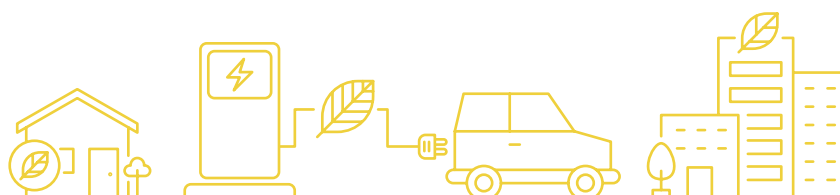


Environmental, Social and Governance Report 2020



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ABOUT THIS REPORT

The first Earth Day in 1970 gave a voice to an emerging public consciousness about the state of our planet. For decades, this annual day unites millions across the globe to reflect upon their relationship with the planet and demand a new way forward. As part of this transformation journey, Cornerstone Technologies Holdings Limited (the “Company”), together with its subsidiaries (collectively the “Group” or “Cornerstone Technologies”), is delighted to present its Environmental, Social and Governance (“ESG”) Report 2020 which provides feature stories to highlight how it creates shared value for shareholders, the environment and the society at large.



- Create a brighter future aligned with the United Nations Sustainable Development Goals (page 6)
- Pledge full support to carbon neutrality (page 9)
- Support responsible investment to create long-term sustainable growth for all (page 12)

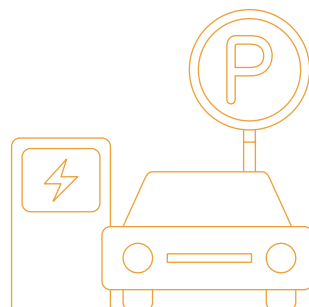
To provide a comprehensive review of our impact and performance, this report provides information about the material ESG topics concerning our two operating segments in the financial year between 1 April and 31 December 2020. It complies with the provisions of the ESG Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (“HKEX”).

We appreciate your feedback and suggestions. Please contact us at info@hkepg.com.

ABOUT CORNERSTONE TECHNOLOGIES

Founded in 2016, Cornerstone Technologies¹ is a leading innovator of environmental sustainability solutions in Hong Kong. Cornerstone Technologies' mission is to foster a cleaner and brighter tomorrow. With its strong in-house research and development ("R&D") arm, it provides one-stop solutions in the local electricity vehicles ("EV") market.

Besides, it owns a printing business with a financial press centre and in-house printing production factory, providing commercial and financial printing services.



Kwai Fong Car Park



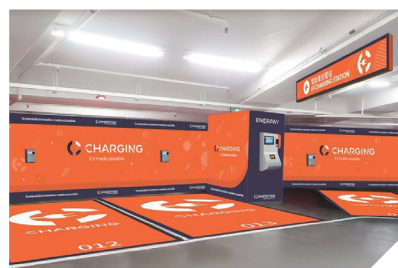
The 94 chargers installed at Kwai Fong Car Park are equipped with Load Management System ("LMS"). This is the first LMS with Even Distribution, Dynamic Change and Fail-safe Mode in Hong Kong's government car parks. Developed by Cornerstone Technologies, LMS is an effective way to maximize the available electric supply to enable more chargers to be installed and used at the same time without having to increase the electricity current.

Kennedy Town Car Park



According to the 2019-20 Budget released by the Hong Kong SAR Government, HK\$120 million is allocated to extend the public EV charging networks at government car parks. Cornerstone Technologies was awarded to build 59 EV chargers at Kennedy Town Car Park.

D-Park Tsuen Wan



D-Park provides public subscription based on energy charge instead of time charge. Supported by a comprehensive payment system through EnerPay developed by Cornerstone Technologies, the energy charge is based on the kWh used, which is considered as the most fair way for consumers to pay for the total energy received for charging their electric vehicles. It applies high power medium charging with capacity up to 21kW.

Housing Society



Some of the chargers installed at the Housing Society are equipped automatic sensors with Licence Plate Recognition System ("LPRS"). Along with the car park management system, EV chargers with built-in camera enable automatic sensors to collect occupancy fees for using EV parking slot and prevent non-EV cars being parked at the EV parking slot.

Liantang / Heung Yuen Wai Boundary Control Point



Cornerstone Technologies was awarded to support the development of a mega charging station, consisting of more than 120 electric chargers, at the border. It is part of the Hong Kong SAR Government's Park-and-Ride (PnR) scheme. It aims to help reduce roadside air pollution by encouraging the public to take the public transportation and park their cars at the border.

Leisure and Cultural Services Department ("LCSD")



Cornerstone Technologies was awarded with the project to build 90 charging points in 19 venues under LCSD, such as sports ground, playground, swimming pool as well as the beach.

Mui Wo – Lantau Island



We were entrusted by the Hong Kong SAR Government to build an outdoor medium charging station on Mui Wo, Lantau Island. These chargers are not only useful for the community who resides on the island, they can also be accessed by those visiting the island, encouraging more people to adopt to emission free vehicles.

¹ The Group completed the acquisition of Cornerstone EV Charging Service Limited on 4 August 2020. For more details, please refer to the announcement and circular of the Company dated 21 February 2020 and 30 June 2020 respectively.

CREATE A BRIGHTER FUTURE ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations' Transforming Our World: the 2030 Agenda for Sustainable Development (the "2030 Agenda") sets an ambitious agenda to make our world more prosperous, inclusive, sustainable and resilient. The 17 Sustainable Development Goals ("SDGs") outline the most pressing environmental and social challenges of today, and are a rallying call for public and private sector leadership and action.

