DA SEN HOLDINGS GROUP LIMITED
大森控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1580



2024/25
Environmental, Social and Governance Report

ABOUT THE GROUP

Da Sen Holdings Group Limited (the "Company", together with its subsidiaries, the "Group" or "we") is engaged the manufacturing and sales of plywood and leasing.

In the post epidemic era, the Group is actively expanding its revenues. To horizontally expand the wood operations of the Group so as to broaden the revenue source the Group formed a strategic alliance with a factory in Jiangmen, Guangdong Province, the PRC (the "Alliance Factory"), which is principally engaged in the manufacture of interior decorative materials and furniture. Under the strategic alliance arrangement, the Group could earn service revenue for referring customers such as property developers to the Alliance Factory for the purchase of their products, and the Alliance Factory will also purchase plywood products from the Group for its manufacture of interior decorative materials and furniture in accordance with their requirements. The Group has on one hand continued to pursue the policy of reducing acceptance of plywood orders that were of low margins and implementing measures to control costs and outsourcing of certain non-core works to local workers to reduce production costs, and on the other hand horizontally expanded the wood operation business to broaden the revenue stream through the strategic alliance with the Alliance Factory with revenue commenced to generate.

While the Group actively developing its business operations, the Group is still committed in supporting society and local economy at its best, and promoting the sustainable development of the industry.

ABOUT THE REPORT

This is the ninth Environmental, Social, and Governance Report (the "Report") of the Group, which aims to present the performance in the environmental, social and governance ("ESG") aspects. The Report is prepared in both Chinese and English and is available on the website of The Stock Exchange of Hong Kong Limited (the "SEHK"). In case of any conflict or inconsistency, the English version shall prevail. For the corporate governance section, please refer to the section headed "Corporate Governance Report" of the Group's 2024/25 annual report.

REPORTING BOUNDARY

The Report discloses the Group's core business operation in the PRC, which are the manufacturing and sales of plywood products, during the period from 1 April 2024 to 31 March 2025 (the "Reporting Period" or "2025 Year").

The manufacturing and sales of plywood products is the principal business of the Group. The Group's main production base is strategically located in Heze City, Shandong Province in the PRC.

The Group's plywood products consist of furniture board(家具板), ecological plywood(生態板)(also known as melamine faced board(三聚氰胺貼面板)), and hardwood multi-layered board(實木多層板). All our products are customised depending on our customers' needs.

Customers of the Group are mainly end users, such as furniture manufacturers, equipment manufacturers, decoration or renovation companies, packing material producers, and trading companies. Most customers of the Group's plywood products are located in the Eastern China and Southern China regions. The plywood and related services segment accounted for approximately 56.2% of total revenue of the Group for the 2025 Year. This Report covers the factories and offices in the PRC.

The Group will continue to assess the impacts of its business on the major ESG aspects and to include the results of such assessment in this Report.

REPORTING PRINCIPLES

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in the Appendix C2 of the Rules Governing the Listing of Securities on the SEHK. Certain key performance indicators ("KPI(s)"), which are considered material by the Group are disclosed during the Reporting Period, the Group will continue to summarise and improve the disclosure of KPIs. The four principles, namely materiality, consistency, balance and quantitative, are adopted as the core reporting principles.

Materiality	Consistency
The Group invited the board (the "Board") of directors (the "Director(s)") of the Company to participate in the identification of material issues which are disclosed in the Report.	Unless otherwise specific, the Group adapts consistent methodologies for data collection, analysis and disclosure.
Balance	**Quantitative**
The Report is prepared in an unbiased manner to ensure the fairness of the data.	KPI(s) in respect of historical data need to be measurable. Quantitative data and methodologies are disclosed in the Report.

OPINIONS

The Group values the opinions and suggestions of stakeholders. If you have any inquiry or comments on the Report's content or any other aspects related to sustainability, please do not hesitate to contact the Group by emailing to info@msdscn.com.

APPROVAL OF THE REPORT

The Report was approved by the Board.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group has already established the ESG Taskforce (the "Taskforce"), which comprises of the core members from different departments appointed. The Taskforce is responsible for the collection of the Group's ESG relevant information to conduct the Report. Besides, it identifies and analyses the relevant risks and mechanisms, and reports to the Board at least once annually by submitting report to monitor and analyse the internal performance. The Directors and financial controller of the PRC are responsible for overseeing the division of works and the overall management of the work flows and progresses against the benchmarks set by the Board.



The Board has overall responsibility for the Group's ESG strategy and reporting. The Board determines the strategic directions relevant to ESG aspects to achieve a sustainable and stable corporate development according to factors such as market changes and operation strategies. At the same time, the Board would also confirm the effectiveness of its risk management and internal control mechanisms based on the report prepared by the Taskforce, and adjust the relevant mechanisms and measures in accordance to the report content and re-formulate the policies and plans for achievement of goals and targets.

The Group has also set short-term and long-term sustainable development vision and goals to achieve ongoing emission reduction according to governmental requirements. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors have been incorporated into the Group's strategic planning, business model and other decision-making processes. The Executive Director and the heads of different departments are mostly responsible for the implementation of short-term and long-term strategies under the supervision of the chairman. The Board holds meetings at least once annually to monitor and review the effectiveness of management approach, including reviewing the Group's ESG performance and adjusting corresponding action plans. Where appropriate, external advisors would be engaged to provide expertise and professional advice for the ESG management process.

It is believed that listening to different stakeholders' feedbacks and integrating them into the corporate's determination of strategies, policies and measures can help with its sustainable development. Collecting different stakeholders' comments and understanding their expectations can help to enhance the formulation and improvement of operation strategies, and to achieve sustainability. Therefore, the Group has established different channels for regular communications with the stakeholders to build the long-term partner relationships.

