



中國萬天控股有限公司

CHINA WANTIAN HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1854

2022/23

**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT**

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ABOUT THIS REPORT

OVERVIEW

China Wantian Holdings Limited (the “**Company**”) is an investment holding company and its subsidiaries (collectively, the “**Group**” or “**we**”) are principally engaged in the sourcing, processing and supplying of food ingredients with a focus on the provision of vegetables and fruits to food service operators in Hong Kong. During the period from 1 April 2022 to 31 March 2023 (the “**Reporting Period**” or “**2023**”), the Group officially expanded its businesses into green food supply, green catering, and environmental protection and technology in the Greater Bay Area.

The Group is committed to fulfilling its corporate social responsibilities. As part of our core values, it is our goal to safeguard the environment, provide a harmonious workplace for our employees and contribute to the local community. The Group strongly believes that sustainability is one of the keys to its continued success and strives to become China’s leading service provider for a better life.

REPORTING SCOPE

The environmental, social and governance report (the “**Report**”) describes the performance of environmental, social and governance (“**ESG**”) aspects of the Group during the Reporting Period.

The Report generally covers the Group’s business activities in Hong Kong and the Greater Bay Area, including its office in Kowloon Bay, warehouses in Cheung Sha Wan, Kwai Chung and Sha Tin, food processing facilities in Sha Tin and Kwai Chung, all respectively in Hong Kong, and its functional departments¹ in Shenzhen Bay, Shenzhen and Wangu Plaza, Zhongshan, in the Greater Bay Area which are consistent with the Group’s annual report for the year ended 31 March 2023 (the “**Annual Report**”).

REPORTING STANDARDS AND PRINCIPLES

The Report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**HKEX**”) as well as adhering to the mandatory disclosure and “comply or explain” provisions thereof. Corporate governance is addressed separately in the Corporate Governance Report on pages 36 to 57 of the Annual Report.

While preparing this Report, the Group applied the following reporting principles:

Materiality: The materiality of issues was reviewed and confirmed by the board (the “**Board**”) of directors (the “**Directors**”) of the Company and the ESG working group (the “**ESG Working Group**”). For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

¹ Have come into operation since 1 July 2022.

ABOUT THIS REPORT (continued)

Quantitative: The standards, methodologies, sources of conversion factors and applicable assumptions used for the calculation of key performance indicators (“**KPIs**”) data were supplemented by explanatory notes.

Balance: The information is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.

Consistency: Unless otherwise stated, the preparation approach of this Report is consistent with the previous reports for comparison. If there are any changes in the scope of disclosure or calculation methodologies that may affect the comparison with previous reports, explanations will be provided to the corresponding data.

CONTACT US

The Group welcomes stakeholders’ feedback on its ESG approach and performance. For any suggestion or opinion, please share your views with us by email at enquiries@cwth.com.hk.

ESG MANAGEMENT

ESG GOVERNANCE STRUCTURE

The Group conducts a top-down management approach regarding its ESG issues. The Board oversees and sets out ESG strategies for the Group. It is also responsible for ensuring the effectiveness of the Group's risk management and internal controls, evaluating, prioritising and managing material ESG-related issues, as well as setting up ESG-related targets.

The Group has set up an ESG Working Group composed of executive Directors and representatives from different departments in order to have systematic management of the Group's ESG issues. The ESG Working Group is responsible for collecting relevant ESG data and compiling the Report. It assists in the identification and assessment of the Group's ESG risks (including climate-related risks) and implements the ESG-related strategies and policies of the Group, and reports to the Board on its progress and effectiveness periodically. It also reviews the Group's ESG performance, including environmental aspects, employment and labour practices and other ESG issues. Further, in order to make appropriate and timely recommendations to the Board on the improvement of ESG strategies and initiatives, the ESG Working Group keeps close track of ESG-related market trends and development, laws and regulations and industry practices.

In response to stakeholders' expectations for the Group in materiality assessment, and to further enhance the Group's performance in ESG aspects, the Group has set environmental targets, including emission reduction, waste management and resource conservation. The Board will review the progress towards the relevant targets annually and ensure that the ESG Working Group has sufficient resources to achieve these targets. The Group believes that through the setting of targets and the implementation of targeted measures, the Group will continuously enhance the ESG awareness of employees, promote behavioural changes, and gradually integrate the concept of sustainability into the operation and development of the Group.

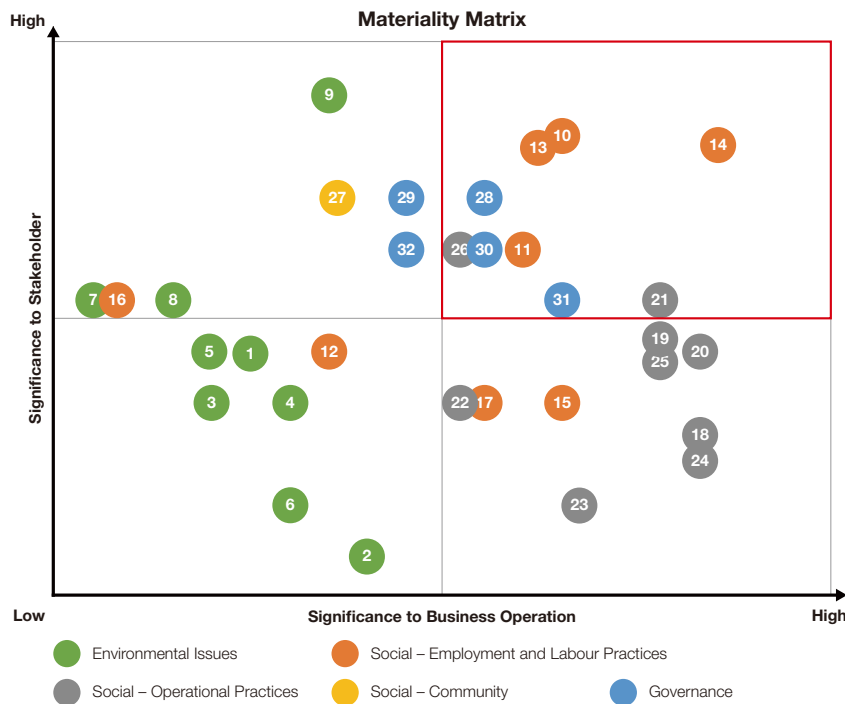
STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a key success factor in the formulation of our ESG strategy. It helps us define our key objectives and establish relevant policies, as well as identify and assess areas of materiality. Our key stakeholders include but not limited to customers, employees, suppliers, shareholders and the community. To fully understand, respond and address the core concerns of various stakeholders, we have been maintaining close communication with key stakeholders through the use of surveys and discussions, which enables us to provide effective responses to better suit their needs and expectations, balance the interests of all parties and foster sustainable development. Stakeholder inputs are consolidated and prioritised accordingly for us to continuously improve our ESG performance and provide better values to our stakeholders.

Stakeholders	Expectations and concerns	Communication Channels
Customers	<ul style="list-style-type: none"> Quality products and services Integrity operation Privacy protection 	<ul style="list-style-type: none"> After-sales services Feedback channels
Employees	<ul style="list-style-type: none"> Rights and interests protection Staff salary and benefits Healthy and safety working environment Career development 	<ul style="list-style-type: none"> Training Performance review and interviews Internal announcements and publications Suggestion box
Suppliers	<ul style="list-style-type: none"> Timely payment Fair procurement 	<ul style="list-style-type: none"> Site visits Business meetings Performance selection and assessment
Shareholders	<ul style="list-style-type: none"> Compliance operation Return on investment Transparent financial information 	<ul style="list-style-type: none"> General meetings Financial reports Press releases and announcements Company website
Community	<ul style="list-style-type: none"> Community involvement Environmental protection awareness 	<ul style="list-style-type: none"> Community activities Subsidies and charitable donations

MATERIALITY ASSESSMENT

The Group has performed a materiality assessment by inviting both internal and external stakeholders to participate in the stakeholder engagement survey and assess the importance of potential material ESG issues based on their significance to stakeholders and business operations. It covers a variety of topics related to economic, environmental and social performances. The objective of the assessment is to identify the key concerns and interests of the Group's stakeholders. The results of the assessment are consolidated in the form of the materiality matrix as shown below:



- | | | |
|--|---|---|
| 1. Air emissions | 13. Employee communication | 23. Customer satisfaction |
| 2. Energy management | 14. Occupational health and safety | 24. Data security and customer privacy protection |
| 3. Greenhouse gas (“GHG”) emissions | 15. Training and development | 25. Intellectual property rights protection |
| 4. Water management | 16. Child labour and forced labour management | 26. Product advertising and labelling |
| 5. Sewage discharge | 17. Human rights protection | 27. Community investment |
| 6. Waste management | 18. Supply chain management | 28. Anti-corruption |
| 7. Climate change | 19. Raw materials management | 29. Whistle-blowing mechanism |
| 8. The environment and natural resources | 20. Product quality management | 30. Generation of economic value |
| 9. Environmental compliance | 21. Product health and safety | 31. Group profitability |
| 10. Talent management | 22. R&D and technology innovation | 32. Social and economic compliance |
| 11. Diversity and equal opportunity | | |
| 12. Anti-discrimination | | |

During the Reporting Period, the Group has identified a total of 9 material ESG issues, scattered on the upper right corner. To better govern the material ESG issues, we have established appropriate and effective management policies and internal control systems and ensured that the disclosed contents comply with the requirements of the ESG Reporting Guide.

EMISSIONS

The Group recognises the importance of protecting the natural environment for the benefit of the earth. Therefore, we are committed to integrating the philosophy of sustainable development into our business activities to limit any negative impacts on the environment and to fulfil the social responsibilities of the Group. The Group has formulated the Environmental Policy that outlines its commitment to environmental protection by introducing a series of environmental measures and practices in its operations. We strive to implement relevant monitoring measures to minimise our impacts on the environment, raise employees' environmental awareness and comply with relevant laws and regulations.

The Group strictly complies with all applicable laws and regulations regarding environmental protection in Hong Kong and the People's Republic of China ("**PRC**"), including but not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), the Product Eco-responsibility Ordinance (Chapter 603 of the Laws of Hong Kong), the Environmental Protection Law of the PRC, the Energy Conservation Law of the PRC, the Law of the PRC on Prevention and Control of Water Pollution and the Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste. During the Reporting Period, there was no incident of non-compliance with the relevant environmental laws and regulations in Hong Kong and the PRC relating to air emissions and GHG emissions, discharges into water and land, and generation of hazardous or non-hazardous wastes that have a significant impact on the Group.

Air Emissions

The majority of our air emissions originate from vehicles, which are used for the delivery of products to customers. The consumption of fossil fuels results in the emissions of various compounds into the atmosphere, which is responsible for air pollution, including nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM).

To reduce the environmental impact, we are committed to minimising the air emissions from the business operations. The following are the emission reduction measures we have taken:

- Employing environmentally-friendly equipment and cleaner fuels;
- Adopting a green logistics management approach and choosing the most feasible eco-friendly transportation mode for delivering the incoming materials from suppliers and outgoing products to customers;
- Optimising transportation routes to reduce the overall travel distance;
- Ensuring trucks used for long-distance transportation are filled to optimal capacity;
- Maintaining vehicles properly, including maintaining proper tyre inflation pressure, checking tyre wear and replacing fuel filters at the proper intervals;

ENVIRONMENTAL (continued)

- Cleaning the filters at regular intervals to avoid blocking air vents and ducts, thereby ensuring good airflow and efficient fuel combustion; and
- Reminding employees to consider environmental impacts in their daily commuting decisions and encouraging them to use public transportation and walk whenever possible.

GHG Emissions

Certain gases commonly released into the atmosphere have the ability to absorb and re-emit infrared radiation, which intensifies the greenhouse effect. These GHG include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), perfluorocarbons, sulphur hexafluoride, etc., and they are commonly presented in the form of metric tons of equivalent carbon dioxide (“tCO₂e”), which takes into account the aggregate contribution from the emissions of the various GHG.

The most significant sources of the Group’s GHG emissions were liquefied petroleum gas from stoves, petrol and diesel consumption from vehicles and consumption of refrigerants (Scope 1), electricity consumed during operation (Scope 2), paper waste disposed of at landfills, and fresh water and sewage processing (Scope 3). The Group has set a target to gradually reduce its GHG emissions intensity (tCO₂e/revenue (HK\$’000)) by 2% in the next 3 years compared with the baseline for the year ended 31 March 2022 (the “2022 Baseline”).

Apart from the measures described above in the section headed “Air Emissions”, the Group has actively adopted the following measures with regard to different emission sources to reduce GHG emissions.

Direct Emissions from Fossil Fuel Consumption

In view of the Group’s business nature, the majority of our direct emissions originate from stoves and vehicles, which are used in our catering operation and for the delivery of products to customers.

Direct Emissions from Fugitive Emissions of Refrigerants

In order to apply optimal refrigerants in selected applications, the Group assessed various refrigerants based on their environmental impact, energy efficiency, safety and cost-effectiveness. Employees are required to refrigerate items when needed and always keep refrigeration at the highest possible temperature to reduce the load on the refrigeration system. Besides, we regularly inspect the refrigeration systems, especially checking for potential gas leaks and investing in good pipe insulation to avoid lost cooling capacity and reduced compressor efficiency.

Indirect Emissions from Electricity Consumption

The Group encourages staff to switch off lights when they are idle, maintain lamp conditions, install energy-efficient lighting, and make use of standby mode for all electrical appliances, including computers, photocopiers and printers to limit electricity consumption when they are not in use. Air conditioning is required to be set at a temperature no lower than 25°C. The Group also requires windows and doors to remain properly closed while air-conditioning is on, and the air conditioning is to be switched off after office hours or after the usage of meeting rooms. The operating performances of office air conditioning systems are regularly inspected for leaks and operations efficiency.

Indirect Emissions from Paper Waste Disposed of at Landfills

In order to minimise indirect emissions relating to paper waste disposed of at landfills, the Group encourages its employees to utilise electronic means such as emails and data storage devices to reduce paper consumption, and preview carefully before printing to avoid unnecessary printing and/or copying. In case printing is required, our employees are recommended to make use of efficient document formatting and duplex printing to minimise paper usage. Recycling boxes are placed next to photocopiers for the collection of paper for recycling, and designated trays are assigned for paper that can be reused for printing and/or writing.

Indirect Emissions from Fresh Water and Sewage Processing

The Group uses cheaper and reclaimed water to meet water needs such as for the functioning of cooling towers, and other non-potable water uses. We also strive to promote clean production technologies and adopt a variety of measures to reduce water consumption, including recycling cooling water for non-processing use, such as for cleaning purposes. Moreover, the Group possesses eco-friendly technology to manage the disinfectant process of our products, and the disinfectants used for sanitising our products will return to the form of water prior to disposal.

Indirect Emissions from Business Travel by Employees

The Group recognises the environmental impacts of indirect GHG emissions associated with business travel by employees, and encourages employees to utilise teleconference instead of overseas meetings and to adopt rail travel where feasible so as to reduce the carbon footprint from aviation. During the Reporting Period, no instances of business air travel were recorded as part of the Group's operations.

The total GHG emissions intensity (tCO₂e/revenue (HK\$'000)) increased by approximately 43% in 2023, which mainly resulted from the increased consumption of mobile fuels and refrigerants due to the resumption of normalcy.

Sewage Discharge

As the sewage created by the Group is discharged directly into the municipal sewage pipe network to the regional water purification plant, the water consumed in the offices and warehouses is considered as sewage discharged, while the sewage discharged from the restaurants accounts for 70% of the water consumed due to the water used in the catering operation. The data on water consumption and the corresponding water-saving initiatives are described in the section "Water Consumption".

Waste Management

The internal guidance encourages employees to handle generated waste in a proper and environmentally friendly manner.

ENVIRONMENTAL (continued)

Hazardous Waste

Hazardous waste refers to substances that may pose substantial or potential threats to public health and the environment, such as chemicals, heavy metals, medical waste and radioactive materials.

The Group strictly regulates the temporary storage, processing and disposal of hazardous waste. We ensure that all products or parts do not contain any chemicals banned by laws and fully comply with environmental laws, directives, standards and customer requirements. Retirement of fluorescent lamps and electronic equipment such as computers, printers and fax machines, which may contain traces of hazardous materials, will be handled by recyclers registered under the Environmental Protection Department. To minimise waste, the Group requires employees to maintain the equipment well so as to prolong its lifespan through preventive maintenance scheduling, purchasing and reworking used equipment etc. We have also participated in official recycling programmes for the safe disposal of hazardous waste, including the Computer Recycling Programme, Waste Electrical and Electronic Equipment (WEEE) Recycling Programme, Fluorescent Lamp Recycling Programme, and Rechargeable Battery Recycling Programme.

Due to the nature of the Group's businesses, no significant quantity of hazardous waste was generated during the Reporting Period. Thus, no related target has been set. In case any hazardous waste is produced, the Group will engage authorised chemical waste collectors to handle and separate such waste and make a record for collection to comply with relevant environmental laws and regulations.

Non-hazardous Waste

Non-hazardous waste produced from operation includes food waste, domestic waste, waste paper and packaging waste from the processing factory, logistics centre, warehouse, offices and restaurants. The Group has set a target to gradually reduce the non-hazardous waste intensity (tonnes/revenue (HK\$'000)) by 1% in the next 3 years compared with the 2022 Baseline.

The Group promotes waste reduction practices including waste reduction at source, reuse, clean recycling, recovery and reduction of disposal at landfills. We have installed recycling bins in designated areas to collect recyclables and make sure that they are collected by recyclers for proper recycling. To minimise waste generation, we purchase supplies or equipment with an option to be upgraded and with longer lifespans. In terms of food waste, the Group donates vegetables and fruit with minor appearance defects or close to the end of their shelf life to local food rescue organisations. This initiative not only reduces unnecessary food waste but also provides food support to those in need. In addition, the packaging waste, including plastic and paper waste, is separated for collection and recycled.

Various waste reduction campaigns are also in place at the offices to reduce waste generation over day-to-day operations and to improve employees' awareness of and commitment to environmental protection. For example, we provide the employees with in-house prepared meals, as part of the fringe benefits, to reduce the amount of packaging waste. In addition, stationery items such as paper clips, folders and binders are reused as much as possible to reduce wastage.

At the beginning of the COVID-19 outbreak in 2022, the market was often affected by unforeseen and uncontrollable factors, which led to an increase in the amount of non-hazardous waste. As the epidemic was under control and the catering industry has recovered during the Reporting Period, our food supply business is back on track and we can manage our operations more effectively. The total non-hazardous waste intensity (tonnes/revenue (HK\$'000)) decreased by approximately 49% in 2023.

USE OF RESOURCES

The Group acknowledges that effective use of resources, including energy, water and other raw materials, is crucial for the protection of the environment. Therefore, we are dedicated to monitoring resource usage in various aspects of our operations, including processing, storage, transportation and electronic equipment.

Energy Consumption

The Group has established the aforementioned Environmental Policy and measures to increase the use of clean energy, maximise energy efficiency and reduce energy consumption at the operations stage, including assessment of energy efficiency, and monitoring of energy consumption. The Group has set targets to gradually reduce its energy consumption intensity (kWh/revenue (HK\$'000)) by 2% in the next 3 years compared with the 2022 Baseline and to change all office lighting to LED bulbs by the year ending 31 March 2025.

Procurement of electrical appliances with high energy efficiency ratings, such as China Energy Label Grade 1, will be prioritised over those with lower energy efficiency performance. The majority of the lighting systems in the processing factory are installed with LED lights. The Group encourages its employees to minimise the utilisation of lighting and electric equipment as much as possible to reduce energy usage. Also, we promote the use of devices capable of performing multiple functions (for example, one device handling all of the printing, scanning, photocopying and faxing) to reduce the quantity of electrical equipment and associated energy consumption at our facilities. Furthermore, employees are reminded to turn off the power supply when electrical appliances are not in use. Further energy-saving measures that have taken place in the office are explained in the section "GHG Emissions".

The total energy consumption intensity (kWh/revenue (HK\$'000)) increased by approximately 61% in 2023 given the resumption of our operations after the COVID-19 outbreak as well as the expansion of our businesses in the Greater Bay Area during the Reporting Period, resulting in significant increase in mobile fuel consumption.

ENVIRONMENTAL (continued)

Water Consumption

Water consumption has a direct effect on the Group's environmental footprint as well as operational costs. To achieve efficient use of water, relevant policies are in place to control the usage of water to limit wastage. The Group has set a target to gradually reduce its water consumption intensity ($\text{m}^3/\text{revenue (HK\$'000)}$) by 2% in the next 3 years compared with the 2022 Baseline.

The Group widely adopts water-efficient devices at all facilities, including water taps with automatic open or close devices or automatic closing mechanisms, dual flush cisterns for toilets, and high efficiency plumbing fixtures and appliances.

During the planning stage of the Group's warehouse, a water availability assessment was performed to assess water supply sustainability, including the likelihood of water scarcity in the future. It is also of priority to ensure that necessary engagements are arranged with stakeholders of local water resources. Therefore, the Group does not have any issues in sourcing water that is fit for purpose. Moreover, we have assigned particular personnel to monitor the water consumption in the food processing procedures. Employees have also taken measures to minimise daily water usage and improve the efficiency of water sources, and they are encouraged to turn off water taps after use, check faucets and pipes for any potential leakage and adopt the use of water saving appliances.

The total water consumption intensity ($\text{m}^3/\text{revenue (HK\$'000)}$) increased by approximately 83% in 2023 given the catering business commenced in the Greater Bay Area during the Reporting Period.

Use of Packaging Materials

The disposal of products and packaging materials at the end of a consumption phase is a growing environmental challenge. The Group endeavours to adopt the lifecycle assessment approach to consider the environmental impact of products and packaging materials throughout their lifecycle, covering material selection, acquisition, processing, consumption, disposal, and recycling. A "design for manufacturing" approach has also been adopted with the objective of optimising project design to minimise resources needed during our operation. The Group encourages employees to use recycled or renewable packaging materials, and aims to design the packaging to be returnable, reusable, and renewable where possible.

The Group will continuously improve our packaging strategies both in the short term and long term so as to deliver the products in a manner that minimises packaging materials consumption. The total packaging materials consumption intensity ($\text{tonnes/revenue (HK\$'000)}$) decreased by approximately 43% in 2023 given the reduction of packaging materials consumption and the increase of the Group's revenue as the intensity base.

THE ENVIRONMENT AND NATURAL RESOURCES

As a responsible business, the Group recognises its role to optimise resource utilisation across the operations and advocates the importance of environmental protection within its sphere of influence. We strive to incorporate environmental considerations into the operations and engage with employees, customers, business partners and the wider community to achieve environmental stewardship. Due to its business nature, the Group's activities pose immaterial impacts on the environment and natural resources, other than raw materials, the electricity and water used for food processing, storage and catering, the fuel used for transportation, packaging materials, and air emissions and GHG emissions induced by the Group's operations, as described in the sections headed "Emissions" and "Use of Resources". To effectively manage and minimise the impacts on the environment, the Group has formulated the aforementioned Environmental Policy and management guidelines for offices and the food processing factory, which describe the Group's approaches to environmental impact assessment and raising employees' awareness as well as sustainable practices in daily operations.

