



中國基建投資有限公司  
China Infrastructure Investment Limited

Stock Code 股份代號: 600

# 2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



## I. ABOUT THE REPORT

In compliance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) set out in Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under the “comply or explain” provision, China Infrastructure Investment Limited (the “**Company**”, together with its subsidiaries, collectively as the “**Group**” or “**We**”) is pleased to present our Environmental, Social and Governance (“**ESG**”) Report for the financial year ended 31 December 2023 (“**FY2023**” or the “**year under review**”).

### Reporting Boundary

Adopting the operational control approach, this ESG Report covers the Group’s main business as an investment holding company with the investment portfolio including (i) property investments and (ii) natural gas business, with our major business activities mainly consisting of office operations in the People’s Republic of China (“**PRC**”) and Hong Kong.

The reporting period of this ESG Report is the financial year from 1 January 2023 to 31 December 2023, unless specifically stated otherwise. For the Group’s corporate governance practices, please refer to the “Corporate Governance Report” integrated in the Annual Report 2023.

### Reporting Principles

This ESG report is prepared following the four Reporting Principles as stated in the ESG Guide, informing the content of the report and how information is presented.

<p><b><u>Materiality</u></b></p> <p>The Group gives importance to Materiality in identifying the ESG issues that have the most significant impact on our operations and allocates the necessary resources and efforts to manage the associated risks. Additional details can be found in the section on <b>Material ESG-related Issues</b>.</p>	<p><b><u>Quantitative</u></b></p> <p>The principle of Quantitative is evident in this report through the calculation and disclosure of the Group’s environmental and social performance, using clearly defined key performance indicators (“KPIs”). Information on the methodologies, assumptions, and conversion factors used are provided in the corresponding performance tables.</p>
<p><b><u>Balance</u></b></p> <p>The Group follows the principle of Balance to ensure transparent disclosure of our sustainability performance, encompassing both accomplishments and areas that require improvement.</p>	<p><b><u>Consistency</u></b></p> <p>The Group preserves the reporting framework and structure used in our previous ESG Reports to enable year-on-year comparisons. Any significant deviations from the previous reporting framework will be adequately clarified.</p>

### **Access to this Report**

The Group will publish the ESG Report on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Group's website ([www.china-infrastructure.com](http://www.china-infrastructure.com)). This Report is prepared in both English and Chinese. Should there be any discrepancies between the two versions, the English version shall prevail.

This ESG Report was prepared in an enhanced framework as compared with our previous report with reference to the ESG Reporting Guide effective since 31 December 2023. A complete content index is available at the end of the ESG Report for readers' convenience to check its integrity.

### **Opinions and Feedback**

As the Group strives for excellence, we highly appreciate and value all opinions and feedback from readers and stakeholders. If you have any doubts or recommendations regarding the Report, particularly on topics listed as highly material to the Group, please feel free to share your views with us via:

Address: Room 705A, 7/F., New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East Kowloon.  
Hong Kong

Telephone: (852) 2383 6868

Fax: (852) 2698 8188

Email: [hkoffice@china-infrastructure.com](mailto:hkoffice@china-infrastructure.com)

## II. STATEMENT FROM BOARD

### Governance Structure

Over the years, we strived to maintain a robust corporate governance structure. The Board of Directors (the “Board”), as the highest governance authority, holds ultimate responsibilities for the oversight of all ESG-related matters and has the oversight of the execution of the Group’s strategy in a top-to-bottom manner. With rich experience and insight, the Board identifies, assesses, and manages ESG-related risks and opportunities by regularly reviewing the Group’s internal policies. The Board supervises the overall governance processes and establishes an ESG working group to enhance the effectiveness of governance, which is responsible for coordinating management approaches and integrating ESG-related issues into the Group’s daily operations.

### ESG Management Approach and Strategy

To ensure continuous supervision of the Group’s risk management and internal control systems, the Board has established and approved the Audit Committee to regularly review the system’s effectiveness. The management, composed of leaders across the organisation, is responsible for providing regular reports to the Board and the Audit Committee, updating the emerging risks and regulations changes encountered by the Group with corresponding internal control measures to address these issues promptly.

### Risk Management

We have built up comprehensive risk management procedures and frameworks to identify and handle the risks that may have significant impacts on the Group’s business operations, including ESG-related risks. In particular, the management identifies significant risks by considering internal and external factors, including economic, environmental, social, etc. Each risk has been assessed and prioritised based on its relevant impact and occurrence opportunity. Based on the assessment results, corresponding risk management strategies would be adopted and applied to each identified risk to effectively reduce risk exposure.

Risk retention and reduction	Accept the impact of the risk and take necessary actions to mitigate the effects
Risk avoidance	Modify business processes or objectives to avoid the risk altogether
Risk sharing and diversification	Diversify the impact of the risk by distributing it across different locations, products, or markets
Risk transfer	Shift ownership and liability of the risk to a third party

### ESG-related goals and targets

Given the nature of our business as an investment holding company, the Board acknowledges that the Group focuses its primary ESG concerns on the environmental impacts linked to its office operations. Understanding the importance of setting goals to motivate improvement, we have set up a set of indicative environmental targets based on our historical environmental performance and business nature.

To ensure ongoing supervision of these environmental targets, we engaged with external consultants to conduct annual analysis of our environmental performance. The results of our performance are subsequently summarised and presented to the Board for review.

### Material ESG-related issues

Regular internal review of risk management approaches and internal control systems is arranged for the Group to identify, assess, prioritise, and manage the Group's material ESG-related issues. In FY2023, the Board identified the following ESG issues that are material for the Group.

1. Carbon dioxide emission and waste management	7. Child labour and forced labour
2. Energy and water consumption	8. Supplier management
3. Measures in reducing environmental impact	9. Product safety and quality
4. Employment practices	10. Anti-corruption and anti-money laundering
5. Workplace health and safety	11. Community involvement
6. Employee development and training	

As each stakeholder brings a unique perspective and plays a distinct role in our long-term business success and transformation, we highly value the opinion of every stakeholder and make efforts to address emerging issues they are concerned about. Looking forward, we are committed to actively engaging with our stakeholders, facilitating informed dialogues through diverse communication channels for both internal and external stakeholders to understand their expectations and share our sustainability achievements.

### III. ENVIRONMENTAL

Given the increasing concerns about climate change and other environmental crises, we have incorporated environmental factors into business operations and proactively developed a strategy for the low-carbon transformation, aiming to align the implementation of the national “30 60 carbon target”. We strive to balance economic development and environmental preservation by minimising the potential environmental impacts during our daily operations, contributing to a more sustainable world.

#### A.1. Emissions

In FY2023, the Group was in compliance with the relevant environmental laws and regulations in its operating regions relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including the Environmental Protection of the People’s Republic of China Prevention (《中華人民共和國環境保護法》).

Given our business nature, our major emissions in FY2023 primarily consisted of GHG emissions. We did not generate any significant air emissions or hazardous and non-hazardous waste during the year under review.

#### GHG Emissions

To accelerate the transition to green operations to address climate change, the Group developed and implemented a series of initiatives and measures to enhance energy efficiency and reduce GHG emissions during our daily operation, which are discussed in the next section.

In FY2023, the GHG emissions pattern remained unchanged, with Scope 2 emissions (Energy Indirect Emissions) that arose from the electricity consumed at our workplace being the dominant contributor. The Group did not record any significant amount of emissions from Scope 1 (Direct Emissions) during the year under review. Due to limited operations during the reporting year, the Scope 3 (Other Indirect Emissions) emissions of FY2023 were deemed not material, thereby not being disclosed in this ESG Report.

In FY2023, the total amount of GHG emissions decreased significantly compared to that of the financial year ended 31 December 2022 (“FY2022”) due to limited operations during the reporting year.

#### Waste Management

In FY2023, the Group did not generate any significant amount of hazardous and non-hazardous solid waste. The domestic wastewater generated from the Group’s offices was directly discharged into the buildings’ sewage network. To maintain a good performance in waste management, the Group endeavours to achieve better waste management by reducing waste generation at sources.

With the promotion of waste charging and waste classification regulation, the Group embraces the concept of Circular Economy and implemented the “3R principle – Reduce, Reuse and Recycle” through various waste management measures, including:

- Arrange separable bins across the working sites to encourage waste classification at sources;
- Educate employees on proper waste management practise by providing guidelines for recycling

paper materials, printing cartridges, and batteries;

- Prioritise recycled paper during procurement;
- Set printers to duplex modes by default to reduce paper consumption; and
- Encourage employees to disseminate documents and messages via email and other electronic means.

As the amount of wastewater discharged mainly depends on the amount of water used, the Group places great emphasis on waste conservation and adopted effective measures to enhance water recycling in daily operations, which are further described in the next section.

Table 1. The Group's Total Emissions by Category in FY2023 and FY2022 <sup>7, 8</sup>

Emission Category	Key Performance Indicator (KPI)	Unit	FY2023		FY2022	
			Amount	Intensity <sup>1</sup> (Unit/employee)	Amount <sup>2</sup>	Intensity <sup>3</sup> (Unit/employee)
GHG Emissions <sup>4</sup>	Scope 2 (Energy Indirect Emissions) <sup>5</sup>	tonnes of CO <sub>2</sub> e	1.15×10 <sup>-5</sup>	4.99×10 <sup>-7</sup>	0.949	0.047
	Total (Scope 2) <sup>6</sup>	tonnes of CO <sub>2</sub> e	1.15×10 <sup>-5</sup>	4.99×10 <sup>-7</sup>	0.949	0.047

1. Due to limited operations of the Group in FY2023, the calculation method of intensity using the Group's revenue could not reflect the prevailing conditions, as such the intensity for FY2023 was calculated by dividing the amount of GHG emissions by the number of employees in FY2023, which was 23;

2. The amount in FY2022 was extracted from the data in the ESG Report FY2022 of the Group;

3. The intensity of FY2022 was calculated by dividing the amount of GHG emissions by the number of employees in FY2022, which was 20;

4. Since we did not directly consume significant amount of fuels for operations in FY2023, we did not generate any air emissions nor Scope 1 (Direct Emissions) that were material to be disclosed in this ESG Report;

5. The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from electricity consumption;

6. Due to limited operations of the Group in FY2023, Scope 3 emissions of FY2023 were deemed not material thereby not being disclosed in this ESG Report;

7. The amount of non-hazardous solid waste disposed and wastewater discharged for FY2023 were not available because of technical difficulties in recording and measuring due to limited operation during the year. We are committed to enhancing our data collection methodology; and disclose the amount of waste in the near future; and

8. The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, The GHG Protocol Corporate Accounting and Reporting Standard and the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories.

## **A.2. Use of Resources**

In FY2023, the Group mainly consumed electricity during its operations, while we did not consume any significant amount of water, paper and packaging materials due to our business nature.

### Energy Management

In FY2023, the total electricity consumption of the Group amounted to 0.031 kWh'000 with an intensity of  $1.35 \times 10^{-3}$  kWh'000/employee. Compared with FY2022, the amount of electricity consumption in FY2023 declined significantly because of limited operations.

During the year under review, we remained steadfast in our commitment to creating a green working environment and low-carbon operation model. To better manage and control electricity consumption thereby reducing energy-related emissions, we have introduced and implemented various initiatives and practices to improve energy efficiency during daily operations, including but not limited to:

- Switch off all idling electrical appliances, including lights, computer, and air conditioning;
- Prioritise energy-saving appliances with the Grade 1 energy efficiency label during procurement;
- Set the air-conditioning temperature at an energy-efficient level based on in-door requirements and out-door conditions;
- Replace energy-intensive equipment with energy-efficient alternatives such as LED bulbs and induction lights; and
- Conduct regular inspections to eliminate energy waste behaviour and ensure optimal operation of facilities.

### Water Management

In FY2023, the Group did not face any issues in sourcing water that was fit for purpose. Although we were not able to collect and disclose accurate records for the water consumed during the year under review due to limited operations, we emphasise the importance of water conservation and endeavour to promote water-saving practices across our workplace.

To further improve the efficiency of water consumption, the Group has established water conservation systems and implemented the following measures to promote the culture of responsible water usage among employees:

- Adopt technical applications to improve water efficiency, including flow controllers and low-flow flushing;
- Repair dripping pipes and taps in time to avoid leaks in the water supply system;
- Priorities water-efficient equipment with Water Efficiency Labels; and
- Adjust the water supply according to seasons and resting time.



Table 2. The Group's Total Resource Consumption in FY2023 and FY2022 <sup>6</sup>

Use of Resources	Key Performance Indicator (KPI)	Unit	FY2023		FY2022	
			Amount <sup>1</sup>	Intensity <sup>2</sup> (Unit/employee)	Amount <sup>3</sup>	Intensity <sup>4</sup> (Unit/employee)
Indirect Energy <sup>5</sup>	Electricity	kWh'000	0.031	1.35×10 <sup>-3</sup>	2.566	0.128

1. Due to limited operations in FY2023, we only include the 4-month environmental data in this table from September to December;

2. Due to limited operations of the Group in FY2023, the calculation method of intensity using the Group's revenue could not reflect the prevailing conditions, as such the intensity for FY2023 was calculated by dividing the amount of resources that the Group consumed in FY2023 by the number of employees in FY2023, which was 23;

3. The amount of FY2022 were extracted from the data in the ESG Report FY2022 of the Group;

4. The intensity of FY2022 was calculated by dividing the amount of resources that the Group consumed by the number of employees in FY2022, which was 20;

5. The total energy was calculated based on the conversion factors as stated in the "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and

6. Due to limited operations in FY2023, we did not consume a significant amount of water during the year under review.

### A.3. The Environment and Natural Resources

As a company engaged in trading businesses, we recognised that our business operations did not bring substantial impacts on the environment or significant consumption of natural resources. After conducting a comprehensive assessment of our impacts on the environment, we are proud to present our excellence in environmental compliance in FY2023. To fulfil our environmental protection responsibilities, we are committed to continuously improving energy and natural resource management to minimise the adverse impacts on the environment during business operations.

#### Green Awareness

As part of the commitment to sustainable development, the Group has established environmental policies with measurable targets and indicators to better track the Group's environmental performance. To encourage employee engagement in green initiatives and practices, the Group has organised training and workshops for employees to raise their awareness of resource conservation and foster a low-carbon lifestyle. In addition, the Group conducted regular sharing to convey our performance and achievements in sustainability to employees, creating a sense of pride among employees.

#### Green Operation

To accelerate the transition to a green workplace and operation, the Group has incorporated environmental protection and sustainability development into our business functions and decision-making. The Group regularly reviews and updates the related internal policies to ensure measures adhere to the best practices in the industry. In particular, we adopted green office practices, including teleconference and internet meetings, to avoid unnecessary travel. The Group also encouraged our employees to choose public

transportation for daily commuting. To effectively manage the environmental impact arising from the operations, the Group regularly conducts assessments of air and GHG emissions, as well as the disposal of non-hazardous waste based on the data collected and analysed by the relevant departments. According to the environmental performance, relevant departments are also responsible for taking specific measures to improve energy efficiency and reduce emissions.

#### Targets and Actions

While our operation did not have significant environmental impacts during the year under review, we recognise our responsibility to contribute to a more sustainable future. Considering the recent unstable operations, we established the following indicative environmental targets after a thorough review of our historical performance and business mission.

Areas	Targets	Actions
GHG Emissions	Taking FY2023 as the baseline year, the Group targets to maintain the intensity of GHG emissions in FY2024 within the same scope at the same level.	We will strictly monitor the emissions based on our standardised system and adopt best practices to enhance energy efficiency and promote resource conservation.
Electricity	Taking FY2023 as the baseline year, the Group targets to maintain the intensity of electricity consumption in FY2024 within the same scope at the same level.	We will actively explore the application of renewable energy and continue our efforts to strengthen the electricity conservation work among employees by implementing the guidelines on electricity consumption.

Due to unstable and limited business operations throughout the year, we are cautious about setting a comprehensive set of ambitious targets. Therefore, we focus on the indicative targets for GHG emissions and electricity consumption. Going forward, we are committed to strengthening our data collection efforts in waste disposal, water consumption, and wastewater discharge and setting targets for these areas.

#### **A.4. Climate Change**

Climate change and increasingly extreme weather events have caused a surge in natural disasters over the recent years. As the impact of climate change received growing concerns, the Group is actively taking action for climate change mitigation and adaptation. To accelerate the transition to carbon neutrality, the Group also endeavours to manage and control the climate-related risks while identifying business opportunities.

As an investment holding company, we anticipate that climate change will not have significant impacts on our business operations. Nonetheless, we remain vigilant about any potential and emerging climate-related risks that may affect our business operations. In the future, we are dedicated to allocating substantial resources and efforts to developing action plans and management measures.

Looking forward, we will draw on the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”) as a framework for climate risk disclosure and reporting. To get prepared in advance, we will further identify and manage climate-related physical and transition risks to fully understand the potential impacts of climate change on our business operations.

## IV. SOCIAL

### Employment and Labour Practices

Adhering to the people-oriented principle, we regard our employees as the most valuable assets and are committed to providing employees with a diverse, inclusive and supportive workplace. As part of the corporate sustainable strategy, we focus on employee development by providing ample opportunities and promotion channels for each employee, achieving mutual development of the individual and the company.

#### B.1. Employment

As of the end of FY2023, there were a total of 23 employees working for the Group with a male-to-female gender ratio of 43%:57%.

Table 3. Number of Employees by Age Group, Gender, Employment Type, Position Type, Geographical Locations of The Group in FY2023 <sup>1</sup>

Gender		Age group			Total
Male	Female	Aged 30 or below	Aged 31 - 50	Aged 51 or above	
10	13	4	12	7	23

Employment Type		Position			Total
Full time	Part time	General Employee	Middle Management	Senior Management	
23	-	8	3	12	23

Geographical location		
Hong Kong	PRC	Total
1	22	23

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/ or workplace was controlled by the Group, within the reporting boundary. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

#### Law Compliance

In FY2023, the Group complied with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China.

The Human Resources Department of the Group is responsible for reviewing and updating relevant internal policies and procedures to ensure the policies align with the latest laws and regulations. In addition, the Human Resources Department oversees the implementation of employment policies to ensure all human resources management practices strictly comply with the applicable employment laws and regulations in its operating regions.

### Compensation and Dismissal

The Group believes that attracting, motivating, and retaining talents are the key to maintaining the Group's competitiveness and long-term success. To this end, the Group is committed to offering competitive remuneration packages to all employees and regularly reviewing the remuneration system to align with industry standards and peer organisation. Meanwhile, we prohibit any unfair or illegitimate dismissals, with all our appointments, promotions, or terminations of contracts basing on reasonable and lawful grounds. In FY2023, the turnover rate of the Group was 13.04%.

Table 4. Employee Turnover Rate by Age Group, Gender, and Geographical Locations of the Group in FY2023 <sup>1</sup>

	Gender		Age group			Total
	Male	Female	Aged 30 or below	Aged 31 - 50	Aged 51 or above	
<b>Employee turnover</b>	2	1	-	3	-	3
<b>Employee turnover rate</b>	20.00%	7.69%	-	25.00%	-	13.04%
<b>Geographical locations</b>						
<b>Locations</b>		<b>Employee turnover</b>		<b>Employee turnover rate</b>		
<b>Hong Kong</b>		1		100.00%		
<b>PRC</b>		2		9.09%		

- The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who left the Group in FY2023 by the number of employees as of the end of FY2023, within the reporting boundary. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.*

### Recruitment and Promotion

We continue to enrich our staff team through internal cultivation and external recruitment. The Human Resources Department supervises and reviews all recruitment and promotion procedures to ensure high-calibre candidates are selected in an orderly and fair manner. To motivate the development of employees, we also provide internal promotion opportunities for eligible staff with outstanding performance and dedicated attitude, with careful considerations given by the Human Resources Department and approval from respective supervisors.

### Working Hours and Rest Periods

The Group strictly manages the working hours and rest periods for employees in accordance with local

employment laws and regulations, which are clearly stipulated in the employment contract. Working hours are strictly controlled to be less than 40 hours a week. In addition to basic paid annual leave and statutory holidays, employees are entitled to additional paid leave such as compensation leave, maternity leave, personal leave, and sick leave.

#### Equal Opportunity and Anti-discrimination

As an employer pursuing equal opportunity and diversity, we strive to foster a fair, respectful and inclusive working environment. To this end, we hold zero tolerance for any form of workplace discrimination, harassment, or vilification and ensure that all hiring, training, promotion opportunities, dismissals and retirement decisions are undertaken irrespective of employees' age, gender, nationality, or any other non-job-related elements.

#### Other Benefits and Welfare

The Group values and prioritises the well-being of the employees, including physical and mental health. As such, the Group provides employees with a range of insurance and working security packages, including:

Hong Kong	PRC
Mandatory Provident Fund (MPF)	Medical Insurance
Medical Insurance	Unemployment Insurance
Performance Bonus	Work-related Injury Insurance
Severance Payment/Long Service Payment	Childbirth Insurance
Maternity/Paternity Leave with Pay	Housing Accumulation Funds
Employment Compensation Insurance	Health and Safety Endowment Insurance

To foster a sense of belonging among employees, we used to arrange various activities and meal gatherings for employees to strengthen team cohesion. During the year under review, although we were not able to organise any group-level entertainment activities due to the limited operations, we still actively sought opportunities to organise gatherings and festival parties for employees to express our support.

## **B.2. Health and Safety**

We regard the health and safety of our employees as the top priority. As a fundamental commitment to social responsibility, we integrate health and safety into our business operations and strive to maintain a healthy and safe workplace for all employees while providing high-quality services. The Group recorded zero work-related fatalities and injuries for three consecutive years. Aiming for zero accident rate, we are committed to continuously monitoring the implementation of safety measures to minimise work-related hazards and risks.

Occupational health and safety statistics	FY2023	FY2022	FY2021
Number of work-related fatalities	0	0	0
Number of work-related injuries	0	0	0
Number of lost days due to work injury	0	0	0

#### Law Compliance

In FY2023, the Group was in compliance with the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group, including the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases.

#### Safety Policies

Upholding the safety-focused culture, we have formulated standardised operational procedures and internal policies on health and safety to mitigate occupational hazards. To enhance employees' awareness of the importance of their safety, the Group arranged relevant training for our employees to offer knowledge on the best practices. In addition, warning signs and notices are placed in visible areas of the workplace to highlight health and safety practices.

Understanding the importance of identifying and mitigating occupational hazards, the Administrative Department of the Group oversees the implementation of occupational health and safety measures by regularly checking the validity of these measures as well as the fire and safety equipment.

### **B.3. Development and Training**

The Group believes that a well-trained team is the foundation of long-term business success. As such, the Group attaches great importance to talent cultivation and professional development. The Group is committed to providing opportunities and resources to support the growth of employees, thereby motivating them to create excellent corporate value.

The Group offers orientation programs to new employees as their onboarding training, helping them adapt quickly to the Group's operations. Meanwhile, the Group encourages employees to actively participate in job-related courses and training programmes to gain professional knowledge and skills. Besides internal training, the Group also provides employees with opportunities to engage in external training courses, seminars and programmes. In FY2023, we were not able to arrange any training programmes for our staff due to limited operations. Nevertheless, we are committed to providing diverse training programs for our employees in the coming years.

### **B.4. Labour Standards**

In FY2023, the Group complied with the applicable laws and regulations in Hong Kong and the PRC, including the Labor Contract Law of the People's Republic of China.

As a responsible employer that respects human and labour rights, we are committed to combating illegal employment of child labour, underage workers and forced labour. Job applicants are required to provide valid identification documents, such as Identity Card, to the Group's Human Resources Department to prove that they are lawfully employable before the commencement of work. The Human Resources Department is responsible for monitoring and reviewing internal procedures during recruitment.

In addition, adhering to the principles of fairness and voluntariness, the Group prohibits any unfair or unlawful means to restrict the employment relationship between employees and the Group. Employees are free to terminate their employment with the Group by adhering to the prior notice period stipulated in their

employment contracts.

Once the Group identifies any violation of relevant labour laws, regulations or standards, the relevant employment contract will be immediately terminated, and the responsible employee will be disciplined accordingly. The Board will thoroughly discuss and review the case to prevent the recurrence of such situations in the future.

With the effective implementation of our labour practices, there was no labour dispute between the Group and our staff as of the end of FY2023.

## **Operating Practices**

### **B.5. Supply Chain Management**

We are committed to maintaining a stable supply chain and actively fulfilling corporate responsibilities by identifying and eliminating potential environmental and social risks within our supply chain. As an investment holding company that possesses the business of trading construction materials, we mainly engage with suppliers that provide natural gas-related products. In FY2023, we maintained stable cooperation with a total of 3 suppliers, which are all located in the PRC.

#### Supplier Engagement and Risk Management

We have formulated and implemented relevant internal policies and procedures to standardise the process of supplier selection, ensuring qualified suppliers are selected for the procurement and supply of raw materials. We also maintain stable relationships with our suppliers through various means to avoid under-qualified supplies or delays in supplies.

To minimise environmental and social risks along the supply chain, we complied with applicable laws and regulations, and established the procurement team responsible for conducting due diligence on suppliers to identify any non-conformance with the relevant legal requirements prior to engagement. In addition, the procurement team evaluates supplier performance, reliability and compliance on an annual basis and updates the list of approved suppliers.

#### Green Procurement

As a commitment to environmental protection, we are dedicated to building a green supply chain to further improve our sustainability performance. To this end, we integrate the green concept into our procurement and give preference to the products and services that have low or no harmful impacts on the environment. In particular, we prioritise local procurement to reduce carbon emissions from the upstream activities. In FY2023, the Group's suppliers were all located in the PRC.

The aforementioned supplier engagement and supply chain risk management practices apply to 100% of our key suppliers and are being implemented and monitored by the Group's procurement team.

### **B.6. Product Responsibility**

In FY2023, the Group was in compliance with the material and relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products and services that have a significant



impact on the Group, including the Advertising Law of the People's Republic of China, while requiring related parties to do likewise by specifying in the contract.

Meanwhile, due to the Group's business nature and under the principle of Materiality, issues regarding product recall, labelling, and intellectual property rights are considered not material or applicable to our operation, and therefore will not be discussed in this ESG Report.

#### Quality Management

We have strengthened the implementation of quality management to provide customers with satisfactory and reliable services. Meanwhile, we regulate our operation in accordance with the relevant regulations and conduct regular testing and maintenance for the properties we invested in, thereby contributing to a healthy and safe environment for all. In FY2023, the Group did not have any products subject to recalls for safety and health reasons.

#### Complaint Handling

Embracing a "customer-centred" service philosophy, we are committed to enhancing the quality of our services and exploring a better way of handling complaints. To improve customer satisfaction, we value comments from customers and maintain active communication to address their concerns promptly. Once receiving any complaints, we will conduct a thorough investigation to identify the cause of the complaint and assess its validity. Once substantiated, we will actively handle the complaint with appropriate actions to minimise the negative impacts unintentionally caused. The complaints and handling measures will be recorded and analysed for future improvements. During the year under review, we did not receive any substantial complaints regarding our products and services.

#### Privacy Protection

In FY2023, the Group complied with the applicable laws and regulations regarding privacy protection, including the Personal Information Protection Law of the People's Republic of China.

To strictly protect the rights and interests of our customers, we attach great importance to personal information security. In particular, we have formulated internal confidentiality guidelines to safeguard the personal data and identifiable information of our clients, which mandate that our employees are obligated to maintain the confidentiality of any and all information obtained in connection with their employment, including but not limited to, trade secrets, client information and other proprietary information.

During the year under review, we entrusted the information technology personnel to monitor the risk management and handle privacy-related issues, to eliminate the risks of data leakage.

### **B.7. Anti-corruption**

Recognising the importance of ethical operation in building trust with stakeholders and investors, we adhere to high standards of conduct and extend our practices beyond the organisation. In FY2023, the Group was in compliance with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group, including the Criminal Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. During the year under review,

we did not hold any seminars or trainings related to anti-corruption due to limited operations.

#### Anti-corruption and Whistle-blowing Mechanism

As our commitment to conducting business in a responsible manner, we have zero tolerance for any form of corruption, bribery, extortion, money laundering or other fraudulent activities within the Group and in the interactions with external stakeholders. We have established internal policies in line with Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) Guidelines to regulate the behaviour of our employees as well as other stakeholders.

To better combat corruption-related behaviours, we also established an effective grievance mechanism that allows all stakeholders to report violations, inappropriate or illegal behaviour to the Administrative Department or the Management of the Group. Once we receive the report, we will conduct investigations and verification in confidentiality to protect the whistleblower from retaliation and reprisals, and appropriate actions will be taken based on the results of the investigation.

Attributed to the effective implementation of the aforementioned policies and supervision by the Administrative Department, in FY2023, there were zero concluded legal cases regarding corrupt practices brought against the Group or its employees.

## **Community**

### **B.8. Community Investment**

In FY2023, we continued to fulfil our corporate social responsibility in contributing to the communities. Given our business nature, we focus on the exploration of clean energy innovations and the construction of green energy projects. By participating in such projects, we aim to accelerate the transformation to renewable energy and contribute to a more sustainable future. Meanwhile, we give back to the local community by offering job opportunities and collaborating with local suppliers.

During the year under review, due to the unstable and limited operations, the Group was not able to participate in any charitable donations or philanthropic outreach activities. Looking forward, we are committed to seeking more opportunities to engage in social activities and create positive impacts on the local community.

## V. HKEX ESG REPORTING GUIDE INDEX

Aspects	ESG Indicators	Description	Section/Remarks
<b>A. Environmental</b>			
<b>A1: Emissions</b>	General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Emissions
	KPI A1.1	The types of emissions and respective emissions data.	Emissions
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	The Environment and Natural Resources – Target and Actions
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management; The Environment and Natural Resources – Target and Actions
<b>A2: Use of Resources</b>	General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Use of Resources
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources

	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	The Environment and Natural Resources – Targets and Actions
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Management; The Environment and Natural Resources – Targets and Actions
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to our operations
<b>A3: The Environment and Natural Resources</b>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
<b>A4: Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>B1: Employment</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Employment
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
<b>B2: Health and Safety</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
	KPI B2.2	Lost days due to work injury.	Health and Safety

	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety - Safety Policies
<b>B3: Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	No related training was conducted in FY2023.
	KPI B3.2	The average training hours completed per employee by gender and employee category.	No related training was conducted in FY2023.
<b>B4: Labour Standards</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Operating Practices</b>			
<b>B5: Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management –Supplier Engagement and Risk Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management - Supplier Engagement and Risk Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management - Green Procurement
<b>B6: Product Responsibility</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility

	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Complaint Handling
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
	KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Management
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility - Privacy Protection
<b>B7: Anti-corruption</b>	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption - Anti-corruption and Whistle-blowing Mechanism
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	No related training was conducted in FY2023.
<b>Community</b>			
<b>B8: Community Investment</b>	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	No specific amount for community investment were recorded in FY2023.

Room 705A, 7/F., New East Ocean Centre,  
9 Science Museum Road, Tsim Sha Tsui East,  
Kowloon, Hong Kong

香港九龍尖沙咀東科學館道9號  
新東海商業中心7樓705A室