

JIANDE INTERNATIONAL HOLDINGS LIMITED 建德國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 865

2022 ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OBJECTIVE

Jiande International Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) is pleased to present its Environmental, Social and Governance Report for the period from 1 January 2022 to 31 December 2022 (“**Year 2022**”), with an aim to illustrate the Group’s performance in promoting a sustainable development to both the internal and external stakeholders.

This report, which was prepared in accordance with the Environmental, Social and Governance (“**ESG**”) Reporting Guide (hereafter, the “**ESG Reporting Guide**”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, highlights the environmental and social measures and activities of the Group for Year 2022. For the information on the corporate governance of the Group, please refer to the Annual Report 2022 of the Company.

The Group is committed to maintaining the sustainable development of its businesses and providing support to environmental protection and the community in which it operates. The Group manages its business in a prudent approach by following reasonable decision-making procedures to provide its clients with quality products and services. The Group maintains a close tie with its stakeholders, including shareholders, the government, employees, clients, suppliers, the community and the public, and strives to balance their opinions and interests through constructive communications in order to determine the direction of its long-term development. The board of directors is responsible for assessing and determining its environmental, social and governance risks, and ensuring that the relevant risk management and internal control system is operating properly and effectively.



The Xixian Kangqiao Xueyuan project in Henan Province

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GOVERNANCE STRUCTURE

The Board's Oversight of ESG Matters

The Board plays a key role in overseeing the ESG issues of the Group. In Year 2022, the Board and management (the “**ESG Task Force**”) assessed the impacts of ESG-related risks on operations, and formulated ESG-related policies to address such risks. The Board's oversight ensures that management and the ESG Task Force have all appropriate tools and resources to oversee ESG issues.

To demonstrate the Group's commitment to transparency and accountability, the Group has established the ESG Task Force and set clear terms of reference, which set out the authority delegated to it by the Board. The Group attaches great importance to the views of its stakeholders and regards them as the cornerstone of its development.

The ESG Task Force is primarily responsible for reviewing and monitoring the Group's ESG processes and risk management. In Year 2022, ESG governance and ESG related issues were reviewed at regular meetings.

The Board's ESG Management Approach and Strategy on Material ESG-related Issues

In order to better understand the views and expectations of different stakeholders on ESG matters, the Group conducts materiality assessment annually. The Group ensures that it uses various platforms and communication channels to reach, listen and respond to its key stakeholders. By communicating with stakeholders, the Group is able to understand their expectations and concerns. The feedback received enables the Group to make more informed decisions and to better assess and manage the impacts of those business decisions.

The Group has assessed the materiality of ESG issues through the following steps: (i) the Group identifies ESG issues; (ii) prioritizes key ESG areas with stakeholder engagement; and (iii) checks and determines material ESG issues based on communication outcome with stakeholders.

These steps enhance the understanding of the importance attached to each ESG issue by the Group's stakeholders and enables the Group to plan more comprehensively for the future direction of sustainable development.

Board reviews progress made against ESG-related goals and targets

The progress of implementation and the performance of the goals and targets should be closely reviewed by the Group from time to time. If the progress falls short of expectation or changes of business operations, it may be necessary to make changes and communicate about the goals and targets with key stakeholders such as employees, customers and suppliers.

The Group has set future strategic goals to enable the Group to develop a realistic path and focus on the development direction for achieving its visions. The ESG Task Force will carefully examine the attainability of the targets which should be weighed against the Group's philosophy and goals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PRINCIPLES

The Report focuses on four principles:

- Materiality:** Stakeholder engagement and materiality assessments are conducted regularly to identify significant ESG issues and to ensure that these are reflected in the Group's reporting.
- Quantitative:** The data presented in this Report has been carefully collected. Please refer to the environmental and social performance data for the criteria and methodology used in the calculation of key performance indicators.
- Balance:** The positive and negative impacts of the business are presented in a transparent manner.
- Consistency:** Unless otherwise stated, disclosures, data collection and calculations have been consistent over the years to facilitate ready comparisons.

Reporting Scope

This Report primarily discloses the environmental, social and governance affairs of Xixian Dejian Property Company Limited (息縣德建置業有限公司) (“**Xixian Dejian**”), a substantial subsidiary of the Group. The principal business activity of Xixian Dejian in Year 2022 was the sales and pre-sales of properties of The Xixian Kangqiao Xueyuan project. Since Xixian Dejian is a subsidiary of the Group that has a higher impact on the environment, society and governance in Year 2022, this report will focus on the detailed disclosure on the policies on four environmental aspects and eight social aspects and the relevant performances of Xixian Dejian.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENGAGEMENT WITH STAKEHOLDERS

The Group proactively listened to the views of stakeholders to ensure continuous improvement. The Group strived to communicate with internal and external stakeholders through various communication channels, so as to understand and respond to their expectations and concerns, and to strike a balance between their respective interests, which in turn enabled us to determine our business development direction in the long run.

| Stakeholders | Expectations and concerns | Communication and response |
|------------------------------|--|---|
| Shareholders | <ul style="list-style-type: none"> Financial results Corporate transparency Sound risk control | <ul style="list-style-type: none"> Financial report and corporate announcements Daily information disclosure Optimization of risk management and internal control |
| The government | <ul style="list-style-type: none"> Being law-abiding Paying tax in accordance with the law Complying with policies in relation to real estates in the PRC | <ul style="list-style-type: none"> Operation in compliance with the law Making timely tax payment in full Monitoring whether it is in compliance with local laws and regulations |
| Employees | <ul style="list-style-type: none"> Career development platform Remuneration and benefit Safe working environment | <ul style="list-style-type: none"> Promotion mechanism Competitive remuneration and benefit packages Provision of training to staff and enhancing their safety awareness |
| Clients | <ul style="list-style-type: none"> Auxiliary facilities in the neighborhood Customer information security Customer interest protection | <ul style="list-style-type: none"> Building underground parking space and periphery facilities Customer privacy protection Marketing in compliance with the law |
| Suppliers | <ul style="list-style-type: none"> Collaboration integrity Business ethics and creditworthiness | <ul style="list-style-type: none"> Building a responsible supply chain Performing contracts in accordance with the law |
| The community and the public | <ul style="list-style-type: none"> Environmental friendliness Employment opportunities | <ul style="list-style-type: none"> Greening and waste separation guidelines Provision of employment Opportunities |

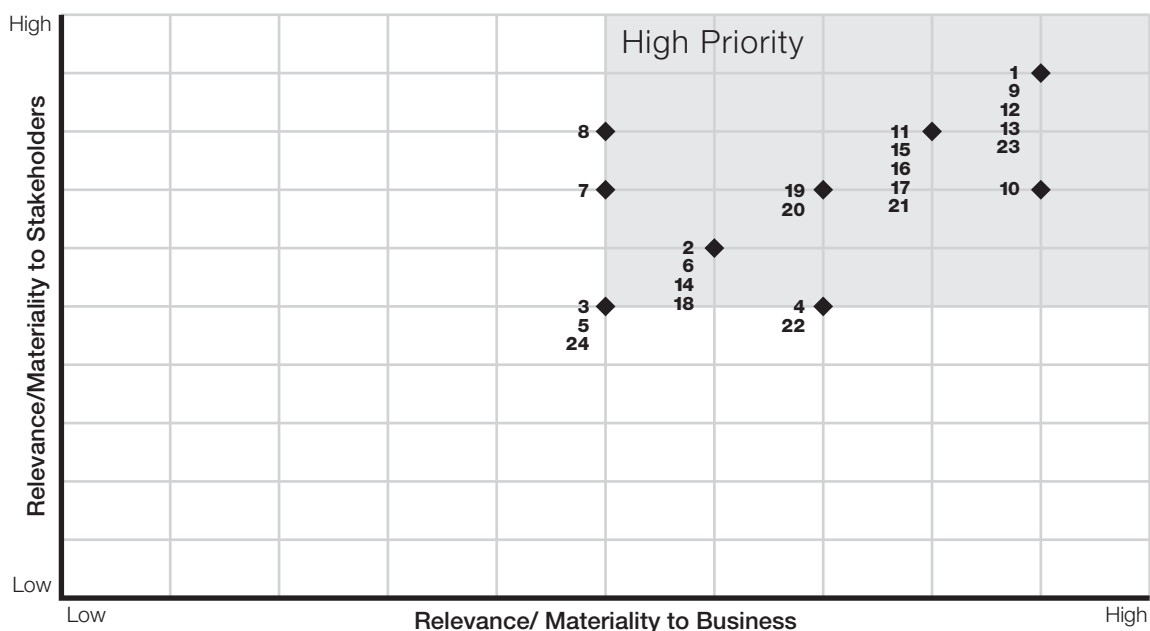
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

In Year 2022, the Group carried out a materiality assessment to the environment, society and governance related issues. With reference to its actual business and industrial characteristics, the Group identified and recognized 24 issues in relation to the environment, society and governance, and invited internal and external stakeholders to give rating on the materiality of such 24 issues. After consolidating the rating results of stakeholders and the Group’s sustainable development target, our management concluded in a report the materiality priority of these issues and prepared a materiality matrix chart.

The result of materiality assessment will be used by the Group as a guidance when developing future environmental, social and governance working projects and targets, with a view to creating sustainable value for stakeholders.

The Group’s environmental, social and governance materiality matrix chart for Year 2022 is as follows:



| Environmental issues | Social issues | Governance issues |
|---|--|---|
| 1. Greenhouse gas emissions | 8. Contribution to the community | 16. Anti-corruption |
| 2. Energy consumption and resource management | 9. Occupation health and safety | 17. Supply chain management |
| 3. Water resource management | 10. Child labour | 18. Supplier evaluation and selection |
| 4. Waste management | 11. Forced and compulsory labour | 19. Customer service and satisfaction |
| 5. Environmental impact created by our business | 12. Training and development | 20. Customer privacy |
| 6. Impact to the environment | 13. Remuneration and employee benefits | 21. Feedback and complaint handling |
| 7. Climate change | 14. Diversity and equal opportunity | 22. Product safety and quality management |
| | 15. Talent attraction and retention | 23. Protection of intellectual property |
| | | 24. Marketing and labeling |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL PROTECTION

To demonstrate the commitment of the Company to maintain sustainable development and to comply with the relevant laws and regulations in respect of environmental protection, the Group endeavors to minimize the impacts of its operating activities on the environment.

EMISSIONS

The emissions from The Xixian Kangqiao Xueyuan project are primarily machinery and vehicle exhausts as well as road dust in the course of construction, with inhalable particles being the major impact factor. In addition, the gas emissions generated by natural gas fuel, vehicle exhausts and lampblack during the operation of the project also affect the air quality in the surrounding area, with vehicle exhausts being the major pollutants, comprising nitrogen oxide (NO_x), sulphur oxides (SO_x) and particulate matter.

With a view to preventing dust pollution and improving air quality in the city to safeguard the health of the city dwellers, atomisers for dust suppression are installed in the construction site of The Xixian Kangqiao Xueyuan project to control dust pollution. This type of atomiser for dust suppression is characterized by the large reduction in water use as compared with the traditional wet dust extraction. Contractors are engaged to transport the construction waste from the construction site of the project to landfill for disposal every day. Xixian Dejian owns five motor vehicles running on petrol for use in the ordinary course of its corporate affairs and by the sales department, under the unified management of the office.

The key environmental indicator data of the Group's air emissions in Year 2022 are as follows: (Note 1)

| Air emissions | Unit | 2022 | 2021 |
|---------------------------------|-------------|-------------|-------------|
| Emissions of NO _x | Kilogram | 6.5 | 2.5 |
| Emissions of SO _x | Kilogram | 0.1 | 0.1 |
| Emissions of particulate matter | Kilogram | 0.5 | 0.2 |

Note 1: emission factors used to calculate the NO_x, SO_x and particulate matter are derived from: EMFAC-HK vehicle emission calculation model of the Environmental Protection Department and vehicle emission modeling software — MOBILE6.1 of the United States Environmental Protection Agency; and it is assumed that relative humidity is 80%, temperature is 25 degree Celsius and average speed is 30km/hour and it only includes air emissions in operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reduction target of air emissions

| | Reduction objectives | Benchmark year | Status |
|--|------------------------|----------------|-------------|
| Emission intensity of NO _x | Reduce 2% by Year 2026 | Year 2021 | In progress |
| Emission intensity of SO _x | Reduce 2% by Year 2026 | Year 2021 | In progress |
| Emission intensity of particulate matter | Reduce 2% by Year 2026 | Year 2021 | In progress |

Greenhouse gas (“GHG”) emissions refer to carbon dioxide (“CO₂”) emissions and methane gas (“CH₄”) and Nitrous oxide (“N₂O”) and carbon dioxide equivalent emissions. GHG emissions are categorized as direct emission and indirect emission.

The primary source of direct GHG emission produced by our operation is the use of vehicles owned or controlled by the Group. The primary source of indirect GHG emission produced by our operation is the consumption of purchased electricity and electricity consumed in wastepaper processing at landfill sites and fresh water and sewage water processing by government departments.

The key environmental indicator data of the Group’s GHG emissions in Year 2022 are as follows:

| GHG emissions | Unit | 2022 | 2021 |
|--------------------------------------|---|----------------|---------|
| Total GHG emissions | Kilograms of CO ₂ equivalent | 113,033 | 121,770 |
| GHG emission intensity | Kilograms of CO ₂ equivalent/ square meter of the developed area of a construction project | 3.1 | 3.9 |
| Direct emission (Scope 1) | Kilograms of CO ₂ equivalent | 20,334 | 13,268 |
| Indirect emission (Scope 2) (Note 1) | Kilograms of CO ₂ equivalent | 78,835 | 102,497 |
| Other indirect emission (Scope 3) | Kilograms of CO ₂ equivalent | 13,864 | 6,005 |

Scope 1: GHG emissions derived from the burning of fuels from motor vehicles controlled by our Group.

Scope 2: GHG emissions occurred in the production process resulting from generation of electricity purchased by our Group from electric power company.

Scope 3: All other indirect GHG emissions that occurred outside our Group, including (i) CH₄ generated at landfill by disposal of paper waste; (ii) indirect emissions due to electricity used for processing drinking water/ sewage water by external institutions; and (iii) indirect GHG emissions from business travel by employees.

Note 1: Emission factor is derived from the national emission coefficient of the PRC. These data are calculated in accordance with “The Ministry of Ecology and Environment of the People’s Republic of China (2019)”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reduction target of GHG emissions

| | Reduction target | Benchmark year | Status |
|----------------------------------|------------------------|----------------|-------------|
| GHG emission intensity (Scope 1) | Reduce 2% by Year 2026 | Year 2021 | In progress |
| GHG emission intensity (Scope 2) | Reduce 2% by Year 2026 | Year 2021 | In progress |
| GHG emission intensity (Scope 3) | Reduce 2% by Year 2026 | Year 2021 | In progress |

The key environmental indicator data of GHG emissions removals from newly planted trees in Year 2022 are as follows:

| Environmental indicators | Unit | 2022 | 2021 |
|--|----------|-------|-------|
| GHG emissions removals from newly planted trees | | | |
| Number of newly planted trees | Number | 70 | 51 |
| CO ₂ removals | Kilogram | 1,610 | 1,173 |

The key environmental indicator data in respect of hazardous and non-hazardous waste generated by the Group in Year 2022 are as follows:

| Environmental indicators | Unit | 2022 | 2021 |
|-------------------------------------|--|----------------|----------------|
| Waste | | | |
| Total amount of hazardous waste | Tonne | Note 1 | Note 1 |
| Hazardous waste intensity | Tonne/square meter of the developed area of a construction project | Not applicable | Not applicable |
| Total amount of non-hazardous waste | Tonne | 1,095 | 980 |
| Non-hazardous waste intensity | Tonne/square meter of the developed area of a construction project | 0.03 | 0.03 |

Note 1: The Group generated only an insignificant amount of hazardous waste, which did not have any substantial impact to the environment; therefore, no data in this aspect was disclosed.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reduction target of waste

| | Reduction target | Benchmark year | Status |
|-------------------------------|------------------------|----------------|-------------|
| Non-hazardous waste intensity | Reduce 2% by Year 2026 | Year 2021 | In progress |

The Group has adopted a series of emission reduction measures during the development of The Xixian Kangqiao Xueyuan project. Details of such measures and the related result assessment are set out as below:

Energy saving and emission reduction measures

Description and the related result assessment of measures

| | |
|---|--|
| Outdoor construction materials | The Group conducts analysis on the insulation and energy saving capacity of the exterior wall and rooftop of buildings, respectively, in order to select safe, effective and energy-saving construction materials and to reduce GHG emissions of a unit resulting from the use of air-conditioners. |
| Use of silencer pipes | Adopting pipes made of propylene random copolymer (PP-R), which are more durable than pipes made of other materials, with a useful life of approximately 50 years under the temperature of 70 degrees Celsius. Their scrap materials are recyclable and reusable, thereby reducing non-hazardous waste indirectly. |
| Promoting the use of electronic vehicles (EV) | A number of EV alternating current (AC) charging points are set up at motorbike parking spaces and residential parking lots to promote the use of electronic vehicles among residents and reduce GHG emissions generated from fuel-powered vehicles used by residents. |



EV AC charging points located at The Xixian Kangqiao Xueyuan project

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have significant impact, including Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》) and “Regulations on the Administration of Construction Project Environmental Protection” (《建設項目環境保護管理條例》). In addition, there was no report of significant fines or non-monetary sanctions as a result of non-compliance with relevant laws and regulations in Year 2022.

USE OF RESOURCES

The Group understands that the construction materials used will have direct impacts on the quality of housing and the surrounding environment. Therefore, the Group procures and selects environment-friendly materials for both outdoor and indoor construction, so as to provide residents with a comfortable living environment and conserve natural resources upon the completion of the project. In Year 2022, there was no issue for the Group in sourcing water as well.

The key environmental indicator data in respect of use of resources by the Group in Year 2022 are as follows:

| Environmental indicators | Unit | 2022 | 2021 |
|--|---|-----------------------|----------------|
| Use of resources | | | |
| Electricity consumed | Kilowatts-hour | 129,216 | 168,000 |
| Fuel consumed (Note 1) | Kilowatts-hour | 79,954 | 52,614 |
| Total energy consumption | Kilowatts-hour | 209,170 | 220,614 |
| Energy consumption intensity | Kilowatts-hour/square meter of the developed area of a construction project | 5.6 | 7.0 |
| Total water consumption | Cubic meter | 24,178 | 8,980 |
| Water consumption intensity | Cubic meter/square meter of the developed area of a construction project | 0.7 | 0.3 |
| Total amount of packaging materials used | Tonne | Note 2 | Note 2 |
| Intensity of packaging materials used | Tonne/annual total production | Not applicable | Not applicable |

Note 1: The conversion coefficient for the calculation of kilowatts-hour unit is derived from “Energy Statistics Handbook” published by the International Energy Agency.

Note 2: The Group’s business does not involve any use of packaging materials. Therefore, no data in this aspect was available.

Reduction target of energy use

| Environmental KPI | Reduction target | Benchmark year | Status |
|------------------------------|------------------------|----------------|-------------|
| Energy consumption intensity | Reduce 2% by Year 2026 | Year 2021 | In progress |
| Water consumption intensity | Reduce 2% by Year 2026 | Year 2021 | In progress |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has adopted a series of initiatives for efficient energy use during the development of The Xixian Kangqiao Xueyuan project. Details of such initiatives and the related result assessment are set out as below:

Initiatives for efficient

energy use

Description and the related result assessment of initiatives

| | |
|-------------------------------------|--|
| Use of energy-saving bulbs | Energy-saving bulbs are installed in certain corridors and passages (if applicable). Energy-saving bulbs can save approximately 80% of electricity compared with regular bulbs. A longer useful life means reducing the number of times for changing light bulbs and thus minimizing waste produced. |
| Addition of solar energy facilities | Solar energy facilities are installed at the terrace gardens of The Xixian Kangqiao Xueyuan project to absorb solar energy to generate electricity for the lighting equipment in the underground parking lots, thereby reducing electricity consumption. |

THE ENVIRONMENT AND NATURAL RESOURCES

The Group has taken into consideration the environmental factors in the course of project planning and designing. The Group proactively implements various environmental protection measures, including planting and landscaping within the completed gardens of The Xixian Kangqiao Xueyuan project, to optimise the green ecosystem of the project. A large amount of trees and bushes are grown within The Xixian Kangqiao Xueyuan project for the purpose of cooling, air purification, noise mitigation and reduction of carbon emissions.

For the purpose of water resource conservation, ponds are built in gardens of The Xixian Kangqiao Xueyuan project. Leveraging on the automatic cleaning system, coupled with the regular use of suction machine to pump out sediment, the required number of washing is reduced. Water from the ponds is used for irrigation, which in turn reduces the consumption of running water. As no exploitation of underground water is carried out within the completed gardens with built-in ponds, there is no change in groundwater flow field or groundwater level.



The podium garden of The Xixian Kangqiao Xueyuan project

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CLIMATE CHANGE

As the awareness of climate change of the general public continues to increase, climate change has become one of the most discussed corporate topics. The Group is no exception, and it pays increasing attention to the potential impact on the Group's business and operation of climate change. The Group regularly reviews global and local government policies, regulatory updates and market trends to identify potential climate-related risks that may impact the Group's business and operation.

According to the reporting framework formulated by the Task Force on Climate-related Financial Disclosures ("TCFD"), climate-related risks are divided into two major categories, namely physical and transitional risks. The Group will immediately devise a response plan, such as altering business strategy and amending development plan, to minimize the negative impact of these climate-related risks.

The Group will continue to regularly integrate sustainable development into its business operation and prepare and maintain sufficient resources to manage identified climate-related risks and study potential remedial measures.

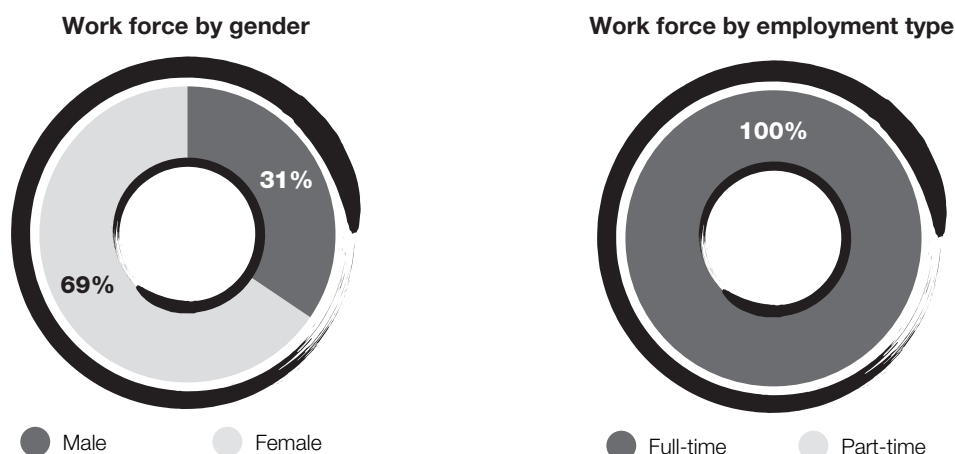
In Year 2022, there was no climate-related risks, including physical and transitional risks, with material impact on the Group.

SOCIAL RESPONSIBILITY

The Group believes that maintaining good relationship with the staff is the key factors of our success. With a view to enhancing the satisfactory level of the staff, the Group provides the staff with competitive remuneration packages and comprehensive training programmes, so as to encourage the staff to reach their full potential and contribute their talents. Staff banquet is held annually to raise their sense of belonging and create a harmonious working environment.

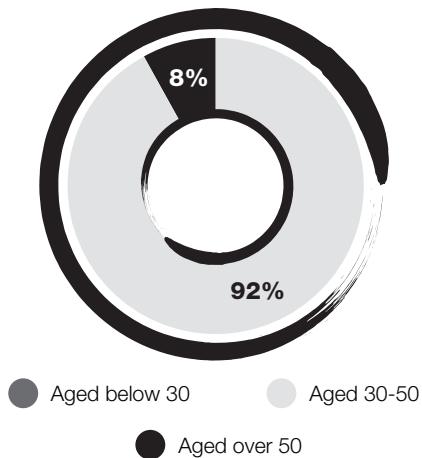
EMPLOYMENT

As at 31 December 2022, the workforce of Xixian Dejian by gender, employment type, age group, region and ranking are shown in the chart below:

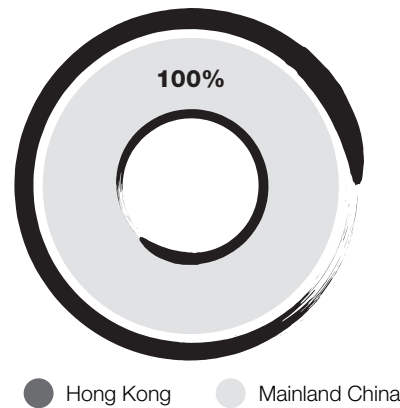


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

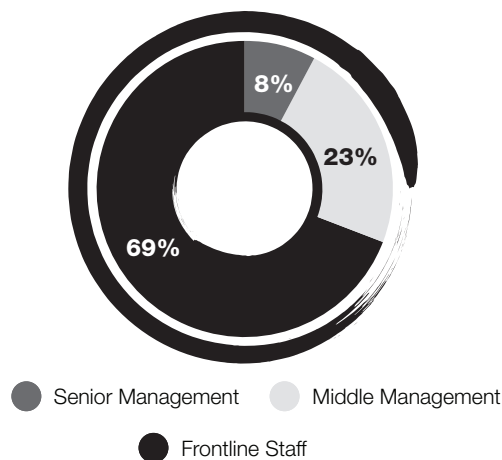
Work force by age group



Work force by geographical region



Work force by ranking



The Group implements stringent recruitment procedures to select and employ excellent candidates through both external referral and internal training.

The Group offers equal employment opportunities to safeguard the staff against discriminations arising from age, race, ethnicity, gender and religion, while striving to develop a fair, respectful, diversified, cooperative and friendly corporate culture and working environment.

The Group has formulated its Staff Manual to stipulate the relevant systems in respect of employment management, rights to termination of employment, code of commercial conduct, social security fund, remuneration, welfare, paid leave benefits, working hours, overtime work and performance management, so as to safeguard the interests of the staff.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In Year 2022, Xixian Dejian's annual employee turnover rates by gender, employment type, age group and geographical region are as follows:

| Employee Turnover | 2022 | 2021 |
|--|-------------|-------------|
| By gender (Note 1) | | |
| Male | - | 11% |
| Female | - | - |
| By employment type (Note 1) | | |
| Full-time | - | 7% |
| Part-time | - | - |
| By age group (Note 1) | | |
| Aged below 30 | - | - |
| Aged 30-50 | - | 9% |
| Aged over 50 | - | - |
| By geographical region (Note 1) | | |
| China | - | 7% |
| Hong Kong | - | - |

Note 1: The employee turnover rate is calculated as the number of employees who left employment in such category during the reporting period divided by the total number of employees in the category as of 31 December 2022. No employees of Xixian Dejian left in Year 2022.

The Group complies with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the relevant laws and regulations. The year-end bonus for the staff is determined by the management and general manager of the Group taking into consideration of the operating performance for the respective year on the basis of fairness, with an aim to recognize the contribution made by the staff and to enhance their incentives. At the same time, the Group makes timely adjustment towards payroll and remuneration with reference to the survey on market rates and inflation index in order to attract and retain talents. All allowance and welfare offered to our staff are implemented in accordance with the relevant requirements of the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and administrative authorities.

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have significant impact. The Group strictly complied with local laws and regulations relating to employment, such as Labour Law of the People's Republic of China (《中國人民共和國勞動法》) and Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》). In addition, there was no report of significant fines or sanctions as a result of non-compliance with relevant laws and regulations in Year 2022.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HEALTH AND SAFETY

The Group strictly requires the working parties of The Xixian Kangqiao Xueyuan project to comply with Environmental Sanitation System for Work Sites, Licence for Civilized Construction at Work Sites, License for Safe Production, Fire Safety Permit and the Ten Offences against Production Safety, the requirements of which are prominently displayed at the construction sites. Workers are required to wear safety helmets upon entering the construction sites and fasten safety harness when working at height. Warning signs are placed at the danger zones of construction sites with illumination during the night-time. The Group has taken out accident insurance policies for the personnel working at construction sites.

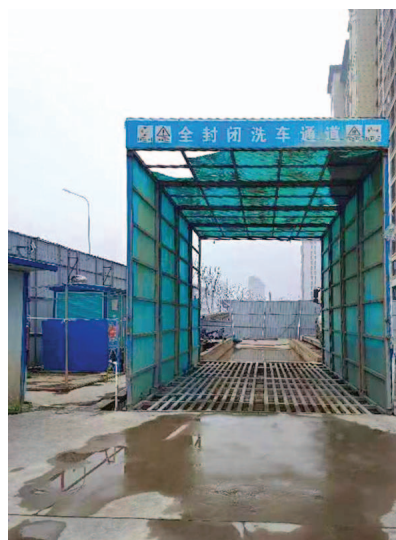
Besides, the working parties of the project have formulated the Contingency Plan for Emergencies pursuant to the requirements of relevant laws and regulations, namely Production Safety Law of the People's Republic of China , 《中華人民共和國安全生產法》 The Administrative Regulations on the Work Safety of Construction Projects (《建設工程安全生產管理條例》), and Decision of the State Council on Further Enhancing Production and Work Safety (《國務院關於進一步加強安全生產工作的決定》).

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have significant impact. The Group strictly complied with local laws and regulations relating to health and safety, such as Safe Production Law of the People's Republic of China (《中華人民共和國安全生產法》) and the Regulations on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》). In addition, there was no report of significant fines or sanctions as a result of non-compliance with relevant laws and regulations in Year 2022.

During the outbreak of COVID-19, the Group adopted a number of strict precautions, including: (i) maintaining air circulation in office areas during working hours; (ii) personal health management; (iii) frequent cleaning of office areas; (iv) requiring all of the staff to wear masks prior to entering office areas; and (v) measuring the body temperature of staff and customers before they enter office areas.



Dust suppression devices installed at various spots on site



Dust removal facilities for vehicles set up at the site entrance and exit

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Air quality monitoring system installed on site

| Accident Notification | 2022 | 2021 | 2020 |
|--|-------------|------|------|
| Number of work-related fatalities (Note 1) | - | - | - |
| Ratio of work-related fatalities | - | - | - |
| Lost days due to work injury (Note 1) | - | - | - |

Note 1: In Year 2022, Xixian Dejian neither had any work-related fatalities of employees nor lost any working days due to work injury.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

DEVELOPMENT AND TRAINING

In Year 2022, Xixian Dejian has provided its employees with various training programmes on practical skills including: (i) the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and (ii) anti-corruption.

In Year 2022, Xixian Dejian's employee training rates are as follows:

| | 2022 | 2021 |
|--|------------|------|
| Percentage of employees trained (Note 1) | 53% | 29% |
| Percentage of employees trained by gender (Note 2) | | |
| Male | 57% | 50% |
| Female | 43% | 50% |
| Percentage of employees trained by ranking (Note 2) | | |
| Senior | – | 25% |
| Middle | 29% | 50% |
| Junior | 71% | 25% |

Note 1: Calculated by dividing the number of employees trained by the number of employees as of 31 December 2022.

Note 2: Calculated by dividing the number of employees trained in such category by the total number of employees trained.

In Year 2022, Xixian Dejian's average training hours of employee by gender and employee category are as follows:

| | 2022 | 2021 |
|---|------------|------|
| Total training hours | 28 | 36 |
| Average training hours of employees (Note 1) | 2.1 | 2.6 |
| Average training hours by gender (Note 2) | | |
| Male | 1.7 | 0.7 |
| Female | 3.0 | 6.0 |
| Average training hours by ranking (Note 2) | | |
| Senior | – | 1.0 |
| Middle | 2.6 | 4.5 |
| Junior | 2.2 | 2.1 |

Note 1: Calculated by dividing the total training hours by the total number of employees as of 31 December 2022.

Note 2: Calculated by dividing the total training hours in a particular category by the total number of employees in that category as of 31 December 2022.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

LABOUR STANDARDS

The Group recognizes that the employment of child and forced labour is a serious violation of universal values. Accordingly, the Group strictly complies with the Prohibition of Child Labour Provisions (《禁止使用童工規定》) and other laws and regulations relating to labour standards. The Group also strictly fulfills the requirements under the labour contract system whereby all newly-recruited employees will enter into a labour contract or an appointment agreement with the Company upon formal appointment.

The Group has taken measures on practices of recruitment, including: (i) measures to prevent the use of child labour; and (ii) measures to prevent the use of forced labour. The administration and personnel department will screen out applicants under the age of 18 when reviewing resumes. The Group has not employed any child labour since the measures came into effect. Furthermore, staff are required to submit working schedules every day to their immediate supervisors. The administration and personnel department conducts weekly checks on the records of working schedules. Investigation procedures will be commenced immediately for any overtime works discovered.

In Year 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to prohibiting the Group from employing child and forced labour. The Group strictly complied with local laws and regulations relating to labour standards, such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and Prohibition of Child Labour Provisions (《禁止使用童工規定》). In addition, there was no significant fines or sanctions as a result of non-compliance with relevant laws and regulations in Year 2022.

SUPPLY CHAIN MANAGEMENT

The Group closely monitors the selection of materials, for instance, (i) ALN Arnaud brand products of Sitong Songri Electric Appliances of international standard and with China Compulsory Certification and ISO9001 certification are adopted for switch panels; (ii) products of Shanghai Shangsui with leading-edge eco-friendly features are adopted for drainage pipes; and (iii) products of ERA brand, one of the largest manufacturing base of chemical building materials and components of solar power system, are adopted for electrical conduits.

In Year 2022, the number of suppliers by geographical region is as follows:

| Suppliers by geographical region | 2022 | 2021 |
|----------------------------------|--------------|------|
| China | More than 20 | 20 |
| Hong Kong | — | — |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRODUCT RESPONSIBILITY

The Group complies with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and the related laws and regulations. Pursuant to Article 26 of the Advertising Law of the People's Republic of China, an advertisement on real estate shall contain true information on the source of real estate, with the area thereof specified as the gross floor area or the gross internal floor area, and shall not contain: (i) any commitment on appreciation or investment return; (ii) any indication of the location of the project by the time needed from the project to a specific object of reference; (iii) any violation of the state provisions on price management; and (iv) any misleading publicity on transport, commerce, cultural and educational, and other municipal facilities under planning or construction. In connection with the health and safety of the products and services provided, the Group has formulated the Housing Quality Warranty and User's Instruction Manual for Residential Housing to meet the relevant requirements.



The development project model displayed in The Xixian Kangqiao Xueyuan project sale office

The Group closely monitors the quality of work from property design, surveying, construction to completion in strict compliance with the quality management system. The quality of work of suppliers and contractors is ensured through regular inspections and construction sites. The Group also ensures that properties are developed in accordance with the relevant standards of local government through internal and external inspections as well as project acceptance processes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In Year 2022, the numbers of complaints and recall cases are as follow:

| Complaints and recall cases | 2022 | 2021 |
|---|-------------|-------------|
| Number of complaints | - | - |
| Number of recalls due to health and safety issues | - | - |

The Group is engaged in property development and therefore does not sell or ship products that are subject to recall for safety and health reasons.

The Group consolidates and comprehensively analyses customer feedback and monitors customers' satisfaction with its business. The Group will take follow-up actions, including internal assessment and revision of employee training programs, formulation of improvement plans and improvement of existing management procedures to address the identified issues. Feedback will be provided to customers in a timely manner.

The Group is aware of the stakeholders' concerns about data privacy and is therefore committed to protecting private information to protect the interests of our customers and to comply with relevant laws and regulations. The Group has determined the authorisation for accessing customer's personal data and employees are strictly prohibited from disclosing customer's personal data without authorisation.

The Group strives to comply with relevant laws and regulations of intellectual property rights ("**IP rights**"). The Group has standard employment contracts with its employees, setting out the provisions on protecting the IP rights.

In Year 2022, the Group was not aware of any material non-compliance with relevant rules and regulations relating to health and safety, advertising, labeling and privacy matters relating to products provided and methods of redress that have a significant impact. The Group strictly complied with local laws and regulations relating to product responsibility, such as Construction Law of the People's Republic of China (《中華人民共和國建築法》), Regulations on Quality Management of Construction Projects (《建設工程品質管制條例》), Administrative Regulations on the Work Safety of Construction Projects (《建設工程安全生產管理條例》), Prevention of Copyright Piracy Ordinance (《防止盜用版權條例》), Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), Regulation for Implementation of Copyright Law of the People's Republic (《中華人民共和國著作權法實施條例》) and Advertising Law of the People's Republic of China (《中華人民共和國廣告法》). In addition, there was no report of significant fines in Year 2022.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ANTI-CORRUPTION

The Group attaches great importance to anti-corruption. Our anti-corruption policies have expressly stipulated the code of conduct to which all employees are subject. The Group has in place email address for reporting any irregular or fraudulent activities to the Board on a confidential basis. The identity of those who lodge a complaint will be protected. The email address for reporting irregularities is shown on the Group's website (<http://www.jiande-intl.com>). The Group conducts regular review on the Group's code of practice, anti-corruption measures and relevant guidelines, and to conduct investigation into the reported irregularities.

The Group also regularly provides anti-corruption education and training to directors and employees through webcasts and circulation of electronic training materials to raise their awareness of ethics and corruption issues.

In Year 2022, none of the Group or its employees was involved in any legal proceedings relating to bribery, extortion, fraud or money laundering. The Group strictly complied with local laws and regulations relating to anti-corruption, such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》).

COMMUNITY INVESTMENT

The Group is committed to acting as a positive strength for the community in which it is operating and has been maintaining close communication and interaction with the community so as to contribute to the community from time to time.

Being a responsible corporate citizen, the Group is dedicated to improving the image of the community and enhancing the sense of responsibility through community investments. Employees of the Group are encouraged to lend a helping hand to and support the local community and their neighborhood.

**JIANDE INTERNATIONAL
HOLDINGS LIMITED**
建德國際控股有限公司
