sustainable future.

Driven by the development concepts of “innovation, coordination, green, openness and sharing” proposed by China’s 14th Five-Year Plan, the Group has actively adjusted its overall strategy to align with the national development approach, thereby reducing business risks and enhancing corporate resilience. The shareholders of the Group approved an investment in integrated development and utilisation of a rural biomass project at the extraordinary general meeting. By exploring biomass fermentation technology, this project can effectively treat organic waste such as livestock manure, converting pollutants to biogas and bio-natural gas. Meanwhile, the by-products produced by the treatment process can be used as organic fertiliser for agriculture, improving soil quality and promoting regenerative agriculture. The project has entered the pilot production stage and is expected to generate revenue for the Group in the fourth quarter of 2024.

#### **Embracing Diversity**

The Group firmly believes that embracing and respecting diversity is critical to innovation and progress. To this end, we are committed to maintaining an inclusive and diverse working environment for our employees, promoting a culture of equality and respect across our organisation. Drawing on our diverse leadership and backgrounds, we seek continuous improvement to become better constituents of our community and stakeholders.

#### **Respectful Human Resource Management**

Adhering to the people-oriented approach, the Group regards human resources as its greatest asset and attaches great importance to attracting and retaining talents. We uphold equality among all staff, regardless of their role, gender, race, age, religious beliefs, or sexual orientation. Moreover, we are committed to providing a comprehensive set of benefits and welfare programs to support the diverse needs of our employees, including professional development opportunities, healthcare coverage, and support for work-life balance.

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## Adopting a Responsible Governance Framework

Over the years, the Group has adhered to the highest standards and adopted a responsible governance framework to promote ethical decision-making, risk management, and stakeholder value creation. As the highest governance authority, the Board holds the ultimate responsibility for overseeing all ESG-related issues in a top-to-bottom manner. The Board actively manages ESG-related risks and opportunities by regularly reviewing the Group's internal policies to ensure its measures and practices align with evolving ESG standards. In addition, the senior management is responsible for reporting regulatory updates and emerging issues to the Board.

## Leveraging Innovation

Innovation stands as a cornerstone for maintaining competitiveness in the dynamic landscape of modern business. As such, the Group remains steadfast in pursuing new opportunities to improve its performance and optimise its business operations. The Group leverages its innovation capacity to explore alternatives for energy use, aiming to reduce emissions and minimise its environmental footprint. Through continuous innovation and the commitment to environmental stewardship, we strive to create a more sustainable future for future generations.

## Commitment to the Community

We recognise that our success is closely linked with the well-being and prosperity of the communities we serve. Therefore, we have spared no effort to support the construction and development of local communities through volunteering, charitable donations, and community engagement programs.

## 2.2 ESG Management Approach and Strategy

We have designed a robust ESG management approach and strategies to ensure that the concept of sustainability is integrated into every aspect of our business operations. By embedding ESG considerations into our decision-making, we manage ESG-related risks and seize opportunities for long-term value creation and positive impact.

To ensure the effective implementation of our ESG strategy throughout the organisation, we refer to the following aspects to manage our ESG approach.

Table 1 – ESG Management Approach and Strategy

Aspect	Approach and Strategy
<b>Environment</b>	<ul style="list-style-type: none"><li>– Develop solutions to address climate change and other pressing environmental challenges. For example, the Group invested in a rural biomass project to explore new technologies for converting organic waste into green energy</li><li>– Optimise resource efficiency and productivity by exploring renewable energy and adopting sustainable practices during daily operations</li></ul>
<b>Our Team</b>	<ul style="list-style-type: none"><li>– Place great emphasis on ethical values such as honesty, transparency, open communication, and respect</li><li>– Provide a supportive working environment and offer opportunities for skill development and promotion</li></ul>

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Aspect	Approach and Strategy
<b>Business Ethics</b>	<ul style="list-style-type: none"><li>– Maintain the highest ethical standards across the entire Group</li><li>– Enhance oversight, risk management, and decision-making processes within the organisation by implementing robust governance practices</li></ul>
<b>Suppliers and Customers</b>	<ul style="list-style-type: none"><li>– Build a responsible supply chain by conducting green procurement with sustainable and ethical suppliers</li><li>– Provide high-quality services for the well-being of people and benefits of society</li></ul>
<b>Our Community</b>	<ul style="list-style-type: none"><li>– Promote economic development and job creation</li><li>– Nourish an innovative environment to support our community</li></ul>

Looking ahead, we will continue to strengthen our ESG management by actively reviewing and updating our internal policies and strategies. We also maintain stable communication with our stakeholders to collect their feedback and expectations to improve our sustainability approaches.

## 2.3 Stakeholder Engagement

The Group believes that effective stakeholder engagement is a fundamental aspect of fulfilling its corporate social responsibility (“CSR”) and achieving long-term sustainability. Through actively engaging with key stakeholders, the Group gains the opportunity to share its outstanding achievements and commitment while collecting stakeholders’ views and suggestions on corporate governance.

The results in the following section outline the valuable feedback the Group received from key stakeholders, including employees, suppliers, and business partners. The Group actively maintains stable connections with its stakeholders through their preferred channels.

## 2.4 Materiality Assessment

In FY2024, the Group invited stakeholder representatives to participate in the annual materiality assessment conducted by a third-party consultancy agency. The Group adopted a stepwise process for preparation, identification, prioritisation, and validation to ensure that relevant sustainability topics are being managed and reported in accordance with their materiality.

### i) Preparation

The Group studied the ESG-related issues related to the Group’s core business activities through industry analysis and peer benchmarking.

