

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022

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

 CORNERSTONE
TECHNOLOGIES

RE-Energise
your life

2	ABOUT CORNERSTONE TECHNOLOGIES
6	BOARD STATEMENT ON SUSTAINABILITY MANAGEMENT
8	FEATURE STORY - ADVANCING THE DECARBONISED ENERGY TRANSFORMATION
12	OUR SUSTAINABILITY APPROACH
17	OUR PRODUCT RESPONSIBILITIES
20	OUR BUSINESS PRACTICES
23	OUR ENVIRONMENT
25	OUR PEOPLE
28	OUR PERFORMANCE
31	OUR REPORTING APPROACH
32	CONTENT INDEX

Contents

A photograph of two young women sitting on the ground in a wooded area. They are both wearing beanie hats; one is light blue and the other is brown. They are looking at a smartphone held by the woman in the brown beanie. The scene is bathed in warm, golden light, suggesting late afternoon or early morning. The background is filled with out-of-focus trees and foliage. A tree trunk is visible on the right side of the frame. The overall mood is peaceful and collaborative.

**About
Cornerstone
Technologies**



Founded in 2016, Cornerstone Technologies Holdings Limited (the “Company”), together with its subsidiaries (collectively the “Group” or “Cornerstone Technologies”), is a leading innovator of environmental sustainability solutions headquartered in Hong Kong, dedicated to providing diversified and convenient electric vehicles (“EV”) charging solutions that cater to the needs of car owners.

Business Overview

The Group posted solid results for the year ended 31 December 2022 (“reporting year”).

KEY FINANCIAL INFORMATION

Revenue
HK\$80,143,000

Gross Profit
HK\$3,194,000

Basic Loss Per Share
HK23.64 Cents

More details of Cornerstone Technologies’ financial performance and related information can be found in its Annual Report 2022, which is available on Cornerstone Technologies’ and SEHK’s websites.





At Cornerstone Technologies, we believe in empowering our customers with user-friendly technologies that are accessible to all. Our unwavering focus on innovation, high-quality, and reliable technology has made us the catalyst to encourage and transform our users into agents of change, cultivating a cleaner and healthier environment.

With a strong in-house R&D team, we adopt the latest technology in the industry to develop EV charging solutions with a convenient and thoughtful design. In addition, we collaborate with different brands to provide more diversified comprehensive charging solutions for electric vehicles. As part of our commitment to promoting electric vehicles and in line with the government's policy, we have actively participated in the government's electric vehicle charging projects.

Cornerstone Technologies' success in Hong Kong has enabled us to expand our reach to other markets, including Singapore, Cambodia, France, Romania, Malaysia, Switzerland, Spain, Bulgaria, and Indonesia. As we continue to grow, we are upholding a brand identity that represents a new product portfolio boasting environmental technologies to make sustainable lifestyle choices accessible and easier, helping to build a comprehensive ecosystem.

A young boy with dark hair is smiling broadly and waving his right hand from the open window of a car. The background is a blurred outdoor scene with greenery. The text is overlaid on the left side of the image, with a large orange and red curved graphic element in the top left corner.

Board Statement on Sustainability Management



Dear Stakeholders,

At Cornerstone Technologies, we are committed to leaving a positive impact on the world and ensuring that future generations inherit a sustainable planet. The Board of Directors oversees sustainability direction and issues to ensure that key considerations are holistically integrated into the Group's strategies.

Recognising climate change as one of the greatest challenges facing the world today, we acknowledge our roles and responsibilities to be part of the solution. The Group has formulated a Sustainability Strategy with decarbonisation as one of its central focuses. As part of this, the Group has reviewed its environmental performance of the previous years and kick-started a carbon reduction target setting exercise, demonstrating our long-term commitment to being part of a low-carbon economy.

With a supply chain network with nearly 200 suppliers and contractors worldwide, we acknowledge that effective supply chain risk management is crucial to identifying and evaluating environmental and social risks and is a vital component of our sustainability efforts. Key performance indicators have been set up for performance evaluation as a reference for business partner prioritisation. We have also reviewed methodologies for carrying out regular supply chain risk assessments to identify and assess environmental and social risks.

Our Board provides oversight of our risk management practices, including those related to climate change. Our Audit Committee, empowered by the Board, reviews our risk management and internal control systems and reports to the Board. We conducted a thorough review of our risk management and internal control systems in 2022 and considered them to be effective and adequate, with no significant weaknesses identified.

We recognise the risks posed to our business by the pandemic and climate change, especially given our reliance on high-quality raw materials from suppliers across the world. To mitigate potential disruptions, we have proactively developed measures to manage and mitigate risks associated with these challenges.

Throughout our sustainability journey, we place a high value on the relationships we have established with our employees, suppliers, customers, and other stakeholders. As part of our commitment to engaging and collaborating with these groups, we plan to roll out a series of engagement workshops with our business partners in 2023, with the aim of driving positive change and sustainability in tandem with all stakeholders and the wider community.

Board of Directors
March 2023

A photograph of two hands holding a glowing sun, with a field of purple flowers and yellow moss in the foreground. A blue and purple curved graphic is on the left side.

Feature Story - Advancing the Decarbonised Energy Transformation



As Hong Kong is speeding ahead on its journey to achieve carbon neutrality before 2050, EV is the key element of this plan. While the demand for decarbonisation of road transport is accelerating, Hong Kong needs to inject greater urgency into efforts to develop EV infrastructure to keep up with soaring sales and meet its 2050 carbon-neutrality goal. As a provider of EV charging solutions, Cornerstone Technologies recognises that sustainable energy is the solution for fewer emissions, and is on a mission to advance the decarbonised energy transformation and reduce its carbon footprint.

To achieve this goal, Cornerstone Technologies has identified several priorities that are crucial for a successful energy transformation pathway and for fostering an ecosystem of collaboration between stakeholders to help meet the world's sustainability goals.

REDUCE CARBON FOOTPRINT IN SUPPLY CHAIN



With the rise of customer awareness, companies are held accountable for their impact on the world and being able to pinpoint a product footprint along its entire supply chain is now a crucial competitive argument. It is against this background that we are determined to provide a higher level of accountability for our products and proceed with more extensive Life Cycle Analysis ("LCA") to assess the carbon footprints of our entire value chain. Analysis results will enable us to continuously improve our products at each step of their life cycle – from manufacturing to consumer use to recycling.

In addition, the Group works closely with its suppliers to ensure that the materials used in its charging facilities are responsibly sourced. We prioritise suppliers who meet our green purchasing clauses which are included in our tender document. To provide better guidance in supplier selection, we are planning to implement the Green Procurement Policy. Additionally, the Group is exploring new business models that incentivise the circular economy and reduce waste.

SET AMBITIOUS ENERGY EFFICIENCY TARGET



Cornerstone Technologies is in the progress of setting specific environmental targets for different aspects of its activities, with energy efficiency as one of the major focus areas. The energy efficiency of our charging systems will continue to improve over time as we continue to improve our technology and powertrain efficiency.

In addition to our enormous efforts to developing innovative EV charging solutions for users to realise their carbon footprint reduction, we also decarbonise our own operations by adopting energy saving facilities in our new offices. Besides, renewable energy is purchased from CLP and HK Electric for our daily operations as well as electricity provision to EV charging.



COMMIT TO PRODUCT RESPONSIBILITY



Serving a wide spectrum of customers from public to private sectors, Cornerstone Technologies is committed to product responsibility. This is whilst ensuring the rights and interests of customers are protected with our well-established quality assurance process. One of the key processes to ensure customer satisfaction is proactively maintaining ongoing correspondence with our customers. This includes supporting them to reduce carbon emissions through our custom-made optimisation solutions.

In 2022, a large-scale promotion campaign "Say Yes to EV driving" was launched to increase the awareness of the public on electric vehicles. We are also planning to organise promotional programmes to introduce our use of renewable energy for EV charging. Besides, at our customer app, information such as carbon emissions will be newly included next year.

ENGAGE WITH STAKEHOLDERS



At Cornerstone Technologies, we engage in ongoing dialogues with our key stakeholders to better understand sustainability in the broader business context, particularly how emerging sustainability issues might impact our business. To allow for meaningful interaction with our stakeholders on sustainability strategy and reporting, we launched a materiality survey in early 2023. It is on our agenda to arrange a series of focus group discussions with our customers and business partners to further explore how they see the opportunities and challenges for a more aggressive sustainability strategy.

Cornerstone Technologies takes a holistic approach to sustainability. By focusing on these priorities, the Group is advancing the decarbonised energy transformation and paving the way for a more sustainable future.

A photograph of a person in a white long-sleeved shirt holding a young child on their shoulders. The child is wearing a blue t-shirt, blue jeans, and a light-colored hat. The person's hands are visible, holding the child's arms. The background is a blurred green forest. A large yellow curved graphic is on the left side of the image.

Our Sustainability Approach

The Group aims to create shared value for our stakeholders and the communities where we operate, by integrating considerations relating to environmental and social sustainability into decision-making and day-to-day practices across our businesses.

Sustainability Governance

The Sustainability Committee is led by a Board member and supported by the Sustainability Taskforce. It consists of members from different business units who contribute their expertise on 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.

Sustainability Strategy

With 2030 as a milestone year for the global agenda of United Nations Sustainable Development Goals, we have set our path to translate the key environmental and social challenges into several strategic fields of action that pursue our ongoing success.

Our commitment to sustainability is built on five pillars. In accordance with the materiality assessment results, we have been injecting greater urgency into efforts to decarbonisation and supply chain responsibility along with other pillars. In 2022, we interviewed our senior management and investors to collect their feedback which helped us further examine areas where we can maximise our contributions to sustainable development.



CASE SHARING:

SETTING UP PERFORMANCE TARGETS

Cornerstone Technologies is also committed to transparent reporting. At project level, the Group intends to align the reporting approach described in "Green Bonds – working towards a Harmonized Framework for Impact Reporting (April 2020)". Below are examples of performance indicators and targets:

Focus Areas	Performance Indicators
CLEAN TRANSPORTATION	<ul style="list-style-type: none">• Annual absolute CO₂-e emissions• Annual CO₂-e emissions avoided• Estimated reduction in fuel consumption• Reduction of air pollutants, including particulate matter (PM), sulphur oxides(SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and non-methane volatile organic compounds (NMVOCs)• Number of EV charging stations
ENERGY EFFICIENCY	<ul style="list-style-type: none">• Annual energy savings• Annual CO₂-e reduced• Efficiency improvement• Number of people who benefited• Annual absolute CO₂-e emissions

As part of our sustainability vision, we are currently planning to take a future step to introduce social performance targets.



CASE SHARING:

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

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.

At Cornerstone Technologies, the Sustainability Strategy 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 six SDGs where its businesses have the greatest ability to drive change and create shared value.

7 AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, reliable, sustainable and modern energy for all

8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

11 SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, resilient and sustainable

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns

13 CLIMATE ACTION
Take urgent action to combat climate change and its impacts

Cornerstone Technologies has established adequate policies, guidelines, and practices to ensure strict accountability and integrity in our business operations. We continuously monitor the current and emerging legislation or regulatory changes that may impact our business and take appropriate actions to comply with any new requirements. In addition, we promptly communicate any significant updates on legislation or regulatory changes to our employees to ensure their compliance with the new requirements.

At Cornerstone Technologies, we hold ourselves accountable, which means acting responsibly in all areas of business as well as upholding our highest principles in corporate citizenship. In 2022, Cornerstone Technologies was presented with the “Caring Company Logo” by the Hong Kong Council of Social Services for the second time as a testament to our caring for the community and volunteering programmes.

Stakeholder Engagement

Stakeholder voices are vital to the development of our sustainability strategy. We endeavour to engage our key stakeholders regularly through multiple channels to gather their feedback and strive for continuous improvement. Their expectations enable us to identify and prioritise the existing and emerging risks and opportunities across our business operations.

In light of the successful engagement efforts following the acquisition of new businesses in 2020, the Group has established multiple internal communication channels to facilitate ongoing and meaningful dialogues with its employees. To further promote the Group's sustainability strategy, a series of internal communication activities are implemented to raise awareness and encourage alignment. These engagement initiatives aim not only to inform and inspire employees but also to empower them by providing a platform to express their ideas and opinions about their work or the Group as a whole.

All feedback received through these channels will be handled by external consultants and presented directly to the Sustainability Committee for review and consideration. By prioritizing open communication and active employee involvement, the Group is committed to driving sustainable change and fostering a culture of inclusivity and collaboration.

CASE SHARING: INVESTOR DAY

In addition to the quarterly company meetings, where employees are invited to discuss progress on our business goals and share best practices, maintaining strong relationships with our investors is important to our business development, as well as ensuring transparency and accountability in our operations. On 9 December, we organised an Investor Day event as an internal communications measure to provide our investors with an opportunity to gain insights into our business operations, future plans, and sustainability initiatives.

The event was attended by key members of our leadership team, who engaged in meaningful discussions with our investors about our sustainability goals and progress towards achieving them. We believe that our Investor Day event serves as an effective communication channel with our investors and helps to build long-term partnerships based on trust and shared values.

In early 2023, we invited internal stakeholders to complete an online materiality survey ranking the sustainability topics according to the significance to them and the Group's business. For the development of the Report, the Sustainability Committee reviewed the results as well as feedback received from different channels. The following series of topics reflect the most significant environmental and social impacts of our operations and those that considerably influence the decisions of our stakeholders.

Product
Responsibilities
P.17

Anti-corruption
P.22

Energy
P.23

Employee
Well-being
P.26



OUR POLICY STATEMENT

To foster lasting relationships with our customers, we strive to provide exceptional customer experiences, top-notch products and services, and continuously develop innovative solutions to improve product delivery quality whilst safeguarding customer rights.

Our Product Responsibilities

Our Achievements

- > Rolled our customer surveys indicating high satisfaction levels
- > Launched Cornerstone GO aiming to expanding public charging station coverage
- > Upgraded customer app introducing new features



Customer Service

The Group upholds the highest standard of project delivery and protects customer well-being across all touchpoints by implementing an effective quality assurance process. To ensure that customers receive accurate and sufficient information about products and services, the Group has implemented effective mechanisms, including procedures for responding promptly and fairly to customer feedback.

Employees are provided with guidelines on how to handle non-conforming products and customer complaints as part of the quality assurance procedures. In 2022, the Group did not receive any customer complaints, and any issues that did arise were resolved in a timely and professional manner.

CASE SHARING: CUSTOMER SURVEY FOR BETTER SERVICE

At Cornerstone Technologies, we value customer satisfaction and strive to constantly improve our services through customer feedback. To gather input, regular customer surveys are conducted. In 2022, we are proud to report high engagement rate with over 50% survey completion and 30% written feedback. Our latest survey revealed that our positive branding efforts are paying off, with 71% of HOME subscription and 72% of Public Subscription customers indicating high satisfaction levels.

Most customers commented that our current HOME subscription plan offers reasonable pricing (71%), as well as good customer and after-sales service (71%). While we are making progress towards becoming the No. 1 EV charging brand with high brand awareness, stickiness, and loyalty, we recognise the need for improvement. Our survey results highlighted the need to focus on regular product inspections, launching new charging products, and improving customer service support to enhance product quality.

Furthermore, in response to customers' feedback that we should focus more on product quality, we will conduct regular inspections, introduce new charging products, and further strengthen our customer support. Besides, with the launch of Cornerstone GO, we have addressed the customer's demand of expanding public charging station coverage. To improve our marketing strategy, we will focus on enhancing customer focus, increasing loyalty engagement, and strengthening partnerships. We plan to implement tactics such as a referral programme and dynamic offers with multichannel support.

Information Management

At Cornerstone Technologies, we hold honesty, openness, and transparency in high regard when it comes to our marketing communications. Prior to publication, all promotional materials undergo thorough review by management to ensure that they comply fully with all applicable advertising and intellectual property rights guidelines and regulations. We strictly adhere to patents and licensing regulations to prevent any infringement, as well as to avoid being infringed upon. We have also implemented measures to protect our intellectual property rights, including registration and confidentiality protocols. Our employees are required to strictly adhere to these policies regarding the usage and storage of proprietary or confidential information.

We also recognise that cybersecurity is essential in safeguarding our assets and customer information. Therefore, we have implemented cybersecurity measures into our operations and projects to ensure their safety and security.

CASE SHARING: UPGRADE OF CUSTOMER APP

We take customer service seriously and are constantly seeking ways to improve our customers' experience. During the reporting year, our customer app was upgraded with new features aimed at enhancing usability and convenience, including real-time charging status, instant charging data, round-the-clock customer support, as well as remote start and stop charging capabilities to improve efficiency.

In 2023, a series of new functions will be rolled out in the app to support popular payment methods in Hong Kong. We will also extend payment support to four other Southeast Asian countries and introduce an optimised reservation system. Carbon reduction statistics will also be available to encourage green driving. These new features and functions are part of our ongoing efforts to provide the best possible customer experience.

Product Health and Safety

A comprehensive quality management system has been established in Cornerstone Technologies, incorporating product quality assurance policies such as the Product Quality Plan, and reliable testing procedures to assess potential safety hazards.

Seminars are organised for incorporate owners and property managers who would like to understand more about our products and technical solutions available in the market.

CASE SHARING: “SAY YES TO EV DRIVING” CAMPAIGN

As part of our corporate commitment to promote the use of electric vehicles (EVs), we launched a series of comprehensive publicity activities in 2022 under the “Say Yes to EV Driving” Campaign. The objective of this campaign was to increase public and customer awareness of the benefits of EVs. To this end, we implemented a range of strategies, including social media promotion and celebrity endorsement.

One of the key components of the campaign was our social media promotion, which included interactive games on Facebook and Instagram. We also gave out coupons to the public to encourage their participation. In addition, we were proud to have Hong Kong singers Louis Cheung and Kay Tse as our campaign ambassadors.

It is pleased to report that our campaign was well-received by the public, and we have observed an increasing interest among car owners in adopting EVs. In the coming years, we will continue to pursue other initiatives to promote the adoption of sustainable transportation solutions.



OUR POLICY STATEMENT

At Cornerstone Technologies, we are dedicated to ethical and sustainable business practices, which encompass robust supply chain management to identify and manage environmental and social risks. We maintain a strict zero-tolerance stance towards corruption and bribery to uphold our commitment to integrity and fairness.

Our Business Practices

Our Achievements

- > Reviewed guidelines planning to include more ESG requirements in procurement assessment
- > Planned to arrange engagement workshops to share best ESG practices with business partners
- > Continued to raise employees' awareness on anti-corruption



Supply Chain Management

Cornerstone Technologies is dedicated to conducting its operations in an environmentally and socially responsible manner, and we expect our business partners to do the same. We work with about 200 suppliers and contractors worldwide. In 2022, there were no significant changes in our supply chain.

To ensure that our business partners meet our environmental protection, labour rights, and health and safety standards, we have put in place a strict supply chain management system. Regular on-site inspections are conducted to monitor supplier performance. Guidelines and measures have been established throughout our supply chain, from procurement to customer distribution, to adapt to the ever-changing social, economic, and political environment.

CASE SHARING: PRUDENT SUPPLIER SELECTION AND ASSESSMENT

With the aim of encouraging suppliers and contractors to incorporate environmental and social objectives into their daily operations and culture, the Group plans to review its guidelines for business partners and include more ESG requirements in its procurement assessment.

To further enhance the management of our suppliers, it is also our plan to roll out a supplier code of conduct and green procurement policy. All new vendors shall be required to comply with the requirements upon registration and are required to acknowledge the Code in writing.

Cornerstone Technologies also aims to embed sustainability principles throughout its value chain to achieve customer satisfaction. The Group believes that developing collaborative working relationships with its business partners is crucial to ensuring project quality, managing supply chain risk, and improving project efficiency. Looking ahead, the Group is planning to arrange a series of engagement workshops to share best ESG practices and experiences with its business partners.