Environmental Impact Assessment

The Group proactively minimises direct environmental impacts of operations, with the aim to meet or exceed all applicable and relevant environmental legislation. We identify key environmental impacts with the help of government officials, conservation organisations and local communities. We consult for feedback on environmental issues on a regular basis to produce a final assessment plan, and work closely with regulators and relevant stakeholders to develop appropriate mitigation measures in a timely manner, thereby alleviating environmental burden.

Raising Employees' Awareness

The Group provides resources to support environmental initiatives and promote environmental awareness among our employees. In addition to requiring employees to follow the guidance and implement environmental measures formulated by the Group, we organise various environmental protection campaigns for all employees, including site visits, material reuse and recycling, etc. We also encourage employees to put forward ideas about new ways to protect the environment and contribute to the improvement of the environmental performance of the Group thereby fulfilling the commitment to the environment.

CLIMATE CHANGE

The management of the Group understands that climate change may adversely impact our business and the global economy as a whole. Therefore, other than reducing the environmental footprint caused by our business, the Group strives to identify potential physical and transition risks that may have adverse impacts on our business, and formulated the Climate Change Policy so as to adapt to and/or mitigate major impacts associated with identified risks.

ENVIRONMENTAL (continued)

Physical Risks

Extreme weather events are occurring more frequently with increasing severity. Disasters including floods, rainstorms and typhoons, can greatly influence the Group's supply chain and assets. Events such as typhoons pose risks to the Group's operations as they may affect the power supply and damage the operation sites. Employees of the Group are also at risk of work disruption, injuries and casualties. Damage to the Group's assets and interruption to its supply chain and the suppliers' production are detrimental to the Group's business due to increasing repair costs and interrupted business operations.

To deal with these physical risks, the Group will regularly review the risks of business interruption relating to extreme weather and, where appropriate, develop countermeasures to mitigate negative impacts. At the same time, the Group will issue early warnings to employees and has specified special work arrangements under potential environmental disasters, typhoons and rainstorms in accordance with relevant laws and regulations to avoid any chaotic situations and guarantee employees' safety.

Transition Risks

Governments around the world are tightening environmental regulations and enacting climate-related legislation under the global movement for decarbonisation. China, as one of the world's largest GHG emitters, has aimed to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. To support the national goals, the government of Hong Kong has also announced the "Hong Kong's Climate Action Plan 2050" with the participation of the whole community to achieve carbon neutrality before 2050. It is expected that the government authorities will implement more stringent policies and regulations to reduce GHG emissions and waste in order to promote the awareness of the public on climate change.

Other than tightening emission regulations, businesses are also required to comply with increasingly stringent disclosure and compliance rules for ESG reporting. Investors are also becoming more aware of the sustainability of different businesses and their commitment to conducting green businesses. Thus, the Group recognises the potential compliance risks such as lawsuits and claims, as well as reputational risks if non-compliance occurs. The Group will closely monitor the changes in the business environment and policy, and capitalise on the opportunities whenever possible to fulfil our role as global citizen. In addition, the Group may also adjust its business strategies, where appropriate, in line with the government's efforts to support the global vision of decarbonisation.

To prevent and mitigate climate change risks and opportunities, we have incorporated climate change risks into the enterprise risk management processes and business continuity plans, and taken climate change issues into consideration when commencing new acquisitions. Adequate information and resources will be allocated to the monitoring and regular review of the impacts of climate change on employees and operations, demonstrating our commitment to fighting against climate change.

EMPLOYMENT

The Group believes that human resources are the Group's most valuable asset and the core of its competitive advantage, as well as the foundation for corporate sustainable development. Therefore, we strive to improve the employment system and establish a harmonious relationship with the employees so as to attract, cultivate and retain talents. The Group has established a set of manuals and guidelines, including Human Resources Management Policy, Code of Conduct and Ethical Guidelines and Employee Handbook, covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination as well as other benefits and welfare. During the Reporting Period, the Group had no incident of non-compliance with laws and regulations relating to employment that would have a significant impact on the Group.

Recruitment, Remuneration, Promotion and Dismissal

Talent Management

The Group attracts talent through a fair, flexible and transparent recruitment strategy to provide sufficient talent reserves for the Group's business and strengthen its competitiveness of the business. Probation periods are given to all new employees to determine whether or not the selected candidates are suitable for the position depending on their work performance.

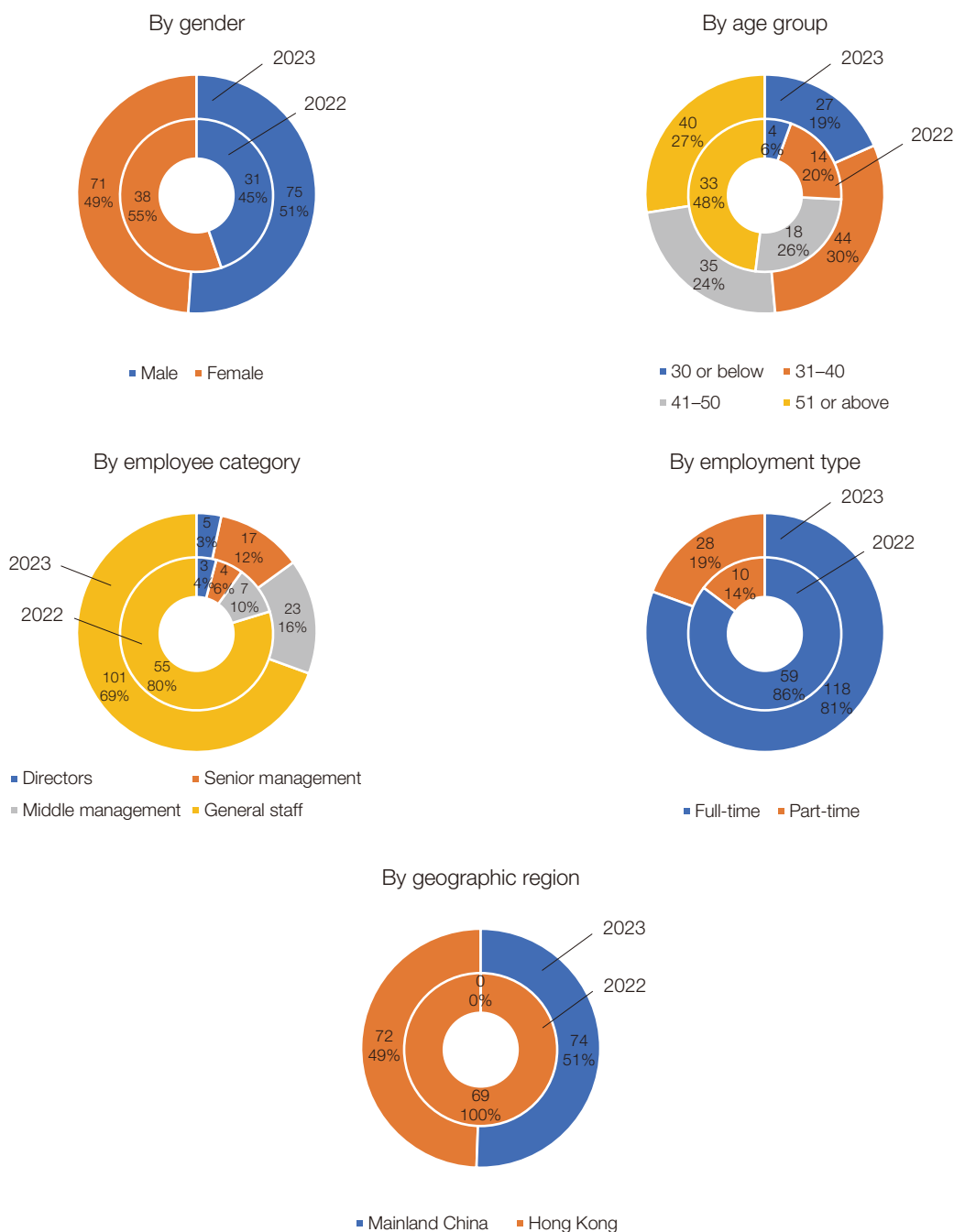
The Group offers competitive remuneration to attract and retain talented staff members in accordance with relevant laws and regulations on minimum wage and statutory social benefits. The Group conducts annual employees' appraisals and determines employees' salaries and discretionary bonuses based on their work performance, ability, experience, responsibility and efficiency, combined with the Group's financial status, life index and market trends, etc. Remuneration packages are reviewed periodically and benchmarked against industry norms and the Group's annual profitability to ensure consistency against the employment market.

The Group is keen on offering internal competitive selection and promotion opportunities and upholds a reward and penalty mechanism so as to improve the positivity and mobility of the employees. Promotion of the staff is based on an annual assessment of their performance, suitability for the roles of respective positions and the needs of the Group. The Human Resources Department sets out a complete career path, making a variety of career choices across the business available for the right candidates.

In terms of employee dismissal, the Group follows the procedures and provides reasonable compensation to the dismissed employees in compliance with employment laws and regulations. Dismissal based purely on employees' gender, marital status, pregnancy, disability, age or family status is strictly prohibited. For its retrenched employees in Hong Kong, we provide counselling and assistance to help them locate alternative job opportunities and/or introduce them to public employment services provided by the Employment Services Division of the Labour Department.

SOCIAL (continued)

As at 31 March 2023, the Group employed 146 (2022: 69) employees with the total turnover rate² of approximately 73%. Demographic data of our staff, with breakdown by gender, age group, employee category, employment type and geographical region are presented below:



² Employee total turnover rate = Total number of employees leaving employment during 2023/Total number of employees as at 31 March 2023*100%.

Work-Life Balance and Other Employee Benefits

Our employees are spending at least one-third of their time at work. As the employer, it is our responsibility to ensure that we foster a culture that can help the employees to achieve work-life balance. We endeavour to improve the coordination of work and production plans to enhance work efficiency and minimise the requirements of overtime work. The Group encourages employees to enjoy leisure and sports activities outside of the workplace, to enhance work-life balance, personal development and a sense of belonging among employees. Further information regarding working hours of the employees is explained in the section “Human Rights Protection”.

The Group also offers benefits and rights to its employees. Apart from statutory leaves, our employees are entitled to paid annual leave, sick leave, maternity leave and paternity leave. The Group also provides “Five insurances and One Fund” under the Social Insurance Law of the PRC and participates in the Mandatory Provident Fund (MPF) Scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of the qualifying employees employed.

Equal Opportunities, Diversity and Anti-Discrimination

The Group makes every effort to provide a fair workplace for the employees and adheres to principles of equality and non-discrimination. Recruitment, remuneration, promotion and benefits are required to be handled based on objective assessment. We believe that the staff should be provided with equal opportunity, regardless of gender, race, age, colour, nationality, religion, disability, sexual orientation, pregnancy, marriage or family status, and other areas that are protected by the laws in Hong Kong and the PRC. The Group expects all its employees to follow the principles. To ensure fair and equal protection for all its employees, the Group does not tolerate any form of workplace sexual harassment or bullying.

The Group also complies with all applicable laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare in Hong Kong and the PRC, including but not limited to, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong), the Labour Law of the PRC and the PRC Law on the Protection of Women’s Rights and Interests.

Employee Communication

The Group attaches great importance to employees’ communication. Therefore, we have established various communication channels such as holding regular meetings and arranging informal gatherings to enhance and maintain close relationships between management and employees. We respect employees’ views and are devoted to growing along with the employees. Therefore, we also encourage them to provide feedback on business operations, workplace practice and sustainability performance.

HEALTH AND SAFETY

The Group is committed to maintaining a healthy and safe workplace for employees and to preventing workplace injuries and illnesses. The Group has established an Occupational Health and Safety Policy (the “**OHS Policy**”), which outlines the responsibilities and duties of each party, identifies potential hazards and corresponding measures, and sets targets for the safety of employees. We have also established a Health, Safety and Environmental Committee, whose duties include the formulation, implementation and auditing of OHS Policy and associated programmes.

Occupational Safety and Health

We strictly comply with all applicable laws and regulations related to occupational safety and health in Hong Kong and the PRC, including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Work Safety Law of the PRC and the Law of the PRC on the Prevention and Control of Occupational Diseases. During the Reporting Period, the Group was not aware of any non-compliance with the relevant health and safety laws and regulations. There was no significant incident of safety and work-related fatalities within three years (including the Reporting Period), and there were three reported cases of work-related injuries, resulting in a total of 420 lost working days during the Reporting Period. Two employees slipped at the workplace and got injured, and one had his muscle injured while doing the loading work. The Group assisted the injured employees in accordance with the relevant policies by arranging sufficient work-related injury leave for them. Meanwhile, the Group has also provided more safety training for its employees to enhance their safety awareness.

	2023	2022	2021
Work-related fatalities	0	0	0
Work-related accidents	3	4	1
Lost days of work-related injury	420 ³	745	27

The Group is not in any non-compliance with health and safety laws and regulations that would have a significant impact on the Group relating to the provision of a safe working environment and the protection of employees from occupational hazards.

To limit potential hazards arising from our business activities and ensure compliance with the relevant laws and regulations, we keep our workplaces safe and hygienic by regularly monitoring the physical conditions of the processing factory, logistics centre, warehouses, restaurants and offices with regard to cleanliness, pest control, security, first aid supplies and applicable fire safety measures. We have introduced the “5S” practice, which denotes “Organisation, Neatness, Cleanliness, Standardisation and Discipline”, in our offices as a practically effective tool for good housekeeping. Employees are required to keep their working areas neat, clean and well-organised to prevent hazards, such as falling objects due to poor storage of files, while enhancing efficiency.

³ The figure included also the lost working days for the two cases of work-related injuries that took place in 2022.

While our Group possesses the key responsibility of maintaining a safe workplace for the employees, we believe the provision of safety awareness education is an effective method of reducing the occurrence of accidents. One of our strategies for protecting employees from occupational hazards is to train them to protect themselves from psychological and physical hazards. The Group requires such training to be delivered to employees, especially those who operate equipment and tools.

The Outbreak of COVID-19

In response to the outbreak of COVID-19, the Group has taken a series of precautionary measures to safeguard the health and safety of our employees and visitors and ensure the Group's internal safety and business continuity. An emergency working group is in place to devise contingency plans, prepare supplies and coordinate different departments to handle emergencies. The key measures taken are highlighted below:

- Cleaning and disinfecting food processing areas regularly;
- Requiring all staff and visitors to wear surgical masks upon entering food processing areas;
- Reminding employees of the importance of maintaining personal hygiene;
- Equipping entrances of food processing areas with sanitising floor mats; and
- Requiring visitors to fill in a health declaration form upon entering food processing areas.

DEVELOPMENT AND TRAINING

The Group is committed to continuous professional development culture and strives to provide adequate training to its employees to improve their knowledge and skills for discharging duties at work. To this end, the Group has established a training management system and documented relevant practices in its Human Resources Management Policy.

To cater to the needs of employees from different positions, we encourage employees to participate in diversified training programmes, including formal training courses, staff coaching and guidance, meetings, on-the-job training and job rotation, which are provided internally or externally. We also arrange work-related subscriptions or educational materials so that employees can refer to the news, articles and other materials that help them to complete their work more effectively.

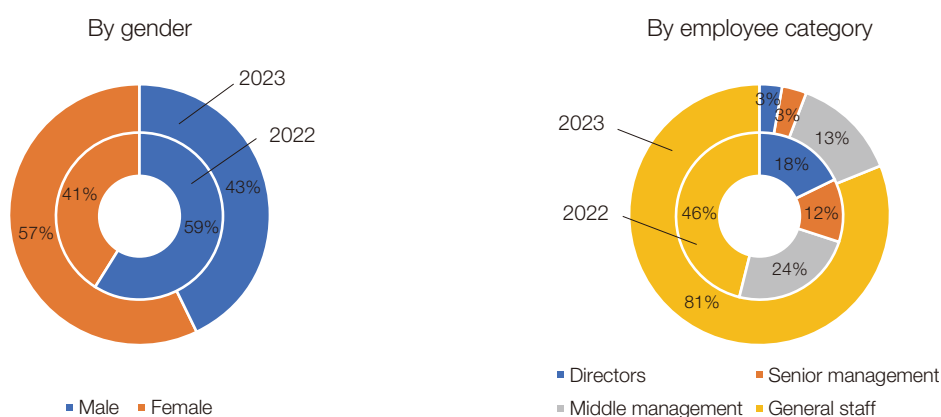
The Board and top management are required to participate in continuous professional development by attending training courses and reading materials on topics related to corporate governance and regulations. During the Reporting Period, we provided a variety of workshops for our operations team, covering subjects concerning hygiene and work safety standards, occupational health and international food preparation standards such as ISO 22000. We also continue to provide our Mentorship Programme for our mid-level staff. In this programme, senior executives serve as mentors to provide guidance and to share their valuable industry experience to help foster the growth and career development of the mentees.

SOCIAL (continued)

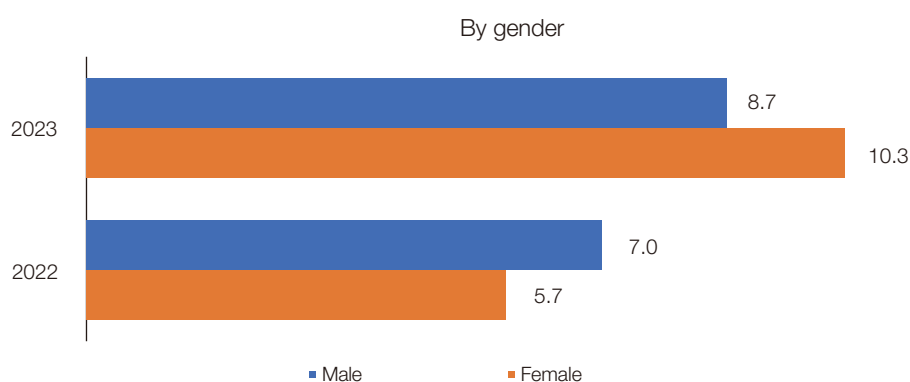
To enhance employees' knowledge and skills for their job positions, all qualified employees who have worked for more than three months are eligible to participate in the external training programme. The Group will subsidise the costs fully or partially within an annual training budget for each employee. The Group will also engage third-party experts occasionally and bear all training costs to offer training to our employees. Examples of such training and development include food safety training, and accounting and reporting training.

During the Reporting Period, approximately 67%⁴ of the Group's employees received a total of approximately 1,383.5 hours (2022: 109.5 hours) of training. A breakdown of the Group's training statistics by gender and by employee category is presented in the charts below:

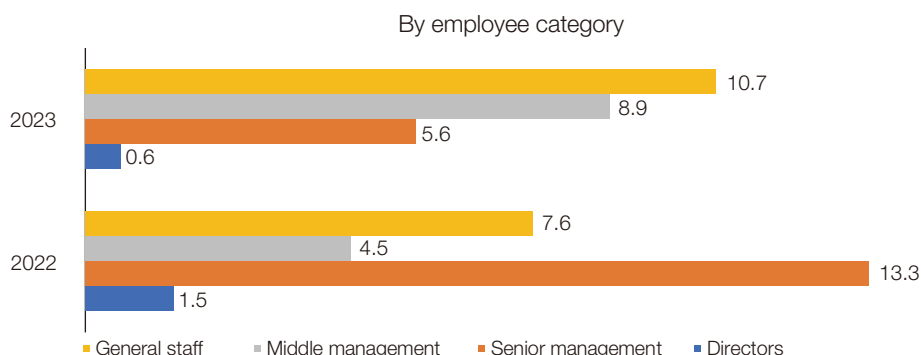
Percentage of employees trained



Average training hours per employee



⁴ Total percentage of employees trained = Total employees trained during the Reporting Period/Total number of employees as of 31 March 2023*100%.



LABOUR STANDARDS

Child Labour and Forced Labour Management

The Group has established policies and procedures related to child and forced labour in its Code of Conduct and Ethical Guidelines and Human Resources Management Policy. The Group has strictly complied with all applicable laws and regulations in Hong Kong and the PRC, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Labour Law of the PRC and the Labour Contract Law of the PRC. During the Reporting Period, the Group was not in any non-compliance with child- and forced labour- related laws and regulations that would have a significant impact on the Group.

The Group tolerates neither the use of child labour nor the exploitation of children in any of its operations and facilities. The Human Resources and Administration Department and the user departments work together to identify and prevent the use of child labour in the workforce. We require all new employees to provide true and accurate personal identification information. All personal information, including identity cards and bank accounts, will be strictly scrutinised by the Human Resources and Administration Department. The Group has established a refined recruitment process for checking candidates’ backgrounds and formal reporting procedures to handle any exceptional cases.

Human Rights Protection

We prohibit forced labour to protect human rights and endeavour to create a workplace with respect, fairness and free will for our employees. Working hours and relevant policies have been clearly outlined in the Employee Handbook and our employment contracts. The Group’s employees work overtime only on a voluntary basis to avoid any violation of the labour standards. The Group also prohibits any punitive measures, management practices and behaviours involving verbal abuse, physical punishment, oppression, sexual harassment (including inappropriate language, postures and physical contact), etc. against its employees for any reason. If any violation of child or forced labour is discovered, it will be handled strictly according to the Group’s internal policies.

SUPPLY CHAIN MANAGEMENT

Supply chain management is a key area of the Group's business and we take great care to manage the environmental and social risks of the supply chain. We thus established the Procurement Management Policy and Supplier Code of Conduct to regulate the supply chain. The Group requires suppliers to provide products and services that are up to standards in terms of quality, health and safety to ensure compliance with relevant laws and regulations. In addition, the Group is aware of the environmental and social practices of its suppliers and tries to engage them with responsible acts to society in the view of green supply chain management. Priorities are given to suppliers certified with ISO 14001, with environmental policies established and environmental training provided to staff and to those promoting environmentally friendly products and services. We also encourage suppliers to carry out annual reviews and audits of their environmental performance and formulate corresponding remedial action plans to mitigate negative environmental impacts.

For our environmental protection and technology business, Zhongshan Wangu Skyfarm Limited⁵ (the "Skyfarm"), which is one of our major suppliers, has attained a series of qualifications, certificates and patents, including the ISO 9001:2015 Quality Management System, Hazard Analysis and Critical Control Points ("HACCP") certification, the Certificate of AAA-level Integrity Unit in Quality and Service, Certificate of High and New Technology Enterprise, etc., guaranteeing its service quality of planting, preliminary processing and trading of organic products.

All suppliers are evaluated and selected based on their specifications, quality, service, price and applicable environmental and social considerations. The Group also expects its suppliers to have and uphold similar standards and abide by national management laws in the countries where they operate. The performance of the suppliers is evaluated regularly and monitored by the Group's management to ensure the consistency of suppliers' quality. The Group will regularly review the supplier-related policies and practices to ensure their effectiveness. During the Reporting Period, the Group had a total of 117 suppliers (2022: 52 suppliers), and all passed the relevant practices of engaging suppliers.

The Group puts great effort into advocating green procurement. We review the needs and stock availability before procurement to avoid wastage, and we often purchase in bulk to reduce packaging materials and carbon emissions during the transportation process. Furthermore, we aim at selecting eco-friendly products and services, such as products with energy-efficient labels, recycled and renewable materials in our day-to-day operations.