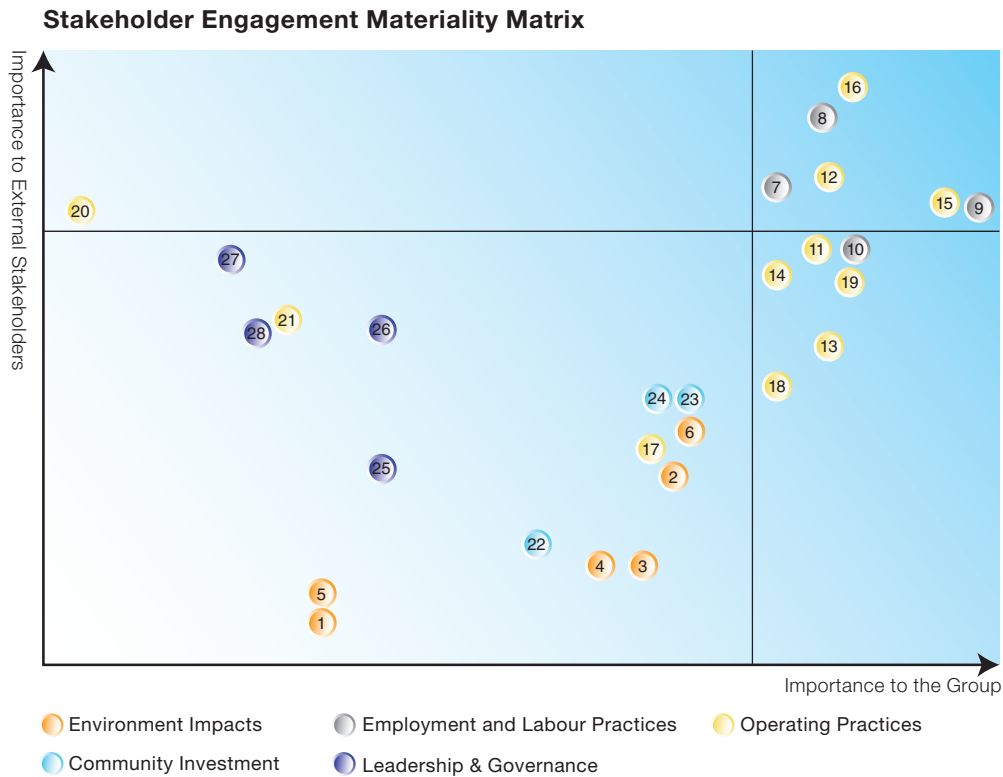
### ii) Identification

A list of 28 fundamental ESG-related issues was identified, which were recognised as having potential environmental and social impacts on the Group’s operations.

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## iii) Prioritisation

Online surveys were distributed among the selected stakeholder representatives to give their ratings against the list of ESG-related issues. The material topics were analysed, prioritised, and then mapped on the materiality matrix below to reflect their level of importance.



Through the materiality assessment, the Group has identified “Labour Practices”, “Employee Remuneration and Benefits”, “Occupational Health and Safety”, “Engagement with Suppliers”, “Product/Service Quality and Safety” and “Customer Privacy and Data Security” as its most material ESG issues<sup>1</sup>.

## iv) Validation

The results of the materiality assessment were reviewed and validated by the Group’s directors and senior management. The Group is committed to allocating substantial resources on the material topics to address the concerns of its stakeholders.

<sup>1</sup> Other less important issues include: 1. Greenhouse Gas Emissions; 2. Energy Management; 3. Water and Wastewater Management; 4. Solid Waste Stewardship; 5. Climate Change Mitigation and Adaptation; 6. Renewable and Clean Energy; 10. Employee Development and Training; 11. Green Procurement; 13. Environmental and Social Risks Management of Supply Chain; 14. Supply Chain Resilience to External Risks; 17. Marketing and Promotion; 18. Intellectual Property Rights; 19. Labelling Relating to Products/Services; 20. Business Ethics and Anti-corruption; 21. Internal Grievance Mechanism; 22. Participation in Charitable Activities; 23. Cultivation of Local Employment; 24. Supporting Local Economic Development; 25. Adaptability and Resilience of Business Models to Environmental, Social, Political and Economic Risks and Opportunities; 26. Response to and Management of Changes in Legal and Regulatory Environment (Legal Compliance Management); 27. Capabilities of Emergency and Risk Response; 28. Systematic Risk Management (e.g. financial crisis)



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## III. ESG ACHIEVEMENT

To fulfil our corporate responsibility, we have developed and implemented various measures and initiatives to address ESG-related issues, including greenhouse gas (“GHG”) emissions, environmental compliance, occupational health and safety, development and training for employees.



Our ESG achievement not only brings positive impacts on the environment and society but also enhances our long-term financial performance and reputation, extending our impact beyond the organisation. We are proud to report that the Group has made progress on specific ESG areas throughout this reporting period. Looking ahead, we remain steadfast in our dedication to prioritising ESG considerations in our business decisions.

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## IV. ENVIRONMENTAL PERFORMANCE

### 4.1 Environmental Management Policy

Recognising the urgency of addressing climate change and other environmental crisis, the Group is committed to operating in an environmentally responsible manner. In particular, our environmental management system has been certified with ISO 14001:2004 in 2012, showing our commitment to environmental conservation. In light of the escalating demand for green building certification in the construction industry, the Group embraced a proactive approach, integrating energy-efficient technologies and products in our projects. We also adopted esteemed certification systems such as LEED and BEAM as guiding frameworks to ensure our developments meet stringent sustainability benchmarks. With the collective efforts of our employees, subcontractors, and suppliers, the Group effectively manages its emissions and waste generation at a satisfactory level.

The Group has formulated rules and regulations to effectively manage energy consumption, GHG emissions, discharge of waste, sewage and other pollutants, as highlighted below.

- Comply with applicable environmental protection laws and regulations;
- Establish and regularly update goals, objectives and targets for our environmental management;
- Maintain high environmental standards and continuously improve the ESG management system;
- Share our environmental achievements and progress with stakeholders, actively engaging them in areas wherever applicable; and
- Promote a culture of environmental sustainability among our staff, customers, and suppliers to encourage their participation in green practices.

During the Reporting Period, the Group complied with the applicable environmental protection laws and regulations in relation to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste, including but not limited to Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) and Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong). The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.

Looking ahead, the Group will continue to allocate more human and financial resources to environmental protection, carbon footprint reduction and environmental compliance as required under applicable laws and regulations.

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## 4.2 Climate Change Response Management and Mitigation

Realising that climate change is now a common challenge faced by the world, we acknowledge our responsibility to manage and mitigate the impacts of climate change during daily operations. We have implemented a comprehensive response management strategy for climate change, which includes various initiatives and actions designed to reduce GHG emissions, enhance resilience to climate-related risks, and contribute to global efforts to limit global warming.

In response to national policies, including Guiding Opinions on Promoting the Development of the Bio-natural Gas Industry, Opinions on Implementing and Accelerating Rural Energy Transformation and Development to Promote Rural Revitalisation, and Opinions of the Central Committee of the CPC and the State Council on Fulfilling the Key Work of Comprehensively Promoting Rural Revitalization in 2022, the Group has invested in the integrated development and utilisation of a rural biomass project. This project was listed as a critical project in Shandong Province in 2022 and has been successfully enlisted in the investment projects within the central budget in 2023. With the support of national and local governments, the project is currently proceeding as planned. The biomass fermentation technology can effectively treat livestock waste and generate green energy such as biogas and bio-natural gas. The Group believes that this project will effectively improve energy efficiency and contribute to carbon reduction, achieving the ecological and social benefits of a circular economy. By deploying more resources and efforts in this biomass clean energy project, the Group will gain opportunities to participate in the carbon market in Mainland China and sell its carbon credits. Meanwhile, the Group is actively engaging with external institutions to obtain international verification as a carbon offset program.

