

RE-Energise your life

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021 |

Incorporated in the Cayman Islands with limited liability
Stock Code: 8391

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ABOUT THIS REPORT



Cornerstone Technologies Holdings Limited (the “Company”), together with its subsidiaries (collectively the “Group” or “Cornerstone Technologies”) is committed to conducting our business in an environmentally and socially responsible manner whilst intensifying our support to customers on transitioning to a smart and low-carbon future. With this report, Cornerstone Technologies is delighted to present stories of how it creates shared value for shareholders, the environment and the society at large.

This report was prepared in accordance with the requirements of the ESG Reporting Guide Appendix 27 of the Rules Governing the Listing of Securities on the HKEx. The Group has complied with the mandatory disclosure obligations of the “comply or explain” provisions set out in the ESG Reporting Guide.

In addition to the feature stories, the report has summarised the Group’s performance in sustainability, focusing on focus on the following eight sustainability topics that were identified as material to the Group and based on the reporting principles of materiality, quantitative, consistency and balance. For more details, please refer to the HKEX ESG Guide Content Index.



To provide a comprehensive review of the Group’s impact and performance, the performance data summary covers the two operating segments in the financial year between 1 January to 31 December 2021.

Cornerstone Technologies appreciates stakeholders’ feedback and suggestion. Please share your views with the Group at info@hkepg.com.



¹ According to the materiality assessment results, waste management is not a material sustainability topic. However, the Group recognises its importance to its business development and intends to include it in this report as an emerging material topic.



ABOUT CORNERSTONE TECHNOLOGIES

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

CASE STUDIES: NEW BRAND AIM TO FAST-TRACK SUSTAINABLE LIVING

In January 2021, Cornerstone Technologies Holdings Limited officially announced its public listing along with a refreshed brand identity to restate its mission to foster a cleaner, brighter future. It embarked on a new journey towards international markets, especially South East Asia, Europe, Australia and New Zealand.

In addition, the Group unveiled a new brand identity that represents its growth and expansion in the EV business space.



IT

Enabling customers to leverage modern technology
and drive business growth



CHARGING

Offering high quality, reliable and accessible EV chargers to
promote cleaner daily commuting practices in Hong Kong



ENERGY

Giving batteries a second life

In 2021, the Group provided EV charging services to the following car parks:



