



雅高控股
ARTGO HOLDINGS

ARTGO HOLDINGS LIMITED 雅高控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 3313

2024

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1. ABOUT THIS REPORT

Group Overview

ArtGo Holdings Limited (the “Company”, together with its subsidiaries referred to as the “Group”) is listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”, Stock code: 3313). Our enterprise encompasses various activities, including the excavation, refining and retailing of marble, along with trading in commodities. Our products range from marble slabs, standard cut-to-size marble, antique series, water jet, border series, and marble-related crafts to bathroom and tailor-made household products and calcium carbonate products. In the meantime, the Group has endeavoured to operate its business sustainably.

Reporting Scope

This report is prepared by the Company in accordance with the “Environmental, Social and Governance Reporting Guide” as set forth under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange, and has complied with the “Comply or Explain” provisions as contained in the “Environmental, Social and Governance Reporting Guide”.

Opinions and Feedback

The Report serves as an important tool to communicate to all stakeholders the Company’s efforts in promoting sustainability developments, and to demonstrate its ongoing commitment to enhancing its economic, social and environmental performance.

As part of our sustainable development initiative, the Group welcomes feedback and opinions from the stakeholders pertaining to the improvement and performance of our environmental, social and governance aspects. Please submit your opinions to the e-mail address ir@artgo.cn.

Reporting Principles

The following principles are adopted in the Report:

- **Materiality:** Important and relevant information to stakeholders on different ESG aspects are covered in the Report. A materiality assessment was conducted to determine material ESG issues, with results approved by the Board.
- **Quantitative:** The relevant standards, methodologies and assumptions used to prepare the quantitative information are disclosed, as appropriate. Quantitative information is provided with narrative and comparative figures, where possible.
- **Consistency:** Consistent methodologies are used to prepare and present ESG data in the Report, unless otherwise specified, to allow for meaningful comparisons.
- **Balance:** The information is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.

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2. CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

Missions and Objectives

The Company holds the following five core philosophies: safety first, customer-oriented, management centered, care based, and environment protection prioritized. We attach great importance to our responsibility to society, while taking into account business development and its impact on the environment and society. The following outlines our missions and objectives in terms of environment, community, employment, and operations:

Maintain Highest Ethical Standards

We aim to maintain the highest ethical standards in the conduct of our business. We are committed to upholding the highest standards of corporate governance

Focus on Health and Safety

Health and safety issues are always our top priority

Minimise Environmental Impact

We undertake to minimize the impact of our activities on the environment

Contribute to Communities

We are willing to make contributions to the communities in which we operate

Respect Our Staff

We treat each employee with fairness, respect their opinions, and provide them with a comfortable work environment

Encourage Partners to Set High Standards

We encourage our contractors to embrace high standards similar to ours

Culture and Education

We promote the development and appreciation of arts and culture to improve our quality of life and encourage innovation and creative thinking

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Materiality Assessment

During the reporting period, the Group evaluated a number of environmental, social and operating items, and assessed their importance to stakeholders and the Group through various channels. This assessment helps to ensure that the Group's business objectives and development direction satisfy the stakeholders' expectations and requirements. The matters of concern for both the Group and stakeholders are listed in the following materiality matrix:

Step 1: Identify potential ESG issues

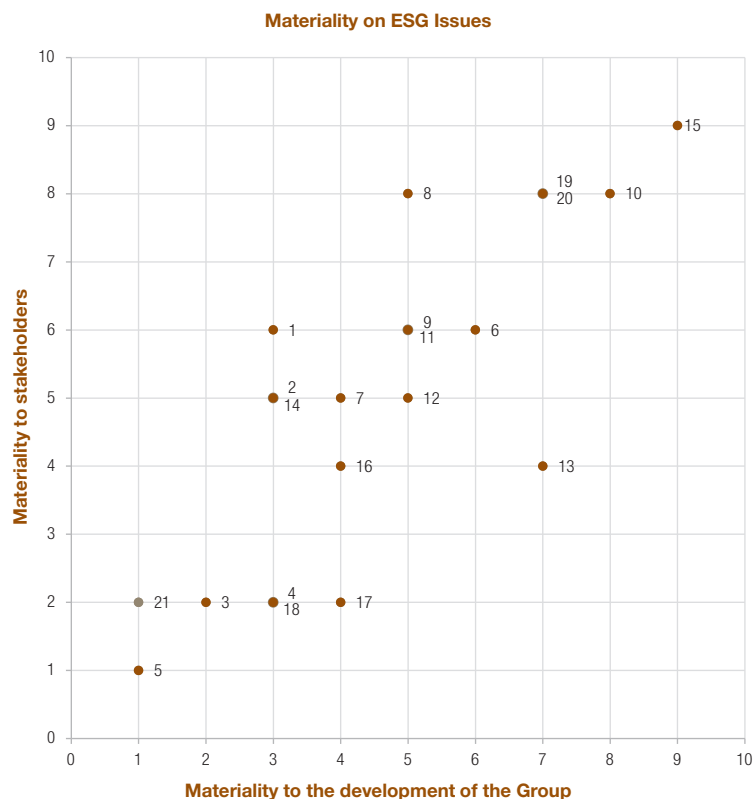
Taking into account the requirements of "ESG Reporting Guide" and the latest sustainability trends in the industry to identify relevant material issues. Twenty-one ESG issues were identified where they mattered the most to the Group's businesses and stakeholders.