CASE SHARING: FUTURE STEPS TO ENHANCE SUPPLIER MANAGEMENT

With the aim to encouraging suppliers and contractors to incorporate environmental and social objectives into their daily operations and culture, the Group plans to review its guidelines for business partners and include more ESG requirements in its procurement assessment.

To further enhance the management of our suppliers, it is also our plan to roll out a supplier code of conduct and green procurement policy. All new vendors shall be required to comply with the requirements upon registration and are required to acknowledge the Code in writing.

Anti-corruption

Cornerstone Technologies has adopted a zero-tolerance policy towards bribery and corruption in any form or at any level. Employees are required to comply with the Group's employee handbook, which sets out the behaviours that constitute corruption and outlines their roles and responsibilities in avoiding such activities.

During the reporting year, the Group continued to raise employees' awareness of how to combat corruption and anti-competitive activities through training. As part of the orientation programme, all new employees and directors were offered anti-corruption training.

At Cornerstone Technologies, we take the issue of potential misconduct or malpractice very seriously. To ensure accountability, we have established a whistleblowing procedure that encourages employees to report any concerns they may have to our Audit Committee. This committee is responsible for carrying out investigations in a confidential and impartial manner. We understand the importance of protecting whistleblowers, and as such, all reports will be treated with care and fairness, and any form of retaliation against those who report in good faith will not be tolerated.

During the reporting year, the Group remained compliant with all relevant laws and regulations, and no legal actions were taken against the Group concerning corruptive practices.

CASE SHARING: UPHOLDING AN ANTI-CORRUPTION CULTURE

Throughout the reporting year, the Group has maintained its dedication to educating its staff on how to combat corruption and prevent anti-competitive behaviour through comprehensive training programmes. As a vital element of the orientation process, new employees and directors undergo anti-corruption training to ensure adherence to the Group's policies.

To reinforce this commitment, the Group is planning to conduct refresher training for directors and all employees. To provide insight on the latest industry developments, the Group will invite representatives from the Independent Commission Against Corruption (ICAC) to share their expertise and enhance employees' vigilance.



OUR POLICY STATEMENT

Cornerstone Technologies places a strong emphasis on reducing its environmental impact through the implementation of energy-efficient measures and responsible resource management practices. The Group aims to minimize its environmental footprint by following waste handling and monitoring guidelines, while conserving natural resources in accordance with its environmental policies. Our dedication to sustainability is evident across all aspects of our operations, as we strive to operate in an environmentally conscious and responsible manner.

Our Environment

Our Achievements

- > Received ISO14001 certification acknowledging its environmental management system
- > Continued to purchase renewable energy for operations
- > Achieved higher energy efficiency at new office



Resources

We are committed to reducing our environmental footprint across all operations and adhere to guidelines that promote proper waste handling and monitoring practices to effectively manage and minimize waste generation. By implementing these measures, Cornerstone Technologies strives to minimize its impact on the environment. The Group's dedication to responsible waste management reflects its commitment to sustainability and environmental responsibility.

During the reporting year, Cornerstone Technologies received ISO14001 certification, a globally recognised standard for environmental management systems. This certification demonstrates the Group's commitment to reducing its impact on the environment and implementing sustainable business practices.

CASE SHARING: USE OF RENEWABLE ENERGY

Cornerstone Technologies has taken significant steps towards promoting sustainability in its operations. Over the past year, the Group has purchased renewable energy from CLP Power Hong Kong and HK Electric for its own operations as well as for providing electricity to EV charging. This demonstrates the Group's commitment to reducing its carbon footprint and promoting the use of sustainable energy sources.

Looking forward, we plan to continue the purchase of renewable energy and explore other sustainable energy sources. By embracing sustainable practices and leveraging renewable energy sources, the Group is working towards a more environmentally friendly future.

CASE SHARING: ADOPTION OF HIGH EFFICIENCY FACILITIES FOR NEW OFFICE

Our new office has achieved higher energy efficiency through a range of measures taken during the planning, renovation, and operation stages. One of the key strategies we implemented was to conserve resources such as energy, water, paper, and waste.

As a part of this initiative, we installed a zone lighting switch system that helps to reduce energy consumption through automatic control equipment, including motion sensors. With this system, our office lighting only operates in zones that are currently in use, and the lights turn off automatically when the space is unoccupied. These efforts have significantly reduced our energy usage, making our office more environmentally friendly and cost-effective.

Emissions

Cornerstone Technologies remains committed to monitoring and reducing its environmental impact by implementing energy efficiency measures where applicable throughout its business. The Group's environmental policies emphasise the importance of protecting the environment by conserving natural resources. The Group's dedication to implementing energy efficiency measures demonstrates its commitment to reducing its carbon footprint and promoting sustainable practices. Through these efforts, Cornerstone Technologies is taking steps to protect the environment and promote greater sustainability in its operations.

CASE SHARING: MANAGING WASTE

We follow the principles of the waste hierarchy, which prioritise waste reduction through strategies such as reuse, recycling, and responsible disposal. The Group is committed to minimising waste generation in its office operations and has implemented several environmental initiatives to achieve this goal. For instance, Cornerstone Technologies has invested in e-Leave and e-Payslip systems to reduce paper usage. By leveraging technology and promoting responsible waste management practices, the Group is taking steps to minimise its environmental impact and achieve greater sustainability.





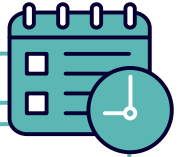
OUR POLICY STATEMENT

At Cornerstone Technologies, our people are at the heart of our operations. We are committed to upholding best practices in employment standards, promoting a learning culture, and maintaining high standards of occupational health and safety (OHS) throughout the Group. We achieve this through our comprehensive OHS management system and proactive measures, including regular risk assessments, safety training, and emergency response protocols.

Our People

Our Achievements

- > Shared health and safety tips with employees
- > Provided regular mandatory training on key business areas
- > Set up Employee Recreation Committee promoting employee engagement and community outreach efforts



Employment System

Cornerstone Technologies' Human Resources Department collaborates with business and corporate units to accomplish business objectives and enable employees to reach their full potential. The Group's employment handbook outlines guidelines on issues related to compensation, recruitment, promotion, working hours, rest periods, equal opportunities, anti-discrimination, and other benefits and welfare.

As a responsible corporate citizen, Cornerstone Technologies upholds human rights and practices fair labor standards while strictly prohibiting all forms of child and forced labor in its operations. This includes verifying the identity and eligibility of applicants for employment.

CASE SHARING: WORKFORCE DIVERSITY

The Group recognises that diversity and inclusion are vital components of a thriving organizational culture. As such, Cornerstone Technologies aims to foster an inclusive environment that accommodates various experiences and perspectives, promotes equal opportunities, and supports an inclusive workplace where everyone, regardless of their race, color, ethnicity, national origin, sex, age, marital status, sexual orientation, religious or political beliefs, feels equally involved and supported. The Group acknowledges the valuable contribution of female employees to business growth and is committed to supporting their career and personal development. As of 31 December 2022, women represent more than 40% of the total workforce.

Regarding the new diversity requirements to end single-gender boards among listed issuers in Hong Kong, the Group is committed to promoting diversity for a well-functioning and effective Board. This commitment is in line with the Group's policies related to diversity on the Board.

Employee Well-being

At Cornerstone Technologies, we place great importance on maintaining a robust Health and Safety Management System (HSMS). We believe that health and safety training is a crucial part of employee orientation and we communicate guidelines through various knowledge-sharing platforms, including our employee handbook. To ensure that employees at different locations can access health and safety information easily, we have strengthened our orientation programmes which covers occupational health and safety tips.

To minimize safety hazards at the source, we adopt a precautionary approach that includes regular safety reviews covering various essential areas of safety management, such as safety policy, organisational structure, safety training, in-house safety rules, inspection programmes, hazard control programmes, accident/incident investigation, and emergency preparedness. In the event of identified risks or safety measures, designated personnel are responsible for undertaking corrective actions in accordance with related policies and procedures.

We are committed to upholding the same safety standards for all employees and contractors. In the EV charging business, most manufacturing and site activities are carried out by contractors. During the contractor selection process, we prioritise those who have internationally recognized systems for health and safety management, such as ISO 45001 and OHSAS 18001.

CASE SHARING: COMBATING THE COVID-19 PANDEMIC

Our caring culture extends to promoting the health and well-being of our employees. During the reporting year, we implemented additional measures to ensure a safe and secure environment for our employees during the pandemic. These measures included flexible working arrangements, temperature checks, policies regarding masks in the offices and during business travels, and incident management planning to handle any potential case of COVID-19 within offices.

We also prioritised the safety of customer-facing employees, such as technicians of our EV charging maintenance team, by ensuring that they had a sufficient supply of personal protective equipment to commute safely when necessary.

Besides, vaccination leave was in place to encourage our employees to have vaccination against the epidemic by providing them with 1 day of fully paid leave to receive the COVID-19 vaccine. We believe that these measures will not only benefit our employees but also contribute to the overall health and resilience of our community.

CASE SHARING:

VOLUNTEER AND RECREATION ACTIVITIES

As part of our ongoing efforts to support the well-being of our employees, we have introduced several measures during the reporting. These measures include the introduction of birthday leave, which provides employees with 1 day of fully paid leave to celebrate their special day.

Besides, the Employee Recreation Committee (ERC) continued to play an integral role in promoting employee engagement and community outreach efforts. The committee meets on a monthly basis. Volunteer efforts are focused on providing service to the elderly community. During the reporting year, a total of 9 volunteers were recruited.

On 10 November, a friendly group of our employee volunteers joined hands with the Salvation Army to lead a singalong session with the senior citizens at Salvation Army Kowloon Central Corps to celebrate the International Day of Elderly. The songs are mainly from the 1960s and the responses of the senior citizens are heart-warming.

Besides volunteer activities, the ERC also organises sports and recreational programmes for our employees on a regular basis. For example, mid-autumn party, Christmas party and valentine's day. These events help strengthen relationships among our employees across the Group.

Training and Development

At Cornerstone Technologies, we recognise that developing a strong talent pipeline is essential for sustaining business growth. To this end, all employees are required to complete training on business ethics and company policies during their orientation. We also provide regular mandatory training on key business areas to ensure that our employees stay informed of industry trends and best practices.

Our comprehensive performance review system supports career and personal development for employees at all levels. We have categorised our training courses into several series, such as project management, technical skills and contract management. In addition, we have established a succession planning process for key roles, which enables senior management to identify and develop future leaders.

We collaborate with specialised professional development associations to enhance our leadership programmes and ensure that our employees have access to the latest leadership development tools and resources. Through these efforts, we are committed to developing a talented and motivated workforce that is equipped to drive our business forward.

Our Performance

Environmental Key Performance Indicators

Environmental Key Performance Indicators	Head Office	EV Charging	Printing	Total	Unit
Air emissions¹					
Nitrogen oxides (NOx)	-	-	0.91	0.91	kg
Sulphur oxides (SOx)	-	-	0.02	0.02	kg
Respiratory suspended particles (RSP)	-	-	0.07	0.07	kg
GHG emissions²					
Scope 1	-	-	9	9	tonnes of CO ₂ -e
Scope 2	84	17	577	678	tonnes of CO ₂ -e
Total GHG emissions (Scope 1 and 2)	84	17	586	687	tonnes of CO ₂ -e
GHG intensity (Scope 1 and 2, by floor area)	0.01	0.001	0.01	0.01	tonnes of CO ₂ -e/sq. ft
Scope 3	33	109	2,076	2,218	tonnes of CO ₂ -e
Total GHG emissions (Scope 1, 2 and 3)	116	126	2,662	2,905	tonnes of CO ₂ -e
Greenhouse gas intensity (Scope 1, 2 and 3, by floor area)	0.01	0.01	0.08	0.05	tonnes of CO ₂ -e/sq. ft
Waste produced					
Total non-hazardous waste	6.8	0.6	434.9	442.3	tonnes
Non-hazardous waste intensity (by floor area)	0.0008	0.00004	0.014	0.01	tonnes/sq.ft
Total hazardous waste	-	-	11.4	11.4	tonnes
Hazardous waste intensity (by floor area)	-	-	0.0004	0.0004 ³	tonnes/sq.ft
Energy consumption					
Petrol	-	-	15.65	15.65	MWh
Isopropyl alcohol	-	-	0.0009	0.0009	MWh
Electricity	117.99	35.07	813.22	966.28	MWh
Total energy consumption	117.99	35.07	828.88	981.93	MWh
Energy intensity (by floor area)	0.01	0.002	0.03	0.02	MWh/sq.ft
Water consumption					
Total water consumption	-	-	2,360	2,360	m ³
Water intensity (by floor area)	-	-	0.07	0.07 ³	m ³ /sq.ft

1 Emission factors with reference to the United States Environmental Protection Agency and the "Appendix 2: Reporting Guidance on Environmental KPIs" in "How to prepare an ESG Report" published by The Stock Exchange of Hong Kong ("HKEX"); air emissions include petrol consumption by stationary sources and vehicles of Printing

2 With reference to the "Appendix 2: Reporting Guidance on Environmental KPIs" in "How to prepare an ESG Report" published by HKEX; scope 3 emissions cover paper disposal, fresh water and sewage processing, business travel and car park operations

3 Referring to printing areas only

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	22	44%	44	62%	33	70%
Female	28	56%	27	38%	14	30%
By employment type						
Full-time	47	94%	70	99%	32	68%
Part-time	3	6%	1	1%	15	32%
By age group						
30 years old or below	11	22%	25	35%	2	4%
31-40 years old	19	38%	28	39%	4	9%
41-50 years old	15	30%	13	18%	6	13%
51 years old or above	5	10%	5	7%	35	74%
By employment position						
General	30	60%	49	69%	39	83%
Middle	11	22%	21	30%	5	11%
Senior	9	18%	1	1%	3	6%
New Employees⁴						
By gender						
Male	12	24%	27	38%	7	15%
Female	17	34%	18	25%	4	9%
By age group						
30 years old or below	9	18%	18	25%	1	2%
31-40 years old	12	24%	19	27%	1	2%
41-50 years old	6	12%	7	10%	3	6%
51 years old or above	2	4%	1	1%	6	13%
By employment position						
General	23	46%	33	46%	11	23%
Middle	3	6%	12	17%	0	0%
Senior	3	6%	0	0%	0	0%
Employee Turnover⁵						
By gender						
Male	12	24%	20	28%	9	19%
Female	13	26%	14	20%	4	9%
By age group						
30 years old or below	7	14%	4	6%	1	2%
31-40 years old	9	18%	17	24%	1	2%
41-50 years old	4	8%	10	14%	1	2%
51 years old or above	5	10%	3	4%	10	21%
By employment position						
General	17	34%	23	32%	11	23%
Middle	8	16%	11	15%	1	2%
Senior	0	0%	0	0%	1	2%

⁴ New hire rate = number of new employees/total workforce at the end of the reporting period x 100

⁵ Employee turnover rate = number of employees resigned/total workforce at the end of the reporting period x 100

Health and Safety ⁶						
Business Segment	Head Office		EV Charging		Printing	
	Number	Rate	Number	Rate	Number	Rate
Work-related fatality	0	0%	0	0%	0	0%
Work-related injury ⁷	0	0%	1	2%	1	2%
Lost days due to work-related injury	0	-	8.5	-	12	-

Training and Development						
Business Segment	Head Office		EV Charging		Printing	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Employees Trained⁸	17	34%	70	99%	47	100%
By gender						
Male	8	36%	43	98%	33	100%
Female	9	32%	27	100%	14	100%
By employment rank						
General	5	17%	49	100%	39	100%
Middle	4	36%	21	86%	5	100%
Senior	8	89%	1	100%	3	100%
Total Training Hours⁹						
By gender						
Male	52	-	43	-	37	-
Female	107	-	27	-	32	-
By employment rank						
General	25	-	49	-	39	-
Middle	44	-	18	-	5	-
Senior	90	-	1	-	25	-
Average Training Hours¹⁰						
By gender						
Male	2.36	-	0.98	-	1.12	-
Female	3.82	-	1	-	2.29	-
By employment rank						
General	0.83	-	1	-	1	-
Middle	4	-	0.86	-	1	-
Senior	10	-	1	-	8.33	-

Supplier						
Business Segment	Head Office		EV Charging		Printing	
	Number	Supplier assessment implemented	Number	Supplier assessment implemented	Number	Supplier assessment implemented
Hong Kong	27	15%	57	25%	57	68%
China	4	-	15	26%	0	-

⁶ No reportable cases of work-related fatality or injury among contract workers

⁷ Work-related injury = number of employees injured during the reporting period/total workforce of the category at the end of the reporting period x 100

⁸ Percentage of employees trained = number of employees trained of the category which excludes employees who left the Group during the reporting period/total workforce of the category at the end of the reporting period x 100

⁹ Excluding training hours of employees who left the Group during the reporting period

¹⁰ 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

Our Reporting Approach

This Report covers the Group's environmental, social and governance performance for the financial year from 1 January to 31 December 2022 ("reporting year"). While this report focuses on the EV Charging segment, which accounts for 39.71% of the Group's total revenue, the Printing segment adopts a similar management approach in sustainability-related issues. Please refer to the Our Performance Chapter for more details.

This Report satisfies the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") issued by The Stock Exchange of Hong Kong Limited. In the preparation of the Report, the Group have also followed the related reporting principles from the ESG Reporting Guide:

- **Materiality:** Material sustainability topics are identified through various stakeholder engagement activities. Different factors including the Group's strategy and stakeholders' concerns are taken into consideration. The issues identified were endorsed by the senior management and approved by the Board. More details are available at Stakeholder Engagement section.
- **Quantitative:** As approved by the senior management, the Group has established a series of environmental targets. The progress towards these targets will be evaluated by the Board regularly. In addition, information is presented with quantitative measures whenever feasible. By doing so, it enables a transparent comparison of trends over years.
- **Balance:** To provide an unbiased picture of its performance, the Group reviews and discloses its achievements as well as areas for improvement.
- **Consistency:** To allow meaningful comparisons of environmental and social data over time, the Group uses consistent methodologies over time. A due diligence process is conducted to ensure quality and accuracy of information disclosed.

Our GHG emissions inventory is prepared in accordance with the Greenhouse Gas Protocol, a corporate accounting and reporting standard developed by World Business Council for Sustainable Development ("WBCSD"). More details are available at Performance Data Summary section.

Content Index

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	Feature Story - Advancing the Decarbonised Energy Transformation, Our Sustainability Approach, Our Environment, Our Performance	-
A1.1	The types of emissions and respective emissions data		
A1.2	Greenhouse gas emissions in total		
	Intensity of greenhouse gas emissions		
A1.3	Total hazardous waste produced		
	Intensity of hazardous waste produced		
A1.4	Total non-hazardous waste produced		
	Intensity of non-hazardous waste produced		
A1.5	Description of emissions target(s) set and steps taken to achieve them		
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		

Description of Disclosures		Chapter/Section	Remark
A2 Use of Resources (Material Issue)			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Our Environment, Our Performance	-
A2.1	Direct and/or indirect energy consumption by type in total Direct and/or indirect energy intensity		
A2.2	Water consumption in total Water intensity		
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them		
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		The Group is not aware of any issue in sourcing water.
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		
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	-	-
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.

Description of Disclosures		Chapter/Section	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	Our People, Our Performance	-
B1.1	Total workforce by gender, employment type, age group and geographical region		
B1.2	Employee turnover rate by gender, age group and geographical region		
B2 Health and Safety (Material Issue)			
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	Our People, Our Performance	-
B2.1	Number and rate of work-related fatalities		
B2.2	Lost days due to work injury		
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored		

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	Our People, Our Performance	-
B3.1	The percentage of employees trained by gender and employee category		
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	Our People, Our Performance	-
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	Our Business Practices	-
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 (Material Issue)			
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	Our Product Responsibilities, Our Performance	-
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		-
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 (Material Issue)			
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	Our Business Practices	-
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting year 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	Our People	-
B8.1	Focus areas of contribution	-	
B8.2	Resources contributed to the focus area		