PRODUCT RESPONSIBILITY

Raw Material Management

The Group is fully committed to sourcing food ingredients that meet safety and health requirements, and considers food safety and quality to be the top priorities throughout its supply chain management. Multiple layers of precautionary measures are specifically undertaken to guarantee the safety and quality of food ingredients throughout the supply chain from the selection, sourcing, storage and delivery processes. Suppliers are selected after careful assessment, including on-site inspection where possible, and assurance of legal entity documentation. Food is procured from and delivered to us by suppliers and stored at a suitable temperature within a proper period.

⁵ The English name is not the official name and is translated for reference purposes only.

Product Quality Management

It is the Group's obligation to place a strong emphasis on quality control, with stringent procedures implemented throughout the food processing operations. To ensure that high-quality products and services are delivered to our customers, the Group has established the Product Responsibility Policy in order to monitor and inspect the operation practices which are carried out by different levels of our management.

During the Reporting Period, concerning health and safety and privacy matters relating to products and services provided, the Group did not have any incidents of non-compliance with laws and regulations that would have a significant impact on the Group, including but not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong), the Personal Data (Privacy) Ordinance (“**PDPO**”) (Chapter 486 of the Laws of Hong Kong) and the Law of the PRC on Product Quality.

Product Health and Safety

The Group is fully responsible for the products sold to its consumers, with considerations of health and safety relating to the products. We pay close attention to aspects such as product design and the selection of food ingredients with health and safety considerations. Also, we employ strict quality control in the course of food processing and perform sampling checks for each batch of our finished products, and provide proper delivery and after-sale services. The food processing factory and Skyfarm are accredited with HACCP certification. In addition, the food processing factory is also accredited with ISO 22000 Food Safety Management System certification.

Besides, the Group has formed a food safety team to monitor the execution of food safety procedures and ensure that they are being followed. Responsibilities of the food safety team include:

- Determining the business operations and safety assurance procedures and protocols;
- Formulating and reviewing HACCP plan;
- Monitoring the implementation of HACCP plan;
- Approving documents relating to ISO 22000 which addresses food safety management;
- Developing employees' training programmes;
- Verifying the operation of ISO 22000;
- Assessing the appropriateness and effectiveness of ISO 22000 regularly; and
- Reporting to the top management on the effectiveness of ISO 22000.

Customer Satisfaction

The Group believes that its customers are the core of its business and that enhancing customer confidence and satisfaction in food and services will help to strengthen the Group's value proposition, brand and reputation. Therefore, the Group has formulated the Commercial Activities Management Policy to standardise customer management procedures from customer classification and quotation to after-sales services, with an aim to ensure high-quality services. We also strive to understand the needs of our customers and handle customer complaints appropriately by means of the Product Responsibility Policy.

Methods of Redress

While we assure our customers of the quality of the products, at the same time, the Group requires that products with quality, safety, or health issues should be compensated in accordance with the terms of the sales or service agreements. Our sales and marketing department is responsible for systematically logging and handling customer feedback and performing internal investigations where required. The Group has also formulated crisis management procedures to handle any urgent product-related incidents. Recall, return, or compensation of products is required to be offered to all customers who are affected, with consistent treatment and procedures. During the Reporting Period, no products sold were subject to recalls due to safety and health reasons and no major complaints were received regarding the products and services we provided.

Data Security and Privacy Protection

The Group is committed to protecting customers' data and privacy information and maintaining the confidentiality of business information. The Group has strictly adhered to the Data Protection Principles of the PDPO, the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Personal Information Protection Law of the PRC and the Cybersecurity Law of the PRC and other relevant laws and regulations in Hong Kong and the PRC.

Employees are required to sign the company confidentiality and non-compete agreement and observe the confidentiality obligations. Our employees are provided with on-the-job training in this regard for control and monitoring of consumers' data and business information, including but not limited to financial records, employees' information, business strategies and marketing plans. Proper information system security has also been put in place to prevent unauthorised data access processing, erasure, loss or use (including transfer). The Group is allowed to use customers' data in direct marketing only if consent is made. If any data leak occurs, the Group will take immediate remedial actions to lessen any difficulties or damage that may be caused to the data subjects, investigate the insufficiency or inadequacy of the information system security, and devise a clear strategy to prevent future reoccurrence.

Intellectual Property Rights

The Group values its intangible assets as much as its tangibles and respects the intellectual property rights of others. The Group has established a Copyright Policy in its Code of Conduct and Ethical Guidelines to ensure that the employees do not infringe upon any third-party copyrights. Breach of the policy by an employee will lead to disciplinary actions. Moreover, the Group has registered intellectual property rights for its operation, product and designs. In addition, the Group's information technology team has obtained all the necessary licences for the purchase of software and information during its business operation.

Product Advertising and Labelling

The Group respects the customers' rights and is committed to providing accurate marketing information for customers in connection with their purchase or consumption decision. The Group strictly requires its subsidiaries to implement the information disclosure responsibility system and carefully review the advertising materials to protect the interests of our customers. Similarly, the Group ensures that all the trademarks have been registered properly and insists that the labelling of our products should be accurate, timely, legitimate, clear and not misleading. This is to affirm that the information about our products does not violate any relevant laws and regulations and is accurately understood by the customers for safe consumption.

ANTI-CORRUPTION

The Group believes that a clean corporate culture is important to its continued success. Therefore, we strictly prohibit any corruption activities and have complied with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), the Criminal Law of PRC, the Anti-Unfair Competition Law of the PRC and the Law of the PRC on Anti-Money Laundering and other relevant laws and regulations. During the Reporting Period, the Group did not identify any non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering nor any concluded legal cases regarding corrupt practices.

The Group established the Code of Conduct and Ethical Guidelines, and the Anti-Fraud and Corruption Policy to prohibit employees from receiving any benefits offered by customers, suppliers, colleagues, or other parties while they are performing employee duties, and prohibit any activities involving conflicts of interest, bribery, extortion, fraud, and money laundering. Systematic fraud risk assessment is performed regularly on the Group's activities to identify room for potential improvement. To maintain the Group's high level of integrity as a corporate culture, during the Reporting Period, training was provided to the Directors (including the independent non-executive Directors) and employees for approximately 12 hours to reinforce their understanding of and/or update on the relevant regulations related to market misconduct under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and anti-money laundering. Such training could strengthen their professional skills and knowledge in their respective roles and responsibilities regarding anti-corruption and business ethics.

Whistle-blowing Mechanism

The Group has formulated the Whistleblowing Policy to encourage employees, customers, suppliers or other parties to report incidents relating to any conflicts of interest, bribery, extortion, fraud and money laundering through confidential channels. We will conduct inspections promptly and take necessary measures while protecting the identity of the whistle-blower to prevent any conflict of interest or behaviour that will bring harm to the Group and the stakeholders. The audit committee of the Company is required to report to the Board, disclosing information pertaining to misconduct reports and the respective investigation findings, if any. The identity of the whistle blower will be kept in secret in order to protect him against any unfair dismissal, victimisation and reprisal.

COMMUNITY INVESTMENT

The Group strives to support the communities in which we operate including community engagement to understand their needs, and ensures its activities take into consideration the communities' interests. To demonstrate its corporate responsibility, the Group has formulated a Community Investment Policy, which emphasises the Group's commitment to community development.

During the Reporting Period, the Group actively donated food and materials to the underprivileged population in the community. We donated about 8.5 tonnes of fruits, vegetables and other foodstuffs (equivalent to about HK\$287,000) to local food aid organizations. Additionally, we also donated HK\$500,000 to the Community Chest of Hong Kong. Therefore, during the Reporting Period, a total of HK\$787,000 was donated to support the elderly and low-income families, which is in line with the Group's community investment focus. In the future, we will continue to seek opportunities to cooperate with other external organisations so as to increase our community outreach and contributions.