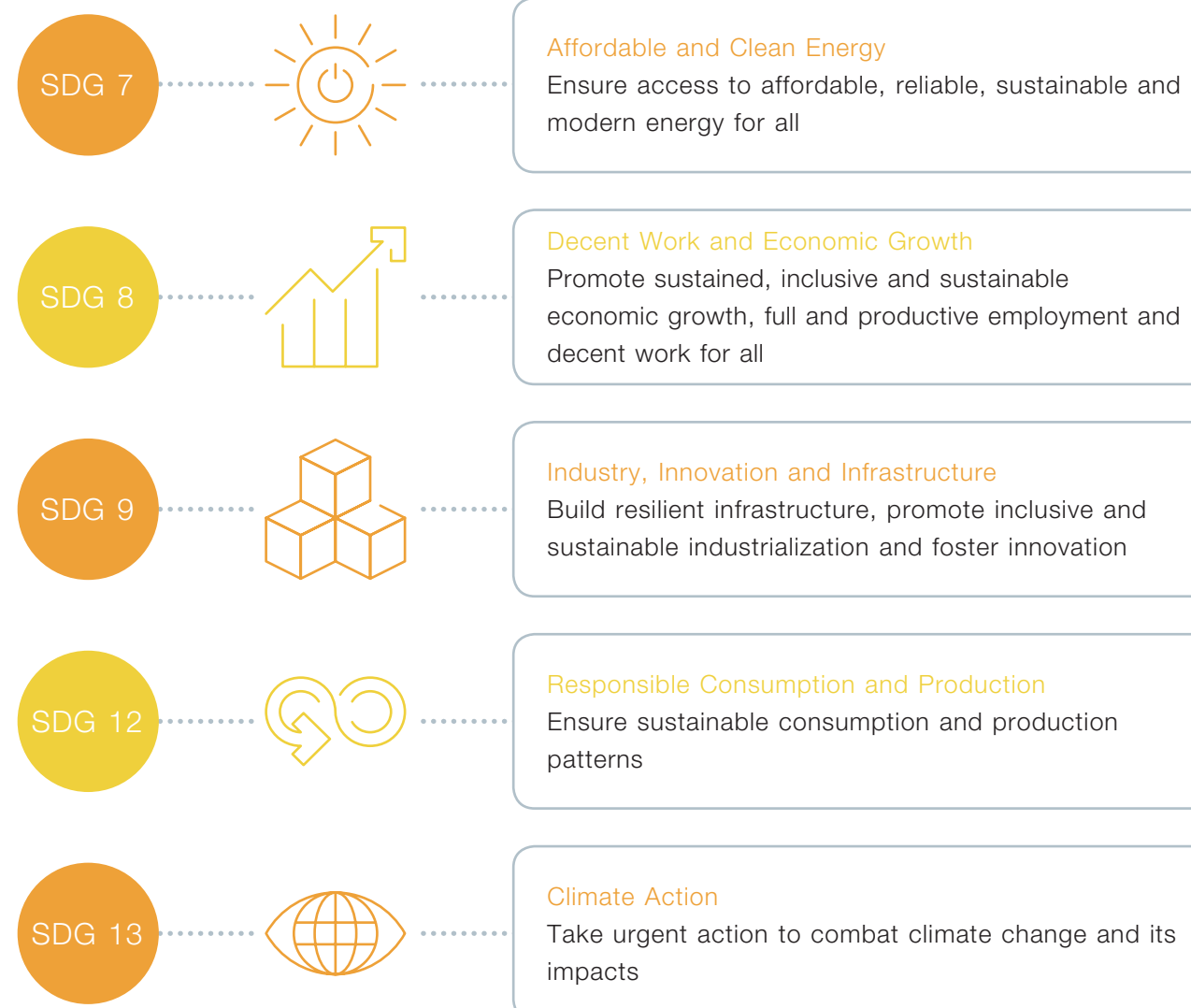
As the world's second-largest economy and the largest greenhouse gas emitter, China attaches great importance to the implementation of the 2030 Agenda and with the aim to become carbon neutral by 2060, its 14th Five-Year Plan sets out the key strategic priorities, key targets and broad policies for China from 2021 to 2025. The plan identifies several important transitions, including transitions towards a structural economic, urbanization and technological innovation. These measures are not only essential to its climate ambition but also for whether the world could achieve the SDGs.

Actions at the city level are crucial to achieve an impact. As an associate member of the United Nations, the Hong Kong SAR Government has embedded a number of SDGs into the territory's long-term planning, with a focus on goals addressing urban sustainability development.

CREATE A BRIGHTER FUTURE ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (continued)

At Cornerstone Technologies, we are committed to aligning with this global roadmap for sustainability development. With an ambition to make a difference in the lives of customers when they need it most, we are exploring a long-term sustainability strategy to examine in greater depth how sustainability trends will impact our business environment and value chain, and at the same time, offer new opportunities for us to bring in innovative solutions.

With this in mind, we recently commissioned a third-party consultant to provide an impartial assessment of our sustainability performance, supporting us on strengthening the sustainability governance structure, improving sustainability disclosures and fostering a collaborative culture among our employees. Among other initiatives, we identified five SDGs where our businesses have the greatest ability to drive change and create shared value. This encapsulates our commitment to sustainability and guides us to develop our sustainability strategy and refine focus areas towards 2030 and beyond.

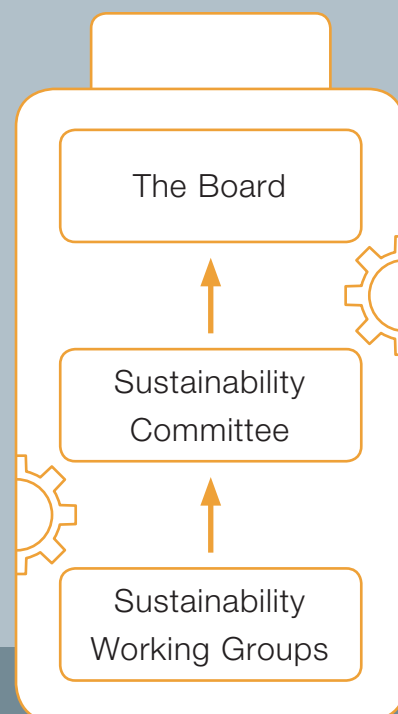


CREATE A BRIGHTER FUTURE ALIGNED WITH THE UNITED
NATIONS SUSTAINABLE DEVELOPMENT GOALS (continued)

Stepping up efforts to strengthen our sustainability governance

An effective corporate governance can help ensure that businesses remain resilient during the most challenging times. At Cornerstone Technologies, the Board regularly reviews the management's performance to ensure the agreed objectives are met. To reinforce the Board's and the senior management's roles in advancing sustainability within the organisation, it is in our agenda to establish board and executive-level sustainability governance systems. While a sustainability committee under the leadership of the Chairman will be set up to drive sustainability across all corporate and operational units, several sustainability working groups will also be established to ensure smooth implementation of the strategy. In addition, we are developing a group-wide ESG statement to ensure effective management approach on environmental and social issues across all business segments.

The Board oversees risk management of the Group, including management of ESG-related risks. The Group acknowledges it is important to develop consistent and enhanced approaches to identifying and assessing climate risks and opportunities. We will continue to work with our consultant to better understand and raise awareness of the evolving climate challenges.



PLEDGE FULL SUPPORT TO CARBON NEUTRALITY

With targets to attain zero vehicular emissions before 2050 and strive for carbon neutrality, the Hong Kong SAR Government has announced the Roadmap on Popularisation of Electric Vehicles (the "Roadmap on EV"), setting out the long-term policy objectives and plans to promote the adoption of EVs and their associated supporting facilities. These include the increased FRT concession cap under One-for-One Replacement Scheme for e-private cars and incentives for installing charging infrastructure at private commercial and residential parking spaces.



However, as at the end of March 2021, there were around 4,000 EV chargers covering all 18 districts for public use. The lack of EV charging facilities is considered as one of the barriers to widespread EV adoption and achieve climate targets. Against the above, our EV charging solutions play a vital role in supporting the establishment of a robust charging network and supporting Hong Kong's development into a low-carbon and smart city.