Step 2: Materiality assessment

To determine the materiality of the ESG issues, the view of the Group's senior management as well as our key stakeholders was sought. The relevance/importance of each of the ESG issues was assessed and scored according to their views on a scale of 0 to 10 (0 is irrelevant and 10 is crucial).

Step 3: Priority

Based on the materiality assessment result, the Group prioritised the issues in two dimensions, namely, "Materiality to stakeholders" and "Materiality to the development of the Group" and prepared the materiality matrix as below. The ESG issues that fall within the top right-hand quadrant are of the greatest importance.



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Aspects	Major concerns
Environment	<ol style="list-style-type: none">1. Air emission2. Greenhouse gas emission3. Wastes production4. Natural resources consumption5. Use of packaging materials6. Impact on the environment7. Climate change
Employment	<ol style="list-style-type: none">8. Labour practices9. Employee remuneration and benefits10. Occupational safety and health11. Employee development and training
Supply Chain Management	<ol style="list-style-type: none">12. Green procurement13. Engagement with suppliers14. Environmental and social risk management of supply chain
Product Responsibility	<ol style="list-style-type: none">15. Product/Service quality and safety16. Customer privacy and data security17. Marketing and promotion18. Intellectual property rights
Anti-corruption	<ol style="list-style-type: none">19. Business ethics & anti-corruption20. Internal grievance mechanism
Community	<ol style="list-style-type: none">21. Participation in philanthropy

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Stakeholder Engagement

Stakeholder engagement is the core element of the Group's sustainable development. Focusing on the establishment of regular communication mechanism for stakeholders, the Group has set up online and offline communication channels. These platforms showcase the Group's strategic planning and performance of sustainable development, allowing timely consultation from the stakeholders to align business practices with stakeholders' expectations.

The Group's stakeholders includes shareholders, staff, government and regulatory authorities, customers, suppliers, communities, institutional and individual investors, etc. The Group discusses relevant issues with its stakeholders through various channels. The communication channels between the Group and its stakeholders are listed below, to understand the expectations and needs of the stakeholders.

Stakeholders	Expectations	Communication and feedback
Shareholders/Investors	Financial results Corporate transparency Sound risk control	Growth in profitability Regular disclosure of information Optimization of risk management and internal control
Staff	Platform for career development Salaries and benefits Safe working environment	Promotion mechanism Competitive salaries and employee benefits Provision of employee training and improvement in safety awareness
Government and regulatory authorities	Compliance with rules and regulations Paying tax according to the law	Operational compliance Full payment of tax when due
Customers product	Standards of logistics and delivery	Monitoring of delivery status with the tracking system
Operational compliance	Security of customer information Protection of customers' rights and interests	Protection of customer privacy Marketing compliance
Suppliers	Cooperation with integrity Business ethics and creditworthiness	Establishment of a responsible supply chain Performance of contracts according to the law
Communities	Environmental protection Job opportunities	Use of environmentally friendly and energy-saving equipment Provision of job opportunities

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CSR governance structure, execution and monitoring

CSR governance structure

Our CSR structure consists of the Board, the management and the executive department. The Board oversees ESG matters as a whole and authorizes the management to perform duties relevant to CSR matters. Through collecting CSR-related data regularly, the management can assess, monitor and report material ESG issues to the Board. The executive department is responsible for promoting and implementing ESG policies on the operation level.

Policy execution

In promoting sustainability and minimizing the impact on the ecological environment and natural resources, ArtGo aims to maximize greening profits in its production activities without causing ecological deterioration and to reduce the consumption of natural resources. To fulfil the environmental commitments, the Group will enhance its product and technology performances, optimize production techniques, improve management standards, and increase employee responsibility and awareness of environmental protection. We are dedicated to integrating the spirit of community contribution into our core businesses, providing expertise, human resources, and support for educational and cultural development for philanthropic projects.

