

# CHINA ANCHU ENERGY

**2024** ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



**中國安儲能源集團有限公司**

China Anchu Energy Storage Group Limited

*(incorporated in the Cayman Islands with limited liability)*

Stock Code: 2399



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# Environmental, Social and Governance Report



## A. Overview

The board of Directors (the **"Board"**) of China Anchu Energy Storage Group Limited (the **"Company"** together with its subsidiaries, the **"Group"**) is pleased to present its Environmental, Social and Governance (**"ESG"**) Report (the **"Report"**) which has been prepared in accordance with the ESG Reporting Guide (the **"ESG Guide"**) set out in Appendix C2 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the **"Listing Rules"**). The Board has reviewed and approved the Report and is pleased to publish the ESG policies of the Group and the key performance indicators (**"KPIs"**) required to be disclosed for the year ended 31 December 2024 (the **"Reporting Period"** or **"Year 2024"**).

## B. Governance structure

### B1: The Board's Oversight of ESG Issues

The Board has a primary role in overseeing the Group's ESG issues. In the Reporting Period, the Board, the management and the staff responsible for ESG evaluated the impacts of ESG-related risks on the operation and formulated ESG related policies in dealing with relevant risks. The oversight of the Board is to ensure that the management and the staff responsible for ESG matters have all the appropriate tools and resources to oversee the ESG issues.

To demonstrate the Group's transparency and commitment to accountability, the management and the staff responsible for ESG matters review and evaluate the Group's performance in respect of ESG issues and report to the Board regularly.

### B2: The Board's ESG Management Approach and Strategy for Material ESG-Related Issues

In order to deeply understand the opinions and expectations of different stakeholders on the ESG issues, materiality assessment is conducted annually. The Group ensures various platforms and channels of communication are used to reach, listen and respond to our key stakeholders. Through general communication with stakeholders, the Group is able to understand the expectations and concerns from its stakeholders. The feedback obtained allows the Group to make more informed decisions, and to better assess and manage the resulting impacts of the business decisions.

The Group has evaluated the materiality of ESG aspects through the following steps: (i) identification of ESG issues by the Group; (ii) prioritisation of key ESG aspects with stakeholder engagement; and (iii) validation and determination of material ESG issues based on the results of communication with stakeholders.

These steps can help the Group to understand the degree of concern stakeholders show to each ESG issue, and enable the Group to make a more comprehensive plan for the future direction of sustainable development.

### B3: The Board's Review Progress Against ESG-Related Goals and Targets

The Group closely reviews from time to time the performance and implementation progress of the goals and targets. If the progress falls short of expectation or there are changes of business operations, it may be necessary to make changes and communicate about the goals and targets with key stakeholders such as employees, customers and suppliers.

The Group has set future strategic goals to enable the Group to develop a realistic path and focus on the development direction for achieving its visions. The Board will examine the feasibility of the targets which should be weighed against the Group's philosophy and goals.

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## B4: Reporting Principles

The report is centred on four principles:

**Materiality:** Stakeholder engagement and materiality assessment are conducted regularly to identify material ESG issues, and to ensure that these issues are addressed in the report.

**Quantitative:** Data presented in this report has been collected prudently. Please refer to the environmental and social performance data for standards and methodologies used for calculation of key performance indicators.

**Balance:** Both positive and negative impacts of the business have been presented in a transparent manner.

**Consistency:** Unless otherwise stated, the disclosures, data collection and calculation methods have remained consistent throughout the years to facilitate comparability over time.

## B5: Reporting Boundaries

This Report highlights the Group's management and strategic approach, priorities and commitment to environmental and social aspects. The Report focuses on the ESG performance of the Group during the Year 2024 in respect of its major subsidiaries engaging menswear apparel business, namely Fordoo (China) Industrial Ltd., Co (虎都(中國)實業有限公司) ("**Fordoo Industrial**"), Quanzhou Fordoo Commercial and Trading Company Limited (泉州虎都商貿有限公司) ("**Quanzhou Fordoo**") and Beijing Haoyin Clothing Co., Ltd. (北京浩垠服飾有限公司) ("**Beijing Haoyin**").



## B6: Stakeholder Engagement

Stakeholder engagement is the core element of the Group's sustainable development. Focusing on the establishment of a regular communication mechanism for stakeholders, the Group has set up online and offline communication channels to demonstrate to the stakeholders the strategic planning and performance of sustainable development and to consult their opinions and needs in a timely manner so that the Group's business practices would align with stakeholders' expectations.



# Environmental, Social and Governance Report



The Group's stakeholders include its shareholders, staff, government and regulatory authorities, customers, suppliers, communities, potential and present shareholders/institutional and individual investors, etc. The Group will engage in discussions with its stakeholders on relevant issues through various channels. Set out below are the communication channels between its stakeholders and the Group, as well as the expectations and demands of its stakeholders:

Stakeholders	Expectations	Communication and feedback
Shareholders	Financial results Corporate transparency Sound risk control	Growth in profitability Regular disclosure of information Optimisation 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 trainings and improvement in safety awareness
Government and regulatory authorities	Compliance with rules and regulations Paying tax in accordance with the law	Operational compliance Full payment of tax when due
Customers	Standards of logistics and delivery Security of customer information Protection of customers' rights and interests	Monitoring of delivery status with the tracking system Protection of customer privacy Marketing compliance
Suppliers	Cooperation with integrity Business ethics and creditworthiness	Establishment of a responsible supply chain Performance of contracts in accordance with the law
Communities	Environmental protection Job opportunities	Use of environmentally friendly and energy-saving equipment Provision of job opportunities
Shareholders/institutional and individual investors	Annual general meetings and notices with shareholders Regular corporate publications Issue of circulars and announcements	Establishment of a platforms for communications Results announcements Increase in transparency of corporate development in due course

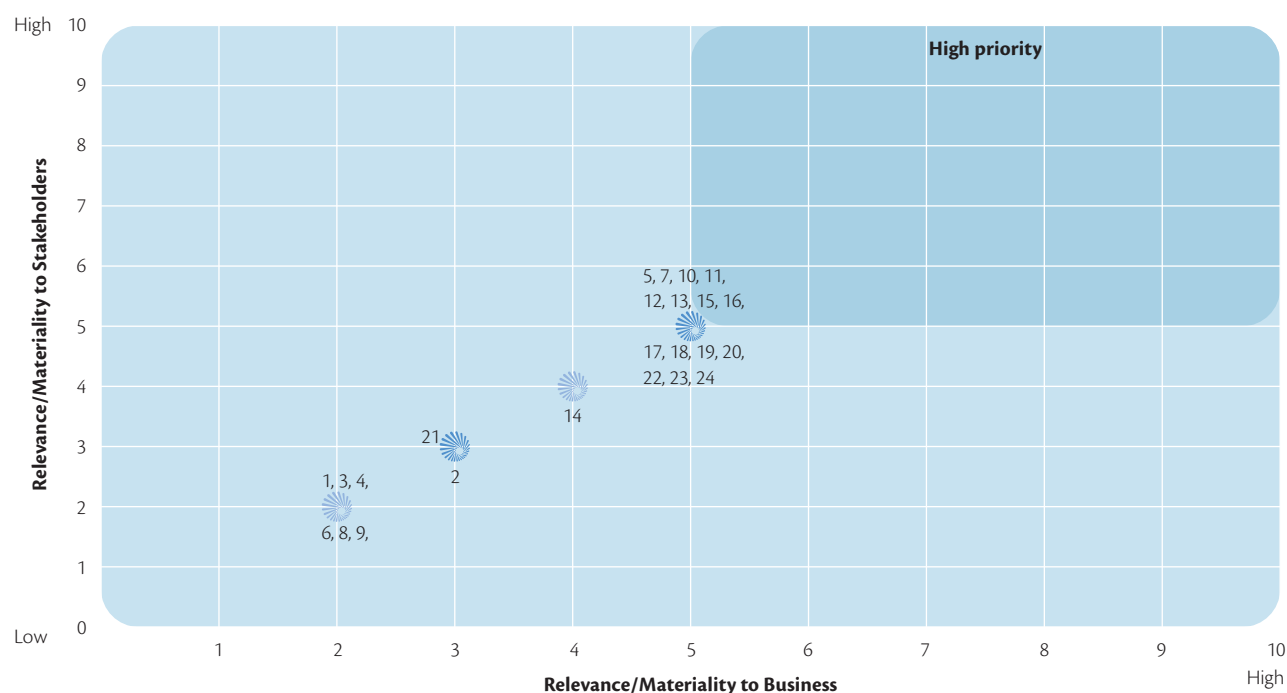
# Environmental, Social and Governance Report

## B7: Materiality assessment

In the Year 2024, the Group conducted a comprehensive materiality assessment to identify the environmental, social and operational issues which have the most significant impacts on the Group's business and the relevant issues concerned by stakeholders.

With reference to the scope of the disclosure as required under the ESG Guide, as well as taking into consideration of its business features, the Group had identified and determined 24 issues covering greenhouse gas ("GHG") emission, energy consumption, employee welfare, occupational health and safety, training and development, supply chain management, customer privacy, anti-corruption, and community investment and other aspects with respect to business operation.

**Materiality of ESG Issues**



Environmental Aspect		Social Aspect		Operational Aspect	
1.	GHG emission	8.	Community investment	16.	Anti-corruption
2.	Energy consumption and resources management	9.	Occupational health and safety	17.	Supply chain management
3.	Water resources management	10.	Child labour	18.	Supplier evaluation and selection
4.	Waste management	11.	Forced and compulsory labour	19.	Customer services and satisfaction
5.	Use of packing materials	12.	Training and development	20.	Customer privacy
6.	Environmental impact	13.	Employee salaries and welfare	21.	Comments and complaints handling
7.	Climate change	14.	Diversity and equal opportunities	22.	Product safety and quality management
		15.	Talent attraction and retention	23.	Protection of intellectual property rights
				24.	Marketing and labeling

# Environmental, Social and Governance Report

## C. Environmental

The Group recognizes its responsibility to protect the planet and preserve its beauty and resources for the future generations. The Group strives to enhance production efficiency and strengthen environmental protection efforts on conserving resources and managing wastes from our business activities.

### C1: Emissions

Pollution factors such as nitrogen oxides (“**NOx**”), sulphur oxides (“**SOx**”) and particulate matter (“**PM**”) are mainly generated from the Company’s vehicles.

The main sources of the air emissions generated from the use of vehicles were as follows (Note 1):

Types of Emissions	Units	Year 2024	Year 2023
Nitrogen Oxide (NOx)	kilogram	3.4	4.9
Sulphur Oxide (SOx)	kilogram	0.1	0.2
Particulate Matter (PM)	kilogram	0.3	0.4

Note 1: The emission factors used to calculate the NOx, SOx and PM are sourced from: the Hong Kong Environmental Protection Department’s EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency’s Vehicle Emission Modeling Software — MOBILE 6.1; and the assumptions of 80% relative humidity, a temperature of 25 degrees Celsius, an average speed of 30km/h, and include running exhaust emissions only.

#### Target of Air Emissions

Air Emissions	Units	Target	Status
Nitrogen Oxide (NOx) emission intensity	kilogram	5.0	Completed
Sulphur Oxide (SOx) emission intensity	kilogram	0.1	Completed
Particulate Matters (PM) emission intensity	kilogram	0.3	Completed

In the Year 2024, the Group has achieved the target of reduction in air emissions. Looking ahead to the future, the new target of reduction in emission is to achieve a 5% reduction by 2029, with the Year 2024 as the base year.

The main sources of the Group’s GHG emissions were direct emissions from the mobile combustion sources (“**Scope 1**”), indirect emissions arising from the emissions related to acquired electricity (“**Scope 2**”) and other indirect emissions (“**Scope 3**”).

The GHG emissions were as follows:

GHG Emissions	Unit	Year 2024	Year 2023 (Note 2)
GHG emissions (Scope 1)	kgCO <sub>2</sub> e	19,147	42,567
GHG emissions (Scope 2) (Note 1)	kgCO <sub>2</sub> e	364,313	314,168
GHG emissions (Scope 3)	kgCO <sub>2</sub> e	115,598	197,022
Total GHG emissions	kgCO <sub>2</sub> e	499,058	553,757
Revenue from menswear apparel business	RMB million	81	109
GHG emission intensity (Total emissions/revenue)	kgCO <sub>2</sub> e per million RMB revenue	6,161	5,080

Note 1: Calculated on the basis of the emission coefficients of regional power grids in East China in 2022. Such figures have been calculated in accordance with the Reporting Guidance on Environmental KPIs.

Note 2: The corresponding figures of 2023 have been re-calculated to improve the comparability.

Scope 1: represents gasoline consumed by motor vehicles.

Scope 2: represents electricity purchased from electricity suppliers.

Scope 3: represents scrap papers and water consumed.

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## Target of GHG Emissions

GHG Emissions	Unit	Target	Status
GHG emission intensity (Scope 1)	kgCO <sub>2</sub> e	30,000	Completed
GHG emission intensity (Scope 2)	kgCO <sub>2</sub> e	1,200,000	Completed
GHG emission intensity (Scope 3)	kgCO <sub>2</sub> e	30,000	In progress

The Group has not yet achieved the target of reduction in GHG emission intensity (Scope 3). The Group expects that the GHG emission intensity (Scope 3) from its operations will improve after gradually adopting paperless operations. In the Year 2024, the Group has achieved the targets of reduction in GHG emissions (Scope 1) and (Scope 2). Looking ahead of the future, the new target of reduction in emission is to achieve a 5% reduction by 2029, with the Year 2024 as the base year.

The Group is aware of the emissions generated from its operations. Since the Group's operations involve distribution of products and visiting various sales locations, which result in air and GHG emissions from mobile combustion, the Group strives to plan and adjust transportation routes to maximise the cost effectiveness while minimising emissions. The Group plans to increase the overall portfolio energy efficiency from existing levels whenever possible and reduce the Group's energy consumption. The Group will minimise emissions from vehicles by optimising the transportation route.



The Group encourages employees to use electric vehicles and set up parking spaces for electric vehicles around the office building.



# Environmental, Social and Governance Report



## Solid Waste Management

The operations of the Group no longer involve any production and manufacturing process. Hence, there is no production of hazardous waste. The major types of non-hazardous waste were generated at our offices, which included paper, carton boxes and domestic wastes.

In order to reduce the consumption of carton boxes, all carton boxes are recycled after repeated uses. The Group encourages its employees to separate and recycle the wastes generated as much as possible. With recycling measures implemented, the Group believes that it can effectively reduce the amount of wastes being sent to the landfill.

The hazardous and non-hazardous wastes produced were as follows:

Hazardous and non-hazardous wastes produced	Unit	Year 2024	Year 2023
Total amount of hazardous wastes	kilogram	N/A	N/A
Intensity of hazardous wastes (hazardous wastes/revenue)	kilogram per million RMB revenue	N/A	N/A
Total amount of non-hazardous wastes	kilogram	1,773	2,001
Intensity of non-hazardous wastes (non-hazardous wastes/revenue)	kilogram per million RMB revenue	22.0	18.4

## Target of Waste

Environmental KPIs	Unit	Target	Status
Total amount of hazardous wastes	N/A	N/A	N/A
Total amount of non-hazardous wastes	kilogram	3,500	Completed

In the Year 2024, the Group has achieved the target of reduction in non-hazardous wastes. Looking ahead to the future, the new target of reduction in hazardous and non-hazardous wastes are to achieve a 5% reduction by 2029, with the Year 2024 as the base year.

# Environmental, Social and Governance Report

## Solid waste separation and recycling program

The operations of the Group no longer involved any manufacturing and production process. Production of wastes was mainly attributed to the discarded packaging materials and domestic wastes of office. The Group aims to conserve and recycle solid wastes whenever possible and carry out a separation and treatment process for solid wastes.



**Solid waste recycling station**

Recyclable materials are temporarily stored in this recycling station, pending for recycling by authorised recyclers.



**Domestic waste sorting and recycling bins in the Group's offices**

## Compliance with laws and regulations

The Group was not aware of any material violation of the relevant laws and regulations having a significant impact regarding the Group's air emissions, emissions to water and land and hazardous and non-hazardous wastes produced in the Year 2024. The Group strictly complies with the relevant statutory law regarding the emissions, such as Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》) and Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》). In addition, no significant fines or sanctions were imposed on the Group due to non-compliance with the relevant laws and regulations in the Year 2024.

# Environmental, Social and Governance Report

## C2: Use of Resources

The operations of the Group no longer involved any manufacturing and production process. In the Group's operation activities, various types of resources such as energy, water, paper and packaging materials were consumed. Reducing the consumption of resources does not only conserve the environment, but also lowers the operation cost and creates values to stakeholders. Therefore, we always make sure the use of resources to be as efficient as possible to help sustain the natural environment.

The consumption data recorded were as follows:

Environmental performance	Unit	Year 2024	Year 2023
Electricity consumption	kWh	648,590	559,317
Fuel consumption (Note 1)	kWh	69,761	155,091
Total energy consumption	kWh	718,351	714,408
Intensity of energy consumption (Total energy consumption/revenue)	kWh per million RMB revenue	8,869	6,554
Water consumption	m <sup>3</sup>	5,707	7,461
Intensity of water consumption (Total water consumption/revenue)	m <sup>3</sup> per million RMB revenue	70	68
Total packaging material used	kilogram	23,493	40,275
Intensity of packaging material used (total packaging material used/revenue)	kilogram per million RMB revenue	290	369

Note 1: The conversion factors used to calculate the units to kWh are sourced from the Energy Statistics Manual issued by the International Energy Agency. Fuels included petrol and diesel.

In the Year 2024, the Group has not encountered any difficulty in obtaining water sources suitable for the Group's use.

### Target of use of resources

Environmental KPIs	Unit	Target	Status
Energy consumption	kWh	2,000,000	Completed
Water consumption	m <sup>3</sup>	70,000	Completed
Packing materials consumption	kilogram	90,000	Completed

In the Year 2024, the Group has achieved the target of reduction in the use of resources. Looking ahead to the future, the new target of reduction in use of resources is to achieve a 5% reduction by 2029, with the Year 2024 as the base year.

In the Year 2024, the Group adopted a series of energy conservation and emission reduction measures, of which the particulars and relevant effectiveness assessment were as follows:

### Electricity Management

The Group implements green lighting in the workplace to reduce the usage of electricity. This involves installing energy-saving lights and using energy-saving light bulbs in the Group's office. The Group also encourages the employees to switch off the lights in the areas of the workplace that are not being used and to use natural light whenever possible as well as switch off their office equipment such as computers and printers at the end of the workday.

The plan of the Group is to increase overall energy efficiency from existing levels and reduce its energy consumption by adopting the above measures.

# Environmental, Social and Governance Report

The Group installed photovoltaic power generation equipment on the rooftop of employee dormitories which mainly generates electricity for the employee dormitories and provides heat energy to water heaters to save power consumption.



Photovoltaic power generation equipment

## **Water consumption**

The daily water usage of the Group is mainly from cleaning routines and usage by staff at offices. The Group has no issue in sourcing water that is fit for purpose. To lower the water consumption level, we aim to enhance water consumption efficiency. For example, posing reminders about water saving near water facilities to encourage our employees to reduce the consumption of water. The Group will remind its employees to be conscious of their water consumption. When a water leakage is found, it will be repaired promptly to prevent water loss.

## **Packaging Materials**

The packaging materials used by the Group are primarily plastic wrapping films and carton boxes, of which the sizes are determined according to the requirements of different customers. Despite the use of packaging materials for the Group's products, the Group makes every effort to minimise the wastage of resources. The Group sorts the packaging materials wastes and stores the recyclable materials in the waste recycling station, which will be recycled by authorised recyclers.

# Environmental, Social and Governance Report



## **C3: The Environment and Natural Resources**

Due to the nature of the business of the Group, no significant environmental issue was noted in the business activities during the Year 2024. However, the Group is well aware that its daily operational activities still generate emissions and consume resources. The Group is working on various sustainable development activities to ensure that the resources are used effectively in the ordinary course of business.

To minimise its impact on the environment, the Group is committed to implement environmental protection measures. The Group pays attention to relevant laws and regulations and continues reviewing its policies and practices to eliminate any risks involved.

The Group highly encourages the use of electronic means to replace paper for communication. The Group has also promoted double-sided printing and the recycling of used toner cartridges by a third party in order to minimise the effects of printing and paper usage on the environment.

The Group emphasises sustainable development and incorporates the environmental protection concept throughout the daily operational activities. The Group believes that our effort on environmental protection will become a part of our competitiveness, leading the Group to greater success in the future.

Due to the nature of the business, the Group does not have any direct and significant impacts on the environment and natural resources during its operation. By taking the green initiatives mentioned above, the Group is committed to mitigate the environmental impact and act in a manner that is both environmentally and socially responsible.



# Environmental, Social and Governance Report

In order to strictly abide by laws and regulations, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other related regulations, the Group has established an environmental management system that conforms to the ISO 14001 standard, which effectively reduces pollutant emissions and resource consumption during operations. A subsidiary of the Company, Fordoo Industrial, has obtained ISO 14001 Environmental Management Systems Certificate, which was valid from 13 November 2021 to 16 February 2025.



Environment of Fordoo Industrial

# Environmental, Social and Governance Report



## C4: Climate Change

Task Force on Climate-related Financial Disclosures (“TCFD”) provides a reporting framework for the Company to report to the stakeholders regarding to the climate-related risks. TCFD divides the climate-related risks into physical risks and transition risks. The physical risks and transition risks of climate change brought about by decarbonization may have a significant impact on the Group’s operations and development. The Group has raised its awareness of the risks and potential impacts of climate change on the Group. The Group has also identified the climate-related risks that may adversely affect the Group’s operations and development.

The Group understands that climate change is an existential threat to the world and its proper functioning and the Group shall take effective measures to protect its operations from potential disruption and damage resulting therefrom. Relevant risks include physical risks such as typhoons and heavy rains that may cause power loss, property and machinery damage, and employee casualties etc.; and transition risks such as policy and regulatory changes.

To deal with these problems, the Group has established risk management systems and procedures to identify, monitor and control climate change impacts. Specific measures to mitigate climate change related impacts, include enhancing and maintaining building design, structures and facilities, to enhance the ability to withstand extreme weather. The Group also has set up contingency plans (including flexibility in working hours and locations under certain extreme weather conditions) to maintain the Group’s daily operations and to reduce the risk of injury to employees while commuting.

The Group also concerned about the risks of relevant regulatory requirements, which may have potential cost impacts or operational interruptions due to the failure of current operating practices to meet relevant regulatory requirements. Non-compliance with these restrictions will result in fines and even orders to suspend operations for a period of time. The Group regularly reviews relevant policy updates and assesses their potential impact on operations, and formulates relevant countermeasures to mitigate potential risks.

## D. Social

### D1: Employment

The Group believes that a motivated and balanced workforce is crucial for developing a sustainable business model and driving long-term returns.

The Group has a diverse workforce in terms of gender and age, providing a variety of ideas and levels of competencies which contribute to the Group’s success. The Group employs workers in strict compliance with the Group’s human resources policies and the requirements of the Labour Law of the PRC including the following:

1. Working hours, holidays and statutory paid leaves comply with the requirements of the PRC;
2. Workers’ wages and related benefits are made in accordance with the local minimum wage (or above). Wages are paid in full amount and on time each month;
3. Contributions to social insurance funds are made for regular employees; and
4. The Group has established an anti-discrimination policy and complied with the requirements of relevant laws. There has been no occurrence of discrimination in the Group against race, region, nationality, age, pregnancy or disability in respect to employee recruitment, training, salary and promotion in the Year 2024.

# Environmental, Social and Governance Report

As at 31 December 2024, Fordoo Industrial, Quanzhou Fordoo and Beijing Haoyin had a total of 44 full time employees (2023: 54). The table below sets out the workforce of Fordoo Industrial, Quanzhou Fordoo and Beijing Haoyin as at 31 December 2024.

Staff distribution	Unit	Year 2024	Year 2023
<b>By gender</b>			
Male	Person	24 (55%)	31 (57%)
Female	Person	20 (45%)	23 (43%)
<b>By age group</b>			
Below 30	Person	–	–
30–50	Person	34 (77%)	45 (83%)
50 or above	Person	10 (23%)	9 (17%)
<b>By rank</b>			
Senior management	Person	3 (7%)	4 (7%)
Middle management	Person	9 (20%)	11 (20%)
General staff	Person	32 (73%)	39 (73%)
<b>By nature</b>			
Full-time	Person	44 (100%)	54 (100%)
Part-time	Person	–	–
<b>By geographical region</b>			
PRC	Person	44 (100%)	54 (100%)

Employee turnover rate of Fordoo Industrial, Quanzhou Fordoo and Beijing Haoyin is stated as follow:

	Year 2024	Year 2023
<b>By gender (Note 1)</b>		
Male	58%	35%
Female	15%	30%
<b>By age group (Note 1)</b>		
Below 30	–	–
30–50	44%	38%
50 or above	10%	11%
<b>By rank (Note 1)</b>		
Senior management	–	50%
Middle management	56%	36%
General staff	38%	31%
<b>By geographical region (Note 1)</b>		
PRC	39%	33%

Note 1: The turnover rate is calculated based on the number of employees who left employment in such category during the year ended 31 December divided by the total number of employees as at 31 December in such category.

# Environmental, Social and Governance Report

The remuneration of our employees includes basic salary and performance-based bonus. The Group makes contributions for the employees to the mandatory social security funds, including pension, work-related injury insurance, maternity insurance, medical and unemployment insurance in accordance with the applicable laws and regulations of the PRC.

The Group cultivates a harmonious corporate culture which engenders high levels of staff commitment and motivation. In the Year 2024, the Group organised various regular staff development programs and recreational activities to encourage staff integration and raise team spirit.

The Group offers competitive remuneration to attract and retain talented staff members and welcomes people of any age range to join the Group as long as they are keen to learn and participate. Our remuneration packages are reviewed periodically to ensure consistency with the employment market. For the Year 2024, the employee turnover rate was approximately 38% which was mainly contributed to resignation and retirement.

## *Compliance with relevant laws and regulations*

The Group was not aware of any material violation of the relevant laws and regulations having a significant impact on the Group's compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare in the Year 2024. The Group strictly complies with relevant local laws and regulations relating to employment, including but not limited to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Regulations on Wage Payment of Guangdong Province (《廣東省工資支付條例》). In addition, no significant fines or sanctions were imposed on the Group due to non-compliance with the relevant laws and regulations in the Year 2024.

## **D2: Health and Safety**

Our employees are provided with education and training on occupational safety to enhance their safety awareness. The Group has also employed qualified assessors to carry out equipment maintenance and assess occupational hazards at the workplace on a regular basis.

Although the operations of the Group no longer involve production, Fordoo Industrial, one of the major operating subsidiaries, still achieved the OHSAS 45001 certification, Occupational Health and Safety Management Systems Certificate, which is an international standard for occupational health and safety management systems and was valid from 13 November 2021 to 16 February 2025.



# Environmental, Social and Governance Report

Smoking is prohibited in the office areas of the Group. All office areas are equipped with fire extinguishers and fire alarms, and escape routes are available for employees.

Lost days due to work injury of the Group were as follows:

	Year 2024	Year 2023	Year 2022
Number of work-related fatalities	—	—	—
Number of work-related injuries	—	—	—
Lost days due to work injury	—	—	—
Lost days rate (%)	—	—	—

## *Compliance with relevant laws and regulations*

In the Year 2024, the Group was not aware of any material violation of relevant laws and regulations having a significant impact on the provision of a safe working environment and the protection of employees from the Group's occupational hazards. The Group strictly complies with the relevant local laws and regulations relating to health and safety, including but not limited to the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》) and Industrial Injury Insurance Regulations of the People's Republic of China (《中華人民共和國工傷保險條例》). Besides, there were no fatalities or accidents occurred in the past 5 years and there were no significant fines or sanctions due to non-compliance with the relevant laws and regulations for the Year 2024.

## **D3: Development and Training**

The Group strongly believes that experienced and skilled staff plays an important role to success. The Group supports our employees to develop and enhance their knowledge, skills and work capability. Various training courses are regularly conducted to promote loyalty, occupational safety, sales fairs planning, quality control, customer servicing skills and product knowledge.

The Group offers training programs for different employees. There are four different training programs:

1. Training Program for Directors and Senior Management — Training on corporate governance and updates on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements are provided to directors and senior management personnel;
2. Training Program for Middle Level Management — Training for Middle managerial level employees encompasses enhancement of management and leadership skills, emotional intelligence and problem-solving skills;
3. Training Program for Quality Control Employees — Training for Quality Control Employees includes safety guidelines and product quality control assurances; and
4. Staff Development Program for All Employees — Staff development programs aim at helping our employees to develop their soft skills such as self-motivation, resilience and interpersonal skills.



# Environmental, Social and Governance Report



The percentage of employees of Fordoo Industrial, Quanzhou Fordoo and Beijing Haoyin who took part in trainings are stated as follows:

	Year 2024	Year 2023
<b>Percentage of employees trained (Note 1)</b>	<b>432%</b>	356%
<b>Percentage of employees trained by gender (Note 2)</b>		
Male	<b>55%</b>	58%
Female	<b>45%</b>	42%
<b>Percentage of employees trained by rank (Note 2)</b>		
Senior management	<b>3%</b>	4%
Middle management	<b>27%</b>	29%
General staff	<b>70%</b>	67%

Note 1: It is calculated by dividing the number of employees who took part in training (including current and ex-employees) by the number of employees as at 31 December.

Note 2: It is calculated based on the number of employees trained in rank during the Year divided by the number of employees who took part in training.

The average training hours completed per employee of Fordoo Industrial, Quanzhou Fordoo and Beijing Haoyin are as follows:

	Year 2024	Year 2023
<b>Average training hours completed per employee (Note 1)</b>	<b>13</b>	10.7
<b>Average training hours completed per employee by gender (Note 2)</b>		
Male	<b>13</b>	10.7
Female	<b>13</b>	10.6
<b>Average training hours completed per employee by rank (Note 2)</b>		
Senior management	<b>6</b>	6.0
Middle management	<b>17</b>	15.0
General staff	<b>12</b>	9.9

Note 1: It is calculated by dividing the total number of training hours by the total number of employees as at 31 December.

Note 2: It is calculated by dividing the total number of training hours for such rank by the number of employees as at 31 December in such rank.

# Environmental, Social and Governance Report

## D4: Labour Standards

The Group is committed to support its corporate value by complying with laws and regulations. The Group adopts a series of comprehensive policies and procedures regarding recruitment and labour use. We strictly prohibit child labour and forced labour from our employment.

An identity cards identification system has been installed and connected with Quanzhou Public Security Bureau (泉州市公安局). To ensure all newly recruited employees are over 18 years old during the recruitment process, all applicants have to provide their identity card for inspection and verification purpose. In addition, we also ensure all of our staff work consensually and are free from any form of forced labouring. All employment contracts are formulated based on relevant laws and regulations and all employees are required to sign the legally-binding employment contracts before the commencement of work. In case of child labour and forced labour, the Group will immediately terminate the labour contract with the employee concerned.

### *Compliance with relevant laws and regulations*

In the Year 2024, the Group was not aware of any material violation of the relevant laws and regulations prohibiting the employment of child labour or forced labour in the Group. The Group strictly complies with the relevant local laws and regulations relating to labour standards, including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law on Protection of Minors of the People's Republic of China (《中華人民共和國未成年人保護法》) and the Provisions of Prohibition of Child Labour (《禁止使用童工規定》). In addition, there was no material penalty or sanction imposed on the Group due to non-compliance with the relevant laws and regulations in the Year 2024.

## D5: Supply Chain Management

The Group has established a set of stringent criteria to ensure that our suppliers and sub-contractors are up to the Group's standards so as to minimise the environmental and social risks of the Group's supply chain. The following criteria are considered in the selection of suppliers and sub-contractors.

- On-time delivery and transportation — The products we ordered are delivered to our warehouses or our designated places on time.
- Others — Other considerations include qualifications, business scale, production capacity, product quality, environmental measures, ethical standards and industry reputation of the suppliers.

In addition, the Group evaluates its suppliers' and sub-contractors' performance annually, which includes an assessment of product quality, production costs and product delivery time. The regular evaluation of their performance helps to maximise the value-for-money of our products. The Group seeks to constantly improve the evaluation process and evaluate suppliers and sub-contractors in a structured and systematic way. The Group expects our sub-contractors to meet the standards not only in terms of product quality and business ethics, but also in terms of the impacts on environment, society and corporate governance. The Group maintains close communications with suppliers and sub-contractors and shares the latest knowledge about products quality and safety, good employment and environmental practices. By conducting the evaluation and maintaining close communication with suppliers and subcontractors, the Group closely monitors their business behaviour, and the management is responsible for recording any non-compliance. In turn, it enables the competitiveness of its products and improves the brand image. Suppliers and subcontractors who are not up to standard would be subject to re-evaluation before making further business dealings.

The Group has established a supply chain management policy. It covers (i) review; (ii) selection; (iii) approval; (iv) purchasing; and (v) performance evaluation. Performance evaluation is based on quality, service, cost, environmental protection and social responsibility.

# Environmental, Social and Governance Report

In the Year 2024, the Group is not aware of any material actual and potential adverse impacts on business ethics, environmental protection, human rights and labor practices by our major suppliers nor any incidents of non-compliance with human rights related matters.

The numbers of the main suppliers of the Group by geographical region are as follows:

	Year 2024	Year 2023
PRC	43	42

## D6: Product Responsibility

### Quality assurance

The Group takes pride in the delivery of high-quality products to our customers, not only because it is crucial to the health and safety of its customers but also the potential of attracting future business opportunities. The Group conducts quality control inspections upon receiving the products from the subcontractor to ensure the products comply with our specifications and are free from major defects.

In order to improve and maintain the quality of products provided, the Group pays attention to all complaints received via established communication channels, and reviews customers' opinions and comments regarding the products sold. Once a complaint is received, investigation and evaluation would be carried out. We would also take necessary corrective measures to ensure that the quality of our products is top-notch.

Fordoo Industrial has obtained ISO9001 Quality Management Systems Certificate, which was valid from 13 November 2021 to 16 February 2025.



During the Year 2024, no product was returned due to safety or quality problems nor complaint was received from customers.

# Environmental, Social and Governance Report

## **Privacy protection**

In order to protect consumer data and privacy, customer information is kept confidential by the sales department, and only authorised staff can access the information. The Group collects information from suppliers and customers for different purposes and takes appropriate procedures to ensure that the information collected is solely for lawful and relevant purposes. The Group sets out data privacy requirements in the company policies, under which customers' and suppliers' data would be used exclusively for matters relating to the Group's operation only.

The Group strives to ensure that all collected data is restricted from unauthorised or accidental access, processing, erasure or other use.

## **Intellectual properties**

Intellectual property protection is requisite for innovation-driven development. The Group has established intellectual property management mechanisms continuously to strengthen intellectual property protection. During the Year 2024, we strictly complied with the laws and regulations related to customer health and safety, advertising, labelling, intellectual property rights and privacy matters in all locations where we operate.

## *Compliance with relevant laws and regulations*

The Directors believed that the Group has complied with the relevant laws and regulations related to the products of the Group, including the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), 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》), Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》). In the Year 2024, no significant fines were imposed on the Group due to non-compliance.

# Environmental, Social and Governance Report



## D7: Anti-Corruption

The Group has established its “Self-Discipline Regulations” to combat corruption and provided clear guidelines for our employees to prevent corruption. The Group also communicated with our employees and ensure that they are aware of our strong stance against corruption.

In order to raise the awareness of anti-corruption, the senior management and the staff of the Group has attended training held by legal professionals in relation to the enforcement actions taken by HKEx due to misbehaviors of the senior management of listed company. To demonstrate our commitment to the highest standards of openness, accountability and probity, the Group has established a written whistle-blowing policy and reporting procedures under which any suspected misconduct or malpractice can be directly reported to our independent non-executive directors. These reporting procedures are designed to ensure a fair and independent investigation of each case. During the Year 2024, there is no concluded legal cases regarding corrupts practices brought against the Group and our employees.

### *Compliance with relevant laws and regulations*

In the Year 2024, none of the Group or its employees was involved in any legal proceedings relating to bribery, extortion, fraud or money laundering, and the Group recorded no bribery nor corruption charges. The Group has strictly complied with the Prevention of Bribery Ordinance of Hong Kong (《防止賄賂條例》) and 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》) and other local laws and regulations relating to anti-corruption.

## D8: Community Investment

The Group regards urban greenery as one of our core community concern initiatives. In the past few years, the Group has strived to greening and beautifying the urban living environment through various urban greenery activities. These included planting street trees around the community we are located, enhancing existing green areas, fertilisation, soil remediation and regular maintenance and preservation of trees and shrubs.

It is crucial that we continue to contribute to the sustainability and livability of our city. The Group are dedicated to nurturing and protecting the “green space” in the city by enhancing the sense of place and urban ecosystems.



Hong Kong, 30 April 2025