PLEDGE FULL SUPPORT TO CARBON NEUTRALITY (continued)

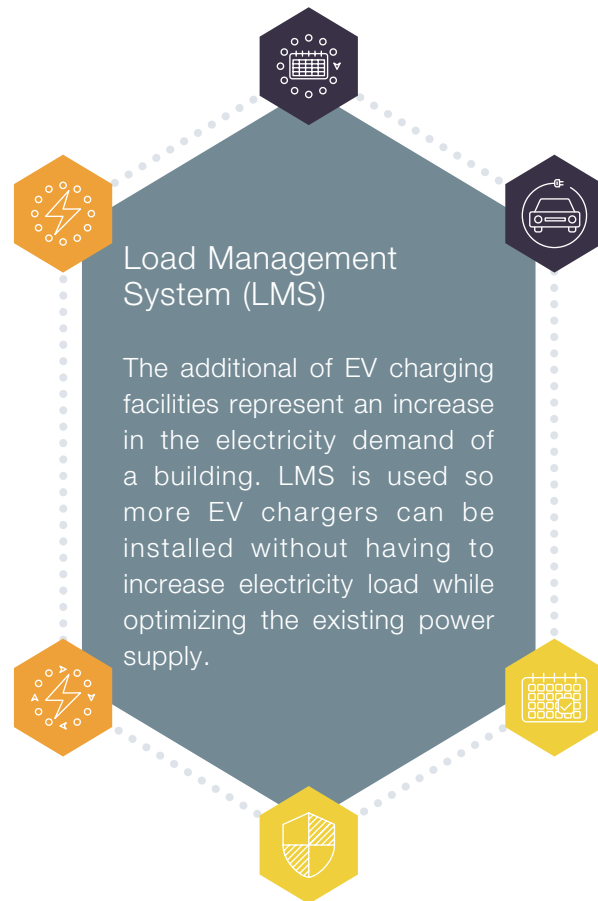
PRIORITY SETTING

Priority setting system is a customer subscription based system. If the customer subscribes to this setting, he or she can get priority on how much current the EV car will get during charging.

Based on 32A charging current, if there are two cars in the regular tier and no car is occupying the priority space, they can both get 16A each. Once the priority car arrives, the priority car takes the full 16A and the other two cars will share the remaining 16A of current.

AVERAGE CURRENT

In the averaging current system, the current is shared among all cars in the parking spaces equally.



UNINTERRUPTED

In case of interruptions, the cars that have started to charge will be able to continue to charge, however charging cannot be started for new incoming cars.

INDEPENDENT/ RESERVE SETTING

With the independent setting system, which is based on membership, car owners could reserve the current for charging.

FAIL SAFE

In case of network disruptions, the electric supply will automatically drop to the minimum 6A or 0A.

DYNAMIC CHANGE

In dynamic change system, the current will increase and decrease. If there are only two cars, the current will be shared evenly. When one car is almost fully charged the current will drop and it will be transferred to the second car. If a third car comes, car two and three will share the same current.

PLEDGE FULL SUPPORT TO CARBON NEUTRALITY (continued)

When it comes to our printing business, we see an opportunity to promote carbon neutral printing in the industry by partnering with certified carbon offset projects. As a climate conscious organisation, we encourage our employees to promote environment-friendly printing options to their client network. This includes using Forest Stewardship Council ("FSC") certified paper and vegetable-oil based inks. Our solutions also meet the FSC-STD-40-004 Chain of Custody Certification standard. We are also exploring to offer clients a transparent and holistic approach to offsetting carbon emissions that occur during the print process.

In addition to supporting clients to reduce carbon emissions, Cornerstone Technologies has also implemented various measures to reduce its operational carbon footprint. We adopt a two-fold approach to environmental stewardship — minimising the environmental impacts caused by our activities and working in partnership with stakeholders to contribute to a resilient environment. With the development of a long-term sustainability strategy, we are considering a range of measures, including

1. Establish group-wide policies and targets, including reduction targets on energy consumption and carbon emissions
2. Explore innovations and technologies that can help us to achieve reduction targets
3. Identify and manage carbon emissions from hotspots along the value chain
4. Prioritise vendors and business partners who exemplify good ESG practices (including carbon management)
5. Develop low-carbon living initiatives and actively engage with customers

SUPPORT RESPONSIBLE INVESTMENT TO CREATE LONG-TERM SUSTAINABLE GROWTH FOR ALL



At Cornerstone Technologies, we believe that to move towards a low-carbon economy, innovation and new technology must be supported by sustainable investments and financing. With this in mind, we stay abreast of sustainability related global trends and opportunities, and honour our responsibility to invest in more sustainable and innovative solutions and technologies.

Today, the transition to a sustainable economy is in full swing. Responsible investment is fast becoming a mainstream concern of the investment community, as more investors are seeing the benefits of incorporating sustainability into their portfolio strategies. Sharing the same belief with these sustainability-conscious investors, we are able to capture business opportunities and response to the rising trend of sustainable investment. We are now preparing our first Green Financing Framework to enable the funding of sustainable infrastructure through green bonds or green loans. The framework is developed based on the Green Bond Principles and appropriate standards in the green financing market to ensure proceeds will finance or refinance projects that meet the eligibility criteria defined in the framework.



SUPPORT RESPONSIBLE INVESTMENT TO CREATE LONG-TERM SUSTAINABLE GROWTH FOR ALL (continued)



Setting up potential impact indicators for reporting

The future of green bonds can only be assured if investor confidence is enhanced through better standards and practices with regard to environmental outcomes, social impacts and process integrity. With this in mind, Cornerstone Technologies will annually report on the allocating of net proceeds to the eligible projects, and where feasible, the environmental impacts of the projects. We are exploring ways to align the reporting with the Handbook — Harmonized Framework for Impact Reporting published with the support of the International Capital Market Association (ICMA). It outlines general core principles and recommendations, guiding us to better report the environmental beneficial projects to which the bond proceeds are allocated.

Taking construction or improvement to auxiliary infrastructure (including EV charging facilities) as an example, we intend to report on the following indicators:

Annual GHG emissions
reduced/avoided



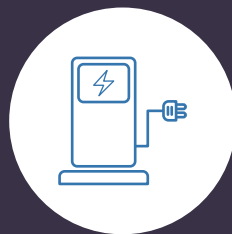
Reduction of air pollutants



Material Topics

Product
responsibility

Anti-corruption

Supply chain
managementEmployment
systemTraining and
developmentOccupational
health and safety

Energy



Waste

OUR
MATERIAL
TOPICS

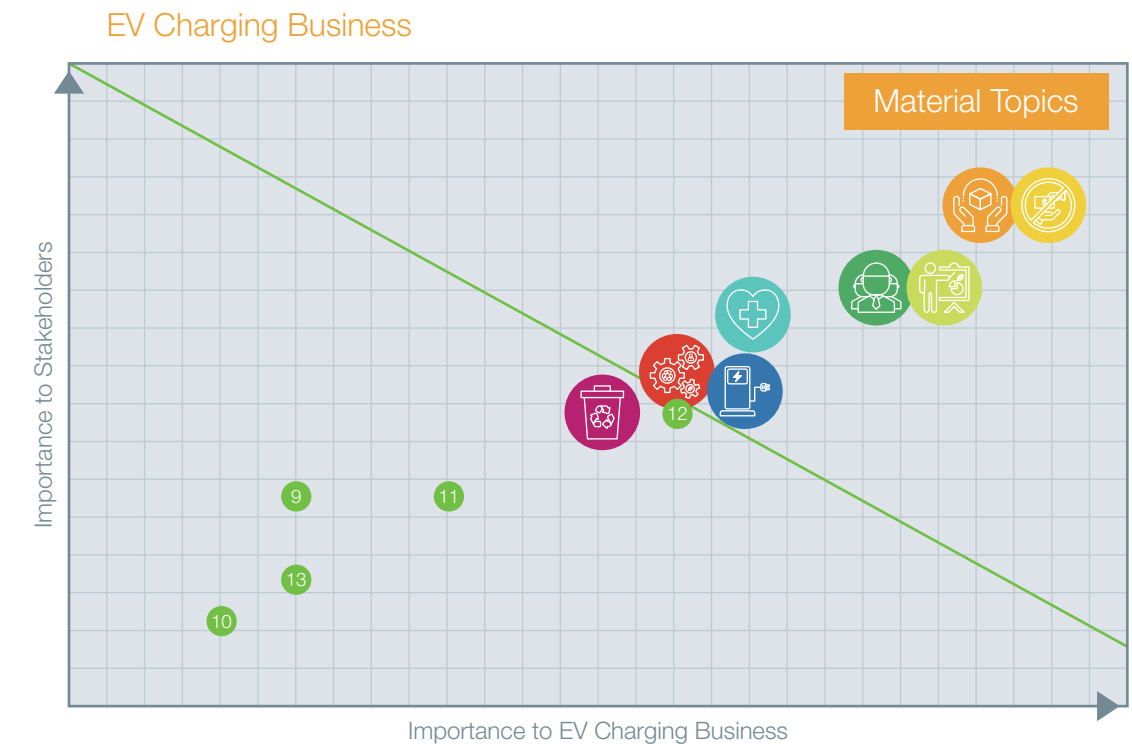
We regularly engage our key stakeholders through different engagement channels to understand topics that are important to our people, clients, investors, suppliers and contractors, business partners, regulators and the wider community. Their feedback helps us further our sustainability development efforts.