Stakeholders	Communication Channels	Expectations	The Group's Responses
Investors/ shareholders	• Annual general meeting • Investor meeting • Publication of annual reports and announcements	• Financial results • Improving the risk monitoring system	• Regularly disclosure of operational performance • Improvement of internal risk monitoring
Government and regulatory bodies	• Regular working meetings • Performance reporting meetings • Site visits	• Compliance with laws and regulations • Tax payment in accordance with laws	• Ensuring no violations • Tax payment in full and on time
Employees	• Opinion survey • Intranet	• Career development opportunities • Working remuneration and benefits • Occupational health and safety	• Clear promotion mechanism • Regular review on employees' benefits and salaries • Providing relevant trainings and strengthening safety awareness
Customers	• Customer satisfactory survey and feedback form	• Quality of our services • Customer information security • Customer rights and interests' protection	• Utilising product tracking system • Customer privacy protection • Compliance operation
Suppliers	• Management meetings and activities	• Integrity cooperation • Business ethics and credibility	• Regular review on cooperative relationship • Performing the contract according to law
Society and the public	• Public or social activities and partnership program	• Environmental protection • Job opportunities	• Using environmental protection and energy saving equipment • Providing equal employment opportunities

STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT

The Group has adopted the principle of materiality in the Report by understanding the key ESG issues which are important to the Group's business. During the Reporting Period, the Group undertook its annual materiality assessment exercise. The objective of the materiality assessment is to identify ESG topics that are material and relevant to the operation of the Group. This involved distributing questionnaires to internal and external stakeholders to identify the most significant environmental and social impacts on their business. We refer to the ESG Reporting Guide and propose possible topics for assessment to identify potential material topics for disclosure in the Report.

Based on the results of the materiality assessment, the following items demonstrated the ESG topics with high materiality to the Group, including:

- Emissions
- Use of Resources
- Environment and Natural Resources
- Climate Change
- Employment
- Occupational Health and Safety
- Development and Training
- Labour Standards
- Supply Chain Management
- Product Liability
- Anti-corruption
- Community Investment

Key disclosures of the Report are made according to the analysis result of the materiality assessment to respond to the expectation of stakeholders towards the Group.

Employees are the indispensable part of the corporate's sustainable development. It is believed that the secured working environment and system can increase their sense of belonging to the corporate and enhance the working performance, which can further facilitate the corporate's long-term development. The Group understands the importance of ensuring employees' health and safety during work, the quality of employment system, and the potential of career development.

EMPLOYMENT SYSTEM

The Group has been committed to providing employees with reasonable and good working conditions and environment to ensure that the employees' contributions to the Group are rewarded. By establishing internal policies, such as "Policy on Remuneration Management" and "Employee Handbook", and clearly stating the welfares and requirements of work for the employees, the Group can effectively protect both parties' rights and interests. At the same time, the Group has also determined policies such as "Procedures on Recruitment" and "Regulations on the Procedures of Onboarding, Departure and Transfer" to supervise the fairness and compliance of recruitment, onboarding and departure.

Recruitment, Promotion and Termination	• Only the applicant's education level, work experience and other relevant issues would be considered for the recruitment of all positions; • Employees are categorised and managed according to their entry positions for future arrangement, such as promotions, transferals and rank adjustment; and • In accordance with internal rules and regulations, it is ensured that the employees are treated equally during promotions by conducting fair and just performance appraisals.
Salary and Welfares	• Remuneration comprises of basic salary, performance bonus, overtime payment, position subsidy, related subsidies and other various bonuses; and • Employees' remuneration, welfare and relevant arrangements are clearly stated in the labour contract.
Working Hours and Holidays	• The working hours per day shall be 8 hours, while extra working hours would be compensated; • Employees are entitled with various family leaves, including marriage leaves, maternity leaves, bereavement leaves and other national holidays etc.; and • The arrangements, such as working hours, vacation benefits and employee benefits, are clearly stated in the labour contracts.
Equal Opportunity, Diversity and Anti-discrimination	• We respect people of different races, genders, colours, age, family background, religions, sexual orientations, physical capabilities and nationalities, which these factors would not affect the employees' welfare and remuneration, including employment and promotions; • Diversified values are integrated into the considerations of employment and promotions, considering from the aspects of capability, personal performance and attitude; and • Employees can reflect and report discrimination through the chairman's e-mail.

EMPLOYMENT PRACTICES

The Group is committed to protecting the opportunities and rights of school children to receive education. We strictly prohibit the employment of child labour, which only individuals aged 18 or above would be hired. Policies such as the "Personnel Recruitment Process" are utilised to ensure that relevant operations comply with internal policies and local laws and regulations. All employees are recruited directly by the Group and would not be recruited through intermediaries or third parties. During the recruiting process, the Human Resources Department will carefully check the identity documents of each applicant to ensure that his age meets the minimum working age stipulated by the law. If applicants are found to be under the legal working age during the interview, the Group would immediately terminate their job applications and send them to the local police station or their place of residence.

At the same time, employees' legal right is an aspect that the Group attaches great importance to. The Group does not tolerate any form of forced labour, which all employees are ensured to work voluntarily, and are supervised by the policies and measures such as that stated in the "Employee Handbook". It is strictly prohibited to use threats, coercion, imprisonment, detention of documents, etc., to force the employees to work during non-office hours or involuntarily. If employees need to work overtime, the Group shall provide compensation based on their overtime records to ensure that they receive their pay backs and have no forced labour.

As of 31 March 2025, the Group had a total of 23 (as of 31 March 2024: 29) full-time employees and Directors and no part-time employee within the reporting boundary, of which 70% (as of 31 March 2024: 66%) were male and 30% (as of 31 March 2024: 34%) were female. The turnover rate of male employees of the Group is 13% (2024 Year: 11%) and that of female employees is 71% (2024 Year: 20%).

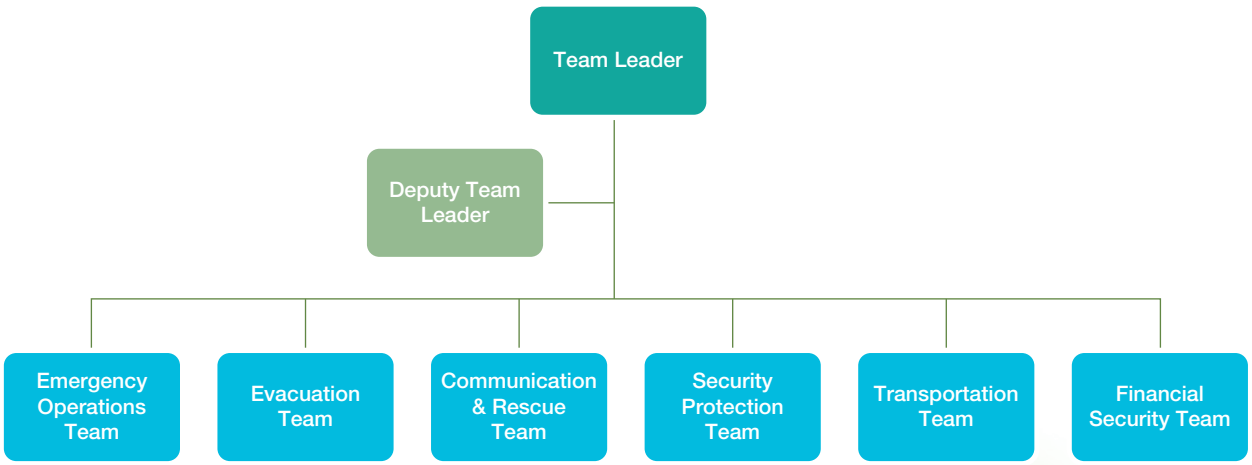
The Group complies with laws and regulations related to employment and labour standards, including the Labour Law of the People's Republic of China*(《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China*(《中華人民共和國勞動合同法》), the Abolition of Forced Labour Convention*(《廢止強迫勞動公約》), Provisions on the Prohibition of Using Child Labour*(《禁止使用童工規定》)and Regulation on Paid Annual Leave for Employees*(《職工帶薪年休假條例》). The Group understands that violating relevant laws and regulations will bring civil and/or criminal consequences to the Group, as well as negative effects to the operations and corporate reputation. During the Reporting Period, the Group did not violate any material laws and regulations related to employment and labour standard, compensation and dismissal, recruitment and promotion working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

* *For identification purpose only*

OCCUPATIONAL HEALTH AND SAFETY

To ensure the health and safety of employees during work, the Group has established policies and relevant measures, including the "Policy on Management of Safe Production", "Policy on Management of Safe Production Training", "Environmental, Occupational Health and Safety Operations Control Procedures", "Hazard Identification and Risk Assessment Control and Evaluation Procedures", "Emergency Preparedness and Response Control Procedures" and "Emergencies Management Policies" to monitor daily operations and protect employees' safety. At the same time, the Group insists the safe production approach of "Safety First, Precaution Crucial, Participated by all Employees and Comprehensive Control" to implement the overall monitoring for all employees to ensure that all procedures and employees are protected. Besides, Meisen (Shandong) has established procedures such as the "Environmental, Occupational Health and Safety Operations Control Procedures" and "Hazard Identification and Risk Assessment Control and Evaluation Procedures" in accordance with the OHSAS18001 international standard to further monitor and protect various parties' occupational safety.

Due to the nature of the Group's operation, employees are required to operate a large number of equipment or machinery during their work, including cutting equipment such as chippers, flakers, and sanding equipment, as well as process machinery such as multi-opening presses and driving machines. The equipment used in the production line is large or dangerous machinery, which can cause serious injury to users. Therefore, the Group has formed an Emergency Response Leading Team, which is mainly responsible for handling, leading and directing the emergency issues. The general manager serves as the team leader, while the deputy general manager or the head of each department serve as the deputy team leader to assist the team leader on the operation of the team. The Emergency Response Leading Team has divided different tasks into six categories, and six working groups would be responsible for the tasks, which actions can be taken according to policies and measures established such as the "Emergency Responding Protocols" within a short period of time.



EMPLOYMENT PRACTICES

In order to further protect the personal safety of employees, the Group has established a series of measures to supervise and provide guidance to employees in their daily work to reduce the chance of accidents. For example, improper use of equipment or wrong transportation methods may cause injuries to employees with logs rolling off. To prevent related incidents, the Group arranges relevant trainings to ensure that employees have effectively implemented the operating rules and operated equipment safely. In addition, irrelevant employees are restricted from entering the premises to ensure that all employees on the premises understand the procedures and operating methods, thereby reducing or eliminating related crises.

Equipment Safety	Safety Awareness	Protection Measures
– All cutting equipment should be fitted with safety guards capable of preventing access to moving cutting blades, and preventing the insertion of body parts.	– Provide training for employees to ensure that they understand the relevant safe working procedures and equipment operation methods.	– Clearly plan the transportation routes to avoid accidents caused by conflicts in the routes.
– All cutting equipment should be adequately contained to prevent the expulsion of blade fragments in case of blade breakage, and hurt the users.	– Post safety tips and related operating instructions in conspicuous places.	– Provide employees with personal protective equipment such as helmets, iron boots and special gloves.
– Moving gears, chains, belts and rollers should be fully enclosed to ensure that employees would not get hurt by touching the relevant parts.	– Limit the height of log stack, which is also included in the risk assessment.	– Install baffles, fences and other facilities on the log mill deck to prevent the logs from sliding down.
	– Limit the working hours of employees under hot weather, and provide employees with cooling drinks.	– Install reversing alarm devices for portable equipment.
		– Implement mechanised operations to reduce the number of employees involved in the transportation process.

The Group has established relevant measures to protect the personal safety of employees when they use steam and hot oil, such as conducting regular maintenance and inspections, placing equipment in restricted areas for employee, implementing automated operations, etc., to ensure that employees would not work in places with safety threats. At the same time, the Group holds no less than one emergency drill every year to ensure that all departments and employees understand the importance of safety and are familiar with emergency handling protocols. If an employee has an accident during work, the medical staff will immediately provide treatment to the injured employee or send the seriously injured one to the hospital for further treatment. The Group would subsequently investigate relevant departments and cases and adopt improvement measures to avoid recurrence. During the Reporting Period, the Group did not record any work-related injuries or any loss days due to injury. In the past three reporting years including the Reporting Period, there were no work-related fatalities.

The Group complies with laws and regulations relevant to occupational health and safety, including the Labour Law of the People's Republic of China*(《中華人民共和國勞動法》), Work Safety Law of the People's Republic of China*(《中華人民共和國安全生產法》), 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 Fire Protection Law of the People's Republic of China*(《中華人民共和國消防法》). The Group also understands the violation of laws and regulations would bring civil and/or criminal consequences, as well as negative effects on operations and corporate reputation. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group in relation to providing a safe working environment and protecting employees from occupational hazards.

* *For identification purpose only*

TRAINING AND DEVELOPMENT

The Group supports all-round and sustainable development of employees and provides them with various supports, including internal and external trainings and supports. Through the establishment of "Internal Transfer Management Measures", "Human Resources Management Procedures" and "Company Training Management System", the Group ensures that the arrangement of career development and training management for the employees are well supervised. Besides, the management is responsible for determining the training plan for the year, and the Human Resources Department will notice various departments with the relevant arrangement to be implemented. The Group would also provide quarterly training to employees to fulfil the development needs of different departments and employees.

Under the guidance of different regulations and systems, the Group has established an integrated training system covering knowledge trainings, skills training, and attitude training. Different trainings are provided to employees to help them to understand different responsibilities and knowledge. They would receive different trainings according to different purposes. For instance, employees from production line would receive trainings on equipment operation and skill training to ensure that they understand the operation method to use the equipment safely. New employees would also receive induction training to understand the job content, daily operations of the Group, etc., which can help them to engage in the working environment as soon as possible to perform their duties. In addition, the Group arranges team leaders, group leaders or experienced employees to guide the newcomers at work, emphasizing learning and growth through practice.

EMPLOYMENT PRACTICES

Apart from providing internal training, employees can also participate in training activities provided by colleges and universities, industry management departments and government agencies entrusted by the Group. Employees with outstanding performance would be recommended to relevant colleges or institutions for training to enhance their working abilities and career development, which could in turn support the Group's operations. At the same time, the Group also encourages employees to participate in external training and obtain relevant professional qualifications by providing education benefits, which helps the Group and themselves to develop in an all-round way.

Employees can also take the initiative to propose written applications of job transfers based on their own development intentions and work abilities. After obtaining the approval of the department head, the Human Resources Department will evaluate and handle the applications in accordance with the employment approval procedures. Relevant transfers will be considered and respond to their applications based on factors such as employees' development intentions, abilities, and job vacancies.

The Group understands the importance of compliance and is committed to maintaining the quality of products to ensure that the rights and interests of customers are protected. At the same time, the Group has always upheld a clean operation and extended the principle of openness and fairness to the supply chain.

PRODUCT RESPONSIBILITY

The Group understands the importance of maintaining product quality and has established a sound internal supervision and quality control system through the formulation of policies, such as "Quality Management Policies", "Production Process Quality and Safety Control Policy", and "Tracing Management Policy", and the introduction of ISO 9001 quality control system. Among them, the quality control system of Meisen (Shandong) has been certified by an independent testing agency. Meanwhile, the quality of the Group's products complies with the national standard GB/T9846-2004, and the formaldehyde content of the products has also fulfilled the requirement of the F4 Stars Standard of the Ministry of Agriculture, Forestry and Fisheries of Japan and the P2 level of California Air Resources Board (CARB).

In order to ensure the product quality, the Group has also formulated detailed monitoring procedures to supervise the procurement, production and delivery process to ensure that the products meet the standards from the preparation of raw materials to the delivery of the products.

Ensure the quality of raw materials

- Strictly select suppliers who meet the selection criteria in terms of product quality, delivery and cost, and maintain a good relationship with them. At the same time, quality control personnel will also conduct tests to ensure that the raw materials meet the described quality and the Group's standards, including but not limited to environmental requirements.
- If the quality of raw materials does not meet the standards, the relevant raw materials will be returned and the supplier will be required to re-deliver the raw materials that meet the standards.

Supervise the production process

- Set up inspection points on the production line, and conduct checks and tests in accordance with internal supervision regulations. Related tests include pressure rating, thickness measurement, and formaldehyde emissions. The quality control personnel will fill in the test log of the production process based on the test results to ensure that the product quality meets the relevant standards.
- If unqualified products are found during the process, the relevant products will be stored separately according to the label and waiting for further processing.

Inspect the final product

- Quality Control Inspectors are responsible for testing products according to the Quality Inspection Standards and preparing the Product Quality Report. The products undergone inspections will be accepted or handled in regard to the Control Procedures for Defective Products according to their condition or defects.

OPERATION PRACTICES

During the Reporting Period, the Group did not recall any products sold or shipped due to safety and health reasons. The Group will strive to maintain the quality of its products and provide customers with high-quality products.

In addition to policies and measures to ensure product quality and related processes, the Group provides outstanding services and products according to the policies such as "Customer Credit Evaluation Policy" and "Contract Review Policy". If there are any customer complaints, the Sales Department will be responsible for receiving and handling related complaints and will continue to follow up the feedback information to ensure the quality of the products and customer satisfaction. The Group will also conduct annual customer satisfaction surveys to collect their feedbacks and conduct continuous follow-up and improvement. In terms of product promotion, the Group employs a professional advertising team to design promotional information and prohibits any statements that mislead customers. During the Reporting Period, the Group did not receive any significant complaints in relation to its products and services.

At the same time, the Group values the privacy of personal data. We strictly follow the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) 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 our operation and adopt them as our Personal Data Privacy Policy. In order to protect the security of customers' information, the Group requires relevant employees to sign the confidential agreement to ensure all of them abiding the regulations. The Group has established an internal management team responsible for monitoring the implementation of the aforementioned policy. During the Reporting Period, the Group did not receive any significant complaints involving violations of customer privacy.

The Group complies with laws and regulations relevant to product responsibility, such as 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 Protection of Consumer Rights and Interests*(《中華人民共和國消費者權益保護法》)and Advertising Law of the People's Republic of China*(《中華人民共和國廣告法》), and understands that violating relevant laws and regulations will bring civil and/or criminal consequences to the Group, as well as negatively affect operations and corporate reputation. During the Reporting Period, the Group did not violate any laws and regulations related to product responsibility.

* *For identification purpose only*

The Group is committed to the maintenance and protection of intellectual property rights, which are crucial to the sustainable business growth of the Group. The Group makes timely applications to register its new trademarks, labels and product designs to protect its intellectual property rights. Legal advice is sought, if necessary, on the protection and infringement (if any) of intellectual property rights. The Group also requires its employees to keep trade secrets and other proprietary intellectual property rights of the Group confidential. During the Reporting Period, the Group did not find any infringement of intellectual property rights by any third party and has fully complied with relevant laws and regulations.

ANTI-CORRUPTION

The Group has always upheld a clean and fair operation and established a comprehensive internal control system, including a set of policies and systems including the "Employee Handbook" and "Regulations on Fraud and Violations" to prevent any form of unethical behaviour, such as corruption, malpractice, bribery, fraud, and misappropriation of funds, etc.

All employees would be issued an "Employee Handbook" and explained by the Human Resources Department upon the entry to ensure that they understand the requirements of the Group and avoid violations due to insufficient understanding. To promote the importance of anti-corruption and its relevant information, the Group has organised anti-corruption conferences and other educative events, and publicised related codes of conduct, etc., to create a clean corporate culture.

The Group has also established a secretariat and a supervisory office to supervise daily operations and ensure compliance. The Anti-Fraud Management Office is responsible for managing special telephone hotlines, emails, and mailboxes to receive reports from insiders or those directly or indirectly related to operations. According to the whistle-blowing procedures set out in the "Regulations on Fraud and Violations", whistle-blowers can file their cases through different channels with real name or anonymously, and leave written records and reports to the management or the Board.

If the case is found to be true after investigation, the Group would apply the penalties, including transferring the case to the domestic law enforcement agency for further investigation and handling. At the same time, the Group would also take improvement measures to evaluate and enhance the affected department's regulatory measures and policies, reducing the chance of recurrence of violations. The secretariat will disclose the case accordingly, including the process, participants, evaluation etc. Throughout the whole process, the personal data and other relevant information of the whistle-blowers will be kept strictly confidential to ensure that their personal safety and position will not be negatively affected by reporting the case.

The Group complies the laws and regulations relevant to anti-corruptions, including the Company Law of the People's Republic of China*(《中華人民共和國公司法》), Bidding Law of the People's Republic of China*(《中華人民共和國招標投標法》), 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 Interim Provisions on Banning Commercial Bribery*(《關於禁止商業賄賂行為的暫行規定》). It also understands that violating relevant laws and regulations will bring civil and/or criminal consequences to the Group, as well as negatively affect operations and corporate reputation. During the Reporting Period, the Group did not identify any material non-compliance of laws and regulations related to the prevention of bribery, extortion, fraud and money laundering, and there was no concluded legal case regarding corrupt practices, extortion and money laundering brought against the Group or its employees.

* *For identification purpose only*

OPERATION PRACTICES

SUPPLY CHAIN

The Group has formulated policies and measures such as the "Purchasing Management System", "Supplier Management System", "Supplier Information Sheet", "Supplier's Environmental Commitment Agreement", and other policies and measures to help regulate supply chain related matters, including the procurement and hiring process, etc.

To ensure that the process of engaging raw material suppliers meets the needs of the Group, it would first evaluate its own needs, and then compare and evaluate the prices of various suppliers to ensure that the prices are reasonable and appropriate. In addition, the past performance of relevant suppliers would also be taken into consideration. The Group evaluates all prospective suppliers based on a number of factors, including but not limited to their operating condition, technical strengths, quality control effectiveness, pricing, whether it was punished by government departments, and whether the products and services provided are beneficial to environmental protection. In addition, the Group would use public channels to inquire whether these suppliers have been punished due to environmental issues, violations of laws and regulations and other factors. If related violations are found, they would not be considered by the Group for further cooperation.

Along the cooperation, the Group has concluded contracts with suppliers, and all terms will be strictly implemented in accordance with the contract. If the pollutants produced during the production of raw materials purchased by the Group exceed the relevant standard, the supplier must take appropriate measures, including putting up alarming signs at where hazardous wastes and objects are placed, and prioritising the handling of recyclable materials, to avoid a waste of resource. If the relevant suppliers are likely to cause or have already caused serious environmental pollution and harm, the Group would terminate the cooperation between the two parties. It would also evaluate the performance and awareness of suppliers in social aspects, such as the issues of employment and occupational health and safety, to ensure that they comply with relevant laws and regulations and standards set by the Group.

The Group is committed to maintaining equality and fairness in the tendering and bidding process. Under the standard of unity and transparency, the Group conducts fair procurement and ensures that no discriminatory matters arise during the process. To further maintain the equality, employees or individuals who have interests in the relevant suppliers are not allowed to participate in the procurement procedures to avoid potential conflicts of interest.

During the Reporting Period, the Group had a total of 4 (2024 Year: 4) suppliers, all of which were from the PRC. Among them, 4 (2024 Year: 4) were suppliers of water, electricity and other services, as the Group has deliberately downscaled the plywood product business during the Reporting Period, there were no (2024 Year: nil) suppliers of raw materials.

The environment has already been affected to a certain extent by various human and corporate activities. To maintain the sustainable development of the society, environment and corporates, the Group understands the importance of balancing the operations and environmental performance. It has committed to reducing the negative impacts brought by operations to the environment by determining relevant policies and measures.

USE OF RESOURCES

Energy

The Group's operations involve different types of energy use, including non-renewable energy sources such as diesel and gasoline. At the same time, it would also purchase electricity from third party to support the operation of network systems and other equipment and systems. To reduce the impact of daily operations on the environment, the Group has formulated relevant internal policies and measures such as "Regulations for Boiler Operation and Management" to achieve the goals of electricity saving and efficient resource consumption, as well as supervising the implementation of energy relevant policies and measures. The Group has set its target to gradually reduce energy consumption intensity. It has achieved the target in the 2024 Year, and decided to use the same target for the upcoming reporting period. The following are the steps taken to achieve the targets:

Operation Equipment

- Use energy-saving equipment and machinery;
- Strengthen the maintenance and inspection of equipment to ensure efficient energy consumption;
- Install energy-saving lights;
- Post energy-saving slogan and notices;
- Idling equipment is strictly prohibited; and
- Prohibition of using improper electricity distribution line.

Daily Operations

- Strictly prohibit the idling of equipment and mismatch of power distribution;
- Turn on and use the equipment according to actual needs, and turn it off when it is not in use or not in office hours;
- Set the air-conditioner to be no less than 25°C during Summer, and not higher than 20°C during Winter;
- Conduct training on electricity saving for the staff who use the main electrical equipment from time to time; and
- Periodically summarise the power consumption on monthly basis, analyse whether it meets the production demand and avoid excessive power consumption.

ENVIRONMENTAL PROTECTION

During the Reporting Period, the Group has deliberately downscaled the plywood product business, therefore there were no consumption of diesel and biomass. During the Reporting Period, the Group's energy consumption was equivalent to approximately 143.31 (2024 Year: 153.49) MWh, and its intensity was approximately 6.23 (2024 Year: 5.29) MWh equivalent per employee.

Energy	**2025 Year**	2024 Year	Unit
Direct energy			
Diesel[1]	**–**	–	MWh
Petrol[1]	**4.24**	24.59	MWh
Biomass[2]	**–**	–	MWh
Indirect energy			
Electricity	**139.07**	128.90	MWh
Total energy consumption	**143.31**	153.49	MWh
Energy consumption intensity (by number of employee)[3]	**6.23**	5.29	MWh/employee

Notes:

1. It was calculated according to the "Reporting Guidance on Greenhouse Gas Emissions for Other Industrial Enterprises (Trial)".
2. It was calculated assuming that the calorific value of biomass is 9.5 GJ/tonne. As the Group has deliberately downscaled the plywood product business during the Reporting Period, therefore no biomass was consumed.
3. As of 31 March 2025, the total number of employees of the Group was 23 (as of 31 March 2024: 29). The figures would also be used for calculating other intensity data in this Report.

Water

The Group complies with laws and regulations related to water resources. It has installed water meters for related equipment to ensure that there are clear records of its consumption. According to the reply from Chengwu County Administrative Examination and Approval Service Bureau*(成武縣行政審批服務局), the maximum water consumption for Senmei (Heze) and Dasen (Shandong) are 16,000 m^3/year each. The Group, during its annual water consumption planning, has allocated the water consumption limit to each month. In addition, the Group has formulated relevant measures to promote water conservation information and to effectively monitor and consume water resources. The Group has established an internal management team responsible for monitoring the implementation of the aforementioned policy. The Group will review the progress and explore more opportunities for various environmental protection goals. During the Reporting Period, we have set goal to nurture the environment and cherish natural resources. We aim to engage in water-saving initiatives annually to increase employees' awareness of the significance of water conservation and promote a culture of sustainability within the Group.

* *For identification purpose only*

Office Equipment

- Install water-saving appliances;
- Conduct regular inspection and maintenance of equipment; and
- Relevant department should repair the equipment as soon as possible if abnormal condition is found.

Cultivation of habits

- Put up water saving notices in conspicuous places;
- Turn off the pipe when it is not in use or after use; and
- Periodically summarise the water consumption every month to analyse whether it meets the production demand and avoid excessive water consumption.

The Group's water consumption mainly comes from the groundwater in the plants and tap water for domestic use in the staff dormitories. The Group has been vigorously advocating for water conservation, encouraging all employees and customers to develop a habit of saving water, and guiding employees to use water reasonably. The Group is also committed to improving water efficiency and advocating resource conservation. The Group did not encounter any problem in sourcing water that was fit for purpose and did not note any abnormal water usage during the Reporting Period. During the Reporting Period, the Group's water consumption was 3,322 (2024 Year: 7,636) tonnes.

	Unit – tonnes		Unit – tonnes/employee	
Water Consumption	**2025 Year**	2024 Year	**2025 Year**	2024 Year
Total water consumption	**3,322**	7,636	**144.43**	263.31

ENVIRONMENTAL PROTECTION

EMISSIONS

Different equipment are used for the Group's business operations, which generates a certain degree of greenhouse gas ("GHG") and air emissions. To standardise the environmental management work in daily operations, the subsidiaries of the Company have also established the ISO 14001 environmental management system. Through a standardised management system, employees can more clearly understand and comply with relevant regulations. In addition, the Group has formulated the "Pollution Control Procedure for Sewage, Exhaust Gas, Noise and Waste" to monitor the emission of GHG and pollutants caused by operations, thereby reducing related environmental impacts.

Air Pollutants and GHG Emissions

The Group's emissions are mainly saw dust, volatile organic compounds, boiler exhaust gas and vehicle exhaust gas. As related emissions are inevitable by-products of the Group's operations, employees and administrative personnel would strictly monitor the implementation of corresponding measures and policies to reduce the negative impacts on the environment. The person in charge of environmental issues will regularly review the implementation of measures and policies and report to the management. If an emergency occurs during the production period that causes problems with the sewage system, the person in charge would immediately take measures to avoid further expansion of the affected area and report to the management to establish improvement measures. The Group has set its target to achieve "carbon peak" before 2030 in alignment with China's "14th Five-Year Plan". It has been making progress towards its target and will continue to strive to lower its carbon footprint.

Working System

- Use a central dust removal system to suck the gas into a bag filter or cyclone separation system, and have regular checking and cleaning to remove blockages;
- Ensure the effectiveness of the ventilation system of the workshops to avoid potential risks caused by dust accumulation;
- Conduct regular equipment inspection and maintenance to ensure its operating status and safety;
- Cover the chip storage area, and use wind barriers, water sprays or adhesives for materials stacked outdoors to reduce their emissions;
- Use UV photolysis to remove volatile organic compounds; and
- Optimise the working system and increase the loading rate.

Equipment Selection

- Use products certified with environmentally friendly labelling, such as environmentally friendly adhesives and cleaning agents; and
- Classify vehicles and conduct regular inspections to eliminate vehicles that fail to fulfil the national emission policy.

Through these measures, the Group ensures that the control of air emissions meets the national emission requirements. During the Reporting Period, the Group's emissions of sulphur dioxide, nitrogen oxide and particulate matter were approximately 0.01 (2024 Year: approximately 0.04) kg, approximately 0.45 (2024 Year: approximately 2.20) kg and approximately 0.03 (2024 Year: approximately 0.16) kg, respectively.

	Unit – kg	
Air Pollutants[4,5]	**2025 Year**	2024 Year
Sulphur dioxide	**0.01**	0.04
Nitrogen oxide	**0.45**	2.20
Particulate matter	**0.03**	0.16

Notes:

4. Includes the air pollutants generated by vehicle gasoline consumption, stationary sources, diesel consumption, and biomass consumption from biomass generators.
5. Reference calculation criteria: "the Preparation of Air Pollutants Emission Inventory for Road Vehicles (Trial)", "Technical Guidelines for Compiling Air Pollutant Emission Inventory from Biomass Combustion", "Technical Guidelines for Compilation of Primary Source Emission Inventory of Inhalable Particulate Matter (Trial)".

During the Reporting Period, the Group has deliberately downscaled the plywood product business, therefore Scope 1 GHG emissions decreased significantly. During the Reporting Period, the Group's total GHG emissions were approximately 87.45 (2024 Year: approximately 80.26) metric tonnes of CO_2 equivalent ("tCO_2e"), and its intensity was approximately 3.80 (2024 Year: approximately 2.77) tCO_2e/employee.

GHG Emissions[6]	**2025 Year**	2024 Year	Unit
Scope 1 – Direct GHG emissions[7]	**1.16**	6.75	tCO_2e
Scope 2 – Energy indirect GHG emissions[8]	**86.29**	73.51	tCO_2e
Total GHG emissions	**87.45**	80.26	tCO_2e
GHG intensity (by number of employee)[3]	**3.80**	2.77	tCO_2e/employee
Biogenic emissions[9, 10]	**–**	–	tCO_2e

Notes:

6. Reference of calculation criteria: the "Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines – Other Industries (Trial)".
7. Includes the emissions from gasoline burnt by vehicles and diesel by forklift and generators.
8. Includes the emissions from electricity, which the emission factors of national grids are used.
9. Reference of calculation criteria: "CM-0920V01 Power Plant of Electricity Generation with Biological Waste (1st Edition)".
10. Bio-source carbon emissions come from the combustion of biomass, which the emission generated is not included in Scope 1 and 2.

ENVIRONMENTAL PROTECTION

Waste

The Group is committed to reducing waste generated in operations to lower the burden on the environment. The Group has set a target of organising waste reduction activities to involve employees and other stakeholders in waste reduction initiatives with the aim of increasing their awareness about the importance of waste reduction. The Group's principal waste management policies are reducing waste generation from the source and seeking reuse and recycling. Through the creation of a digitalised working environment, information such as transactional notifications and data transmission would be sent through the network system to reduce the use of paper in office and other resources. If employees need to print or use paper, they should try to use double-sided, reuse or recycle used paper to avoid waste or excessive use that would generate a large amount of waste.

Since the Group has deliberately downscaled the plywood product business during the Reporting Period, it did not generate waste related to production.

Due to the above reason, during the Reporting Period, the Group's non-hazardous waste generation amounted to approximately 0.02 (2024 Year: approximately 0.06) tonnes, with an intensity of approximately 0.001 (2024 Year: approximately 0.002) tonnes/employee, which was lower than in previous years. Due to the characteristics of the business nature, the Group did not generate any hazardous wastes.

Waste	**2025 Year**	2024 Year	Unit
Total generated non-hazardous waste	**0.02**	0.06	tonnes
Non-hazardous waste intensity (by number of employee)[3]	**0.001**	0.002	tonnes/employee

* *For identification purpose only*

Wastewater

At the same time, the Group also strictly monitors the wastewater generated during operations in accordance with the environmental operation control procedures and the government's sewage discharge standards. The sewage generated in daily production and operation is purified by underground sewage treatment equipment before being discharged into the urban sewage pipeline network.

During the Reporting Period, the Group's wastewater discharge volume was approximately 3,322 (2024 Year: approximately 7,636) tonnes.

Wastewater	**2025 Year**	2024 Year	Unit
Total generated wastewater	**3,322**	7,636	tonnes

The Group complies with the laws and regulations relevant to 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 the Prevention and Control of Water Pollution*(《中華人民共和國水污染防治法》), Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution*(《中華人民共和國大氣污染防治法》), Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution*(《中華人民共和國環境噪音污染防治法》)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》). The Group understands that violating relevant laws and regulations will bring civil and/or criminal consequences to the Group, as well as negatively affect operations and corporate reputation. During the Reporting Period, the Group did not violate any laws and regulations related to emissions.

* *For identification purpose only*

THE ENVIRONMENT AND NATURAL RESOURCES

The Group's business relies heavily on natural resources, including forest resources. To reduce the actual or potential impacts brought by the operation to natural resources, the Group complies with relevant laws and regulation, including the Environmental Protection Law of the People's Republic of China*(《中華人民共和國環境保護法》), Forestry Law of the People's Republic of China*(《中華人民共和國森林法》)and Regulation on the Implementation of the Forestry Law of the People's Republic of China*(《中華人民共和國森林法實施條例》), and implement related policies into operations.

* *For identification purpose only*

ENVIRONMENTAL PROTECTION

The Group is committed to reducing the impact of the production process and has obtained timber transportation permits in accordance with relevant laws and regulations. The timber selected by the Group is mainly fast-growing poplar allowed by the local government. The Group would also supervise the method to obtain timber to ensure its legality and controlled environmental impact, including only using timber obtained with logging permits to avoid over-exploitation of natural resources, which may cause significant problems. In addition, the Group would reject or terminate the cooperation with suppliers that cause significant impacts on forest resources to ensure the sustainability of resources. During the Reporting Period, the principal business activities of the Group had no significant impact on the environment and natural resources.

During the Reporting Period, the Group has deliberately downscaled the plywood product business, therefore it did not consume (2024 Year: approximately nil) poplar wood.

Timber	**2025 Year**	2024 Year	Unit
Total timber consumption	**–**	–	Cubic meters

CLIMATE CHANGE

Climate change has caused frequent extreme weather and has an impact on the business operations of the Group. Therefore, the Group has formulated working mechanisms and emergency plans to identify, prevent and mitigate climate change issues that may have a significant impact. At the same time, we would adjust the use of resources and energy. In response to disasters and accidents which are easily induced by extreme weather, we always enhance the capability to the disaster response.

Physical Acute Risk

The Group has identified extreme weather such as heavy rain that can cause physical acute risk. The potential consequences include delivery delay as well as damage to documents, equipment and even employees' health and life. The above potential consequences will cause economic losses to and increase operating costs of the Group.

The Group has established different measures as below to prevent and minimise the negative effect of extreme weather.

Physical Acute Risk	
Extreme weather	**Preventative and mitigation measures**
Heavy rain and flooding	– Check that all windows and doors are closed – Clean up trash and make sure drains unblocked – Reinforce equipment and assets which may be damaged or blown away – Move materials and equipment to safety areas in advance

Physical Chronic Risk

The Group has identified extreme weather such as extremely hot weather which can cause physical chronic risk. The potential consequences include a higher chance of getting heatstroke for employees, increasing turnover rate and work-related injuries. The demand for cooling for the working environment will be increased, which may lead to an increase in power demand and operating costs of the Group.

The Group has established different measures as below to prevent and minimise the negative effects of extreme weather.

Physical Chronic Risk	
Extreme weather	**Preventative and mitigation measures**
Extremely hot weather	– Open windows to allow the air to circulate – Keep a first-aid kit convenient – Keep cold water available 24 hours a day

Transition Risk

Governments around the world are tightening environmental regulations and enacting climate-related legislations under the global movement for decarbonisation. Both risks and opportunities are presented in the form of government taxes and incentives in order to support the transition of different businesses to a greener mode of operation.

The Group has established different measures as below to prevent and minimise the negative effects of the potential legal risks from the change in regulations.

Transition Risk	
Policy and legal	**Preventative and mitigation measures**
Change in environmental and climate related regulations	– Closely monitor the changes in the business environment and policy – Adjust and formulate appropriate business strategies to comply with climate-related legislations and regulations to support the global vision of decarbonisation where appropriate

COMMUNITY INVESTMENT

The Group understands that helping the society to develop stably and giving back to the society in different ways are the basic social responsibilities of an enterprise. To strengthen the supervision, the Group ensures that it has fulfilled its social responsibility by developing relevant policies and procedures according to the "Articles of Association of Meisen (Shandong) and Dasen (Heze)", "Company Law of the PRC" and other related laws and regulations. Health and social culture will be the focus areas of our community investment strategy.

Although we did not engage in any community activities during the Reporting Period, we recognise the importance of social responsibility and community engagement. Going forward, we are committed to actively seeking out opportunities to engage with and contribute to our communities. We will work to demonstrate our commitment to social responsibility through meaningful actions and initiatives.

KPIs SUMMARY

Environmental KPIs

	2025 Year	2024 Year	Unit
Air Pollutants			
Sulphur dioxide	**0.01**	0.04	kg
Nitrogen oxide	**0.45**	2.20	kg
Particulate matter	**0.03**	0.16	kg
GHG Emissions			
Scope 1 – Direct GHG emissions	**1.16**	6.75	tCO_2e
Scope 2 – Energy indirect GHG emissions	**86.29**	73.51	tCO_2e
Total GHG emissions	**87.45**	80.26	tCO_2e
GHG intensity (by number of employee)	**3.80**	2.77	tCO_2e/employee
Biogenic emissions	**–**	–	tCO_2e
Waste			
Total generated non-hazardous waste	**0.02**	0.06	tonnes
Non-hazardous waste intensity (by number of employee)	**0.001**	0.002	tonnes/employee
Wastewater			
Total generated wastewater	**3,322**	7,636	tonnes
Energy			
Diesel	**–**	–	MWh
Petrol	**4.24**	24.59	MWh
Biomass	**–**	–	MWh
Electricity	**139.07**	128.90	MWh
Total energy consumption	**143.31**	153.49	MWh
Energy intensity (by number of employees)	**6.23**	5.29	MWh/employee
Water Consumption			
Total water consumption	**3,322**	7,636	tonnes
Water consumption intensity (by number of employees)	**144.43**	263.31	tonnes/employee
Packaging Material			
Total packaging material	**–**	–	pieces
Timber			
Total timber consumption	**–**	–	cubic meters

APPENDIX

Social KPIs

		2025 Year	2024 Year
Total Employee[11]			
By gender	Male	**16**	19
	Female	**7**	10
By age group	Below 30 years old	**1**	1
	30-40 years old	**7**	5
	41-50 years old	**9**	15
	Above 50 years old	**6**	8
By employment type	Full time	**23**	29
	Part time	**–**	–
By geographical region	Mainland China	**19**	24
	Hong Kong	**4**	5
By employment category	General employee	**9**	12
	Middle management	**7**	9
	Senior management	**–**	–
	C-level executives	**7**	8
Total		**23**	29
Employee Turnover Rate[12]			
By gender	Male	**13%**	11%
	Female	**71%**	20%
By age group	Below 30 years old	**–**	–
	30-40 years old	**14%**	20%
	41-50 years old	**56%**	13%
	Above 50 years old	**17%**	13%
By geographical region	Mainland China	**37%**	14%
	Hong Kong	**–**	–

Development and training[13]			
By gender	Male	**6**	7
	Female	**1**	1
By employment category	C-level executives	**7**	8
	Middle management	**–**	–
	General employee	**–**	–
Percentage of employees trained[13, 14]			
By gender	Male	**38%**	37%
	Female	**14%**	10%
By employment category	C-level executives	**100%**	100%
	Middle management	**–**	–
	General employee	**–**	–
Average training hours of employees (hours)[13, 15]			
By gender	Male	**1**	1
	Female	**0.4**	0.3
By employment category	C-level executives	**3**	3
	Middle management	**–**	–
	General employee	**–**	–

Notes:

11. The total number of employees and relevant employee data, including but not limited to turnover rate and training data has been updated to include Directors. Relevant data for 2024 Year has been revised for meaningful comparison.
12. Calculation method of turnover rate for each category: (total number of departures in the specific category during the reporting period ÷ total number of employees in the specific category at the end of the reporting period) × 100%.
13. Trainings are mainly received by Directors, as staff duties are mainly on maintaining daily operation management.
14. Calculation method of percentage of employee trained for each category: (total number of employees received training in the specific category during the reporting period ÷ total number of employees in the specific category at the end of the reporting period) × 100%.
15. Calculation method of average training hours of employees for each category: total number of training hours employees received in the specific category during the reporting period ÷ total number of employees in the specific category at the end of the reporting period.

	2025 Year	2024 Year	2023 Period
Health and Safety			
Work-related injuries	**–**	–	–
Lost days due to work-related injuries	**–**	–	–
Work-related fatalities	**–**	–	–

		2025 Year	2024 Year
Supplier			
Geographical region	The PRC	**4**	4
Total		**4**	4

SEHK ESG REPORTING GUIDE CONTENT INDEX

Mandatory Disclosure Requirements	Section
Governance Structure	Sustainability Governance Structure
Reporting Principles	About the Report – Reporting Principles
Reporting Boundary	About the Report – Reporting Boundary

Material Aspects	Content	Section/Declaration
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection – Emissions
KPI A1.1	The types of emissions and respective emissions data.	Environmental Protection – Emissions – Air Pollutants and GHG Emissions; Appendix – KPIs Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions and, where appropriate, intensity.	Environmental Protection – Emissions – Air Pollutants and GHG Emissions; Appendix – KPIs Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Emissions – Waste (N/A – explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Emissions – Waste; Appendix – KPIs Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Protection – Emissions – Air Pollutants and GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Protection – Emissions – Air Pollutants and GHG Emissions

Material Aspects	Content	Section/Declaration
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection – Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Use of Resources – Energy; Appendix – KPIs Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Protection – Use of Resources – Water; Appendix – KPIs Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection – Use of Resources – Energy
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Protection – Use of Resources – Water
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix – KPIs Summary
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection – The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection – The Environment and Natural Resources

SEHK ESG REPORTING GUIDE CONTENT INDEX

Material Aspects	Content	Section/Declaration
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Protection – Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Protection – Climate Change
B1 Employment		
General Disclosure	Information on: (a) the policies; and (a) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Practices – Employment System
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment Practices – Employment System; Appendix – KPIs Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Practices – Employment System; Appendix – KPIs Summary
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employment Practices – Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employment Practices – Occupational Health and Safety; Appendix – KPIs Summary
KPI B2.2	Lost days due to work injury.	Employment Practices – Occupational Health and Safety; Appendix – KPIs Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employment Practices – Occupational Health and Safety

Material Aspects	Content	Section/Declaration
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment Practices – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employment Practices – Training and Development; Appendix – KPIs Summary (N/A – explained)
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employment Practices – Training and Development; Appendix – KPIs Summary (N/A – explained)
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment Practices – Employment System
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Practices – Employment System
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Practices – Employment System
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operation Practices – Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Operation Practices – Supply Chain; Appendix – KPIs Summary
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Operation Practices – Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operation Practices – Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operation Practices – Supply Chain

SEHK ESG REPORTING GUIDE CONTENT INDEX

Material Aspects	Content	Section/Declaration
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operation Practices – Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Operation Practices – Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operation Practices – Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operation Practices – Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Operation Practices – Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Operation Practices – Product Responsibility
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Operation Practices – Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Operation Practices – Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Operation Practices – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to Directors and staff.	Operation Practices – Anti-corruption (N/A – explained)
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment