



# Wenye Group Holdings Limited 文業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1802

# 2023

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT



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## 1. ABOUT THIS REPORT

Wenye Group Holdings Limited (referred to as the '**Company**') and its subsidiary companies (referred to as '**Wenye Group**', the '**Group**' or '**We**'), headquartered in Shenzhen City, Guangdong Province in China, provide architectural building decoration services. We are able to provide our customers with more professional and comprehensive services with over 30 years of operating history. Our projects cover different aspects of interior and exterior architectural building decorations, which include (i) Interior Architectural Decoration and Installation; (ii) Interior Electromechanical Installation; (iii) Fire Safety Installation; (iv) Electronic and Intelligent System Installation; and (v) Curtain Wall Installation. We are pleased to publish the fifth Environmental, Social and Governance Report (referred to as '**ESG Report**' or the '**Report**'), hence demonstrating the principles we uphold in fulfilling corporate social responsibility and our sustainable development concept, and summarizing the Company's work and practices in the areas of environmental, society and governance (referred to as '**ESG**').

### 1.1 Reporting Standards

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (referred to as the '**Guide**') under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (referred to as the '**Listing Rules**') issued by the Stock Exchange of Hong Kong Limited (referred to as the '**Stock Exchange**'). This Report has followed the "comply or explain" principles of the Guide. Readers can refer to part 10 of this Report: The ESG Reporting Guide Content Index of the Stock Exchange of Hong Kong Limited for quick reference.

We publish this Report in accordance with the principles of materiality, quantification, balance, and consistency.

Materiality	During the preparation process, this Report has identified significant stakeholders and determine the materiality of ESG issues based on the process and results of surveys, engagement with stakeholders and assessment of the materiality.
Quantification	All data in this Report came from relevant statistical reports and documents of the Group. This Report also published the relevant stands and methods in the calculation of greenhouse gas emissions and energy consumption.
Balance	This Report follows the principle of accuracy, objectivity, unbiasedness to demonstrate ESG management performance of the Group.
Consistency	This Report employs consistent statistical methods for data disclosed with those of the previous years to facilitate comparisons.

## 1.2 Scope of the Report

This Report only covers the Group's headquarters office in Shenzhen. During the Reporting Period, the revenue from our headquarters accounts for approximately 100% of the Group's total revenue and the number of employees represents 100% of the Group's total workforce.

## 1.3 Reporting Period

This Report only demonstrates the initiative and performance in environmental and social aspects from 1 January 2023 to 31 December 2023 (referred to as the '**Reporting Period**' or the '**Year**').

## 1.4 Reporting Language

This Report has traditional Chinese and English versions and both have been uploaded to the Stock Exchange's website and the Company's website (<http://www.szwyzs.com.cn>). In case of any discrepancy, the traditional Chinese version shall prevail.

## 1.5 Feedback

Any comments and suggestions from stakeholders can help the Group to plan its sustainable development strategy. If you have any feedback, you are welcome to contact our Board Office at:

Email: [ir@szwyzs.com.cn](mailto:ir@szwyzs.com.cn)

Telephone: (0755) 8328 8118

## 2. ESG STRATEGY

### 2.1 Statement of the Board

During the Reporting Period, the Board is fully responsible for the Group's ESG governance and formulates management policies and strategies for sustainable development. With the Board's authorization, the ESG working group has been established by assigning professional employees from various departments. The ESG working group determines the management approach and work objectives after they consider and evaluate the concerns of every stakeholder through materiality assessments. In the Reporting Period, the ESG working group regularly reports to the Board to review the Group's compliance with sustainable development management policies.

### 2.2 ESG Working Group

Wenye Group has established the ESG working group to fulfill the following responsibilities in order to achieve better ESG management:

The Board	ESG working group	Departments
<ul style="list-style-type: none"><li>• Supervise and manage ESG issues</li></ul>	<ul style="list-style-type: none"><li>• Monitor policies related to ESG issues to ensure compliance with laws and regulations</li></ul>	<ul style="list-style-type: none"><li>• Implement ESG related polices.</li></ul>
<ul style="list-style-type: none"><li>• Formulate sustainable development strategies</li></ul>	<ul style="list-style-type: none"><li>• Report the ESG related working progress to the Board</li></ul>	<ul style="list-style-type: none"><li>• Assist in collecting data related to ESG reports.</li></ul>
<ul style="list-style-type: none"><li>• Review effectiveness of ESG management</li></ul>	<ul style="list-style-type: none"><li>• Advise the Board regarding ESG issues</li></ul>	

### 2.3 Stakeholder Engagement

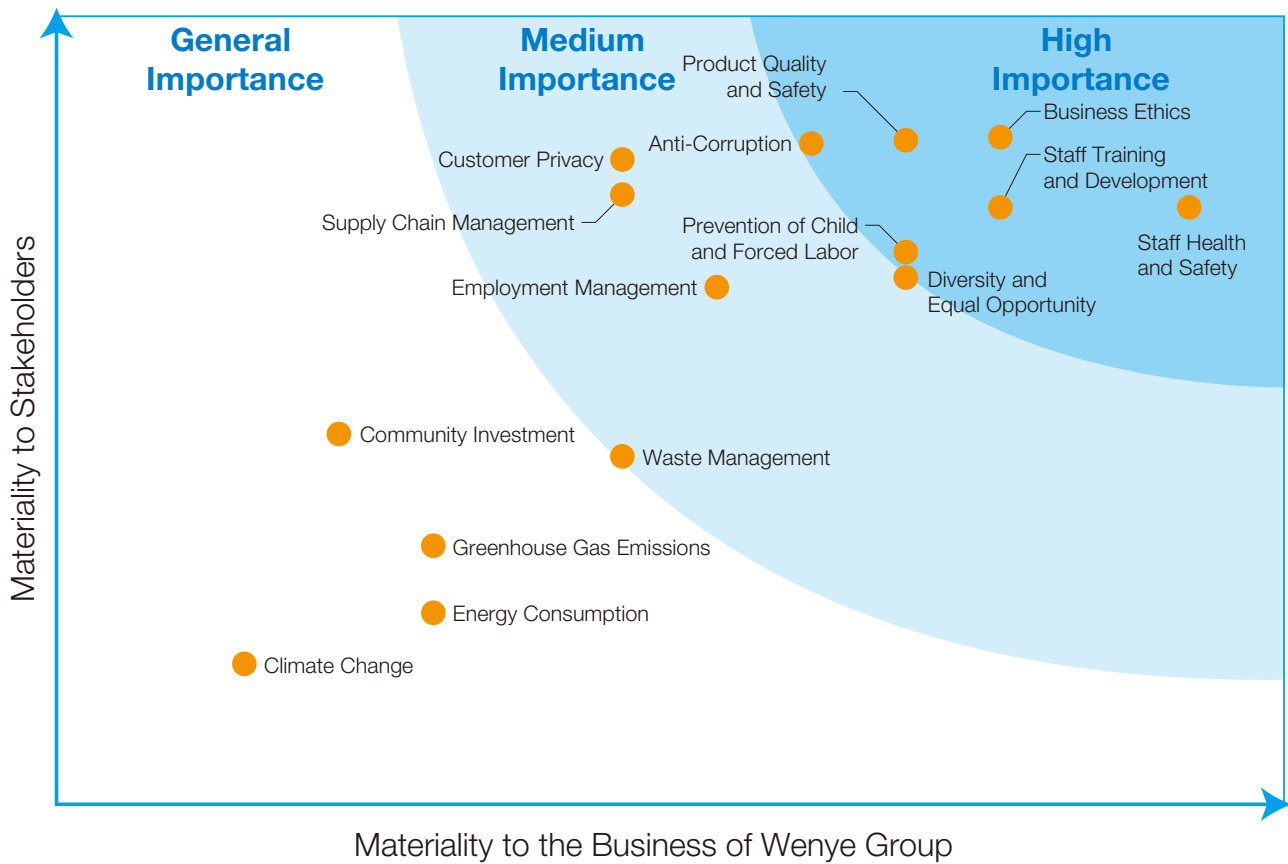
We consider support from stakeholders as an indispensable part of our management. We continuously communicate and engage with every stakeholder to understand their concerns through various channels. The majority of our stakeholders are customers, shareholders, suppliers, and other stakeholders. They can understand our inputs and achievements more comprehensively and assist us in improving the Group's ESG management through the following main communication methods.

Key Stakeholders	Main communication methods
Customers	<ul style="list-style-type: none"><li>• Email</li><li>• Direct communication</li><li>• Telephone</li></ul>
Shareholders	<ul style="list-style-type: none"><li>• Annual general meetings and other general meetings</li><li>• Mid-term and annual reports</li><li>• Corporate communications, e.g. letters or circulars to shareholders and notices of meetings</li><li>• Performance announcements</li></ul>
Employees	<ul style="list-style-type: none"><li>• Channels for employees to express their opinion including forms and suggestion boxes, etc.</li><li>• Whistleblower channel of the Group</li><li>• Email</li></ul>
Investors	<ul style="list-style-type: none"><li>• Performance announcements</li><li>• Senior management meetings</li></ul>
Regulatory Authorities	<ul style="list-style-type: none"><li>• Compliance reports</li></ul>
Media	<ul style="list-style-type: none"><li>• Performance announcements</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Supplier management procedures</li><li>• Contracts</li></ul>

## 2.4 Materiality Assessment

The Board and the ESG working group consider that the materiality assessment results of the year 2022 are still applicable to the Year since (i) there are no significant changes in our business and operating environment for this year (ii) the results of materiality assessment from the previous year still meet stakeholders' expectations.

### Materiality Matrix of Wenye Group



### 3. ENVIRONMENTAL PROTECTION

We strictly adhere to the relevant environmental laws and regulations, including but not limited to: the 'Environmental Protection Law of the People's Republic of China' (《中華人民共和國環境保護法》), the 'Law of the People's Republic of China on the Prevention and Control of Water Pollution' (《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 Environmental Pollution by Solid Wastes' (《中華人民共和國固體廢物污染環境防治法》), the 'Energy Conservation Law of the People's Republic of China' (《中華人民共和國環境保護法》), the 'Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution' (《中華人民共和國噪聲污染防治法》), etc. We are committed to following sustainable development management policies in our daily business operations.

We adopt environmental protection initiatives during our construction process. To reduce unnecessary noise, we employ high-quality equipment, install noise reduction facilities, and turn off the power of idle equipment. We also employ recyclable materials while maximizing the effective use of decoration materials.

During the Year, the Group was not aware of any material violations or incidents related to environmental laws and regulations.

#### 3.1 GreenHouse Gas Emissions

Climate change is a serious problem worldwide. To reduce any adverse impact brought to the environment, we are committed to implementing effective measures to reduce the Group's greenhouse gas emissions. These initiatives include using energy-efficient appliances and setting the air conditioner at a temperature of between 25 degrees Celsius and 26 degrees Celsius consistently.

The greenhouse gas emissions performance of the Group's headquarters in Shenzhen is as follows:

Greenhouse Gas Emissions Performance	Unit	2023
<b>Greenhouse Gas Emissions</b>		
Scope 1 Direct greenhouse gas emissions	Tonnes of CO <sub>2</sub> e	16.79
Scope 2 Indirect greenhouse gas emissions	Tonnes of CO <sub>2</sub> e	79.23
Total greenhouse gas emissions	Tonnes of CO <sub>2</sub> e	96.02
<b>Intensity of Greenhouse Gas Emissions</b>		
Per square meter (Scope 1 & 2)	Tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.024

Scope 1: Direct greenhouse gas emissions from sources that are owned and controlled by the Group.

Scope 2: Indirect greenhouse gas emissions from electricity generation, heating and cooling or steam purchased by the Group.



### 3.2 Energy Consumption

During the Year, the total electricity consumption was 121,464 kWh, and the intensity of electricity consumption was 29.98 kWh per square meter.

### 3.3 Water Conservation

The Group's daily used water supply is from municipal water supply, while bottled water is purchased for drinking. During the Reporting Period, we did not encounter any issues with the water supply. To avoid any unnecessary usage of water, we advocate water conservation and actively implement various initiatives such as posting 'Save Water' signs in restrooms, using faucets with smaller water displacement, and regularly monitoring water usage, repairing any problematic pipes, etc.

During the Reporting Period, the Group's total water consumption was 2,782 cubic meter and the water consumption per square meter was 0.69 cubic meter. Compared to the year 2022, it has increased by 1%. Such increase was the result of the relatively long suspension of work in the previous year caused by the pandemic. Overall, the aforementioned initiatives have effectively increased the water utilization rate.

### 3.4 Waste Reduction

To reduce waste and improve resource utilization, we advocate the principles of 'reduction', 'reuse' and 'recycling'. We placed recycling bins to increase the recycling rate; posted signs at the printers to encourage double-sided printing and the reuse of paper. We also promoted the idea of 'paperless office' to encourage employees to transmit information in electronic format.

Our office used paper from suppliers who all have been awarded the ISO14001 environmental management system certification and ISO9001 quality management system certification. During the Reporting Period, we consumed a total of 1,800 tonnes of paper, with an average consumption of 21.95 tonnes by each employee.

We also formulated the 'Regulations on the Management of the Use of Informatized Office Equipment of Wenye Decoration'. It required all informatized office equipment and accessories to be registered and managed in a unified manner and allocated according to actual needs. For aging office equipment, we strive to reuse them as much as possible after maintenance and repairs.

Our non-hazardous waste during the Year was mainly made up of office domestic waste, which amounted to 4.24 tonnes (i.e. 51.7 kilogram per employee). All waste had been legally disposed of. Hazardous waste was mainly from discard computers, batteries, used ink cartridges, and toner cartridges, totaling 0.05 tonnes and 0.6 kilogram per employee.

### 3.5 Climate Change

Global climate change is a severe problem and we are well aware of how it may affect our business and operations. For the nature of our business, we have confirmed that acute physical risks will interfere with our operations.

Typhoons, heavy rain, floods, lightning, and other extreme weather all could probably result in acute physical risks. More frequent typhoons and heavy rain increase the possibility of power outages or damage to our equipment. In addition, extreme weather would also affect employees' commuting to the workplace. It can also lead to disruption in projects and the temporary closure of offices. These potential consequences can result in economic losses and increased operational costs for the Group.

We have implemented the following initiatives to prevent and minimize the potential impact brought by extreme weather:

Acute Physical Risks	
Extreme Weather	Preventive and mitigation initiatives
Typhoon	<ul style="list-style-type: none"><li>• Windows are secured by tapes to prevent damage</li><li>• Reinforce equipment that may be blown by strong winds</li><li>• Arrange employees to work from home according to information from the local meteorological bureau.</li></ul>
Heavy rain and floods	<ul style="list-style-type: none"><li>• Check all doors and windows to ensure that they are tightly closed.</li><li>• Arrange employees to work from home according to information from the local meteorological bureau.</li></ul>

## 4. EMPLOYEE CARE

We treat our employees as valuable assets who contribute to the Group's development. Therefore, we strictly follow the 'Labor Law of the People's Republic of China' (《中華人民共和國勞動法》), the 'Labor Contract Law of the People's Republic of China' (《中華人民共和國勞動合同法》), the 'Implementation Regulations of the Labor Contract Law of the People's Republic of China' (《中華人民共和國勞動合同法實施條例》), the 'Law of the People's Republic of China on the Protection of Minors' (《中華人民共和國未成年人保護法》), the Provisions on the Prohibition of Using Child Labor' (《禁止使用童工規定》) and other relevant laws and regulations. The Group dedicates to provide our employees with a comfortable working environment without discrimination and harassment and has established a detailed and compliant employee management system. We encourage employees to build harmonious personal relationships with each other and promote team spirit in the workplace. As at 31 December 2023, we have a total of 82 employees, all of whom are located in Shenzhen.

During the Reporting Period, the Group was not aware of any material violations of any relevant laws and regulations.

### 4.1 Employment

We are committed to creating a workplace that encourages equal, open, inclusive, and respectful communication. Any form of discrimination in the workplace is strictly prohibited, including discrimination based on gender, age, nationality, race, skin color, religion, body size, illness, mental or physical disabilities, sexual orientation, or social status, etc. We strive to establish a diverse and mutually respectful work culture and provide equal employment opportunities.

We advocate for fairness and unbiased treatment by recruiting talents through various channels. The Human Resources department utilizes different assessment methods based on the nature of the positions and conducts comprehensive evaluations of candidates' professional skills and overall qualities. During our hiring process, candidates who meet the requirements of our job positions are selected. To avoid employing child labor by mistake, we rigorously verify the personal information of applicants during the hiring process. During the Reporting Period, the Group has not encountered any violations related to the employment of child labor or forced labor.

With regard to employee compensation and benefits, we offer competitive remuneration packages to attract highly qualified employees. The Human Resources department analyzes data on the average salaries in the labor market for the current year and determines the reasonable salary based on employees' individual job requirements, skills, education, and work experience. What's more, we conduct assessments of year-end bonuses, salary increases, or promotions for our employees based on their seniority and project performance for the current year. During holidays, we also provide additional holiday bonuses and allowances. We offer free lunch and dinner to our employees on a daily basis. In terms of welfare and leave, in addition to the mandatory social insurance and statutory holidays as required by the state, we also provide paid sick leave, marriage leave, maternity leave, bereavement leave, and work-related injury leave to our employees.

## 4.2 Health and Safety

We strictly follow the 'Production Safety Law of the People's Republic of China' (《中華人民共和國安全生產法》), the 'Fire Protection Law of the People's Republic of China' (《中華人民共和國消防法》), the 'Social Insurance Law of the People's Republic of China' (《中華人民共和國社會保險法》), 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》) and other laws and regulation. During the Reporting Period, the Group was not aware of any material violations of any relevant laws and regulations.

Our occupational health and safety management system has been awarded the OHSAS 18001 certification, and we operate in accordance with its standards. We place great emphasis on the health and safety of every employee and strive to minimize the occurrence of accidents. During the Reporting Period, the company did not receive any complaints or lawsuits due to violations of health and safety laws. Additionally, there have been no work-related fatalities in each of the past three years (including the Reporting Period).

For those employees who usually work on construction sites, the Group requires its employees, contractors, and engineers to strictly follow the regulations of 'safe and Civilized Construction'. We regularly provide three-level safety education to our employees and construction workers to enhance their awareness of their safety at work. Furthermore, we provide personal protective equipment, such as safety helmets and labor protection gloves, to our employees. Every construction object is certified to a safety production permit. Before starting construction, we require the project leader to incorporate organizational image planning, safety production, and civilized construction planning into the project plan and set up appropriate signage in the construction sites. Signage indicating major hazards must clearly state the on-site risk factors and precautions. The Group also implements an accident accountability system. After the project starts, we require relevant personnel to conduct daily safety inspections and record-keeping. They must propose corrective measures and conduct follow-up inspections if they notice any issues. In the event of any industrial accidents, the Group shall conduct an investigation into the accidents and hold relevant individuals accountable.

For those employees working in the office, the Group has established internal management systems, strictly enforcing office environmental hygiene and fire safety management. In the office, electrical appliances should be turned off when not in use, and unauthorized installation of power outlets is not allowed. We regularly conduct fire drills to ensure every employee is familiar with the evacuation procedures in case of fire emergencies.

## 4.3 Mutual Growth

The Group places great importance on the training and development of its employees. Therefore, we establish long-term talent development plans and encourage our employees to participate in self-learning and self-improvement. Employees who obtain national professional technical certificates are eligible for additional incentive subsidies. During the Reporting Period, the company organized various training activities, including comprehensive onboarding training for new employees and skills training within the technical departments. These training programs aim to enhance the job skills of our employees. Additionally, our comprehensive onboarding training helps our new employees to gain a better understanding of the Group's culture, structure, rules, and regulations, facilitating them to quickly integrate into the Group.

## 5. OPERATIONAL RESPONSIBILITY

We strictly adhere to 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 'Implementation Rules of the Patent Law of the People's Republic of China' (《中華人民共和國專利法實施細則》), the 'Trademark Law' (《中華人民共和國商標法》), the 'Copyright Law of the People's Republic of China' (《中華人民共和國著作權法》), the 'Advertising Law of the People's Republic of China' (《中華人民共和國廣告法》) and other relevant laws and regulations. We ensure that all publicly disclosed information undergoes review to provide the public with complete, truthful, and accurate information.

Additionally, we have a patent application process in place to encourage and to promote technological innovation and protection within the Group. We also require employees to comply with the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and related regulations. They should not infringe upon the patent rights of other employees. If any violations are discovered, we shall report the case to relevant government authorities.

### 5.1 Product Quality

The Group adheres to high standards for product quality. All construction projects undertaken by the Group comply with the regulations and laws in connection with the construction industry such as 'Construction Law of the People's Republic of China' (《中華人民共和國建築法》) and the 'Regulations on Quality Control of Construction Projects' (《建設工程質量管理條例》). We also formulate basic procedure and guidelines. Our quality management system has earned ISO9001 certification. During the Reporting Period, the Group was not aware of any material violations of any relevant laws and regulations.

During the Reporting Period, we established a sound Engineering Management structure, including the Engineering Department, Contract Department, Quality and Safety Department, and Information Department. They each have the following responsibilities:

- |                        |   |
|------------------------|---|
| Engineering Department | <ul style="list-style-type: none"><li>• Comply with and implement the relevant laws, regulations, policies, and procedures related to national construction projects;</li><li>• Responsible for pre-construction work, research, data collection, and site surveys;</li><li>• Coordinate with project construction reporting and completion filing;</li><li>• Manage the entire process of project, quality, and safety in a civilized construction manner;</li><li>• Coordinate and resolve various issues that arise in the project department.</li></ul> |
| Contract Department    | <ul style="list-style-type: none"><li>• Responsible for the daily management of company contract fulfillment, including collecting, recording, and organizing data, as well as timely document filing and archiving;</li><li>• Responsible for contract clause review and overall project evaluation;</li><li>• Collaborate with the Cost Control Center to ensure accurate cost accounting and related tasks.</li></ul>  |

Quality and Safety  
Department

- Implement national and company regulations related to safety production, engineering quality, construction progress, civilized construction, occupational health, and environmental protection;
- Develop management systems and implement rules and methods for project safety production, engineering quality, and occupational health;
- Supervise and inspect safety production, engineering quality, occupational health, and special equipment;
- Organize, inspect, and evaluate the work of project quality reputation assessment, and ensure the implementation of safety production, engineering quality, and occupational health goals and measures;
- Responsible for the planning, guidance, acceptance, evaluation, and application of the construction of safe construction sites;
- Regularly organize safety production, engineering quality, occupational health, and special equipment safety inspections and special safety and quality rectification work;
- Participate in and cooperate with relevant departments in the investigation of accidents and the implementation of emergency measures for other emergencies;
- Responsible for the investment, utilization, supervision, and inspection of special funds for project safety production in the unit.

Information Department

- Collect data for all projects according to the project data collection list, establish a complete set of electronic data, and organize and archive it;
- Responsible for reviewing labor-related documents;
- Monitor employee attendance.

With regard to quality control, the Quality and Safety Department monitors the quality of the construction projects. The department strictly follows the specified requirements when accepting projects and keeping records, as well as reviewing the construction quality. Our project managers conduct comprehensive on-site safety and quality inspections and examine aspects including quality, safety and documentation. Our project managers also regularly administer safety education knowledge tests and provide re-education and assessment for our employees who did not pass the relevant internal assessments.

## 5.2 Client Service

We firmly believe that customer satisfaction is the key to the Group's sustained business growth. Hence, we strictly comply with the 'Law of the People's Republic of China on the Protection of Consumer Rights and Interests' (《中華人民共和國消費者權益保護法》). In addition, we actively communicate with our customers and make timely improvements based on their feedback and suggestions. The Company has an internal program to handle customer complaints. This program is specifically designed to collect customer feedback and complaints and to facilitate direct communication with the relevant departments. This program has helped to improve our efficiency in handling feedback from our customers.

During the Reporting Period, we did not receive any customer complaints or claims related to any part of our services.

## 5.3 Data Protection

We strictly follow the 'Confidentiality Law of the People's Republic of China' (《中華人民共和國保密法》), the 'Implementation Measures of the Confidentiality Law of the People's Republic of China' (《中華人民共和國保密法實施辦法》) and other laws to protect customer privacy. We have also established certain internal policies to manage the personal information of our customers in accordance with the regulations. Customer's personal information must be securely stored and comply with confidentiality requirements. We ensure that customers' personal information can only be used for the purposes for which it was collected, and if there is a need to transfer the said information to a third party, we must inform the customer and obtain their permission before we transfer the same. In addition, we have signed confidentiality agreements with every employee by requiring them not to disclose the Company's trade secrets without permission from the Group. We have also established a dedicated monitoring team within the Company to oversee compliance.

## 5.4 Anti-Corruption

We pay a lot of attention to anti-corruption measures. The Group requires various departments to actively cooperate with our anti-corruption management team and continuously monitor and optimize the process. During our operation, we ensure that the Group will strictly follow the 'Company Law of the People's Republic of China' (《中華人民共和國公司法》), the 'Anti-Money Laundering Law of the People's Republic of China' (《中華人民共和國反洗錢法》), the 'Supervision Law of the People's Republic of China' (《中華人民共和國監察法》), the 'Criminal Law of the People's Republic of China' (《中華人民共和國刑法》) and other relevant laws and regulations. During the Reporting Period, the Group was not aware of any material violations of any relevant laws and regulations.

During the Reporting Period, the Group continues to implement the Internal Audit System from last year. Through the internal audit department, we conduct independent and objective inspections, supervision and evaluations of daily operational management. We encourage our employees to report any violations of the Company's relevant management systems to the Internal Audit and Supervision Committee through the internal audit mailbox. Our employees are strictly prohibited from using their authority for personal gain or to accept/provide entertainment, gifts, kickbacks, or other illegal benefits. We enhance and reinforce the awareness of anti-corruption risks among our directors and employees through anti-corruption training programs.

During the Reporting Period, we did not notice any significant violations of relevant laws in relation to the prevention of bribery, extortion, fraud, and money laundering. Also, the Group was not aware of any legal cases involving employees related to major violations such as corruption, bribery, exploitation, fraud, and money laundering.

## 6. COMMUNITY CONTRIBUTION

We actively promote business development and strive to assist in alleviating local employment pressures. At the same time, we actively encourage our employees to participate in community activities to promote cultural exchange and collaborative development with the community. We care about our community, respect its culture and values, and are committed to contributing to the local community. Looking ahead, the Company will continue to participate in community development and encourage its employees to engage in voluntary projects and community activities. However, due to the challenging business environment faced by the players of the PRC real estate industry, we were unable to make direct monetary investments in community projects during the Reporting Period. We will consider allocating resources as appropriate in the future to better support our community.

## 7. FUTURE VISION

We continue to strive for a balance between fulfilling our business needs and our corporate social responsibilities. We will continue to improve our performance in environmental protection, employee care, service quality, community contributions and other areas, while bearing in mind the idea of sustainable development.

We strictly follow relevant PRC environmental protection laws and regulations. We also actively promote all environmental protection measures, and integrate the concept of sustainable development into our business operations. We continue to provide our employees with a harmonious and safe working environment and safeguard their welfare. At the same time, we will assume social responsibilities and participate in community activities to promote community development.

We will overcome our challenges and aim to work towards the goal of creating a green, environmentally friendly, and sustainable enterprise.



## 8. SUSTAINABILITY DATA STATEMENTS IN ENVIRONMENTAL ASPECTS

The following is a summary of sustainability data in environmental aspect of the Group's headquarters in Shenzhen for the Year:

Environmental Aspects	Unit	2023
<b>Vehicle emissions</b>		
Nitrogen oxides	kg	6.2
Sulphur oxides	kg	0.08
Particulate matter	kg	0.35
<b>Greenhouse Gas Emissions</b>		
Direct GHG emissions (Scope 1)	Tonnes of CO <sub>2</sub> e	16.79
Indirect GHG emissions (Scope 2)	Tonnes of CO <sub>2</sub> e	79.23
Total GHG emissions (Scopes 1 and 2)	Tonnes of CO <sub>2</sub> e	98.02
GHG emission intensity (per square meter) (Scopes 1 and 2)	Tonnes of CO <sub>2</sub> e/m <sup>2</sup>	0.024
<b>Energy Consumption</b>		
Total energy consumption	kWh	121,464
Energy consumption intensity (per employee)	kWh/employee	1,481.2
Consumption of purchased electricity	kWh	121,464
Electricity consumption per employee	kWh/employee	1,481.2
Gasoline consumption	kWh	325,783.2
Gasoline consumption per employee	kWh/employee	3,972.96
<b>Water Consumption</b>		
Total water consumption	m <sup>3</sup>	2,782
Water consumption intensity (per employee)	m <sup>3</sup> /employee	33.9
<b>Paper Consumption</b>		
Total paper consumption	tonnes	1,800
Paper consumption per capita	tonnes/employee	21.9
<b>Waste</b>		
Non-hazardous waste produced (e.g. office domestic waste)	tonnes	4.24
Non-hazardous waste produced per capita (e.g. office domestic waste)	tonnes/employee	0.05
Hazardous waste produced	kg	50
Hazardous waste produced per capita	kg/employee	0.6

## 9. SUSTAINABILITY DATA STATEMENTS IN SOCIAL ASPECTS

The following is a summary of the Group's sustainability data in social aspect for the Year:

Social Aspects	Unit	2023
<b>Employment management*</b>		
Total number of employees	Person	82
<b>By Gender</b>		
Female	Person	24
Male	Person	58
<b>By employment type</b>		
Full-time junior employees	Person	35
Full-time middle management	Person	20
Full-time senior management	Person	22
<b>By age group</b>		
Under 30 years old	Person	13
30–50 years old	Person	41
Over 50 years old	Person	28
<b>By geographic region</b>		
Shenzhen	Person	82
<b>Employee turnover rate**</b>		
Total turnover rate	%	75.6%
<b>By gender</b>		
Female	%	29.3%
Male	%	70.7%
<b>By age group</b>		
Under 30 years old	%	15.6%
30–50 years old	%	24.4%
Over 50 years old	%	60.0%
<b>By geographical region</b>		
Shenzhen	%	100%
<b>Work safety and health</b>		
Number of work-related fatalities in the past three years	Person	0
Lost days due to work-related injury	days	0

Social Aspects	Unit	2023
<b>Staff training</b>		
Percentage of female employees trained	%	25.15
Percentage of male employees trained	%	75.85
Average training hours per female employee	hours	3.15
Average training hours per male employee	hours	4.78
Percentage of full-time junior management trained	%	79.21
Percentage of full-time middle management trained	%	19.31
Percentage of full-time senior management trained	%	1.48
Average training hours for full-time junior management	hours	4.12
Average training hours for full-time middle management	hours	3.23
Average training hours for full-time senior management	hours	2.22
<b>Labor standards</b>		
Number of child labors found during the Reporting Period	person	0
Number of forced labors found during the Reporting Period	hours	0
Product Recalls due to Health and Safety Issues	cases	0

\* Calculated based on the number of employees as at 31st December 2023

\*\* Calculated as the percentage of total number of leavers in the Year to the sum of total number of employees and total number of leavers

## 10. THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Indicators		Sections
<b>A. Environmental Aspects</b>		
<b>A1: Emissions</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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.
	A1.1	The types of emissions and respective emissions data.
	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).
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
	A1.5	Description of emission target(s) set and steps taken to achieve them.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.
		3. Environmental Protection
		8. Sustainability Data Statements in Environmental Aspects
		8. Sustainability Data Statements in Environmental Aspects
		8. Sustainability Data Statements in Environmental Aspects
		3.1 Greenhouse Gas Emission
		3.4 Waste Reduction

Indicators		Sections	
<b>A2: Use of Resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	3. Environmental Protection
	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).	8. Sustainability Data Statements in Environmental Aspects
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	8. Sustainability Data Statements in Environmental Aspects
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.2 Energy Consumption
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	3.3 Water Conservation
	A2.5	Total packaging material used for finished products (in kg) and, if applicable, with reference to per unit produced.	Not application as the Group's business does not involve packaging materials
<b>A3: The Environment and Natural Resources</b>	General Disclosure	Policies on minimizing the issuers' significant impact on the environment and natural resources.	3.3 Environmental Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.3 Environmental Protection
<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.	3.5 Climate Change
	A4.1	Description of significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	3.5 Climate Change

**Indicators****Sections****B. Employment and Labour Practices**

<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.	4. Employee Care
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	9. Sustainability Data Statements in Social Aspects
	B1.2	Employee turnover rate by gender, age group and geographical region.	9. Sustainability Data Statements in Social Aspects
<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.	4.2 Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	4.2 Health and Safety
	B2.2	Lost days due to work-related injury.	4.2 Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.2 Health and Safety

Indicators		Sections	
<b>B3: Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3 Mutual Growth
	B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	9. Sustainability Data Statements in Social Aspects
	B3.2	Average training hours completed per employee by gender and employee category.	9. Sustainability Data Statements in Social Aspects
<b>B4: Labor 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 labor.	4. Employee Care
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	4. Employee Care
<b>B5: Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.4 Cooperation with Suppliers
	B5.1	Number of suppliers by geographical region.	5.4 Cooperation with Suppliers
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.4 Cooperation with Suppliers
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.4 Cooperation with Suppliers
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.4 Cooperation with Suppliers

Indicators		Sections	
<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.	5. Operational Responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Product Quality
	B6.2	Number of products and service-related complaints received and how they are dealt with.	5.2 Client Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5. Operational Responsibility
	B6.4	Description of quality assurance process and recall procedures.	5.1 Product Quality
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.3 Data 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.	5.5 Anti-Corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	5.5 Anti-Corruption
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	5.5 Anti-Corruption
	B7.3	Description of anti-corruption training provided to directors and employees.	5.5 Anti-Corruption
<b>B8: Community Contribution</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.	6. Community Contribution
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6. Community Contribution
	B8.2	Resources contributed to the focus area.	6. Community Contribution