While we do not anticipate significant impacts from climate change on our operations, we remain vigilant regarding any climate-related risks that may arise. In FY2024, we adhere to the recommendations of the Task Force on Climate-Related Financial Disclosure (“TCFD”) to assess the impacts of climate change on our business operations. The assessment focuses on identifying the physical and transition risks that may have significant impacts on the Group. By effectively managing and controlling the potential impacts of climate change, we are able to enhance our business resilience and capitalise on emerging opportunities promptly.

Climate risks faced by the Group are typically classified into two major categories, including transition risks and physical risks.

### Transition Risks

Transition risks refer to the risks that arise from transitioning to a more sustainable and low-carbon economy. These risks result from changes in policies, technologies, and markets as societies and economies seek to mitigate climate change by reducing GHG emissions and transitioning away from fossil fuels. The table below summarises our response to managing the various transition risks that the Group may be facing.

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Table 2 – Transition Risks and Opportunities

Risk	Mitigation and Opportunities	
<b>Market risks</b>	<ul style="list-style-type: none"> <li>As climate-related risks and opportunities receive greater attention, supply and demand for certain commodities, products and services may be affected.</li> </ul>	<ul style="list-style-type: none"> <li>We closely engage with our stakeholders to provide them with transparent information on the environmental impact of our services and products, and seek feedback for improvement.</li> <li>We are committed to investing in research and development to create sustainable solutions, such as eco-friendly products and climate-resilient infrastructure.</li> <li>We are deploying more efforts and resources in our investment in the biomass clean energy projects, which is great business opportunity for us amid the market trend of green energy development.</li> </ul>
<b>Policy and legal risks</b>	<ul style="list-style-type: none"> <li>New environmental regulations and more aggressive emission requirements may come into place, leading to higher litigation risks.</li> </ul>	<ul style="list-style-type: none"> <li>We remain open communication and collaboration with industry organisations, peers, governments, and communities to improve our environmental management system.</li> <li>Stay informed about existing and upcoming environmental regulations and emission requirements.</li> </ul>
<b>Technology risks</b>	<ul style="list-style-type: none"> <li>Investment in new technologies may not achieve the expected financial return due to technological uncertainties, market fluctuations and regulatory changes.</li> </ul>	<ul style="list-style-type: none"> <li>We will diversify investment portfolios to spread risk across different technologies, sectors, and markets.</li> <li>A comprehensive due diligence will be conducted before investing in new technologies.</li> </ul>
<b>Reputation risks</b>	<ul style="list-style-type: none"> <li>Lack of transparency or misleading information about climate-related initiatives or risks may erode trust and credibility with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Our primary goal is to lower GHG emissions of the Group and achieve carbon neutrality across our operations by 2050.</li> <li>We are committed to enhancing the transparency and accountability of environment management, demonstrating a genuine commitment to climate action and responsible business practices.</li> </ul>

## Physical Risks

Physical risks reflect how changes to the frequency and intensity of extreme and ongoing weather can impact, disrupt and damage business operations, assets and supply chains. These risks manifest in various forms and can have significant socio-economic and environmental consequences. The table below shows our responses to managing various physical risks brought about by the climate change that the Group may be facing.

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Table 3 – Physical Risks and Opportunities

Risk	Mitigation and Opportunities
<p><b>Acute risks</b></p> <ul style="list-style-type: none"> <li>– Extreme weather events, such as typhoons and floods, can lead to operational disruptions, transportation and supply chain disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>– We are committed to enhancing our resilience to extreme weather events by optimise existing buildings and facilities, such as flood barriers and backup power generators.</li> </ul>
<p><b>Chronic risks</b></p> <ul style="list-style-type: none"> <li>– Chronic risks, including rising mean temperatures and sea level, may pose operational challenges for the Group.</li> </ul>	<ul style="list-style-type: none"> <li>– We will ensure that all new projects undergo an assessment process to identify and mitigate the potential physical impacts of climate change.</li> </ul>

In the future, we are dedicated to developing more comprehensive action plans for climate change mitigation and adaptation.

## 4.3 Optimising Energy Efficiency

Understanding that the energy consumptions are inevitable in supporting our daily operations, we actively adopted a set of measures to optimise energy efficiency during daily operations, including:

- Switch off all idling electrical appliances such as air conditioners, computers, printers and lights;
- Explore the application of renewable energy, including installing solar panels;
- Raise employees’ awareness of energy conservation and emission reduction through training; and
- Encourage employees to use modern telecommunication systems to avoid unnecessary transportation or travel.

Striving for a healthier planet, the Group spares no effort in promoting the concept of “green workplace” across the organisation and encourages our employees to participate in green initiatives. In the future, we are committed to providing regular training to enhance our employees’ awareness of energy conservation. In addition, the Group is actively exploring biomass fermentation technologies and market opportunities for the utilisation of rural biomass. Considering the tremendous market opportunities brought by rural revitalisation, the Group is working on a bio-natural gas power project, which is expected to commence in the second half of 2024.

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## 4.4 Our Environmental Commitment

During the Reporting Period, the Group complied with the applicable environmental laws and regulations in Hong Kong and Mainland China. Attributed to its ongoing efforts, the Group has obtained multiple international certifications, demonstrating our dedication to promoting sustainable development.

Table 4 – The Group’s Law Compliance and International Certification

### International Certification

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- ISO 14001 Environmental management systems

### Environmental Related Laws and Regulations

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- Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)
- Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Chapter 354N of the Laws of Hong Kong)
- Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong)
- Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong)
- Construction Industry Council Ordinance (Chapter 587 of the Laws of Hong Kong)
- Buildings Ordinance (Chapter 123 of the Laws of Hong Kong)
- Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong)

During the Reporting Period, the Group continued to expand its business into the agriculture sector, focusing on wheat and corn cultivation. In addition to wheat planting that was initiated in the previous year, we started planting corn in the second half of 2023 as part of our agricultural activities. Utilising approximately 10,000 mu of farmland, we carried out our plating activities by leasing the farmland to farmers and self-farming.

Recognising the importance of stringent quality control processes in production, we have promoted responsible land use during our engagement with farmers and adopted sustainable farming practices. Our commitment to sustainable agriculture remains steadfast, with a focus on enhancing soil health, conserving water resources, and promoting biodiversity in all farming operations.

## 4.5 Air and GHG Emissions

In FY2024, air pollutants from the Group, including sulphur oxides (“SO<sub>x</sub>”), nitrogen oxides (“NO<sub>x</sub>”) and particulate matter (“PM”), were mainly generated from fossil fuel consumption for transportation. The Group’s carbon footprint during the Reporting Period was primarily from (1) indirect GHG emission generated from electricity consumption, (2) direct GHG emission generated from consumption of fossil fuel, (3) indirect GHG emission generated from business air travel and (4) paper consumption in business operations. The table below summarises the Group’s air and GHG emissions for FY2024.

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Table 5 – The Group’s Total Exhaust Gas and GHG Emissions in FY2024 and FY2023<sup>8 9</sup>

Emission Category	Key Performance Indicator	Unit <sup>7</sup>	FY2024		FY2023	
			Amount	Intensity <sup>1</sup> (Unit/employee)	Amount <sup>2</sup>	Intensity <sup>2</sup> (Unit/employee)
<b>Air Emissions<sup>3</sup></b>	SO <sub>x</sub>	kg	0.8	1.1×10 <sup>-2</sup>	0.1	1.3×10 <sup>-3</sup>
	NO <sub>x</sub>	kg	93.7	1.2	5.6	0.1
	PM	kg	8.2	0.1	0.4	8.2×10 <sup>-3</sup>
<b>GHG Emissions</b>	Direct GHG Emissions <sup>4</sup> (Scope 1)	tonnes of CO <sub>2</sub> e	149.8	1.9	11.8	0.2
	Energy Indirect Emissions <sup>5</sup> (Scope 2)	tonnes of CO <sub>2</sub> e	281.3	3.9	16.9	0.3
	Other Indirect Emissions <sup>6</sup> (Scope 3)	tonnes of CO <sub>2</sub> e	12.3	0.2	5.2	0.1
	Total GHG Emissions	tonnes of CO <sub>2</sub> e	443.4	5.8	33.9	0.7

1. Intensity for FY2024 was calculated by dividing the amount of air and GHG emissions by the number of employees in FY2024, which was 77;
2. The amount and intensity in FY2023 were extracted from the data in the ESG Report FY2023 of the Group;
3. The Group’s air emissions only included the air pollutants from fuel consumption of motor vehicles;
4. The Group’s direct GHG emissions (Scope 1) included only emissions arose from the consumption of liquid fuels in motor vehicles;
5. The Group’s energy indirect emissions (Scope 2) included only emissions arose from electricity consumption;
6. The Group’s other indirect emissions (Scope 3) included only emissions from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments and business air travel;
7. The units for air and GHG emissions have been changed to align with requirements of “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange;
8. The methodology adopted for reporting on GHG emissions set out above was based on “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, The GHG Protocol Corporate Accounting and Reporting Standard and the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories; and
9. Considering the expansion of business scope, the Group is cautious about setting quantitative emission targets. Nonetheless, we are committed to further reducing our emissions.

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## 4.6 Waste Management

### Waste Management Policy

Embracing the concept of circular economy, we are committed to reducing waste generation, promoting resource efficiency and reducing environmental impacts through effective waste management practices. By adopting the “4 R Principles – Reduce, Reuse, Replace and Recycle”, we strive to reduce waste generation at source, achieving a green and paperless workplace. Moreover, we regularly review our waste management policy to ensure that our practices comply with laws and regulations in the regions where we operate. To ensure the effective implementation of waste management practices, relevant training is provided to employees to enhance their awareness of waste classification and recycling.

### Hazardous and Non-hazardous Waste

Given our business nature, we do not produce any hazardous waste during our operations, while the non-hazardous waste generated by the Group mainly came from our construction and demolition activities. In general, wastes such as packaging materials, flooring (vinyl or wood), drywall such as wallboard, gypsum or plastic board, concrete waste and carpeting materials are difficult to recycle as they are generally not separable at source and are disposed of directly at the landfill. Nevertheless, we remain committed to exploring innovative solutions to enhance waste diversion efforts. During the Reporting Period, we controlled, recorded, and monitored waste generation and disposal in a proper and systematic manner. In FY2024, 2,292.7 tonnes of waste were transferred to government waste disposal facilities. The following table summarises the amount and destination of various types of waste.

Table 6 – Construction Waste

Government Waste Disposal Facilities	Types of Construction Waste	Unit	FY2024
<b>Public Fill Reception Facilities</b>	Inert construction waste <sup>2</sup>	tonnes	15.0
<b>Sorting Facilities</b>	Inert construction waste accounts for more than 50% by weight	tonnes	8.5
<b>Landfills</b>	Inert construction waste accounts for more than 50% by weight	tonnes	2,269.2

Paper and printed waste were other non-hazardous waste generated from office administration. The GHG emissions constituted by paper waste was 6.86 tonnes of CO<sub>2</sub>e. Paper waste was collected by the property management for recycling and disposal. During the Reporting year, we implemented various measures to reduce paper consumption during daily operations, including:

- Set printers to duplex and economical modes by default; and
- Promote a paperless working environment by providing digital options for file storage, communication and sharing of information.

<sup>2</sup> Inert construction waste refers to rock, rubble, boulder, earth, soil, sand, concrete, asphalt, brick, tile, masonry or used bentonite.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Wastewater Discharge

In FY2024, the non-hazardous wastewater generated by the Group was mainly domestic wastewater from sanitary. The Group ensures all domestic sewage is properly discharged into the municipal sewage pipe network for subsequent sewage treatment. Since wastewater discharge largely depends on the amount of freshwater that the Group consumes, the Group has taken effective measures to reduce its water consumption in its daily operations, which are further described in the next section.

## 4.7 Use of Resources

To support the transition to a zero-carbon economy, we recognise the utmost significance of enhancing energy efficiency to reduce energy-related emissions and resource demand. To this end, we formulated and implemented internal policies to raise awareness of energy conservation and promote energy-saving measures throughout our daily operations as elaborated in the section of "Exhaust Gas and GHG Emissions. In FY2024, we mainly consumed electricity, diesel, petrol and paper during our operations, while we did not consume any significant amount of water and packaging materials due to our business nature. Due to the changes in business scope and the increased project construction, the amount of energy consumed by the Group increased in FY2024.

### Packaging Material

Given our business nature, the Group does not have manufacturing facilities and does not consume significant amounts of packaging materials during our operation. Nevertheless, we encourage our suppliers to explore alternative packaging solutions that are eco-friendly and use less packaging material.

### Water Consumption

In FY2024, the Group did not face any issues in sourcing water that was fit for purpose. While we did not consume significant amount of water during the Reporting Period, we recognised the importance of water conservation and encouraged our employees to participate in responsible water usage. To achieve this target, we have implemented several water-saving measures across our offices, including:

- Post reminders in the pantry to remind employees of the importance and urgency of water conservation;
- Conduct regular inspections to identify and promptly fix any leaks in plumbing systems, preventing unnecessary water wastage; and
- Prioritise water-efficient equipment with Water Efficiency Labels.

In addition, we seek to reuse water and improve the quality of wastewater discharged from our working stations wherever possible. By actively managing and reducing our water consumption, we aim to make a significant difference in safeguarding this vital resource for future generations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Raw Material

In FY2023/2024, the Group mainly consumed plastic, wood, steel, soil, concrete, stone and copper materials for the construction of the new plants. To effectively control the environmental impacts and carbon emissions arising from the construction, the Group complies with the relevant national environmental protection laws and has incorporated green building concepts into the construction projects.

Table 7 – The Group’s Construction Raw Materials Consumption in FY2024

Construction Raw Materials	Unit	FY2024
Plastic	tonnes	58.5
Wood	tonnes	427
Steel	tonnes	8,440
Soil	tonnes	33,700
Concrete	tonnes	134,400
Stone	tonnes	590
Copper	tonnes	430

## Environmental Performance

In accordance with the ESG Reporting Guide set out by the Stock Exchange, our environmental performance of “Energy and Resources Use” during the Reporting Period is summarised below.

Table 8 – The Group’s Total Resource Consumption in FY2024 and FY2023<sup>5</sup>

Use of Resources	Key Performance Indicator	Unit	FY2024		FY2023	
			Amount	Intensity <sup>1</sup> (Unit/ employee)	Amount <sup>2</sup>	Intensity <sup>2</sup> (Unit/ employee)
<b>Energy<sup>3</sup></b>	Electricity	kWh’000	488.5	6.3	32.4	0.6
	Petrol	L	48,689.0	632.3	4,369.3	87.4
	Diesel	L	7,533.0	97.8	–	–
	Total	kWh’000	1040.9	13.5	74.8	1.5
<b>Water<sup>4</sup></b>	Water	m <sup>3</sup>	23.0	0.3	17.0	0.3
	Paper	kg	1,428.4	18.6	784.6	15.7

1. Intensity for FY2024 was calculated by dividing the amount of air and GHG emissions by the number of employees in FY2024, which was 77;

2. The amount and intensity in FY2023 were extracted from the data in the ESG Report FY2023 of the Group;

3. The energy conversion of resources consumed was based on the energy coefficient set out in “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange;

4. The Group’s water consumption in FY2024 was mainly from office administration in Hong Kong. The business operations of the Group in Mainland China mainly consumed water from natural sources for agriculture. We are committed to enhancing our data collection methodology and disclosure of agricultural water consumption in the near future; and

5. Considering the expansion of business scope, the Group is cautious about setting quantitative energy use efficiency targets. Nonetheless, we are committed to enhancing our energy efficiency.

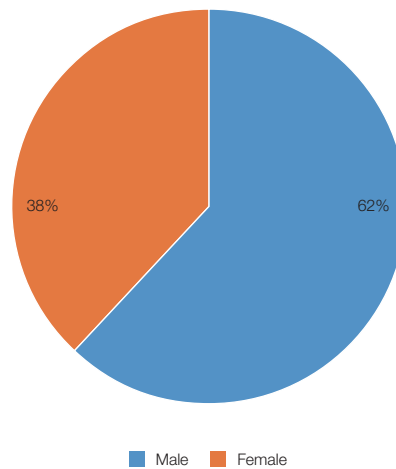
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## V. PEOPLE

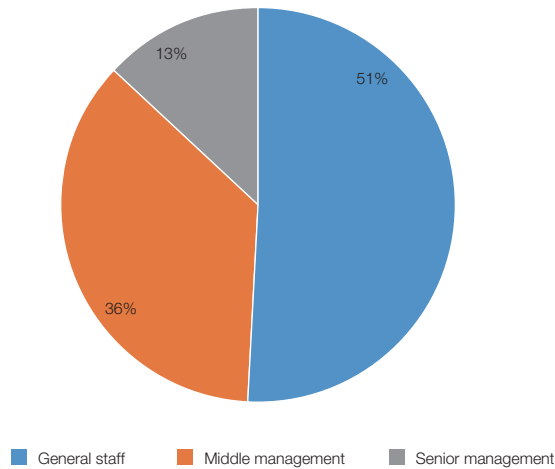
### 5.1 Employment

As part of our commitment to social responsibility, we recognise that employment practices play a pivotal role in fostering sustainable growth, social equity, and organisational resilience. To this end, we value open communication and collaboration across all levels of the organisation. As of 31 March 2024, there were a total of 77 employees working for the Group with a male-to-female gender ratio of 62%: 38%.

Total Workforce by Gender as of 31 March 2024

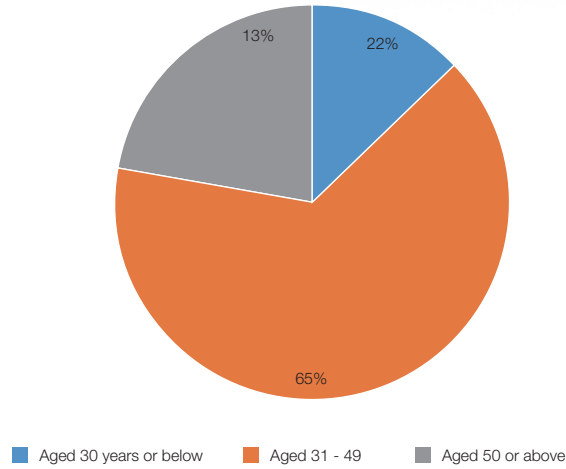


Total Workforce by Employment Level as of 31 March 2024

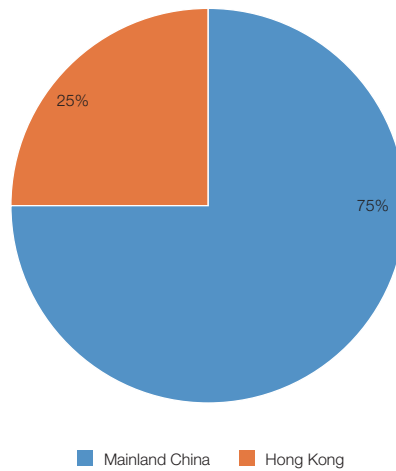


# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Total Workforce by Age Group as of 31 March 2024



Total Workforce by Region as of 31 March 2024



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table 9 – Number of Employees by Age Group, Gender, Employment Type, Position Level, Geographical Locations of The Group in FY2024<sup>1</sup>

Gender		Age group			Total
Male	Female	Aged 30 or below	Aged 31 – 49	Aged 50 or above	
48	29	17	50	10	77
Employment type		Position level			Total
Full time	Part time	General Employee	Middle Management	Senior Management	
75	2	39	28	10	77
Geographical locations				Total	
Mainland China		Hong Kong			
	58		19	77	

<sup>1</sup> The employment data in headcount was obtained from the Group's Human Resource Management Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group, within the reporting boundary. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

## Legal compliance

In FY2024, the Group complied with the relevant employment laws and regulations throughout the Reporting Period, including the Mandatory Provident Fund Schemes Ordinance by participating in the Mandatory Provident Fund retirement benefits scheme for our eligible employees, Minimum Wage Ordinance, Employment Ordinance and Employees' Compensation Ordinance by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees in Hong Kong.

For employees in Mainland China, the Group participated in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with local regulations, including the Regulations on the Administration of Housing Provident Funds and the Social Insurance Law of Mainland China.

The Group's employee handbook set strict rules and regulations on employment and labour standard, remuneration and benefits, leave and holidays, training and development, business conduct and ethics, and occupational health and safety. As an essential tool for conveying expectations of the management, the employee handbook protects employees from unfair or inconsistent treatment and discrimination.

## Recruitment and Promotion

Considering that every employee has unique talents, attracting and retaining talents plays a crucial role in sustaining the Group's competitiveness within a dynamic market. Adhering to the people-oriented principle, the Group enriches its workforce through internal selection and external recruitment. The Group is determined to uphold open, fair, just and reasonable recruitment and human resource policies with respect to equal opportunities, diversity and anti-discrimination. The Group's Human Resource Management Department is responsible for supervising and monitoring all recruitment and promotion processes, ensuring they are conducted in a fair and open manner.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure the contribution of each employee are recognised by the Group, performance appraisal is conducted annually to identify the eligible employees with outstanding achievements and potential. Internal promotion opportunities will be provided to them after the consideration of the Department Heads and Directors.

## Remuneration, Compensation and Dismissal

The Group provides fair and competitive remuneration packages based on candidates' performance and job experiences. The Group reviews and updates the compensation packages for employees on a regular basis through the performance appraisal system based on their past performances, working attitude and contribution to the Group.

The Group strictly prohibits any kind of unfair or illegitimate dismissal and has formulated relevant guidelines to regulate the procedures for employee dismissal. For employees who violate the employment policies, the Group will give a verbal warning before issuing written warning letter. For employees that repeatedly make the same mistakes despite being warned, the Group will terminate their employment contracts based on reasonable and lawful grounds according to the relevant laws and regulations. In FY2024, the employee turnover rate of the Group was 31.2%.

Table 10 – Employee Turnover Rate by Age Group, Gender, and Geographical Locations of the Group in FY2024<sup>1</sup>

	Gender		Age group			Total
	Male	Female	Aged 30 or below	Aged 31 – 50	Aged 51 or above	
Employee turnover	20	4	6	14	4	24
Employee turnover rate	41.7%	13.8%	35.3%	28.0%	40.0%	31.2%
Locations	Geographical locations		Employee turnover		Employee turnover rate	
			Employee turnover	Employee turnover rate		
Mainland China			21	36.2%		
Hong Kong			3	15.8%		

<sup>1</sup> The turnover data in headcount was obtained from the Group's Human Resource Management Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who left the Group in FY2024 by the number of employees as of the end of FY2024. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

## Working Hours and Rest Periods

The employee working hours and rest period are strictly set in accordance with the local employment laws regulations, including "Provisions of the State Council on Employees' Working Hours". We respect the roles and responsibilities of our employees in their families. Therefore, in addition to basic paid annual leaves and statutory holidays, employees are also entitled to additional leave benefits, such as sick leave, marriage leave, maternity leave, and consolation leave.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **Equal-opportunity, Diversity and Anti-discrimination**

Recognising the importance of diversity, equity, and inclusion in driving innovation, creativity, and organisational performance, we have zero tolerance for any form of discrimination, harassment, bullying or abusive behaviour.

To create a fair, inclusive and diverse working environment, the Group makes decisions in hiring, training, promotion opportunities, dismissal and retirement policies based on factors irrespective of its employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job-related factors.

## **Others Benefits and Welfare**

The Group attaches great emphasis on the physical and mental health of employees. To relieve working stresses and enhance team cohesion, we hold an annual dinner in FY2024 with delicious cuisine and engaging activities to celebrate our collective achievements during the Reporting Period. In addition, we regularly seek feedback from our employees to understand their concerns and demands, which help us create an engaging and supportive workplace.

In FY2024, the Group complied with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

## **5.2 Occupational Health and Safety**

To ensure the wellbeing of our employees, we are deeply committed to fostering a safe and healthy working environment for all employees, and all others involved in our operations and activities. As such, the Group was compliance with the relevant laws and regulations in Mainland China and Hong Kong, including but not limited to the Law of the People's Republic of China on Prevention and Control of Occupational Diseases.

In alignment with our broader ESG objectives, Occupational Health and Safety initiatives are integral to our overall strategy, highlighting our commitment to responsible business practices. In FY2024, the Group maintained its certification on OHSAS 18001 standard.

The Group has established a Safety Management Committee responsible for reviewing and updating the health and safety policies annually to ensure our internal policies align with the latest laws and regulations. Meanwhile, the Safety Officer oversees the coordination and implementation of these policies across the organisation, while comments and suggestions related to occupational health and safety are gathered from the employees. To further improve the safety performance of our operation practices, we conduct safety audits at project sites to monitor our operations for compliance with statutory and industry requirements.

To promote the safety awareness of employees, regular training and briefings are arranged for our employees to ensure that all employees are well-informed about safety protocols and guidelines. On-site personnel are equipped with essential personal protective equipment such as helmets, eye and ear protectors, gloves and face masks to mitigate occupational hazards.

The Group recorded zero work-related fatalities in the past three years. In FY2024, the Group recorded one work-related injury and thus 30 related workday losses. During the Reporting Period, the Group was not in violation of any of the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table 11 – Health and Safety

<b>Occupational Health and Safety Data</b>	<b>FY2024</b>	<b>FY2023</b>	<b>FY2022</b>
Number of Work-related Fatalities	0	0	0
Rate of Work-Related Fatalities	0	0	0
Number of Work-related Injuries	1	0	0
Number of Lost Days due to Work Injury	30	0	0

## 5.3 Development and Training

To achieve long-term business success, we seek to unlock the potential of our employees by enhancing their professional knowledge and skills. In addition, we are committed to providing employees with sufficient opportunities for promotion and career development, aiming to achieve mutual success.

The Group established a framework to provide training for both new hires and current staff. Overseen by the Human Resource Management Department, the Group provides orientation programmes for new employees to get familiar with the Group’s culture, mission and regulations. On-the-job training is arranged for current employees, including technical skills training and thematic courses, to improve their professional skills and knowledge. To motivate employees for personal development and lifelong learning, the Group provides educational grants to qualified employees to extend their career paths. The Group also encourages a culture of knowledge and experience sharing to foster collaboration and team cohesion among employees.

During the Reporting Period, the Group organised 272 hours of vocational training for its staff. For more information, please refer to the following tables.

Table 12 – Number and Percentage of Employees Trained in the Group by Gender and Position Level in FY2024<sup>1</sup>

Total number of employees as of the end of FY2024	77
Total number of employees trained in FY2024	13
Total percentage of employees trained in FY2024	16.9%

	<b>Gender</b>		<b>Position level</b>		
	<b>Male</b>	<b>Female</b>	<b>General Employee</b>	<b>Middle management</b>	<b>Senior management</b>
Number of employees trained	8	5	2	3	8
Percentage of employees trained	61.5%	38.5%	15.4%	23.1%	61.5%

<sup>1</sup>. The training information was obtained from the Group’s Human Resource Management Department. Training refers to the vocational training that the Group’s employees attended in FY2024. The above data only covers the reporting scope. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on “How to Prepare an ESG Report? – Appendix 3: Reporting Guidance on Social KPIs” issued by the Stock Exchange.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table 13 – Training Hours Provided by the Group by Gender and Position Level in FY2024<sup>1</sup>

	Gender		General Employee	Position level		Total
	Male	Female		Middle management	Senior management	
Number of training hours	242	30	21	149	102	272
Average training hours	5.0	1.0	0.5	5.3	10.2	3.5

<sup>1</sup> The training information was obtained from the Group's Human Resource Management Department. The above data only covers the reporting scope. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report? – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

## 5.4 Labour Standards

As our commitment to responsible business operations, we uphold rigorous labour standards and strictly prohibit the employment of any child labour, underage workers and forced labour in any form. To further combat illegal employment, the Human Resource Management Department of the Group has developed a set of internal guidelines to standardise recruitment and employment procedures. All job applicants are required to provide valid identification documents for verification during recruitment, and the persona data will be re-verified when they are onboard. The Group's Human Resource Management is responsible for monitoring the employment process to ensure that suitable talents are recruited in accordance with the job requirements, relevant laws, and candidates' expectations, aiming to build a fair, positive and happy workforce.

Once any violation of labour standards is identified, the Group will immediately terminate the relevant employment contract and take appropriate disciplinary actions against the responsible employee, including but not limited to reporting to relevant law enforcement agencies.

During the Reporting Period, the Group complied with the applicable law, including the Labour Law, the Protection of Minors and the Prohibition of Using Child Labour in Mainland China and the Employment Ordinance in Hong Kong. With the effective implementation of our labour practices, there was no material non-compliance with the laws and regulations related to the prevention of child labour or forced labour have been found by the Group in FY2024.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## VI. OPERATING RESPONSIBLY

To fulfil our aim of being a responsible enterprise in Hong Kong and Mainland China, we understand the importance of conducting our operations in a sustainable way. To this end, we adopted a comprehensive ESG management approach and integrated the concept of sustainability into our core business strategy. Meanwhile, we are committed to encouraging all our business partners to fully embrace sustainability practices and policies in their operations, fostering collaboration towards a more sustainable future.

### 6.1 Supply Chain Management

Ensuring the quality and safety of our final project is not just a mandate but also our core business value. To ensure product safety and service quality, we engage various suppliers and subcontractors for goods and services. We recognise the significance of maintaining strong relationships with our suppliers while mitigating potential risks in our supply chain.

#### Supplier Engagement and Risk Management

We believe in fostering long-term partnerships built on trust, transparency and mutual respect. Therefore, we prioritise open communication and collaboration with our suppliers and subcontractors through various channels to avoid supply failures or delays. We also actively seek feedback from our suppliers to continuously improve our processes and enhance the overall efficiency of our supply chain. Our procurement process is designed to ensure honesty, competitiveness, fairness, and transparency, ultimately delivering optimal cost performance. Suppliers and subcontractors are selected based on clear and rational criteria.

To minimise environmental and social risks along the supply chain, the procurement team conducts due diligence on suppliers to identify any violation of the relevant legal requirement before engagement. In addition, the procurement and project management team conduct annual review to assess the supplier's performance, reliability and compliance, and update the list of approved suppliers.

#### Green Procurement

To improve our sustainability performance, we are dedicated to building a green supply chain by integrating the green concept into our procurement. We prioritise the products and services with low or no harmful environmental impacts. For example, we give preference to local procurement to reduce carbon emissions from transportation. Meanwhile, we actively seek products with recognised eco-labels to reinforce our responsible procurement.

During the Reporting Period, there were a total of 317 major suppliers (including materials suppliers and subcontractors) on the approved suppliers' list. Among them, there were 248 suppliers located in Hong Kong and 69 suppliers located in Mainland China. The aforementioned supplier engagement and supply chain risk management practices apply to over 50% of our key suppliers and are being implemented and monitored by the Group's procurement and project management team.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 6.2 Product Responsibility and Quality Assurance Process

In FY2024, the Group was in compliance with the material and relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products and services that have a significant impact on the Group, including the Advertising Law of the People's Republic of China. Meanwhile, due to the Group's business nature and under the principle of Materiality, issues regarding product recall and labelling are considered not material or applicable to our operation, and therefore will not be discussed in this ESG Report.

To provide clients with high-quality and reliable products and services, we are committed to the highest standards and maintaining ongoing communication with our clients to thoroughly understand their expectations. Additionally, we keep track of emerging trends, continually refining and optimising our services to provide clients with the best solutions. We ensure product quality and service stability by collaborating with well-selected suppliers and subcontractors. Supplier performance is regularly monitored through on-site audits, with detailed reports provided for continuous improvement and collaboration. In FY2024, the Group maintained its ISO 9001 certification, reflecting its commitment to product quality management and responsible business practices.

Our procurement and project management team evaluates, oversees, and manages the quality of work performed by both our employees and subcontractors in terms of their regulatory requirement compliance, quality management system, time management, work standard, quality performance, safety standard and performance, proper equipment usage and maintenance to ensure projects are completed timely with high standard. Once the Group receives any complaint, the relevant department is responsible for conducting an investigation and informing the customer of the investigation results through formal replies. The handling results will be reported to the management for further analysis to identify areas for improvement.

During the Reporting Period, we did not record any recalls for safety and health reasons, nor did we receive any substantial complaints regarding service quality and delivery.

## 6.3 Protection of Intellectual Property Rights

The Group complies with intellectual property ("IP") rights regulations. To safeguard its brand and corporate image, the Group has registered its company logo and domain names. During the Reporting Period, all reasonable measures have been taken by the Group to prevent any infringement of its own IP rights and the IP rights of third parties. In FY2024, there was no material infringement of the Group's IP rights.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 6.4 Data Protection and Privacy Policy

In FY2024, the Group complied with the applicable laws and regulations regarding privacy protection, including the Personal Information Protection Law of the People's Republic of China and the Personal Data (Privacy) Ordinance in Hong Kong. The Group's computers and servers are protected by highly encrypted access passwords to ensure all personal data collected from the stakeholders are kept confidential. As stipulated in the Group's employee handbook on confidentiality, all employees have the obligation to ensure the security of all personal data, trade secrets and proprietary information they access or collect from other employees, customers, suppliers and business partners. The Group has designated information technology personnel to manage the servers and address privacy-related issues. The management of the Group is responsible for monitoring the effective implementation of privacy policy and procedures.

In FY2024, there were no incidents in relation to personal data leakage in the Group, and the Group did not receive any complaints related to privacy matters.

## 6.5 Anti-corruption

The Group is determined to combat bribery and corrupt practices and to promote a culture of integrity across the organisation. As such, the Group has established internal policies and compiled Code of Conduct to anti-fraud and anti-bribery, which are applicable to all staff members. During the Reporting Period, the Group observe with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance in Hong Kong and the Regulations for Suppression of Corruption in Mainland China.

In line with these policies, the Group requires the employees to declare any potential conflicts of interest to avoid such disputes with subcontractors or suppliers. The Group organises seminars and training on anti-corruption practices and conflict of interest avoidance to ensure our employees are well-informed and complaints. Furthermore, we encourage all parties involved in our business, including our suppliers and subcontractors, to adhere to the principles outlined in our policies and to promptly report any instances of suspected misconduct to the Group.

In FY2024, we provided one hour of anti-corruption training to six management and one general staff. Looking forward, we remain steadfast in our commitment to promoting integrity and ethical conduct across all levels of our organisation. Attributed to the effective implementation of the aforementioned policies and supervision by the Audit Committee of the Group (the "Audit Committee"), in FY2024, there were zero concluded legal cases regarding corrupt practices brought against the Group or its employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 6.6 Whistle-blowing Policy

The Group has built an effective grievance mechanism that encourages its employees or third parties to report any concerns about suspected misconduct, malpractice or irregularities, and conflict of interest to the senior management in strict confidence. The Group has formulated whistle-blowing policy and implemented procedures to ensure that all employees have access to the confidential reporting channels, which protect them from unfair dismissal or victimisation.

Once any report is received, the Group will initiate investigation procedures. The designated officers will oversee the handling of whistle-blowing reports and thoroughly assess each report received to determine if a full investigation is necessary. Should an investigation be deemed necessary, an investigator from the Finance and Administration Department, who holds appropriate seniority and has had no prior involvement in the matter, will be appointed to conduct a thorough inquiry. Where any criminality is substantiated, the report will be referred to the Audit Committee. In consultation with our legal advisers, the Audit Committee will decide whether to report it to the local authority for further action.

During the Reporting Period, the Group did not violate any laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

## 6.7 Conflict of Interest Policy

To ensure fair and transparent business practices, we recognised the importance of identifying and managing potential risks posed by conflicts of interest, especially when directors or employees leverage their professional positions for personal gain. Therefore, the Group has formulated Conflict of Interest Policy to prevent such conflicts and ensure fair dealings with their parties. Directors and employees are strictly prohibited from using their authority or influence to gain personal or financial advantage when interacting with third parties. To uphold transparency and accountability, the Group requires its directors and employees to declare potential conflicts of interest by completing the disclosure form on an annual basis. The Conflict of Interest Policy will be reviewed annually to ensure its effectiveness and relevance.

## VII. CONTRIBUTING TO OUR COMMUNITY

### B.8. Community Investment

To fulfil our social responsibility, we are dedicated to making meaningful contributions to the communities in which we operate, striving to create positive impacts and foster sustainable development. We empower and encourage our employees to engage in volunteer activities and community service initiatives. We also provide opportunities for our employees to contribute their time and expertise to address local needs and support local organisations.

To accelerate the construction of ecological civilisation, all employees of the Group are encouraged to participate in environmental protection activities, raising the environmental awareness of people in the community. In addition, we endeavour to give back to the local communities through offering job opportunities and collaborating with local suppliers.

During the Reporting Period, the Group was not able to participate in any charitable donations or philanthropic outreach activities. Looking forward, the Group will continue to foster the culture of active participation in community services, strengthening the bond between the Group and the communities we serve.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## VIII. ESG REPORTING GUIDE INDEX

Aspects	ESG Indicators	Description	Section/Remarks
<b>A. Environmental</b>			
<b>A1: Emissions</b>	General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Environmental Performance – Environmental Management Policy
	KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Air and GHG Emissions
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group has not identified any hazardous waste produced in our core business
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Waste Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section/Remarks
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Considering the expansion of business scope, the Group is cautious about setting quantitative emission targets. Nonetheless, we are committed to reducing our emissions.
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Performance – Waste Management
<b>A2: Use of Resources</b>	General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Environmental Performance – Use of Resources
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Use of Resources
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance – Use of Resources
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Considering the expansion of business scope, the Group is cautious about setting quantitative energy use efficiency targets. Nonetheless, we are committed to enhancing our energy efficiency.
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Performance – Use of Resources
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's operations

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section/Remarks
<b>A3: The Environment and Natural Resources</b>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Performance – Environmental Management Policy
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Performance – Environmental Management Policy
<b>A4: Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Performance – Climate Change Response Management and Mitigation
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Performance – Climate Change Response Management and Mitigation
<b>B. Social</b>			
<b>Employment and Labour Practices:</b>			
<b>B1: Employment</b>	General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</li> </ul>	People – Recruitment and Promotion; Employment
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	People – Employment
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	People – Employment



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section/Remarks
<b>B2: Health and Safety</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People – Occupational Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People – Occupational Health and Safety
	KPI B2.2	Lost days due to work injury.	People – Occupational Health and Safety
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People – Occupational Health and Safety
<b>B3: Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	People – Development and Training
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People – Development and Training
	KPI B3.2	The average training hours completed per employee by gender and employee category.	People – Development and Training
<b>B4: Labour Standards</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People – Labour Standards
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People – Labour Standards
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People – Labour Standards

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section/Remarks
<b>Operating Practices</b>			
<b>B5: Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operating Responsibly – Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Operating Responsibly – Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Operating Responsibly – Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operating Responsibly – Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operating Responsibly – Supply Chain Management
<b>B6: Product Responsibility</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operating Responsibly – Product Responsibility and Quality Assurance Process
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's core operation
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operating Responsibly – Product Responsibility and Quality Assurance Process
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Responsibly – Protection of Intellectual Property Rights

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section/Remarks
	KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable to the Group's core operation
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Operating Responsibly – Data Protection and Privacy Policy
<b>B7: Anti-corruption</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Operating Responsibly – Anti-Corruption; Whistle-blowing Policy
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operating Responsibly – Anti-Corruption; Whistle-blowing Policy
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Operating Responsibly – Anti-Corruption; Whistle-blowing Policy
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Operating Responsibly – Anti-Corruption; Whistle-blowing Policy
<b>Community</b>			
<b>B8: Community Investment</b>	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Contributing to the Community
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to the Community
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	No specific amount for community investment were recorded in FY2024.