Monitoring

The Group also follows a sustainable development strategy by providing the employees with a safe and healthy working environment, talent training and development, promoting and implementing supply chain management policies, comprehensive mechanisms and measures for environmental protection, as well as community involvement and participation. The management assists in maintaining the Group's risk management and internal control systems, while the Board monitors the system's effectiveness and appropriateness on an ongoing basis to properly monitor environmental, social and governance performance and address related sustainability risks.

3. ENVIRONMENTAL PROTECTION

The Group has taken various environmental protection initiatives to promote long-term environmental sustainability and minimize carbon emissions. During our business operation and management, practical regulations are introduced to utilize resources efficiently and reduce waste. Our stone mining business and the production of calcium carbonate products business may generate different emissions and waste, leading to environmental impacts. Therefore, we have adopted various policies and procedures to ensure our business operations comply with specific regulations. Considering that our other businesses, including logistics and other trading activities, have fewer environmental impacts, we have increased our focus on the efficient consumption of energy and resources throughout our business operations.

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3.1. Emissions

3.1.1. Environmental Policy

The Group's Environmental Policy focuses specifically on emission reduction, carbon footprint reduction, promotion of waste reduction at the source, enhancement of green purchasing, and encouragement of stakeholder involvements. The Group will endeavour to:

- Ensure compliance with all local environmental and related legislation
- Encourage staff at all levels, business partners, and other stakeholders to fulfil their environmental obligations
- Request all new employees to attend EHS on-board training to ensure they understand our commitment to environmental protection
- Identify environmental impacts associated with our operations, and set targets to continually improve our environmental performance
- Improve energy efficiencies by adopting the best practicable designs and technologies
- Regularly measure and report our emissions of GHG such as CO₂, NO_x and SO_x
- Record all emission data, analyze it in detail, and incorporate it into the KPI of employees at all levels
- Actively encourage our stakeholders to reduce their carbon footprint
- Actively promote waste classification, treatment of harmful and harmless wastes, provision of recycling bins, and other environmental protection measures
- Minimise waste generation whenever practical in daily operations through recycling and waste reduction at the source
- Embrace green purchasing practices and adopt the best practicable technologies to conserve natural resources
- Supervise the production safety and high-quality products of our suppliers, encourage them to use recycled materials, and develop environment-friendly packaging while continuing to meet customers' expectations

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- Provide good indoor environmental quality to ensure that all the work environments are healthy
- Provide indoor and outdoor greening and plants
- Provide regular environmental training to employees and continue to raise their awareness of the issues
- Invest in and construct environmental facilities to treat wastewater, waste gas, and solid waste in compliance with the requirements set by the environmental authorities of local governments
- Establish internal control mechanisms, and appoint safety practice commissioners and superintendents to implement various safety operation procedures in accordance with the Group's regulations

3.1.2. Compliant emissions

The Group strictly complies with relevant national environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, as well as laws related to pollutant emissions such as the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, and other national and local policies.

3.1.3. Emissions

The Group is committed to ensuring that all key environmental impacts are identified and managed responsibly. We closely monitor the emission during production and strengthen environmental management to exercise control over main pollution sources. We also make our best efforts to reduce the waste emission. Emission targets are independently set for each project. Currently, our main pollutants include wastewater and dust during production, as well as exhaust gas, air, waste water and solid waste generated from other daily operations.

3.1.4. Emission reduction and effectiveness

With respect to sewage management during production:

A water recycling system has been implemented during the production process. This system ensures that the sewage generated during marble stone cutting and calcium carbonate production is collected and compressed by the recycling system to filter out waste materials in the water. The waste materials are then compressed into a solid form, while the water is deposited, purified, and reused. This process serves to protect the environment, prevent dust, and reduce local water pollution.

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With respect to dust prevention for efficient reduction of local air pollution:

All mines and production facilities are required to spray water, and install separative enclosures and shielding cases during the production process to ensure the dust generated from stone cutting and calcium carbonate production is eliminated, thereby reducing environmental pollution.

With respect to exhaust gas management:

The Group's exhaust gas primarily comes from office vehicles and light transportation vehicles. The Group employs a strict approval system for office vehicles, and has established rules for light transportation vehicles, including detailed records of mileage and fuel consumption spending, regular calculation, and pooled analyses of discharges for constant improvement.

The Group indirectly reduced the emission of exhaust gas by reducing unnecessary business trips and travels, and thoughtfully organizing vehicle usage. This includes increasing the use rate of office vehicles, reasonably controlling vehicle use cost, and coordinating travel together for the same trip on the same day. However, certain emissions are challenging to avoid. Therefore, we strive to manage and control relevant risks. Equipment (such as generators and heavy-duty equipment including loaders, excavators, forklifts, and other heavy-duty vehicles) on our production sites generates electricity by burning fuels, resulting in the emission of greenhouse gases. The Group has developed policies to manage machine-generated smoke emissions. For example, burning waste in open air is strictly forbidden, and all machines must use low-sulphur diesel.

With respect to water pollution control:

We encounter water pollution issues either directly or indirectly in our operations. Therefore, certain preventive measures are necessary. For example, U-shaped trenches are installed at the entrances and exits of mining sites to prevent wastewater leakage and facilitate dredging. Wastewater treatment facilities are also installed at the mining and production sites and undergo regular maintenance. These facilities are routinely inspected and approved by the local government environmental department. Furthermore, we regularly arrange the collection of wastewater from mining sites such as sanitary wastewater.

Treatment of solid waste:

Certain construction waste and domestic refuse are inevitable during production and daily operation. The Group has long advocated and promoted waste classification and recycling to minimise their environmental impact. Timber, paper, metal and plastic should be separated for recycling. We also provide garbage classification bins for various projects for employees to use, and instruct employees on relevant arrangements and specifications in their onboard training. In addition, the construction waste and domestic refuse are disposed of at sites designated by local government to minimize the impacts to the public. No significant amount of hazardous waste is produced by the Group during the production process.

Emission of greenhouse gas:

The Group also places importance on reducing greenhouse gas emissions and aims to lower the consumption of power, fuel and other resources. There is a decrease in related electricity and water consumption in year 2024 compared to year 2023, as the mining business in Jiangxi province did not have production in year 2024.

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3.1.5. Emission Data

Major data on the emission of ArtGo Group for the year of 2024 and 2023 are set out below:

	Unit	2024	2023
<i>Emission of gas pollutants:</i>			
Nitrogen oxides	Kg	22.6	20.0
Sulphur oxides	Kg	0.5	0.5
Particulate matter	Kg	1.7	1.5
<i>Greenhouse gas emission:</i>			
Scope 1 — fuel combustion	Tonne	84.3	87.3
Scope 2 — electricity consumption	Tonne	7,853.8	7,965.0
Total emission	Tonne	7,938.1	8,052.3
Emission intensity	Tonne/million of revenue	110.7	103.9
<i>Non-hazardous waste:</i>			
Solid waste	Tonne	0	0
Wastewater	Tonne	77,071	63,205
Total non-hazardous waste	Tonne	77,071	63,205
Non-hazardous waste intensity	Tonne/million of revenue	1,075	815

3.1.6. Recognition of waste reduction and energy conservation

Constantly striving to utilize various resources to minimize emissions in a reasonable and efficient manner, ArtGo has been awarded both the Wastewi\$e Certificate and the Energywi\$e Certificate under the Hong Kong Green Organisation Certification Scheme in recent years. This scheme aims to encourage industrial and business entities/enterprises to implement measures to minimize waste and conserve energy in their respective operation. The scheme included aspects such as producing products, rendering services, and recognizing the contributions made by these institutions/enterprises.



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3.2. Use of Resources

In 2024, the Group's primary consumption of resources was in energy and water for production. Throughout the production process, which includes processing design, equipment procurement, facilities and buildings, and onsite management, we carefully consider the consumption of water, power, raw materials, and other natural resources to minimize the consumption of non-renewable resources.

3.2.1. Resource conservation

We implement resource conservation policies that are applicable to all activities engaged by the Group involving energy and resource procurement and consumption. These policies aims to utilize energy and resources in a reasonable and efficient manner, lower costs, and enhancing our environmental performance.

During the business operations, the Group is committed to implementing initiatives for environmental sustainability, including:

- deploy energy-efficient production equipment and sensor-controlled lighting systems
- reduce energy consumption during production
- use recyclable and degradable packaging materials for products
- promote paperless office
- recycle and reuse rejected raw materials and defective products, if they are recyclable
- use recycled water; and
- raise environmental awareness among our customers and business partners

3.2.2. Measures for resource conservation and effectiveness

Energy management

Persisting in the philosophy of environmental protection and energy conservation, ArtGo is committed to reducing energy consumption during our office and mining operations and maintaining full-scale supervision and control of energy usage. Through these effort, ArtGo will enhance the overall efficiency, thereby fulfilling our environmental and social responsibility and safeguarding the sustainable development of the Group in the long term.

Energy consumption has decreased due to the reduce of production during the year. In the meantime, we have arranged routes for transportation vehicles in a scientific and systematic manner to reduce transportation distances and frequencies. These measures were implemented without compromising the successful completion of transportation work, and, at the same time, aimed to achieve the target of minimizing oil consumption.

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In the office, we proactively promoted the concept of green office by replacing ordinary lighting tubes with energy-efficient lights and encouraging electronic communication and document circulation. We conserved paper by using double-sided printing when printing was required. Additionally, during the winter and summer seasons when heating and air-conditioning were required, we set a maximum allowable temperature to minimize energy consumption while maintaining comfortable office conditions.

Water resource management

ArtGo encourages reasonable utilization of resources and waste reduction during its operation. Therefore, throughout the entire business and production process, we actively implement measures to conserve water and power. These measures include the installation of water-saving faucets and other energy-efficient amenities in the office and related facilities. Additionally, we encourage our employees to develop the habit of water and power conservation during their daily life. Signs reminding about conservation are posted at lavatories, hand-washing sinks, and power switches. In the employee cafeteria, all bowls and chopsticks are collected for centralized cleaning, and the used water will be reused to wash vehicles or clean the ground. In 2024, water consumption and the water consumption intensity have recorded a decrease of approximately 17% and 15% (2023: 35% and 26%) respectively, mainly due to reduction in production.

Compliance with laws and regulations

As a responsible mine production enterprise, the Company strictly complies with the Environmental Impact Assessment Law of the People's Republic of China, the Water and Soil Conservation Law of the People's Republic of China, the Provisions on Land Reclamation and other relevant regulations. The Company has formulated an environmental impact assessment report and a water and soil conservation plan specifically addressing water and soil loss and ecological damage, to avoid adverse impact on local plant and animal communities.

Data of resource consumption

Set forth below is major data regarding resource consumption by the Group for year 2024 and 2023:

	Unit	2024	2023
Total water consumption	Tonne	52,639	63,205
Water consumption intensity	Tonne/million of revenue	693	815
Power consumption			
Electricity consumption	MWh	13,541	13,055
Petrol consumption	MWh	523	312
Diesel consumption	MWh	0	0
Total power consumption	MWh	14,064	13,367
Power consumption intensity	MWh/million of revenue	185	172

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3.3. Environmental and natural resources

To minimize the impact caused by the recommencement of production activities on the environment and resources, the mines will strictly implement the “Environmental Protection Policies on Mining”. This includes formulating monthly exploitation quantity policies, using wire saws, reducing blast volumes, and optimizing mining equipment. Besides, overnight operation activities are prohibited, and sewage treatment tanks are built to ensure the sewage meets the emission standard. Furthermore, noise control measures are in place to minimize the impact on villagers’ residential and living conditions.

To prevent production activities from damaging vegetation around the mines, we make every effort to avoid causing harm to the plants grown on the requisitioned land. We also proactively engage in environmental and greening restoration and plantation. In addition to ongoing efforts to increase green plantation, we formulate policies regarding land and mine refill following the exploitation of mineral resources to reduce geological impacts. In cases of damage to plants, the Group implements afforestation measures promptly after exploitation to restore greening conditions and the habitats of animals.

Compliance with all applicable environmental protection laws is one of the basic principles specified in ArtGo’s Environment Policy Statement. Since 2013, we have not experienced any environmental protection accidents that led to penalties or any environmental protection case that was subject to litigation.

The values structure of the Company guides us to fulfill our mission and achieve our goal, with caring for the environment being one of our key values. This structure requires us to manage the long-term and short-term impacts our businesses responsibly have on the environment. As our businesses cover the entire supply chain, the potential environment issues we need to manage vary depending on the type, specifics of the project, and nature of the business. Therefore, we focus on the assessment of individual projects and business activities to effectively manage the potential impacts on the environment.

3.4. Climate Change

The mining and production of minerals have long been recognized as pivotal factors in addressing climate change and sustainability. With due regard to our current and intended scale of excavation, the management team has always been mindful of the potential and implied impact of our excavation activities on sustainability. The table below outlines the core elements of how the Group addresses the climate change disclosure requirements in this Report.

Governance	The Board of Directors oversees our risk mitigation and examines our ESG risks. Our Group Sustainability Committee, chaired by our CEO, assesses and manages sustainability issues. The ESG working group reports regularly to the Board of Directors on sustainability matters and handles our day-to-day climate-related issues with support from execution groups, operations units and departments.
Strategy	The consequences of climate change, such as higher temperatures, rising sea levels, alterations in precipitation, and more frequent extreme weather occurrences, will have short-term and long-term impacts on our operations.
Risk Management	Preparing for the transition to a low-carbon economy and implementing measures to address physical climate risks.
Targets	Maintaining the GHG emission intensity below 95 tonnes per million of revenue for the next five years.

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4. EMPLOYMENT AND LABOUR PRACTICES

4.1. Employment

The Group considers employees as one of its most valuable assets and place high importance on the employees' personal development. Staff is the most important asset that drives the long-term development and sustainability of the Group.

Employees receive remunerated based on the job nature, market trends, and individual performance. Apart from medical insurance and mandatory provident fund, discretionary bonuses are rewarded to employees based on individual performance. Appraisal and self-assessment systems have been implemented to better identify human resources needs and support our development.

The Group also provides specific benefits for our female employees before and after maternity, such as:

- Paid antenatal examination and maternity leave shall be provided during pregnancy
- Workload adjustment during the later stage of pregnancy
- Childbirth allowance during maternity leave and ensuring the income of pregnant female employees is not lower than during normal working times
- Fifteen days of advance maternity leave shall be provided if the physical condition requires
- Breastfeeding time on each working day up to 1 year after the date of childbirth

Equal opportunities

Being an equal opportunities employer, the Group is committed to creating a working environment with fairness, openness and mutual trust. The Group adopts equal employment opportunity policies and ensuring equal treatment for all employees. The Group strongly opposes discrimination unrelated to work and prohibits all forms of workplace discrimination. Employees in the same position are remunerated equally, regardless of their gender and orientation. Employment, remuneration and promotion are not influenced by social identities, such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

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Composition of Employees

The diverse workforce of the Group in terms of gender, employment ranking, age group and region, is illustrated in the table below:

	2024 Number of staff	2023 Number of staff
Total workforce	172	201
By gender		
Male	124	148
Female	48	53
By employment ranking		
Senior management	11	15
Middle management	17	20
General staff	144	166
By age group		
18–30	4	6
31–40	36	52
41–50	60	67
51 or above	72	76
By region		
Hong Kong	12	12
PRC	160	189

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The Group strives to maintain the employee turnover rate at an acceptable level to facilitate the accumulation of professional skills and experience. In our effort to streamline processes and reducing the needs of manpower, the staff turnover rate is approximately 18% (2023: 9%), categorized by gender, age group and region as follows:

	2024 Staff turnover rate	2023 Staff turnover rate
By gender		
Male	19%	5%
Female	14%	4%
By age group		
18–30	33%	–
31–40	37%	3%
41–50	14%	4%
51 or above	5%	1%
By region		
Hong Kong	33%	–
PRC	19%	9%
Overseas	–	–

Compliance with laws and regulations

During the Reporting Period, the Group was not aware of any material non-compliance with any relevant laws and regulations in relation to employment, including but not limited to the following:

- Labour Law of the People's Republic of China;
- Labour Contract Law of the People's Republic of China;
- Employment Ordinance of Hong Kong;
- Minimum Wage Ordinance of Hong Kong;
- Mandatory Provident Fund Schemes Ordinance of Hong Kong; and
- Employees' Compensation Ordinance of Hong Kong.

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4.2. Occupational Health and Safety

Adhering to the development principle of “human-oriented and safety-first”, we prioritize production safety in all our production and operational activities, establishing and operating a sound occupational health and safety management system within the Group. We purchase safety liability insurance and employment injury insurance for all employees, and provide safety precaution education and training. In addition, we have incorporated the position of a safety specialist into our personnel structure, developed exploitation and production systems for safety precautions, arranged for annual safety training and education (prior to and during employment), provided regular safety education; and employed safety personnel to monitor construction safety during construction activities carried out by the frontline employees. This ensures a safe and up-to-standard production and operational process, creating a healthy and safe working environment for all Group staff.

We implement various safety measures, including:

- Provide safety construction systems and safety facilities in plants
- Provide information, instruction, training and supervision on safety, health and environment
- Place safety warning signs at the sites and organize regular team meetings to investigate potential site risks
- Designate Safety Specialists to supervise employees in conducting various safety procedures in accordance with the Group requirements
- Conduct training on operational skills and safety production in various processes
- Ensure safety in handling materials, including use, handling, storage and transportation
- Develop an inspection system for machinery and sites before employees' on/off duty
- Formulate emergency plans to cope with emergent environmental issues, power and water failure, etc.
- Provide employees with the necessary labour-protective products

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The Group has consistently followed the employment approach of “selection-employment-cultivation-promotion-retention”. New employees will undergo training related to operational skills, safety production training, etc. For existing employees, we offer various training methods such as “internal and external training”, “projects and topics exercise”, and “job rotation” to facilitate their progression from elementary to senior management roles. This approach allows them to continually enhance their quality and capabilities, enabling career growth and providing multiple development opportunities.

- Conduct safety training every year (before employment and during work)
- Conduct training on operational skills and safety production in various processes

Occupational health and safety statistics

	2024	2023	2022
Number of lost days due to work injury	Nil	Nil	150
Number of work-related fatalities	Nil	Nil	Nil

Compliance with laws and regulations

The Group has established and stringently implemented internal safety and health policies in compliance with the relevant laws and regulations throughout the year, including but not limited to the following:

- | | |
|-----------|---|
| PRC | <ul style="list-style-type: none">• Production Safety Law• Law on Prevention and Control of Occupational Diseases• Regulation on Work-Related Injury Insurances |
| Hong Kong | <ul style="list-style-type: none">• Occupational Safety and Health Ordinance |

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4.3. Safety Development and Training

Employees and talented personnel form the foundation of corporate development. The Group continually improve its occupational training system to ensure equal opportunities for all staff, enhancing both the staffs' quality and their career development. With a comprehensive curriculum and regulatory training system in place, the Group actively cultivates internal and external teaching resources to support the growth of its management and technical teams, enhancing overall human resources. The Group will formulate education and training programs for employees every year based on the annual operational strategy and development needs of its human resources.

The Group provides induction training and an introduction to the staff handbook to all new joiners. To ensure employees across various sectors of the Group receive sufficient and relevant training, programs are broadly categorized into three main streams:

Laws and regulations	<ul style="list-style-type: none"> Listing rules Anti-corruption
Safety	<ul style="list-style-type: none"> Safety production in mines Fire safety
Environment	<ul style="list-style-type: none"> Environment protection awareness

In 2024, the Group provided a total of 688 hours of training for 172 employees, covering employees of all ranks. The training details by the Group are listed below:

By gender		By employment ranking		
Male	Female	Senior management	Middle management	General staff
Average number of hours of training received by employees (hour)				
5.82	8.8	4.7	4.7	7.0
Percentage of employees attended training				
81%	19%	6%	22%	71%

In 2023, the Group provided a total of 710 hours of training for 201 employees, covering employees of all ranks. The training details by the Group are listed below:

By gender		By employment ranking		
Male	Female	Senior management	Middle management	General staff
Average number of hours of training received by employees (hour)				
5.6	5.7	4.7	4.7	6.0
Percentage of employees attended training				
72%	28%	20%	70%	49%

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4.4. Labour Standards

The Group is committed to upholding and dedicated to safeguarding the labour rights of its staff and has established a compliant mechanism for staff to report any labour violations. It is consistently the Group’s policy to prohibit from employing individuals below the legal working age of 18. Moreover, the employment contracts explicitly outline the employment terms and conditions in accordance with essential legal requirements. During the interview process, the human resources department requests the job applicants to provide valid identity documents for verification purposes.

Child Labour Remediation Measures

If child labour is discovered, the human resources department would immediately remove the child from the workplace and arrange a special labour health check to ensure the child’s health condition has not been affected. Furthermore, the human resources department would contact the family and arrange for the child to be sent back home. The Group would cover all related expenses, including medical and transportation costs.

Compliance with laws and regulations

The Group’s policy is to disqualify a person from employment if they are found to be hired against the requirements of the Labour Contract Law. During the Year, no labour disputes between the company and its staff have been recorded.

The Group adhere to the laws and regulations prohibiting child labour and forced labour, which mainly include the following:

- | | |
|-----------|--|
| PRC | <ul style="list-style-type: none">• Labour Law• Law on Protection of Minors• Provisions on the Prohibition of Child Labour |
| Hong Kong | <ul style="list-style-type: none">• Employment Ordinance |

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5. OPERATION PRACTICES

5.1. Supply Chain Management

The Group guides suppliers to fulfil their social responsibilities through the assessment of supply chain responsibility, promoting our social responsibility concepts and policies to the entire supply chain. This is done to effectively prevent any material negative impact from the supply chain on labour practices, the environment and society.

The Group will conduct a dynamic assessment of the supplier's social responsibility performance during the survey, tender and performance phases, and integrate sustainable concepts into daily supply chain management:

- Enterprise qualification
- Environmental impacts of production and use processes
- Labour relations
- Employee occupational safety and health protection
- Health and safety impact assessment
- Ecological impacts of raw material sources

The Company integrates social responsibility indicators into the project business by designing supplier evaluation plans, screening suppliers, purchasing needed products and monitoring the construction process. The commitment is to achieve a green, safe, harmonious, and win-win supply chain management system. As a company with ethical responsibility, the Group's selection goes beyond price. A number of criteria will be considered in each purchase.

In 2024, the Group had 35 suppliers and all of them are located in the PRC (2023: 31).

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5.2. Product Responsibility

Customer satisfaction

We establish our quality management system based on ISO9001 series quality system standards, and develop management responsibility for production inspection to ensure the attainment of our quality goals. We adopt a policy that links quality to performance, performance to responsibility, and accountability to remuneration. The product management process must start from the very beginning, monitor the procedure, and inspect the result. We continually improve technology R&D, reform, innovate, and listen to our users' opinions and suggestions.

Marble stones are natural and harmless to human bodies, and ancillary materials used pass the quality safety inspection. Sampling of stones are taken, and tests conducted at least once a year to assess the levels of heavy metals and product radiation, ensuring our stones meet the requirements of the latest national standards and pose no negative effects on humans.

During the year, the environmental protection authorities of Jiangsu Province regularly inspected the safety and production processes of our mine in Jiangsu.

Throughout the year, no products were returned due to quality, safety, and health issues. The occasional return of products was mainly related to the overall display effect differing from the project designer's original design.

Privacy and data protection

The Group actively promotes the sustainable development of the industry chain, encourages our partners to jointly fulfil our social responsibilities, and provides quality products and services for the society. On the other hand, we emphasize the importance of integrity and corporate transparency, and strive to build stable and longstanding customer relationship based on trust and mutual benefits. We safeguard and respect the privacy and options of our customers, and the importance of customer privacy is utmostly respected. In order to provide thorough safeguards for customer privacy and data, as well as to prevent the leakage of customer information, our Privacy Policy and Commitments include the following:

- We respect customer privacy and options
- We ensure that privacy and security are deeply rooted in all of our actions
- Unless required by our customers, we will not push any marketing messages to the customers, and our customers may change their preferences at any time

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- We will never reveal or sell customer information
- We are committed to safeguarding the security of customer information, including collaboration with reliable partnerships
- We are committed to remaining open and transparent about how we use customer information
- We will not use customer information without notifying the relevant customers
- We respect customer rights and continue our efforts to meet customer demands, in addition to satisfying our legal and operation obligations

Compliance with laws and regulations

During the year ended 31 December 2024, the Group was unaware of any non-compliance with laws and regulations that significantly impacted health and safety, labelling and privacy matters relating to products. This included, but not limited to the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, etc.

5.3. Anti-corruption

The Group is committed to creating a corporate atmosphere of integrity by diligently implementing the eight requirements for integrity and self-discipline among its cadres and employees. The Group requires cadres of all levels to act with integrity and self-discipline by eliminating extravagance and waste from various aspects including material procurement, production, marketing and management. To ensure that employees understand and comply with the relevant provisions on "anti-corruption" (including but not limited to prevention of bribery, extortion and fraud), the Group emphasizes "the maintenance of high ethical standards, and encourages a resolute stance against personal corruption". It is explicitly stated that "the atmosphere of integrity cannot be trampled and destroyed by anyone". The whistleblowing policy was established to uphold openness and accountability among our employees and other stakeholders of the Company. Employees are encouraged to report any suspected misconduct. If any employee found violation in anti-corruption measures after investigation, the employee will face disciplinary actions, including immediate termination of labour contracts.

In our commitment to anti-corruption, we adopted a zero-tolerance attitude and strictly disallowed employees, suppliers, customers, and all partners of the Group from engaging in any corruption, extortion, fraud, money laundering and other misconduct. The staff manual provides guidance on employees' behaviours, for example, the acceptance of gifts and conflict of interests, to enhance employee awareness. The Group encourages staff to report suspected corruption cases.

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Furthermore, to promote sustainable and healthy development, the Group has compiled the Integrity and Self-discipline Management Regulations to help employees rectify misconduct, encourage adherence to regulations and rules, and serve as a warning to correct mistakes and regulate behaviours. Anti-corruption training was attended by team members in the sales department, as well as the management teams at each operational site and headquarters throughout the year.

Compliance with laws and regulations

During the year 2024, the Group complied with relevant laws and regulations related to bribery, extortion, fraud, money laundering, including, but not limited to:

PRC	<ul style="list-style-type: none">• Criminal Law• Company Law• Anti-Unfair Competition Law
Hong Kong	<ul style="list-style-type: none">• Prevention of Bribery Ordinance• Anti-Money Laundering and Counter-Terrorist Financing Ordinance

6. COMMUNITY INVESTMENT

While striving for its own growth, the Group does not forget its commitment to the public welfare undertakings and giving back to the society. The Group has supported various initiatives to meet the needs of underprivileged groups and improve their quality of life, aiming to alleviate poverty, facilitate pluralistic unity, and promote community harmony. By encouraging employees to participate in various volunteer, public welfare, sports and cultural activities, we promote volunteer activities that express care for others, society and nature. During the year, the Group provided daily necessities and monthly financial subsidies for the poor.