

# WINSWAY 易大宗

E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

Stock Code: 1733



# 2023

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT



# CONTENTS

<b>I.</b>	<b>ABOUT THIS REPORT</b>	<b>2</b>
	REPORTING SCOPE	2
	BASIS AND PRINCIPLES OF PREPARATION	2
	APPROVAL AND CONFIRMATION	3
	REPORT DISTRIBUTION CHANNEL	3
	FEEDBACK	3
<b>II.</b>	<b>MESSAGE FROM THE BOARD</b>	<b>4</b>
<b>III.</b>	<b>ABOUT E-COMMODITIES</b>	<b>6</b>
	CORPORATE PROFILE	6
	PRINCIPAL BUSINESS OF E-COMMODITIES	7
	HONORS AND CERTIFICATIONS AWARDED TO THE GROUP DURING THE REPORTING PERIOD	8
	OPERATING RESULTS	10
<b>IV.</b>	<b>MANAGEMENT OF SUSTAINABLE DEVELOPMENT</b>	<b>11</b>
	VISION AND STRATEGIES OF SUSTAINABLE DEVELOPMENT	11
	SUSTAINABLE DEVELOPMENT GOVERNANCE STRUCTURE	12
	RISK CONTROL AND MANAGEMENT	13
	RISK CONTROL EDUCATION	14
	SIGNIFICANT ESG RISKS	15
	COMMUNICATION WITH STAKEHOLDERS	19
	MATERIALITY ASSESSMENT	20
<b>V.</b>	<b>SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS</b>	<b>24</b>
	PRACTISE SAFE PRODUCTION	25
	EMPLOYEE HEALTH CARE	27
	STRENGTHEN OCCUPATIONAL SAFETY TRAINING	28
	SAFETY PERFORMANCE OVERVIEW	30



<b>VI.</b>	<b>GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT</b>	<b>31</b>
	STRICT CONTROL ON POLLUTANT EMISSIONS	31
	IMPACTS ON THE ENVIRONMENT AND NATURAL RESOURCES	31
	EMISSION AND MANAGEMENT OF AIR POLLUTANT	32
	EMISSION AND MANAGEMENT OF GREENHOUSE GASES	34
	EMISSION AND MANAGEMENT OF SEWAGE	35
	EMISSION AND MANAGEMENT OF SOLID WASTE	35
	ENHANCE ENERGY MANAGEMENT	36
	PROMOTE GREEN OFFICE	38
	COMBAT CLIMATE CHANGE	40
	ENVIRONMENTAL PERFORMANCE OVERVIEW	42
<b>VII.</b>	<b>CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS</b>	<b>46</b>
	HUMAN RESOURCE MANAGEMENT	46
	TALENT RECRUITMENT STRATEGY	46
	LABOR STANDARDS AND PROTECTION OF RIGHTS AND INTERESTS	47
	EMPLOYEE BENEFITS AND WELFARE	49
	FOCUS ON TALENT CULTIVATION	52
	BUILDING WINSWAY ACADEMY	53
<b>VIII.</b>	<b>QUALITY FIRST: PURSUIT OF EXCELLENCE</b>	<b>57</b>
	INTEGRITY MANAGEMENT	57
	WHISTLEBLOWING SYSTEM	57
	BUILDING A CULTURE OF INTEGRITY	58
	COMPREHENSIVELY IMPROVE QUALITY MANAGEMENT	59
	QUALITY MANAGEMENT	59
	CUSTOMER SERVICES	62
	MARKETING MANAGEMENT	62
	PRIVACY PROTECTION	62
	PROMOTE RESPONSIBLE PROCUREMENT	63
	SUPPLIER ENTRY CRITERIA	63
	SUPPLY CHAIN RISK MANAGEMENT	64
	GREEN PROCUREMENT PRACTICES	64
<b>IX.</b>	<b>INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE</b>	<b>66</b>
	INNOVATIVE TECHNOLOGY EXPLORATION	66
	PROTECTION OF INTELLECTUAL PROPERTY	74
<b>X.</b>	<b>GIVING BACK TO SOCIETY: HELPING PEOPLE'S LIVELIHOOD AND WELL-BEING</b>	<b>75</b>
	PUBLIC WELFARE PRACTICES	75
<b>XI.</b>	<b>APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE</b>	<b>78</b>





# I. ABOUT THIS REPORT

This report is the eighth Environmental, Social and Governance Report published by E-Commodities Holdings Limited (the “**Company**” or “**E-Commodities**”). The purpose is to report on the philosophy and practice of the environmental, social and governance (hereinafter referred to as “**ESG**”) responsibilities of the Company and its subsidiaries (collectively referred to as the “**Group**”, “**we**” or “**us**”) in 2023, and to respond to material issues of concern to major stakeholders.

## REPORTING SCOPE

**Business Scope:** This report covers the scope of businesses that are directly controlled by the Group, including supply chain trading, integrated supply chain services (supply chain logistics, clean energy, and internet intelligent platform). **Time Scope:** This report covers the period from 1 January 2023 to 31 December 2023 (the “**Reporting Period**” or the “**2023**”). In order to enhance the integrity of the report, parts of the contents may precede or post-date the Reporting Period, as appropriate.

## BASIS AND PRINCIPLES OF PREPARATION

This report is prepared in full compliance with the mandatory disclosure requirements and the “comply or explain” provisions in the Environmental, Social and Governance Reporting Guide in Appendix C2 (the “**ESG Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) revised in 2019 by the Hong Kong Stock Exchange, and the content indexes are set out in the appendix to this report.

During the period for preparing this report, the principles of “materiality”, “quantitative”, “balance” and “consistency” in the ESG Guide are fully followed. The details are as follows:

- “Materiality” principle: The Group has made important disclosures in this report based on the material issues identified by the stakeholder survey and materiality assessment, so as to respond to the most concerned ESG issues of the stakeholders.
- “Quantitative” principle: This report discloses key performance indicators on environmental and social aspects in a quantitative form as much as possible, and explains the standards, methods and reference sources for relevant data statistics and calculation.
- “Balance” principle: This report follows the principle of balance and objectively presents the current status and performance of the Group’s ESG management.
- “Consistency” principle: Unless otherwise stated, this report adopts statistical and calculation methods that are consistent with those in the 2022 ESG report, so as to make meaningful comparisons with the data of previous years.



### APPROVAL AND CONFIRMATION

This report has been reviewed by the board of directors of the Company (the “**Board**”), which is responsible for the authenticity and validity of the information contained, and for ensuring that there is no false record or misleading description in the content.

### REPORT DISTRIBUTION CHANNEL

This Report is published in two versions, Traditional Chinese and English. In case of any discrepancy between the two versions, the Traditional Chinese version shall prevail. This report is available for review and download on the websites of the Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.e-comm.com/tc/IRESGReports.aspx](http://www.e-comm.com/tc/IRESGReports.aspx)).

### FEEDBACK

Thank you for reading this report. The Group highly values the opinions and feedback of various stakeholders, upon which it improves its ESG management and performance. Meanwhile, the Group continuously optimizes the level of report disclosure so as to drive the Group to make corresponding contributions to the progress and harmonious development of society in the process of growing together with stakeholders.

If you have any comments and feedback, please contact the Group through the following ways:

Beijing Office: Room 706, Tower B, Tianrun Fortune Center, No. 58, Dongzongbu Hutong, Dongcheng District, Beijing, (86) 10-8517 1200

Hong Kong Office: Unit 1902, Floor 19, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, (852) 2537 0111

Email: [e-comm@e-comm.com](mailto:e-comm@e-comm.com)



## II. MESSAGE FROM THE BOARD

ESG Message from the Board:

First of all, on behalf of E-Commodities, I would like to express our gratitude for your long-term care and support to the Group, and thank all employees for their efforts and contributions. The year 2023 was a pivotal one for global ESG development, marked by a search for direction and progress against the wind. It was also a crucial period for the economic and social transition towards a greener and more harmonious high-quality development. Throughout the year, the Company steadfastly practiced the principles of ESG, continuously integrating ESG governance thinking into our corporate development strategic planning and striving to promote sustainable development in green production and operations.

In 2023, E-Commodities continued to improve its sustainable development governance framework, issuing the ESG Management System of E-Commodities (《易大宗ESG(環境、社會及管治)管理制度》) to create a more comprehensive corporate governance system. Under the leadership of the Board and with the coordination of the ESG Committee, the management of the Company are responsible for daily ESG operations. During the year, the Company further strengthened the construction of internal control and compliance management, maintaining relentless efforts to form a long-term effective system. We have established continuous, dynamic management of significant risks and a mechanism for joint prevention and control, to promote the safe, efficient and stable development of our business. The Company is committed to practicing safety in production. This year, we established a safety management framework and improved safety production supervision system to ensure the safety of our supply chain.

The Company has actively integrated into the green economy movement, always considering environmental responsibility as its primary duty, and practicing the concept of green development in its actual business operations. By improving and transforming intelligent logistics park, closed environmental coal sheds, and injecting more transportation assets such as containers and AGV unmanned cross-border transportation vehicles, we continued to strengthen environmental protection supporting facilities, improve asset utilization efficiency, and lead the green development of the logistics industry. While continuously expanding strategic locations for the integrated supply chain services, our coal washing and processing services capacity continued to expand, promoting more efficient and cleaner use of coal. The Company has comprehensively advanced our digital transformation strategy, deeply integrating it into our business operations. We have pushed forward the development and construction of our four major platforms with the “Five-in-one” concept at the core, enabling digital empowerment. Our goal is to achieve a high level of integration between system data and business reality, creating a digital and efficient pathway that connects “people, finance, cargo and affairs management system with business operations”.



## MESSAGE FROM THE BOARD

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The Company has actively organized various public welfare and environmental protection activities. Our efforts include organizing employees and their families to plant trees, covering an area of approximately 16,000 square meters; our Hainan branch participated in “Marine Public Welfare Guard, Beach Cleanup and Environmental Protection Action”; during the Gansu earthquake, Yiteng Company organized donations to send wishes to the affected area. We are always concerned about education, initiating the “E-Books – Book Donation” activity, calling on employees to exchange idle books, and donated books to schools in Ulanqab, actively fulfilling our social responsibilities, giving back to society, and building dreams through good deeds. The Company also focused on guiding employee growth, establishing the “Winsway Academy” to provide employees with diverse training courses, promoting the development of employees in harmony with the enterprise, nurturing a harmonious and efficient team.

In 2024, we will adopt a more proactive attitude and a more responsible approach to effectively integrate the concept of sustainable development into our corporate development strategies, business operations management, and corporate culture construction, continuously creating maximum value for customers, shareholders, employees and society.

**Cao Xinyi**

*Chairman of the Board*



### III. ABOUT E-COMMODITIES

#### CORPORATE PROFILE

The Company was incorporated in the British Virgin Islands on 17 September 2007. The Company has subsidiaries and branches in Hong Kong, Beijing, Baotou, Nantong, Zhuhai, Macau, Singapore, Ulaanbaatar, Japan, Australia and other locations. E-Commodities was successfully listed on the Main Board of the Hong Kong Stock Exchange on 11 October 2010 (stock code: 01733.HK).

E-Commodities is principally engaged in the trading of coal and other commodities and provides comprehensive logistics solutions in the field of commodity supply chain service. The main business of the enterprise is divided into two major segments: supply chain trading and integrated supply chain services.

- (1) Supply chain trading plays a key role in connecting customers and upstream suppliers to ensure that the transaction between the two parties can be completed smoothly.
- (2) Integrated supply chain services include three key business units: supply chain logistics, clean energy and Internet intelligent platform, involving cross-border road transport, warehousing services, customs clearance across Sino-Mongolia land ports, as well as domestic multimodal transport, warehousing, washing and processing activities. The integrated supply chain services are interlinked, so that different departments of the Company can work together to improve service efficiency.

Since its inception, E-Commodities has continued to broaden its business scope and pursue diversification. It has established a complete closed loop of industrial chain including purchasing, overseas transport, customs clearance, warehousing, washing and processing and domestic transport. With a large network of suppliers and end customers, established logistics infrastructure, and extensive experience in commodity management, E-Commodities is able to provide well-rounded services for all links of the commodity supply chain, which formed an unique advantage as an early entrant and management ability of commodity supply chain.



### PRINCIPAL BUSINESS OF E-COMMODITIES

#### Supply Chain Trading

- The upstream and downstream of the bulk industry are large mine owners and large-scale production enterprises. The Company has long been rooted in the market to provide matching services between customer demand and upstream mine owners, and solve the differences between supply and demand in terms of time, quantity, and transaction mode through a mid-link supply and demand rematch.

#### Integrated Supply Chain Services

- The most prominent part of the supply chain logistics business is the capability of Sino-Mongolian cross-border transportation solutions, which covers cross-border transportation, customs clearance, automobile transportation, railway transportation, and domestic multimodal transport at Sino-Mongolia land ports
- Clean energy processing business, gives full play to its total washing capacity of 28 million tonnes per year, with advanced washing and processing technologies, to provide customers with customized and best-matched coal with stable quality
- Digital transformation of the commodity logistics industry, created the “E-Coking Coal”, “AGV TOS”, “E-Link” and “E-X (易X)” digital-intelligent platforms, focusing on business and management, to achieve digital empowerment

The effective integration of various segments and the linkage among the various segments of the Company bring synergistic advantages. By collecting, integrating, and analyzing data from various links in the commodity supply chain, we can truly realize the “three-in-one” of information flow, logistics flow and capital flow so as to make commodity trading easier.



### III. ABOUT E-COMMODITIES

#### HONORS AND CERTIFICATIONS AWARDED TO THE GROUP DURING THE REPORTING PERIOD

On the path of the Group's development, we are determined to seek better business performance. In the past year, the Group was honoured to make a series of important achievements, which fully reflected the wide recognition and support of the industry. In the future, we will continue to explore and forge ahead to achieve higher goals.

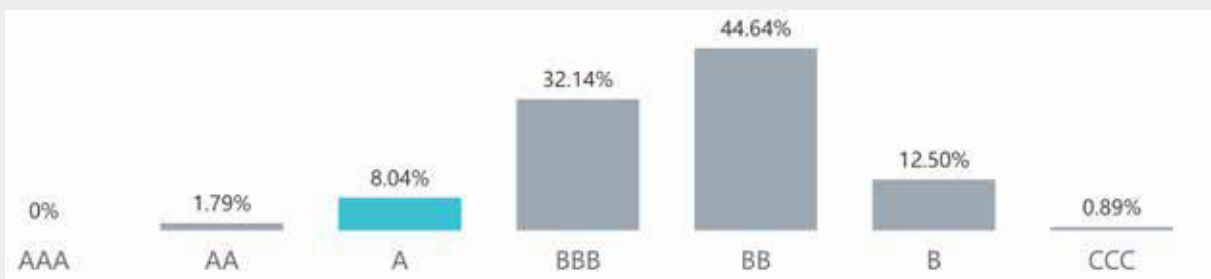
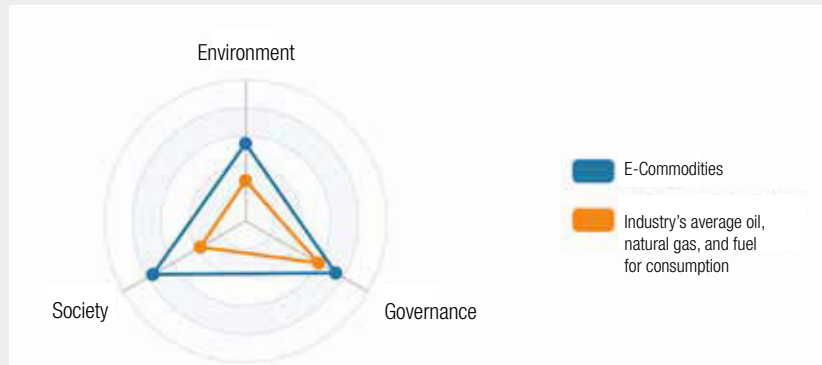
Honors and awards		
10th Top 100 Hong Kong Listed Companies List <b>Top 50</b> Small Enterprises <b>Top 10</b> Profit Growth Rate After Tax <b>Top 10</b> Total Return	Judongmi Listed Company Selection  2023 <b>Best</b> Investor Relations Award (Transportation Industry)	
Hainan More Richway Supply Chain Management Co., Ltd. <b>4th</b> in the 2023 top 50 private enterprises in Hainan Province <b>14th</b> in the 2023 top 100 enterprises in Hainan Province	Inner Mongolia Haotong Energy Joint Stock Co., Ltd. Urad Zhongqi Haotong Clean Energy Co., Ltd. <b>6th and 19th</b> in the top 20 private enterprises in the service sector in Inner Mongolia	
Inner Mongolia E-35 Technology Co., Ltd.  <b>Three Star Multimodal Transport Operator</b>	Lingzhi (Urad Zhongqi) Freight Co., Ltd. (凌志(烏拉特中旗)貨運有限公司) <b>Practical case of the integration of data and reality in the freight and logistics industry for the year 2023</b>	Bayannur Yidatong Intelligent Logistics Co., Ltd. <b>Ranked 2nd</b> in the Inner Mongolia multimodal transport "one single system" pilot project

## ABOUT E-COMMODITIES



### ESG rating:

The Group passed the Wind ESG rating in 2023 and has been rated A for two consecutive years, leading our peers in environmental, social, and governance performance.

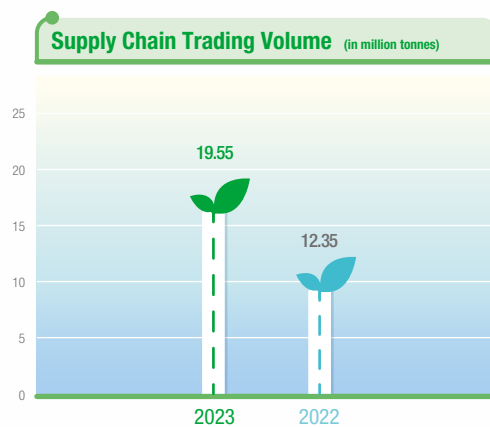
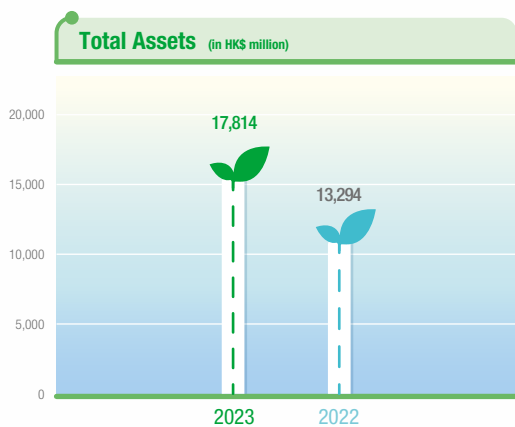
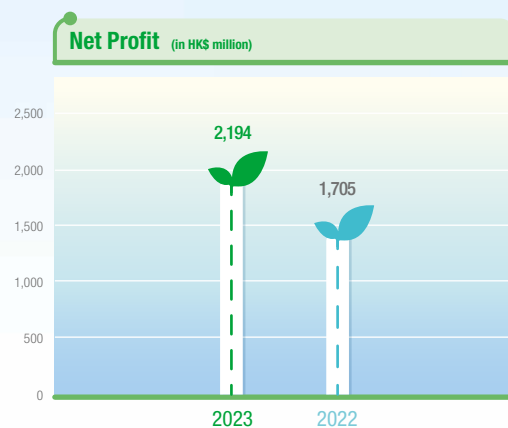
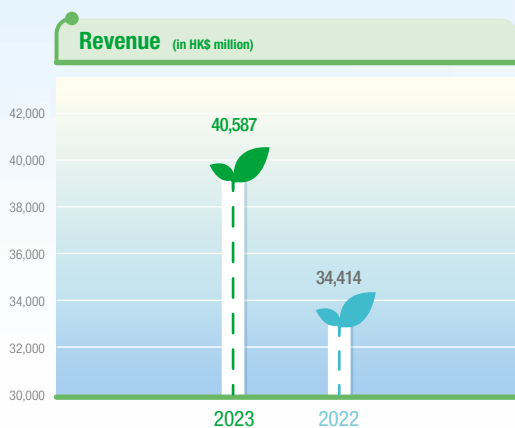




# III. ABOUT E-COMMODITIES

## OPERATING RESULTS

### Financial Results



## ASSETS FOOTPRINT

The Group is the only participant that fully covers the entire chain of Sino-Mongolian business, including logistics nodes such as mining, road transportation, cross-border customs clearance, warehousing, washing and processing, and domestic transportation. We have deployed a series of cross-border facilities and strategic land resources along the Sino-Mongolian border and along the route to customers, as well as well-established infrastructure such as logistics parks, railway transfer lines, railway platforms, coal washing plants, etc. In the future, we will continue to grasp the energy resource channel and further replicate mature construction and cross-border logistics service experience to other potential ports. Meanwhile, we will actively expand the business opportunities of other advantageous commodity categories in Mongolia and Russia, further expand our logistics and service network, and enhance the Company's influence and competitiveness in the field of cross-border transportation.

# IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

## VISION AND STRATEGIES OF SUSTAINABLE DEVELOPMENT

The Group has always regarded sustainable development and management as a core task and is committed to building an efficient governance system. By continuously monitoring and regularly evaluating our performance in sustainable development, we are constantly improving our ability to fulfill our responsibilities. At the same time, maintaining effective communication with all stakeholders is another priority for us to ensure that their expectations of our performance in sustainable development are fully understood and met, so as to continuously improve our sustainable development and governance.

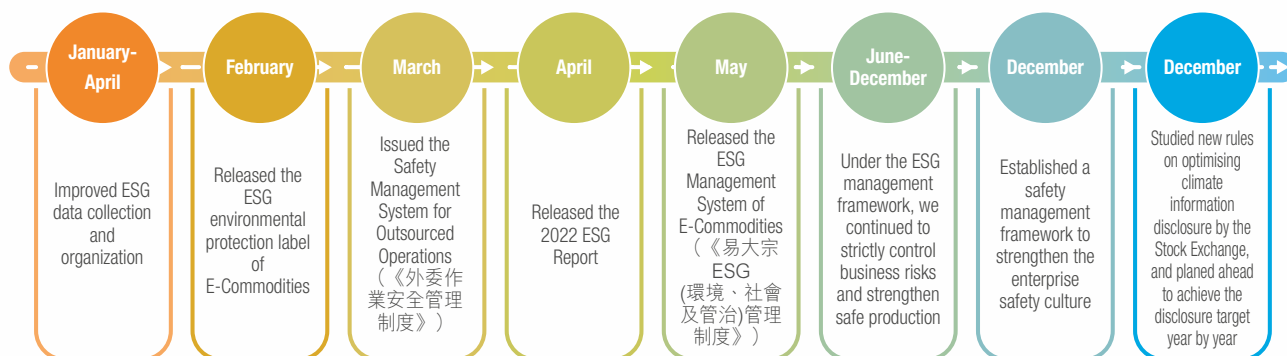
### Vision of sustainable development

- Strive for integrating ESG governance values into corporate development strategic planning, leading the corporate to become an integrated commodities supply chain services provider with the advantage of people-oriented, safe and efficient, green and low-carbon, sustainable development

### Management strategies of sustainable development

- Integrate ESG governance values into the corporate development strategic implementation plan, achieve an effective integration of “ESG philosophy - corporate strategy - governance implementation - evaluation and review” through the overall promotion of “decision making - management - execution”, and make effort to achieve the advantages of being people-oriented, safe and efficient, green and low-carbon, scientific development

## PROGRESS OF 2023 SUSTAINABLE DEVELOPMENT MANAGEMENT



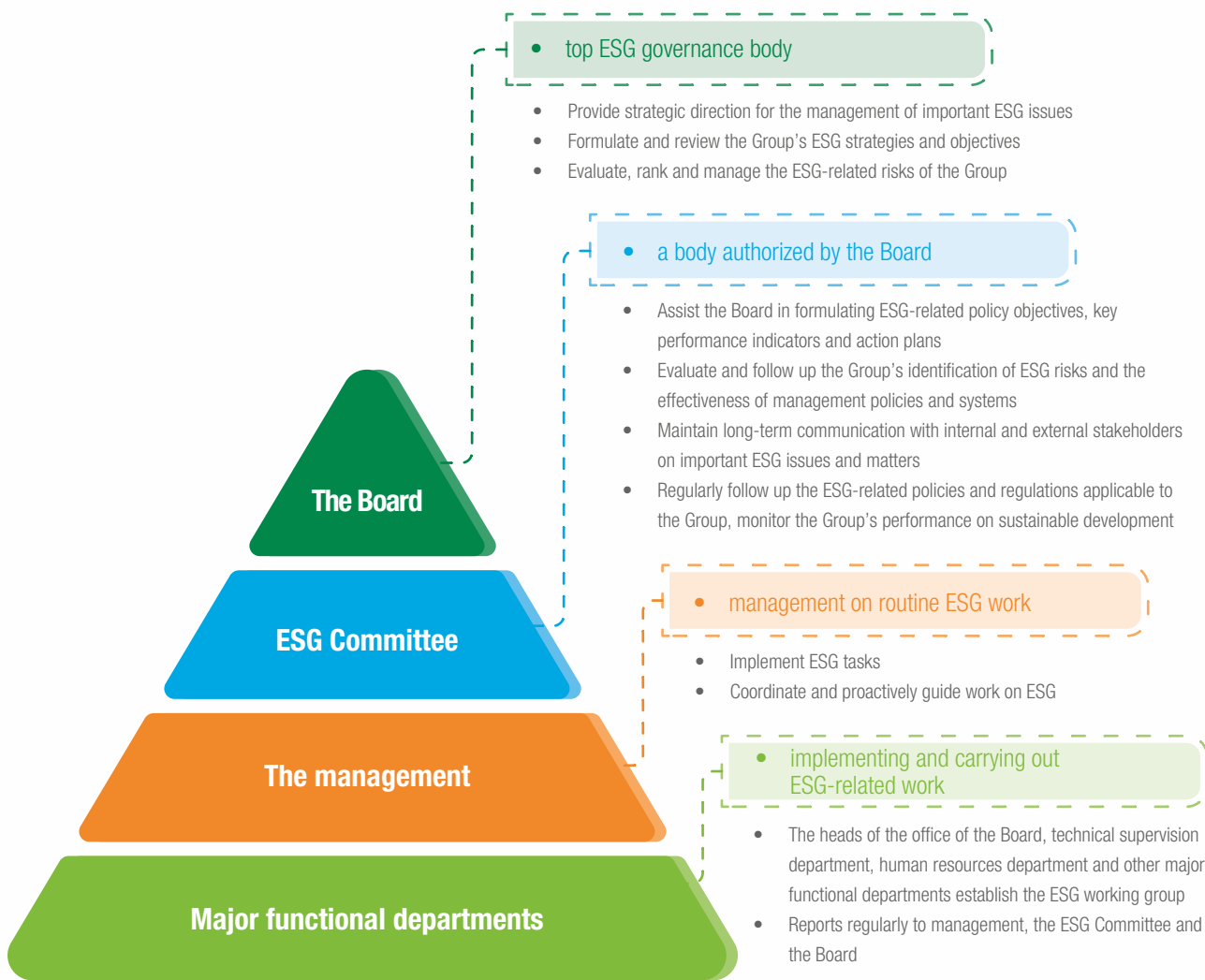




# IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

## SUSTAINABLE DEVELOPMENT GOVERNANCE STRUCTURE

To effectively fulfill the commitment of the Group to ESG, we continue to improve our sustainable development governance framework. To further strengthen ESG management, we have developed the ESG Management System of E-Commodities (《易大宗ESG管理體系》) during the Reporting Period. We focus on the long-term sustainable development performance of the Group in terms of economy, environment, human resources, and social capital, while also value the sustainable development risks that the Group may face in terms of operations. With the active participation and leadership of the Board, we have established a top-down ESG governance framework. The Board is the top ESG governance body, and responsible for overseeing the overall ESG affairs of the Group. It also clarifies the responsibilities and roles of employees at different levels in ESG practice, and provides specific ESG implementation guidelines for subsidiaries and all employees to ensure that sustainable development principles are fully implemented in our daily operations and decision-making processes, which lays a solid foundation for the Group to continuously improve its capability in sustainable development and governance.

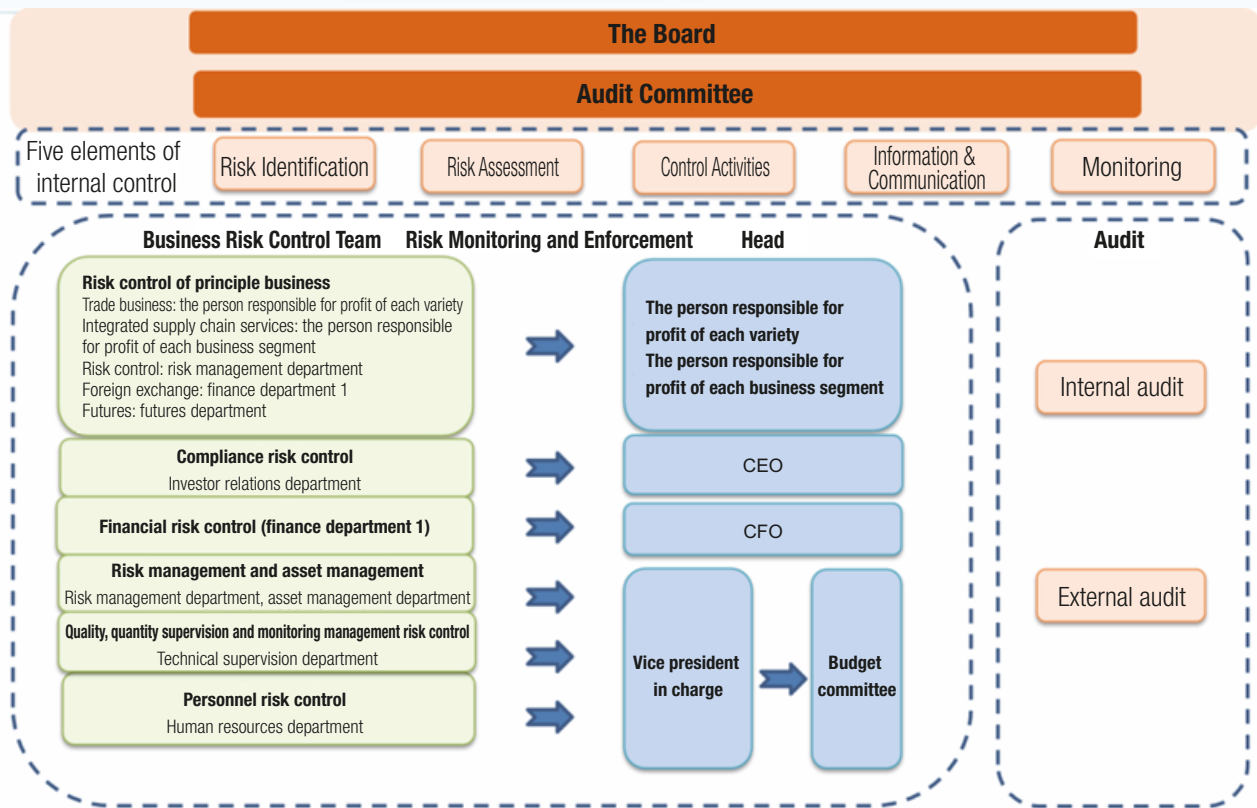


## MANAGEMENT OF SUSTAINABLE DEVELOPMENT

### RISK CONTROL AND MANAGEMENT

Effectively addressing ESG risks is critical to the Group’s long-term sustainability and value. Based on the corporate governance structure and internal procedures, the Group has formulated a Risk Control and Management System (《風控管理制度》) and newly established a risk management department to be responsible for risks related to business compliance, equity mergers and acquisitions and production operations, as a way to further strengthen the risk management system of the Group.

Risk Management Framework



In order to accurately identify different risks in our business, we uphold the concept of “integration of business, finance and taxation”, give full play to the synergy between the Group’s finance, tax, legal affairs, risk control and other functional departments and relevant trade, investment and construction departments to jointly conduct risk identification and analysis in the process of effectively promoting business development, and establish a continuous, dynamic target management and joint prevention and control mechanism for major risks.



## IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

In the process of putting risk control in place, the content involving specific work and business matters will be implemented by the office of the Board, the risk management department, the finance department 1 and the technical supervision department to ensure that our businesses are under comprehensive risk management before, during and after the event. Where major or special matters are involved and a certain risk control line is reached, each business team will report to the person in charge of the risk, and the budget committee will review and make decisions to effectively avoid various risks.

### RISK CONTROL EDUCATION

At the same time, the Group is also committed to building a corporate culture of “prudence and stability”. To this end, we incorporate the risk control system knowledge, risk management system, case training and other content of the Company into the training courses for each level, including new employees, middle-level business executives and middle and senior management, so that they can fully understand and strictly comply with the risk control and compliance requirements of the Company.

#### Training Case 1:

During the Reporting Period, we held contract risk management and basic practice training activities for employees to enhance their awareness of prevention and management capabilities in relevant positions.



Beijing Office Venue



Baotou Office Venue

## MANAGEMENT OF SUSTAINABLE DEVELOPMENT

### Training Case 2:

In response to the needs of middle and senior management in risk control knowledge and practice, we invited two senior management members of the Group to share and provide training. Mr. Wang Yaxu (王雅旭), an executive Director and senior vice president, gave a speech on business and risk control; Ms. Ren Haiyan (任海燕), CFO, conducted training on the implementation methods of risk control, so that management could establish business risk control awareness and integrate risk control into the entire business process.



### SIGNIFICANT ESG RISKS

During the Reporting Period, the Board and the ESG Committee conducted a comprehensive assessment and discussion on the Group's ESG risks, identified a number of ESG risks that were most important to the Group, and formulated corresponding action plans. For details, please refer to the following table:

ESG risk factors	Impact on the Group	Coping action	Risk trend
Safe production	In view of the characteristics of the Group's business, employees are exposed to certain safety risks, such as work-related accidents caused by unsafe behaviours of employees in the process of using machinery and equipment, driving vehicles, etc. Relevant regulatory actions, legal liabilities and subsequent costs may adversely affect the operation and reputation of the Group	Establish and improve the safety management system, manage, control and strictly implement various safety systems from top to bottom, strengthen safety production inspection, safety evaluation, assessment and rectification of accident hazards and danger sources through site assessment; Organize training on safety and emergency plan drills to improve employees' safety awareness	Maintained



## IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

ESG risk factors	Impact on the Group	Coping action	Risk trend
Occupational health and safety	The business of the Group involves coal production, washing, and technical operations, as well as potential safety hazards such as dust emissions, and the lack of well-established safety management policies and measures may lead to potential hazards and risks in the workplace, such as damage to production machinery, minor, serious injury or even loss of life of employees	All employees are required to undergo pre-employment physical examination and dismissal physical examination, and the regular annual physical examination; Organize safety training and lectures at all levels to enhance employees' understanding of safety awareness and standardized post operations, as a way to establish a safety culture	Risk reduced
Employment and employees' rights	Due to the increasing stringent requirements of local governments in terms of labor security laws and regulations and labor inspections, the Group may face the risk of disputes in the conclusion, performance, modification, rescission and termination of employment contracts. If these disputes cannot be properly mediated, they may bring litigation risks for the Group	Comply with various labor laws and regulations <ul style="list-style-type: none"> <li>– a contract signing rate of 100%;</li> <li>– Pay labour reward in a timely manner;</li> <li>– protect employees' rights to be on leave according to law</li> </ul> Maintain transparent and open communication with employees, and ensure that employees can freely express their opinions and find solutions together in the event of a dispute	Risk reduced
Employee benefits and welfare	With rising commodity prices and inflation, in order to maintain reasonable remuneration and benefits for employees, the Group has been facing the pressure of rising labor costs	Adhere to a principle of standardized management, job-based remuneration, and leading remuneration to manage remuneration Promote the concept of Total Rewards, and increase non-cash rewards and benefits to meet employee needs Encourage flexible office models in all regions to create a good working environment for employees, and provide diversified learning and development channels	Risk reduced



## MANAGEMENT OF SUSTAINABLE DEVELOPMENT

ESG risk factors	Impact on the Group	Coping action	Risk trend
Staff training and development	In the field of talent development, the Group faces a problem that the start-up team members have retired successively. Turnover may put pressure on succession planning, leadership, operating models and other aspects. Without proper succession planning and development mechanisms, it may lead to instability and chaos in the organizational structure	Sort out and evaluate existing employees comprehensively, carry out echelon construction, establish a middle-level management echelon, and cultivate a reserve second and third echelon “Winsway Academy” was officially established during the year to provide a wide range of courses covering professional knowledge and skills training in various fields to meet the needs of continuous learning and growth of staff. Please refer to the chapter on “talent development system”	Maintained
Efficient and environmentally friendly logistics	The Group’s logistics sector business requires the use of various means of transportation. In the process of transportation, serious material loss and energy loss may lead to an increase in the Group’s operating costs, which may reduce our advantage in price and service efficiency	Continue to use container transportation and train transportation, and promote the use of closed coal sheds for warehousing and loading and unloading operations in overseas to promote “non-containerised to container” Continue to promote the AGV unmanned cross-border transportation management system and promote the development of transit transportation at Sino-Mongolian ports in the direction of efficiency and environmental protection	Drastically reduced



## IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

ESG risk factors	Impact on the Group	Coping action	Risk trend
Discard and management of solid waste	The solid waste generated by the Group includes scrap tires, scrap parts, gangue and dust. If waste is not properly disposed of, it may cause damage to the environment and ecosystems, exposing the Group to legal action and reputational damage	According to the Solid Waste Management System (《固體廢物管理制度》) of the Group, production units at all levels are required to manage solid waste. Repair and reuse waste tires and spare parts, as well as the parts with recyclable value, and sell the unusable parts to scrap buyers  The by-product gangue generated in the production process is sold by the Group Coal dust spilled from the vehicle shall be recycled after being cleaned by a vacuum sweeper	Maintained
Emission and management of air pollutant	Governments are likely to impose strict environmental regulations and restrictions, causing the enterprise to face rising fuel and energy costs  In addition, governments and stakeholders may take legal action to hold the enterprise accountable for serious pollution incidents. Exposing the enterprise to the risk of legal action and hefty fines and liabilities	The Group continues to strengthen its environment-related management, and continuously reduce energy consumption, improve resource efficiency and reduce emissions through measures such as introducing environmentally friendly production processes and upgrading the energy efficiency of equipment	Maintained
Climate change (physical and transition risks)	<b>Physical risks:</b> Extreme weather events can lead to supply chain disruptions due to damage to factories and threats to human safety  <b>Transition risks:</b> Increasingly stringent policies to address climate change may lead to an increase in the cost and effort of the Group's compliance operations	The Group pays sustained attention to the material impact and opportunities of climate change on its business and finance, and is committed to formulating coping strategies. See the chapter on "climate change"	Maintained

## MANAGEMENT OF SUSTAINABLE DEVELOPMENT

### COMMUNICATION WITH STAKEHOLDERS

We recognise that the views of our stakeholders are crucial to the Group's ESG work and decision-making. In order to fully understand and meet the needs and expectations of our stakeholders, we have established a variety of communication channels to ensure continuous and effective communication with our stakeholders. We have identified the Group's key stakeholders through assessment from two dimensions of "degree of influence by the enterprise" and "degree of influence on the enterprise", and collect their feedback on the Group's sustainability efforts through an open and transparent communication mechanism.

Key stakeholders	Expectations and demands	Communication ways or channels
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"> <li>• Healthy and sustainable development</li> <li>• Compliance with laws and regulations</li> <li>• Steady growth in tax revenue</li> <li>• Serving local economy</li> <li>• Facilitating industry development</li> <li>• Safe production</li> <li>• Energy conservation and reduction of emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Information filing</li> <li>• Tax returns filing</li> <li>• Government conferences</li> <li>• Railway operation</li> <li>• Business innovation</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Healthy and sustainable development</li> <li>• Compliance with laws and regulations</li> <li>• Safe production</li> <li>• Energy conservation and reduction of emissions</li> <li>• Risk control</li> <li>• Return on investment</li> </ul>	<ul style="list-style-type: none"> <li>• General meeting of shareholders</li> <li>• Information disclosure</li> <li>• Daily communication</li> <li>• Telephone conferences</li> <li>• Results announcement</li> <li>• Company website</li> </ul>
<b>Business partners and suppliers</b>	<ul style="list-style-type: none"> <li>• Win-win cooperation</li> <li>• Quality of products/services</li> <li>• Commitment</li> </ul>	<ul style="list-style-type: none"> <li>• Open tender</li> <li>• Contract negotiation</li> <li>• Daily business communication</li> <li>• Supplier access management</li> <li>• Supplier evaluation</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Quality of products/services</li> </ul>	<ul style="list-style-type: none"> <li>• After-sales services</li> <li>• Test service</li> <li>• Quality supervision</li> <li>• Technique benchmarking</li> </ul>



## IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Key stakeholders	Expectations and demands	Communication ways or channels
<p style="text-align: center;"><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Safe production</li> <li>• Employees' rights and interests</li> <li>• Training and development</li> <li>• Occupational health</li> <li>• Employee care</li> </ul>	<ul style="list-style-type: none"> <li>• Staff assembly</li> <li>• Corporate notices</li> <li>• Employee satisfaction survey</li> <li>• Forums with senior management</li> <li>• "Winsway People(《永暉人》)" essay-writing competition</li> <li>• Lunch meetings</li> <li>• Staff birthday party</li> <li>• Internal communication meeting of department</li> <li>• Interdepartmental activities</li> <li>• Employee development activities</li> <li>• Family days</li> </ul>
<p style="text-align: center;"><b>Community</b></p>	<ul style="list-style-type: none"> <li>• Environment protection</li> <li>• Community charity</li> </ul>	<ul style="list-style-type: none"> <li>• Community charity</li> <li>• Educational promotion activities</li> <li>• Epidemic prevention publicity</li> <li>• Vaccination coordination</li> </ul>

### MATERIALITY ASSESSMENT

In order to identify the most important ESG issues to the Group and determine the focus of ESG work, the Group regularly conducts materiality assessments and continuously improves the working mechanism and methods of materiality assessments. The Group previously entrusted a professional consulting agency to conduct materiality assessment by means of a questionnaire survey. The assessment objects covered the Group's internal and external stakeholders. The assessment process is reviewed as follows:

## MANAGEMENT OF SUSTAINABLE DEVELOPMENT

### Identify relevant ESG issues

The Group referred to the ESG Guide of the Stock Exchange and took into account the ESG trends in the energy and logistics industries to identify ESG issues relevant to the Group. We identified 8 ESG issues on the environmental aspect and 12 ESG issues on the social aspect

### Conduct a questionnaire survey

Through adopting an online questionnaire survey, the Group invited major stakeholders to rank 8 ESG issues on the environmental aspect and 12 ESG issues on the social aspect. External stakeholders ranked ESG issues from the perspective of “materiality to the stakeholders”; internal stakeholders ranked ESG issues from the perspective of “materiality to the Company’s business”

### Analyze questionnaire survey results

The Group made analysis based on the results of the questionnaire survey and constructed a materiality matrix. As a result, we identified issues with scores of 5 or above in the two dimensions of “materiality to the stakeholders” and “materiality to the Company’s business” as “material issues”

### Verify materiality issues

The Board reviewed the results of the questionnaire survey and verified material issues

In view of the fact that there has been no significant change in the Group’s business structure, the Group conducts a materiality assessment on a retrospective basis. We have re-examined the results of previous surveys on material issues, considered ESG development trends in the industry, and referred to reporting standards of sustainable development such as SASB and GRI, to conduct a comprehensive analysis of material issues. This year, taking into account the impact of key factors such as the intensified climate change, rapid changes in the market, and the emphasis on scientific and technological innovation in national policies, we added the environmental issues of “responding to climate change” and the social issues of “risk control” and “innovative technology research and development” to the existing issues. The results have been submitted to the chairman of the ESG Committee for review, and will then be reviewed and confirmed by the Board by email, in writing, etc. to identify the material issues of the year.

These key issues will continue to be regarded as the core of the Group’s sustainable development strategy and will be elaborated in subsequent chapters of this report. In the future, we plan to further strengthen communication with stakeholders, and continuously evaluate and review key issues they are concerned about to continuously improve our management of important ESG issues.



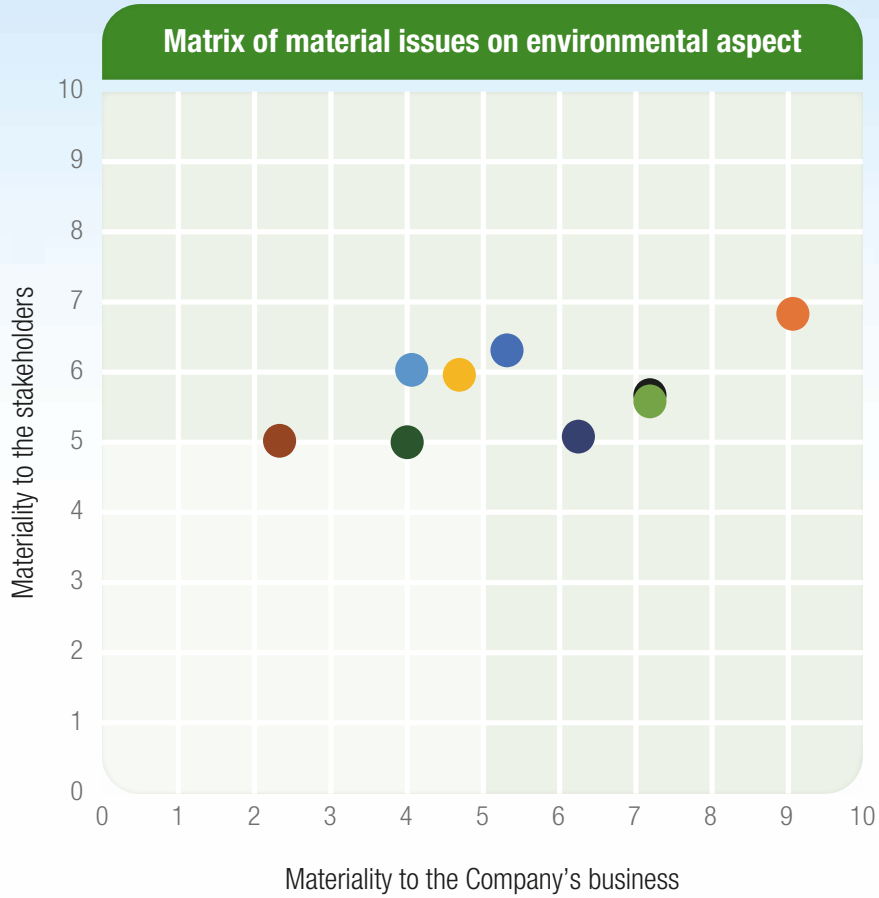


# IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

In the end, the Group identified a total of 18 material issues on environmental and social aspects. The matrix and list of material issues are as follows:



## MANAGEMENT OF SUSTAINABLE DEVELOPMENT



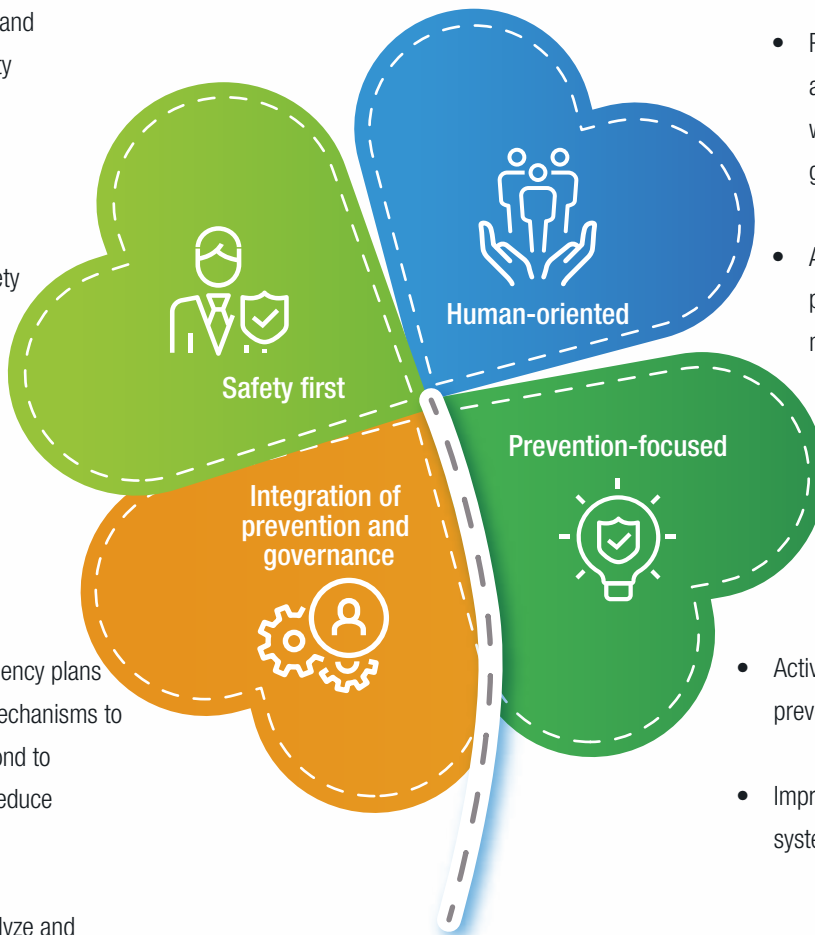
- Reasonable use of resources
- Environment and natural resources protection
- Emission and management of sewage
- Responding to climate change
- Efficient and environmentally friendly logistics
- Development of clean raw materials
- Emission and management of greenhouse gases (new material issues in 2021)
- Emission and management of air pollutant
- Emission and management of solid waste



## V. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

The Group always puts the occupational health and safety of its employees first, and attaches great importance to ensuring safe production and maintaining the physical and mental health of its employees. To this end, we act in strict accordance with the laws, regulations and administrative provisions on health and safety in the countries and regions in where we operate, including but not limited to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Regulation for Prevention of Dust Lung Disease of People's Republic of China (《中華人民共和國塵肺病防治條例》), the Provisions on the Supervision and Administration of Occupational Health at Work Sites, the Management Rules for Labor Protection Supplies of Employers (《用人單位勞動防護用品管理規範》), the Regulations on Labor Protection in Workplaces Where Toxic Substances are Used (《使用有毒物品作業場所勞動保護條例》), and the Administrative Measures for the Supervision of Employers' Occupational Health Surveillance (《用人單位職業健康監護監督管理辦法》). During the Reporting Period, the Group did not violate any above laws and regulations on safe production.

- Strictly develop and implement safety standards and procedures
- Strengthen employees' safety awareness and maintain a safe production culture



- Pay attention to the safety and comfort of the workplace and provide good working conditions
- Advocate employee participation in safety management

- Establish emergency plans and handling mechanisms to effectively respond to accidents and reduce damage
- Investigate, analyze and review the accident in a timely manner, and sum up experience and lessons

- Actively take measures to prevent accidents and hazards
- Improve the risk management system

**Safe production policy of the Group**

## SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

### PRACTISE SAFE PRODUCTION

The safe production mechanism of the Group is based on the four pillars of “safety first, prevention-focused, human-oriented, and integration of prevention and governance”, and various management and control measures are established to prevent the occurrence of production safety accidents. The ESG Committee of the Group is responsible for monitoring and reviewing the status of best industry practices and changes in regulations and policies, and reporting to the Board so as to continuously improve the safe production system. During the Reporting Period, the Group issued the Notice on Further Strengthening the Safety Management of Production Units (《關於進一步強化生產單位安全管理工作的通知》) to solidly promote the safety management of production units.

Safety organizational structure	<p>The Group has clarified its responsibilities for safety management to ensure comprehensiveness and transparency in its management, and has set up the technical supervision department to comprehensively supervise the safety management work of each production and operation unit</p> <ul style="list-style-type: none"> <li>• <b>Legal responsible person of the enterprise:</b> as the first person responsible for the on-site safety of each production and operation unit</li> <li>• <b>Safety inspectors:</b> composed of full-time or part-time safety officers, who conduct 24-hour uninterrupted safety inspections in shifts</li> <li>• <b>Safety supervision department of the Group:</b> it will successively arrange full-time safety officers to work on site to assist the first person responsible for on-site safety, and be responsible for the investigation of potential accidents and normalized safety inspections</li> </ul>
Safety inspection	According to the annual safety inspection plan, different inspection items are carried out, covering the violations of rules and disciplines of operators
Risk hazards and accident reporting mechanism	A dual reporting system is implemented, and the safety inspector shall report to the first person responsible for on-site safety and the safety supervision department in a timely manner to ensure that the safety accident can be quickly followed up and properly resolved

In order to establish and consolidate the overall culture of safe production in the enterprise and effectively implement and continuously improve safety management, the Group has adopted the Safe Production Responsibility System (《安全生產責任制度》), which clearly guides and requires all subsidiaries to implement and strictly enforce management. The system has defined the key points of safe production, including organizational structure, requirements of the rules and regulations, safe production inputs, etc. The technical supervision department supervises the implementation of the system of each subsidiary. The following table shows the some specific measures of the safe production responsibility system:



## V. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

### Safe production education

- The main person in charge of the Company and the safe production management personnel shall attend the safe production training offered by relevant departments, have the safety knowledge and management capabilities applicable to the production and operation activities of the unit, and obtain the corresponding qualification certificates
- New recruits and workers should receive three-level safety education, including plant-level safety education, workshop-level safety education and post (section, team) safety education
- Practitioners shall attend not less than 12 hours of re-education and training per year

### Accident management

- In the event of all kinds of minor personal injury accidents, the department where the accident occurred should report to the Company's safety management department within 1 hour and establish a ledger
- Production safety accidents should be handled according to the principle of "Four Prohibitions". That is, after the accident occurs, unclear analysis of accident cause is prohibited, no punishing the person liable for accident is prohibited, no implementation of rectification measures is prohibited and no educating the person liable for accident and related people is prohibited

### Safety management of equipment and facilities

- Equipment, facilities and tools information should be recorded in ledgers
- Special equipment shall have a product certificate, a registration certificate for use, and a regular inspection report of a legally qualified unit

### Management of major hazards

- Subsidiaries shall identify hazards in accordance with Identification of Major Hazards (《重大危險源辨識》) GB 18218-2000 and the Guiding Opinions on the Supervision and Management of Major Hazards (An Jian Guan Xie Tiao Zi [2004] No. 56) (《關於開展重大危險源監督管理工作的指導意見》(安監管協調字〔2004〕56號)) issued by the State Administration of Work Safety
- Establish records to regularly detect, assess and monitor major hazards

### Emergency rescue plan

- Determine the command structure of the emergency rescue organization, including: emergency response measures, medical assistance, emergency personnel protection, public safety protection, on-site testing and evaluation, and information release
- Organize emergency rescue training and drills for safe production accidents at least once a year

## SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

Urad Zhongqi Yiteng Mining Co., Ltd., a subsidiary of the Group, has set up working groups such as safe production leading group and an occupational health management organization to clarify the responsibilities of different personnel in supervising and implementing occupational safety measures, and has also formulated a Compilation of Safe Production Management System (《安全生產管理制度彙編》), which covers various aspects such as safety rules for special operations, risk management and control, accident emergency plans, equipment and facility management, to ensure comprehensive and effective safety management.

### EMPLOYEE HEALTH CARE

The occupational health and safety management mechanism of the Group complies with relevant laws and regulations, comprehensively covers different health and occupational disease hazards, and sets up targeted prevention and protection measures. In order to keep employees abreast of their health status in a timely manner, the Group regularly organizes annual physical examinations. In addition to paying social insurance in full, we also provide comprehensive protection for employees at all levels by purchasing different types of medical insurance and accident insurance. At the same time, we organize various forms of publicity and promotion from time to time to strengthen employees' attention to occupational diseases and pay attention to occupational safety and health on a daily basis.



The Beijing office invited traditional Chinese medicine practitioners to explain the precautions for epidemic prevention and control



Ulanqab Haotong Energy Co., Ltd launched the Law on Prevention and Control of Occupational Diseases (《職業病防治法》) publicity week





## V. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

In addition, at the production level, the Group and its subsidiaries have also implemented a series of prevention and control measures to effectively protect the health of employees.

- Perfect, improve and maintain safety protection equipment
- Provide education and training on production safety, and provide employees with protection supplies
- Conduct regularly occupational hazard prevention and occupational health examinations
- Detect and inspect the safety performance of special equipment and fire-fighting facilities
- Equip with necessary emergency rescue materials, install equipment and arrange emergency rescue drills
- Post safety warning signs and slogans in the workplace to remind employees at all times
- Carry out the identification and assessment of hazard sources and major accident hazards, and develop rectification plans and monitoring plans

### STRENGTHEN OCCUPATIONAL SAFETY TRAINING

The Group has formulated an annual training plan on safe production in accordance with the Safety Publicity and Education Training System, with an aim to improve the safety awareness of all employees and improve the safety management of the Group. All employees of production units shall attend safety training, and the person with chief responsibility and safe production management personnel shall possess corresponding safe production knowledge and management capabilities and obtain corresponding qualification certificates. New recruits shall receive a three-level safety education at the company, department, and team level. After mastering the relevant safety knowledge and skills and fully understanding the Group's safety culture, they can officially enter the factory to work. In addition, special operations personnel such as electricians, motor vehicle drivers in the factory and mechanical operators must attend specialist safety training before commencing their duties and participate in periodic reviews.

The Group is committed to implementing a strict safety training policy. In accordance with the Safety Publicity and Education Training System, we have formulated an annual training plan on safe production, which stipulates that all employees of production units shall attend safety training.

In addition, on our platform "Winsway Academy" (永暉學院), employees can receive a full range of safety education, covering key areas such as safe operation of machinery and equipment, post operation procedures and safe production management, to ensure that employees have the knowledge and skills necessary to prevent risks. In this way, they can improve their awareness of safety and reduce accidents and injuries that may occur at work.

## SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

### Safe Production Month Activities

In response to the 2023 national “safe production month” campaign on the advocacy of “everyone stressing safety and responding to emergency” (人人講安全、個個會應急), the Company organized all production units of its subsidiaries to carry out safe production month activities in June 2023 to comprehensively promote the construction of safety culture of the Company.

### Fire Drill Training

Urad Zhongqi Yiteng Mining Co., Ltd. and Ulanqab Haotong Energy Co., Ltd conducted fire drills to improve employees’ ability to respond to fires and emergencies



### Safety Training Performance



A total of **51** occupational safety-related training activities were organised by the Group



A total of **1,876** people participated in the training



The number of learning hours totaled **7,594**



## V. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

### SAFETY PERFORMANCE OVERVIEW

During the Reporting Period, the Group formulated and implemented the safety management objectives and indicators, and earnestly inspected and examined the equipment on a regular basis. The operating staff with certificates have been trained regularly to work to prevent fire, explosion, serious injury and other accidents.

Type	Indicator	Unit	Expectation Number	2023	2022	2021
Production (including occupational health and safety)	Fatality in the course of production	person	0	0	0	0
	Serious injury in the course of production	person	0	0	0	0
	Slight injury in the course of production	person	≤10	0	0	0
	Lost days due to work injury	day	0	0	0	0
	Accident related to large equipment	person	0	0	0	0
	Explosion of pressure vessel (including boiler)	person	0	0	0	0
	Identified occupational disease (including occupational poisoning)	person	0	0	0	0
Fire safety management	Accident of explosion of inflammable materials (fire and accident of explosion in production)	case	0	0	0	0
Public health safety	Mass food poisoning	case	0	0	0	0
	Outbreak of infectious diseases of Class I and Class II	time	0	0	0	0
Transportation safety management	General and traffic accident	case	≤2	0	0	0
Safety education and training	Rate of three-tier safety education	%	100%	100%	100%	100%
Safety inspections and rectifications of hidden dangers	Monthly safety inspection at the Company's level and completion rate of rectification	%	100%	100%	100%	99%



## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### STRICT CONTROL ON POLLUTANT EMISSIONS

The Group is firmly committed to green production and green operation practices to ensure the harmonious coexistence of our business growth and environmental protection. We strictly abide by the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Energy Conservation Law of the People's Republic of China, the Measures for Environmental Surveillance, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) and other key regulations on environmental protection in the countries and regions where it operates. In accordance with the content of the regulations, we have established a comprehensive internal environmental management system, including the Compilation of the Company's Environmental Protection Management System (《公司環境保護管理制度彙編》) and the Environmental Protection Management System During Production (《生產過程中環境保護管理制度》), and implemented strict control measures on waste discharge, environmental pollution accidents, energy conservation and consumption reduction, environmental impact monitoring and other matters, and clearly defined the environmental protection responsibilities and implementation standards of different functional departments to ensure the achievement of environmental protection goals. During the Reporting Period, the Group did not violate any relevant laws and regulations related to waste gas and greenhouse gas emissions, water and land pollution, waste generation and disposal, etc.

In particular, our green operation strategy focuses on strict control of pollutant generation and discharge. We continue to advance the upgrading of intelligent and environmentally friendly logistics systems through innovative technologies, and promote the development of transit transportation at the Sino-Mongolian ports in an efficient and environmental-friendly manner. We have adopted a number of green logistics practices such as "closed coal sheds", "multimodal transport", "digitalized reconstruction", "AGV unmanned cross-border transportation" and other green logistics practices to reduce the environmental impact of coal transportation, loading and unloading, and warehousing, and build a more sustainable supply chain.

### IMPACTS ON THE ENVIRONMENT AND NATURAL RESOURCES

The impacts of the Group's production and operations on the environment and natural resources mainly relate to air pollution, wastewater discharge, solid waste and noise caused by the coal washing process and transportation. In response to these negative impacts, we have formulated the Administrative Measures for Safety and Environment of New Projects, Reconstruction Projects and Expansion Projects to strengthen the overall management of design, construction and acceptance of new projects, renovation and expansion projects. The Group has also conducted an environmental impact assessment in accordance with laws, regulations and regulatory requirements including the Law of the People's Republic of China on Environmental Impact Assessment to ensure that our environmental information complies with regulatory standards.



## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### EMISSION AND MANAGEMENT OF AIR POLLUTANT

Environmental objectives	2023 indicator plans	2024-2026 indicator plans
In-plant disorganized dust emissions (maximum)	Not exceeding 0.85 mg/cubic meter	Less than 0.85 mg/cubic meter
Carbon monoxide emissions	Not exceeding 35,000 kg	Increase proportion is less than that in the operating income
Nitrogen oxides emissions	Not exceeding 60,000 kg	Increase proportion is less than that in the operating income
Sulfur oxides emissions	Not exceeding 10,000 kg	Increase proportion is less than that in the operating income

The air emissions of the Group mainly come from non-road mobile sources such as vehicles and construction machinery, heavy-duty special equipment (AGVs), boiler combustion and exhaust gases emitted from employee canteens. In order to effectively manage and reduce the emission of air pollutants, the Group has adopted a series of innovative and proactive measures. In terms of logistics system, we continue to promote “non-containerised to container”, train transportation, AGV transportation, etc.

In terms of infrastructure enhancement, we have built new sheds and windproof and dust suppression walls in coal mine storage to further reduce the spread of coal dust. At the same time, we have carried out vehicle management. During the Reporting Period, most of the Group’s new official business vehicles were in accordance with the national six standards to ensure that vehicle emissions met the latest environmental standards. For stationary source emissions, we use the wet dust removal desulfurization and denitrification process, which effectively reduces atmospheric emissions such as sulfur oxides (SO<sub>x</sub>) and nitrogen oxides (NO<sub>x</sub>), and improves the efficiency of environmental protection. In order to reduce air emissions and dust escape, we have formulated the following key measures to control exhaust emissions:

## GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

<b>Air emission control</b>	
AGV transportation	<ul style="list-style-type: none"> <li>The use of AGVs as port clearance transport vehicles, featured autonomous driving and mixed use of oil and electricity, have reduced the greenhouse gas emissions from the fuel of transport vehicles</li> </ul>
Train transportation	<ul style="list-style-type: none"> <li>Great efforts are made to develop train transportation as a way to reduce the proportion of automobile transportation, thereby reducing exhaust emissions</li> </ul>
Green travel	<ul style="list-style-type: none"> <li>We encourage our staff to use public transport instead of private cars to make efficient use of road resources</li> </ul>
<b>Reduce dust escape</b>	
Dust reduction from the source	<ul style="list-style-type: none"> <li>To fully implement site hardening on outdoor storage areas, with the coals continuing to be covered by crepe or sprayed with crust-forming dust suppressant to reduce the spread of coal dust</li> <li>To gradually adopt closed containers to replace the outdoor storage model and increase the proportion of transportation by container; at present, container transportation has accounted for 67% of the total transportation, and the cargo loss rate has decreased from more than 0.3% to less than 0.2% in the use of open cars, which greatly reduces the escape of coal dust</li> <li>To adopt closed-type coal sheds for coal storage, loading and unloading, and put fast loading station into service</li> <li>To exercise strict speed limit of 5km/h on vehicles entering relevant venues</li> <li>To gradually change the form of transportation – coal from foreign coal storage yards in Mongolia are directly dispatched to domestic train stations through cross-boundary transportation to reduce pollution arising from the second unloading</li> </ul>
Active dust reduction	<ul style="list-style-type: none"> <li>To fully operate dust-reducing facilities and increase the frequency of water spraying in the factory to reduce dust</li> <li>To increase the frequency of coal dust cleaning</li> </ul>
Operation to avoid dust	<ul style="list-style-type: none"> <li>In case of bad weather such as strong winds and sandstorms, coal storage venues will suspend loading work</li> <li>In severe pollution weather, stop part or all of the operations to prevent aggravation of air pollution</li> </ul>





## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### EMISSION AND MANAGEMENT OF GREENHOUSE GASES

Environmental objective	2023 indicator plan	2024-2026 indicator plan
Intensity of greenhouse gas emission in total	Not more than 200 tonnes of carbon dioxide equivalent/HK\$'00,000,000 operating income	Not exceeding the average of the past three years

The greenhouse gases generated by the Group are mainly from transportation vehicles, non-road mobile sources and electricity consumption. In order to effectively reduce greenhouse gas emissions, we have implemented a series of targeted emission reduction strategies and measures. In recent years, the Group has been promoting the project of unmanned cross-border transportation management system for heavy-duty special equipment (AGV), which is powered by oil and electricity and can significantly reduce energy consumption and greenhouse gas emissions, and improve energy efficiency compared with traditional fuel vehicles. On the other hand, to improve energy efficiency, we purchase low-energy equipment and adopt advanced production processes to reduce energy consumption and carbon emissions in our operations. In the future, we will continue to uphold the concept of environment friendliness and harmonious development, advocate green office, and improve the office environment as a way to build a garden-style enterprise.

To offset our carbon footprint. During the Reporting Period, the Group continued to organize tree planting activities. A number of business units were actively involved in this effort, which reflected the building of our green culture. During the year, we planted 2,440 trees, covering an area of 16,000 square meters. In the future, we will continue to invest in environmental conservation and fulfill our responsibility to protect the environment.



Tree Planting Activities at E Haotong Company  
(額浩通公司)



Tree Planting Activities of Ulanqab Haotong

## GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### EMISSION AND MANAGEMENT OF SEWAGE

Environmental objective	2023 indicator plan	2024-2026 indicator plan
Recycling rate of production wastewater	75% (25% is the amount of evaporation)	More than 75% (25% is the amount of evaporation)

The wastewater generated by the Group's production and operation activities is mainly production wastewater and domestic sewage. In terms of production wastewater, the Group continues to adopt and optimize the water recycling system. During the Reporting Period, we achieved zero discharge of production sewage, minimizing our impact on the environment. For wastewater that may contain harmful chemical liquids such as acids, paints, mineral oils, etc., we have developed special leak-proof measures.

In terms of domestic sewage, we have carried out strict maintenance and management of sewage treatment facilities to ensure that all sewage can meet environmental standards before being discharged after passing through pre-treatment facilities such as septic tanks and oil separators. In addition, we regularly maintain pools, wastewater treatment tanks in canteens, and other equipment and facilities related to wastewater treatment.

### EMISSION AND MANAGEMENT OF SOLID WASTE

Environmental objectives	2023 indicator plans	2024-2026 indicator plans
Disposal rate of hazardous waste	100%	100%
Environmental pollution accident	0	0

The solid waste generated during the production and operation of the Group mainly includes gangue in the clean raw materials sector and waste oil, automobile tires and waste parts in the supply chain logistics sector. The Group has formulated and implemented the Solid Waste Management System in accordance with the Law of the People's Republic of China on Prevention and Control of Solid Waste (《中華人民共和國固體廢物污染防治法》), the Controlling Procedures for Emergency Preparation and Response (《應急準備與響應控制程序》) as well as other laws, regulations and management ordinances. During the year, we sold all the gangue and coal slime generated, and achieved the goal of no solid waste discharge. In addition, we thoroughly implemented solid waste management, and there were no environmental pollution incidents caused by improper waste disposal during the Reporting Period.



## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Collection and treatment	Waste reduction
<ul style="list-style-type: none"> <li>Scientifically classify, collect, store and treat solid waste, take necessary measures in each link to prevent the scattering, loss and leakage of relevant substances, and prevent unauthorized dumping, stacking, discarding and littering solid waste;</li> </ul>	<ul style="list-style-type: none"> <li>The gangue and waste oil generated in the production process are collected and sold;</li> </ul>
<ul style="list-style-type: none"> <li>The main office waste of the Company, such as waste paper, mineral water bottles, is sent to reclamation depot for recycling.</li> </ul>	<ul style="list-style-type: none"> <li>We actively promote the recycling of waste, such as used batteries, tires, coal dust, etc., and separate and collect the recyclable parts for maintenance.</li> </ul>

### ENHANCE ENERGY MANAGEMENT

Environmental objectives	2023 indicator plans	2024-2026 indicator plans
Coking coal intermediary, power consumption limit of flotation combined coal preparation	8.5 kWh/tonne	8.5 kWh/tonne
Energy saving target	Save more than 720 tonnes of standard coal per year	Reduced consumption of standard coal is more than the average of the past three years

The energy resources used by the Group are mainly electricity and diesel consumed in the production process of clean raw materials sector and the supply chain logistics sector. In view of the management and control of these two resources, the Group has formulated and implemented an Energy Management System, which aims to reasonably use resources and improve energy efficiency and related economic benefits. The system establishes the planning, supervision, approval and other work of energy management, and clarifies the terms of reference of responsible departments including the Department of Safety and Environmental Protection and the logistics department. In addition, the system actively promotes power-saving measures and the application of new technologies to ensure effective energy management.

#### Electricity management

The Group strictly enforces the national standard Technical Guides for Evaluating the Rationality of Electricity Usage in Industrial Enterprise (GB/T 3485) as the criteria for rational electricity usage, and makes regular replacement of electrical equipment to effectively save electricity.

According to the relevant national requirements on energy conservation and emission reduction, the air conditioners, water heaters and other equipment of the Company are low-energy-consuming and environmental-friendly products

Air heat pumps are used instead of traditional coal-fired and gas-fired boilers to provide winter heating. This technology consumes only a quarter of the electricity of ordinary electric water heaters, effectively reducing energy consumption

## GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### Vehicle management

We establish a refueling information system in units of vehicle and implement strict management measures on diesel and gasoline fuels to calculate the monthly fuel consumption and fuel consumption of 100 kilometers per vehicle, and make a rank

For vehicles with fuel consumption exceeding the reasonable level, relevant drivers will receive energy-saving reminders and training

Container vehicles shall be driven at economic speeds of 80 to 100 kilometers per hour to avoid unnecessary oil consumption due to speeding operation.

### WATER RESOURCES MANAGEMENT

Environmental objectives	2023 indicator plans	2024-2026 indicator plans
Water intensity target	Not exceeding 1,500 tonnes/ HK\$'00,000,000 operating income	Not higher than the amount under the same business volume in previous years
Water saving target	Expenses not exceeding HK\$100,000	Expenses not exceeding HK\$100,000

The water resources for the production, operation and domestic use of the Group are managed and provided by the municipal sewage pipe network. Due to the natural environment of the location where we operate, some subsidiaries of the Group, e.g. Yiteng Mining Company (毅騰礦業公司) located at Gants Mod Port in the northern part of the Inner Mongolia Autonomous Region, may experience water shortages in summer. In order to reduce the impact of water scarcity on operations and the daily lives of employees, these subsidiaries have built facilities such as reservoirs and tanks to reserve water resources in advance.

Adhering to the principle of water conservation, the Group fully considers the efficiency of water use and the impact on environment in all aspects of the production chain, and implements a series of measures in accordance with relevant laws and regulations. We continue to optimize the circulating water system, and the production wastewater is purified and recycled by treatment equipment for spraying road dust. At present, the production workshop has achieved 100% reuse of production wastewater to minimize water consumption. In addition, we regularly inspect water pipes and water facilities to identify potential water leakage in a timely manner, so as to prevent water from running, spraying, dripping and leaking.

We promote a water-saving culture in the enterprise, formulate and issue a group-wide water use plan, and evaluate the performance and implementation of each water use unit on a monthly basis. In order to raise awareness of water conservation among our employees, we help them develop good water-saving habits by posting signs and slogans in public areas.



## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

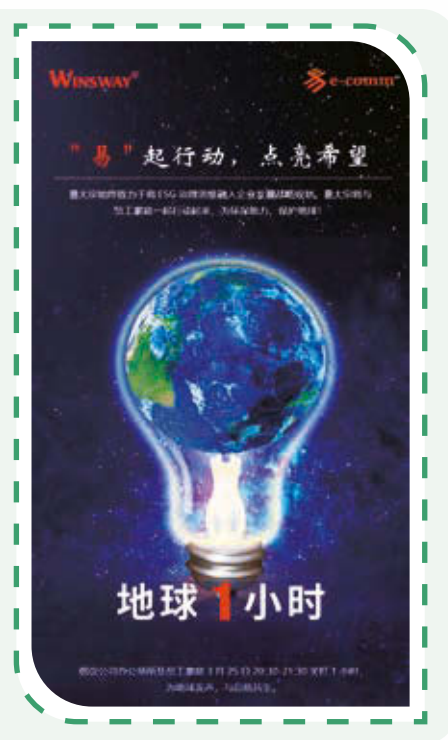
### PROMOTE GREEN OFFICE

In our daily operation, we actively implement the green office strategy. By identifying and analyzing the impact of office operations on the environment, we have established energy conservation and emission reduction objectives, and release the Targets for Energy Conservation and Reduction of Emissions every year to provide a clear direction for our subsidiaries to deepen green operations. Taking 2020 as the reference point for energy consumption, we have set a series of specific energy conservation and emission reduction targets, and require subsidiaries to achieve these targets:

E-Commodities Energy Saving and Consumption Reduction Targets (Use 2020 Energy Consumption as Baseline)				
Electricity consumption	Water consumption	Oil consumption	Office supplies expenses	Office telephone expenses
Average annual electricity saving target of 100 kWh per capita	Average annual target of 6 tonnes per capita, with an annual decrease of not less than 3%	Fuel consumption of vehicles within 12.5 liters per 100 km Annual vehicle consumption cost reduced by 5%	Average annual saving of RMB100 per capita	Average annual saving of RMB50 per capita

In order to achieve the target of water and electricity conservation, the Group has improved a series of measures related to water resources management and energy management, and encourage all employees to follow the guidelines of the Notice on Advocating Environmental Protection, Energy Saving and Emission Reduction (《關於倡導環保、節能減排的通知》) to reduce resource consumption.

During the year, we also responded to Earth Hour by advocating that the lights be turned off for one hour at night in our offices and employees' homes, as a way to show our support and commitment to environmental protection.



## GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### Office Resource Conservation Measures

#### Environmental data management

- The energy usage data including water, electricity, heating and fuel consumption of official vehicles in the office area shall be kept in detail, and a special person shall be assigned to be responsible for independent accounting

#### Green procurement

- When purchasing office equipment, we also give priority to energy-saving and environmental-friendly models and products

#### Daily practices of employees

- Make the most of natural light and make it a habit to turn off the lights and water. The last employee to leave the office before the end of the day shall make confirmation before leaving the office
- Computers, printers, electric kettles and other electrical equipment should be turned off when not in use to reduce energy consumption
- It is recommended that the temperature of the air conditioner be set not lower than 28 degrees in summer and not higher than 25 degrees in winter, and use energy-saving mode

#### Water conservation

- Water conservation signs are posted in the office building to raise awareness among employees

#### Eco-friendly travel

- Employees are encouraged to use environmental-friendly modes of transportation, such as public transportation, cycling, or walking

The waste produced in the Group's office areas mainly includes waste paper, kitchen waste and other garbage. To guide our employees in adopting good waste reduction practices in their daily work, we have promoted a series of initiatives in our offices to encourage all employees to participate in achieving environmental goals.





## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### Office Waste Reduction Measures

#### Paper

- Implement electronic office, including the use of ERP system for online process approval, and the use of online banking for financial operations, to reduce the reliance on paper documents.
- Advocate and practice double-sided printing to reduce paper usage. Waste paper that has been used on both sides will be collected and sent to a dedicated collection point for centralized recycling and reuse.

#### Domestic waste

- Encourage employees to develop environmental-friendly habits such as bringing their own personal lunch boxes, drinking glasses and cutlery, and reusing packaging bags to reduce the use of disposable plastic products

#### Promote recycling

- There are designated recycling bins on each floor of the building, and our employees are encouraged to separate waste paper and other recyclables to reduce waste

Through various measures to protect environment and reduce emission, during the Reporting Period, the Group successfully achieved the 2023 annual targets of energy conservation and emission reduction. We will continue to deepen green operation and advance the relevant work on energy conservation and emission reduction to further reduce the impact of the Group's operations on the environment.

### COMBAT CLIMATE CHANGE

As the impact of climate change becomes increasingly significant, addressing climate change is not only an environmental issue, but also an integral part of ESG management structure. Against this backdrop, the Group focuses on the various potential risks posed by climate change, including the impact of physical risks (increasing frequency of extreme weather) and transition risks (changes in policies and market) on the supply chain and production operations. We are also actively exploring and implementing actions to adapt and mitigate the issue. The Group is currently striving to build a comprehensive climate change response strategy, through comprehensive measures including risk management and innovative practices, to prepare for future climate change challenges and ensure the steady development of the Group.

The physical risks of climate change identified by us are mainly reflected in extreme climatic events, such as summer rainstorms, thunderstorms, storms, that directly affect the operation of supply chains and production chains. To this end, the Group has formulated the Summer Emergency Plan on Prevention of Flood, Wind and Thunderstorm (《夏季防汛、防風、防雷電應急預案》), which defines in detail the preparedness and response responsibilities of each department in the event of a disaster. The following table shows some of the key contents of the plan:

## GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

<p>Prevention of flood, thunderstorm, and electric shock:</p>	<ul style="list-style-type: none"> <li>• All departments shall stock up on necessary flood prevention supplies, and we also advise employees to prepare long-term storage of food and emergency kits in case of natural disasters</li> <li>• Conduct a thorough inspection of electrical equipment, waterproofing of buildings, and lightning protection systems before the rainy season arrives</li> <li>• In the event of heavy rain, the staff on duty is responsible for monitoring the operation status of the equipment to ensure its safety</li> <li>• Ensure that all employees stay indoors as much as possible in adverse weather conditions, and if there is outdoor work, decide whether to continue according to the actual weather conditions to ensure the safety of personnel</li> </ul>
<p>Windproof:</p>	<ul style="list-style-type: none"> <li>• Remove or bind outdoor hanging objects</li> <li>• All vehicles shall be parked at pre-designated safe area</li> <li>• When a gale warning is lifted, all production areas and equipment must be thoroughly inspected to confirm that they are safe before resuming production activities gradually</li> </ul>

At the subsidiary level, Zhongqi Haotong has formulated the Emergency Plan for Major Pollution Weather of Washing Plant (《洗煤廠重大污染天氣應急預案》), which aims to strengthen the company's emergency response capability to dust pollution, and has established a leading group for heavy air pollution control, which is responsible for supervising and implementing emergency measures in the event of severe air pollution at the construction site of the project.

In executing our climate change response strategies, we also plan long-term strategies to adapt to the transition risks brought about by climate change. We pay close attention to the opportunities and challenges brought to the Group by policy adjustments, legal changes and market fluctuations, and flexibly adjust our response measures and plans to ensure that our business strategy is in line with global trend. In the future, we will continue to invest in improving management of climate change-related risks and operations to advance sustainable development.



## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

### ENVIRONMENTAL PERFORMANCE OVERVIEW

During the Reporting Period, we compiled environmental data on emissions and the use of resources of 66 subsidiaries<sup>1</sup> within the scope of this report.

Name	Unit	Amount in 2023
Emission of air pollutant <sup>2 3</sup>		
Nitrogen oxides (NO <sub>x</sub> )	kilograms	150,921.65
Sulfur oxides (SO <sub>x</sub> )	kilograms	6,230.91
Carbon monoxide (CO)	kilograms	89,775.26
Fine particulates (PM2.5)	kilograms	2,592.66
Respirable particulate matter (PM10)	kilograms	2,860.96
Smoke and dust	kilograms	8.42
Resource consumption and intensity		
Total electricity consumption	kWh	83,578,749.69
Intensity of electricity consumption	kWh/HK\$'00,000,000 operating income <sup>4</sup>	205,925.03

<sup>1</sup> The statistical scope for 2023 is 66 subsidiaries. As we improved our environmental performance calculation methodology to include data on vehicles and AGV heavy-duty special equipment in Mongolia during the year, and expanded the statistical scope, the environmental performance value of 2023 may increase

<sup>2</sup> The calculation method of air pollutant emission data is based on the Technical Guidelines for the Preparation of Emission Inventory from Road Motor Vehicles (Trial) (a small number of vehicles under the national six emission standards have not been updated because the calculation standards have not been updated, so they are calculated based on national five emission coefficient), the Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial) published by the Ministry of Ecology and Environment of the People's Republic of China, the Manual of Accounting Method and Coefficient of Pollutant Discharge from Domestic Sources, the Second National Survey of Pollution Sources on Urban Waste Source Discharge Coefficients Handbook and the Second National Survey of Pollution Sources on Industrial Pollution Source Discharge Coefficients Handbook issued by the State Council, the EMEP/EEA Air Pollutant Emission Inventory Guidebook – 2016 published by the European Environmental Agency

<sup>3</sup> Among the air pollutant emissions, the calculation scope of nitrogen oxides and sulfur oxides includes road mobile sources (vehicles), non-road mobile sources (yacht, construction machinery, diesel generator set, AGV heavy-duty special equipment), boilers, canteen cooking in Mainland China, Hong Kong, Mongolia and Singapore; the calculation scope of carbon monoxide and fine particulates includes Group's road mobile sources (vehicles) in Mainland China, and road mobile sources (vehicles), and non-road mobile sources (construction machinery, diesel generator set, AGV heavy-duty special equipment) in Hong Kong and Singapore; the calculation scope of respirable particulate matter includes the Group's road mobile sources (vehicles) and non-road mobile sources (yacht, construction machinery, AGV heavy-duty special equipment) in Mainland China and Mongolia; the calculation scope of smoke and dust includes boilers and canteen cooking in Mainland China. Due to the limitation of calculation methods, the calculation scope of air pollutant data does not include road mobile sources (vehicles) and cooking gas in Japan

<sup>4</sup> During the Reporting Period, the operating income of the enterprises within the reporting scope of this report was HK\$40.587 billion

## GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Name	Unit	Amount in 2023
Total consumption of liquefied petroleum gas <sup>5</sup>	kilograms	14,079.96
Intensity of liquefied petroleum gas consumption	kilograms/HK\$'00,000,000 operating income	34.69
Total coal gas consumption <sup>6</sup>	cubic metres	484.10
Intensity of coal gas consumption	cubic metre/HK\$'00,000,000 operating income	1.19
Total coal consumption	tonnes	1,030.00
Intensity of coal consumption	tonne/HK\$'00,000,000 operating income	2.54
Total petrol consumption	litres	476,199.37
Intensity of petrol consumption	litre/HK\$'00,000,000 operating income	1,173.28
Total diesel consumption	litres	24,601,414.87
Intensity of diesel consumption	litre/HK\$'00,000,000 operating income	60,614.03
Total energy consumption <sup>7</sup>	MWh	425,692.71
Intensity of energy consumption	MWh/HK\$'00,000,000 operating income	1,048.84
Total water consumption	tonnes	475,657.90
Intensity of total water consumption	tonne/HK\$'00,000,000 operating income	1,171.95

<sup>5</sup> The total liquefied petroleum gas consumption is mainly attributable to the liquefied petroleum gas used in the canteens of some of the Group's subsidiaries

<sup>6</sup> The total coal gas consumption is mainly derived from the coal gas used by some subsidiaries of the Group for canteen cooking and heating

<sup>7</sup> The scope of total energy consumption includes the use of coal, gasoline, diesel, liquefied petroleum gas, coal gas and electricity by the 66 subsidiaries of the Group



## VI. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Name	Unit	Amount in 2023
Volume and intensity of greenhouse gases emission		
Scope 1 <sup>8,9</sup>	tonnes of carbon dioxide equivalent	67,916.51
Scope 2 <sup>10</sup>	tonnes of carbon dioxide equivalent	47,674.33
Total emission of greenhouse gases	tonnes of carbon dioxide equivalent	69,108.85
Intensity of total emission of greenhouse gases	tonne of carbon dioxide equivalent/ HK\$'00,000,000 operating income	284.80
Volume and intensity of hazardous wastes generated		
Volume of waste battery generated	kilograms	35.51
Intensity of waste battery generated	kilogram/HK\$'00,000,000 operating income	0.087
Waste ink cartridges generated	boxes	390
Intensity of waste ink cartridges generated	box/HK\$'00,000,000 operating income	0.96

<sup>8</sup> The calculation scope of greenhouse gases (Scope 1) includes the Group's road mobile sources (vehicles) in Mainland China, road mobile sources (vehicles), non-road mobile sources (construction machinery, diesel generator set, AGV heavy-duty special equipment), boilers, and canteen cooking in Hong Kong, China, Singapore, Japan and Mongolia, and gas use in Japan

<sup>9</sup> The calculation method of greenhouse gases (Scope 1) emission data is based on the Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Land Transport Enterprises (Trial) (vehicles under the national six emission standards have not been updated because the calculation standards have not been updated, so they are calculated based on national five emission coefficient), and the Technical Guidelines for the Preparation of Non-road Mobile Source Air Pollutant Emission Inventory (Trial) published by the Ministry of Ecology and Environment of the People's Republic of China, the Guidelines for the Calculation and Certification of Greenhouse Gas Emission Intensity of Marine Fuels in the Whole Life Cycle (《船用燃料全生命週期溫室氣體排放強度計算與認證指南》), the Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines – Other Industries (Trial), and the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises – Power Generation Facilities published by the China Classification Society, and the Guidelines to Account for and Report on Greenhouse Gases Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) jointly published by the Electrical and Mechanical Services Department and the Environmental Protection Department of Hong Kong, the Calculation Method and Emission Factor List in Calculation/Reporting/Publication System (《計算／報告／公佈系統中的計算方法和排放因子清單》) issued by the Ministry of the Environment of Japan, and the Calculation Tool for Greenhouse Gases Emissions from Combustion of Transport or Mobile Sources published by the Greenhouse Gas Protocol

<sup>10</sup> The calculation scope of greenhouse gases (Scope 2) includes the use of purchased electricity by 66 subsidiaries of the Group. The calculation method of emission data is based on the average emission coefficient of the national power grid in 2023 in the Notice on the Report and Administration of Greenhouse Gas Emissions of Power Generation Enterprises from 2023 to 2025 published by the Ministry of Ecology and Environment of the People's Republic of China, the Calculation Tool for Greenhouse Gases Emissions from Purchased Electricity published by the Greenhouse Gas Protocol, 2022 Sustainability Report from HK Electric Investments Limited, 2022 Sustainability Report from Companhia de Electricidade de Macau

## GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Name	Unit	Amount in 2023
Volume and intensity of non-hazardous wastes generated		
Volume of waste plastic bottles generated	kilograms	10.00
Intensity of waste plastic bottles generated	kilogram/HK\$'00,000,000 operating income	0.02
Volume of waste paper generated	tonnes	81.00
Intensity of waste paper generated	tonne/HK\$'00,000,000 operating income	0.20
Volume of domestic waste in office generated	tonnes	889.49
Intensity of domestic waste in office generated	tonne/HK\$'00,000,000 operating income	2.19
Disposed office supplies	kilograms	2.00
Intensity of disposed office supplies generated	kilogram/HK\$'00,000,000 operating income	0.005
Volume and intensity of solid waste <sup>11</sup> generated		
Volume of combustion residue generated	tonnes	50.00
Intensity of combustion residue generated	tonne/HK\$'00,000,000 operating income	0.12
Volume and intensity of sewage generated		
Volume of sewage generated	tonnes	31,586.80
Intensity of sewage generated	tonne/HK\$'00,000,000 operating income	77.82

<sup>11</sup> Since the Group will sell the by-products coal slime and gangue, coal slime and gangue will not be included in the statistical scope of solid waste





## VII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

The Group understands that talents are an important pillar of our operations, innovation and sustainable development. In order to fulfill our responsibilities to employees, we uphold the principle of people-oriented, strictly implement and continuously optimize the human resources system, and ensure that the legitimate rights and interests of employees are fully protected. We have been committed to creating an equal, open and inclusive working environment that supports our employees to reach their potential at work and ensures that every employee can succeed and grow in the Group.

### HUMAN RESOURCE MANAGEMENT

The Group strictly abides by the laws and regulations in relation to employment, including but not limited to the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, the Labour Dispute Mediation and Arbitration Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Individual Income Tax Law of the People's Republic of China, the Regulations for the Implementation of the Labour Contract Law of the People's Republic of China, the Regulations on the Paid Annual Leave of Employees, the Regulations for the Recruitment of Personnel for Technical Professions, the Regulations on the Management of Employment of Foreigners in China, the Special Regulations for the Protection of Female Workers. On this basis, we have formulated the Human Resources Management System at the headquarters level to provide clear guidance for management policies in seven aspects: talent recruitment, salary, incentives, selection and deployment, training and development, cross-regional management and supervision. During the Reporting Period, the Group did not receive any report of events in violation of laws and regulations with respect to the recruitment, dismissal, remuneration, promotion, working hours, holidays, equal opportunity, diversity and anti-discrimination of employees, and there is no use of child labor or forced labor.

### TALENT RECRUITMENT STRATEGY

The Human Resources Management System of the Group provides clear guidance for recruitment policies. We require recruiters to follow the six principles of "integrity first, avoidance of relatives' interference, teamwork, profession emphasized, open minded and scientific evaluation" to ensure a fair and open recruitment process, and select the most suitable talents in light of the culture and business needs of the Company. We also use advanced assessment techniques to objectively assess candidates' actual abilities and development potential. The personnel affairs of the subsidiaries are managed by the Group in a unified manner, mainly through local recruitment, supplemented by group deployment. In addition, in order to further promote the sharing of human resources within the Group, we encourage key employees of our subsidiaries to participate in job exchange programs to enhance teamwork and knowledge sharing, and contribute to the overall development and competitiveness of the Group.

On the basis of the system, taking into account the overall development strategy and business orientation, we have formulated human resources objectives and plans with phased characteristics, which are flexibly adjusted according to the changes in the situation in practice, so as to realize the dynamic management of human resources.

## CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

Advanced Talent Recruitment Management System (《高級人才招聘管理制度》)	Actively recruit special talents such as senior management talents and technical talents, and clarify talent attraction and retention strategies, including competitive salary and benefits, career development opportunities, etc.
Internal Competition Management Measures for Key Positions (《關鍵崗位內部競聘管理辦法》)	Based on the ability and performance of employees, we deploy appropriate personnel internally to fill key positions as a way to fully tap the talents within the Company, optimize the allocation of human resources, and give employees the opportunity to choose positions that are more suitable for their abilities
Measures for the Management of Retirees	Standardize the welfare policies and management processes of retirees to ensure that they can enjoy the benefits and support they deserve after retirement

### LABOR STANDARDS AND PROTECTION OF RIGHTS AND INTERESTS

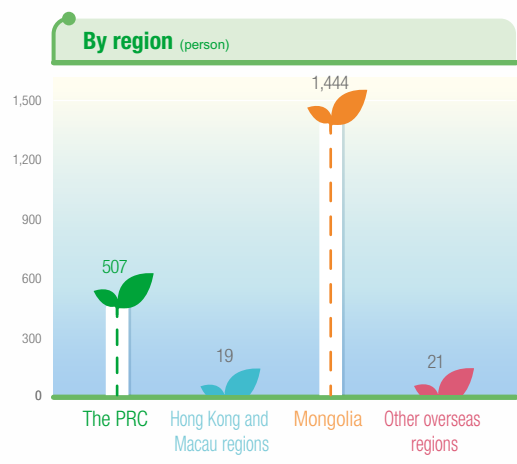
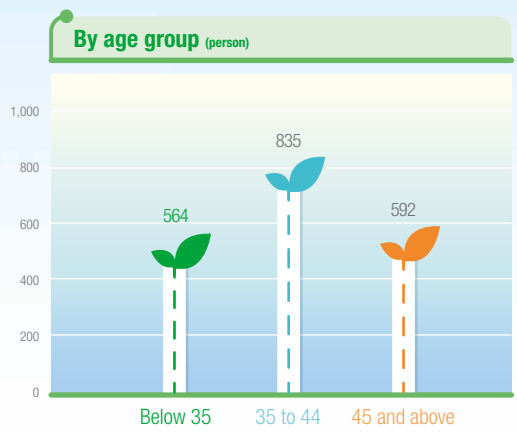
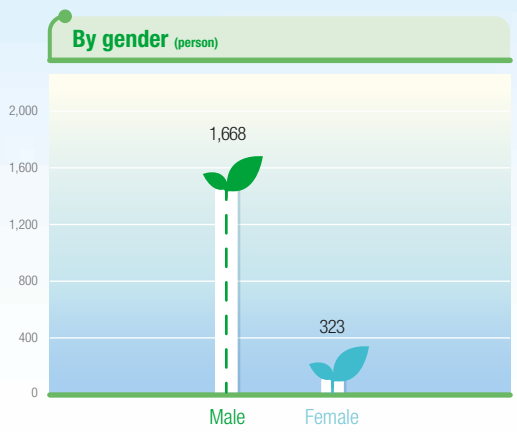
We understand that the sustainable development of an enterprise is inseparable from the contribution and well-being of every employee. Therefore, the Group fully respects and protects the rights and interests of employees, and strictly abides by the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Underage Workers Special Protection Provisions (《未成年工特殊保護規定》), the Prohibition of Child Labour Provisions (《禁止使用童工規定》) and other relevant laws and regulations. During the recruitment process, the Group clarifies the labor relationship by signing labor contracts with recruits in accordance with the law, and based on the principle of fairness and voluntariness, prohibits any forced or deceptive means to recruit employees. We have established and implemented the Elimination of Child Labor and Forced Labor System (《杜絕童工及強制用工制度》) and the Corrective Action Steps to be Taken When Child Labor or Forced Labor Detected (《發現童工或強制勞工時，所採取整治措施步驟》) in response to the use of child labor and forced labor in our business. We have also set up effective communication channels for our staff to encourage them to actively express their ideas and suggestions to ensure that their voices are heard and valued.

Elimination of Child Labor and Forced Labor System	Corrective Action Steps to be Taken When Child Labor or Forced Labor Detected
<ul style="list-style-type: none"> <li>In the process of recruiting and handling employee induction procedures, it is necessary to carefully check the applicant's ID card, household register and other personal information, screen underage applicants, and properly keep records and check documents</li> </ul>	<ul style="list-style-type: none"> <li>Immediately report to the local labor department for review and verification</li> <li>Stop the child's work and arrange for a health check-up</li> </ul>
<ul style="list-style-type: none"> <li>Strictly prohibit seizure of valid documents of employees, collection of deposits, and any violent means to force employees to work or making illegal requests. Once discovered, relevant personnel will be dealt with in accordance with factory regulations, and if serious consequences are caused, they will be sent to the public security department</li> </ul>	<ul style="list-style-type: none"> <li>Pay them all wages due and ensure their safe return to their homes in the care of their guardians</li> <li>Conduct in-depth investigation of the cause of this incident and take serious action against those responsible</li> </ul>



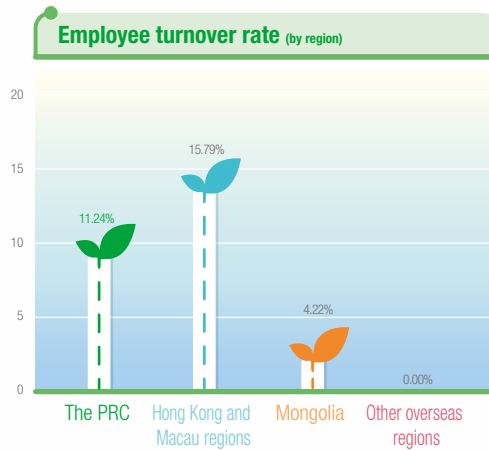
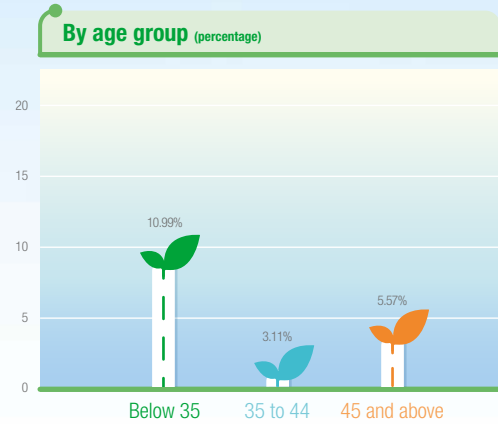
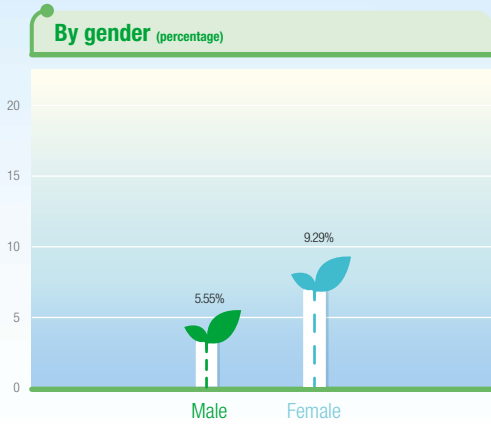
## VII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

As at 31 December 2023, there were 1,991 full-time employees in the Group (no part-time employee). The number of employees by category is detailed as follows:



## CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

Employee turnover rate<sup>12</sup>



### EMPLOYEE BENEFITS AND WELFARE

The Group is committed to providing competitive remuneration packages to its employees. Our Human Resource Management System has stipulated working hours, remuneration and benefits, and leave arrangements to ensure that all employees can be treated fairly.

<sup>12</sup> The formula for calculating the turnover rate of each category of employees is: the number of employees who quit in this category/ total number of employees in this category × 100%



## VII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

In terms of remuneration, we adhere to a principle of standardized management, job-based remuneration, and leading remuneration to manage remuneration and distribute salaries fairly, and pay social insurance, commercial accident insurance and supplementary medical insurance for all regular employees in a timely manner. In addition, based on the attendance management system, the Group guarantees that employees in various regions can enjoy various statutory holidays stipulated by the state, as well as paid annual leave, personal leave, sick leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, funeral leave, nursing leave and other holiday benefits. If employees need to be on duty on statutory holidays due to production work, we will arrange for them to take a break after duty in accordance with the regulations. The Group has adopted strict regulations for overtime management to ensure that overtime work is carried out within a reasonable and necessary range. Each subsidiary has detailed the implementation rules for overtime in its attendance system or employee handbook, and if overtime is required for work, each department is required to complete a request form and submit an approval process. Once the application is approved, we will compensate employees for time off or overtime pay.

### Cases of Employee Activities

During the Reporting Period, the Group and its subsidiaries organized rich and beneficial staff activities, including annual meetings, birthday parties, quizzes and various cultural and sports activities. In addition to enriching the lives of employees, these activities also enhanced the mutual understanding among colleagues, thereby creating a harmonious and friendly team atmosphere.



Staff Birthday Party



In March, Women's Day Dinner at Mongolia Company



## CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS



In April, Cycling Event of Beijing Office



In June, Outdoor Team Building of Yiteng Mining Company



In October, Fun Games of Yingkou Haotong Mining Corporation



In December, Dumpling Making Activity of Ulanqab Haotong in the Beginning of Winter





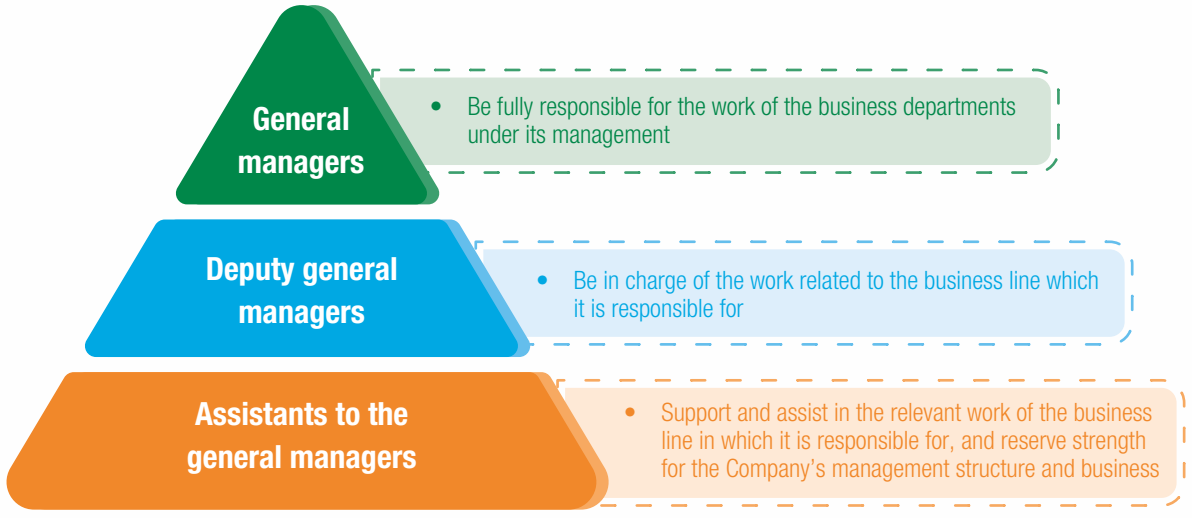
## VII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

### FOCUS ON TALENT CULTIVATION

The growth and development of employees is the key to driving continuous progress in the enterprise. Adhering to the concept of “joining hands with employees and growing up together”, our talent training strategy not only focuses on improving employees’ professional skills, but also covers multiple dimensions such as training on leadership, motivating innovative thinking and improving teamwork ability, so as to provide employees at different levels with rich training resources, a broad development platform and sufficient practical opportunities.

In 2023, the Company further clarified the division of team responsibilities, strengthened the construction of talent echelon, and established a three-tier management team, that is, the general managers: be fully responsible for the work of the business departments under its management; deputy general managers: be in charge of the work related to the business line which it is responsible for; assistants to the general managers: reserve strength for the Company’s management structure and business.

#### Three-tier Management Team



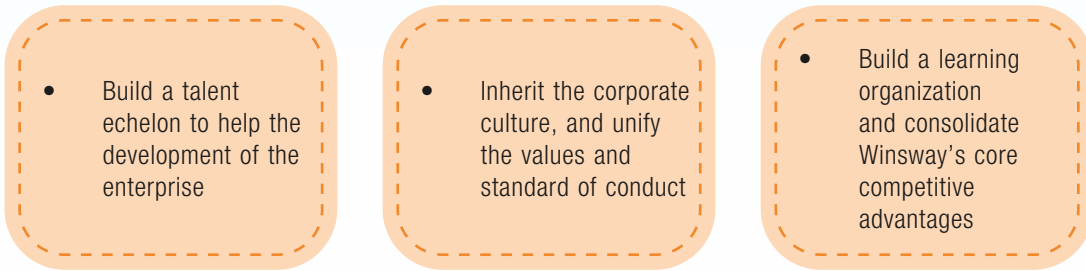
## CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

### BUILDING WINSWAY ACADEMY

“Winsway Academy”, a talent training platform independently developed by the Group, relies on the Group’s abundant industry resources to provide systematic and diversified training and development programs for employees. Officially established in August 2023, “Winsway Academy” has successfully held a number of training and workshops, which have been widely praised by staff. In the future, we will continue to invest resources to enhance the learning experience and ensure that “Winsway Academy” becomes an important cornerstone for cultivating and developing our talents.

#### Training System of “Winsway Academy”

##### Cultivation Policies



##### Course Structure

###### School of Leadership

- Based on the four dimensions of self-management, business management, team management and management collaboration, it strengthens the management ability and comprehensive quality of employees in a targeted manner

###### School of Profession

- It covers the professional knowledge training needs of different ranks and positions within the Group, such as administration, engineering, risk control, and legal affairs

###### School of Production and Processing

- For the front-line operation staff of the production enterprise, the corresponding training is carried out as per the relevant regulations of the production process to improve the employees’ awareness of standardized operation and production safety
- The front-line teams are offered training on management ability improvement to exercise production line management skills

###### Corporate Culture

- Focusing on inheriting the history of the enterprise, sharing experience, and topic exchange, it publicizes the business strategy and culture of the enterprise, so that employees can better understand and identify with the development direction of the enterprise and contribute to the realization of the strategic goals of the enterprise



## VII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

### Performance Highlights of “Winsway Academy”



1,176

courses in total



88

training programs



641

participants



10,076

learning hours in total

### Case Study: Career Growth Training Camp for Frontline Managers (《一線管理者職業成長訓練營》)

During the year, we held a total of five sessions of Career Growth Training Camp for Frontline Managers through “Winsway Academy”. More than 1,000 people participated. The event aimed to provide frontline managers with necessary knowledge, skills, and tools to better meet challenges at work, improve leadership skills, and effectively manage teams and businesses.

The five sessions of training camp covered different aspects such as self-management, team management, horizontal technical exchange, 5S on-site management, and safe production system to help trainees broaden their horizons and learn from experience, and cultivate more outstanding managers.



## CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

### Case Study: Training on Management Rubik's Cube for Managers (《經理人管理魔方》)

From 7 to 8 November, Winsway Academy successfully held a two-day training course on Management Rubik's Cube for Managers in the Hengqin office (橫琴辦公室). Managers from many regions of the Group actively attended the event, including those who presented in person from companies in Beijing, Inner Mongolia, and Hainan as well as some participating online.

The training aimed to explore the management potential of managers and guide participants to update their thinking patterns, so as to effectively improve their leadership. At the end of the training, we invited Ms. Cao Xinyi (CEO) to personally give the first lecture of Essential Qualities of Excellent Managers (《優秀管理者必備素質》), namely "Truth, Sincerity, Integrity and Positiveness" (真實真誠正直正向), which was highly praised by the participants.

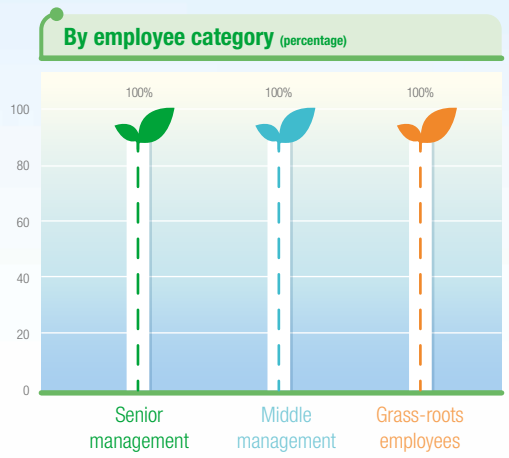
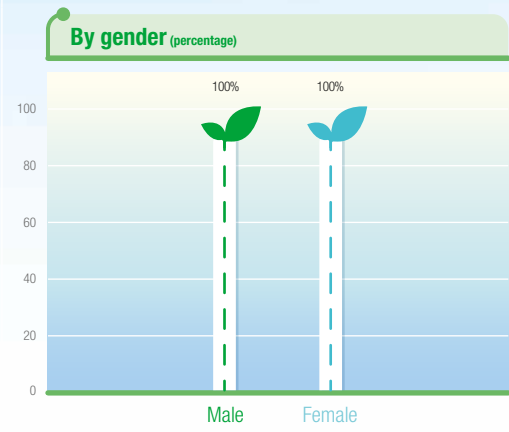




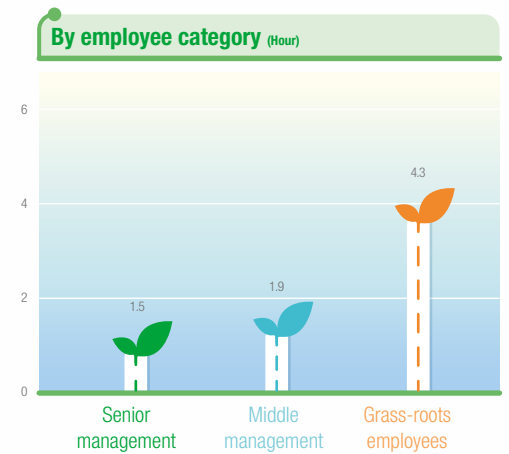
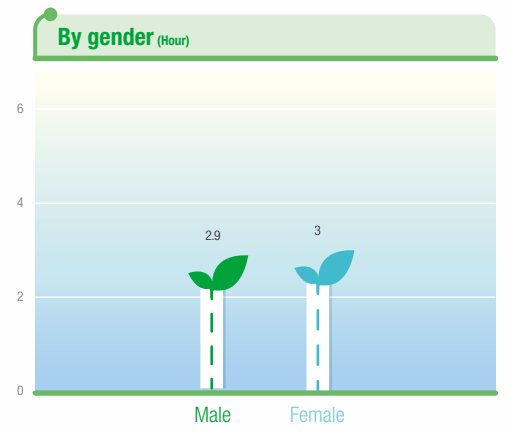
## VII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

During the Reporting Period, the percentage of employees trained<sup>13</sup> and the average training hours<sup>14</sup> by category are as follows:

### Percentage of employees trained



### Average training hours of employees



<sup>13</sup> The formula for calculating the average training hours of employees in each category is: total training hours of employees in this category/total number of employees in this category

<sup>14</sup> The formula for calculating the percentage of employees trained of relevant category is: number of employees trained of relevant category/total number of employees trained × 100%



## VIII. QUALITY FIRST: PURSUIT OF EXCELLENCE

The Group understands that quality products and services are the key to winning the trust and support of customers. Therefore, we are customer-focused and continue to deepen our quality management in an all-round way to ensure that every product and service meets the highest standards. Meanwhile, we adhere to the principle of honesty and trustworthiness, strictly abide by laws and regulations, and prevent and control integrity risks as a way to ensure the steady development of the enterprise.

### INTEGRITY MANAGEMENT

The Group abides by laws and regulations and strictly abides by anti-corruption laws and regulations, including the Criminal Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China. Under this framework, we have formulated and implemented a comprehensive Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy (《反舞弊、反洗錢、反賄賂政策》) to strengthen our internal control mechanism and ensure honesty and integrity within the Group. During the Reporting Period, the Group did not receive any report of events in violation of laws and regulations related to bribery, extortion, fraud and money laundering, nor was it involved in any corruption lawsuit brought against the Group or its employees and concluded.

In order to regulate the occupational conduct of the president, directors, senior and middle management and all employees, the Group has set up a dedicated disciplinary inspection and supervision department, which is led by the technical supervision department under the direct leadership of the Board to carry out strict disciplinary inspection and supervision. The Employee Handbook of the Group sets out in detail a code of ethical business conduct to guide employees to avoid conflicts of interest in their daily work. In the meantime, we actively foster an open and transparent communication environment and encourage employees and stakeholders to report any misconduct through the channels we have established. We take all complaints and reports seriously, implement a "zero tolerance" policy, and resolutely crack down on all violations of discipline and regulations.

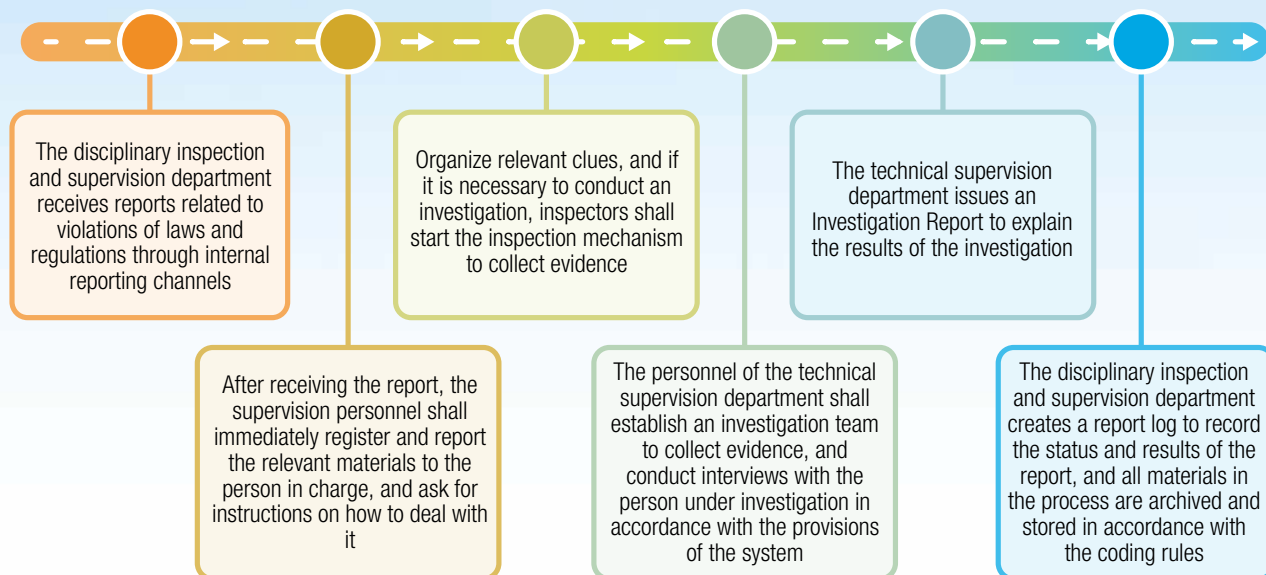
### WHISTLEBLOWING SYSTEM

The disciplinary inspection and supervision department of the Group is responsible for handling any behavior of any internal and external individuals of the Group who use fraud and other illegal acts to seek personal gains, damage the economy of the Company, or obtain improper benefits through money laundering, bribery and other means. In addition to identifying potential non-compliance risks through internal audits, the Group has also established an internal whistleblowing process to encourage employees to voluntarily report fraud or illegal acts within the Group. The reporting methods include visits, letters, reporting phone calls, emails, and other means. The disciplinary inspection and supervision department will follow up in a timely manner to promote subsequent investigation and handling work, and ensure that relevant issues are properly handled.





## VIII. QUALITY FIRST: PURSUIT OF EXCELLENCE



With regard to the protection of whistleblower information, the Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy of the Group has comprehensively covered the relevant detailed rules. We will keep all relevant materials that may reveal the identity of the whistleblower strictly confidential and anonymous. We will seriously deal with the leakage of the reported information by relevant personnel, or the illegal discrimination, retaliation or hostility of the whistleblower, in accordance with the rules and regulations, and if necessary, transfer it to the judicial authorities for handling in accordance with the law.

### BUILDING A CULTURE OF INTEGRITY

In order to strengthen anti-corruption and establish a clean business atmosphere, the legal affairs department of the Group is responsible for coordinating comprehensive anti-money laundering training, organizing employees to learn anti-money laundering laws and regulations, and ensuring the training of all employees. Anti-corruption and anti-bribery training programs are available to president, directors, senior and middle management and employees. We will also communicate and publicize the Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy, as well as the supporting compliance procedures and guidelines, through public announcements and other means.

Among them, legal knowledge training was included in the induction training for new employees, especially the special education and training on anti-corruption, position embezzlement and theft. During the Reporting Period, a total of 244 new employees of the Group participated in anti-corruption and anti-bribery training through online or offline training, self-learning training replay, and other forms.

### Training Case - Legal Training on Contract & Confidentiality

During the Reporting Period, we organized online and offline legal training for all employees of the Company to teach contract risks and confidentiality requirements. The training covered the composition of the contract, the approval process, the precautions and prohibitions of confidentiality, as well as the related offences. Combined with simulated case analysis, we improved employees' ability to identify and prevent legal risks in actual work.

## COMPREHENSIVELY IMPROVE QUALITY MANAGEMENT

Adhering to a quality group is the core value of the Group's development. We strictly complies with the Law of the People's Republic of China on Road Traffic Safety, the Regulations on the Administration of Railway Safety, the Coal Industry Law of the People's Republic of China, the Mineral Resources Law of the People's Republic of China, the Regulations on Safety Supervision over Coal Mines, the Mine Safety Law of the People's Republic of China and relevant laws and regulations to check the quality and provide customers with safe and reliable products. During the Reporting Period, the Group had no incidents of violating the laws and regulations related to product and service on aspects of health and safety, advertising, labeling and privacy matters and remedies, and no products sold or shipped needed to be recalled due to safety and health concerns.

## QUALITY MANAGEMENT

The Group has formulated and implemented a series of quality management and control regulations, including the Technical Supervision and Management System (《技術監督管理制度》), the Quality Supervision and Management Process for Warehousing Raw Coal (《入庫原煤質量監督管理流程》), the Quality Supervision and Management Process for Warehousing Purchased Clean Coal (《外購精煤入庫質量監督管理流程》), and the Quality Supervision Process for Outgoing Products (《出庫產品質量監督流程》) to establish and improve the quality management system.



## VIII. QUALITY FIRST: PURSUIT OF EXCELLENCE

### Warehousing inspection of purchased materials

The Quality Supervision and Management Process for Warehousing Purchased Clean Coal

The Quality Supervision and Management Process for Warehousing Raw Coal

- Clarify the inspection process of purchased clean coal and raw coal storage, as well as the relevant responsibilities of each department

### Supply chain inspection specifications

The Technical Supervision and Management System

- Guide the inspection items, inspection frequency, sampling requirements and precautions that should be carried out at each stage of the supply chain. The system covers the mining of raw coal, the entry and exit of raw coal, as well as the processing, transshipment and delivery of raw coal in the Data mine (大塔礦), Chaganhada Yard (查幹哈達堆場), import port and washing base

### Outbound product inspection specifications

The Quality Supervision Process for Outgoing Products

- Establish the inspection procedures for outbound products, as well as the relevant responsibilities of each department

In order to strengthen the control of substandard products, we have formulated and implemented the “Three Prohibitions” Management System for the Release of Substandard Products (《不合格品「三禁」管理制度》). It is strictly forbidden products that have not been monitored, have failed quality inspections, or have been contaminated from being loaded or shipped out without authorization. Based on this principle, we have carried out prosecution and control from the aspects of procurement and storage, production and delivery, indicators and settlement, and automobile transportation quality to ensure quality control at source. And after receiving feedback on product quality issues, we will promptly investigate and recover substandard products without delay. The specific measures are as follows:

## QUALITY FIRST: PURSUIT OF EXCELLENCE

### Procurement and storage

- Calculate and monitor the pass rate based on the purchase contract index and the test and inspection data of each port

### Indicators and settlement

- Based on the results of the outgoing inspections of each washing base, the settlement will be made according to the range of indicators such as moisture, ash, and sulfur, and deductions and penalties will be imposed on the parts that exceed the range

### Production and delivery

- Calculate and monitor the pass rate based on the quality standards issued by the operation dispatcher, and the test and inspection data of each washing base

### Automobile transportation quality

- Based on the outgoing test and inspection indicators, and with on-site business delivery and check as the nodes for inspection, deductions and penalties will be imposed on those that exceed the scope of the indicators



# VIII. QUALITY FIRST: PURSUIT OF EXCELLENCE

## CUSTOMER SERVICES

During the Reporting Period, the Group did not receive any complaints about products and services. The Group attaches great importance to customer feedback and continuously optimizes and improves the customer feedback mechanism to ensure that the feedback channels are unimpeded.



During the Reporting Period, the Group did not receive any complaints about products and services. We will pay constant attention to the quality of our services and strive to improve customer satisfaction.

## MARKETING MANAGEMENT

The advertising and label marketing measures of the Group mainly include the display of the Company's logo and information on the business cards of business personnel, and the printing and display of its own trademarks on the Group's assets (transport vehicles, containers, office areas). In view of the ethical standards of marketing, the Company strictly abides by the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and the Regulations on Advertising Management (《廣告管理條例》) and other relevant laws and regulations to ensure that the advertising and label use of its product sales and marketing services comply with the regulations. In addition to complying with legal requirements, the Group has also formulated clear guidelines for sales staff, which requires sales staff to be honest, act impartially, and not to seek personal gain in sales business, as a way to standardize legal and reasonable marketing practices and protect the rights and interests of consumers.

## PRIVACY PROTECTION

The Group strictly complies with laws and regulations regarding the protection of consumer privacy, including but not limited to Consumer Rights Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法》), the Network Security Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Administrative Measures for Internet Information Services (《互聯網資訊服務管理辦法》), the Regulations on the Protection of Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人資訊保護規定》) and the Guidelines for the Security Protection of Internet Personal Information (《互聯網個人資訊安全保護指南》), to ensure network information security

## QUALITY FIRST: PURSUIT OF EXCELLENCE

and privacy protection. At the internal level, we have established the Administrative Rules on Internet Behavior (《上網行為管理規則》) and the Employee Handbook (《員工手冊》) in accordance with laws and regulations, and have signed the Employee Confidentiality Agreement (《員工保密協議》) with employees to clearly regulate the confidentiality responsibilities of employees.

In order to effectively manage private information, we classify it into different levels according to the sensitivity level, and define the scope of individuals who can access the information accordingly, so as to reduce the number of individuals who hold the information and reduce the risk of information leakage. For information that needs to be kept confidential for a long time, we will sign confidentiality and non-compete agreements with relevant individuals to ensure that the information remains confidential for a long time. The digital intelligent platform of the Group will also take corresponding measures to ensure information security. For example, the E-Link service platform has strictly implemented the one-customer-one-account system, which effectively prevents the leakage and abuse of customer information. The privacy and information security management status of customers is supervised by the supervision and legal department to ensure that all policies and procedures are effectively implemented so as to build a strong information security line.

### PROMOTE RESPONSIBLE PROCUREMENT

Supply chain technology and services are at the core of the Group's business. We continue to optimize our internal supplier management policies, and at the same time, we maintain close contact with our suppliers, take into account the interests of our suppliers, and incorporate them into the Group's environmental, social and governance development blueprint to strive to build an efficient and resilient supply chain system.

### SUPPLIER ENTRY CRITERIA

The Group adheres to the principles of openness, impartiality and fairness in the process of evaluating and admitting suppliers. During the Reporting Period, the procurement center of the Group revised the E-Commodities Material Procurement Management System (《易大宗物資採購管理制度》) to strengthen and standardize the management of material procurement of each company. The system has clearly specified the material procurement method, enforcement of procurement, key procurement issues, supplier management, material acceptance and records, and responsibilities to ensure a standard procurement process.





## VIII. QUALITY FIRST: PURSUIT OF EXCELLENCE

### Material Procurement Practices

We mainly procure through inquiry, and also conduct targeted procurement and strategic procurement to ensure that suppliers are selected on the basis of full price competition and horizontal comparison, so as to improve procurement efficiency.

For example, in the process of inquiry, we make inquiries, invite quotations, compare prices and negotiate with no less than two suppliers, and select suppliers after clarifying the technical standards. For targeted purchases or small purchases, we use historical procurement data from the ERP system to select suppliers directly. The inquiry and quotation process is transparent and open, and the supplier selection process also needs to be reported and approved to ensure a fair and standard procurement activities.

Our procurement department re-evaluate our suppliers on an annual basis, a process that includes a comprehensive assessment of key indicators such as quality, delivery time, cost-effectiveness, service levels, and environmental and social responsibility performance. Based on the results of these assessments, suppliers will be assigned to different levels. We give priority to establishing cooperative relationships with suppliers with good overall performance, while suppliers with poor performance need to make timely rectifications to ensure the efficiency and effectiveness of procurement activities and maintain the healthy and stable development of the supply chain.

### SUPPLY CHAIN RISK MANAGEMENT

In addition to strictly implementing supplier access standards, the Group also conducts comprehensive management of environmental and social risks in the supply chain through the Risk Control System (《風險控制制度》). According to the system, we will comprehensively examine the environmental, social and governance performance of suppliers when conducting procurement, and review the performance of environmental management system qualification (ISO14001 environmental management system), 5S conditions (Seiri, Seiton, Seiso, Seiketsu, and Shitsuke) governance, safety management facilities, government punishment public practice, labor disputes, etc., and incorporate them into the scoring benchmark for supplier selection. At the same time, we have also formulated the Administrative Measures for Safety and Environment of New Projects, Reconstruction Projects and Expansion Projects. When the procurement involves hazardous chemicals, special equipment, etc., and other more dangerous materials or equipment, both parties shall sign a safety and environmental protection agreement to clarify the management responsibilities of both parties in safety and environmental protection matters.

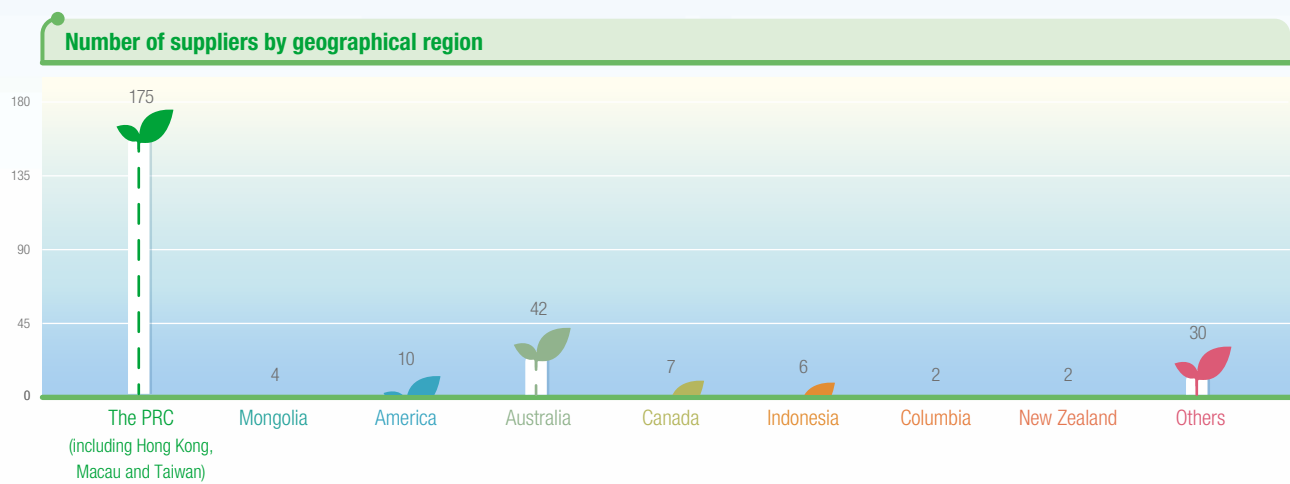
### GREEN PROCUREMENT PRACTICES

In order to build a greener and more efficient supply chain, we encourage our suppliers to improve their sustainability performance and actively discuss different environmental practices with our suppliers. When we source wear parts, we specify in detail the specific type and brand of materials needed to ensure that damaged parts can be repaired or recycled. In addition to reducing

## QUALITY FIRST: PURSUIT OF EXCELLENCE

transport risks and ensuring integrity, we also make external packaging requirements to our suppliers, reduce the use of non-essential materials, and promote the use of recyclable or environmentally friendly packaging solutions. For the procurement of office equipment, we strictly follow the relevant national procurement catalogs and purchase energy-saving products with energy efficiency labels of 1-2 as a way to strengthen our performance in energy conservation and emission reduction.

During the Reporting Period, the Group had a total of 278 cooperative suppliers. All suppliers were managed and monitored in accordance with relevant systems. The following is the specific distribution of suppliers:





# IX. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

## INNOVATIVE TECHNOLOGY EXPLORATION

The Group firmly believes that the promotion of innovative technology is the core driving force of our pursuit of excellence. During the year, we continued to invest in our innovation capabilities and actively explored and adopted cutting-edge technology solutions in various fields. Thanks to these efforts, we have achieved tremendous results and significantly enhanced the Group’s business efficiency and precise management capabilities. In the future, we will further develop the intelligent and automatic supply chain, strengthen the building of an internal innovation culture, and nurture innovative talents through the platform of “Winsway Academy”, and unleash the creativity and innovation potential of our employees so as to inject new impetus into the long-term development of the Group.

### Highlights of Scientific and Technological Innovation Performance

Lingzhi was recognized as a practical case of the integration of data and reality in the freight and logistics industry for the year 2023	Tianjin Jizhi (天津集至) obtained the network freight license in September	Inner Mongolia multimodal transport “one single system” pilot project won the second place in the province, with a reward of RMB3 million
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### (1) Multimodal Transport System:

Based on the scenarios of coal bulk cargo and container transportation, the multimodal transport system realizes the full coverage and full-chain data exchange from carrier, subcontracting, dispatching to actual carrier transportation, and ensures the complete connection of upstream and downstream businesses of cargo owners, shipping companies, warehousing service providers, logistics parks, and container owners.

By integrating multiple business roles including shippers, carriers, transport drivers, dispatchers, and finance, the system provides a seamless flow of data and information for all parties in the entire supply chain, thereby facilitating the digitization of business processes and realizing closed-loop management of business data.



## INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

### Feature Highlights:

- (1) Monitoring rate of supplies loss associated with deliveries and shipment processes

In the process of raw coal transportation, the system can effectively track and monitor the transportation loss through monitoring supplies loss associated with deliveries and shipment processes and analyzing data. Once the loss data exceeds the preset threshold, the system will automatically send an early warning to statisticians and operators, so that possible problems in the transportation process can be identified and located in time

- (2) Business data estimation and exception alerts

Train transportation data is pushed in real time through Xiaoyi application (小易應用), such as reminder information, billboards of last and next stations, train departure information and other important notifications, which improves the efficiency and accuracy of information transmission

### (2) Container System:

The container management system is a comprehensive platform designed and developed for container management, covering key functions such as basic data management, distribution management, and traceability management of containers. By installing RFID tags on containers, and integrating them with Internet of Things (IoT) devices and transportation systems, the system enables real-time collection and accurate tracking of container information.



## IX. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

### Feature Highlights:

(1) Container management norms

The containers are divided into safe, ordinary, risky and high-risk containers, so as to take targeted management measures. Especially for high-risk containers, the system shows the distribution of their last position, which is convenient for quick positioning and handling

(2) Handheld device inventory

The container management system is supported by the application of handheld equipment and inventory equipment to facilitate business personnel to carry out efficient inventory of stacked containers; and at the same time, such equipment complements the fixed physical network equipment to achieve complete data acquisition and data collection

(3) Use efficiency analysis

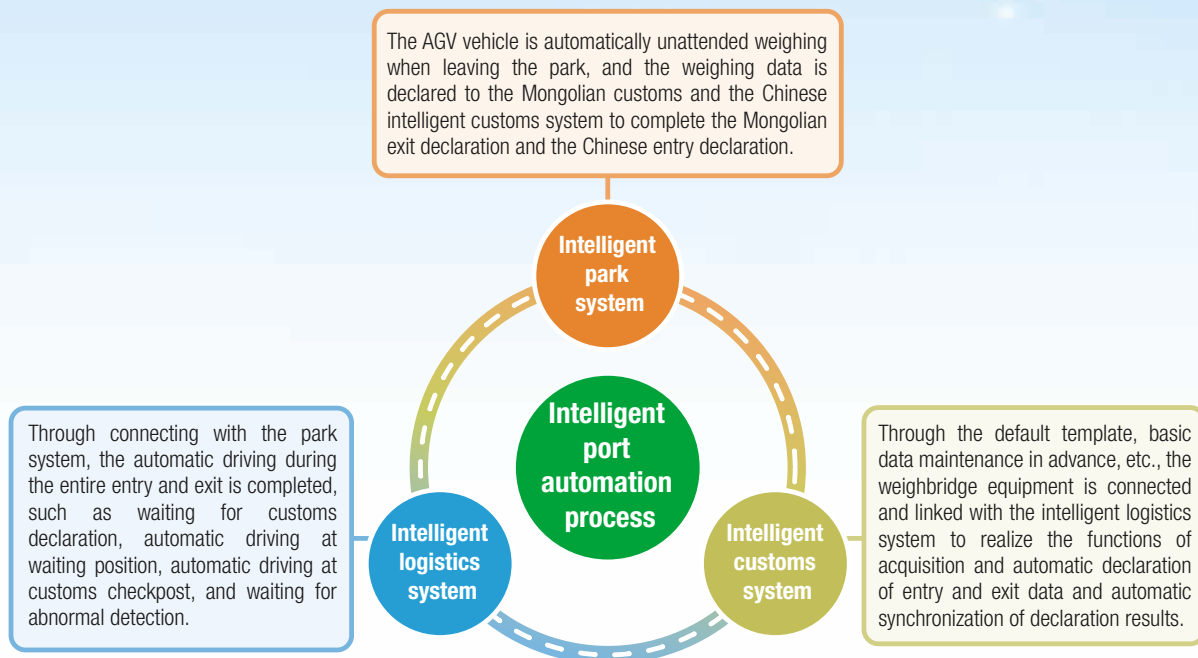
From the perspective of efficiency, the system can analyze the utilization efficiency of containers, identify idle and frequently used containers, and provide data support for optimizing the deployment and use of containers

### (3) Intelligent Port:

The construction of intelligent ports is a key project for the Group to achieve a comprehensive and intelligent upgrade of logistics. The intelligent port system covers three self-developed subsystems (intelligent logistics, intelligent customs, and intelligent parks). These systems work closely together while operating autonomously, and enable automate customs clearance through external systems and IoT devices.

At present, the intelligent port system has been used and operated normally at Gants Mod and Ceke ports. The Chinese park at the Mandula Port has also been opened, and it is expected that AGV vehicles will be used for transportation in 2024. In the future, we plan to further replicate this technology to different ports, so that more ports can benefit from the progress of intelligent logistics and efficient customs services.

## INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE



### Intelligent Customs

Intelligent customs provides a series of automation tools and services to automate customs declaration and cross-border logistics by combining customs regulatory regulations and actual business processes.

- **Automatic declaration process:** the customs declaration system is connected to the customs system, and the declaration of customs documents can be automated through the preset templates and process settings
- **Automatic data acquisition:** the automation of customs declaration data acquisition is realized by connecting to the unattended system in the park
- **Linked intelligent logistics:** Synchronizing the declaration results to realize the automation of AGV customs declaration waiting position





## IX. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

### Intelligent Logistics

In China, it is a new attempt to apply AGV and unmanned driving technology to cross-border transportation. We have developed a unmanned cross-border transport management platform to meet the specific needs of each port to ensure that the different complex links can operate efficiently without human intervention.

- **System integration and collaboration:** Integrate different systems and work together, so that AGV operation instructions can be automatically judged and issued according to the system so as to improve transportation efficiency
- **Visual monitoring and operation:** In the process of business operation, manage visual monitoring and operation of tasks executed and supported by the platform, so that managers can grasp the transportation status in real time and effectively schedule

AGV heavy-duty special equipment



Capacity	Security	Highly efficient	Green	Intelligent
At present, the Company has put into operation 83 AGVs, with a maximum capacity of 3,520 tonnes per time at the same time	Magnetic nail navigation technology is adopted, and the navigation accuracy is high AGV enterprise local area network and microwave technology are used to ensure information security	They are not affected by the external environment, and continuously operated throughout the time and in all weather conditions	Hybrid technology is used to reduce CO2 emissions The containerized transportation of bulk commodities is achieved	There is no driver involved in the whole process of cross-border transportation, which is highly standardized Intelligent infrastructure and inspection equipment are applied to create an intelligent border

## INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

### Intelligent Park

The intelligent park management system is designed for the specific business needs of AGV customs supervision parks, and provides comprehensive and flexible application functions. The system supports complete business process operations, including standardized processes from the shipper's warehousing application, fleet dispatch, park weighing plan to weighing, and can also independently use its warehouse management function according to specific needs

- **Weighing checking:** The system is connected to the weighbridge system, collects and monitors weighing data in real time, and synchronously links business information
- **Warehouse management:** Combined with the weighing data, the inbound and outbound situation of goods in the park is summarized in real time, and the latest inventory information is generated to support intelligent decision-making
- **Data linkage:** Weighing data is provided to Sino-Mongolian Customs for the user's entry/exit declaration and customs supervision requirements. Meanwhile, the weighing results are linked with intelligent logistics, realizing automatic weighing by AGV vehicles and automatic driving after weighing

### (2) E-Coking Coal Trading Platform

According to the actual business scenarios of each team and the management specifications of the Company's customer managers, the E-Coking Coal trading platform realizes the efficient operation of multiple core business and basic management modules, including supplier information, customer information, coal resources, market information, contract execution, transaction status, and risk monitoring through digital intelligent technology, as a way to assist customer managers in business development, efficient execution, and reasonable risk control. At the same time, the trading platform combines business auxiliary tools such as cost calculator and coal blending calculator to improve execution efficiency and ensure the accuracy and compliance of work.



# IX. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

## Highlights of the E-Coking Coal Trading Platform

### (1) Five-in-one

- Form a comprehensive customer view from the perspective of business, operation, product, demand, cooperation history, financial data, etc., to help business personnel understand and identify customers
- Enable customer managers to fully grasp the market, understand customers, pay attention to supply and demand, and connect the upstream and downstream of the industry, so as to discover and facilitate more trading opportunities, increase the turnover of the stock of customers, develop incremental customers, and form a new mode of trading cooperation
- Cover domestic trade coal, Mongolian coal (including Xianghui), new port and other businesses



*E-Coking Coal Mobile Phone Program Interface*

### (2) Risk control management

The platform's risk management function covers different stages of work to ensure that the process runs smoothly and minimize risks

- Before the event: Admission, quota application and approval
- During the event: Real-time monitoring and alerting for anomalies
- After the event: Follow up the progress of dealing with transaction anomalies, generate daily and weekly risk reports and customer risk analysis

### (3) Business execution tools

- Support the needs of the team in different business scenarios
- Provide access to tools such as cost calculators and coal blending calculators to facilitate decision-making and business execution
- Update data and information, and assist business personnel to understand market price trends through price billboards, daily freight rates, and weekly credit sales reports

## INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

### (3) Data Platform Construction

We value the use of data in our business and are committed to improving the system of our data platform to support the data needs and decision-making processes of various departments within and outside the Company. In the future, we will continue to optimize the system so that the Company can make better use of data assets and improve its competitiveness.

#### E-X (易X) Data Platform

E-X is a data platform under the E-Link system, covering data acquisition, data summary and analysis, data display, and other functions. The platform is designed to ensure data consistency among systems and businesses to provide accurate and reliable data support for users to better understand and leverage data



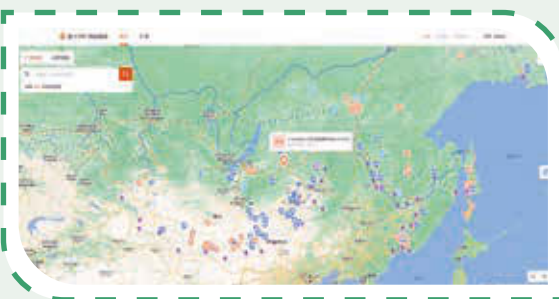
Data Cockpit



Digital Large-screen Display

#### E-Commodities Mineral Source Database (易大宗礦源資料庫)

The E-Commodities Mineral Source Database is a database that collects mineral source information and provides display function, with an aim to support the mineral investment department of E-Commodities in making investment and financing decisions. The database displays various types of mineral source information in the form of maps and lists, helping users to fully understand the basic attributes, geological conditions, resource information, mining operations, mineral source products and other related content of mineral sources



Mineral Source Map



## IX. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

### PROTECTION OF INTELLECTUAL PROPERTY

The Group is well aware of the importance of protecting intellectual property and is committed to strengthening its own intellectual property management. Strictly abiding by the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), the Regulations for the Implementation of the Trademark Law (《商標法實施條例》), the Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》), the Intellectual Property Law of the People’s Republic of China (《中華人民共和國知識產權法》), the Tort Liability Law of the People’s Republic of China (《中華人民共和國侵權責任法》) and other relevant laws and regulations as well as management regulations, the Group has formulated and implemented the Intellectual Property Management System (《知識產權管理制度》). we have also appointed the legal affairs department, asset management department and internet technology platform to be primarily responsible for the related issues, including software copyrights development, registration of new trademarks, sorting out and making records to protect the obtained trademarks, as well as patent applications and protection work. During the Reporting Period, we successfully handled a trademark registration opposition case to protect the intellectual property rights of our main trademark Winsway in the Class 4 coal and coke categories.

During the year, we actively developed technologies such as E-Coking Coal system, coal trade and storage data system and AGV operation related system, and successfully obtained a number of software copyrights, trademarks and patents, which further strengthened the Group’s market competitiveness and industry position.

#### Application of Software Copyrights, Trademarks, Patents:

<p>Newly applied for and issued <b>17</b> software copyrights</p>	<p><b>12</b> trademark registrations were applied for, and a total of <b>8</b> trademark registration certificates were obtained</p>	<p>5 invention patents related to intelligent ports were obtained, and another 5 patents applications related to intelligent ports are currently in the review stage</p>	<p>2 invention patent applications related to container management were submitted, which are currently in the application review stage</p>
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## X. GIVING BACK TO SOCIETY: HELPING PEOPLE'S LIVELIHOOD AND WELL-BEING

The Group understands that our business development depends on the important support of the communities in which we operate. Therefore, we take the promotion of social welfare development as our basic vision and mission, and take the initiative to assume social responsibility.

As a responsible corporate citizen, the Group and its subsidiaries have always abided by the law, actively fulfilled their tax obligations, and promoted local economic and social progress through taxation. In addition, we promote the job market through investments in various regions. During the Reporting Period, we indirectly employed more than 900 local workers in Inner Mongolia, Shanxi, Shandong, Liaoning, Heilongjiang, Zhejiang, Hainan, Guangdong and other places. In the future, we will continue to expand our investment in the community to achieve a virtuous cycle of corporate development and social contribution.

Tax paid in 2023 (HKD) (excluding customs value-added tax and customs duties paid during the import process)

Inner Mongolia	North China	South China	East China	Northeast China
HK\$199.7 million	HK\$88.5 million	HK\$267.5 million	HK\$56.1 million	HK\$30.9 million

### PUBLIC WELFARE PRACTICES

**The Group's public welfare activities during the year**

June

- Urad Zhongqi Yiteng Company (烏拉特中旗毅騰公司) donated RMB100,000 to the Urad Mongolian School (烏拉特蒙古族學校) to support the improvement of school infrastructure and the development of education undertakings, so that students could get better educational opportunities and development space



- The Beijing company launched the "E-Books - Book Donation" (易書一捐書) activity, calling on employees to exchange idle books, and donated books to the Federation of Trade Unions of Jining District, Ulanqab City, Inner Mongolia, Jining Experimental Primary School (集寧實驗小學) and Erenhot Xinghuo Book House (二連浩特星火書屋)







# X. GIVING BACK TO SOCIETY: HELPING PEOPLE'S LIVELIHOOD AND WELL-BEING

## The Group's public welfare activities during the year

- September • The Hong Kong company organized Mid-Autumn Festival volunteer activities



- Singapore company of E-Commodities donated SGD10,000 to the Charity Children's Foundation (慈善兒童基金會) to care for underprivileged and unfortunate children



## GIVING BACK TO SOCIETY: HELPING PEOPLE'S LIVELIHOOD AND WELL-BEING

### The Group's public welfare activities during the year

- November
- Hainan More Richway organized employees and their families to participate in the "Marine Public Welfare Guard, Beach Cleanup and Environmental Protection Action" (海洋公益衛士·淨灘環保行動)



- December
- In December 2023, a 6.2 magnitude earthquake struck Jishishan County, Linxia Prefecture, Gansu Province, causing heavy casualties and property damage. The employees of Yiteng at Gants Mod Port donated RMB25,000 to the earthquake-stricken area to help the people there overcome the disaster and tide over the difficulties



# XI. APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks	
<b>Mandatory Disclosure Requirements</b>			
<b>Governance Structure</b>	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board’s oversight of ESG issues;</li> <li>(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</li> <li>(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.</li> </ul>	<p>Message from the Board            Vision and Strategies of Sustainable Development            Sustainable Development Governance Structure            ESG Objectives            ESG Risks            Communication with Stakeholders            Materiality Assessment</p>	
<b>Reporting Principles</b>	<p>A description of, or an explanation on, the application of the reporting principles in the preparation of the ESG report</p>	<p>Materiality: (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>About this Report            Materiality Assessment</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 statistical methods or KPIs used (if any), or any other relevant factors affecting a meaningful comparison.</p>	<p>About this Report</p>
<b>Reporting Boundary</b>	<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>		

## APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks
<i>“Comply or Explain” Provisions</i>		
<i>A. Environmental</i>		
<i>Aspect A1: Emissions</i>		
<b>General Disclosure</b>	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation: Achieving High-quality Development Strict Control on Pollutant Emissions
<b>Indicator A1.1</b>	The types of emissions and respective emission data.	Environmental Performance Overview
<b>Indicator A1.2</b>	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).	
<b>Indicator A1.3</b>	Total hazardous waste produced (in tonnes) and (where appropriate) intensity (e.g., per unit of production volume, per facility).	
<b>Indicator A1.4</b>	Total non-hazardous waste produced (in tonnes) and (where appropriate) intensity (e.g., per unit of production volume, per facility).	
<b>Indicator A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	ESG Objectives
<b>Indicator A1.6</b>	Description of how hazardous and non-hazardous waste are handled and description of reduction target(s) set and steps taken to achieve them.	



## XI. APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Enhance Energy Management
<b>Indicator A2.1</b>	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).	Environmental Performance Overview
<b>Indicator A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
<b>Indicator A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	ESG Objectives
<b>Indicator A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency target(s) set, and steps taken to achieve them.	Enhance Energy Management
<b>Indicator A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
<b>Aspect A3: The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Strict Control on Pollutant Emissions
<b>Indicator A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them.	
<b>Aspect A4: Climate Change</b>		
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Combat Climate Change
<b>Indicator A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

## APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
<b>General Disclosure</b>	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human Resource Management
<b>Indicator B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	
<b>Indicator B1.2</b>	Employee turnover rate by gender, age group and geographical region.	
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safety First: Adhering to Occupational Safety Regulations
<b>Indicator B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safety Performance Overview
<b>Indicator B2.2</b>	Lost days due to work injury.	
<b>Indicator B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safety First: Adhering to Occupational Safety Regulations



## XI. APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training and may include internal and external courses paid by the employer.	Focus on Talent Cultivation
<b>Indicator B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
<b>Indicator B3.2</b>	The average training hours completed per employee by gender and employee category.	
<b>Aspect B4: Labour Standards</b>		
<b>General Disclosure</b>	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.	Human Resource Management
<b>Indicator B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	
<b>Indicator B4.2</b>	Description of steps taken to eliminate such practices when discovered.	



## APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks
<i>Operating Practices</i>		
<i>Aspect B5: Supply Chain Management</i>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Promote Responsible Procurement
<b>Indicator B5.1</b>	Number of suppliers by geographical region.	
<b>Indicator B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
<b>Indicator B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
<b>Indicator B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	



## XI. APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks
<b>Aspect B6: Product Responsibility</b>		
<b>General Disclosure</b>	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Comprehensively Improve Quality Management
<b>Indicator B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
<b>Indicator B6.2</b>	Number of products and service related complaints received and how they are dealt with.	
<b>Indicator B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	
<b>Indicator B6.4</b>	Description of quality assurance process and recall procedures.	
<b>Indicator B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	

## APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

Requirements, key areas, aspects, general disclosures and key performance indicators		Disclosure location or remarks
<b>Aspect B7: Anti-corruption</b>		
<b>General Disclosure</b>	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity Management
<b>Indicator B7.1</b>	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.	
<b>Indicator B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
<b>Indicator B7.3</b>	Description of anti-corruption training provided to directors and staff.	
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	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.	Giving Back to Society: Helping People's Livelihood and Well-being
<b>Indicator B8.1</b>	Focus areas of contribution (e.g. education and environmental concerns, labour needs, health, culture, sport).	
<b>Indicator B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	



**WINSWAY 易大宗**

**E-COMMODITIES HOLDINGS LIMITED**

**易大宗控股有限公司**