



粵海廣南(集團)有限公司

GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability) (於香港註冊成立的有限公司)
(Stock code 股份代號: 01203)



2022

Environmental, Social and
Governance Report
環境、社會及管治報告



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1. About the Report

GDH Guangnan (Holdings) Limited (the “Company”) and its subsidiaries (collectively as the “Group” or “We”) are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the period between 1 January 2022 to 31 December 2022 (“Year 2022”). The ESG Report provides an overview of our strategy, work and performance on ESG, enabling stakeholders to better understand the Group’s process on sustainability issues, development direction and how we are fulfilling our corporate commitment to social responsibility.

1.1 SCOPE OF THE REPORT

The Report covers the Group’s (i) distribution and sales of fresh and live foodstuffs (“fresh and live foodstuffs business”) in the People’s Republic of China (the “PRC” or “Mainland”) and Hong Kong Special Administrative Region (“Hong Kong”), including the office of GDH Guangnan Hong (Guangdong) Company Limited (“GDH Food”) located in Zhongshan City of Guangdong Province, a slaughterhouse and meat processing plant¹ of GDH Food (Foshan) Company Limited (“GDH Food Foshan”) located in Foshan City of Guangdong Province, and two fresh meat processing workshops in Fanling and San Po Kong, a workplace in Sheung Shui Slaughterhouse, an office in Wai Chai and a shop in Hung Hom of GDH Guangnan Hong Company Limited (“GDH Guangnan Hong”), a workplace in Chai Wan, and five stores in Tsuen Wan, Kong Ha Wai Village in Yuen Long, Long Ping Estate in Yuen Long, Wong Tai Sin and Kowloon Bay respectively of Brilliant Food Products Limited (“Brilliant Food”) ^{2,3}, and (ii) manufacturing and sales of tinsplate and related products (“tinplating business”) in the Mainland, including GDH Zhongyue (Zhongshan) Tinsplate Industrial Co., Ltd. (“GDH Zhongyue”) in Zhongshan City of Guangdong Province and GDH Zhongyue (Qinhuangdao) Tinsplate Industrial Co., Ltd. (“GDH Zhongyue Qinhuangdao”) in Qinhuangdao City of Hebei Province. Please note that the scope of the report has been changed from the previous year’s report. The Report describes the management’s approaches, policies, measures and performance in environmental and social aspects of the aforementioned two businesses during Year 2022. The Report does not cover the property leasing business as its revenue only accounts for a small portion of the Group’s consolidated revenue. Environmental data summary of fresh and live foodstuffs business and tinplating business during Year 2022 is disclosed in Appendix I: Environmental Performance Data Summary of the Report⁴.

1.2 REPORTING FRAMEWORK

The report was prepared in accordance with Appendix 27 of the ESG Reporting Guide (the “Guide”) and complied with all the “comply or explain” provisions of the Guidelines, following the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”. This report has been reviewed and confirmed by the board (“Board”) of directors (“Director(s)”) of the Company.

- Materiality:** The Group has developed the content of this report based on the results of stakeholder communication and materiality assessment. The process and guidelines for stakeholder communication and identification of materiality issues are disclosed in this report.
- Quantitative:** The statistical criteria, methodology, assumptions and calculation tools for the quantitative key performance indicators (“KPIs”), as well as the sources of conversion factors, are described in the explanatory notes to this report.
- Balance:** The Report presents the Group’s performance for the reporting period in an unbiased manner so as not to unduly influence the decisions or judgments of the readers of the Report.
- Consistency:** The statistical methods of disclosing data in the report are consistent with those of the previous year. Changes, if any, will be clearly stated in the report for the reference of stakeholders.

¹ The Group commenced operation of a meat processing plant in Nanhai District of Foshan City in the second quarter of Year 2022 and has included its performance in the scope of this Report. The inclusion of the additional meat processing plant in Foshan in the scope of this Report may result in a significant change in the KPIs as compared to those disclosed in the ESG reports of previous reporting periods.

² The Group acquired Brilliant Food in October 2022, and includes their workplace in Chai Wan, and five stores in Tsuen Wan, Kong Ha Wai Village in Yuen Long, Long Ping Estate in Yuen Long, Wong Tai Sin and Kowloon Bay in the scope of this Report. The inclusion of Brilliant Food in the scope of this Report may result in a significant change in the KPIs as compared to those disclosed in the ESG reports of previous reporting periods.

³ In Year 2022, our shop in Shatin ceased operation in August 2022.

⁴ The Group acquired GDH Food (Zhuhai) Co., Ltd. (formally known as Zhuhai Yue Guang Feng Investment Co., Ltd.) (“GDH Food Zhuhai”) and its subsidiaries in December 2022. In order to fully demonstrate the annual data, this Report only included the relevant data regarding the employment and labour practices of GDH Food Zhuhai and its subsidiaries, while the data scope of other social and environmental aspects did not include the data from the GDH Food Zhuhai and its subsidiaries.

2. Sustainable Development Strategy

2.1 BOARD STATEMENT

The Group has been committed to integrating the concept of sustainable development with the Group's overall strategies, policies and business plans to further promote the effective implementation of the Group's ESG matters. Sustainable development is the cornerstone of the Group's long-term development, which brings long-term returns to stakeholders and the Group's business development. Therefore, the Group attaches great importance to sustainable development strategies and practices, and the Board is responsible for ESG management. The Board is responsible for supervising the drafting and compilation of this Report, and reviewing the content of the report to ensure the quality of this Report. The Board also regularly reviews the communication channels with stakeholders, maintains effective communication with stakeholders, and effectively manages stakeholder expectations. In addition, in order to supervise the implementation progress of ESG-related measures and work, the Board closely tracks the plan, budget and expenditure of ESG-related measures and work.

During Year 2022, the Group conducted a materiality assessment to manage the risks related to sustainable development and ESG issues, effectively identifying potential and material ESG issues for the business and stakeholders, so as to manage the risk of sustainable development and ESG. Members of the Board also participate in the materiality assessment as internal stakeholders and provide advice on the Group's ESG governance. In order to ensure that ESG-related measures and work can be effectively implemented, members of the corresponding functional departments are responsible for assessing the concerns and requirements of stakeholders, and assisting in formulating and implementing ESG management methods, strategies, priorities and measures according to the Board's guidance. In order to continuously improve the Group's environmental performance, the Group has formulated ESG goals based on the expectations and requirements of its business and stakeholders, and the Board will review regularly based on the progress of the goals. Details are set out in 3.1 Environmental Targets of this Report.

2.2 COMMUNICATION WITH STAKEHOLDERS

The long-term benefits and sustainable development of the Group are based on the support and trust of stakeholders. We will maintain close and harmonious relationships with our stakeholders actively to listen to their views and expectations, and respond appropriately to their needs in order to achieve long-term success.

2. Sustainable Development Strategy (continued)

The Group has identified key stakeholders with whom the Company has a close relationship to provide a basis for ESG materiality identification. We have contacted the following stakeholders through various channels such as phone calls, emails, questionnaires, daily meetings, factory visits and networking events with chambers of commerce to collect their views on relevant ESG issues. The following are the ways we communicate with the key stakeholders.

Stakeholders	Expectations and Requirements	Means of Communication and Response
Government and Regulators	<ul style="list-style-type: none"> Compliance with national policies, laws and regulations Supporting local economic growth Production safety 	<ul style="list-style-type: none"> Regular information reporting Inspections and examinations
Shareholders/Investors	<ul style="list-style-type: none"> Returns Compliant operation Raising company value 	<ul style="list-style-type: none"> General meetings Announcements and circulars Email, telephone communication and company website
Business Partners/Suppliers	<ul style="list-style-type: none"> Operating with integrity Performance of contracts Maintaining a stable and good relationship 	<ul style="list-style-type: none"> Business communications Exchanges and discussions Engagement and cooperation
Customers	<ul style="list-style-type: none"> Products and services of high quality Health and safety Performance of contracts Operating with integrity 	<ul style="list-style-type: none"> Customer service centre and hotlines Customer feedback surveys Communicating conference with customers Social media platform Calling for feedback
Environment	<ul style="list-style-type: none"> Compliant emissions 	<ul style="list-style-type: none"> Communicating with local environmental department Submitting reports
Industry	<ul style="list-style-type: none"> Industry standards formulation Driving industry development 	<ul style="list-style-type: none"> Site visits and inspections
Employees	<ul style="list-style-type: none"> Protection of rights Occupational health and safety Remunerations and benefits Career development 	<ul style="list-style-type: none"> Employee communication meetings Employee training Employee activities
Community and the Public	<ul style="list-style-type: none"> Improving community environment 	<ul style="list-style-type: none"> Company website Announcements

2. Sustainable Development Strategy (continued)

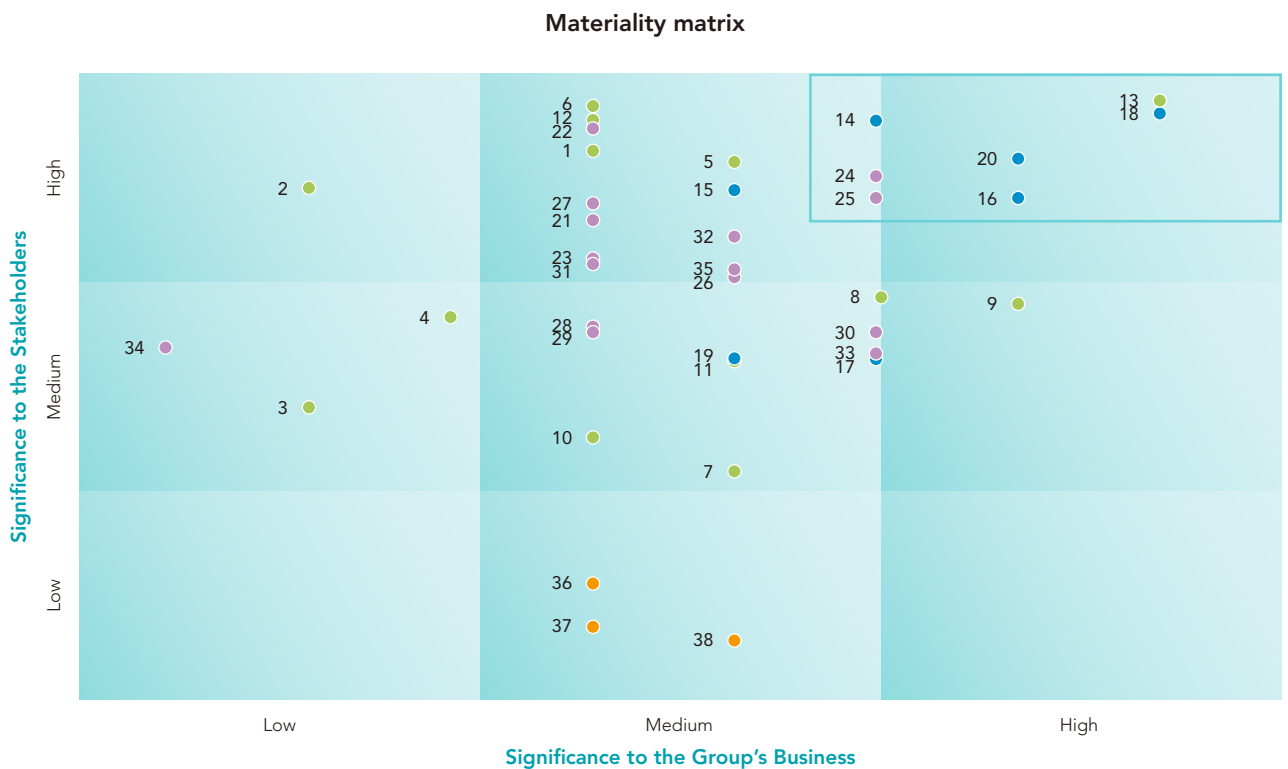
2.3 MATERIALITY ASSESSMENT

In order to allocate resources more effectively and promote the development of ESG work, in Year 2022, the Group took into account the disclosure responsibilities covered by the Guide, the Materiality Mapping of the Sustainability Accounting Standards Board (SASB), etc., considered its business operations and the concerns of various stakeholders, and benchmarked against best practices by peers, to sort out the identified material ESG issues, and invited internal and external stakeholders to participate in an online questionnaire, which will help us to better understand the expectations of stakeholders and identify ESG-related material issues for the Group.

The online questionnaire covered a total of 38 material ESG topics. The Group ranked the ESG-related material topics based on feedback from stakeholders to ensure the assessment results are accurate and objective.

We examined the materiality of each topic based on two dimensions: "significance to the Group's business" and "significance to stakeholders", and drew up a materiality matrix to summarise the result of materiality assessment.

After the analysis, the Group prioritised 38 ESG material topics, including 7 highly material topics. The following result of material topics have been reviewed and approved by the Board.



2. Sustainable Development Strategy (continued)

Economy and Operation		Employment and Labour Practices		Environment		Community Investment	
1	Operational Compliance	14	Employment Compliance	21	Environmental Compliance	36	Charity
2	Managing Social Risks of Supply Chain	15	Remuneration and Benefits	22	Air Pollutant Management	37	Promotion of Community Development
3	Managing Environmental Risks of Supply Chain	16	Working Hours and Rest Period	23	Fleet Emissions Management	38	Poverty Alleviation
4	Procurement Practices	17	Diversity and Equal Opportunity	24	Wastewater Management		
5	Quality Management	18	Occupational Health and Safety	25	Noise Management		
6	Customer Health and Safety	19	Training and Development	26	Greenhouse Gas Emission		
7	Responsible Sales and Marketing	20	Prevention of Child Labour and Forced Labour	27	Waste Management		
8	Customer Service Management			28	Energy Consumption		
9	Intellectual Property Protection			29	Use of Water Resources		
10	Research and Development			30	Green Office		
11	Information Security			31	Green Energy Project		
12	Customer satisfaction and investment complaint handling			32	Use of Raw Materials and Packaging Materials		
13	Anti-corruption			33	Ecological Protection		
				34	Responding to Climate Change		
				35	Prevention and Handling of Environmental Incidents		

2. Sustainable Development Strategy (continued)

Through the above materiality assessment, the Group finally identified 7 highly material ESG issues and responded to them in the relevant sections.

Highly Material Issues		Corresponding Sections	
13	Anti-corruption	5.	Operating Practices 5.5. Anti-corruption
14	Employment Compliance	4.	Management of employees
16	Working Hours and Rest Period	4.	Management of employees 4.3 Rights and Benefits
18	Occupational Health and Safety	4.	Management of employees 4.5 Health & Safety
20	Prevention of Child Labour and Forced Labour	4.	Management of employees 4.2 Structural Management
24	Wastewater Management	3.	Creating Green Operations Together 3.2 Management of Emissions
25	Noise Management	3.	Creating Green Operations Together 3.2 Management of Emissions

2.4 RISK MANAGEMENT

In order to further enhance the Group's ability to govern in accordance with the law, improve the level of compliant operation in accordance with the law, establish an internal compliance management system, effectively prevent major legal risks and achieve sustainable regulated development, the Group have formulated the Compliance Management Measures in conjunction with the actual situation of the Company, and in compliance with the Hong Kong Companies Ordinance, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Securities and Futures Ordinance, the Company Law of the People's Republic of China, the Law of the People's Republic of China on State-Owned Assets of Enterprises and other relevant laws and regulations.

We aim at effective prevention and control of compliance risks, organised and planned management activities such as construction of compliance management system, risk response, compliance review, assessment and evaluation, accountability and compliance training. In addition, the Group cultivates compliance culture actively, and makes it an important part of corporate culture construction, establishes the values of compliance with law-abiding and integrity, continuously enhances the compliance awareness and behavioural consciousness of employees, and creates a good cultural atmosphere of acting in accordance with regulations and operating according to rules.

In particular, GDH Zhongyue and GDH Zhongyue Qinhuangdao have established a Risk Control Management Committee, which is responsible for the prevention, coordination and coherence of the company's risk. Under the Risk Control Management Committee, there is a Risk Control Management Team, which is responsible for the day-to-day work of risk control, including but not limited to risk identification, risk warning, data filling and follow-up of improvement measures.

The Group's well-developed risk management systems and processes identify and manage various business-related risks, many of which are relevant to sustainable development governance, and assist the Group in managing these risks and developing countermeasures. We will continue to improve our ESG performance to ensure the sustainability of our business in the ever-changing business environment.

3. Creating Green Operations Together

3.1 ENVIRONMENTAL TARGETS

As a company mainly engaged in the agency and distribution of fresh and live foodstuffs, trading of foodstuffs, manufacturing and sales of tinsplate and related products, we have improved our resource management and are committed to developing plans for sustainable development targets. During the reporting period, we set management targets to improve energy efficiency and reduce environmental impact in the future.

Aspect	Our Targets	Section with Corresponding Measures
Emissions	Maintain and minimise greenhouse gas emissions whenever possible	3.2 Management of Emissions
Waste	Proper disposal of waste generated during operation to reduce possible environmental pollution	3.2 Management of Emissions
Energy Consumption	Ensure efficient use of energy resources	3.3 Management of Resources Utilisation
Use of Water Resources	Maintain and reduce water consumption whenever possible	3.3 Management of Resources Utilisation

In the reporting period, we reduced greenhouse gas emissions and electricity consumption, and disposed waste properly to reduce pollution. As the Group's meat processing plant in Nanhai District, Foshan City has commenced operation in the second quarter of 2022, water consumption has increased compared to the previous reporting year. We will continue to review the target progress and adjust it when appropriate.

3.2 MANAGEMENT OF EMISSIONS

i. Policies on Management of Emissions

Tinplating Business

The Group implements the environmental strategy of "Win the trust of Society with Clean and Environmental Protection" and practices the goals of "energy conservation, consumption reduction, pollution reduction and efficiency enhancement" in our tinplating business. We strictly comply with laws and regulations related to environmental protection, including but not limited to the Environmental Protection Law of the People's Republic of China and Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and have established environmental protection management systems. GDH Zhongyue and GDH Zhongyue Qinhuangdao have also obtained valid pollutant discharge permits and submitted environmental information to relevant environmental protection authorities on a regular basis in accordance with the requirements of the Measures for Pollutant Discharge Permitting Administration. Meanwhile, GDH Zhongyue and GDH Zhongyue Qinhuangdao have established a comprehensive environmental management system and hold the ISO 14001:2015 environmental management system certificates.

3. Creating Green Operations Together (continued)

The Group's GDH Zhongyue and GDH Zhongyue Qinhuangdao have set up a dedicated Environmental Protection Management Committee. The Environmental Protection Management Committee is mainly responsible for organising, supervising and implementing environmental protection work, and paying attention to changes and development in environmental protection laws and regulations, formulating and updating internal rules and regulations and strictly enforcing relevant environmental protection systems and implementing compliance evaluations to ensure the smooth implementation of environmental protection activities. In addition, we set up an environmental monitoring point in the workshop of the tinplate factory to monitor the wastewater, exhaust gas and noise of each production workshop and each discharge outlet, implement informational management of emissions, establish a register of environmental information records and execute data. The statistical evaluation and analysis results will be used as the basis for future management and employee education. The Environmental Protection Management Committee promotes environmental protection activities at all levels of the tinplate business, collaborates with all employees, discharges at source, and manages to avoid pollutants actively.

In order to respond to emergent environmental pollution incidents in a timely and effective manner, and to minimise the impact of accidents on the environment, the Group has developed emergency plans for handling environmental incidents, related hidden danger inspection and treatment in accordance with the Emergency Response Law of the People's Republic of China, Administrative Measures for the Recording of Emergency Preparedness for Environmental Emergencies of Enterprises and Institutions and other relevant laws and regulations.

For the potential hidden danger of possible environmental incidents in the production chain where environmental incidents may occur, we have formulated corresponding early warning, treatment, investigation and rectification measures to ensure that emergency work can be started and executed in a fast, efficient and orderly way when environmental incidents occur. In order to effectively identify and control environmental hazards, we have established a Three-Level Potential Safety Hazard Checking and Control Responsibility System at the company level, department level and team level. The Environmental Protection Management Committee organises and leads the environmental protection management task force of each plant to carry out hidden danger inspection of potential hazards. In Year 2022, in order to ensure environmental protection, GDH Zhongyue has carried out anti-corrosion renovation work on the wall of the acid wastewater pool. To reduce the risk of environmental emergencies, the Group has installed different monitoring equipment to monitor the environmental conditions of the plants, and installed anti-leakage pools at hazardous chemical storage sites to reduce serious pollution. We also have emergency supplies with inspection, protection and communication functions to deal with environmental emergencies. The Group has held a number of environmental pollution incident drills in Year 2022, including the chromium wastewater hexavalent chromium excessive emergency drill, and passivated liquid leakage emergency drill, hydrochloric acid leakage emergency drill, hazardous waste leakage emergency drill and liquid waste leakage emergency drill to equip plant staff with the knowledge and practical experience to handle environmental pollution accidents and minimise the impact on the environment.

Employees are also an important part of emission management. In order to improve the level of environmental management and employees' awareness of environmental responsibility, the Group has established a reward and punishment system to reward employees who propose effective solutions that can improve emission management, and punish employees accountable for negligent duties, so as to increase employees' enthusiasm for environmental pollution prevention and control. At the same time, the Group attaches great importance to the environmental knowledge of employees. Thus, training on environmental laws and regulations requirements, identification of environmental factors and environmental emergency potential hazard investigation was provided to staff during Year 2022 to ensure environmental protection standards are met and to improve emission reduction at the source.

The Group continued to strictly comply with the environmental laws and regulations relating to the tinplate business in the Mainland during Year 2022, and did not receive any emission-related non-compliance incidents.

3. Creating Green Operations Together (continued)

Fresh and Live Foodstuffs Business

The Group's fresh and live foodstuffs business, which includes the operation of livestock agency, live pigs distribution and foodstuffs trading in Mainland and Hong Kong. The fresh and live foodstuffs business does not produce emissions that have significant impact on the environment. The Group operates fresh and live foodstuffs business in strict compliance with laws and regulations related to environmental protection, including but not limited to Environmental Protection Law of the People's Republic of China and Waste Disposal Ordinance of Hong Kong. The business also strictly complies with the regulations of the local health department and slaughterhouses, which strictly monitor and require the appropriate treatment of emission under the regulations.

During Year 2022, the Group continued to strictly abide by the environmental laws and regulations related to fresh and live foodstuffs business in Mainland and Hong Kong, and was not informed of any emission-related violations.

ii. Management of Wastewater

Tinplate Business

We strictly comply with the Water Pollution Prevention and Control Law of the People's Republic of China and carry out tinplate business in accordance with various national industrial wastewater discharge standards, including, but not limited to the Emission Standard of Pollutants for Electroplating, Integrated Wastewater Discharge Standard, Discharge Standard of Water Pollutants for Iron and Steel Industry and other relevant standards, and we implements internal wastewater treatment procedures and sets up appropriate treatment equipment to ensure that discharged industrial wastewater meets the standards.

Sewage treatment facilities are installed in the factories of the tinning business, which treats the industrial wastewater through procedures including chemical neutralisation, hydrolysis and acidification, physical and chemical precipitation, filtration and sterilisation, until it reaches the legal standard before discharging. In the meantime, the sludge generated from sewage treatment is dehydrated and sent to the hazardous waste disposal unit for treatment. For industrial wastewater that requires special treatment, such as concentrated oily wastewater, waste emulsions, waste thinner and other hazardous liquid waste, we carry out part of the processing procedures at the plant's sewage treatment facility and production department to reduce its impact on the environment, after which it is properly stored in a leak-proof container. After completing the declaration of the government discharge information management platform, we will entrust a qualified recycler for subsequent processing.

To further reduce wastewater discharge, the tinning business has added a thinner recycling equipment in the coating plant to treat and reuse waste thinner water. In addition, we have strengthened the maintenance of reverse osmosis ("RO") water purification equipment by regularly replacing the reverse osmosis membrane and increasing the frequency of pre-filter replacement to once a quarter, which not only increases the water production per unit time, but also reduces the amount of wastewater generated⁵.

⁵ The Group's hazardous wastewater volume has been significantly reduced compared to the previous reporting year as the tinning business has added thinner recycling equipment and RO water purification equipment to maintain and reuse wastewater, effectively reducing hazardous wastewater discharge.

3. Creating Green Operations Together (continued)



RO Water Purification Equipment



Waste Thinner Recycling Equipment

The Group regularly carries out local government inspections and engages third-party agencies to conduct wastewater inspections to ensure compliant emissions. The Group tests the chemical oxygen demand (“COD”) level and pH value of the wastewater produced by the tinsplating business on a weekly basis. The Group entrusts a company that holds a local environmental certification on a quarterly basis to conduct wastewater testing, mainly including the pH value, COD, ammonia nitrogen, total amount of phosphorus, nitrogen, chromium, etc. The relevant test results reach the standards required by regulations. The local environmental protection department also monitors the amount of pollutants in sewage in real-time through the online sewage monitoring facility, and carries out irregular discharge inspection of the plant every year to monitor the wastewater discharge of the tinsplating business. Furthermore, the Group strictly implements the “Guidelines for Environmental Suspension Operations” at all production workshops and sewage treatment stations to prevent environmental pollution incidents caused by excessive discharge of wastewater due to operational errors or emergencies.

Fresh and Live Foodstuffs Business

The non-hazardous wastewater generated in the operation of the fresh and live foodstuffs business is mainly from the sewage of cleaning the livestock in the slaughterhouse, the cleansing sewage from the fresh meat processing workshops and the fresh meat stalls, and the domestic sewage from the office⁶. The fresh and live foodstuffs business of the Group complies with the regulations including but not limited to Water Pollution Prevention and Control Law of the People’s Republic of China and Water Pollution Control Ordinance of Hong Kong. The sewage produced by cleansing piggpens and live pigs in the fresh and live foodstuffs business does not contain substances that causes a significant impact on the environment. The slaughterhouse and the meat processing plant of GDH Food Foshan located in Foshan City are equipped with wastewater treatment facilities. We have formulated the “Description of Slaughterhouse Wastewater Treatment Plan” to regulate the wastewater treatment equipment at the inlet and outlet to ensure that the effluent meets the relevant national and local pollutant discharge standards, and the treated wastewater will be discharged into the municipal sewage system to comply with the standard. All sewage of slaughterhouse in Hong Kong is discharged to sewage canals of each cleansing pen in accordance with the management procedures of the slaughterhouse. The sewage collected by the slaughterhouse will then be reused after filtration and disinfection. Since the slaughterhouse in Hong Kong was sub-leased to other operators at the same time, the water and drainage data records related to our fresh and live foodstuffs business in Hong Kong are not able to be collected, hence the relevant data are not disclosed in the Report. The Group’s fresh meat processing workshops are mainly responsible for the meat cutting process, and the wastewater is mainly cleansing sewage, which will be discharged into the municipal sewage system for treatment. Most of our fresh meat stalls in the supermarket are equipped with grease traps, and environmentally friendly detergents are used to clean the grease traps to reduce the environmental pollution caused by the detergents. The domestic sewage generated by the office is discharged to the municipal sewage system through the pipeline of the building for further processing. Besides, the fresh and live foodstuffs business has not produced any hazardous wastewater that has a significant impact on the environment.

⁶ The volume of non-hazardous wastewater has increased compared to the previous reporting year as the Group’s meat processing plant in Nanhai District, Foshan City has commenced operation in the second quarter of 2022.

3. Creating Green Operations Together (continued)

The Group's hazardous liquid waste and non-hazardous wastewater discharges of the tinsplating business as well as fresh and live foodstuffs business are shown in the table below.

Wastewater/Liquid Waste	Unit	2022	2021
Hazardous wastewater			
Total	tonnes	6.92	332
Intensity	tonnes/million HKD of revenue	0.001	0.07
Non-hazardous wastewater			
Total	tonnes	1,454,529	547,061
Intensity	tonnes/million HKD of revenue	175.42	113.18

iii. Management of Exhaust Gas and Greenhouse Gases Emission

Tinsplating Business

The exhaust gas and greenhouse gas generated by the Group's business are mainly from the production process of tinsplate and daily use of vehicles. For exhaust gas produced, the Group complies with laws and regulations, including, but not limited to the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and the requirements of Emission Standard of Pollutants for Electroplating, Emission Standard of Air Pollutants for Industrial Furnace and Kiln, Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises and other relevant industry standards. The Group engages third-party agencies to conduct exhaust gas inspections and strictly implement internal environmental protection management systems and exhaust emission requirements. The Group has set up gas collection hoods in the production workshops to collect exhaust gas, including organic exhaust gas, oil mist exhaust gas and chromic acid mist. We treat the collected exhaust gas, such as lye spray absorption, vacuum oil mist separation, scrubbing and acid regeneration, to ensure that it is emitted at high altitudes in compliance with relevant emission standards. Personnel from the environmental protection department of the Group is responsible for monitoring the emission of various types of exhaust gas in the plant and installing appropriate exhaust gas treatment facilities at the exhaust outlets to reduce the impact on the environment. The use of hydrogen and nitrogen is required in the production of tinsplate. Since the related gases will not be directly burned, no exhaust gas or greenhouse gas that has significant impact on the environment will be produced.

Driven by our dedication to implementing the source emission reduction policy, we provide employees with the "Guidelines for the Use of Exhaust Gas Treatment Devices" to guide employees in the correct operation of exhaust gas equipment to prevent leakage or excessive emissions of exhaust gas due to operational errors. Through internal management system, we are able to manage and reduce the generation and emission of exhaust gas and greenhouse gas, and we provide employees with environmental protection-related training, maintenance of production equipment and environmental protection facilities, etc. In addition, to reduce exhaust gas emitted from the use of automobiles, the Group encourages employees to use public transportation and the Group's vehicles are required to use unleaded gasoline whenever possible to reduce air pollutants and greenhouse gas emissions.

3. Creating Green Operations Together (continued)

Fresh and Live Foodstuffs Business

The Group's fresh and live foodstuffs business does not involve the generation of air pollutants that significantly impact the environment. The fresh and live foodstuffs business only produces a small amount of exhaust gas, which resulted from logistics vehicles; and the greenhouse gas mainly comes from electricity use in offices, slaughterhouses and fresh meat processing workshops. To properly manage exhaust emissions from vehicles, we regularly inspect and maintain vehicles, and require drivers to switch off the engines of idling vehicles. Moreover, we encourage employees to use public transportation as much as possible and replace unnecessary business trips with telephone or video conferences, so as to reduce greenhouse gas emissions in daily operations.

The overall exhaust gas and greenhouse gas emissions of the Group in the tinsplating business as well as fresh and live foodstuffs business are as follows:

Exhaust Gas and Greenhouse Gases	Unit	2022	2021
Exhaust Gas			
Nitrogen oxides	tonnes	14.89	19.69
Sulphur oxides	tonnes	0.81	0.13
Particulate matter	tonnes	0.71	0.67
Greenhouse Gases			
Total greenhouse gas emissions	tonnes CO ₂ e	83,007	89,643
Intensity of greenhouse gas emissions	tonnes CO ₂ e/million HKD of revenue	10.01	18.55
Scope 1 – Direct greenhouse gas emissions	tonnes CO ₂ e	9,317	11,163
Scope 2 – Energy indirect greenhouse gas emissions	tonnes CO ₂ e	73,689	78,480

iv. Management of Disposal of Solid Wastes

Tinsplating Business

The Group strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, other relevant laws and regulations and local regulations for the storage of solid waste and has formulated internal rules and regulations for waste to classify, manage and monitor waste disposal processes. The waste generated from the production of tinplate can be divided into hazardous waste (such as oily sludge, chromium-containing sludge, waste paint, waste oil residue, etc.), non-recyclable waste (such as domestic garbage, dust, etc.) and recyclable waste (such as waste paper, scrap, iron, packaging waste, etc.). We strictly regulate the treatment and classification of various types of hazardous and non-hazardous waste, and centrally store them for further disposal in accordance with laws and regulations. In accordance with national requirements for the movement of hazardous waste, the Group will report hazardous waste movements to the relevant government departments in real time and entrust a qualified recycling company to dispose of it. The Group regularly sends non-recyclable waste to the local environmental and hygiene department for disposal whereas recyclable waste is sold to recyclers with professional recycling technologies to improve the resource reuse rate and reduce waste.

3. Creating Green Operations Together (continued)

Fresh and Live Foodstuffs Business

The non-hazardous waste generated by the Group's fresh and live foodstuffs business is mainly organic waste generated by slaughtering livestock in slaughterhouses and processing fresh meat, and domestic waste from daily operations. We sell organic waste such as lard, pig head, and pig offal to collectors or recyclers to reduce the amount of non-hazardous waste disposal and its impact on the environment as a result thereof. Domestic waste produced from daily operation will be collected and tackled by property management companies. Only a small amount of hazardous waste from daily office operations, such as replacing ink cartridges, is produced when operating the fresh and live foodstuffs business.

The Group's hazardous and non-hazardous waste generated from tinsplating business and fresh and live foodstuffs business are as follows:

Waste	Unit	2022	2021
Hazardous waste			
Total generated	tonnes	1,575	1,204
Intensity	tonnes/million HKD of revenue	0.19	0.25
Non-hazardous waste			
Total generated	tonnes	21,029	17,120
Intensity	tonnes/million HKD of revenue	2.54	3.54

v. Management of Noise

Tinsplating Business

The Group strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise and Emission Standard for Industrial Enterprises Noise at Boundary to manage the noise from the tinsplating business. Noise is mainly generated during the operation of tinplate production equipment and its auxiliary facilities. The tinplate production plants are in semi-closed style and installed with acoustic doors and windows. The Group has taken various noise reduction measures such as acoustical isolation and noise reduction according to the characteristics of noise from the production equipment. On top of adopting noise reduction design and equipment, the Group has put effort in operation, including requiring employees to follow the management system to operate production equipment, prohibiting unauthorised start up and shut down of the production equipment, regularly repairing and maintaining the production equipment and selecting environmental-friendly and low-noise models when purchasing new equipment, to reduce noise generated during operation. During Year 2022, the Group commissioned qualified testing companies to conduct quarterly noise tests in the nearby environment and all test results meet emission standards.

Fresh and Live Foodstuffs Business

The noise of the fresh and live foodstuffs business is mainly the noise of livestock in slaughterhouses. Livestock is placed indoors after entering the slaughterhouse to reduce the impact of livestock noise on the surrounding environment. The slaughterhouse of GDH Food Foshan strictly abides by the Emission Standard for Industrial Enterprises Noise at Boundary. It engaged a qualified third-party on a regular basis to conduct noise tests and all test results meet emission standards. We provide earplugs for employees to block the livestock noise to protect employees from occupational injuries.

3. Creating Green Operations Together (continued)

3.3 MANAGEMENT OF RESOURCES UTILISATION⁷

i. Conservation of Energy

Our tinplating business insists on scientific energy management, focuses on clean production and development of circular economy with energy saving, consumption reduction, emission reduction and efficiency increase, constantly improves the system construction of energy management, strengthens scientific energy management, insists on management and technological innovation, etc., to improve energy utilisation efficiency, enhance enterprise competitiveness and promote high-speed and efficient development of the enterprise. GDH Zhongyue and GDH Zhongyue Qinhuangdao established an energy-saving leading group and an energy-saving working group, set up an energy management office, assigned full-time energy management personnel, and established an energy management system. We have introduced GB/T23331 Energy Management System and obtain ISO50001 energy management system certification, and established an energy management team, continuously optimising and improving the energy management system, as well as deepening energy-saving management.

GDH Zhongyue and GDH Zhongyue Qinhuangdao set up an energy management team as the core to effectively carry out work. We pay attention to the energy efficiency benchmarking work with the advanced enterprises in the same industry, and the energy consumption levels of GDH Zhongyue and GDH Zhongyue Qinhuangdao North and South plants are benchmarked with each other, formulated unified budget management, and implemented energy-saving assessment indexes, so that the competitiveness of the enterprise can be further improved. In addition, our energy metering system consists of electricity, natural gas, steam, tap water and industrial water, etc. We have implemented the configuration of the three-level metering instruments and established the corresponding ledger for the provision of energy metering instruments. All kinds of energy are equipped with complete monitoring instruments and meters, then energy supervisors and measurement administrators regularly go to the site to check the energy consumption of each production plant and the use of energy measuring instruments, to stop unreasonable energy use in time and avoid wastage.

Direct Energy Consumption

The direct energy consumption of the Group's tinplating business is mainly from the production process, daily office operations and vehicle use, including fuels such as gasoline, diesel, natural gas and ethanol fuel; while the direct energy consumption of the fresh and live foodstuffs business is mainly from vehicle fuel. Compared to tinplating business, the energy consumption ratio of fresh and live foodstuffs business is relatively small. Therefore, other energy-saving systems, apart from fleet management, mainly target the tinplating business. Regarding tinplating business, the Group continues to abide by the Energy Conservation Law of the People's Republic of China and other laws and regulations related to energy conservation. The Group also formulates policies on electricity consumption and energy conservation. GDH Zhongyue and GDH Zhongyue Qinhuangdao have both established energy management systems and obtained ISO 50001:2018 Energy Management System certifications, which meet international standards. We are actively improving the production efficiency of workshops in the tinplating business by arranging production rationally to reduce electricity consumption. In addition, we adopted an environmentally friendly furnace treatment device in metal printing of the tinplating business. By recycling the heat in the metal printing and burning it with natural gas in the environmentally friendly furnace device, we make good use of thermal energy and effectively reduce the use of natural gas and greenhouse gas emissions.

⁷ Due to the addition of Brilliant Food to the scope of reporting in Year 2022, the obtained data may be higher than the previous year.

3. Creating Green Operations Together (continued)

Indirect Energy Consumption

The indirect energy consumption of the Group mainly consists of electricity and steam. Electricity is mainly used for operations of office and timplating plant, while steam is used for the production process of the timplating business. To ensure the enhancement of production quality, energy efficiency and environmental protection efficiency, the Group is committed to investing in scientific research and innovating timplating production technology. When purchasing new equipment, the Group gives priority to equipment with greater energy efficiency or with an energy efficiency label and regularly repairs and maintains production equipment and electrical equipment to reduce wastage of energy. With an aim to effectively control electricity consumption of the timplating business, we are in line with the national energy saving direction and have also set clear energy-saving targets and indicators for the plants to limit electricity consumption.

Energy Consumption	Unit	2022	2021
Direct energy consumption			
Natural gas	ten thousand cubic metres	392	483
Diesel	kg	269,567	206,707
Gasoline	kg	25,302	24,062
Ethanol fuel	kg	5,934	5,607
Indirect energy consumption			
Electricity	MWh	91,249	94,421
Steam	tonnes	74,703	72,198

ii. Conservation of Water

Timplating Business

The water used by the Group's timplating business includes tap water and natural water and is mainly used in production processes and daily office operations. In addition to tap water and natural water, the timplating business also uses tower water, pure water and soft water throughout the electroplating production process. During Year 2022, we did not encounter any problems in sourcing water. The Group recognises that the use of water is critical in the production and daily needs and pays attention to the use of water resources and established different policies and systems to regulate water consumption in different businesses. As the production of tinplate and other steel products is a water-intensive industry, the Group has implemented water conservation measures at different locations with water consumptions and drainage outlets. Employees at wastewater treatment facilities conduct monthly monitoring, including collecting and analysing the flow rate of the water consumption points at the industrial park, and identifying departments or workshops with larger water consumptions. Targeted corrective plans will be formulated to prevent unnecessary use of water. Appropriate water consumption targets are set according to the operation of each production plant. Clear measures to reduce water consumption, such as reminding employees to tightly turn off the taps to avoid wasting water and formulating a reasonable production plan to prevent idling water valves, are adopted to strive for integrating water conservation into daily work. The equipment maintenance department regularly checks and repairs water-consuming facilities to prevent water leakage.

3. Creating Green Operations Together (continued)

Due to the production needs of the tinsplating business, the Group needs to convert raw water into pure water and soft water through a water production process. Hence, the Group attaches great importance to the reuse of water resources. GDH Zhongyue and GDH Zhongyue Qinhuangdao have installed wastewater reuse devices to adopt multiple treatments, such as filtering, drug-using, Nano filtration, to the concentrated water produced from the water production process and chromium-containing wastewater produced during the production process, and reuse to the production process, thereby improving water resource utilisation. In addition, the Group puts great emphasis on scientific research. Our scientific research department specialises in transforming production equipment, optimising production processes and improving wastewater recycling technology solutions, so as to improve wastewater reuse rate.

Fresh and Live Foodstuffs Business

The water used by the Group's fresh and live foodstuffs business is from municipal water supply and it is mainly used for cleaning livestock and daily life. The slaughterhouse uses water card, which is a stored-value card, to manage water consumption. Employees must remove the water card immediately after completing their work. We closely monitor water consumption, encourage employees to use water reasonably, and reduce waste. During Year 2022, the Group did not encounter any problems in sourcing water for our fresh and live foodstuffs business.

The overall water consumption of tinsplating business and fresh and live foodstuffs business of the Group is as follows:

Water Consumption	Unit	2022	2021
Total	cubic metres	1,765,903	1,250,332
Intensity	cubic metres/million HKD of revenue	212.97	258.69

iii. Conservation of Other Resources

The Group promotes the concept of paperless office and encourages its employees to distribute documents electronically, so as to reduce paper used for photocopying, faxing or printing. To make good use of paper, we encourage employees to use double-sided and format reduced printing, set the printer to duplex printing as the default setting, reuse envelopes and packaging materials, and reduce the font size and line spacing as far as possible. In addition, the Group selects green suppliers to supply environmental-friendly paper and lighter paper. The Group will continue to actively promote the aforesaid measures and continually provide employees with different environmental protection training in order to reduce resource consumption.