This year, we commissioned a third-party consultancy to provide an impartial assessment of our sustainability performance and conducted a materiality assessment exercise to define the material topics for inclusion in this report. This process revealed the relative priority of environmental and social topics that stakeholders perceive to be important to Cornerstone Technologies.

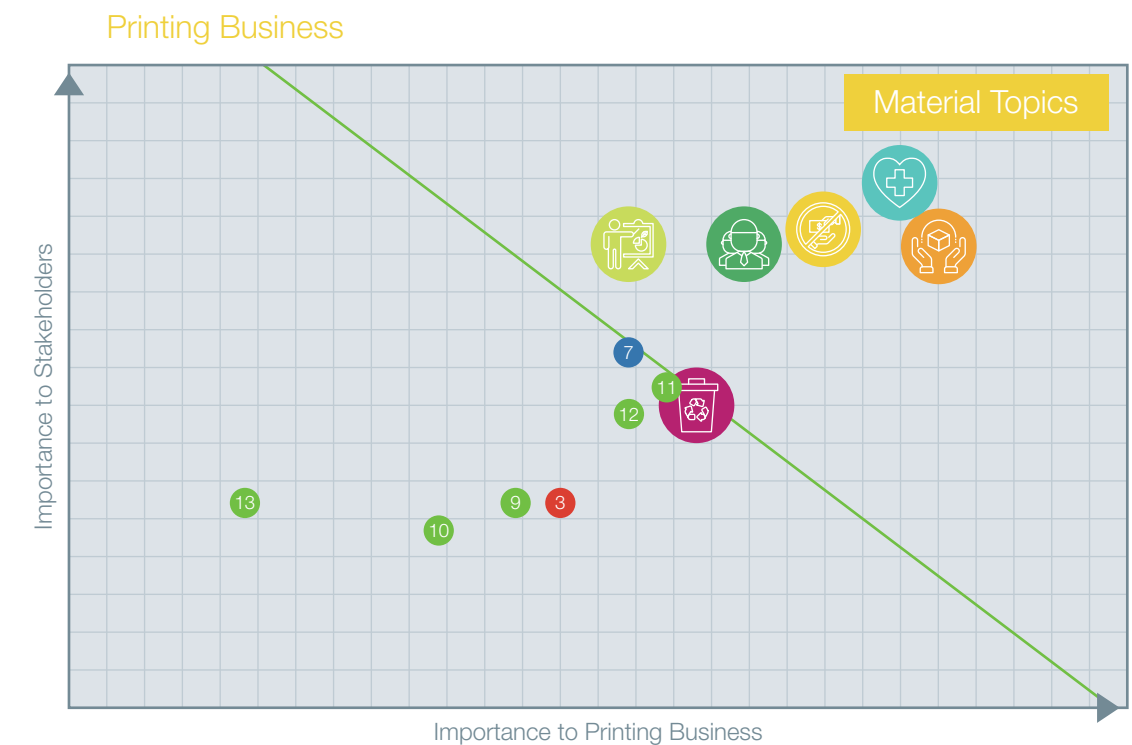
In the independent materiality assessment survey, the Board of Directors and the senior management of our business and corporate units were asked to assess the significance of sustainability topics. They reviewed the topics based on the significance to them and the Group's business, including its control over the topics, the likelihood of the topics affecting stakeholders' decision and action, as well as the impacts of the Group's actions on the environment and the community at large.

The list on the left includes the topics that were identified as material to the Group. Waste management were not considered as a material topic; however, we recognise its importance to our business nature and so it was included as an emerging material topic.

OUR MATERIAL TOPICS (continued)



- | | | |
|---------------------------|----------------------------------|--|
| 1 Product responsibility | 5 Training and development | 9 Climate change |
| 2 Anti-corruption | 6 Occupational health and safety | 10 Community investment |
| 3 Supply chain management | 7 Energy | 11 Greenhouse gases and air pollutants |
| 4 Employment system | 8 Waste | 12 Green procurement |
| | | 13 Water |





Policy statement

To build a long-term relationship with customers, we endeavour to provide exceptional customer experience, high-quality products and services. As stated in our policies, we strive to continuously improve our management approach and develop innovative solutions to enhance our product delivery quality while protecting customers' health and safety.

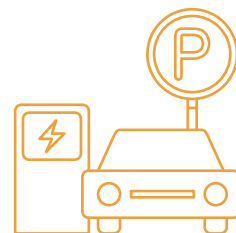
PRODUCT RESPONSIBILITY

Management approach

Project Delivery

Across all our customer touchpoints, we adhere to the highest standard of project delivery and protect well-being of our customers with an effective quality assurance process. For our EV charging business, we have implemented a comprehensive quality management system which includes product quality assurance policies (such as the Product Quality Plan) and procedures. To ensure that customers are provided with safe products, we conduct reliability tests to evaluate a wide range of factors that might harm the safety of products.

Regarding our printing business, quality control is performed to examine the product's quality against the quality acceptance level at every stage of the production process. Incoming raw materials, such as paper and ink, are periodically tested against customers' technical specifications. Colours are matched against customers' approved blue prints. Finished goods will be subject to a number of checks and visual inspections before packaging and delivery to ensure that the exact specifications of the customers are met.



OUR MATERIAL TOPICS (continued)

Performance highlights



Established an effective quality assurance process to ensure highest standard of project delivery



Adopted strict internal data handling procedures to protect customers' privacy data



Conducted reliability tests to protect well-being of our customers



Provided employees with regular training on product responsibilities and business ethics



Handled customers' feedback in a timely and professional manner



No reported cases of breaches in legal or regulatory compliance relating to product responsibilities

In addition, the Group has established effective mechanisms to ensure accurate and sufficient information about our products and services is provided to customers. Procedures are in place to ensure accurate information as well as fair and timely responses would be made to customers' feedback. As part of our quality assurance procedures, we provide employees with guidelines on how to deal with non-conforming products and client complaints. For our printing business, we have established a return policy which specifies our responsibilities and procedures in handling returns. During the reporting period, we recorded 3 complaints from customers and they were all resolved in a timely and professional manner.

Business Ethics

Adhering to a very high standard of business ethics is of fundamental importance to our operation. The Group has set out a series of policies to regulate procedures in handling intellectual property and employees' invention. Employees are also required to strictly adhere to the set policies regarding the usage and storage of proprietary or confidential information.

Especially for our printing business, ensuring data privacy and security is essential to maintain a good relationship with our business partners. We have adopted strict internal data handling procedures to ensure that confidentiality of privacy data is protected. For example,

- All relevant work processes are done on a printer server with no Internet access and no removable storage device is allowed to be used throughout the process.
- All data are encrypted and only relevant project handlers are provided with the unique login ID to access the data.
- All printed sheets containing confidential data and the relevant records of quality control are required to be destroyed within 7 to 14 days after the receipt of client data automatically.

Besides, in addition to the orientation training, regular trainings are provided to employees to raise their sensitivity in data handling.



Policy statement

We have adopted a zero-tolerance policy for bribery or corruption in any form or at any level. Our employees are required to act in compliance with the Group's employment handbook, which defines the behaviors that constitute corruption and outlines the roles and responsibilities of employees.

ANTI-CORRUPTION

Management approach

Awareness Training

We have implemented various guidelines in relation to combating corruption activities to ensure we operate with strict ethical standards. As part of the orientation programme, new hires are required to comply to corporate policies including guidelines on anti-corruption, fraud, bribery and whistleblowing. Anti-corruption training sessions are arranged regularly for directors and employees. During the reporting year, all new hires were educated with anti-corruption knowledge.

Whistleblowing

A whistleblowing procedure has been established to maintain the accountability of our business activities. We encourage our employees to raise their concerns about any suspected misconduct or malpractice in the Group. The Audit Committee has the primary responsibility for investigations and the process is kept confidential and all reports will be handled with care and fairness to ensure whistle blowers are protected against unfair dismissal or unwarranted disciplinary actions.



OUR MATERIAL TOPICS (continued)

Performance highlights



Implemented guidelines and whistleblowing procedure to combat corruption activities



All new hires were educated with anti-corruption knowledge



No reported cases of breaches in legal or regulatory compliance relating to corruption behaviour



Policy statement

We understand the sustainability implications of our purchasing decisions. Including sustainability considerations in our procurement processes enables us to contribute to the environment as well as the communities in which we operate.

SUPPLY CHAIN MANAGEMENT

Management approach

Procurement

Working with nearly 200 suppliers and contractors (“business partners”), it is important for us to ensure that their products and services comply with our minimum requirements on ESG performance. All suppliers and contractors are selected based on a formal assessment to confirm that their performance adhere to our selection principles. In procurement, we give priority to business partners with outstanding performance, whereas underperformers will be downgraded or delisted from our tender list.

In additional to our standard procurement requirements, suppliers of EV charging business are required to provide sample and supporting evidences, such as certificates, for verification. For our printing business, we have also established a set of key performance indicators to evaluate and measure suppliers’ performance for continuous improvement.

OUR MATERIAL TOPICS (continued)

Performance highlights



Established a supply chain network with nearly 200 suppliers and contractors



Set up key performance indicators for performance evaluation and management



Business partners with outstanding performance was given priority in procurement assessment



Explored ways to carry out regular supply chain risk assessment to identify and assess environmental and social risks

Supplier Communications

We have been implementing guidelines that contain clear specifications of responsible sourcing along our supply chain. As part of our sustainability strategy formulation, we are exploring ways to work closer with our business partners in our value chain and carry out regular supply chain risk assessment to identify and assess environmental and social risks. This will guide us to develop strategies specific to our operations.



Policy statement

We promote a people-centric workplace where our employees feel cared for and secure at work. This realises our commitment in the ESG policies to creating a culture of highly engaged employees and upholding best practices in employment standards.



EMPLOYMENT SYSTEM

Management approach

Labour Practices

Our Human Resources Department supports business and corporate units to achieve business goals and facilitate employees to unleash their full potential. Our employment handbook sets out guidelines related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, anti-discrimination, and other benefits and welfare. It bonds our practices related to employment and ensure we always act in compliance with laws and regulations.

As a responsible corporate citizen, Cornerstone Technologies respects human rights and implements fair labour practices. We strictly prohibit all forms of child and forced labour within our operations.

OUR MATERIAL TOPICS (continued)

Performance highlights



159 employees, including full-time and part time employees



New hire rate²: 48%



Employee turnover rate³: 34%



Strictly prohibit all forms of child and forced labour within our operation



Women represent 37% of total workforce



No reported cases of breaches in legal or regulatory compliance relating to employment

Workforce Diversity

Cornerstone Technologies supports HKEX's proposal of new diversity requirements to end single-gendered boards among listed issuers in Hong Kong. The Group commits to promoting diversity as a key attribute of a well-functioning and effective Board. This commitment is also aligned with our well-established policies in relation to diversity on the Board.

In addition, we strive to provide an inclusive workplace. We recognise the valuable contribution of our female employees to our business growth and we are committed to supporting their pursuit of career and personal development. As at 31 December 2020, women represent 37% of employees across the Group.

Employee Relations

Understanding that acquisition of new businesses would arouse concern from our employees. Once the public announcement about the acquisition was released, we actively communicate with our employees. They are also encouraged to resolve issues by talking to and working with their management and human resources department.

² New hire rate = number of new employees / total workforce at the end of the reporting period x 100

³ Employee turnover rate = number of employee resigned / total workforce at the end of the reporting period x 100



Policy statement

We focus to foster a learning culture that supports the development of our employees and provide a platform for meaningful and purposeful careers. Our policies outline our approach to empowering our employees to grow professionally and personally at Cornerstone Technologies.



TRAINING AND DEVELOPMENT

Management approach

Training Activities

All employees joining Cornerstone Technologies are required to complete training on business ethics and company policies, as part of their orientation. It aims to outline expected workplace conduct and professionalism. In addition, our employees are required to regularly complete mandatory training on key areas of our business. For example, during the reporting period, employees of the printing business were provided refresher training on FSC production process and guideline.

Leadership Development

Cornerstone Technologies is committed to developing a strong talent pipeline to sustain our business growth. Our comprehensive performance review enables senior management to plan for the succession of key roles.

We continue to work with specialised professional development association to enhance our leadership programmes. As part of its move to integrate sustainability into their decision-making process, we are going to augment sustainability knowledge and capacity among our management members through dedicated training initiatives.

Recreation Activities

Engaged employees are an important part of our success and continuous growth. Besides organising professional training, the Employee Recreation Committee organises sports and recreational programs for our employees on a regular basis. These events help strengthen relationship among our employees across the Group.



OUR MATERIAL TOPICS (continued)

Performance highlights⁴



Average training hours: 1.4



Employees received regular performance review



68 employees received training, accounting for 43% of all employees



Provided employees with training on business ethics, company policies and key areas of our business

⁴ Excluding training hours of employees who left the Group during the reporting period



Policy statement

Employee health and safety is a priority at all times across all our business operations. We are committed to developing a caring health and safety culture to minimise potential hazards and promote good health in the workplace.

OCCUPATIONAL HEALTH AND SAFETY

Management approach

Health and Safety Management System

Building a safety culture is our continuous focus. While health and safety training is an integral part of orientation training, guidelines are communicated through the employment handbook and other knowledge sharing platforms. To enable our employees at different work locations to access our health and safety information easily, we have strengthened our training on occupational health and safety.

Our commitment to safety applies equally to our employees and contractors' workers. For our EV charging business, most manufacturing and site activities are carried out by our appointed contractors. In the contractor selection process, we give preference to those with internationally-recognised systems for health and safety management, such as ISO 45001 and OHSAS 18001.

OUR MATERIAL TOPICS (continued)

Performance highlights



Work-related injury rate⁵: 6.29



Supported our employees during COVID-19



Zero fatality and occupational disease



Provided safety training, as part of orientation training



Printing business scored 96/100 (very good) in an external safety review



No reported cases of breaches in legal or regulatory compliance relating to occupational health and safety

Safety Review

We apply a precautionary approach that focuses on minimising safety hazards at source. To ensure our printing business complies with the Factories and Industrial Undertaking (Safety Management) Regulation and other mandatory requirements, we conduct regular safety reviews which cover a wide range of areas essential for safety management. For example, safety policy, organisational structure, safety training, in-house safety rules, inspection programme, hazard control programme, accident/incident investigation and emergency preparedness. In case where risk or defined safety measures are identified, our Factory Manager and Occupational Health& Safety Manager is responsible for undertaking corrective actions in accordance with related policies and procedures.

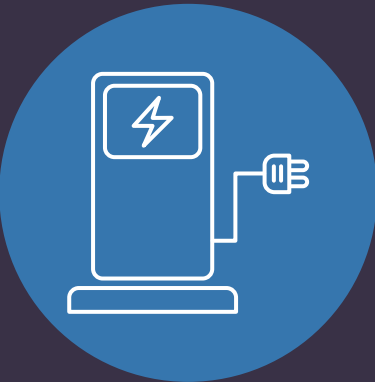
While performance of the Group in the external review has demonstrated our efforts to providing a safe workplace, we drive continuous improvement on how we safeguard the health and safety of our employees.

Workforce Well-being

In line with our caring culture, we strive to promote health and well-being among our employees.

During the reporting period, additional measures were taken to ensure a safe and secure environment for our employees during the pandemic. This included flexible working arrangement, temperature checks, policies regarding masks in the offices and business travels. As part of our business contingency plan, incident management planning is in place to handle any potential case of COVID-19 within our offices. We also prioritised customer-facing employees, such as technicians of our EV charging maintenance team, ensuring that they had a sufficient supply of personal protection equipment to commute safely when necessary.

⁵ Work-related injury rate = number of work-related injury / number of employees x 1000



Policy statement

We continue to monitor our environmental footprint and implement energy efficiency measures, where applicable throughout our business. Protecting the environmental by conserving natural resources has long been advocated in our environmental policies.

ENERGY

Management approach

Green Measures

We continue to monitor our environmental footprint and implement energy efficiency measures, where applicable throughout our business, including solutions such as LED lighting and video conferencing technology. The Group’s energy consumption is monitored regularly and disclosed on an annual basis.

The largest contributor to our operational carbon emissions is the electricity we used in our offices and factory, which contributes to scope 2 emissions of 547.27 tonnes during the reporting period. With this in mind, we have been implemented various energy saving along other low-carbon initiatives. During the reporting period, the Group’s operations recorded total carbon emissions (scope 1 and 2) of 551.64 tonnes of CO₂-e.

OUR MATERIAL TOPICS (continued)

Performance highlights



Total energy consumption: 794.43 MWh



Total greenhouse gas emissions (scopes 1 and 2): 551.64 tonnes of CO₂-e



Energy Intensity (by floor area): 0.02 MWh/sq. ft



Greenhouse gas intensity (scope 1 and 2, by floor area): 0.0123 tonnes of CO₂-e/sq. ft



Electricity consumption accounts for 98% of total energy consumption

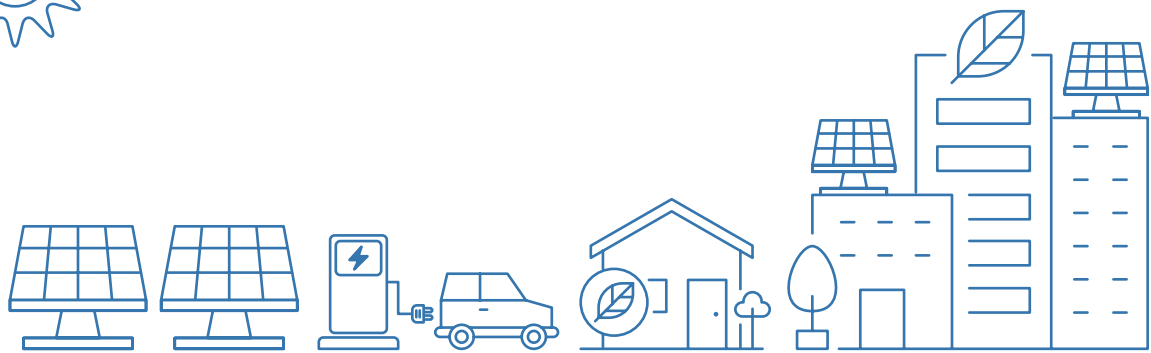


Total greenhouse gas emissions (scopes 1, 2 and 3)⁶: 2,321.65 tonnes of CO₂-e

Renewable Energy Solutions

Looking forward, we are going to conduct a target-setting exercise under the sustainability strategy, which includes setting up a group-wide energy-saving targets. These targets do not only demonstrate our long-term commitment to being part of a low-carbon economy, but also lays a solid foundation for us to further assess the feasibility of developing science-based targets (SBT) for our operations.

We acknowledge the global trend of using renewable energy. For example, solar photovoltaic (PV) panels can absorb solar radiation from the paved surfaces turning waste energy into usable electricity. Considering our new head office and future site works, we are now exploring the use of renewable energy.



⁶ For EV charging business, scope 3 emissions cover paper disposal only. For printing business, scope 3 emissions cover water processing, sewage discharged and paper disposal (including 1730.95 tonnes of CO₂-e from customers’ order and paper recycled).



Policy statement

We seek to minimise impacts on the environment across our operations. As stipulated in our guidelines, we employ proper waste handling and monitoring practices to manage and reduce generation of waste.



WASTE

Management approach

Waste Management

We follow the principles of waste hierarchy, including reuse, recycling, reprocessing and responsible waste disposal in order to better manage the waste generated.

Considering our office operations, we have a range of on-going environmental initiatives to realise our commitment to minimising waste. We have invested in technologies such as e-Leave and e-Payslip systems to reduce paper usage.

Our printing business adopts computer-to-plate and digital printing technology in our production process. Compared with conventional technologies, it helps reduce generation of both paper waste and chemical waste. Chemical waste (such as chemical solutions used for printer clearing purpose) and other hazardous waste (chemically-tainted waste) were handled in line with our classification system and sent to licensed waste collection companies to ensure proper disposal. Due to our business nature, we have registered as a chemical waste producer, and obtained the Water Pollution Control Licence pursuant to the Water Pollution Control Ordinance.

OUR MATERIAL TOPICS (continued)

Performance highlights



Total hazardous waste: 9.81 tonnes⁷



Established recycling policy to specify recyclable items and



Total non-hazardous waste: 15.59 tonnes⁸



No reported cases of breaches in legal or regulatory compliance relating to environmental protection



Adopted computer-to-plate and digital printing technology in our production process

Recycling

General non-hazardous waste was sent to public refuse stations where recyclable waste was sent to recyclers for further handling. In our printing production, non-hazardous waste includes paper waste and used printing plates. Most of them are recyclable. To enhance employees' awareness of resource conservation and waste recycling, our recycling policy specifies recyclable items and handling procedures.



⁷ Referring to the disposal of chemical and clinical waste of the printing production process only.
⁸ Referring to the disposal of Zinc (recycled) and general waste of the printing production process only.

PERFORMANCE SUMMARY

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Business Segment	Head Office	EV Charging	Printing	Total	Unit
Air emissions					
Nitrogen oxides (NOx)	0	0	0.74	0.74	kg
Sulphur oxides (SOx)	0	0	0.02	0.02	kg
Respiratory suspended particles (RSP)	0	0	0.05	0.05	kg
GHG emissions					
Scope 1	0.00	0.00	4.37	4.37	tonnes of CO ₂ -e
Scope 2	86.56	6.63	454.08	547.27	tonnes of CO ₂ -e
Total GHG emissions (Scope 1 and 2)	86.56	6.63	458.45	551.64	tonnes of CO ₂ -e
GHG intensity (Scope 1 and 2, by floor area)	0.0115	0.0013	0.0143	0.0123	tonnes of CO ₂ -e/sq. ft
Scope 3 ⁹	0.00	0.15	1,769.86	1,770.00	tonnes of CO ₂ -e
Total GHG emissions (Scope 1, 2 and 3)	86.56	6.78	2,228.31	2,321.65	tonnes of CO ₂ -e
Greenhouse gas intensity (Scope 1, 2 and 3, by floor area)	0.012	0.001	0.069	0.052	tonnes of CO ₂ -e/sq. ft
Waste produced ¹⁰					
Total hazardous waste	Data unavailable ¹¹	Data unavailable ¹¹	9.81	9.81	tonnes
Hazardous waste intensity (by floor area)	—	—	0.0002	—	tonnes/sq.ft
Total non-hazardous waste	Data unavailable ¹¹	Data unavailable ¹¹	15.59	15.59	tonnes
Non-hazardous waste intensity (by floor area)	—	—	0.0005	—	tonnes/sq.ft

PERFORMANCE SUMMARY (continued)

Business Segment	Head Office	EV Charging	Printing	Total	Unit
Energy consumption					
Petrol	0.00	0.00	15.04	15.04	MWh
Electricity	121.91	17.93	639.56	779.40	MWh
Total energy consumption	121.91	17.93	654.59	794.43	MWh
Energy intensity (by floor area)	0.02	0.003	0.02	0.02	MWh/sq.ft
Water consumption					
Total water consumption	Data unavailable ¹¹	Data unavailable ¹¹	1,559	1,559	m ³
Water intensity (by floor area)	—	—	0.05	—	m ³ /sq.ft

SOCIAL KEY PERFORMANCE INDICATORS¹²

Employment						
Business Segment	Head Office		EV Charing		Printing	
	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)
Workforce Profile						
By gender						
Male	19	48%	48	71%	33	64%
Female	21	52%	20	29%	18	36%
By contract type						
Full-time	40	100%	67	99%	42	82%
Part-time	0	—	1	1%	9	18%
By age group						
30 years old or below	5	13%	19	28%	7	14%
31-40 years old	14	35%	18	26%	4	7%
41-50 years old	13	32%	23	34%	8	16%
51 years old or above	8	20%	8	12%	32	63%
By employment rank						
General	18	45%	44	65%	41	80%
Middle	14	35%	23	34%	4	8%
Senior	8	20%	1	1%	6	12%

PERFORMANCE SUMMARY (continued)

Employment						
Business Segment	Head Office		EV Charing		Printing	
	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)
New Employees ¹³						
By gender						
Male	2	11%	30	63%	10	30%
Female	1	5%	15	75%	18	100%
By age group						
30 years old or below	1	20%	17	89%	15	>100%
31-40 years old	1	7%	9	50%	5	>100%
41-50 years old	1	8%	15	65%	2	25%
51 years old or above	0	—	4	50%	6	19%
By employment rank						
General	0	—	30	68%	27	66%
Middle	2	14%	15	65%	1	25%
Senior	1	13%	0	—	0	—
Employee Turnover ¹⁴						
By gender						
Male	1	5%	11	23%	19	58%
Female	0	—	6	30%	17	94%
By age group						
30 years old or below	0	—	6	32%	11	>100%
31-40 years old	1	7%	4	22%	6	>100%
41-50 years old	0	—	6	26%	5	63%
51 years old or above	0	—	1	13%	14	44%
By employment rank						
General	0	—	14	32%	34	83%
Middle	0	—	3	13%	1	25%
Senior	1	13%	0	—	1	17%

Health and Safety						
Business Segment	Head Office		EV Charing ¹⁵		Printing	
	Number	Rate	Number	Rate	Number	Rate
Work-related fatality	0	—	0	—	0	—
Work-related injury ¹⁶	0	—	1	14.7	0	—
Lost days due to work-related injury	0	—	50.5	—	0	—

PERFORMANCE SUMMARY (continued)

Training and Development						
Business Segment	Head Office		EV Charing		Printing	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Employees Trained ¹⁷						
By gender						
Male	2	11%	30	63%	33	100%
Female	0	—	15	75%	18	100%
By employment rank						
General	0	—	30	68%	41	100%
Middle	0	—	15	65%	4	100%
Senior	2	25%	0	—	6	100%
Total Training Hours ¹⁸						
By gender						
Male	40	—	30	—	47	—
Female	0	—	15	—	85	—
By employment rank						
General	0	—	30	—	48	—
Middle	0	—	15	—	62	—
Senior	40	—	0	—	22	—
Average Training Hours ¹⁹						
By gender						
Male	2.11	—	0.63	—	1.42	—
Female	0	—	0.75	—	4.72	—
By employment rank						
General	0	—	0.68	—	1.17	—
Middle	0	—	0.65	—	15.5	—
Senior	5	—	0	—	3.67	—

⁹ For EV charging business, scope 3 emissions cover paper disposal only. For printing business, scope 3 emissions cover water processing, sewage discharged (assuming same amount as water consumption) and paper disposal (including 1730.95 tonnes of CO₂-e from customers' order and paper recycled).

¹⁰ For hazardous waste, it covers the disposal of chemical and clinical waste of the printing production process only. For non-hazardous waste, it covers the disposal of Zinc (recycled) and general waste of the printing production process only.

¹¹ We are developing a data collection system and target to disclose these KPIs in future reports.

¹² Referring to permanent employees in Hong Kong

¹³ New hire rate = number of new employees/total workforce of the category at the end of the reporting period x 100

¹⁴ Employee turnover rate = number of employees resigned/total workforce of the category at the end of the reporting period x 100

¹⁵ No reportable cases of work-related fatality or injury among contracted workers

¹⁶ Work-related injury rate = number of work related injury/number of employees x 1000

¹⁷ Percentage of employees trained = number of employees trained of the category which exclude employees who left the Group during the reporting period/total workforce of the category at the end of the reporting period x 100

¹⁸ Excluding training hours of employees who left the Group during the reporting period

¹⁹ Average training hours = total hours of training received by employees of the category which exclude employees who left the Group during the reporting period/total workforce of the category at the end of the reporting period

APPENDIX

Cornerstone Technologies upholds a very high standard of accountability and business integrity by implementing effective policies, guidelines and practices. Any regulatory changes of high relevance to our businesses will be communicated effectively and timely to employees.

We comply with all laws and regulations that are relevant to our business operations and closely monitor changes. Our performances of compliance management are summarised below:

Aspect	Reportable cases of breaches in legal or regulatory compliance	Supplementary Information
Business Practices (relating to corruption and anti-competitive behaviour)	No reported cases	
Employees and subcontractors (relating to employment practices, labour standards, and occupational health and safety)	No reported cases	
Product Responsibilities (relating to client privacy, production and service information, and customer health and safety)	No reported cases	
Environment (relating to air and GHG emissions, discharges to water and land, and waste generation)	No reported cases	

HKEX ESG

GUIDE CONTENT INDEX

The report complies with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on HKEX. It was prepared based on the reporting principles of materiality, quantitative, consistency and balance as set out in the ESG Reporting Guide.

Reporting Principles	Implementation
Materiality	This report covers aspects that reflect the significant environmental and social topics identified through stakeholder engagement. Internal and external factors such as business strategies and stakeholder concerns are taken into account during the materiality assessment. More details can be found in the Materiality section.
Quantitative	Information is presented with quantitative measurements, whenever feasible, to enable transparent comparison of trends over years.
Consistency	This report presents information on a consistent basis so that stakeholders can analyse and evaluate changes in performance over time. Due diligence is conducted to ensure the quality and accuracy of the information disclosed.
Balance	Both achievements and challenges faced by the Group are presented in the report, ensuring the full picture of the Group’s performance is reasonably illustrated.

HKEX ESG GUIDE CONTENT INDEX (continued)

Description of Disclosures		Chapter/Section	Page Number	Remark
A. Environmental				
A1 Emissions				
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	WASTE, APPENDIX	30-31, 36	According to the material assessment, GHG and air emissions are immaterial to our business.
A1.1	The types of emissions and respective emissions data	PERFORMANCE SUMMARY	32-35	
A1.2	Greenhouse gas emissions in total			
	Intensity of greenhouse gas emissions			
A1.3	Total hazardous waste produced			Data unavailable; a procedure will be formulated to ensure data accuracy for disclosure.
	Intensity of hazardous waste produced			
A1.4	Total non-hazardous waste produced	PERFORMANCE SUMMARY	30-31, 32-35	Data unavailable; a procedure will be formulated to ensure data accuracy for disclosure.
	Intensity of non-hazardous waste produced			
A1.5	Description of measures to mitigate emissions and results achieved	WASTE, PERFORMANCE SUMMARY	30-31, 32-35	According to the material assessment, GHG and air emissions are immaterial to our business.
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	WASTE, PERFORMANCE SUMMARY	30-31, 32-35	

HKEX ESG GUIDE CONTENT INDEX (continued)

Description of Disclosures		Chapter/Section	Page Number	Remark
A2 Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	ENERGY, APPENDIX	28-29, 36	According to the material assessment, consumption of water and other raw materials are immaterial to our business.
A2.1	Direct and/or indirect energy consumption by type in total	PERFORMANCE SUMMARY	32-35	
	Direct and/or indirect energy intensity			
A2.2	Water consumption in total			
	Water intensity			
A2.3	Description of energy use efficiency initiatives and results achieved	ENERGY, PERFORMANCE SUMMARY	28-29, 32-35	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	—	—	We are not aware of any issue in sourcing water; According to the material assessment, water consumption is immaterial to our business.
A2.5	Total packaging material used for finished products	—	—	Data unavailable; a procedure will be formulated to ensure data accuracy for disclosure.
	Total packaging material used for finished products with reference to per unit produced			
A3 The Environment and Natural Resources				
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources	—	—	We are not aware of any significant impact on the environment and natural resources.
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	—	—	According to the material assessment, it is considered as immaterial to our business.

HKEX ESG GUIDE CONTENT INDEX (continued)

Description of Disclosures		Chapter/Section	Page Number	Remark
B. Social				
B1 Employment				
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	EMPLOYMENT SYSTEM, APPENDIX	22-23, 36	
B1.1	Total workforce by gender, employment type, age group and geographical region	PERFORMANCE SUMMARY	32-35	
B1.2	Employee turnover rate by gender, age group and geographical region	PERFORMANCE SUMMARY	32-35	
B2 Health and Safety				
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	OCCUPATIONAL HEALTH AND SAFETY, APPENDIX	26-27, 36	
B2.1	Number and rate of work-related fatalities	PERFORMANCE SUMMARY	32-35	
B2.2	Lost days due to work injury	PERFORMANCE SUMMARY	32-35	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	OCCUPATIONAL HEALTH AND SAFETY	26-27	
B3 Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	TRAINING AND DEVELOPMENT	24-25	
B3.1	The percentage of employees trained by gender and employee category	PERFORMANCE SUMMARY	32-35	
B3.2	The average training hours completed per employee by gender and employee category	PERFORMANCE SUMMARY	32-35	

HKEX ESG GUIDE CONTENT INDEX (continued)

Description of Disclosures		Chapter/Section	Page Number	Remark
B4 Labour Standards				
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	EMPLOYMENT SYSTEM, APPENDIX	22-23, 36	
B5 Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain	SUPPLY CHAIN MANAGEMENT	20-21	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	SUPPLY CHAIN MANAGEMENT	20-21	
B6 Product Responsibility				
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	PRODUCT RESPONSIBILITY, APPENDIX	16-17, 36	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	—	—	We recorded no products sold or shipped subject to recalls for safety and health reasons.
B6.2	Number of products and services related complaints received and how they are dealt with	PRODUCT RESPONSIBILITY	16-17	
B6.3	Description of practices relating to observing and protecting intellectual property rights	PRODUCT RESPONSIBILITY	16-17	
B6.4	Description of quality assurance process and recall procedures	PRODUCT RESPONSIBILITY	16-17	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	PRODUCT RESPONSIBILITY	16-17	

HKEX ESG GUIDE CONTENT INDEX (continued)

Description of Disclosures		Chapter/Section	Page Number	Remark
B7 Anti-corruption				
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	ANTI-CORRUPTION, APPENDIX	18-19, 36	
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	ANTI-CORRUPTION, APPENDIX	18-19, 36	We are not aware of concluded legal cases regarding corrupt practices brought against the Group or our employees.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	ANTI-CORRUPTION	18-19	
B8 Community Investment				
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	—	—	According to the material assessment, it is immaterial to our business.
B8.1	Focus areas of contribution	—	—	
B8.2	Resources contributed to the focus area	—	—	