Dynasty Heights – Tropicana



Dynasty Heights – Dynasty Villa



Dynasty Heights – Skylodge



Glamour Garden Car Park #7



**Glamour Garden Car Park
Blk 4**



City One Shatin



Discovery Park # L6



Ka Fuk Estate



Peninsula Walk



Poksmith Villa



Deerhill Bay



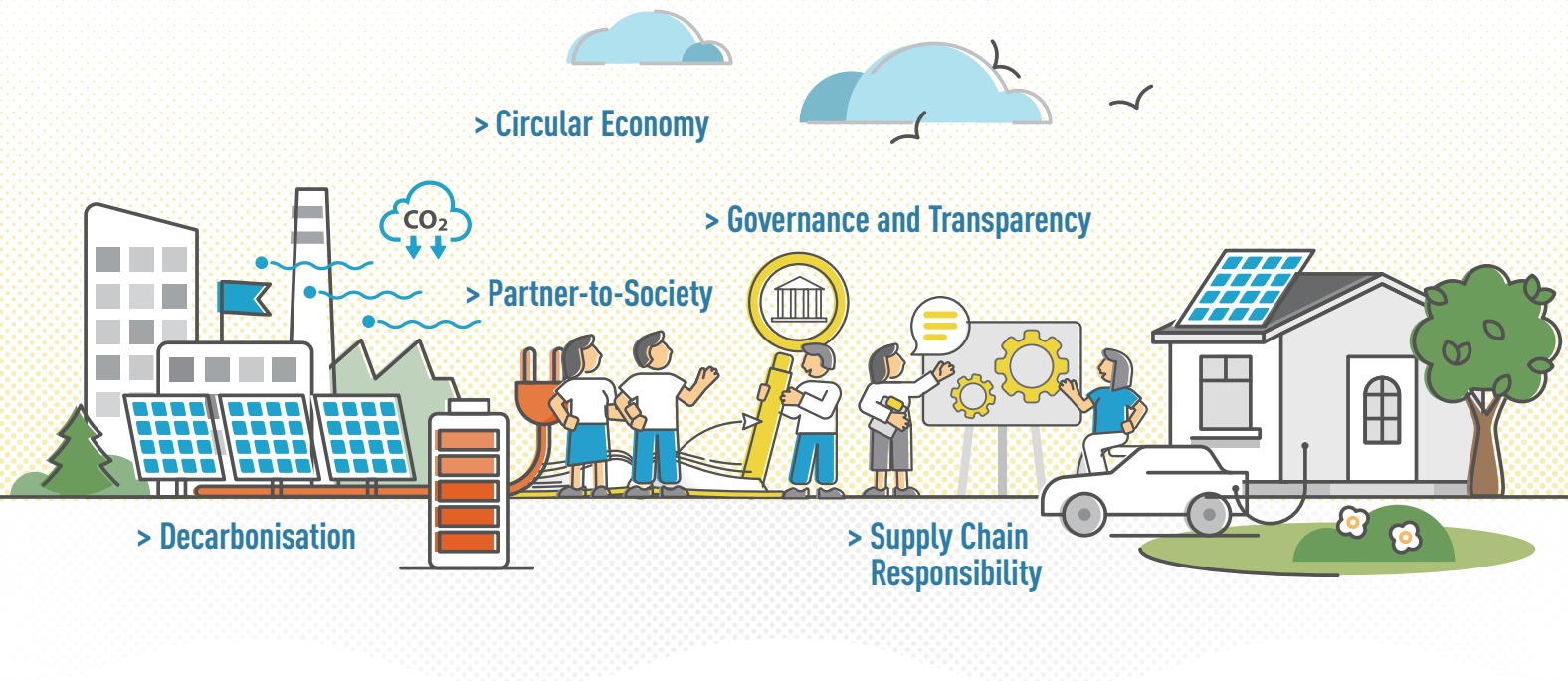
Maxgrand Plaza Car Park P18 & P19

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



OUR COMMITMENTS TO SUSTAINABILITY

Cornerstone Technologies has established a Sustainability Strategy 2030 which translates the key environmental and social challenges into several strategic fields of action that it believes are crucial for a low-carbon economy.



To align sustainability targets with business goals and be accountable for its sustainability performance at all levels, the Group has embedded sustainability governance into the overall corporate governance structure, from board-level to executive-level committees across corporate business units.

The Sustainability Committee is led by a Board member and supported by the Sustainability Taskforce. It consists of members from different business units who bring their expertise to contribute to the relevant subject areas. Meanwhile, the Board has oversight of the Group's sustainability direction to ensure that key sustainability considerations are holistically integrated into the Group's sustainability strategy. Looking forward, sustainability working groups and a group-wide sustainability policy will be formulated to ensure the smooth implementation of the strategy.

CASE STUDY:

CREATING A BRIGHTER FUTURE ALIGNED WITH THE UN SDGs

Cornerstone Technologies is committed to aligning with the global roadmap for sustainability development. 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.

With an ambition to make a difference in the lives of customers when they need it most, the Sustainability Strategy 2030 aims to examine in greater depth how sustainability trends will impact its business environment and value chain, and at the same time, offer new opportunities for the Group to bring in innovative solutions. The Group has identified five SDGs where its businesses have the greatest ability to drive change and create shared value.



Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Responsible Consumption and Production

Ensure sustainable consumption and production patterns



Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Climate Action

Take urgent action to combat climate change and its impacts

Sustainable Finance

Cornerstone Technologies believes that the issuance of green financing instruments can contribute to fostering the transition to a low-carbon economy, by giving financial backing to the projects enabling this transition. These instruments will contribute to further transparency and meet investors' growing interest in greener assets to better allocate their funds and measure their contribution to a more sustainable financial system.

The Group has developed its first green finance framework which is prepared in alignment with internationally recognised methodologies across the financial markets, such as the Green Bond Principles and Green Loan Principles. This framework is used to facilitate the Group to fund new and existing projects that deliver environmental and social benefits.

Eligible Categories	Project Description	SDGs	Potential Indicators
Clean Transportation	Investments and expenditures (including but not limited to acquisition costs, research and development cost, construction cost and licensing costs) for the design, development and manufacturing of EV charging stations and related components such as remanufacturing and recycling EV batteries	SDG 11 Sustainable Cities and Communities Target 11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport for all	Number of electric vehicle charging points installed
Energy Efficiency	Projects intend to achieve at least a 20% improvement in energy efficiency, through measures including but not limited to: <ul style="list-style-type: none"> • Operation improvement; • Technology adoption (such as installation of energy management systems); • Professional services (such as relevant technical consultations, energy audits and feasibility studies); and • Equipment upgrades in new/ existing buildings 	SGD 7 Affordable and Clean Energy Target 7a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	Avoided greenhouse gas emissions

In 2022, the Group appointed BSI to provide a second party opinion on this green finance framework. The pre-issuance verification verifies the alignment of the green financing instruments with the appropriate standards in the green financing market, providing investors and other stakeholders with an independent assessment. The full second party opinion and this green finance framework will be available on Cornerstone Technologies' website in due course.

Sustainability Risk Management

The Board oversees risk management of the Group, including management of environmental, social and governance-related risks. The Board acknowledges it is important to develop consistent and enhanced approaches to identifying and assessing climate risks and opportunities. The Group has been working with external consultants to better understand and respond to climate-related risks across its operations and enhance its adaptability and resilience to climate change.

In addition to the development of a group-level sustainability policy to demonstrate its commitments to mitigate the impacts of climate change, the Group intends to adopt the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD") and carry out a climate-related scenario analysis in the near future.

Materiality Topics

Cornerstone Technologies regularly engages its key stakeholders through different engagement channels to understand topics that are important to employees, customers, investors, suppliers and contractors, business partners, regulators and the wider community. Their feedback helps the Group further its efforts in sustainable development.

To allow for meaningful interaction with its stakeholders on sustainability strategy and reporting, the Group with the support of independent consultants conducted a materiality review on sustainability topics in 2021. The list includes the topics that were identified as material to the Group. According to the materiality assessment results, waste management is not a material sustainability topic. However, the Group recognises its importance to its business development and intends to include it in this report as an emerging material topic.





POLICY STATEMENT

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

Product Responsibility

Performance at a Glance

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

> Conducted reliability tests to protect well-being of our customers

> Handled customers' feedback in a timely and professional manner

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

> Provided employees with regular training on product responsibilities and business ethics

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



Project Delivery

Across all customer touchpoints, the Group adheres to the highest standard of project delivery and protects the well-being of customers with an effective quality assurance process. The Group has 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, reliability tests are conducted to evaluate a wide range of factors that might harm the safety of products.

In addition, the Group has established effective mechanisms to ensure accurate and sufficient information about products and services is provided to customers. Procedures are in place to ensure an accurate information, as well as fair and timely responses, would be made to customers' feedback. As part of its quality assurance procedures, the Group provides employees with guidelines on how to deal with non-conforming products and client complaints. During the reporting period, the Group recorded zero complaints from customers and they were all resolved in a timely and professional manner.

CASE STUDIES: THE EV-CHARGING AT HOME SUBSIDY SCHEME



Electric vehicles ("EVs") have no tailpipe emissions. Replacing conventional vehicles with EVs can help improve roadside air quality and reduce greenhouse gas emissions. In view of the rapid development of EV technology, many governments around the world are setting targets to ban the sale of petrol and diesel vehicles which gives impetus to the revolution process. In 2021, the Hong Kong SAR government rollout out a total of HK\$3.5 billion "EV-charging at Home Subsidy Scheme ("EHSS") to subsidise the installation of EV charging-enabling infrastructure ("EVCEI") in car parks of existing private residential buildings and enable EV users to conveniently charge their EVs at their residences. It is expected that about 140,000 parking spaces will be provided with EVCEI in about three years under the scheme, encouraging people with driving needs to switch to EVs.

All applications of the EHSS are required to procure the services of consultants and contractors for the installation works of the EVCEI in their car parks. Cornerstone Technologies, as one of the registered electrical constructors and EHSS service providers, offers a wide range of support and advice to enable people to apply for the subsidy:



FREE 1-to-1
consultation session to
talk to our industry experts



Additional subsidy,
maximising subsidy amount
to **HK\$30,000** for each
parking space



Optimised
**Charging
Speed**
with our load
management system



One-stop
operational solution,
from EV charging
system design to
installation works and
routine inspection



Access to more than
**1,300 Charging
points** in Hong Kong



Included product
insurance coverage at
HK\$20 million

Cornerstone Technologies has also organised a series of seminars for incorporate owners and property managers who would like to understand more about the scheme and technical solutions available in the market. In May 2021, Cornerstone Charging, an indirectly wholly-owned subsidiary of the Company, has been awarded the first electronic charging infrastructure installation project under the scheme. This project is expected to provide more than 300 parking spaces with EV charging facilities.

Business Ethics

Upholding a high standard of business ethics is all-important to the Group's operations. The Group upholds integrity, fair play and business ethics, building trust and respect between internal and external stakeholders.

Ensuring data privacy and security is essential to building trust with business partners. Therefore, Cornerstone Technologies has set out a series of policies to regulate procedures in handling intellectual property, employees' inventions and confidential information. Employees are also required to strictly adhere to the set policies regarding the usage and storage of proprietary or confidential information. In addition, cybersecurity measures have been adopted into operations and projects to safeguard the Group's assets and customer information.

Compliance Management

Cornerstone Technologies have adequate policies, guidelines and practices to ensure a strict and high level of business accountability and integrity. The Group monitors the current and emerging legislation or regulatory changes relevant to its business and takes appropriate actions to ensure compliance with any new requirements. Major updates on legislation or regulatory changes will also be timely communicated with employees.

CASE STUDIES:

HONG KONG'S FIRST ROADMAP ON POPULARISATION OF ELECTRIC VEHICLES

In March 2021, the Hong Kong SAR government announced the Hong Kong Roadmap on Popularisation of Electric Vehicles, setting out the long-term policy objective and plans to promote the adoption of EVs and their associated supporting facilities in Hong Kong. The roadmap provides guidelines for Hong Kong to attend Zero vehicular emissions before 2050, acting in concert with other targets to strive for carbon neutrality. It covers various aspects, including:



> Electric private cars

No new registration of fuel-propelled private cars including hybrid vehicles in 2035 or earlier

> Electric commercial vehicles

Promote trials for electric public transport and commercial vehicles including buses, public light buses, taxis and goods vehicles, with a view to setting a concrete way forward and a timetable around 2025

> Changing network

Expand the EV charging network on all fronts and marketise charging services progressively

> Maintenance services

Promote education and training for technicians and mechanics on EV maintenance

> Battery recycling

Strive to legislate a producer responsibility scheme for retired EV batteries in the next few years, and promote green technologies of second-life applications of EV batteries

> Innovation and co-operation

Multi-pronged approach to create a conducive environment for the popularisation of EVs. This includes establishing a task force to examine the high-end development of new decarbonisation technology globally, the HK\$200 million Green Tech Fund to fund the research and development of green technologies, making good use of development in technologies

Cornerstone Technologies' commitment to continuous improvement and fostering an innovative culture places the Group in a good position to capture these new opportunities and contribute to the environment.

During the reporting year, there were no reportable cases of breaches in legal or regulation compliance.



POLICY STATEMENT

Cornerstone Technologies has adopted a zero-tolerance policy for bribery and corruption in any form or at any level. Employees are required to act in compliance with the Group's employment handbook, which defines the behaviours that constitute corruption and outlines their roles and responsibilities in avoiding corruption activities.

Anti-Corruption

Performance at a Glance

> Implemented guidelines and whistleblowing procedures to combat corruption activities

> Provided new employees and directors with anti-corruption training

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



Awareness Training

Cornerstone Technologies has zero-tolerance for bribery, extortion, fraud and money laundering. All employees are required to comply with corporate policies including guidelines on anti-corruption, fraud, bribery and whistleblowing.

CASE STUDIES: DIRECTOR TRAINING

During the reporting period, the Group continued its efforts to raise employees' awareness on combating corruption and anti-competitive activities through training. As part of the orientation programme, all new employees and directors were offered anti-corruption training.

In addition, the Group is planning to arrange refreshment training for all employees and directors. Representatives from the Independent Commission Against Corruption (ICAC) will be invited to provide sharing on the latest industry cases to help them stay vigilant.

Whistleblowing

A whistleblowing procedure has been formulated to maintain the accountability of our business activities. The Group encourages employees to raise their concerns about any suspected misconduct or malpractice in the Group to the Audit Committee. The Committee has the primary responsibility to carry out investigations and ensure that the process is kept confidential. All reports will be handled with care and fairness to ensure whistleblowers are protected against unfair dismissal, victimisation, or unwarranted disciplinary actions.



POLICY STATEMENT

Cornerstone Technologies understands the sustainability implications of its purchasing decisions. Including sustainability considerations in procurement processes enable the Group to contribute to the environment as well as the communities in which it operates.

Supply Chain Management

Performance at a Glance

- > Established a supply chain network with nearly 200 suppliers and contractors worldwide
- > Set up key performance indicators for performance evaluation and prioritised business partners with outstanding performance
- > Reviewed methodologies for carrying out regular supply chain risk assessments to identify and assess environmental and social risks



Procurement Practices

Working with nearly 200 suppliers and contractors ("business partners"), it is important for Cornerstone Technologies to ensure that their products and services comply with its requirements on ESG performance. In the face of the ever-changing social, economic and political environment, the Group has a set of guidelines and proper measures in place across its entire supply chain, from procurement to distribution to customers.

All business partners are evaluated through a formal assessment to ensure that they are in line with the selection principles. Suppliers are also required to provide samples and supporting evidence, such as certificates, for verification. In procurement, the Group gives priority to business partners with outstanding performance, whereas underperformers will be downgraded or delisted from tender list.

Supplier Communications

Cornerstone Technologies strives to attain customer satisfaction by embedding sustainability principles along the value chain. To ensure project quality, manage supply chain risk and improve project efficiency, the Group aims to develop collaborative working relationships with its business partners.

CASE STUDIES: ENGAGEMENT WORKSHOPS

The Group is committed to conducting business in an environmentally and socially responsible manner and expects business partners to demonstrate the same commitment.

To encourage business partners to pursue and embed environmental and social objectives into their daily operations and culture, the Group intends to review its guidelines for business partners and introduce more ESG requirements in its procurement assessment. In addition, engagement workshops will be arranged regularly to share experiences and best practices with business partners.



POLICY STATEMENT

Cornerstone Technologies promotes a people-centric workplace where employees feel cared for and secure at work. This realises the Group's commitment in the ESG policies to creating a culture of highly engaged employees and upholding best practices in employment standards.

Employment System

Performance at a Glance

> 182 employees, including full-time and part-time employees

> New hire rate²: 21%

> Employee turnover rate³: 18%

> Women represent 37% of total workforce

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

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



Labour Practices

The Group's Human Resources Department supports business and corporate units to achieve business goals and facilitate employees to unleash their full potential. The 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.

As a responsible corporate citizen, Cornerstone Technologies respects human rights and implements fair labour practices, and strictly prohibits all forms of child and forced labour within operations. This includes verifying applicants' identity and eligibility for employment.

Workforce Diversity

Cornerstone Technologies recognise that diversity and inclusion are critical components of a thriving organisational culture. With this in mind, the Group aims to create an environment conducive to accommodating different experiences and perspectives, promoting equal opportunities and fostering an inclusive workplace where everyone, regardless of their race, colour, ethnicity, national origin, sex, age, marital status, sexual orientation, religious or political beliefs, feels equally involved and supported. In addition, the Group recognises

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 employees resigned / total workforce at the end of the reporting period x 100

the valuable contribution of female employees to business growth and is committed to supporting their pursuit of career and personal development. As of 31 December 2021, women represent 37% of employees across the Group.

Regarding the new diversity requirements to end single-gendered boards among listed issuers in Hong Kong, the Group commits to promoting diversity for a well-functioning and effective Board. This commitment is also aligned with our policies in relation to diversity on the Board.

Employee Relations

The Group recognises that good internal communication leads to stronger employee engagement and better organisational performance. Following the engagement after the acquisition of new businesses in 2020, the Group established various internal communications channels to maintain active, meaningful and ongoing dialogues with employees.

CASE STUDIES: INTERNAL COMMUNICATIONS



To build awareness and alignment of the Group's sustainability strategy, the Group is going to roll out a series of internal communications activities. These internal engagement initiatives aim not only to keep employees informed, inspired and involved to drive sustainable change but also to empower employees by giving them opportunities to freely express their ideas and opinions about their work or any views that may have of the Group.

All feedback received will be handled by external consultants and presented directly to the Sustainability Committee for consideration.



POLICY STATEMENT

Cornerstone Technologies strive to foster a learning culture that supports the development of employees and provides a platform for a meaningful and purposeful career. The Group's policies outline its approach to empower employees to grow professionally and personally at Cornerstone Technologies.

Training and Development

Performance at a Glance

> Average training hours⁴: 0.65 hours per employee

> 82 employees received training, accounting for 45% of all employees

> Provided employees with regular training on business ethics, company policies and key business areas



Leadership Development

Cornerstone Technologies is committed to developing a strong talent pipeline to sustain business growth. All employees are required to complete training on business ethics and company policies, as part of their orientation. To ensure that employees stay well-informed on industry trends and best practices, employees are also required to regularly complete mandatory training on key business areas.

The Group has established a comprehensive performance review system that caters for employees of all levels and supports their career and personal development. The Group has categorised training courses into several series, such as project management, technical skills and contract management.

In addition, the Group has established a comprehensive performance review system, which enables senior management to plan for the succession of key roles. The Group continues to work with specialised professional development associations to enhance its leadership programmes.

Recreation Activities

Besides organising professional training, the Employee Recreation Committee organises sports and recreational programs for our employees on a regular basis. These events help strengthen relationships among our employees across the Group.

⁴

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



POLICY STATEMENT

At Cornerstone Technologies, employee health and safety are the priority at all times across all business operations. The Group is committed to developing a caring health and safety culture to minimise potential.

Occupational Health and Safety

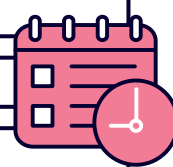
Performance at a Glance

> Zero work-related injury rate

> Zero fatality and occupational disease

> Continued to support employees during COVID-19

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



Health and Safety Management System

While health and safety training is an integral part of orientation training, guidelines are communicated through the employee handbook and other knowledge-sharing platforms. To enable employees at different work locations to access our health and safety information easily, the Group has strengthened its training on occupational health and safety.

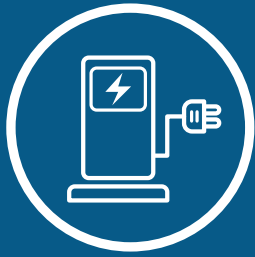
At Cornerstone Technologies, its commitment to safety applies equally to employees and contractors' workers. For the EV charging business, most manufacturing and site activities are carried out by our appointed contractors. In the contractor selection process, the Group gives preference to those with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

Safety Review

The Group adopts a precautionary approach that focuses on minimising safety hazards at the source. Regular safety reviews, which cover a wide range of areas essential for safety management such as safety policy, organisational structure, safety training, in-house safety rules, inspection programme, hazard control programme, accident/incident investigation and emergency preparedness, were conducted regularly. In the case where risk or defined safety measures are identified, designated personnel are responsible for undertaking corrective actions in accordance with related policies and procedures.

Workforce Well-being

In line with its caring culture, the Group strives to promote health and well-being among 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 arrangements, temperature checks, and policies regarding masks in the offices and business travels. As part of the business contingency plan, incident management planning is in place to handle any potential case of COVID-19 within offices. The Group 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.



POLICY STATEMENT

Cornerstone Technologies continues to monitor its environmental footprint and implement energy efficiency measures, where applicable throughout its business. Protecting the environment by conserving natural resources has long been advocated in their environmental policies.

Energy

Performance at a Glance

> Total energy consumption: 828.76 MWh

> Energy intensity (by floor area): 0.01 MWh/sq.ft

> Total greenhouse gas emissions (scope 1 and 2): 562.03 tonnes of CO₂-e

> Total greenhouse gas intensity (scope 1 and 2): 0.0128 tonnes of CO₂-e

> Total greenhouse gas emissions (scope 1, 2 and 3): 17,031.38 tonnes of CO₂-e



Climate Change

Recognising climate change as one of the greatest challenges facing the world today, Cornerstone Technologies acknowledges its role and responsibility to be part of the solution. As a provider of EV solutions, the Group can contribute by sustainably and responsibly supporting the community to go for low-carbon technologies. At the same time, the Group also recognises the importance of decarbonising its own operations.

In response, the Group has formulated a Sustainability Strategy, which is currently implementing following approval of the Board of Directors in 2022. Then Strategy has five pillars and emission reduction is central to the Strategy.

CASE STUDIES: SETTING CARBON REDUCTION TARGETS

Cornerstone Technologies is playing a part in proactively supporting Hong Kong to achieve carbon neutrality before 2050. As part of this, the Group has reviewed its environmental performance of the previous years and decided to kick-start a carbon reduction target setting exercise in 2022.

To complement and support the Sustainability Strategy, the Group is seeking to set specific targets for different aspects of its activities related to climate change, such as efficiency in the use of all resources.



1 Quantify GHG emissions

To assess our GHG emissions based on accurate and complete raw data.

2 Set carbon reduction targets

To set carbon reduction targets for each major carbon-intensive area.

3 Implement a carbon reduction plan

To prioritise major decarbonisation to be undertaken.

4 Review performance

To continuously monitor and evaluate our carbon reduction performance.

5 Report process

To report carbon footprint and carbon reduction performance with internal and external stakeholders.

These targets do not only demonstrate the Group's long-term commitment to being part of a low-carbon economy, but also lays a solid foundation for them to further assess the feasibility of developing science-based targets (SBT) for their operations.

In 2021, the Group continues to explore energy-saving measures across its operations. The Group's energy consumption is monitored regularly and disclosed on an annual basis. During the reporting period, the Group's operations recorded total carbon emissions (scope 1 and 2) of 562.03 tonnes of CO₂-e. For more details, please refer to the Performance Summary.



POLICY STATEMENT

Cornerstone Technologies strives to minimise impacts on the environment across operations. As stipulated in its guidelines, the Group employs proper waste handling and monitoring practices to manage and reduce the generation of waste.

Waste

Performance at a Glance

> Total non-hazardous waste⁵: 14.91 tonnes

> Established recycling policy which specifies recyclable items

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



Waste Management

Cornerstone Technologies follow the principles of waste hierarchy, including reuse, recycling, reprocessing and responsible waste disposal in order to better manage the waste generated. Considering its office operations, the Group has been implementing a range of environmental initiatives to realise its commitment to minimising waste. For example, they have invested in technologies such as e-Leave and e-Payslip systems to reduce paper usage.

CASE STUDIES: DIGITAL PRINTING TECHNOLOGY

Cornerstone Technologies' 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 the classification system and sent to licensed waste collection companies to ensure proper disposal. Due to the business nature, the Group has registered as a chemical waste producer, and obtained the Water Pollution Control Licence pursuant to the Water Pollution Control Ordinance.

Recycling Practices

At Cornerstone Technologies, general non-hazardous waste was sent to public refuse stations where recyclable waste was sent to recyclers for further handling. For its 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, the Group's has established a recycling policy which specifies recyclable items and handling procedures.

⁵

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	0.90	0.90	kg
Sulphur oxides (SOx)	0	0	0.02	0.02	kg
Respiratory suspended particles (RSP)	0	0	0.07	0.07	kg
GHG emissions⁶					
Scope 1	0.00	0.00	10.17	10.17	tonnes of CO ₂ -e
Scope 2	86.15	31.29	434.42	551.86	tonnes of CO ₂ -e
Total GHG emissions (Scope 1 and 2)	86.15	31.29	444.59	562.03	tonnes of CO ₂ -e
GHG intensity (Scope 1 and 2, by floor area)	0.0115	0.0071	0.0138	0.0128	tonnes of CO ₂ -e/sq. ft
Scope 3	70.24	41.52	16,357.59	16,469.35	tonnes of CO ₂ -e
Total GHG emissions (Scope 1, 2 and 3)	156.40	72.80	16,802.18	17,031.38	tonnes of CO ₂ -e
Greenhouse gas intensity (Scope 1, 2 and 3, by floor area)	0.005	0.017	0.523	0.248	tonnes of CO ₂ -e/sq. ft
Waste produced					
Total non-hazardous waste	–	–	14.91	14.91	tonnes
Non-hazardous waste intensity (by floor area)	–	–	0.0005	–	tonnes/sq.ft

⁶ For EV charging business, scope 3 emissions cover paper disposal (3.2 tonnes) and car park electricity supply for customers (38.3 tonnes). For printing business, scope 3 emissions cover water processing, sewage discharged (assuming same amount as water consumption) and paper disposal (including 16,356 tonnes of CO₂-e from customers' order and paper recycled).

Business Segment	Head Office	EV Charging	Printing	Total	Unit
Energy consumption					
Petrol	0.00	0.00	15.33	15.33	MWh
Isopropyl alcohol	0.00	0.00	0.00125	0.00	MWh
Electricity	101.35	80.23	611.86	813.43	MWh
Total energy consumption	101.35	80.23	627.19	828.76	MWh
Energy intensity (by floor area)	0.0032	0.0182	0.02	0.01	MWh/sq.ft
Water consumption					
Total water consumption	–	–	1,659	1,659	m ³
Water intensity (by floor area)	–	–	0.05	–	m ³ /sq.ft

Social Key Performance Indicators

Employment						
Business Segment	Head Office		EV Charging		Printing	
	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)
Workforce Profile						
By gender						
Male	28	46%	51	71%	35	71%
Female	33	54%	21	29%	14	29%
By employment type						
Full-time	60	98%	72	100%	36	73%
Part-time	1	2%	0	–	13	27%
By age group						
30 years old or below	15	25%	22	31%	3	6%
31-40 years old	21	34%	22	31%	3	6%
41-50 years old	13	21%	19	26%	6	12%
51 years old or above	12	20%	9	13%	37	76%
By employment position						
General	25	41%	49	67%	40	82%
Middle	24	39%	21	29%	4	8%
Senior	12	20%	3	4%	5	10%

Employment						
Business Segment	Head Office		EV Charging		Printing	
	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)	Number	Distribution/ Rate (%)
New Employees⁷						
By gender						
Male	13	46%	3	6%	5	14%
Female	13	39%	2	10%	3	21%
By age group						
30 years old or below	9	60%	1	5%	1	33%
31-40 years old	7	33%	2	9%	0	0%
41-50 years old	7	54%	1	5%	1	17%
51 years old or above	3	25%	1	11%	6	16%
By employment position						
General	10	40%	3	6%	8	20%
Middle	7	29%	2	10%	0	–
Senior	9	75%	0	–	0	–
Employee Turnover⁸						
By gender						
Male	9	32%	1	2%	3	9%
Female	9	27%	3	14%	7	50%
By age group						
30 years old or below	6	40%	0	–	4	>100%
31-40 years old	6	29%	2	9%	2	67%
41-50 years old	2	15%	1	5%	2	33%
51 years old or above	4	33%	0	–	2	5%
By employment position						
General	11	44%	3	6%	10	25%
Middle	6	25%	0	–	0	–
Senior	1	8%	0	–	0	–

Health and Safety ⁹						
Business Segment	Head Office		EV Charging		Printing	
	Number	Rate	Number	Rate	Number	Rate
Work-related fatality	0	–	0	–	0	–
Work-related injury	0	–	0	–	0	–
Lost days due to work-related injury	0	–	0	–	0	–

⁷ New hire rate = number of new employees/total workforce at the end of the reporting period x 100

⁸ Employee turnover rate = number of employees resigned/total workforce at the end of the reporting period x 100

⁹ No reportable cases of work-related fatality or injury among contract workers

Training and Development						
Business Segment	Head Office		EV Charging		Printing	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Employees Trained¹⁰						
By gender						
Male	0	–	20	39%	35	100%
Female	0	–	13	62%	14	100%
By employment rank						
General	0	–	27	56%	40	100%
Middle	0	–	6	29%	4	100%
Senior	0	–	0	–	5	100%
Total Training Hours¹¹						
By gender						
Male	0	–	20	–	40	–
Female	0	–	13	–	46	–
By employment rank						
General	0	–	27	–	50	–
Middle	0	–	6	–	6	–
Senior	0	–	0	–	30	–
Average Training Hours¹²						
By gender						
Male	0	–	0.39	–	1.14	–
Female	0	–	0.62	–	3.29	–
By employment rank						
General	0	–	0.56	–	1.25	–
Middle	0	–	0.29	–	1.50	–
Senior	0	–	0	–	6.00	–

¹⁰ 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

¹¹ Excluding training hours of employees who left the Group during the reporting period

¹² 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

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 Principle	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 a 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.

Description of Disclosures		Chapter/Section	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, PERFORMANCE SUMMARY	According to the material assessment, greenhouse gas and air emissions are immaterial to the business.
A1.1	The types of emissions and respective emissions data	PERFORMANCE SUMMARY	–
A1.2	Greenhouse gas emissions in total Intensity of greenhouse gas emissions		
A1.3	Total hazardous waste produced Intensity of hazardous waste produced		Data unavailable; a procedure will be formulated to ensure data accuracy for disclosure.
A1.4	Total non-hazardous waste produced Intensity of non-hazardous waste produced		Referring to the Group's printing business only; a procedure will be formulated to ensure data accuracy for disclosure.
A1.5	Description of emissions target(s) set and steps taken to achieve them	WASTE, OUR COMMITMENTS TO SUSTAINABILITY, PERFORMANCE SUMMARY	According to the material assessment, greenhouse gas and air emissions are immaterial to the business.
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	WASTE, OUR COMMITMENTS TO SUSTAINABILITY, PERFORMANCE SUMMARY	–

Description of Disclosures		Chapter/Section	Remark
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	ENERGY	According to the material assessment, consumption of water and other raw materials are immaterial to the business.
A2.1	Direct and/or indirect energy consumption by type in total Direct and/or indirect energy intensity	ENERGY, PERFORMANCE SUMMARY	-
A2.2	Water consumption in total Water intensity		Referring to the Group's printing business only; a procedure will be formulated to ensure data accuracy for disclosure.
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	ENERGY, OUR COMMITMENTS TO SUSTAINABILITY, PERFORMANCE SUMMARY	-
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	PERFORMANCE SUMMARY	The Group is not aware of any issue in sourcing water; According to the material assessment, water consumption is immaterial to the business.
A2.5	Total packaging material used for finished products Total packaging material used for finished products with reference to per unit produced	-	Data unavailable; a procedure will be formulated to ensure data accuracy for disclosure.
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	-	The Group is 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 the business.

Description of Disclosures		Chapter/Section	Remark
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer	ENERGY	-
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	-	The Group is not aware of any significant impact resulting from climate change in the business.
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	-
B1.1	Total workforce by gender, employment type, age group and geographical region	PERFORMANCE SUMMARY	-
B1.2	Employee turnover rate by gender, age group and geographical region		-
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	-
B2.1	Number and rate of work-related fatalities	PERFORMANCE SUMMARY	-
B2.2	Lost days due to work injury		-
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	OCCUPATIONAL HEALTH AND SAFETY	-

Description of Disclosures		Chapter/Section	Remark
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	-
B3.1	The percentage of employees trained by gender and employee category	PERFORMANCE SUMMARY	-
B3.2	The average training hours completed per employee by gender and employee category		-
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	-
B4.1	Description of measures to review employment practices to avoid child and forced labour		-
B4.2	Description of steps taken to eliminate such practices when discovered		-
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	SUPPLY CHAIN MANAGEMENT	Number of suppliers by geographical region unavailable; a procedure will be formulated to ensure data accuracy for disclosure.
B5.1	Number of suppliers by geographical region		
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored		
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored		
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored		

Description of Disclosures		Chapter/Section	Remark
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	-
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	-	The Group 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	-
B6.3	Description of practices relating to observing and protecting intellectual property rights		-
B6.4	Description of quality assurance process and recall procedures		-
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored		-
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	-
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		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		-
B7.3	Description of anti-corruption training provided to directors and staff		Data unavailable; a procedure will be formulated to ensure data accuracy for disclosure.
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 the business.
B8.1	Focus areas of contribution	-	
B8.2	Resources contributed to the focus area	-	