The overall paper consumption of tinsplating business and fresh and live foodstuffs business of the Group is as follows:

Paper Consumption	Unit	2022	2021
Total	kg	6,813	6,914
Intensity	kg/million HKD of revenue	0.82	2.75

3. Creating Green Operations Together (continued)

In addition to reducing the use of paper, we have also taken measures to reduce the use of packaging materials. The Group's packaging materials are mainly used for packaging tinplate products and packaging fresh food in supermarkets. Regarding tinplating business, GDH Zhongyue manages the inventory and the usage of packaging materials via an online platform of warehouse management, while GDH Zhongyue Qinhuangdao has recorded the use of packaging materials to effectively understand the monthly usage and facilitate the calculation of usage density to avoid waste. In the field of fresh and live foodstuffs business, we encourage employees in charge of packaging to reduce the disposal of plastic boxes. If the plastic boxes are not broken, they are cleaned and dried for reuse, so as to minimise the impact on the environment due to disposal as much as possible.

The overall packaging materials used by the Group in the tinplating business and fresh and live foodstuffs business are as follows:

Use of Packaging Material	Unit	2022	2021
Total	tonnes	3,244	5,099
Intensity	tonnes/million HKD of revenue	0.39	2.02

3.4 RESPONDING TO CLIMATE CHANGE

In order to cope with the frequent occurrence of extreme weather caused by climate change, which has a significant impact on business operations, the Group has formulated corresponding climate change risk response plans to control and effectively deal with various emissions and wastes to minimise the impact on the environment and ensure that all environmental protection work is in compliance with laws and regulations. The Group acts to strengthen the prevention and disposal of typhoons, floods and other sudden natural disaster events, continuously promote the prevention and disposal work in an orderly, efficient and scientific manner, minimise the probability of casualties and disaster losses, formulate the "Three Prevention Work Plan and Emergency Response Plan", set up an emergency response team, continuously improve the ability of disaster prevention and rescue work, and ensure the safety of life and property.

The Group regularly organises emergency plan and emergency response skills training and drills for relevant personnel in conjunction with the actual situation to bring a positive impact on sustainable development and climate change.

4. Management of Employees

The Group understands that employees are the cornerstone to the development and success of the company. We attract and hire the best people to build a team with high performance. We attach great importance to the professional development of our employees and provide them with positive career paths based on their characteristics and their personal development so that they can become a leading team with diversity to support the company's development plans and achieve business objectives. Another aim of the group is to enhance the physical and mental well-being of our employees and we are committed to creating a safe, healthy and equitable work environment for all employees to bring a positive impact on society. As a caring company, we comply with national and local labour and employment laws and regulations, including but not limited to the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Production Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, Employment Ordinance and Occupational Safety and Health Ordinance of Hong Kong. The Group did not have any violation cases related to employment, health and safety and labour guidelines during Year 2022.

At the end of Year 2022, the Group had a total of 1,436 full-time employees (2021: 1,118). The number of employees and the turnover rate broken down by different categories are as follows:

Number of Employees and Employee Turnover Rate⁸	2022	2021
Total	1,436 (14%)	1,118 (15%)
By Gender		
Male	1,108 (16%)	889 (14%)
Female	328 (9%)	229 (18%)
By Age group		
Less than 30 years old	261 (16%)	193 (31%)
30 to 50 years old	923 (15%)	729 (9%)
More than 50 years old	252 (8%)	196 (21%)
By Region		
Mainland China	1,215 (13%)	938 (12%)
Hong Kong	221 (22%)	179 (29%)
Korea	0 (0%)	1 (0%)

4.1 Professional Team

The Group actively regulates the employment and labour system. We have established clear guidelines to help employees understand the details of the structure, recruitment, dismissal, compensation and benefits. Thus, equal labour relations could be established and the rights and interests of both employers and employees could be protected.

The Group is an equal opportunity employer, and recruitment decisions for all positions will be decided based on professional qualifications. Candidates are selected through interviews any form of discrimination or unfair treatment based on age, gender, race, religion, marital status, sexual orientation or disability is not tolerated.

⁸ Formula for turnover rate calculation: number of employee leaving employment under a specific category ÷ number of employee under that specific category at the end of Year 2022 × 100%.

4. Management of Employees (continued)

4.2 Structural Management

To optimise the allocation of human resources of the Group, the Recruitment Management Measure is formulated, which supports the stable development of the company with sustainable human resources, as well as clarifying and standardising the recruitment management and operation processes of the company, and to maximise the optimisation and control of the recruitment cost.

Our recruitment channels are divided into two major pathways: internal selection and external recruitment. Internal selection is done through open competition, organisational inspection, job transfer or rotation, etc. to select the best person to fill the vacancies and train the compound talents for the company; external recruitment includes campus recruitment, job fairs, internal recommendations, online recruitment, headhunting recommendations, etc.

The Group cherishes and protects human rights as well as labour rights. Child labour or forced labour is strictly prohibited. We review the identification documents of employees before they commence duty to ensure that they have reached the legal working age, so as to avoid recruiting any child labour by mistake. At commencement of work, employees are required to sign employment contract which explicitly stated out information such as job description, salary, working hours and venue, to prevent any forms of forced labour. In case of misemployment of child labour or forced labour, the Group will immediately stop the work of the relevant personnel, and investigate the incident to prevent any recurrence. Moreover, the working hours of employees are in compliance with relevant local laws and regulations and employees' consent is required upon any arrangements of necessary overtime working. They are compensated in accordance with the laws and regulations to avoid forced overtime working.

During Year 2022, the Group continued to strictly abide by the laws and regulations related to the prohibition of child labour and forced labour, including but not limited to the Labour Law of the People's Republic of China, Provisions on the Prohibition of Using Child Labour, and the Employment Ordinance and Employment of Children Regulations of Hong Kong. No incident concerning the employment of child labour under the legal working age or forced labour was informed.

4.3 Rights and Benefits

The Group provides competitive remuneration and benefits packages to attract and retain talent. To ensure that our remuneration and benefits policies remain competitive in the market, we regularly review the remuneration levels of our employees at various levels and keep track of the remuneration situation in the industry and labour market, to establish a fair, reasonable and highly competitive remuneration system. Salary adjustment considerations and adjustment strength are based on the company's effectiveness and employee performance, adjusted rank, market salary trends and other factors. In addition to remuneration determined based on job requirements, knowledge and skills, experience and education, we also adjust the remuneration of our employees according to the operating performance and the results of their performance appraisals. The Group has also formulated the "Regulations on Attendance and Leave Management" applicable to both Mainland and Hong Kong, to establish good working order and strengthen labour discipline management.

The Group places great emphasis on protecting the rights of employees, hence the Group strictly abides to relevant laws and regulations at operation locations, and provides all employees with relevant benefits, such as providing high-temperature subsidies, paying social insurance and housing provident funds for employees in the Mainland. The Company pays the mandatory provident fund for the employees in Hong Kong. Besides, we provide other benefits for employees, including working meals, festive foods, holiday gifts, fruits, etc. In addition to statutory holidays, employees also enjoy paid annual leaves, wedding leave, maternity leave, and compassionate leave. In 2022, as the coronavirus epidemic continues, we distributed anti-epidemic supplies and sympathy packages to infected employees. During the Chinese New Year, Mid-Autumn Festival and National Day, we also provide holiday gift packages to our employees.

4. Management of Employees (continued)

To raise employees' sense of belonging to the Group and to help colleagues to relieve stress, we hold diversified staff activities from time to time, including holiday celebrations, vocational skills competitions, labour union activities, Women's Day celebration, tug-of-war competitions, etc., thus strengthening employees' team spirit and fitness.



Vocational Skills Competition



Women's Day Celebration



Tea Ceremony Activity



Basketball Competition

4.4 Nurturing Talents

In order to improve the overall quality of our employees and enhance their expertise and teamwork ability, the Group organised a series of trainings Year 2022, which included internal trainings, external trainings, dedicated trainings and online platform learning programme. Internal trainings include internal company training and internal departmental training. In-house training is a centralised training provided by the company with courses and internal instructors, while internal departmental training is conducted by each department according to the actual work needs of employees in a small-scale, flexible and practical manner.

During Year 2022, the internal training courses conducted by the Group mainly covered the following areas: induction training for new employees, laws and regulations on production safety, integrity and confidentiality training, interpretation of the latest policies, financial management, guidelines on the operation of the Company's systems, official documents and office automation operations, fire evacuation and emergency drills, safety specifications of special work in enterprises, and professional skills courses.

External training included sending relevant staff to attend public courses set up by external professional institutions or training courses organised by professional associations. During Year 2022, the external training courses organised by the Group mainly covered the following areas: legal risk control, compliance management, safe production, financial management, information security, professional qualification education, directors' performance practice, corporate governance, current affairs analysis, taxation management and anti-corruption education.

4. Management of Employees (continued)

The trainings were successfully held with high quality, which were planned to focus on enhancing the professional ability, leadership, strategic management, financial management and confidentiality awareness of employees in key positions. Moreover, improving the efficiency of the training organisation and management level through integrity education, legal compliance, professionalism, office skills and other general education for all staff.

The Group will continue to focus on talent cultivation and development and develop a training manual for 2023 in order to fully grasp the training resources and arrangements of the entire company and make full use of the synergy effect.

In Year 2022, the Group's training situation is as follows:

Average Training Hours and Percentage of Employees Trained ^{9, 10}	2022	2021
Total	34.8 (100%)	22 (97%)
By Gender		
Male	35.6 (100%)	23 (97%)
Female	32.3 (100%)	17 (96%)
By Level		
Senior	54 (100%)	15 (100%)
Intermediate	52.7 (100%)	28 (100%)
Junior	34.5 (100%)	22 (96%)

4.5 Health and Safety

The Group is highly concerned about the health and safety of employees. We strictly comply with relevant laws and regulations, including the Production Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and Fire Control Law of the People's Republic of China, etc. The Group has put in place a series of measures and policies to ensure the health and safety of our employees in different workplaces. We are committed to the management policy of "Winning Employees' Trust by Health and Safety", upholding the concept of "people-oriented" and raising the awareness of "Safety First, Precaution Crucial". The Group has clearly defined the safety responsibilities of different positions, including the leadership, management and frontline staff in the production safety responsibility system. Through clear work division in the production safety organisation structure, safety production works were effectively implemented and carried out. In addition, GDH Zhongyue and GDH Zhongyue Qinhuangdao have obtained ISO 45001:2018 Occupational Health and Safety Management System Certification. Every year, GDH Zhongyue will commissions a third-party testing company to conduct an annual safety inspection of production facilities and assess the current status of occupational hazards to analyse the safety level of industrial plants, the implementation of safety systems and identify safety hazards to maintain a safe workplace.

⁹ Formula for percentage of trained employees calculation: number of trained employees under a specific category ÷ total number of trained employees x 100%.

¹⁰ Formula for percentage of average training hours per employee: total number of training hours for employees in a specified category ÷ number of employees in the specified category.

4. Management of Employees (continued)

A safe working environment and occupational health are one of our most important aspects. The Group regularly organises production safety education and training for employees. Take tinplating business as an example, new employees must receive training on regulations and systems and a three-level safety training (i.e. three-level refers to department level, team level and production position level), and pass the exam upon the commencement of work. The Group has organised various safety trainings during Year 2022 to ensure all employees receive regular education and training on safety awareness, such as training on occupational health and safety knowledge, training on laws and regulations of production safety, training on safety operation regulations, and training on fire safety, etc., so that the employees can constantly understand production safety approaches and raise the awareness of occupational health and safety and continual improvement. The Group also provides training to employees who are required to carry out high-risk tasks to enhance their safety awareness. For example, during Year 2022, GDH Zhongyue provided training on fire evacuation drills, safety specifications of special work in enterprises, special guidance on production safety, etc. Furthermore, the Group will take different cases of safety-related incidents as learning content for employees. Through the use of real accidents as case studies, the Group aims to avoid similar accidents.



Month of Production Safety



Training on Safety Specifications of Special Work in Enterprises

As COVID-19 continued in 2022, the Group actively cooperated with the prevention and control requirements of the national and local governments, strengthens scientific publicity, and guided employees to consciously comply with epidemic prevention regulations and perform personal protection and health monitoring. We encourage employees and their family members who are eligible for COVID-19 vaccination to receive COVID-19 vaccine.

During Year 2022, the total number of lost-days by the Group's employees as a result of work injuries was 124 days (2021: 187 days), while the number and rate of work-related fatalities occurred in each of the past three years were as follows.

Occupational Health and Safety	2022	2021	2020
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (%)	0	0	0

5. Operating Practices

5.1 Supply Chain Management

The Group's material and service suppliers run through all aspects of business operations. The Group attaches great importance to the management and sustainability of the supply chain. We have strict requirements on procurement procedures and supplier selection and management, and have established a robust supplier management system. With reference to the Government Procurement Law of the People's Republic of China, Regulation on the Implementation of the Government Procurement Law of the People's Republic of China and relevant laws and regulations, and in compliance with the relevant provisions of Securities and Futures Ordinance and Companies Ordinance, we have formulated a series of relevant system documents and standard operating procedures to understand the process capability and quality control function of suppliers and to standardise supplier management and improve the rationalisation of operations. The Company selects qualified suppliers in accordance with the principles of legal compliance, openness and transparency, fair competition, fairness and integrity, integrity and efficiency, and protection of corporate rights and interests. During Year 2022, the Group was not informed of any violations related to supply chain management.

In addition, GDH Zhongyue has established a supplier assessment organisation system including the Supplier Assessment Management Committee, professional assessment team, purchasing department, user department and other functional departments, which is responsible for organizing the procurement of suppliers, annual assessment and management, determining and approving the access of qualified suppliers and supervising and checking the implementation of the assessment of suppliers in accordance with the system by the professional assessment team.

During Year 2022, the Group's tinplating business had a total of 229 major suppliers (2021: 107), divided by region as follows:

Number of Suppliers	2022	2021
South China	63	39
East China	45	32
North China	99	26
Northeast China	8	3
Central China	9	4
Southwest China	3	1
Northwest China	1	1
Overseas	1	1

During Year 2022, the Group's fresh and live foodstuffs business had a total of 271 major suppliers (2021: 58), divided by region as follows:

Number of Suppliers	2022	2021
South China	182	41
East China	20	9
Central China	28	4
North China	13	2
Overseas	28	2

5. Operating Practices (continued)

The Group is concerned about environmental and social risks in its supply chain and regularly reviews its own supply chain in accordance with its supplier management system to identify potential risks. The Group also engages with internal and external stakeholders to understand the environmental and social risks associated with its supply chain. GDH Zhongyue GDH Zhongyue Qinhuangdao conduct annual assessment of existing suppliers on their environmental, energy and occupational health and safety system performance. To reduce environmental and social risks in the supply chain, suppliers which violate the requirements of the system will be penalised, while those with major safety or environmental accidents will be eliminated. GDH Guangnan Hong pays close attention to the transportation and storage of fresh and live foodstuffs during the procurement process and disposes of the stock in a timely manner to avoid wastage of products and environmental pollution. GDH Food Foshan has established a management system for live pig wholesalers and regularly assesses the suppliers to reduce supply risk. In addition, GDH Food Foshan monitors and manages the supply chain through the application of technologies such as the Smart Slaughtering System.

The Group integrates the concept of environmental protection into supply chain management and procurement. In the procurement process, the impact of products or raw materials on the environment is considered and the products with less impact on the environment are selected. For example, GDH Zhongyue gives priority to suppliers which provide energy-saving and environmentally-friendly products. At the same time, the Group has established a warehouse management system to effectively manage and utilise the materials to avoid waste due to expiration. We ensure that the products and services of suppliers comply with relevant environmental and social laws and regulations, such as emphasizing environmental protection, prohibiting child labour or forced labour, treating labour fairly and anti-discrimination, etc. Supplier operations are required to respect, promote and promote international principles of social, environmental and corporate ethics.

5.2 Quality Control

The Group sets high requirements for the supply chain and product quality, and is committed to providing customers with high-quality products and services and improving the supply chain. This ensures product quality, reduces supply chain risks, improves product reliability and meets customer needs. During Year 2022, there were no incidents that the Group had to recall products for safety and health reasons.

For the fresh and live foodstuffs business, we have established a strict process on quality control for providing customers with fresh and live foodstuffs of high-quality, safety and up to hygiene standards. We strictly comply with related laws and regulations, including but not limited to the Animal Epidemic Prevention Law of the People's Republic of China, Food Safety Law of the People's Republic of China, Measures for the Supervision and Administration of the Inspection and Quarantine of Imported and Exported Meat Products, Measures for the Administration of Inspection and Quarantine of Live Pigs Supplied to Hong Kong and Macao, Regulation on Hog Slaughter of Mainland, as well as the Public Health and Municipal Services Ordinance, Food Business Regulation, Slaughterhouses Regulation and Prevention of Cruelty to Animals Ordinance of Hong Kong, throughout business operations. The chilled meat we purchased must acquire documentation such as quarantine certificate, disinfection certificate and import trade declaration and we check its shelf life, temperature control during transportation, appearance, and ensure that the packaging is intact during purchase. In addition, quality control of live pigs is an important part of the operation of fresh and live foodstuffs business. Therefore, other than checking whether the supplier holds certificates on hygiene, inspection and quarantine issued by the local government, we also conduct regular inspections and flight inspections (i.e. inspections without prior notice) of the farms from the list of qualified suppliers to ensure that live pigs purchased meet the supply standards of Hong Kong. GDH Food Foshan has formulated the method for the delivery of live pig products, ensuring that only live pigs with immune ear tags and quarantine certificates of origin are accepted in accordance with legal requirements, the requirement for establishing detailed records of their origin and random medical checks are conducted on live pigs, to ensure the quality of pork products. At the same time, according to the Basic Requirements for Animal Hygiene in Live Pig Farms for Hong Kong and Macau and Basic Requirements for Animal Hygiene in Live Poultry Farms for Hong Kong and Macau, we

5. Operating Practices (continued)

conduct reviews on suppliers and send live pig samples to a third-party testing agency for inspection. We will terminate the contract with suppliers which are associated with the illegal use of drugs, poor sanitation management or unqualified sampling. Furthermore, we conduct verification, quarantine and inspection, including group and individual inspections of live pigs, and sampling of urine for illegal drug tests, to the live pigs on the logistic vehicles to Hong Kong. The Group will reject live pigs that failed in the verification, quarantine and inspection process. GDH Food Foshan has developed a system for the disinfection of live pig slaughterhouses and a disinfection management measures, to regulate the disinfection methods of the slaughterhouses, transport vehicles and staff that come into contact with the products, so as to effectively reduce possible contamination during the slaughtering process and ensure the safety of pork products. In Hong Kong, upon the arrival of live pigs at the slaughterhouse, they will be inspected by the personnel of the Hong Kong Food and Environmental Hygiene Department. Unqualified pigs will be sent to the designated locations for culling. To ensure that food is free from contamination, the utensils and logistic vehicles used to process meat are cleaned and disinfected. Moreover, if any incident of death of live animals is discovered, the employees of Hong Kong must notify the Hong Kong Food and Environmental Hygiene Department immediately for culling, take pictures and records, so as to prevent any situation that could lead to the spread of an epidemic, while the employees in Mainland are required to handle them in strict accordance with the opinion of the veterinary department. In Hong Kong, onsite quality supervisors are appointed by the supermarket to monitor the quality of pork and the operation process in the fresh meat processing workshops. After entering the supermarket, fresh pork will be stored in the fresh-keeping warehouse. We will strictly control the sales time and temperature to ensure the hygienic condition of the process and the quality of pork. The fresh and live foodstuffs business has established a product recall procedure to recall products that may pose a food safety hazard in a timely manner to ensure food safety. For example, GDH Food Foshan has developed a defective product recall method and a pork product quality and safety traceability method to record the production and flow of all pork products, so that when unsafe food is found, the recall can be carried out quickly in accordance with the procedures and reported to the local agricultural authorities. Meanwhile, GDH Food Foshan records every product recall and analyse the causes of food safety problems so as to rectify and prevent the recurrence of related problems.

Regarding the tinsplating business, GDH Zhongyue and GDH Zhongyue Qinhuangdao have both acquired ISO 9001:2015 quality management system certification and ISO 22000:2018 food safety management system certification. In order to provide high-quality and safe products to satisfy the growing and rigorous customers' requirements on product quality, we improve the quality management system and conduct internal reviews regularly on the implementation of the quality management system, ensuring its suitability, adequacy and effectiveness and taking timely measures for improvement. In order to ensure the normal operation of the system and to continuously improve its effectiveness, we have established and implemented a Quality, Food Safety, Environment, Occupational Health and Safety and Energy Management System in accordance with ISO 9001:2015, FSSC 22000:2016, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 standards. The Quality, Food Safety, Environment, Occupational Health and Safety and Energy Management Manual has been developed to provide guidance on the establishment and implementation of policies and objectives for quality, environment, occupational health and safety and energy, reflecting the commitment to meet customer requirements, legal and regulatory requirements and continuous improvement. The tinsplating business also has a sound product quality management system from the formulation of production plans, the occurrence of quality accidents to the handling of quality accidents. This clarifies the responsibilities of each department to reduce the possibility of having quality accidents in the production process. In case a quality accident occurs, we would identify the cause of the accident immediately, determine the level of the accident and take corresponding measures. The tinsplating business firmly abides by the "Four Strict Rules" to constantly seek improvements in product quality, including strictly demanding a clear analysis for reasons behind incidents; strictly requiring persons in charge to deal with incidents promptly; strictly reinforcing education to persons and groups responsible for the incidents; and strictly formulating remedial and prevention measures. GDH Zhongyue has also developed a Quality Management Manual, which clearly sets out the requirements and standards for quality testing to improve product quality. Meanwhile, employees of the tinsplating business would receive training related to product quality, including training on food safety knowledge, training on product defect identification, training on judging the product standard, etc., in order to enhance the understanding

5. Operating Practices (continued)

of product quality. Products from the tinsplating business are used for food packaging, hence the Group has a product recall control procedure to timely recall products that may pose a hazard to food safety. Each of GDH Zhongyue and GDH Zhongyue Qinhuangdao has set up a dedicated task force to receive and verify information on products that may potentially pose a threat to food safety and carry out a product recall. After determining the need for product recall, all departments will withdraw and dispose of the product according to the procedures, analyse the cause of the accident, formulate and implement the corresponding improvement measures to avoid the recurrence of similar incidents. To ensure the effectiveness of the recall control procedures, GDH Zhongyue and GDH Zhongyue Qinhuangdao organise simulation exercises on product recall regularly.

5.3 Customer Services

The Group respects the opinions of all customers, and we regard them as an important basis for the improvement of the Group. All customers who have any comments or complaints about the products and services of the Group can contact the relevant sales personnel of the Company. Relevant personnel will immediately report and make written records for immediate follow-up. Through conducting regular customer satisfaction surveys, we collect and analyse customers' opinions on the product quality of tinsplate, service quality, delivery timeliness, price-performance ratio, etc., so as to introduce improvement measures to enhance customer satisfaction. The tinsplating business records the product information of defective batches and conducts in-depth analysis of the product quality problems of the relevant batches. If the quality issue is found to have risen from the supplier or the delivery company, we will report to the relevant supplier or delivery company and seek compensation. We will also work out a compensation plan with the customer and take improvement measures to avoid the recurrence of the related quality issues; Regarding the fresh and live foodstuffs business, when the Company receive complaint from a customer, relevant departments will comprehend the content of the complaint, grasp the situation from the related employees in fresh meat stalls, reply to the customer within 24 hours via supermarkets and take appropriate actions to avoid the same or similar situation from happening, in order to enhance customers' satisfaction. In order to make the customer complaint handling process smooth, complete and formatted, to standardise the customer complaint handling process and to provide timely, considerate and effective after-sales service, we have formulated the Handling Customer Quality Complaints Operation Guideline to record the relevant complaints in detail for reference for future management.

5.4 Business Ethics

The Group strictly abides by national and local laws and regulations related to privacy protection, intellectual property rights and product information, including but not limited to the Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China, and the Personal Data (Privacy) Ordinance, Copyright Ordinance and Trade Descriptions Ordinance of Hong Kong. In order to improve the effectiveness of the Group's compliance management, enhance the ability of self-restraint, promote the sound operation and sustainable development of the Company, prevent the loss and leakage of trade secrets and internal documents and information, and safeguard the legitimate rights and interests of the Company, the Company's Confidentiality Management Regulations are formulated with reference to the provisions of relevant national and local laws and regulations and relevant management systems, taking into account the actual situation.

5. Operating Practices (continued)

We have established a Confidentiality Steering Group, as well as the company confidentiality management mechanism. Employees are not allowed to disclose the Company's trade secret internal documents and information, as well as business and customer information without permission, and should not disclose the Group's trade secrets to third parties even after the termination of employment. Employees need to understand, sign and promise to comply with privacy rules to keep trade secrets and related information confidential. During the auction of fresh and live foodstuffs, employees must keep the information in the auction confidential, and must not disclose any information that may affect the auction results even after the auction.

In addition, we also emphasise the importance of protecting intellectual property rights and preventing any infringement. For example, both GDH Zhongyue and GDH Zhongyue Qinhuangdao have listed the norms and regulations of its intellectual property rights in the employee handbook to safeguard and protect the interests of the Group in respect of its business achievements, inventions or research efforts, etc. When a new product or technology is developed, we will register a patent from the local or relevant intellectual property administration to protect our rights and interests. During Year 2022, GDH Zhongyue and GDH Zhongyue Qinhuangdao have 39 patents registered with the China National Intellectual Property Administration.

During Year 2022, the Group was not informed of any violations related to privacy protection, intellectual property rights, and product information.

5.5 Anti-corruption

The Group attaches great importance to the building of anti-corruption and integrity, and with integrity and professionalism as our corporate philosophy, we strive to create a corporate atmosphere of honesty and trustworthiness, and continuously promote the cultivation of an ethical culture and business ethics. The Group strictly obeys national and local laws and regulations on preventing bribery, extortion, fraud and money laundering, including but not limited to the Criminal Law of the People's Republic of China, Law of the People's Republic of China on the State-Owned Assets of Enterprises and the Prevention of Bribery Ordinance of Hong Kong.

The Group has also established relevant internal specifications to regulate the code of conduct required of employees and directors in respect of integrity, such as regulations against accepting and soliciting bribes, commercial bribery and illegal transfer of benefits. At the same time, we have established an internal control system for integrity in business, set management objectives for integrity in business, incorporated integrity-related work into our annual work plans and summaries, included honesty and integrity as part of our staff performance evaluation, continuously strengthened our internal integrity monitoring mechanism, and set guidelines for the promotion of anti-corruption and integrity. The tinplating business has signed the honesty and integrity agreement or included the honesty and integrity clause in the contract, of which the probity responsibility and obligation for both parties are clearly listed, integrating the concept of anti-corruption and integrity into everyday cooperation. At the same time, the tinplating business has set up an anti-corruption coordination group, which is responsible for understanding the Company's anti-corruption work and assisting with related publicity and training.

We have also made efforts to promote and educate our staff and the Board on integrity and anti-corruption, so as to further strengthen the awareness of our staff and Board of Directors on integrity and anti-corruption, to continuously implement the requirements of "Integrity in Practice" and to promote the development of the Group's integrity culture and mechanism, and to effectively prevent and curb corrupt practices. During Year 2022, the Group organised anti-corruption education and training seminars related to integrity.

5. Operating Practices (continued)



Labour Compliance Training



Integrity Training for New Employeee



Disciplinary Education Mobilisation Meeting



Anti-Corruption and Integrity Education Campaign

In order to achieve effective supervision of integrity in the workplace, we have formulated internal documents related to internal supervision and reporting, specifying the disciplinary measures for violating the provisions of the Company's integrity-related system, including verbal reminder, verbal criticism, written warning, transfer, demotion, recovery, claim, up to termination of employment contract; suspected of illegal crimes will be referred by the company to the judicial organs for handling, and those who are not satisfied with the company's handling or disciplinary decisions may appeal to the relevant departments. Besides, we have announced the reporting channels to report issues related to integrity so that employees can report any illegal acts through the reporting channels provided by the Group, including mail and email, and notify the Company on the disciplinary offences such as personal gain, bribery, extortion, fraud and money laundering in the course of work. If the investigation confirms that corruption may have occurred, the Group will hand over the relevant information and circumstances to the local law enforcement authorities. We are committed to maintaining strict confidentiality of all identities and information and emphasise a zero tolerance policy for involvement in any type of corrupt or bribery activity.

During Year 2022, the Group was not informed of any litigation of corruption involving the Group or its employees, or the involvement in or occurrence of any violations related to anti-corruption.

6. Social Responsibility

While the Group has been actively developing its business, the Group has also been actively fulfilling its corporate citizenship responsibilities and has not forgotten to support various community involvement and continue to make a positive impact on the community.

In early 2022, the fifth wave of the Epidemic broke out in Hong Kong. GDH Guangnan Hong, one of the major suppliers of fresh and live foodstuff to the Hong Kong market, has been working with its partners to ensure the supply of live pigs and other fresh food to Hong Kong through multiple channels, while assisting the relevant authorities to develop a marine fresh food supply channel to Hong Kong. GDH Guangnan Hong itself was also affected by the epidemic and faced many difficulties, and our staff were on the frontlines of production to ensure stable business operations and healthy, safe and fresh meat for the people of Hong Kong.

In Mainland, the Group also took the initiative to take up the responsibility of fighting against the epidemic and ensuring an adequate and stable supply of fresh and live materials and daily necessities for the mainland community. In early November 2022, when the Epidemic situation in the Mainland was at its peak, GDH Food Foshan launched a plan in advance to fight against the epidemic and ensure supply, conducted appropriate training internally and improved the operational efficiency of the supply chain externally, and actively communicated with the relevant government epidemic prevention departments and relevant management departments in a timely manner to successfully obtain the qualification of “Certificate of Enterprise for Safeguarding Supplies of Daily Necessities for the Public”. In order to accurately meet the needs of the Mainland community, GDH Food Foshan ensures the supply of people’s livelihood while avoiding excessive waste and loss of fresh food materials.



“Gathering Cohesive Effort to Fight the Epidemic, Warming Hearts With Care and Sympathy” Community Activity distributing masks and gifts to frontline workers

6. Social Responsibility (continued)

In addition, we have also organised sympathy activities to encourage our staff to make good use of their spare time to help the needy in the community, and to send blessings and warmth to each other.



Blood Donation Campaign



Trade Union Warming Activities



Visit Sanitation Workers Before Chinese New Year

We also care about the environment, for example, we organised tree planting activities during Year 2022 to help green the environment and raise staff awareness of environmental protection.



Tree Planting Activities

Looking ahead, the Group will continue to leverage its industry characteristics and strengths to actively collaborate with charitable organisations and participate in various community investment and philanthropic activities, giving back to the community in many ways and growing together with it.

7. Honours and Certifications

The major awards and certifications obtained by the Group during Year 2022 are as follows:

GDH Zhongyue:

- ISO 14001:2015 Environmental Management System Certification
- ISO 50001:2018 Energy Management System Certification
- ISO 9001:2015 Quality Management System Certification
- ISO 22000:2018 Food Safety Management System Certification
- ISO 45001:2018 Occupational Health and Safety Management System Certification
- Contract Honouring and Creditworthy Enterprise in Guangdong Province
- Environmental Integrity Enterprise
- Standardised Occupational Safety and Health Enterprise
- Enterprise with Green Label in Environmental Trustworthiness in Guangdong Province

GDH Zhongyue Qinhuangdao

- ISO 14001:2015 Environmental Management System Certification
- ISO 50001:2018 Energy Management System Certification
- ISO 9001:2015 Quality Management System Certification
- ISO 22000:2018 Food Safety Management System Certification
- ISO 45001:2018 Occupational Health and Safety Management System Certification
- Qinhuangdao Federation of Trade Unions Safe Enterprise
- Enterprise with Good Ecological and Environmental Trustworthiness in Hebei Province
- Advanced Unit in Fire Control
- Received Provincial Funding to Support Cities and Counties in Science and Technology Innovation and Technology Popularisation

GDH Food Foshan

- Advanced Unit (Award Organiser: Guangdong Meat Association)
- HACCP, Quality Management System, Environmental Management System, Food Safety Management System, Occupational Health and Safety Management System certification (Award Organiser: China Quality Certification Centre)

8. Vision Outlook

As a good corporate citizen, the Group firmly believes that striking a balance between corporate development and social responsibility is the key to its leading position in the industry. In the future, we will continue to focus on social, environmental and governance issues, develop green operations, standardise talent management, promote business compliance and support community involvement, in an effort to achieve sustainable corporate development and ultimately enhance corporate value.

In terms of green operations, the Group has set relevant environmental targets and is committed to continuously monitoring the progress towards achieving them. We will continue to strictly comply with relevant national and regional environmental protection laws, regulations and policies, and pay attention to and promote the management of corporate emissions such as wastewater, waste gas, greenhouse gases and solid waste, the use of resources and combating climate change, so as to continuously reduce the negative impact of our business on the environment. In the area of talent management, we will strive to provide competitive remuneration and benefits to our employees, continue to pay attention to the health and safety of our employees, conduct continuous training programmes to nurture talent, and strive to protect the legitimate rights and interests of each and every employee. In terms of business compliance, we are committed to sustainable supplier management, ensuring product quality and safety, providing quality customer service, constantly regulating ourselves to comply with relevant laws and regulations, upholding business ethics and promoting integrity. In terms of social engagement, the Group will also continue to leverage its industry strengths to maintain its original intention to bear social responsibility and to give back to the community in various ways.

We adhere to a legal and compliant operating model, continue to promote anti-corruption culture, aim to be a responsible company, to grow our business and to improve our business performance, and to contribute to the environment, social equality and social development by implementing a series of sustainable development strategies, with a view to promote the synergy of the industry and creating long-term value for enterprises and stakeholders.

9. Appendix I: Environmental Performance Data Summary

Unit	Fresh and Live Foodstuffs Business		Tinplating Business		Total		
	2022	2021	2022	2021	2022	2021	
Greenhouse Gas¹¹							
Scope 1¹²							
Total	tonnes CO ₂ e	724	647	8,594	10,516	9,317	11,613
Intensity ¹³	–	5.65	27.43	29.84	32.88	1.12	2.31
Scope 2¹⁴							
Total	tonnes CO ₂ e	1,550	1,664	72,139	76,816	73,689	78,480
Intensity	–	12.10	70.58	250.48	240.15	8.89	16.27
Exhaust Gas							
Nitrogen oxides	tonnes	4.10	5.23	10.79	14.46	14.89	19.69
Sulphur oxides	tonnes	0.00	0.00	0.81	0.13	0.81	0.13
Particulates	tonnes	0.30	0.38	0.41	0.29	0.71	0.37
Wastewater/Liquid Water							
Hazardous wastewater							
Total	tonnes	N/A	N/A	6.92	332	6.92	332
Intensity	–	N/A	N/A	0.02	1.04	0.001	0.07
Non-hazardous wastewater							
Total	tonnes	1,096,602	176,354	357,927	370,707	1,454,529	547,061
Intensity	–	8,561.27	7,481.24	1,242.80	1,158.95	175.42	113.18
Waste							
Hazardous waste							
Total	tonnes	0.13	0.10	1,575	1,204	1,575	1,204
Intensity	–	0.001	0.004	5.47	3.76	0.19	0.25
Non-hazardous waste							
Total	tonnes	5,847	503	15,182	16,617	21,029	17,120
Intensity	–	45.65	21.33	52.72	51.95	2.54	3.54

¹¹ The calculation of greenhouse gas emissions is based on Appendix 2 “Reporting Guidance on Environmental KPIs” provided by the Stock Exchange of Hong Kong (“Appendix 2”). The Group greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide. For ease of reading and understanding, the greenhouse gas emissions data is presented in tonnes of carbon dioxide equivalent (“tonnes CO₂e”).

¹² Scope 1 refers to the direct greenhouse gas emissions of the Group’s business, including the combustion of diesel, gasoline, ethanol fuel and natural gas. The emission factors used are from the “Guidelines for National Greenhouse Gas Inventories” provided by the Intergovernmental Panel on Climate Change (“IPCC”) and the “Boiler Production and Discharge Emission Factor Manual” provided by the Ministry of Ecology and Environment of the People’s Republic of China.

¹³ The intensities of the tinplating business, fresh and live foodstuffs business and the total are calculated by the production volume in thousand tonnes, the sales volume in thousand tonnes and million HKD of revenue, respectively.

¹⁴ Scope 2 refers to the indirect greenhouse gas emissions of the Group’s business, including the consumption of purchased electricity and steam. The emission factors used include the carbon dioxide emission factor of China regional power grid from “Notice on Doing a Good Job in the Management of Corporate Greenhouse Gas Emissions Reporting in 2022” provided by the Ministry of Ecology and Environment of the People’s Republic of China, the emission factor for heat from “Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines for Enterprises in Other Industries (Trial)” provided by the National Development and Reform Commission of the PRC (“NDRC”), the emission factor provided by the Hong Kong Electric Co., Limited and the emission factor provided by CLP Holdings Limited.

9. Appendix I: Environmental Performance Data Summary (continued)

	Unit	Fresh and Live Foodstuffs Business		Tinplating Business		Total	
		2022	2021	2022	2021	2022	2021
Energy Consumption							
Direct energy consumption							
Natural gas							
Total	ten thousand cubic metres	0.65	N/A	392	483	392	483
Intensity	–	0.005	N/A	1.36	1.51	0.05	0.10
Diesel							
Total	kg	265,631	202,740	3,936	3,967	269,567	206,707
Intensity	–	2,073.81	8,600.58	13.67	12.40	32.51	42.77
Gasoline							
Total	kg	3,065	3,598	22,236	20,464	25,302	24,062
Intensity	–	23.93	152.64	77.21	63.98	3.05	4.98
Ethanol fuel							
Total	kg	N/A	N/A	5,934	5,607	5,934	5,607
Intensity	–	N/A	N/A	20.60	17.53	0.72	1.16
Indirect energy consumption							
Electricity							
Total	MWh	2,585	3,177	88,664	91,244	91,249	94,421
Intensity	–	20.18	134.76	307.86	285.26	11.00	19.54
Steam							
Total	tonnes	N/A	N/A	74,703	72,198	74,703	72,198
Intensity	–	N/A	N/A	259.39	225.71	9.01	14.94
Water Consumption							
Total	cubic metres	1,045,591	311,886	720,312	938,446	1,765,903	1,250,332
Intensity	–	8,163.02	13,230.76	2,501.08	2,933.88	212.97	258.69
Use of Packaging Material							
Total	tonnes	12	58	3,232	5,262	3,244	5,320
Intensity	–	0.09	2.46	11.22	16.45	0.39	1.10
Paper Consumption							
Total	kg	4,153	5,084	2,661	2,810	6,813	7,894
Intensity	–	32.42	215.66	9.24	8.78	0.82	1.63

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide

ESG Indicators			Relevant Chapters	
A. Environmental Aspect				
A1: Emission	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.	3. Creating Green Operations Together	
	A1.1	The types of emissions and respective emissions data.	3.2 Management of Emissions	
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and intensity.	3.2 Management of Emissions iii. Management of Exhaust Gas and Greenhouse Gases Emission	
	A1.3	Total hazardous waste produced (in tonnes) and intensity.	3.2 Management of Emissions	
	A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	3.2 Management of Emissions	
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.1 Environmental Targets 3.2 Management of Emissions	
	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.	3.1 Environmental Targets 3.2 Management of Emissions	
	A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3. Creating Green Operations Together
		A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	3.3 Management of Resources Utilisation
		A2.2	Water consumption in total and intensity.	3.3 Management of Resources Utilisation
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them.	3.1 Environmental Targets 3.3 Management of Resources Utilisation	

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide (continued)

ESG Indicators			Relevant Chapters
	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.	3.1 Environmental Targets
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.3 Management of Resources Utilisation
A3: Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3. Creating Green Operations Together
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.4 Responding to Climate Change
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.	3.4 Responding to Climate Change
	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.	3.4 Responding to Climate Change

ESG Indicators			Related Chapters
B. Social Aspect			
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.	4. Management of Employees
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	4. Management of Employees
	B1.2	Employee turnover rate by gender, age group and geographical region.	4. Management of Employees

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide (continued)

ESG Indicators			Related Chapters
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.5 Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.5 Healthy and Safety
	B2.2	Lost days due to work injury.	4.5 Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.5 Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.4 Nurturing Talents
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.4 Nurturing Talents
	B3.2	The average training hours completed per employee by gender and employee category.	4.4 Nurturing Talents
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.	4.2 Structural Management
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.2 Structural Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.2 Structural Management

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide (continued)

ESG Indicators			Related Chapters
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.1 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	5.1 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.1 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.1 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.1 Supply Chain Management
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.2 Quality Control
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.2 Quality Control
	B6.2	Number of products and service related complaints received and how they are dealt with.	5.2 Quality Control
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.2 Quality Control
	B6.4	Description of quality assurance process and recall procedures.	5.2 Quality Control
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.2 Quality Control

10. Appendix II: Content Index of Environmental, Social and Governance Reporting Guide (continued)

ESG Indicators			Related Chapters
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.5 Anti-Corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5.5 Anti-Corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.5 Anti-Corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	5.5 Anti-Corruption
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.	6. Social Responsibility
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6. Social Responsibility
	B8.2	Resources contributed (e.g. money or time) to the focus area.	6. Social Responsibility



粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED