



CHU KONG SHIPPING ENTERPRISES (GROUP) COMPANY LIMITED

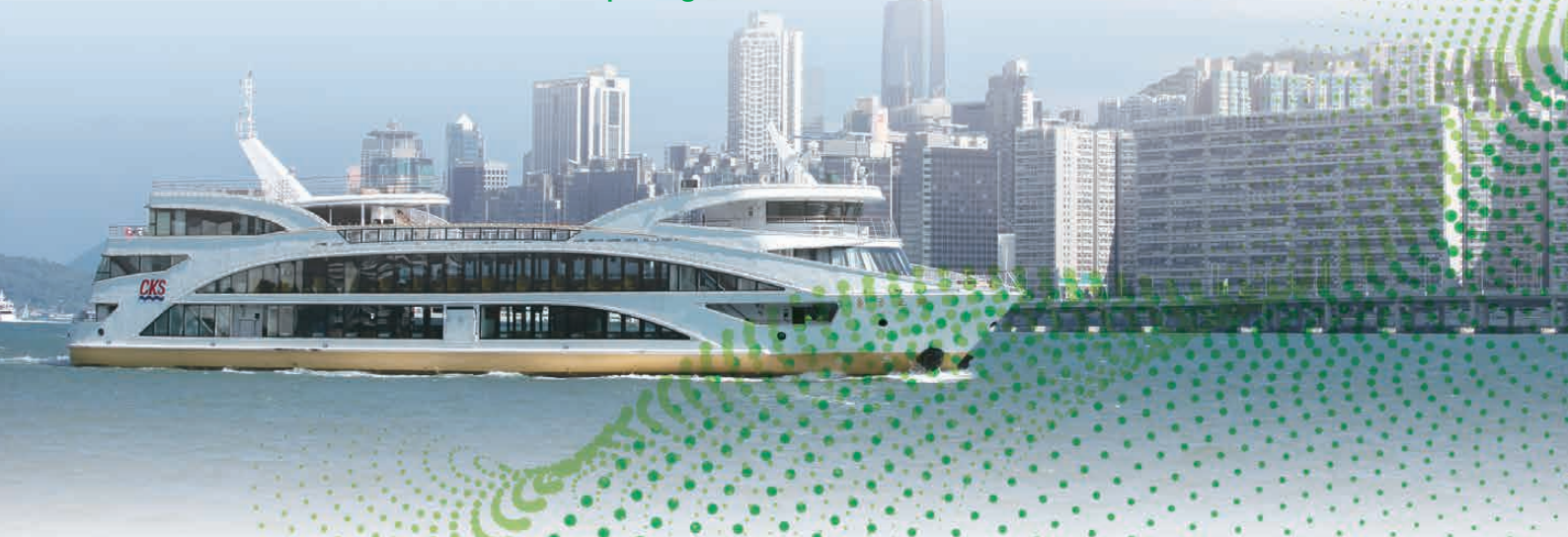
(Incorporated in Hong Kong with limited liability)
Stock Code : 00560

*Surging the tide of
the Pearl River,
forging ahead into
the Bay Area*



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About this Report



1. ABOUT THIS REPORT

This environmental, social and governance (“ESG”) report (this “Report”) details the sustainability strategy, progress, and achievement of Chu Kong Shipping Enterprises (Group) Company Limited and its subsidiaries (collectively referred to as the “Group” or “we”) in 2022.

Reporting Scope

The Report supplements the 2022 Annual Report of the Group and discloses the Group’s management approaches, measures and performances in environmental, social and governance from 1 January 2022 to 31 December 2022 (the “Reporting Period”) (with some contents dating back to the prior years or looking forward to the date of release of the Report)

The reporting scope of this Report includes the Group’s terminal logistics business, passenger transportation business, fuel supply business, and corporate and other businesses, which covers our operation in offices, cargo terminals, and ferry terminals in Mainland China, the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), and the Macao Special Administrative Region of the People’s Republic of China (“Macao”).

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- | | |
|---|---|
| • Chu Kong Shipping Enterprises (Group) Company Limited (“ CKSG ” or the “ Company ”) | • Zhongshan City Huangpu Port Cargo and Container Terminal Co., Ltd. |
| • Chu Kong Agency Company Limited | • Zhaoqing New Port Co., Ltd. (“ Zhaoqing New Port ”) |
| • Chu Kong Container Transportation Company Limited | • Zhaoqing Chu Kong Logistics (Sihui) Co., Ltd. (“ Sihui Port ”) |
| • Chu Kong (Guangdong) International Freight Forwarding Co., Ltd. | • Chu Kong International Airfreight Company Limited |
| • Chu Kong Godown Wharf & Transportation Company Limited | • Ever Sky Transportation Limited |
| • Chu Kong Transhipment & Logistics Company Limited (“ CKTL ”) | • Chu Kong Cargo Terminals (Qingyuan) Co., Ltd. |
| • Chu Kong Transportation (H.K.) Limited | • Chu Kong Cargo Terminals (Gaoming) Co., Ltd. (“ Gaoming Port ”) |
| • Chu Kong Passenger Transport Company Limited (“ CKPT ”) | • Chu Kong Cargo Terminals (Kangzhou) Co., Ltd. (“ Zhaoqing Kangzhou Port ”) |
| • Sun Kong Petroleum Company Limited (“ Sun Kong Petroleum ”) | • Shenzhen Zhu Chuan International Freight Forwarding Co., Ltd. (“ Shenzhen Zhu Chuan ”) |
| • Oriental Pearl Cruise Company Limited (formerly known as Cotai Chu Kong Shipping Management Services Company Limited) | • Chu Kong (Guangdong) International Shipping Agency Co., Ltd. |
| • Chu Ou Engineering And Technologies Company Limited | • Civet (Zhuhai Bonded Area) Logistics Company Limited (“ Civet Port ”) |
| • Sun Ferry Services Company Limited (“ Sun Ferry ”) | • Guangdong Digital Port & Shipping Technology Co., Ltd. (“ Digital Port and Shipping ”) |
| • CKS Container Terminal (Zhuhai Doumen) Co., Ltd. (“ Doumen Port ”) | |
| • Chu Kong Shipping (Guangdong) Logistics Co., Ltd. | |
| • Zhaoqing Chu Kong Logistics (Gaoyao) Co., Ltd. | |
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Basis of Report Preparation

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide ("ESG Guide")* set out in Appendix 27 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited ("**SEHK**"). For detailed information about the provisions of the *ESG Guide*, please refer to Appendix 2 of this Report.

This Report has complied with the "comply or explain" provisions as well as mandatory disclosure requirements of the *ESG Guide* and was prepared in adherence to the four reporting principles: Materiality, Quantitative, Balance and Consistency.

Materiality

A materiality assessment was conducted to inform the structure and focus areas of our ESG reporting. For the process to identify and the criteria for the selection of material ESG issues, please refer to the section "3.2 Stakeholder Engagement and Materiality Assessment" of this Report.

Quantitative

We reported our quantitative performance for stakeholders to evaluate the effectiveness of our ESG policies and management systems. Moreover, we disclosed the standards, methodologies, assumptions, and source of conversion factors used for the reporting of key performance indicators where applicable.

Balance

This Report is prepared in a transparent manner of which the information disclosed covers both sustainability achievements and challenges of the Group.

Consistency

We adopted consistent methodologies and reported the changes to the scope and methods to allow for meaningful comparisons of ESG data over time.



Report Disclaimer

All information disclosed in this Report was sourced from the Group's documents and statistics. The board of directors of the Company (the **"Board"**) has overall responsibility for the Group's ESG strategy and reporting. This Report was reviewed and approved by the Board on 27 April 2023.

This Report was published in Traditional Chinese and English versions. Should there be any discrepancy between the two versions, the English version shall prevail.

Contact Us

We welcome your feedback on our ESG performance and this Report. Please contact us with the information below:

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About this Group

2. ABOUT THE GROUP

CKSG (Stock Code: 00560) is a listed company incorporated in Hong Kong held by Chu Kong Shipping Enterprises (Holdings) Company Limited and is affiliated to by Guangdong Provincial Port & Shipping Group Company Limited.

The Group is principally engaged in investment holding, focusing mainly on terminal navigation logistics, waterway passenger transportation, and fuel supply business.

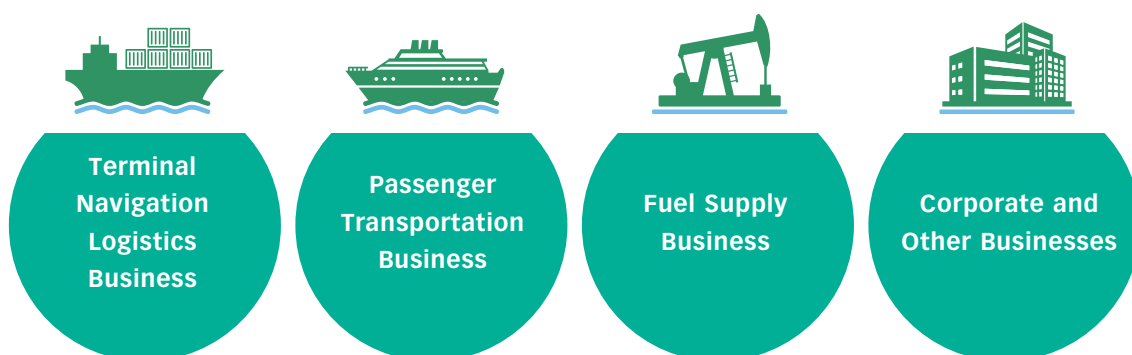
We have established shipping business network that “travels in the Pearl River Delta, covers the Greater Bay Area and reaches Southeast Asia”, and its business radiates to Guangdong, Hong Kong, Macao and countries and regions along the “Belt and Road”. The “CKS” corporate brand is well known in Guangdong, Hong Kong, Macao and Southeast Asia.

We have a well-developed, vertical and horizontal port logistics business system, and its business network extends to Singapore, Malaysia, Thailand and other Southeast Asian countries. It holds and invests in more than 10 river terminal companies in the Pearl River Delta, wholly owns the private warehouse terminal in Tuen Mun, Hong Kong, and operates a number of berths in public cargo working areas in Yau Ma Tei, Butterfly Beach, and Gin Drinkers Bay, etc. and we have a number of modernised warehousing bases, and is well developed in cross-border e-commerce logistics, cold chain warehousing logistics, and high-end integrated logistics, and have established an integrated logistics service system in the Greater Bay Area based on port, shipping, and warehousing.



About this Group

The Group's core business also includes the water passenger transport business. The cross-border high-speed waterway passenger transportation based in Guangdong, Hong Kong and Macao, has developed into the largest operation agent of waterway passenger transportation in the region. The Group also operates five inner harbor and outlying island ferry routes in Hong Kong. The fuel supply business of the Group focuses on the provision of diesel and lubricants for passenger ferries and cargo vessels, and other businesses of the Group cover the operation and management of facilities maintenance services for properties in Macao.



In the future, the Group will actively integrate into the national and regional development landscape, optimise the strategic layout as a breakthrough, accelerate the construction of new development pattern, and plan the strategic layout in the operating segments such as cargo transportation, cargo handling and storage, passenger transportation business, fuel supply, etc. The Group will persistently accelerate its business transformation, upgrade and innovation by broadening its vision of operation and development, adjusting the layout of industrial structure, and integrating advantageous resources to break through development bottlenecks as well as to form development synergies.

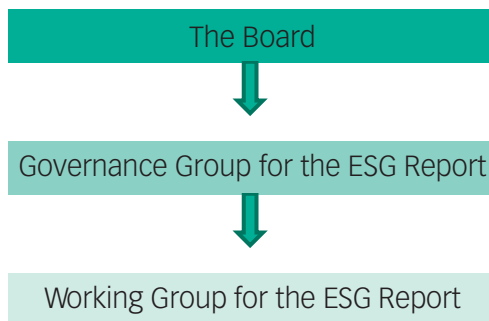
Approach to Sustainability

3. APPROACH TO SUSTAINABILITY

The Group is committed to incorporating sustainable business practices into our daily operations. We strive to create value for all stakeholders by adhering to the highest ethical standards, minimise our environmental impact, and contribute to the community. We actively interact with stakeholders through various communication channels and unveil our ESG performance to demonstrate transparency and accountability.

3.1. Governance and Compliance

The Board oversees ESG issues across all business segments to demonstrate the Group's ongoing dedication to sustainability.



The Board

As the highest decision-making body for the overall ESG management of the Group, the Board provides oversight of the Group's ESG management and gives final approval for the Group's ESG strategies, targets, and approaches.



Governance Group for the ESG Report

Spearheaded by one of the executive directors of the Company, the Governance Group for the ESG Report is comprised of the general managers from different business segments. It is accountable to the Board and has the following main duties:









- to assist the Board in fulfilling its oversight responsibility for the Group's ESG strategies and programmes;
- to engage with stakeholders and solicit their feedback on the Group's ESG risks and opportunities;
- to determine ESG priorities, formulate corresponding objectives and policies, and monitor progress;
- to assess and manage ESG risks arising from the operation and to progressively integrate ESG considerations into the Group's business strategy;
- to comply with the obligations under the *ESG Guide* set out in Appendix 27 of the Main Board Listing Rules of SEHK; and
- to regularly report ESG matters to the Board.

Working Group for the ESG Report

The Working Group for the ESG Report comprises ESG representatives from all subsidiaries in the Group. It is responsible for carrying out the Group's ESG policies, collecting the data needed for ESG reporting, and reporting to the Governance Group for the ESG Report. To enhance the Group's ESG performance, members of the Working Group for the ESG Report are encouraged to share their experiences and best practices.

3.1.1. Adhering to Our ESG Policy

The Group has established the *Environment, Social and Governance Policy* ("**ESG Policy**") to enhance our ESG governance and to provide an approach for the formation and execution of ESG initiatives, based on the commitment to conducting business in an environmentally conscious way and to generating value for the communities in which we operate. More importantly, the ESG Policy outlines our sustainability vision, mission, dedication, and accountability.

-   **Vision**
We are devoted to becoming the most competitive navigation company and leading service provider in Guangdong, Hong Kong and Macao through adopting innovation and sustaining our commitment to environmental protection.
-   **Mission**
We strive for excellence in providing safe and reliable services to our customers with dedication, professionalism, and efficiency.
-   **Commitment**
We are committed to adopting sustainable practices and operating our business in a transparent and ethical manner. We embed accountability in the workplace and take responsibility for our decisions and actions.
-   **Responsibility**
We recognise that our employees make a significant contribution to the Group's success. We therefore place great emphasis on providing a safe and healthy workplace and improving employee engagement.

3.1.2. ESG Risk Management

The Risk Management and Internal Control Committee of the Group effectively plays a leading role in preventing and controlling risks, tracking and controlling major risk events, as well as following up on the overall risk management performance report. The Board is responsible for comprehensively assessing and identifying the major ESG risks of the Group, and ensuring that the Group establishes and maintains appropriate and effective risk management.

During the Reporting Period, the Group has identified major ESG risks through comprehensive scoring, based on the two dimensions of “risk occurrence probability” and “risk impact degree”, and the corresponding measures are as follows:

Significant ESG Risks	Potential Impacts	Response Approaches
Demand Fluctuation Risk	Due to the influence of the pandemic and global trends, the market demand fluctuates greatly, which has posed a risk to the Group in terms of wrong decision-making that could lead to financial losses, as well as greater financing pressure, affecting the Group’s reputation and brand image	<p>To adapt to the changes of the market environment, we should strengthen market development and potential exploration. In terms of marketing strategy, it is necessary to pay more attention to the high-return business such as air freight, bulk cargo and comprehensive logistics, especially to strengthen the development of engineering logistics projects</p> <ul style="list-style-type: none"> – Actively respond to shipping market risks by integrating resources from all aspects – Closely cooperate with transshipment and logistics terminals – Adjust the development model and seek new business growth points

Approach to Sustainability

Significant ESG Risks	Potential Impacts	Response Approaches
<p>Competition Risk</p>	<p>In the course of operations, the Group is likely to face disordered competition from competitors, and the low-price strategy exacerbates the competitive environment. Furthermore, there is homogeneous competition among adjacent terminals within the Group and among ports in the same hinterland. To avoid related risks and prevent a decrease in revenue, the Group needs to take appropriate measures to ensure the realisation of its strategic goals</p>	<ul style="list-style-type: none"> - Increase service content, pay attention to service details, improve service quality, reach a level that other competitors cannot do, improve operational efficiency, strengthen cost control, reduce unnecessary operations, and solve common problems of container lifting and inspection. Avoid deliberately lowering prices to attract customers, and adhere to the bottom line of prices - Expand comprehensive logistics and multimodal transport, expand the scope of business development, and establish cooperative relations with the Pearl River Delta major terminals to enhance the competitiveness of comprehensive logistics - Grasp the Group's positioning in the market, improve the products and services of the enterprise, make the products and services more value-added, or reflect more value or value-for-money, close to customers, close to the market, deeply grasp the needs and pain points of customers, make characteristic services, and carry out differentiated marketing

3.1.3. Ensuring Compliance with Operations

The subsidiaries of the Group operate in multiple regions in Mainland China, Hong Kong and Macao, always adhering to the relevant laws and regulations in the regions where we operate. For more information, please refer to “Appendix 2” of this Report.

The Group has a comprehensive risk management system that involves all functional departments.

- The Legal Department of the Group provides legal advisory services in supporting the decision-making process of the Group, manages the Group’s legal and regulatory risk and enables the Group to conduct business legally.
- The Company Secretary of the Company is responsible for ensuring compliance with the Listing Rules of SEHK and serves as the principal channel of communication with the SEHK on behalf of the Group.
- The Audit Department of the Group conducts an annual audit to evaluate the sufficiency and effectiveness of our risk management and internal control systems and to examine whether our operation is in full compliance with all relevant laws and regulations. Moreover, the Audit Department provides regular updates to the Audit Committee of the Group.
- Other functional departments of the Group closely review the laws and regulations that have a significant impact on the Group, and formulate and refine various policies, standards, management measures and systems to govern the Group’s operation.



3.1.4. Operating with Integrity

The Group is dedicated to upholding the highest standards of ethics and integrity in order to create a fair and equitable environment. We have a zero-tolerance policy for any form of corruption and strictly adhere to laws and regulations concerning bribery, extortion, fraud, money laundering, and other unethical business practices in the areas where we operate. During the Reporting Period, the Group has neither encountered any violations of laws and regulations that have a significant effect on the Group regarding bribery, extortion, fraud, and money laundering, nor have we received any lawsuits involving internal employees in bribery, extortion, and money laundering cases.

Preventing Illegal Acts

All employees must adhere to the *Code of Conduct for Employee* outlined in the *Employee Handbook*, which outlines their responsibilities in preventing corruption and illegal activities such as bribery and misappropriation of funds. Furthermore, employees are not allowed to accept gratuities or gifts that exceed a certain amount. To ensure that there is no conflict of interest, all employees must sign the *Undertaking Letter of Integrity for Employee*, and are not allowed to take on any outside employment that could be seen as a conflict of interest.

During the Reporting Period, the Group has formulated the *Chu Kong Shipping Anti-corruption Policy*. We strive to ensure that no bribery or improper benefits are given to agents and public officials when conducting business with them. We are committed to upholding the highest standards of ethical conduct in all our business dealings. In addition, the *CKS Internal Audit System* has been revised with the aim of providing us with independent and objective inspection, supervision and evaluation services, in order to improve the Group's business, and evaluate and improve the effectiveness of the Group's risk management and internal control. The audit committee will report to the Board on the internal control structure of the Group, and the internal audit will help the Group to strengthen its internal control and risk management system, ensure that the established procedures and guidelines are strictly followed, identify and address management loopholes in a timely manner, and ensure the Group's operational safety and risk prevention and resolution, so that the Group's assets and resources can be better managed and utilised.

The Group provides training to the Board and employees to raise awareness of anti-corruption practices, and emphasises the risks of corruption and the importance of ethical business behavior.



In January 2023, in order to strengthen the development of the discipline, we invited ICAC to organise an anti-corruption training in Chu Kong Shipping Tower on relevant laws and regulations and common corruption risk in business practice for the Board and management¹.

To protect the legitimate rights and interests of the Group and our business partners, we have an *Integrity Agreement for Business Partners* in place to regulate our business activities and cooperation with our business partners, and we conduct business in an ethical and professional manner with our business partners.

Encouraging Whistleblowing

The Group has implemented a *Whistle-blowing Policy* which revised in August 2022 and system to support the identification and report of any unethical business conduct or misbehavior. All relevant information will be kept confidential to protect the whistle-blowers, and their personal details must not be disclosed. All complaints and reports will be investigated thoroughly and fairly. During the Reporting Period, no legal cases of corrupt practices were brought against the Group or our employees.

¹ This training was arranged for 2022, due to scheduling issues, it could only be held in January 2023

3.2. Stakeholder Engagement and Materiality Assessment

The Group values stakeholder engagement as a way to advance our sustainability development. Through dialogue with our stakeholders, we are able to refine our sustainability strategy and enhance our ESG performance. We also use this channel to understand their expectations of the Group and to identify areas where we can make positive changes.

3.2.1. Engaging with Our Stakeholders

The Group maintains regular contact with our stakeholders to gain insight into their expectations and opinions on our ESG performance. We have outlined the primary communication channels and frequency that we use to engage with our stakeholders in order to identify areas for improvement and to prioritise issues when developing our business strategies.

Stakeholder Groups	Communication Channels	Communication Frequency
Regulatory Authorities	<ul style="list-style-type: none"> On-site inspection Meeting 	<ul style="list-style-type: none"> Regularly/as needed Regularly/as needed
Shareholders and Investors	<ul style="list-style-type: none"> Annual general meeting and other shareholder meetings Annual report Announcement 	<ul style="list-style-type: none"> Annually Annually As needed
Employees	<ul style="list-style-type: none"> Meeting Group interview Performance appraisal Training, seminar and briefing session Cultural and sports activity Newsletter 	<ul style="list-style-type: none"> Regularly Regularly Annually Regularly Regularly/as needed Regularly
Customers	<ul style="list-style-type: none"> Website Email Customer service hotline Satisfaction survey 	<ul style="list-style-type: none"> Daily/as needed As needed As needed Annually
Suppliers	<ul style="list-style-type: none"> Open tendering Supplier evaluation and appraisal 	<ul style="list-style-type: none"> As needed Annually
Potential Investors and Financial Institutions	<ul style="list-style-type: none"> Potential investor briefing Roadshow Analyst briefing Visit 	<ul style="list-style-type: none"> As needed As needed As needed As needed
Communities	<ul style="list-style-type: none"> Information disclosure Website Email 	<ul style="list-style-type: none"> Regularly/as needed As needed Daily/as needed

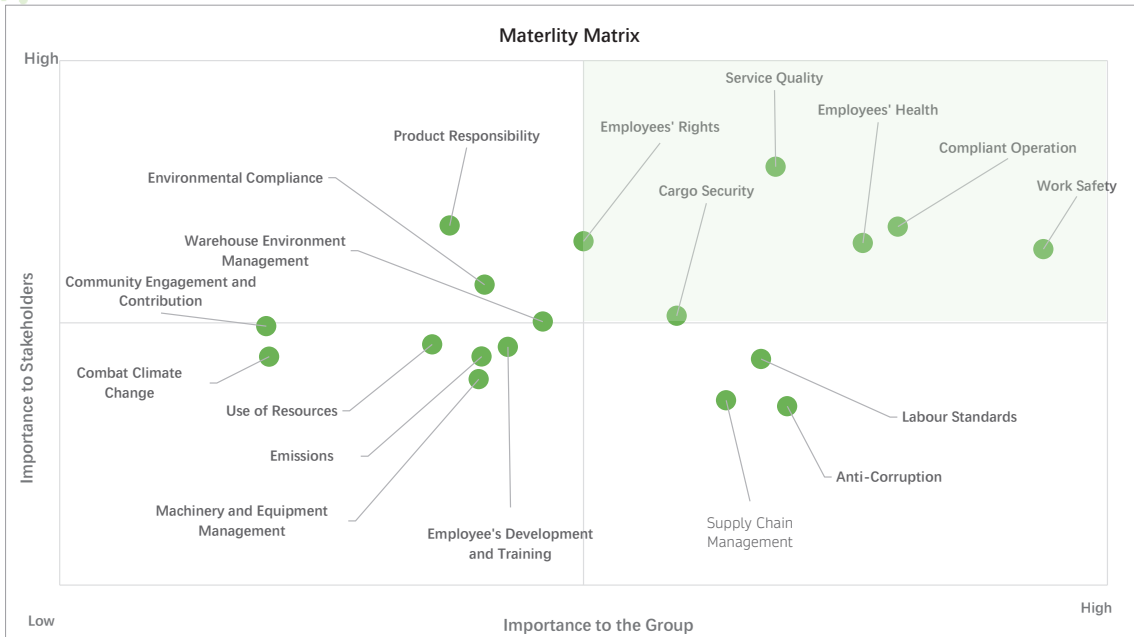
3.2.2. Focusing on What Matters Most

Materiality assessment is essential for the Group’s sustainable development. It allows us to prioritise and identify the most important ESG issues from both internal and external stakeholders. The results of the materiality assessment inform our ESG reporting framework and provide guidance for our strategic decision-making process.

For the preparation of this Report, an independent consultant was invited to conduct a materiality assessment in a different format from previous assessments this year to better understand and address the concerns of stakeholders. This materiality assessment invites the person in charge of ESG of the Group to participate, and confirmed the material issues of this year based on the material issues of 2021 and the actual business changes of the Group, to ensure that these material issues continue to meet the expectations and demands of key stakeholders. The specific process of materiality assessment this year and the assessment results of materiality issues in 2022 are as follows:

1. Conduct a stakeholder review	<ul style="list-style-type: none"> Review key stakeholders identified in 2021 Determine whether there are major changes in the expectations and demands of various stakeholders for the Group
2. Conduct a review and assessment of materiality issues	<ul style="list-style-type: none"> Review and assess the materiality issues of 2021 The actual business changes of the Group
3. Confirm the assessment results of materiality issues for 2022	<ul style="list-style-type: none"> Upon review by the Group, it is confirmed that the materiality issues for 2022 remain consistent with those of 2021 The assessment results of the materiality issues for this year are confirmed by the Board
4. Establish the ESG reporting framework for 2022	<ul style="list-style-type: none"> Based on the assessment results of the materiality issues for 2022, establish the ESG reporting framework for 2022, with emphasis on data collection and information disclosure The Group takes these issues as the most important strategic direction to be paid attention to in the subsequent sustainable development work

Approach to Sustainability



The high-materiality issues are as below:

High-materiality Issues

- Work Safety
- Compliant Operation
- Service Quality
- Employees' Health
- Employees' Rights
- Cargo Security



4. SAFETY AND HEALTH

The Group highly values the health and safety of its personnel. To create a secure and healthy work environment for our staff, we have established a comprehensive management system to guarantee the safety of our daily operations.

4.1. Safety in the First Place

The Group places the highest priority on the safety of our employees. We promote safety management through four-pronged approaches, including formulating safety management systems, setting safety performance indicators, conducting safety training, and providing safety inspections and supervision.

Management Systems

The Group has formulated several safety management systems to pursue a high safety level. *Safety Operation Liability System* has been established to define and clarify the roles and responsibilities of each party, to ensure that the safety management and procedures are followed meticulously at different levels of every business segment.

Performance Indicators

Setting performance indicators is essential to assess operational safety performance. The Group requires subsidiaries to set performance indicators; for example, the number and rate of work-related fatalities, number and rate of severe work injury, number of accident cases and other performance indicators are monitored to measure safety performance.

Training

The Group focuses on the ongoing training in the safety management systems. All new employees are required to undergo safety induction training. Ongoing job-specific training is conducted for employees to equip them with comprehensive knowledge of safe operation in order to ensure they familiarise with safety skills for the job.

Inspections and Supervision

To further improve the Group's safety standards, regular safety inspections are carried out to monitor and identify potential safety hazards. We pay attention to safety inspection plans on machinery, equipment and working environment. Comprehensive inspections are conducted routinely, including daily, monthly, seasonal and annual inspections.

Safety and Health

During the Reporting Period, the Group did not violate any laws and regulations that significantly impact the Group in relation to providing a safe working environment and protecting employees from occupational hazards.

Safety performance	Unit	2022	2021	2020
Number of work-related fatalities	No.	1	0	0
Work-related fatalities rate	%	0.04%	0%	0%
Lost days due to work injury	Days	605	880 ²	408

4.2. Safety Training

Comprehensive safety measures and protocols are implemented in all operational sites to guarantee the safety of our employees and customers. To cultivate a strong safety culture in the workplace, we organised various safety training to ensure our employees are up to date with the latest safety regulations and practices. We prepared for emergency situations by conducting drills and simulation exercises.

Cargo Terminal Safety

Machinery and fire safety are recognised as the two major safety concerns in cargo terminals. To secure port safety, the Group emphasises enhancing the safety management of machine operation and fire hazard prevention.

To minimise the risk of fire, the Group implemented several measures to prevent fire. The fire safety plan includes regular fire inspections and maintenance of fire service installations and equipment. Fire drills are regularly conducted at cargo ports in order to practice and prepare for handling a fire emergency. In addition, we maintain good warehouse housekeeping all the time to ensure and improve safety.



During the Reporting Period, Sun Ferry conducts monthly firefighting, and escape and abandon ship drills

² The data increase is due to longer lost days of work injury incidents from Gaoming Port, Doumen Port, Civet Port and Sun Ferry as compared to 2020.

Machinery safety is essential as machine operation without proper safety management poses serious threats to the employees at the cargo terminals. To prevent workplace accidents, the Group focuses on improving the working environment and equipment safety. We ensure the safety of machine operators by providing them with safe and reliable machinery and clear operating guidelines. Additionally, regular machinery maintenance is conducted to preserve their condition and extend their lifespan. This helps to avoid workplace injuries and fatalities caused by malfunctioning machinery, thus maintaining a safe working environment for employees.

During the Reporting Period, Sun Kong Petroleum inspected and rectified multiple safety hazards in the workplace which facilitated the Group to create a safe working environment, eliminate the possibility of safety accidents, and improve the safety management system of vessels, such as perfecting the vessel emergency training and exercise plans. Special drills were conducted for emergency situations such as fire, explosion, personnel falling into the water, and oil leakage.



Fleet Safety

To enhance fleet safety, all drivers are required to attend safety training to increase their knowledge of safety policies and procedures for operating fleet trucks. To prevent poor driving behaviors and accidents that cause severe injury and fatality, we implemented supervision and monitoring of drivers. For instance, we conducted mandatory alcohol tests with drivers daily before their shifts and monitored the speed and location of our vehicles in real-time. Additionally, regular fleet inspections and maintenance are conducted, as well as carrying out emergency plans and accident analysis.

Ship Safety

The Group also attaches foremost importance to ship safety. We have established relevant safety regulations to ensure that ships are managed safely. During the Reporting Period, Sun Kong Petroleum improved its ship safety management system, and set up a dedicated team responsible for ship safety, inspection mechanism, and emergency response.

Passenger and Crew Safety

The Group is strongly responsible for ensuring safety on ferries and ships for our passengers and employees. We have established and implemented the *Safety Management Manual for Ships* and other standards and guidelines to guide employees on daily maintenance and inspection to ensure the proper functioning and safe operation of ferries and ships. We also provide instructions on how to manage and respond to scenarios such as severe weather conditions and fires to subsidiaries under the passenger transportation business, so as to eliminate potential risks and ensure the safe operation of ferries, ships and cruise ships. To enhance the contingency preparedness and situational awareness of the subsidiaries under the passenger transportation business, we conduct emergency exercises such as spill collision, stranding of ferry and hull damage simulation. Safety training is conducted periodically to cultivate a safety awareness culture and to ensure that the Group's safety standards are communicated effectively. During the Reporting Period, there was no significant safety accident in passenger transportation.



During the Reporting Period, CKPT regularly conducts passenger services training to improve service quality and enhance customer experience.

In order to raise the safety awareness and operational proficiency of crew and operational management personnel, and to provide safe and quality passenger services, on the afternoon of 21 October 2022, two companies affiliated with the Group, jointly organised a training on ship safety operations with the Hong Kong Marine Department.

During the training, Marine Department professionals focused on introducing the latest regulations for ferries in Hong Kong, an overview of the Marine Department's implementation of ship safety inspections and surveys, emergency procedures, the captain's crisis awareness and driving attitude, maritime case analysis and safety warnings, and other safety knowledge. They also detailed the new policies and requirements for the safety production of ferries and pleasure boats in Hong Kong, and combined typical maritime accident cases to guide everyone to analyse the causes of the accidents and formulate corresponding rectification measures, which had a strong guiding significance for the actual work of the Group.

The training closely followed the learning theme, with rich and detailed content, relevant to the industry, and vivid explanations. It effectively combined theory and practice, further strengthening the safety production responsibility awareness of the trainees, and had a positive role in improving safety management level and ensuring the safety of ship operations.



4.3. Health and Wellness

The Group is devoted to safeguarding the health and safety of our employees and customers. At the same time, we are committed to helping combat the spread of COVID-19 while maintaining our delivery terminal navigation logistics and passenger transportation service. The Group follows the guidelines on pandemic prevention and anti-pandemic issued by the government and prioritises the health and safety of our people, customers, and communities through communication and collaboration.

Response to COVID-19 pandemic

For our employees:

To enhance pandemic preparedness, the Group took several measures to minimise the risk of infection, including flexible working hours, split-team operations, work-from-home arrangements, video conferencing with customers, procurement of protective equipment, and arranging employees to perform COVID-19 nucleic acid tests from time to time.

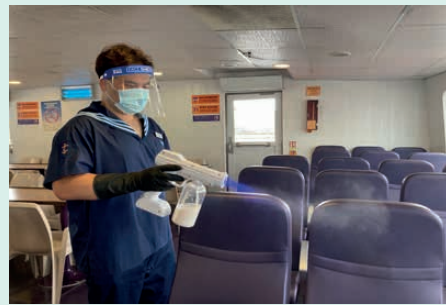


The anti-epidemic materials prepared by CKPT

For our customers:

Regarding the passenger transportation business, in order to address the need for pandemic prevention and control, the Group fully complied with epidemic prevention policies and operations of the cross-border waterway passenger routes of urban areas.

For local ferry services in Hong Kong, we offer complimentary hand sanitiser for passengers on ferries and require them to wear masks. In addition, we provide useful and updated information regarding the anti-epidemic measures at the terminal and on the company website.



Hand sanitisers are provided in the Sun Ferry pier, and cabins are cleaned and disinfected regularly

In addition to preventing the transmission of COVID-19 at the workplace, the Group also invests time and resources in promoting employees' health and well-being in the normal course of business.



Occupational Health Management

The Group provides adequate and appropriate personal protective equipment to employees based on their nature of work, such as cotton gloves and oil-proof PVC gloves. Understanding that fatigue can affect employees' health, safety and work performance, the Group prevents fatigue accidents in the workplace by establishing reasonable work arrangements to avoid excessively long shifts. In addition, the Group provides employees with common rooms and adequate breaks for them to take a rest.



Sun Kong Petroleum provides frontline employees with labor protection supplies such as gloves to prevent them from contracting occupational diseases.



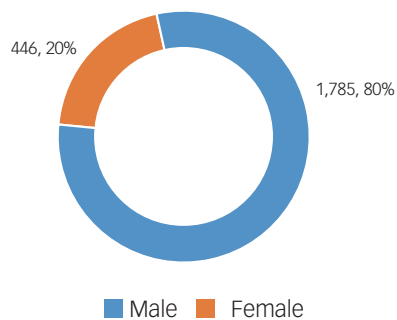
5. PEOPLE-ORIENTED WORKPLACE

We recognise that our employees are the foundation of the Group's success. The Group strives to create an environment that encourages our employees to actively contribute to our ongoing success and to develop their careers.

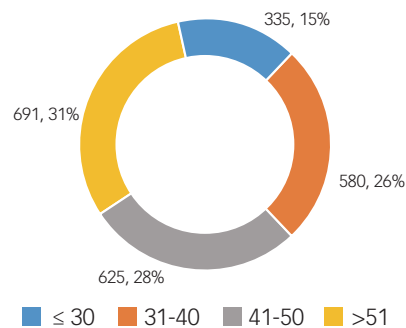
5.1. Employment Profile

As of the end of the Reporting Period, the Group has 2,231 employees and all of them are full-time employees. During the Reporting Period, the overall turnover rate of the Group is 13.4%. The composition of our workforce by gender, age group, employment category, and geographical region are as follows:

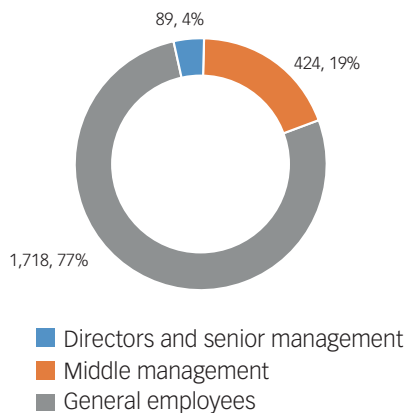
Employee by Gender



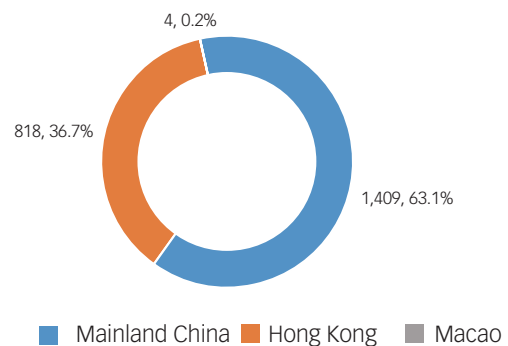
Employee by Age Group



Percentage of Employee by Employment Type



Percentage of Employee by Geographical Region



5.2. Employee Development

The Group attracts and retains talented individuals by taking a people-focused approach. We remain competitive by implementing employee policies to respect and protect employees' rights, engaging with our employees, and investing in their personal development.

5.2.1. Adopting Reasonable Employment Practice

The Group has established the *Employee Handbook*, the *Employee Promotion Management System*, and other policies and standards to manage employment practices.

During the Reporting Period, the Group has not violated any laws and regulations that have a significant impact on the Group regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and preventing child and forced labour.

Fair and Reasonable Recruitment and Dismissal

The Group seeks and hires the right employees, regardless of gender, nationality, race, sexual orientation, marital status and any other protected status under applicable laws and regulations. All candidates are treated fairly by adopting a rigorous recruitment process focusing on candidates' qualifications capacity and work experience.

The Group strictly prohibits unfair or unreasonable dismissal, and the termination of labour contracts and dismissal of employees are carried out in strict compliance with the relevant laws and regulations to protect the rights and obligations of both employees and the Group. Relevant dismissal conditions and rules are stipulated clearly in the *Employee Handbook*, and the *Dismissal Management System* has been improved.

Merit-based Remuneration and Promotion

The Group offers a comprehensive remuneration package to employees with reasonable terms. The Group conducts performance review according to the *Regulations on Employee Performance Review*, and promotes employees based on their working performance. The review also enables management to assess what employees have accomplished and provides recommendations on how to achieve career goals. The Group has formulated the *Employee Promotion Management System* to govern the promotion criteria and procedures, and to encourage employees to enhance their capabilities.

Proper Working Hours Management

Based on the Group's business nature, both standard and flexible working hours systems are adopted to suit the operational needs. To ensure appropriate work and rest schedules are arranged for employees, the Group stipulated the working days, normal working hours, and rest periods of employees in the *Attendance Management Standard* and it includes the appropriate arrangement of providing monetary compensation or granting of time off to compensate overtime work. The Group guarantees that all employees enjoy statutory holidays and non-statutory holidays such as marriage leave, maternity leave, funeral leave, and paid annual leave.

Prevent Forced Labour and Child Labour

The Group strictly follows labour laws and regulations in areas where it operates and prohibits any form of child labour or forced labour. To prevent forced labour, the Group properly regulates employees' working hours and rest periods. We would never force employees to work against their wills with violence or intimidation, or by restricting their freedom. To avoid child labour, the Group requires candidates to provide proof of identity and candidates without a valid identity proof would not be considered. If child labour and forced labour are discovered, the Group will immediately take actions to stop such from happening.

5.2.2. Focusing on Employee Engagement

The Group strives to foster employee loyalty and dedication by creating a happy and balanced workplace where employees feel respected and valued. We maintain a positive relationship with our employees and keep an open dialogue with them throughout their time with the companies.

The Group provides employees with benefits beyond the statutory requirements to improve workplace morale and aid in employee retention. These benefits include holiday and festival subsidies, meals, transportation, residential allowances, and other benefits for employees. We maintain regular communication with our employees through various channels, such as WeChat groups, regular team meetings, employee performance appraisals, suggestion boxes, etc. We value constructive feedback and opinions from our employees and respond to them appropriately.

In addition, the Group provides various activities for employees to enhance team cohesion.

People-oriented Workplace



Employees from the Hong Kong headquarters visited and studied in northern Guangdong



The Group launched Chinese New Year welfare and employee birthday party activities.



Warm Mid-Autumn Festival, Caring for Employees of Subsidiaries for Festival Visits and Condolences

5.2.3. Investing in Employee Development

The Group recognises the importance of training in inspiring employees' potential and supporting business growth. During the Reporting Period, the Group has updated the *Talent Development Management Measures* and *Implementation Guide of Talent Development and Management* to establish a mentorship program for new recruits. Upon joining the Group, each new employee is assigned two mentors: an integrated mentor and a job-specific mentor. The integrated mentor is responsible for training and developing employees' integrated capabilities and providing guidance on career path planning, while the job-specific mentor is responsible for providing training on job duties. Additionally, the Group provides a wide range of business and function-specific training to equip employees with the skills they need for their roles, and to empower their growth and performance.

Training topics		
Terminal Navigation Logistics	Passenger Transportation	Fuel Supply
<ul style="list-style-type: none"> • container and terminal management • components and maintenance of trailer trucks, reach stackers and other machinery • operation procedures in bonded warehouses • digital operation • accounting 	<ul style="list-style-type: none"> • communication skills • complaint handling • ferry terminals management and operation • number and type of ferry • passenger safety and well-being 	<ul style="list-style-type: none"> • ship management • work safety • quality management



The Group held several pieces of training regularly for the employees during the Reporting Period

6. QUALITY AND RELIABLE SERVICE

The Group is dedicated to delivering top-notch and reliable services through safe, secure, and efficient operations. We strive to provide superior services to our customers across all business segments by focusing on service optimisation and enhancing customer satisfaction. The Group has been accredited by the ISO 9001:2015 Quality Management System.

6.1. Service Optimisation

The Group is committed to optimising the quality of our services across all business segments through continuous improvement and innovation.

Container and Cargo Handling

- Adhering to standardised work manuals

The Group has created comprehensive work manuals for all operations at the cargo terminal, including loading and unloading containers, unpacking containers, weighing containers and cargoes, warehouse operations, and more. The Group has also developed a series of container inspection protocols and employed highly trained inspectors to conduct thorough inspections of the containers.

- Leverage technology

The Group utilises technology to improve operational efficiency at cargo terminals. We have implemented an information management and business intelligence system to analyse operational data and support better business decisions. The system includes information necessary for smooth operations, such as customer demands, fleet schedules, vessel information, and container and cargo locations. To meet customers' needs for container loading and unloading, customs clearance of cargoes, and cargo transportation, the Group also utilises an e-platform, HK ETouch, to give customers access to the most up-to-date information on the location and arrangement of containers at the terminals, providing them with accurate and real-time logistics information.

- Improving terminal security

The Group places a strong emphasis on terminal security to ensure the safety of containers and cargoes. To control security risks and cargo safety, we have established security infrastructures and deployed security teams at the cargo terminals. The terminals are equipped with site perimeter fencing, security gates, security lighting, and surveillance cameras. The check-in and check-out processes of personnel and vehicles are also strictly monitored, and the site is regularly patrolled.

Passenger Transportation

When it comes to passenger transportation, we focus on enhancing the passenger experience by improving the punctuality and comfort of journeys. Sun Ferry strives to provide, and CKPT works with ferry terminal operators and ferry companies to ensure a fast and seamless embarkation and disembarkation process for all passengers.

Sun Ferry launched the first-ever onboard breastfeeding room in Hong Kong at our triple-deck vessel, Xin Guang. To create a safe and relaxing place for nursing mothers, the breastfeeding room is equipped with bespoke facilities such as air-conditioning, sofa, diaper pad, washing basin, hand dryer and emergency bell among others. Breastfeeding rooms are now available at all triple-deck vessels, including Xin Chao, Xin Fei, Xin Guo and Xin Fa.



Ensuring Fuel Quality

The Group is committed to providing the highest level of operational integrity in its fuel supply business. Customers are informed of the types and quantities of oil and lubricant, and the material safety data sheet (MSDS) is provided as an additional resource. Pre-inspections and oil sampling with customers are conducted to guarantee the quality of products.

6.2. Customer Satisfaction

The Group strives to surpass customer expectations and build lasting relationships with them. To maintain our high-quality customer service, we value customers' feedback by responding to their needs in a timely and friendly manner and taking their opinions into consideration for the improvement of our service, as well as trying our best to protect their rights.

Listening and Responding Attentively

The Group has implemented the *Management Procedures for Customer Relationships* and other relevant policies and procedures to regulate customer interactions and strengthen our relationship with them. The roles of various departments and individuals in relation to customer involvement have been identified and outlined.

We recognise that customers' opinions and suggestions are valuable resources for improving our service quality. Customers can provide feedback through collection boxes and customer hotlines. The Group promptly responds to complaints and takes immediate action to rectify the issue. Furthermore, Sun Ferry has created the *Customer Complaint Handling Procedure* and *Customer Complaint Registration Form* to effectively manage customer complaints. Customers can provide feedback through customer service hotlines, fax lines, emails, letters, phone apps, piers and on board QR codes. These methods improve the speed of complaint handling and increase customer satisfaction and service quality.

During the Reporting Period, the Group received a total of 584 complaints. All complaints received were handled properly.

It is critical for the Group to know its performance from the standpoint of our customers. As a result, we conduct a customer satisfaction survey every year to collect customers' feedback. The customer satisfaction rates for the terminal navigation logistics business and the fuel supply business are > 91% and 98.5% respectively.



6.3. Data and Privacy Protection and Intellectual Property Rights Protection

The Group takes great care in handling and processing customers' information to protect personal data and privacy. Sun Ferry has a *Privacy Policy* in place in accordance with the *Personal Data (Privacy) Ordinance* to ensure personal data is collected and stored securely in the Group's database. All employees are prohibited from disclosing any confidential information to others without the Group's consent. Professional third parties are also hired to collect and destroy confidential documents.

Regarding intellectual property rights, the *Computer User Handbook* is developed to ensure the use of legitimate software. We also ensure our advertisements do not violate intellectual property rights by requesting the advertising company to comply with the practices.

Valuing Customer Privacy and Persistence in Information Accuracy

The Group places immense importance on protecting the privacy and confidentiality of customers' information by adhering to the *Management Measures for Brand Building* to regulate the Group's information dissemination. Our Hong Kong and Guangzhou businesses have obtained ISO 27001 Information Security Management System certification. During the Reporting Period, Digital Port and Shipping developed the *Information Management Measures* to enhance the management of information systems and provide better services to customers. With the establishment of the information security management system, customers' information is kept securely. We also strictly follow the designated internal departments for the approval and dissemination of the Group's information to ensure accuracy and authenticity.

During the Reporting Period, the Group did not encounter any cases of infringement of laws and regulations related to data privacy and security as well as intellectual property rights.

6.4. Procurement Practices

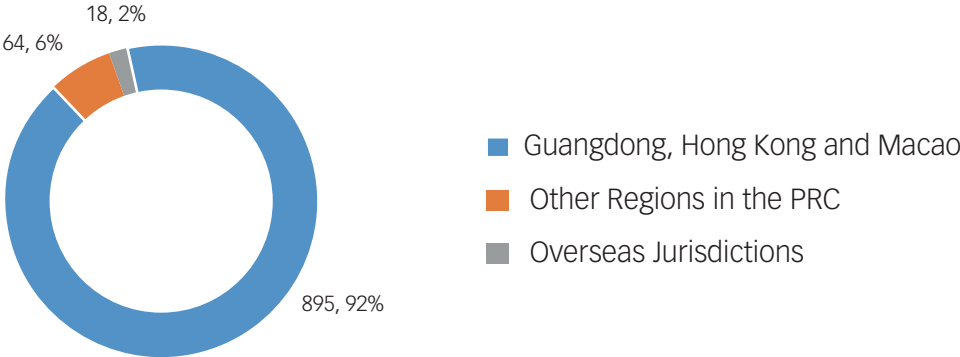
The Group acknowledges that effective supply chain management would be advantageous to the Group in terms of risk minimisation and service quality improvement. To this end, we collaborate with partners and suppliers to enhance operational efficiency and sustainable performance.

The major suppliers of the Group include terminal machinery, components, oils and lubricants suppliers and ferry owners. In accordance with the principles of “transparency, fairness, impartiality and honesty”, the Group has established a comprehensive tendering evaluation system and implemented stringent supplier screening procedures in the *Management Measures for Tendering and Bidding* and the *Procedures of Procurement Management*, governing the management of different types of suppliers of the Group. The Group’s Technical Support Department works in tandem with relevant departments to identify suitable suppliers and to evaluate their qualifications and performance. Moreover, it is our requirement to invite at least three potential suppliers for tendering to ensure fairness.

The Group is striving to incorporate sustainable practices into its supply chain management. We seek to collaborate with suppliers who share the same values as us. Apart from assessing the cost, reputation and delivery of potential suppliers’ products and services, the Group also evaluates their social and environmental performance, such as product and service quality, ethical conduct and environmental conservation. As exemplified by Sun Ferry and Digital Port and Shipping, both have formulated the *Procurement Management Measures* to set forth requirements on suppliers and monitor their behavior. The preference is given to the suppliers who can demonstrate commitment to upholding sustainability principles listed in the code during suppliers’ selection process.

Annually, we evaluate the performance of our existing suppliers according to the criteria and procedures specified in the *Regulations Governing Integrated Supplier Evaluation* to ensure suppliers are in line with our requirements. If the suppliers fail to meet our specifications, they will be required to develop rectification plans and implement corrective actions.

During the Reporting Period, the number and percentage of our suppliers³ by geographical region are as follows:



³ Types of suppliers mainly include shipowners, manufacturers and distributors of machinery and mechanical parts, tyre suppliers, fuel suppliers, and service providers.

Environmental Protection

7. ENVIRONMENTAL PROTECTION

The Group places great emphasis on reducing its impact on the environment during its business operation and is devoted to managing its environmental impacts in a responsible manner. We strictly abide by environmental laws and regulations in each operating location.

The Group implements the *ESG Policy* which outlines our vision and commitment in relation to environmental protection. We incorporate green management in every business segment by constantly evaluating how our operations affect the environment and executing appropriate measures to minimise the impacts.

During the Reporting Period, the Group did not violate any laws and regulations that significantly impact the Group in relation to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

In order to foster environmental awareness, we have encouraged all subsidiaries to set environmental goals. At the end of 2022, the Group reviewed the progress of each subsidiary's goals and assessed their actions based on the environmental goals established in 2021. The progress of the environmental goals is as follows:



Environmental Targets	Condition	Corresponding Measures and Actions	Challenges and Remedies
Emissions Reduction Targets			
For short-term goals, we aim to increase the use of clean marine fuels and increase shore power equipment.	In progress	<ul style="list-style-type: none"> Adopt the use of low-sulfur fuel Provide shore power services for ships at berth 	<ul style="list-style-type: none"> Proper ship maintenance and operation scheduling to avoid waste of fuel Close monitoring of fuel consumption of machine parts for maintenance and repairs. Dedicate shore power cables have been installed to provide shore power for berthing ships
For medium-term goals, we aim to strengthen official vehicle management and reduce business travel emissions.	In progress	<ul style="list-style-type: none"> Record fuel consumption of official vehicles, regular servicing of official vehicles and gradual conversion of existing official vehicles to lower/zero-emission vehicles Reduce unnecessary business travel, the use of first-class and business-class 	<ul style="list-style-type: none"> Record the fuel consumption monthly Reward fuel-saving drivers who have the fuel consumption record below the assessment standard Deduct and punish drivers who have the fuel consumption record exceed the assessment standard Reduce unnecessary business travel
Waste Reduction Targets			
For short-term goals, we aim to achieve waste reduction at source by reducing print paper usage.	Completed	<ul style="list-style-type: none"> Use of electronic documents (CKPT) Double-sided paper, including printing, photocopying, drafts, etc. 	<ul style="list-style-type: none"> Encourage double-sided printing and revise manuscripts on computer to reduce paper consumption Continue to direct our efforts towards an e-office environment, use the network office for internal documents as much as possible to reduce paper use, and strive for the paperless office
For middle-term goals, we aim to reduce the use of disposable materials by increasing the recycling rate for all types of waste, recycling electronic equipment, and separating waste for recycling.	In progress	<ul style="list-style-type: none"> Purchase reusable tableware Arrange recyclers to recycle various types of waste, including waste oil, old electronic products, optical tubes, batteries, wastepaper, plastics, metals, and paper-wrapped beverage containers Recycling of waste tires Trade-in of trailer batteries Set up recycling bins for non-renewable and recyclable waste 	<ul style="list-style-type: none"> The main users of the pier recycling bins are passengers. It is challenging to control the recycling rate The increase in community recycling facilities has relatively reduced the amount of recycling the Group can do Pay close attention to the damage of the recycling bins in the pier environment, which is humid and crowded

Environmental Protection

Environmental Targets	Condition	Corresponding Measures and Actions	Challenges and Remedies
Energy Use Efficiency Targets			
For short-term goals, we aim to reduce unnecessary electricity use	Completed	<ul style="list-style-type: none"> Reduce energy consumption of office equipment by standby and switching off power in a timely manner Vessels and ferries use all shore power during standby and switch off main engines and generators Turn on 1-2 generators less during the daily voyage 	<ul style="list-style-type: none"> Closely monitor if any departments with abnormal electricity use to achieve energy saving and emission reduction Use daylight sensors in office areas to reduce the opening of lamps
For middle-term goals, we aim to reduce energy consumption in offices to improve the efficiency of energy use	Completed	<ul style="list-style-type: none"> Replace office lights to LED lighting 	
For long-term goals, we aim to reduce fuel consumption of ferries and reduce fuel consumption of outboard trailers. We also aim to improve the efficiency of fuel consumption of ships and vehicles	In progress	<ul style="list-style-type: none"> Control ferry speed Implementing assessment and management of vehicle fuel consumption quotas Optimise transport routes Conduct regular vehicle energy efficiency tests to ensure energy efficiency 	<ul style="list-style-type: none"> Avoid unnecessary refueling/acceleration to arrive at the pier in advance Park the ferry in advance and reserve enough time to berth when necessary The captain should maintain an appropriate speed for sufficient time and demonstrate his ship-handling skills
Water Efficiency Targets			
For short-term goals, we aim to reduce average water and consumption achieve a 5% reduction in monthly water consumption compared to last year	In progress	<ul style="list-style-type: none"> Promote water conservation and environmental awareness Regular maintenance of water pipes Ferries' toilets are flushed with seawater instead of freshwater 	<ul style="list-style-type: none"> The corrosiveness of seawater makes the throat pipe vulnerable to damage and rust, so it needs to be inspected and replaced frequently; With the increased number of passengers, the total water consumption will increase. Therefore, it is necessary to consider reducing water consumption internally by quick and efficient washing, cleaning and rinsing
For middle-term goals, we aim to increase the rate of water recycling	In progress	<ul style="list-style-type: none"> Adopt water-saving production processes and equipment and recycle water wherever possible Monitor water use to encourage water-saving behaviour Reuse water for greening 	<ul style="list-style-type: none"> Use recycled water and river water for floor cleaning in public areas as much as possible

Environmental Protection

Over half of the subsidiaries have successfully met their targets by implementing proper environmental management measures. The Group will continue to regularly review progress and identify areas for target modification in the future if necessary.



Sun Ferry has been recognised by the Hong Kong Green Organisation for their commitment to environmental sustainability.



Furthermore, Sun Ferry has been awarded the basic level of "Wastewi\$e Certificate" issued by the Environmental Campaign Committee.

7.1. Green Operation

7.1.1. Improving Ambient Air Quality

The Group is aware that vessels operating and berthing at cargo terminals may affect the air quality of the local communities and nearby regions of cargo terminals. The major air pollutants from the Group are attributed to vessels operating and berthing at cargo terminals, including sulfur oxides (SOx), nitrogen oxides (NOx) and particulate matter (PM). To reduce its impact on air quality in the local communities, we persistently monitor and control air emissions generated from vessels to minimise the impact of air pollution.

Providing Onshore Power Supply

The Group has installed shore power connection boxes at all its cargo terminals in Mainland China to reduce the use of diesel generators and air emissions associated with fossil fuel burning of vessels during berthing. This has enabled vessels to receive onshore power supply, thus reducing the need for auxiliary generators to run continuously.

Supplying Light Diesel with Low Sulphur Content

Sun Kong Petroleum is committed to reducing emissions from vessels by strictly adhering to the statutory cap of 0.05% of the sulfur content of light diesel when providing marine bunkering services in Hong Kong. This is an important step in improving ambient air quality and reducing the air pollution impacts on coastal communities.

Employing Electrical Machinery

The Group has implemented an electric reach stacker for lifting containers at cargo terminals to reduce the emissions of nitrogen oxides and other air pollutants generated by diesel-powered machinery. This is a key step in improving ambient air quality.

7.1.2. Reducing Energy Consumption and Greenhouse Gases (“GHG”) Emissions

The Group is committed to reducing its carbon footprint by decreasing fuel and electricity consumption, which are the major contributors to the Group’s total GHG emissions of 61,946.30 tCO₂e, with Scope 1 and Scope 2 GHG emissions accounting for approximately 54,267.08 tCO₂e and 7,679.22 tCO₂e respectively.

The Group is dedicated to achieving environmental improvements and has implemented multiple energy conservation initiatives. We promote energy conservation behavior in the workplace, adopt energy-efficient equipment, regularly inspect and maintain the conditions of machinery, vehicles, ferries and vessels, and assign dedicated personnel for energy consumption monitoring and recording. For example, slogans on saving electricity and paper are posted in the office to encourage employees to save energy and strive to create a green office.



On 20 December 2022, the solar photovoltaic project on the warehouse roof of the CKTL was successfully connected to the grid, and the annual power generation capacity can reach 800,000 kWh. While promoting the development of clean energy, the project has also further improved the resource utilization efficiency of the Group.



Hollow glass is installed on the ceiling of the new warehouse of CKTL. During the day, light can shine through the glass into the warehouse interior, saving electricity.

Environmental Protection



Sun Ferry on behalf of the Hong Kong government purchased 7 diesel-electric hybrid ships during the Reporting Period in order to reduce pollutant and greenhouse gas emissions and improve energy efficiency.



The Group employs electrical gantry cranes and overhead cranes with variable frequency drives to reduce energy consumption and hence the associated air and GHG emissions.



On 11 October 2022, Shenzhen Zhu Chuan responded to the national call for energy conservation, environmental protection and green travel by scrapping a fuel vehicle and replacing it with a new energy vehicle.

7.1.3. Preserving Water Resources

The Group sources its water consumption from municipal water supply and, during the Reporting Period, did not have any issues in sourcing water. Despite not being a water-intensive industry, the Group has taken every opportunity to reduce water consumption, such as installing water-saving faucets and posting water conservation signs in restrooms to encourage employees to be mindful of their water usage.



The Group's subsidiaries operating cargo terminals have implemented a rainwater harvesting system to reduce demand for freshwater, collecting and storing rainwater for irrigation, road spraying and fire suppression.

The Group pays special attention to wastewater discharge management, particularly at its cargo terminals located in coastal areas. Wastewater treatment facilities were built to divert all wastewater within the boundary of cargo terminals to the treatment facilities for proper treatment before discharge, and wastewater is also collected at the terminal to prevent wastewater discharge and pollution in the nearby coastal region.



7.1.4. Effective Utilisation of Materials and Waste Reduction

The Group strives to reduce the amount of waste at the source by making the most of our resources. To ensure proper handling of waste that would not pose a threat to the environment or any surrounding community, the Group strictly follows regulatory requirements and has assigned qualified third-party companies to handle and dispose of non-hazardous and hazardous wastes.



Environmental Protection

The Group retrieves and reuses used tires at the cargo terminals to minimise the number of waste tires and the consumption of new tires. For tires worn down with irreparable damage, they are discarded and disposed of in a standardised manner.

The Group also optimises the time interval and volume of oil and lubricant replacements to avoid any premature disposal of oil and lubricants, in order to reduce the amount of generated waste oil from the replacement process. No abnormality was found in the amount of waste oil generated during the Reporting Period.

Furthermore, the Group has set up recycling facilities at its operating sites to separate unavoidable wastes for recycling, such as used lamps and waste metal, and regularly organises waste sorting publicity activities to increase material recycling.



7.2. Climate Change

The Group is aware of the risks and challenges posed by climate change to its business operations, particularly in coastal areas, and is exploring ways to mitigate these risks. Climate change poses significant risks to global economic and social development, and the Group is taking steps to ensure its operations are resilient to extreme weather.

7.2.1 Emergency Response

The Group pays close attention to the safety of its terminal operators and cargo under extreme weather conditions caused by climate change, as its cargo terminals are located close to coastal areas. To enhance its preparedness in responding to severe weather events, all subsidiaries under the terminal navigation logistics business of the Group have developed emergency plans for severe weather conditions.

The Group has identified several environmental emergencies that have a high likelihood of occurring and has formulated the *Environmental Emergency Response Plan* to outline its strategies and procedures for responding to environmental emergencies. The plan outlines the functions and responsibilities of relevant departments in environmental emergencies.

For typhoons and flooding, which have a significant impact on the Group's shipping business, the relevant subsidiaries have established *Typhoon and Flooding Prevention Plan* to clarify work procedures and strengthen safety management. Regular drills are conducted to test the adequacy and effectiveness of the plan.

During the Reporting Period, Zhaoqing New Port and Sihui Port performed a simulation and hurricane emergency exercise to enhance typhoon preparedness by providing employee practice in carrying out their roles in the emergency.



Zhaoqing Kangzhou Port simulated flood protection in the port for flood control to enhance the preparedness for responding to severe flood.

8. COMMUNITY ENGAGEMENT

The Group fulfills its corporate social responsibility by supporting the local communities where it operates. We have been involved in the communities through a wide range of activities, partnering with local communities and organisations to take concrete steps in community engagement, while encouraging our employees to volunteer and share the Group's passion for fostering a better society. During the Reporting Period, we have contributed HKD202,000 and more than 234 hours in community activities.



Community Engagement

Since the outbreak of the fifth wave of the epidemic in Hong Kong, we have actively responded to the call of the country through using the terminal shipping network covering Guangdong and Hong Kong, setting up 20 Guangdong-Hong Kong transportation routes, and making full use of the water transportation “green channel” and “linkage line” to open up for mainland supplies and anti-epidemic materials. As of the end of the Reporting Period, the transportation of supplies for people in Hong Kong and anti-epidemic materials is about 650,000 tons, including over 12,000 temporary isolation facilities for the state-assisted Hong Kong, nearly 300 million masks, 84,000 boxes of rapid test kits, etc. At the same time, we actively fulfill our corporate social responsibility in Hong Kong, and strive to raise medical masks and other emergency anti-epidemic materials for the Hong Kong society, and donate them to non-governmental organisations and citizens through channels such as “Hong Kong Community Anti-epidemic Link” to devote ourselves to “fighting the epidemic and protecting people’s livelihood” in Hong Kong.



During the Reporting Period, Sun Ferry showed its support for the 2022 International Day of Persons with Disabilities and Senior Citizens’ Day by offering free ferry services to the disabled and elderly. This initiative demonstrates Sun Ferry’s commitment to creating a caring society and promoting the inclusion of the disabled in social activities.

To celebrate the 25th anniversary of Hong Kong's return, Sun Ferry has distributed a total of 1,000 free ferry tickets, allowing Hong Kong citizens to experience the diverse urban charm of different areas in Hong Kong and celebrate the return together. Sun Ferry hopes to share the joy of this special day with the people by distributing ferry tickets.



Community Engagement



Sun Ferry is committed to fulfilling its corporate social responsibility for building a sustainable society. Recently, we have been honoured by various sectors and organisations with numerous accolades in recognition of our corporate social responsibility efforts, contributions towards environmental conservation as well as great support to groom new blood for the industry.



Sun Ferry has taken on its corporate social responsibility by offering internship and job opportunities to students, rehabilitated persons and persons with disabilities, etc., helping them to better integrate into society and make use of their strengths. As a result, Sun Ferry has been awarded the “Partner Employer Award” by the Hong Kong General Chamber of Small and Medium Business.

9. OUR PERFORMANCE

The reporting scope of environmental data has been extended to include Sun Ferry (from May 2020), and therefore the Group recorded a significant increase in energy consumption and the associated air emissions and GHG emissions in 2021.

Revenue

Revenue	Units	2022	2021	2020
Revenue	HKD million	2,899.55	2,268.41	1,854.55

Emissions and Wastes⁴

Emissions and wastes	Units	2022	2021	2020
Air emissions⁵				
NO _x	Tonnes	1,119.82	1,364.77	929.46
	Tonnes per HKD million revenue	0.39	0.60	0.50
SO _x	Tonnes	13.45	16.69	11.04
	Tonnes per HKD million revenue	4.64 x 10 ⁻³	7.36 x 10 ⁻³	5.95 x 10 ⁻³
CO ⁵	Tonnes	131.54	146.11 ⁶	/
	Tonnes per HKD million revenue	0.05	0.06	/
PM2.5	Tonnes	20.66	25.08	/
	Tonnes per HKD million revenue	0.01	0.01	/
PM10	Tonnes	21.51	26.07	/
	Tonnes per HKD million revenue	0.01	0.01	/
GHG emissions				
Total GHG emissions	Tonnes CO ₂ e	61,946.30	71,394.34	51,476.72
(Scope 1 and Scope 2)	Tonnes CO ₂ e per HKD million revenue	21.36	31.47	27.76
Direct GHG emissions ⁷ (scope 1)	Tonnes CO ₂ e	54,267.08	63,356.95	45,055.77
Indirect GHG emissions ⁸ (scope 2)	Tonnes CO ₂ e	7,679.22	8,037.39	6,420.95

⁴ Revenue of the Group were used for the calculation of the intensity of environmental KPIs.

⁵ The reporting scope of air pollutants includes those generated from the operation of vehicles, vessels and machinery. Air pollutants were calculated using the methods and emission factors from the *Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources*, the *Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial)*, the *Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* and the *EMEP/EEA Air Pollutant Emission Inventory Guidebook 2019*.

⁶ The Group started to disclose air emissions of CO, PM2.5 and PM10 in the environmental data collection in 2021.

⁷ The calculation scope of Scope 1 GHG emissions includes those generated from the operation of vehicles, vessels and machinery. Scope 1 GHG emissions were calculated using the methods and emission factors from the *Reporting Guidance on Greenhouse Gas Emissions for Other Industrial Enterprises (Trial)*, the *Guidelines for Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial)*, and the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong*.

⁸ The calculation scope of Scope 2 GHG emissions includes those came from the use of electricity. Scope 2 GHG emissions of 2022 were calculated by referencing the *Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises*, and the emission factors provided in the Sustainability Report 2021 of HK Electric Investments Limited, the Sustainability Report 2022 of CLP Holdings Limited, and the *CEM Sustainability Report 2021* of Companhia de Electricidade de Macau – CEM, S.A.

Our Performance

Emissions and wastes	Units	2022	2021	2020
Non-hazardous waste				
Domestic waste ⁹	Tonnes	797.39	1,118.62	95.43
	Tonnes per HKD million revenue	0.28	0.49	0.05
Waste tire	Pcs	1,341.00	1,824.60	1,784.00
	Pcs per HKD million revenue	0.46	0.80	0.96
Hazardous waste				
Waste machine oil	Tonnes	25.26	39.85	15.93
	Tonnes per HKD million revenue	0.01	0.02	0.01
Waste vehicle battery	Pcs	297	285 ¹⁰	275
	Pcs per HKD million revenue	0.10	0.13	0.15

⁹ The significant increase is due to domestic waste generation of Sun Ferry which is newly included in the reporting scope in 2021.

¹⁰ This data is revised due to the change of the statistical unit. The volume and intensity of waste vehicle battery are therefore updated.

Use of Resources

Use of resources	Units	2022	2021	2020
Direct Energy				
Total Direct Energy	MWh	208,820.10	241,951.46	173,789.58
	MWh per HKD million revenue	72.02	106.66	93.71
Gasoline (vehicles)	Litres	65,248.05	52,627.70	62,160.50
	Litres per HKD million revenue	22.50	23.20	33.52
Diesel (vehicles and machinery)	Litres	4,890,067.89	4,122,506.20	4,116,497.22
	Litres per HKD million revenue	1,686.49	1,817.35	2,219.73
Diesel (vessels)	Tonnes	13,250.51	16,621.57	10,970.68
	Tonnes per HKD million revenue	4.57	7.33	5.92
Indirect Energy				
Electricity	kWh	14,688,302.07	14,872,138.00	11,523,564.60
	kWh per HKD million revenue	5,065.73	6,556.19	6,213.84
Water				
Water	Tonnes	303,182.33	324,192.46	242,264.97
	Tonnes per HKD million revenue	104.56	142.92	130.64

Employees¹¹

No. of employees (as of the end of the Reporting Period of each year)	Unit	2022	2021	2020
Total No. of employees	No.	2,231	2,212	2,243
By gender				
Male	No.	1,785	1,772	1,809
Female	No.	446	440	434
By employment type				
Full-time	No.	2,192	2,212	2,243
Part-time	No.	39	0	0
By employee category				
Directors and senior management	No.	89	53	72
Middle management	No.	424	425	440
General employees	No.	1,718	1,734	1,731
By age group				
≤ 30	No.	335	324	370
31 – 40	No.	580	603	603
41 – 50	No.	625	634	644
> 50	No.	691	651	626
By operating location				
Mainland China	No.	1,409	1,406	1,453
Hong Kong	No.	818	797	786
Macao	No.	4	9	4

¹¹ The Group followed SEHK's guidance on how to calculate the information called for under the social KPIs provided in the *How to Prepare an ESG Report Appendix 3: Reporting guidance on Social KPIs*. The calculation formulas for employee turnover rate, employee training coverage, percentage of employees trained, and average training hours completed per employee are provided in this section.

Employee Turnover

Employee turnover rate ¹²	Unit	2022	2021	2020
Employees turnover rate	%	13.4%	13.0%	13.8%
By gender				
Male	%	12.9%	13.0%	11.8%
Female	%	15.5%	13.0%	22.4%
By age group				
≤ 30	%	23.3%	23.8%	22.4%
31 – 40	%	11.7%	9.6%	14.6%
41 – 50	%	6.4%	11.0%	8.2%
> 50	%	16.5%	12.6%	13.7%
By operating location				
Mainland China	%	7.4%	10.1%	11.4%
Hong Kong	%	24.0%	18.2%	18.3%
Macao	%	0.0%	0.0%	25.0%

¹² The calculation formula of percentage of employee turnover rate is: number of employees who left during the Reporting Period / number of employees as of the end of the Reporting Period x 100%.

Training

Employee training coverage ¹³	Unit	2022	2021	2020
Employee training coverage	%	94.3%	64.6%	67.2%
By gender				
Male	%	94.2%	70.7%	69.6%
Female	%	94.4%	40.5%	57.1%
By employee category				
Senior management	%	80.9%	73.6%	50.0%
Middle management	%	92.5%	40.0%	48.9%
General employees	%	95.4%	70.4%	72.6%
Percentage of employees trained ¹⁴	Unit	2022	2021	2020
By gender				
Male	%	80.0%	87.6%	83.5%
Female	%	20.0%	12.4%	16.5%
By employee category				
Senior management	%	3.4%	2.7%	2.4%
Middle management	%	18.6%	11.9%	14.3%
General employees	%	77.9%	85.4%	83.3%

¹³ The calculation formula of employee training coverage is: number of trained employees during the Reporting Period / number of employees as of the end of the Reporting Period x 100%.

¹⁴ The calculation formula of percentage of employees trained is: number of employees trained of the specific category during the Reporting Period / total number of trained employees during the Reporting Period x 100%.

Training Hours

Average training hours completed per employee ¹⁵	Unit	2022	2021	2020
Average training hours completed per employee	Hours	47.1	26.9	28.7
By gender				
Male	Hours	48.5	32.0	33.8
Female	Hours	41.8	6.6	7.5
By employee category				
Senior management	Hours	42.6	19.0	11.0
Middle management	Hours	76.9	7.3	6.1
General employees	Hours	40.1	32.0	35.2

Safety

Safety performance	Unit	2022	2021	2020
Number of work-related fatalities	No.	1	0	0
Work-related fatalities rate	%	0.04%	0%	0%
Lost days due to work injury	Days	605	880	408

¹⁵ The calculation formula of average training hours completed per employee is: total training hours received by employees during the Reporting Period / number of employees as of the end of the Reporting Period x 100%.

Appendix 1

Applicable Laws and Regulations

The laws and regulations that have a significant impact on the Group's operation in Mainland China, Hong Kong and Macao and our performance during the Reporting Period are as follows:

Law and Regulations¹⁶

Environment

Mainland China

- Environmental Protection Law of the People's Republic of China
- Atmospheric Pollution Prevention and Control Law of the People's Republic of China
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes
- Water Pollution Prevention and Control Law of the People's Republic of China
- Law of the People's Republic of China on Water and Soil Conservation
- Law of the People's Republic of China on the Promotion of Cleaner Production
- Law of the People's Republic of China on Ports
- Law of the People's Republic of China on Conserving Energy

Hong Kong

- Cap. 311Z Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation
- Cap. 358 Water Pollution Control Ordinance
- Cap. 354 Waste Disposal Ordinance
- Cap. 313 Shipping and Port Control Ordinance
- Cap. 311Y Air Pollution Control (Marine Light Diesel) Regulation

Macao

- Administrative Regulation No. 15/2016 Standards for Unleaded Petrol and Light Diesel for Vehicles

Employment and Labour Practices

Mainland China

- Labour Law of the People's Republic of China
- Labour Contract Law of the People's Republic of China
- Law of the People's Republic of China on the Protection of Minors
- Provisions on the Prohibition of Using Child Labour

Hong Kong

- Cap. 57 Employment Ordinance
- Cap. 282 Employee Compensation Ordinance
- Cap. 608 Minimum Wage Ordinance

Macao

- Law No. 4/98/M Framework Law on Employment Policy and Worker's Rights
- Law No. 7/2008 Labour Relations Law
- Administrative Regulation No. 13/2010 Regulation of the conditions or responsibilities to be established in the employment permit for non-resident workers

¹⁶ The laws and regulations of Macao are translated from Portuguese.

Law and Regulations¹⁶

Health and Safety

Mainland 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

Hong Kong

- Cap. 509 Occupational Safety and Health Ordinance
- Cap. 59J Factories and Industrial Undertakings (Lifting Appliance and Lifting Gear) Regulation
- Cap. 59K Factories and Industrial Undertakings (Cargo and Container Handling) Regulation
- Cap. 59AC Factories and Industrial Undertakings (Suspended Working Platforms) Regulation
- Cap. 59AG Factories and Industrial Undertakings (Loadshifting Machinery) Regulation
- Cap. 81 Port Control (Cargo Working Areas) Ordinance

Macao

- Law No. 2/83/M Sanctions Applicable to the Transgression of Legal or Regulatory Norms on Occupational Health or Safety in Industrial Establishments
- Decree-Law No. 24/95/M Fire Security Regulation
- Decree-Law No. 37/89/M Approves the General Regulation on Occupational Health and Safety in Commercial, Office and Service Establishments

Product Responsibility

Mainland China

- Product Quality Law of the People’s Republic of China
- Law of the People’s Republic of China on Import and Export Commodity Inspection
- Law of the People’s Republic of China on the Protection of Consumer Rights and Interests

Hong Kong

- Cap. 486 Personal Data (Privacy) Ordinance
- Cap. 456 Consumer Goods Safety Ordinance
- Cap. 362 Trade Descriptions Ordinance
- Cap. 26 Sale of Goods Ordinance

Macao

- Law No. 8/2005 Personal Data Protection Act

Appendix 1 Applicable Laws and Regulations

Law and Regulations¹⁶

Anti-corruption

Mainland China

- Criminal Law of the People's Republic of China
- Anti-Unfair Competition Law of the People's Republic of China
- The Bidding Law of the People's Republic of China
- Supervision Law of the People's Republic of China
- Interim Provisions on Banning Commercial Bribery

Hong Kong

- Cap. 201 Prevention of Bribery Ordinance

Appendix 2

Environmental, Social and Governance Reporting Guide Content Index

Mandatory Disclosure Requirements	Descriptions	Relevant Sections and Remarks
Governance Structure	Statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	About this Report
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report

Appendix 2 Environmental, Social and Governance Reporting Guide Content Index

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
Environmental		
Aspect A1: Emissions		
General Disclosure	(a) 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	7.1, 7.2, Appendix 1
KPI A1.1	The types of emissions and respective emissions data.	9
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	7.1
KPI 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.	7.1

Appendix 2 Environmental, Social and Governance Reporting Guide Content Index

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
Aspect A2 : Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.1
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	9
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	9
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	7.1
KPI 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.	7.1
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group does not produce any products, and thus the total packaging material used for finished products is not applicable to the Group.
Aspect A3 : The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	7.1
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.1
Aspect 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.	7.2
KPI 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.	7.2

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General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
Social		
Aspect B1 : Employment		
General Disclosure	(a) 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.	5.2, Appendix 1
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	5.1, 9
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	9
Aspect B2 : Health and Safety		
General Disclosure	(a) 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.	4.1, 4.2, Appendix 1
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.1
KPI B2.2	Lost days due to work injury.	4.1
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	4.1, 4.2
Aspect B3 : Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.2
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	9
KPI B3.2	The average training hours completed per employee by gender and employee category.	9

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General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
Aspect B4 : Labour Standards		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	5.2
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.2
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.2
Aspect B5 : Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.4
KPI B5.1	Number of suppliers by geographical region.	6.4
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	6.4
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.4
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.4

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General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
Aspect B6 : Product Responsibility		
General Disclosure	(a) 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.	6.1, 6.2, Appendix 1 * Due to the Group's business nature, products, labelling relating to the services provided, and recall procedures are not applicable to the Group.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	* The Group does not produce any products.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	6.2
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.3
KPI B6.4	Description of quality assurance process and recall procedures.	6.1 * Due to the Group's business nature, recall procedure is not applicable to the Group.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.3

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General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections and Remarks
Aspect B7 : Anti-Corruption		
General Disclosure	(a) 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.	3.1, Appendix 1
KPI 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.	3.1
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	3.1
KPI B7.3	Description of anti-corruption training provided to directors and staff.	3.1
Aspect 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.	8
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8