SUSTAINABILITY PERFORMANCE OVERVIEW

Environmental Indicators	Unit	2023	2022
Air Emissions¹			
NOx	kg	338.4	306.4
SOx	kg	3.3	0.7
PM	kg	15.9	16.7
GHG Emissions²			
Scope 1 – Direct Emissions			
	tCO₂e	626	170
Fuel consumption	tCO ₂ e	548	116
Refrigerant consumption	tCO ₂ e	78	54
Scope 2 – Energy Indirect Emissions			
	tCO₂e	528	325
Electricity consumption	tCO ₂ e	528	325
Scope 3 – Other Indirect Emissions			
	tCO₂e	30	27
Paper waste disposed of at landfills	tCO ₂ e	24	24
Fresh water processing	tCO ₂ e	5	2
Sewage processing	tCO ₂ e	1	1
Total GHG Emissions	tCO₂e	1,184	522
Total GHG Emissions Intensity³	tCO₂e/employee number	8.11	7.57
	tCO₂e/revenue (HK\$'000)	0.0059	0.0041
Non-hazardous Waste			
Total Non-hazardous Waste	tonnes	51	63
Total Non-hazardous Waste Intensity	tCO₂e/employee number	0.35	0.91
	tonnes/revenue (HK\$'000)	0.0025	0.00049

SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Environmental Indicators	Unit	2023	2022
Energy Consumption⁴			
Direct Energy Consumption			
Petrol	kWh	694,670	86,954
Diesel	kWh	1,378,654	358,273
Liquefied petroleum gas	kWh	7,120	–
Indirect Energy Consumption			
Electricity consumption	kWh	1,180,012	832,483
Total Energy Consumption	kWh	3,260,456	1,277,710
Total Energy Consumption Intensity	kWh/employee number	22,331.89	18,517.54
	kWh/revenue (HK\$'000)	16.13	10.01
Water Consumption			
Total Water Consumption	m³	11,098	3,835
Total Water Consumption Intensity	m³/employee number	76.01	55.58
	m³/revenue (HK\$'000)	0.05	0.03
Packaging Materials Consumption			
Total Packaging Materials Consumption	tonnes	17	19
Total Packaging Materials Consumption Intensity	tonnes/employee number	0.12	0.28
	tonnes/revenue (HK\$'000)	0.00008	0.00015

SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	2023	2022
Employment			
Total number of employees	person	146	69
By gender			
Male	person	75	31
Female	person	71	38
By age group			
30 or below	person	27	4
31–40	person	44	14
41–50	person	35	18
51 or above	person	40	33
By employment type			
Full-time	person	118	59
Part-time	person	28	10
By employee category			
Directors	person	5	3
Senior management	person	17	4
Middle management	person	23	7
General staff	person	101	55
By geographical region			
Hong Kong	person	74	69
Mainland China	person	72	–

SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	2023	2022
Employee Turnover Rate⁵			
By gender			
Male	%	84	45
Female	%	62	58
By age group			
30 or below	%	115 ⁶	125
31–40	%	66	36
41–50	%	46	28
51 or above	%	78	64
By geographical region			
Hong Kong	%	86	52
Mainland China	%	60	–
Health and Safety			
Number of work-related fatalities	person	–	–
	%	–	–
Lost days due to work injury	lost day	420	745

SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	2023	2022
Training and Development			
Breakdown of employees trained⁷			
By gender			
Male	%	43	59
Female	%	57	41
By employee category			
Directors	%	3	18
Senior management	%	3	12
Middle management	%	13	24
General staff	%	81	46
The average training hours completed per employee⁸			
By gender			
Male	hours	8.7	7.0
Female	hours	10.3	5.7
By employee category			
Directors	hours	0.6	1.5
Senior management	hours	5.6	13.3
Middle management	hours	8.9	4.5
General staff	hours	10.7	7.6

SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Social Indicators	Unit	2023	2022
Supply Chain Management			
Hong Kong, China	number	35	39
Mainland China	number	76	7
Other regions in Asia	number	1	2
Europe	number	4	2
Africa	number	–	1
Australia and New Zealand	number	1	1
Product Responsibility			
Percentage of total products sold subject to recall	%	–	–
Number of products and service-related complaints	number	–	–
Anti-corruption			
Number of concluded legal cases regarding corrupt practices	number	–	–
Community Investment			
Resources contributed			
Food surpluses, fruit and vegetables	tonnes	8.5	9.8
Donation	HK\$	500,000	–

SUSTAINABILITY PERFORMANCE OVERVIEW (continued)

Notes:

1. The calculation method of air emissions and the related emission factors were based on, including but not limited to, "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX.
2. GHG emissions are presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, the Guidelines for Accounting and Reporting Enterprise Greenhouse Gas Emissions Power Infrastructure (2022 Revision) issued by the Ministry of Ecology and Environment of the PRC and the 2022 Sustainability Report published by CLP Power Hong Kong Limited.
3. The employee number and revenue are used to calculate all intensity data. During the Reporting Period, the total employee number of the Group was 146 (2022: 69) and the Group recorded a revenue of approximately HK\$202,136,000 (2022: HK\$127,674,000).
4. The calculation of unit conversion refers to the "CDP Technical note: Conversion of fuel data to MWh" issued by CDP.
5. Employee turnover rate by category = Total number of employees leaving employment during 2023 by category/Total number of employees as at 31 March 2023 by category*100%.
6. The total number of employees aged 30 or below who left employment during 2023 was 31, and the total number of employees aged 30 or below as at 31 March 2023 was 27.
7. Breakdown of employees trained = Total employees trained during the Reporting Period by category/Total employees trained during the Reporting Period*100%.
8. The average training hours completed per employee = Total training hours completed during the Reporting Period by category/Total number of employees as of 31 March 2023 by category.

HKEX ESG REPORTING GUIDE INDEX

ESG Reporting Guide	Section
Mandatory Disclosure Requirements	
<p>Governance Structure</p> <p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (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. 	<p>ESG Management – ESG Governance Structure</p>
<p>Reporting Principles</p> <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>About the Report – Reporting Standards and Principles</p>
<p>Reporting Boundary</p> <p>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.</p>	<p>About the Report – Reporting Scope</p>

HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
A. Environmental		
Aspect A1: Emissions		
A1	<p>General Disclosure</p> <p>Information on:</p> <ul style="list-style-type: none"> a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	Emissions
KPI A1.1	The types of emissions and respective emission data.	Emissions – Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management (Not applicable as explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions – GHG Emissions
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.	Emissions – Waste Management

HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
Aspect A2: Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
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).	Use of Resources – Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Consumption
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.	Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Raising Employees' Awareness
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
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.	Climate Change

HKEX ESG REPORTING GUIDE INDEX (continued)

ESG Reporting Guide		Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
B1	<p>General Disclosure</p> <p>Information on:</p> <p>a) the policies; and</p> <p>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.</p>	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment – Recruitment, Remuneration, Promotion and Dismissal
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Recruitment, Remuneration, Promotion and Dismissal
Aspect B2: Health and Safety		
B2	<p>General Disclosure</p> <p>Information on:</p> <p>a) the policies; and</p> <p>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.</p>	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety – Occupational Safety and Health
KPI B2.2	Lost days due to work injury.	Health and Safety – Occupational Safety and Health
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Occupational Safety and Health

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ESG Reporting Guide		Section
Aspect B3: Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
B4	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards – Child Labour and Forced Labour Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Child Labour and Forced Labour Management and Human Rights Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Child Labour and Forced Labour Management
Operating Practices		
Aspect B5: Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management

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ESG Reporting Guide		Section
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
B6	<p>General Disclosure</p> <p>Information on:</p> <ul style="list-style-type: none"> a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Methods of Redress
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Methods of Redress
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product Quality Management, Product Health and Safety and Methods of Redress
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Data Security and Privacy Protection

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ESG Reporting Guide		Section
Aspect B7: Anti-corruption		
B7	<p>General Disclosure</p> <p>Information on:</p> <ul style="list-style-type: none"> a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	Anti-corruption
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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
Aspect B8: Community Investment		
B8	<p>General Disclosure</p> <p>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.</p>	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment