



**Huasheng International Holding Limited**  
**華盛國際控股有限公司**

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

**(Stock Code: 1323)**

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT  
**2025/2026**



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# Environmental, Social and Governance Report

## BOARD STATEMENT

The board (the “**Board**”) of directors of Huasheng International Holding Limited (the “**Company**”) and its subsidiaries (together with the Company, the “**Group**”) are pleased to present this Environmental, Social and Governance (“**ESG**”) report for the year ended 31 March 2026 (the “**Year**”).

The Group has unwaveringly focused on ESG management while balancing the fulfilment of our business objectives. The Board has assumed full responsibility for the governance and oversight of ESG issues. The Board is responsible for assessing and determining the Group’s ESG-related risks, including climate-related risks and opportunities, and ensuring adequate and effective ESG risk management and internal control systems are in place. Our management approach towards ESG has retained a focus on the material topics to our stakeholders based on the results of the materiality assessment as disclosed in this report. We aim to operate in a more responsible and sustainable manner by integrating ESG elements into our daily operations. The Board delegates to management to implement and develop strategies and monitor the material ESG-related issues. The Board reviews the implementation and makes appropriate adjustments to minimise the impact of corporate development on the environment and society, ensuring that our corporate goals and ESG-related issues are aligned. Performance and progress toward our goals and targets are evaluated at least annually by the Board.

The Group actively practises the concept of sustainable development and continuously improves ESG management to better respond to ESG opportunities and challenges. The Group has continued to fulfil the corporate social responsibility of the environmental aspect by reviewing and adjusting the environmental protection measures according to the business operation changes. During the Year, total emissions from Scope 1 have dropped significantly as we gradually replaced diesel-powered mixer trucks and forklifts with electric-powered trucks used in our concrete business. Apart from replacing the Group’s fossil fuel vehicles, we also invested in companies that designed and manufactured zero-emission commercial vehicles. We are optimistic about the future development of zero-emission vehicles as governments are more committed to achieving carbon neutrality globally. We believe the investment could deliver economic and environmental advantages to our stakeholders.

We continue to build capacity to enhance climate and sustainability-related competencies for the Board. This includes annual meetings, discussions, and sharing sessions, as well as collaboration with external industry associations that focus on applicable sustainability-related topics to ensure our team stays informed about emerging trends and best practices.

Looking ahead, we will continue to identify opportunities for improvement and set goals in improving business operations towards sustainability practices along our supply chain and product offering. We will continue to collaborate with business partners to address climate-related challenges and build resilience by discussing the opportunity through which to keep customers and suppliers connected, ensuring the availability of quality products and establishing critical infrastructure to better serve our customers and business partners.

# Environmental, Social and Governance Report

## REPORTING PRINCIPLES

This report is prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and aims to provide a balanced representation of our major ESG policies, initiatives and performances of the Group:

### Materiality

We disclose all ESG issues that are sufficiently important to our investors and other stakeholders.

### Quantitative

The key performance indicators (“**KPIs**”) in this report are measurable, therefore our ESG performance can be compared with peers, industry standards and our previous years.

### Balance

Information in this report is presented in an unbiased manner. We do not select, omit, or present information that might inappropriately influence the decisions or judgements of stakeholders.

### Consistency

All KPIs’ calculations and assumptions are consistent with the previous years to allow meaningful comparisons. Any changes in relevant assumptions or calculation methods are clearly disclosed.

## SCOPE OF REPORT

The Group was principally engaged in the business of production and sales of ready-mixed commercial concrete (“**Concrete Business**”).

The information stated in this report covers the period from 1 April 2025 to 31 March 2026 which aligns with the financial year as the 2025/2026 annual report of the Group.

The environmental and social KPIs for the Year disclosed in this report covers all business segments of the Group as of 31 March 2026. For information on our corporate governance, please refer to the Corporate Governance Report in the 2025/2026 annual report of the Group.

## STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

One of the major objectives of the Group is to create positive values and beliefs that are in the interest of all stakeholders. Our approach to stakeholders’ engagement is designed to ensure that our stakeholders’ perspectives and expectations are fully understood to help define our current and future sustainability strategies.

# Environmental, Social and Governance Report

The table below summarised the major stakeholders related to the Group, their expectations and our communication channels:

| Major Stakeholders Engaged |                                 | Expectations and Needs                                                                                                                                                                               | Means of Communication and Responses                                                                                                                                                             |
|----------------------------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal stakeholders      | Employees                       | <ul style="list-style-type: none"> <li>• Protection of rights</li> <li>• Occupational health</li> <li>• Remunerations and benefits</li> <li>• Career development</li> </ul>                          | <ul style="list-style-type: none"> <li>• Employee communication meeting</li> <li>• Corporate journal and intranet</li> <li>• Employee mailbox</li> <li>• Training and workshops</li> </ul>       |
|                            | Shareholders and investors      | <ul style="list-style-type: none"> <li>• Returns</li> <li>• Compliant operation</li> <li>• Increase in company value</li> <li>• Transparent information and effective communications</li> </ul>      | <ul style="list-style-type: none"> <li>• General meetings</li> <li>• Announcements</li> <li>• Email, telephone communication and company website</li> <li>• Dedicated reports</li> </ul>         |
| External stakeholders      | Government and Regulators       | <ul style="list-style-type: none"> <li>• Compliance with national policies, laws and regulations</li> <li>• Support for local economic growth</li> <li>• Paying taxes in full and on time</li> </ul> | <ul style="list-style-type: none"> <li>• Regular information reporting</li> <li>• Dedicated reports</li> <li>• Examination and inspections</li> </ul>                                            |
|                            | Business Partners and Suppliers | <ul style="list-style-type: none"> <li>• Operational integrity</li> <li>• Equal rivalry</li> <li>• Performance of contracts</li> <li>• Mutual benefits and win-win situation</li> </ul>              | <ul style="list-style-type: none"> <li>• Review and appraisal meetings</li> <li>• Business communications</li> <li>• Exchanges and discussions</li> <li>• Engagements and cooperation</li> </ul> |
|                            | Customers                       | <ul style="list-style-type: none"> <li>• Outstanding products and services</li> <li>• Health and safety</li> <li>• Performance of contracts</li> <li>• Operational integrity</li> </ul>              | <ul style="list-style-type: none"> <li>• Company website</li> <li>• Calling for feedback</li> </ul>                                                                                              |
|                            | Environment                     | <ul style="list-style-type: none"> <li>• Energy saving and emission reduction</li> </ul>                                                                                                             | <ul style="list-style-type: none"> <li>• Reporting</li> </ul>                                                                                                                                    |
|                            | Community and the Public        | <ul style="list-style-type: none"> <li>• Participation in charity</li> <li>• Information transparency</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>• Company website</li> <li>• Announcements</li> </ul>                                                                                                     |

# Environmental, Social and Governance Report

During the Year, an independent third-party consultant has been engaged by the Group to assist in the information collection on ESG matters. A group of stakeholders has been selected based on their importance, relevance and impact on the Group. They were invited to share their perspectives on the materiality on each ESG topic to the Group and themselves through electronic survey. Our stakeholders' engagement approach ensures that the stakeholders' expectations and perspectives on ESG are fully identified and understood, which enables us to define and further develop our strategies. A materiality assessment had been carried out to analyse and summarise the response from our stakeholders:

**Materiality Assessment Matrix**



# Environmental, Social and Governance Report

| Environmental Impacts                                                                                                | Employment and Labour Practices                                                                       | Operating Practices                                                                        | Product and Services                                      |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 1. Air emissions                                                                                                     | 10. Diversity and equal opportunity of employees                                                      | 15. Selection and monitoring of suppliers                                                  | 18. Product health and safety                             |
| 2. Greenhouse gas emissions                                                                                          | 11. Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions) | 16. Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers | 19. Customer satisfaction                                 |
| 3. Hazardous waste production                                                                                        | 12. Occupational health and safety                                                                    | 17. Environmentally preferable products and services                                       | 20. Marketing communications (e.g. advertisement)         |
| 4. Non-hazardous waste production                                                                                    | 13. Employee development and training                                                                 |                                                                                            | 21. Observing and protecting intellectual property rights |
| 5. Energy use (e.g. electricity, gas, fuel)                                                                          | 14. Preventing child and forced labour                                                                |                                                                                            | 22. Customer information and privacy                      |
| 6. Water use                                                                                                         |                                                                                                       |                                                                                            | 23. Product and service labelling                         |
| 7. Use of materials (e.g. paper, packaging, raw materials)                                                           |                                                                                                       |                                                                                            |                                                           |
| 8. Mitigation measures to protect environment and natural resources                                                  |                                                                                                       |                                                                                            |                                                           |
| 9. Climate change                                                                                                    |                                                                                                       |                                                                                            |                                                           |
| Compliance and Governance                                                                                            | Community Investment                                                                                  |                                                                                            |                                                           |
| 24. Number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering | 27. Community support (e.g. donation, volunteering)                                                   |                                                                                            |                                                           |
| 25. Anti-corruption policies and whistle-blowing procedure                                                           | 28. Cultivation of local employment                                                                   |                                                                                            |                                                           |
| 26. Anti-corruption training provided to directors and staff                                                         |                                                                                                       |                                                                                            |                                                           |

# Environmental, Social and Governance Report

The ESG topics located in the top right corner are the most important areas of concern and will be prioritised for investment.

According to the feedback collected from the stakeholders, it indicated that both the Group and our stakeholders consider that Product health and safety as the most crucial ESG topic. With the aspiration of contributing our effort to protect the environment and support society, we are dedicated to leading a business driven primarily by sustainability through tides of changes. We emphasise the significance of sustainable development in our operational strategies as we believe that we must plan sustainably to act responsibly.

Based on the peer comparison of the ESG material topics and our findings from this year's stakeholder engagement survey, certain material topics, such as Product and service labelling, Air emissions, Observing and protecting intellectual and Water use become more important to the Group. In addition, in response to heightened regulatory and market focus on addressing climate risks, the importance of climate change has also been raised accordingly.

## Stakeholder's Feedback

The Group welcomes all stakeholders' feedback on ESG matters, particularly for those ESG topics listed in our materiality assessment matrix. You can share your views and suggestions through any channel listed below:

Email: [general@huashengih.com](mailto:general@huashengih.com)  
Website: <http://www.huashengih.com>  
Address: Suites 1003-1005, 10/F., Shui On Centre  
6-8 Harbour Road, Wanchai, Hong Kong  
General Line: (852) 2169 3699  
Fax: (852) 2169 3633

## A. ENVIRONMENTAL ASPECTS

During the Year, the Group strictly complied with relevant laws, regulations, standards and provincial, municipal and local implementation about provisions on the aspects covering air and greenhouse gas ("**GHG**") emissions, disposal of waste and minimising significant impacts on the environment and natural resources, which include but not limited to:

1. Environmental Protection Law of the People's Republic of China (the "**PRC**");
2. Atmospheric Pollution Prevention and Control Law of the PRC;
3. Water Pollution Prevention and Control Law of the PRC;
4. Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste;
5. Law of the PRC on the Prevention and Control from Environmental Noise;
6. Environmental Protection Tax Law of the PRC; and
7. Technical Specification of Application and Issuance of Pollutant Permit Cement Industry (HJ 847-2017).

# Environmental, Social and Governance Report

To align employee practices with the Group's aspiration for continual improvement in ESG performance, we have implemented appropriate measures in the workplace. For example, employees have been instructed and encouraged to switch off electronic equipment when not in use and set printers to energy saving mode when idle. Air conditioning and lighting systems are switched off after office hours. Measures to reduce the amount of non-hazardous waste include printing of documents only if necessary and use of double-sided printing. We believe that through our continuous effort in reducing resources usage and generation of non-hazardous waste, we will be able to provide an eco-friendly and paperless workplace and further minimise environmental impact.

The Group was not aware of any cases of material non-compliance in relation to air and GHG emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste during the Year. Breach of relevant laws and regulations may be subject to heavy fines or suspension of business. To minimise the risk of any potential breach of regulations, designated officials are responsible for monitoring each and every relevant rule in each business segment of the Group.

We encourage staff to seek legal opinion should there be any doubt on the rules and regulations relevant to the business and operation. Continuous training is provided for staff to refresh their knowledge and keep abreast of the latest updates and developments in regulations.

## **Emissions**

### ***Air Pollution***

The Group is placing a strong emphasis on transitioning to more eco-friendly fuel sources which is a key priority for our organisation as we work to minimise our carbon footprint and contribute to a more sustainable future.

The total emissions from vehicles for the Year have slightly increased by approximately 2.20 kg or 0.89% compared to the previous year. The growth in air pollutions emissions was due to the increase in travelling distance by vehicles in the Concrete Business. In addition, the Group is fully aware of the air pollutants generated by vehicle usage and during the Year, the Group continued to replace diesel-powered vehicles with electric-powered vehicles to minimise air emission and contribute to a cleaner and more sustainable environment. We have also deployed other measures to help control and mitigate air emissions from our facilities. This includes spraying of work sites to suppress dust, as well as the implementation of rigorous environmental monitoring programmes. We track and regulate both noise and particulate matter levels to ensure we remain in compliance with all applicable environmental regulations and standards.

We recognise that addressing climate change and reducing our environmental footprint is an ongoing challenge that requires a multi-faceted approach. By investing in cleaner fuel sources, implementing robust emissions control measures, and maintaining robust monitoring and reporting, we are confident that we can make meaningful progress towards a more sustainable future.

# Environmental, Social and Governance Report

Air emissions by the Group are shown in the table below:

|                                           | Year ended 31 March |               |
|-------------------------------------------|---------------------|---------------|
|                                           | 2026<br>kg          | 2025<br>kg    |
| Nitrogen oxides (NO <sub>x</sub> )        | 226.09              | 222.62        |
| Particulate Matter (PM) <sup>Note 1</sup> | 21.59               | 21.25         |
| Sulphur Oxides (SO <sub>x</sub> )         | 2.34                | 3.95          |
| <b>Total emissions from vehicles</b>      | <b>250.02</b>       | <b>247.82</b> |

Note:

1. Respiratory suspended particles (RSP), also known as Particulate Matter (PM)
2. Calculation with reference to Appendix 2: Reporting Guidance on Environmental KPIs of Environmental, Social and Governance Reporting Code issued by the Stock Exchange.

## Greenhouse Gas Emission

The Group is unanimously highly concerned about GHG emissions, reducing GHG emissions and taking active measures to address climate change. Our commitment to sustainability and environmental stewardship encompasses every aspect of our business. We implement relevant measures into every aspect of our development to reduce our impact on the environment.

The fuel consumption by vehicles used in business operations contributed significantly to the GHG emissions of the Group. Other emission sources included electricity consumption, freshwater processing, sewage treatment, paper disposed at landfill and business air travel.

GHG emissions by the Group are shown in the table below:

|                                                    |                                       | Year ended 31 March        |                            |
|----------------------------------------------------|---------------------------------------|----------------------------|----------------------------|
|                                                    | Unit                                  | 2026<br>tCO <sub>2</sub> e | 2025<br>tCO <sub>2</sub> e |
| Scope 1 Direct GHG Emissions <sup>1</sup>          | tCO <sub>2</sub> e                    | 391.21                     | 656.06                     |
| Scope 2 Energy Indirect GHG Emissions <sup>2</sup> | tCO <sub>2</sub> e                    | 3,110.95                   | 6,199.85                   |
| Scope 3 Other Indirect GHG Emissions <sup>3</sup>  | tCO <sub>2</sub> e                    | 149.02                     | 54.40                      |
| <b>Total GHG Emissions</b>                         | <b>tCO<sub>2</sub>e</b>               | <b>3,651.18</b>            | <b>6,910.31</b>            |
| <b>GHG Emission intensity per employee</b>         | <b>tCO<sub>2</sub>e/<br/>employee</b> | <b>27.66</b>               | <b>41.88</b>               |

# Environmental, Social and Governance Report

## Notes:

1. Direct emissions of the Group were from fuel combustion in vehicles using diesel oil, petrol and natural gas.
2. Energy indirect emissions of the Group were from purchased electricity including office, batching plants operations and electric vehicles.
3. Other indirect emissions of the Group included paper used and recycled, business travel by employees, and electricity used for fresh water and sewage processing by government organisation. During the Year, the other indirect emissions of the Group also included the transportation of employees between their homes and worksites (approximately 104.95 tCO<sub>2</sub>e of indirect CO<sub>2</sub> emissions noted), while nil of such information is included under this category for the comparison year.

## References:

- i. Conversion Factors issued by Government of the PRC
- ii. Appendix 2: Reporting Guidance on Environmental KPIs of Environmental, Social and Governance Reporting Guide issued by the Stock Exchange
- iii. Conversion Factors issued by the China Light and Power Company Limited, The Hong Kong Electric Company Limited, Drainage Service Department and Water Supplies Department
- iv. The Scope 3 emission data is calculated based on GHG Protocol: A Corporate Accounting and Reporting Standards

During the Year, the Group's total GHG emissions amounted to 3,651.18 tCO<sub>2</sub>e (2025: 6,910.31 tCO<sub>2</sub>e) representing a decrease of approximately 3,259.13 tCO<sub>2</sub>e or 47.16%. Total GHG emissions per staff for the Year were 27.66 tCO<sub>2</sub>e per staff (2025: 41.88 tCO<sub>2</sub>e per staff). The Group has aligned with Hong Kong's Climate Action Plan 2050 to set a target of reducing 5% of the total greenhouse gas emissions by 2030 with 2026 as the baseline year.

For the Year, approximately 1,798 kg of paper waste (2025: 1,527.80 kg) was disposed at landfills, representing an emission of approximately 2.87 tCO<sub>2</sub>e (2025: 7.33 tCO<sub>2</sub>e). While the amount of paper disposed of increased by 270.2 kg compared to the previous year—primarily driven by the Group's business growth, the total carbon emissions from paper waste decreased significantly. This reduction in emissions was mainly attributable to the adoption of updated international landfill emission factors during the Year. Despite the business-driven increase in paper consumption, the Group remains committed to its ongoing efforts to minimise paper, constantly reminding employees to reuse single-sided paper and adopt double-sided printing. All used paper in the Hong Kong office was recycled during the Year. The Group will continue to encourage the Mainland China office to uphold the recycling concept in daily operations.

During the Year, the Group generated approximately 8.94 tCO<sub>2</sub>e (2025: 7.65 tCO<sub>2</sub>e) of indirect CO<sub>2</sub> emissions from air travel. The Group continues to encourage the use of electronic communications to reduce the need for air travel. Business travel would only be approved if there was a genuine need for physical presence.

# Environmental, Social and Governance Report

## ***Hazardous Waste***

The Group complied with all relevant laws and regulations relating to the generation of and handling of hazardous and non-hazardous waste, including but not limited to the Environmental Protection Law of the PRC, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste.

Approximately 40 kg of hazardous waste (2025: 90 kg) was produced during the Year. Approximately 0.3 kg of hazardous waste was produced per staff (2025: 0.55 kg per staff). The hazardous wastes generated by the Group included 40 kg of battery, light bulb and toner cartridge (2025: 40 kg). This year, no machine oil waste was produced (2025: 50 kg). The continuous decrease in machine oil waste this year is due to replacing some diesel forklifts with electric forklifts, thus reducing the overall machine oil consumption. The Group is aware of hazardous waste's health and environmental impacts and strives to reduce the generation of hazardous waste whenever possible. An outsourced service provider with the corresponding licenses was also engaged to handle hazardous waste from Concrete Business.

## ***Non-hazardous Waste***

During the Year, a total of approximately 2,378 kg of non-hazardous waste (2025: 2,174 kg) was produced. Approximately 18.02 kg of non-hazardous waste was produced per staff (2025: 13.18 kg per staff). Paper waste was the Group's major source of non-hazardous waste. Non-hazardous wastes produced by the Group during the Year comprised of 580 kg of domestic waste (2025: 646 kg) and 1,798 kg of paper waste (2025: 1,528 kg).

Employees are encouraged to adopt waste reduction, reuse, and recycling practices wherever feasible. In order to configure, monitor and plan waste management activities, the Group developed a system to record and collect the amount of non-hazardous waste used for daily operation. We believe effective waste management can reinforce environmental conservation, improve the health of the environment and ensure compliance with relevant statutory and contractual standards and requirements.

# Environmental, Social and Governance Report

## Use of Resources

### *Energy and Water Consumption*

The Group strictly abides by the Water Pollution Prevention and Control Law of the PRC and other laws and regulations relating to water pollution prevention and control.

During the Year, the Group consumed approximately 148,048.96 L of petrol and diesel fuel (2025: 248,480.09 L) for daily operations, representing a decrease of approximately 100,431.13 L or 40.42%. The use of petrol and diesel fuel decreased significantly due to the increase in the proportion of electric vehicles and electric mixers this Year. The Group is aware that electric vehicles (“**EVs**”) can reduce the consumption of non-renewable resources, and the transportation services provider of Concrete Business use EVs and EV charging stations were completely built and under operation in our batching plants during the Year. As a result, electric mixers and forklifts would be more convenient to charge, reducing the consumption of non-renewable resources.



# Environmental, Social and Governance Report

The Group also consumed approximately 6,449.56 MWh of electricity (2025: 14,810.50 MWh) and 49,294.00 m<sup>3</sup> of water (2025: 68,847.00 m<sup>3</sup>) for daily operations. Approximately 112.38 MWh of total energy was consumed per staff (2025: 105.67 MWh/staff) and approximately 373.44 m<sup>3</sup> of water was consumed per staff (2025: 417.25 m<sup>3</sup>/staff) during the Year. The decrease in electricity consumption of 40.90 MWh per staff was due to lower concrete output and a shift from self-manufacturing to externally sourcing raw material. Energy and water consumption by the Group are shown in the table below:

|                                                    |                               | Year ended 31 March |           |
|----------------------------------------------------|-------------------------------|---------------------|-----------|
|                                                    | Unit                          | 2026                | 2025      |
| Petrol                                             | MWh                           | 335.36              | 333.97    |
| Diesel                                             | MWh                           | 1,214.22            | 2,290.7   |
| Natural gas                                        | MWh                           | 6,834.80            | –         |
| Electricity consumption                            | MWh                           | 6,449.56            | 14,810.50 |
| <b>Total energy consumption</b>                    | <b>MWh</b>                    | <b>14,833.94</b>    | 17,435.17 |
| <b>Intensity – energy consumption per employee</b> | <b>MWh/employee</b>           | <b>112.38</b>       | 105.67    |
| <b>Total Water consumption</b>                     | <b>m<sup>3</sup></b>          | <b>49,294</b>       | 68,847.00 |
| <b>Intensity-water consumption per employee</b>    | <b>m<sup>3</sup>/employee</b> | <b>373.44</b>       | 417.25    |

Reference:

- i. Conversion Factors issued by Government of the PRC
- ii. Appendix 2: Reporting Guidance on Environmental KPIs of Environmental, Social and Governance Reporting Code issued by the Stock Exchange
- iii. Conversion Factors issued by the China Light and Power Company Limited, The Hong Kong Electric Company Limited, Drainage Service Department and Water Supplies Department

Monitored by the administration department, the Group maintains the best environmental practices to use energy efficiently and hence mitigate GHG emission. These measures include:

- a) keeping light fixtures and lamps clean to maximise efficiency, and turning off all lights and electronic appliances when not in use;
- b) setting the computers to automatic standby or sleeping mode when idling;
- c) turning off power of electronic appliances, light and air conditioners before holidays; and
- d) reviewing the Group's internal policies and practices regularly so as to seek opportunities for integrating environmental consideration into working procedures.

# Environmental, Social and Governance Report

In response to this energy consumption challenge, the Group has developed an energy optimisation plan, including intelligent equipment upgrades, production scheduling optimisation, and the application of energy-saving technologies. This plan aims to achieve continuous improvement in energy efficiency while ensuring the continuity of production.

The Group has initiated a range of measures to promote water conservation. All washrooms have adopted water conservation principles of design in mind, featuring dual-flush toilets, and infrared sensor taps. All installed toilet equipment has been rated as the highest level by the Water Efficiency Labelling Scheme of the Water Supplies Department in Hong Kong. In addition, water-saving labels have been placed in toilet areas to raise employees' awareness and encourage responsible water usage.

Given the nature of the operations, other business segments of the Group contributed negligibly to overall water consumption during the Year. Almost all of the Group's water usage was attributable to the Concrete Business. To promote sustainable water usage and reduce environmental impact, we utilise recirculating tanks to treat and reuse wastewater in our concrete production processes, with no discharge of effluent. This approach supports compliance with applicable environmental regulations and promotes sustainable resource management. The Group did not encounter any issue in sourcing water that is fit for purpose. During the Reporting Period, the further reduction in water consumption was primarily driven by a decrease in production scale and an increased utilization rate of recycled water.

## ***Packaging Materials***

Due to our business nature, no packaging material (2025: Nil) was used by the Group for the Year.

## **The Environment and Natural Resources**

For the purpose of resource saving and environmental protection, the Group strictly adheres to the Energy Conservation Law of the PRC and other laws and regulations. To minimise the environmental impacts of our business operations, the Group implements various environmental protection measures. These measures include using energy-efficient equipment to enhance energy savings and reduce waste generation and establishing an effective waste management system that emphasises more sustainable and environmentally responsible use of construction materials.

The Group has implemented measures to minimise our environmental impact, including the energy-saving initiatives outlined in section headed "Emission" and "Use of Resources". The Group recognises that there remains room for further improvement in advancing our sustainability performance. In the production and operation, we actively carry out equipment upgrades targeting key energy consumption links, continuously optimise energy efficiency, and strive to create a low-carbon and efficient production environment.

# Environmental, Social and Governance Report

## *Climate Change*

In the context of global warming, reducing GHG emissions and actively responding to climate change have become the international community's consensus. The Group is well aware that extreme weather and global warming effects brought by climate change will impact corporate operations. At the same time, the Group has developed a set of procedures to enhance corporate resilience in the event of risks, with relevant practices as follows:

- a) Identify the problems and the root causes of the problems;
- b) Assess and disclose climate risk exposures;
- c) Mitigation plan on short-term and imminent impacts;
- d) Prediction and evaluation on long-term impacts over time.

We have considered the potential climate-related risks in respect of the recommendations of the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) to assess climate-related physical risks and transition risks. Our business strategy prioritises the key climate-related risks to establish key performance indicators (KPIs) and targets for relevant departments to implement risk management measures. The Group possesses the capacity to adapt its strategy and business model to climate change risks across short, medium, and long-term horizons through proactive measures such as ongoing scenario analysis and investment in resilient operations. This ensures our continued ability to implement effective mitigation approaches as needed.

The Group reviewed all top enterprise risks including climate related risks and opportunities, and prioritises the risks and opportunities based on the impact to the Group and the likelihood of occurrence. Magnitude of impact is measured on various aspects, including environmental, supply chain and financial, with severity levels ranging from insignificant to substantial. The likelihood of occurrence is assessed on a scale from rare to certain.

Currently, the Group is not aware of any assets or business activities that are vulnerable to climate-related physical and transition risks.

Details of the analytic choices in the scenarios are listed below<sup>1</sup>:

|               |                                                                                         |
|---------------|-----------------------------------------------------------------------------------------|
| Pathways      | Aggressive Action, RCP 2.6<br>Limited Action, RCP 8.5                                   |
| Time Horizons | Short-term: current reporting period<br>Medium-term: 1-3 years<br>Long-term: 4-10 years |

<sup>1</sup> For physical risk assessment, this analysis leverages Coupled Model Inter-comparison Project Phase 6 data to ensure the predictive accuracy. The analysis utilises past GHG emission data, projected to cover the long-term time frame with internal reduction targets to assess the potential impact of transition risks and is not intended as market forecasts.

# Environmental, Social and Governance Report

| Physical risk                       | Extreme Heat |   |         |   | Heavy Rainfall |   |         |   | Tropical Cyclone |   |         |   |
|-------------------------------------|--------------|---|---------|---|----------------|---|---------|---|------------------|---|---------|---|
| Scenario                            | RCP 2.6      |   | RCP 8.5 |   | RCP 2.6        |   | RCP 8.5 |   | RCP 2.6          |   | RCP 8.5 |   |
| Location/Timeframe*                 | S/M          | L | S/M     | L | S/M            | L | S/M     | L | S/M              | L | S/M     | L |
| Hong Kong                           |              |   |         |   |                |   |         |   |                  |   |         |   |
| Mainland China –<br>Hainan Province |              |   |         |   |                |   |         |   |                  |   |         |   |

\*S: Short-term, M: Medium-term, L: Long-term

Low risk
  Medium risk
  High risk

## Climate Risk Assessment

### Physical Risk (Short- to medium-term)

The Group anticipates that more frequent occurrence of extreme weather events resulting from climate change, such as typhoons, rainstorms, floods, drought and heatwaves, will adversely affect our operations in several aspects. These include potential revenue delays due to operational suspensions caused by such events, resulting in reduced production capacity, higher insurance premiums, and operating costs due to increased risks of property damage. The Group has implemented robust safety measures to minimise these impacts and maintain thorough emergency response and crisis management plans at the working sites. In addition, the Group is also implementing energy conservation measures and invested in sustainable business solution with internal resources allocated, such as phasing out diesel-fuelled vehicles with electric vehicles. In the future, the Group will also try to explore green financing opportunities.

### Reputational Risk (Medium- to long-term)

With the growing global focus on climate change, environmental regulations are becoming increasingly stringent, which may result in higher compliance costs for the Group. Failure to meet climate change compliance requirements may expose the Group to the risk of claims and litigation, resulting in a possible loss of corporate reputation. The Group regularly monitors existing and emerging climate-related trends, policies and regulations to avoid reputation risk due to slow response. The Group will continue to evaluate the effectiveness of the Group's actions on climate change and enhance our ability to address climate-related issues.

### Health and Safety Risks (Short- to medium-term)

The Group's business is mainly located in Hong Kong and Hainan, and certain areas may be subject to extreme weather events such as heavy rain, floods and typhoons. The increasing frequency and severity of such events may increase the risk of power outages, supply chain disruptions, and building damages. This could disrupt the Group's operations, resulting in loss of revenue, property damage and increased costs to repair or restore damaged premises. We are also aware that these incidents could endanger the safety of our employees.

# Environmental, Social and Governance Report

## ***Legal and Policy Risks (Medium- to long-term)***

The implementation of more stringent policies and regulations regarding GHG emissions and climate change, which may lead to increased operating expenses and higher capital costs for the Group in the short term. Furthermore, these measures pose challenges to the Group's core business. To address these challenges, the Group is committed to mitigating these impacts by closely monitoring policy and regulatory proposals that specifically affect our business and increasing internal awareness.

Climate change is one of the most pressing global challenges today, impacting natural ecosystems and the sustainability of human economic and social development. Achieving carbon neutrality across society has become an inevitable trend for future sustainable development. Therefore, we have formulated a series of precautionary measures in advance to reduce the impact of climate change on our businesses.

## **B. SOCIAL ASPECTS**

### **Employment and Labour Practices**

The Group strongly believes that employees are the most valuable asset for our sustainable development. We uphold the principles of legal compliance and equal respect in employment, strictly adhering to relevant laws and regulations such as the Prohibition of Using Child Labour Law of the PRC, and the Protection of Minors and Labour Contract Law of the PRC. We design personalised career development paths for employees, implement a well-rounded promotion system, and cultivate an inclusive and dynamic work environment. By focusing on career planning support and helping employees enhance their skills, motivation and sense of mission, we strive to achieve mutual growth between the Group and our employees.

The Group is committed to fostering a diverse and inclusive workplace. To this end, we have established clear policies on equal opportunity, diversity, and anti-discrimination, which apply across all employment practices, including recruitment, internal mobility, and promotion. Equal employment opportunities are provided to all individuals, and discrimination on the basis of gender, race, age, nationality, religion, or any other unrelated personal grounds is strictly prohibited. We offer our employees remuneration packages mainly on the basis of individual results performance and work experience and also having regard to internal fairness and market competitiveness, including basic wages, allowance and other staff benefits. All of our employees are essentially treated with fair wage, fixed working hours, proper insurance coverage, statutory holidays and different types of leaves, including sick leave, maternity leave, marriage leave, compassionate leave, jury service leave and early leaves before the festive holidays.

Employee handbook of the Group includes codes and practices in the workplace, staff benefits, including leave entitlement, insurance and training.

The total number of employees in the Group was 132 as of 31 March 2026 (2025: 165) and were employed as full time staff. Total employee turnover was 38 (2025: 21), with an overall turnover rate of 26% (2025: 12%).

# Environmental, Social and Governance Report

The following tables set forth the details of the total workforce and employee turnover rate by gender, age group and geographical region:

| Number of Employee of the Group | As at 31 March             |                  |                            |                  |
|---------------------------------|----------------------------|------------------|----------------------------|------------------|
|                                 | 2026<br>No. of<br>employee | 2026<br>Turnover | 2025<br>No. of<br>employee | 2025<br>Turnover |
| <b>By Gender</b>                |                            |                  |                            |                  |
| Male                            | 92                         | 1%               | 120                        | 15%              |
| Female                          | 40                         | 87%              | 45                         | 5%               |
| <b>By Age Group</b>             |                            |                  |                            |                  |
| Below 30 years old              | 8                          | 46%              | 17                         | 27%              |
| Between 30 to 50 years old      | 102                        | 25%              | 117                        | 8%               |
| Over 50 years old               | 22                         | 19%              | 31                         | 19%              |
| <b>By Geographic Region</b>     |                            |                  |                            |                  |
| PRC                             | 116                        | 28%              | 148                        | 13%              |
| Hong Kong                       | 16                         | 6%               | 17                         | 6%               |
| <b>Total</b>                    | <b>132</b>                 | <b>26%</b>       | <b>165</b>                 | <b>12%</b>       |

Note:

Employee turnover rate is calculated by dividing the number of employee departures during the reporting year by the average number of employees for the current and previous reporting years.

Since our establishment, the Group implemented different measures to retain talent including formulation of a clear career path and offer competitive remuneration package. The Group provides orientation and internal training to employees in a targeted, systematic and forward-looking approach.

## Health and Safety

The Group strictly complies with national laws and regulations that have significant impacts on the Group, relating to the provision of a safe working environment and the protection of employees from occupational hazards, including but not limited to the Work Safety Law of the PRC, and the Law of the PRC on the Prevention and Treatment of Occupational Diseases. The Group is concerned about the health and safety of our employees and is committed to providing a safe, healthy and productive environment for everyone.

The Group provides every full-time employee with a comprehensive set of health insurance, including but not limited to medical insurance, surgical insurance, hospitalisation insurance and employees' compensation insurance.

In the past three years, the Group has not reported any work-related fatalities (2025: Nil). Furthermore, there were no reportable injury (2025: 1), which resulted in no lost days due to work-related injury (2025: 18 days) during the Year. The health and safety of the Group's employees is of utmost importance. For Concrete Business, we provide all necessary protective gear to employees in order to secure their safety during daily operation. Besides, Concrete Business provides annual occupational checks to all employees and conducts annual environmental monitoring and workplace health surveillance, to ensure employees work in a safe environment and reduce the probability of work injury.

# Environmental, Social and Governance Report

During the Year, the Group was not aware of any violations of any health and safety laws and regulations.

## Development and Training

The Group emphasises the importance of employee training and development. We strive to assist employees not only in acquiring professional knowledge to fulfil their duties, but also in developing their lifelong career. Training includes internal, external, induction, on-the-job, capability and corporate culture training. All directors of the Group receive comprehensive, formal and tailored induction training, to ensure that they understand the business operations of the Group, directors' responsibilities and obligations under the Listing Rules and other regulatory requirements. They are also trained regularly on the newest relevant statutory requirements and market changes, to ensure their high level of awareness of the industry trends.

In order to prevent and minimise work injuries that happened in daily operation of Concrete Business, we provided various training sessions for the employees. We arranged and conducted several in-house training sessions for the general staff covering the corporate policies and procedures, inventory security management, various safety measures and instructions on how to use the fire installations, equipment and other materials, in order to enhance the awareness of the safety concepts to our employees.

During the Year, a total of 1,705 hours of training were completed by 96 employees (2025: 659 hours by 117 employees), representing 73% of the total workforce has participated in our training sessions (2025: 71%) and 12.9 hours of training was completed per employee in average (2025: 4.0 hours per employee). We will continue to encourage and provide incentives for our staff to promote continuous training.

The percentage of employees trained, and the average training hours completed per employee by gender and employment category are as follows:

|                               | For the year ended 31 March    |                                               |                                |                                               |
|-------------------------------|--------------------------------|-----------------------------------------------|--------------------------------|-----------------------------------------------|
|                               | 2026                           |                                               | 2025                           |                                               |
|                               | Percentage of employee trained | Average training hours completed per employee | Percentage of employee trained | Average training hours completed per employee |
| <b>By Gender</b>              |                                |                                               |                                |                                               |
| Male                          | 75%                            | 14.3                                          | 73%                            | 3.6                                           |
| Female                        | 25%                            | 9.8                                           | 27%                            | 5.1                                           |
| <b>By Employment category</b> |                                |                                               |                                |                                               |
| Senior management             | 9%                             | 9.7                                           | 9%                             | 12.9                                          |
| Middle management             | 4%                             | 12.3                                          | 5%                             | 4.9                                           |
| Frontline and other employees | 86%                            | 13.4                                          | 85%                            | 3.4                                           |
| <b>Total</b>                  | <b>73%</b>                     | <b>12.9</b>                                   | <b>71%</b>                     | <b>4.0</b>                                    |

# Environmental, Social and Governance Report

Due to the Group's enhanced focus on workforce development, employee training hours have increased substantially during the Year. The Company has optimised resource allocation and promoted digital training methods to improve efficiency while successfully expanding core business operations. This continuous investment will be gradually sustained as business conditions stabilise.

Nonetheless, the Group has continued to provide meaningful learning opportunities across key areas such as financial and accounting, occupational health and corporate governance.

## Labour Standards

The Group is in strict compliance with laws and regulations including the Hong Kong Employment Ordinances, the Labour Law of the PRC, the Labour Contract Law of the PRC, and the Social Insurance Law of the PRC. The Group adopts a zero-tolerance policy towards discrimination and harassment, strictly prohibiting anyone from engaging in unwanted verbal or physical conduct in the workplace. We are committed to providing employees with a work environment free from discrimination and harassment. In accordance with our established policies and procedures, the Group is committed to maintaining transparency in our recruitment and employment practices. All employment decisions, including recruitment, promotion and termination, the Group considers only those factors directly relevant to the job function, such as the candidate's or employee's age, qualifications, experience, and performance. The Group strictly prohibits child labour and forced labour, verifying the identity information of employees before hiring to avoid the recruitment of child labour. In case such a situation is discovered, the Human Resources Department will immediately terminate the recruitment process. Besides, the Group ensure that employees participate in work voluntarily to avoid forced labour.

During the Year, the Group was not aware of any non-compliance with laws and regulations which have a significant impact on employment and labour practices (2025: Nil).

During the Year, the Group was not aware of any operations and/or suppliers that were considered to have significant risk for incidents of child or forced labour (2025: Nil).

## Supply Chain Management

The Group strictly goes through a supplier evaluation and assessment process in order to select the qualified suppliers. For the Year, all 9 suppliers of Concrete Business were located in the PRC (2025: 7 suppliers in the PRC).

The Group attaches great importance to supply chain management and has formulated a series of internal policies to ensure compliance and efficiency in the tendering and procurement process. The material department of Concrete Business oversees the quality assurance and management of all raw materials intended for use in the concrete manufacturing process, ensuring compliance with product standards and operational requirements. In terms of supplier admission and oversight, the Group conducts comprehensive assessments, enforces contractual obligations, and carries out regular inspections and monitoring. An established supplier elimination mechanism is also in place to ensure that suppliers and their products align with the Group's production and operational requirements, which help to identify and reduce environmental and social risks within the supply chain. In addition, the Group conducts annual evaluations of suppliers on a regular basis to review the compliance level and service capabilities of suppliers to ensure the stability of the supply chain.

# Environmental, Social and Governance Report

The Group also integrates ESG factors into the process of engaging suppliers and procurement procedures, such as evaluating whether suppliers have certifications in the environmental management system or in the quality management system, the Group prioritises suppliers that demonstrate excellent performance in social and environmental aspects.

The Group strives to cooperate with local suppliers whenever possible, in support of local economic development and to enhance control over environmental risks associated with supply chain management. In addition, supplier selection gives preferential consideration to organisations that are certified under internationally recognised standards such as ISO 14001 Environmental Management System and ISO 9001 Quality Management System.

## **Operating Practices and Product Responsibility**

### ***Monitoring on the product and service quality***

The Group has established comprehensive internal policies and procedures to ensure that the quality of our products and services meets customer expectations. In terms of the business nature of the Group, employees are required to perform quality control processes before the delivery of products. All test results are fully documented and securely retained as part of the quality management process, providing traceability and evidence of compliance.

In Concrete Business, all products are sampled to perform laboratory tested and are custom made according to the specific requirements of each construction project. Our experimental department handles mix design and production quality management. The Group regularly samples key raw materials, such as cement, aggregates, and sand, to ensure the quality of the concrete remains unaffected. Additionally, the mix proportions used in production are closely monitored to achieve the required compressive strength. Concrete Business had also obtained the certification of quality management systems ISO 9001:2015 in relation to the production of ready-mixed concrete.

During the Year, none of products sold or shipped subject to recalls due to quality-related issues (2025: 0.33%). This reflects the Group's overall effectiveness in maintaining product quality control.

### ***Handling customer complaints***

The Group has established policies and procedures for handling complaints. The Group's sales department is responsible for reviewing all complaints, collecting evidence, and providing advice and comments on general complaints. Specific or complex complaints will be forwarded to the person responsible for further handling. The Group provides an initial response upon receipt of all complaints and follows up accordingly.

During the Year, no official complaints related to products and services were received by the Group (2025: 1). The Group has not been notified of any law violation regarding product or service responsibility (2025: Nil).

# Environmental, Social and Governance Report

## ***Protecting Intellectual Property Rights***

The Group strictly abides by the national and local laws and regulations intellectual property right, including but not limited to the Trademarks Ordinance of Hong Kong and the Trademark Law of the PRC, Patent Law of the PRC.

To provide our business and products with adequate protection, all business and products material for the Group's operation have been registered in each major business location. As of the date of this report, Concrete Business has registered 2 invention patents and 61 utility model patents in the PRC. We have also registered the Company logo as a trademark in Hong Kong. Our policy is to label our products properly in accordance with local requirements. We work to ensure that the labels and trademarks used in our products properly reflect product specifications and the quality standards.

## ***Safeguarding Privacy and Personal Information***

The nature of our business requires us to frequently and regularly collect, retain and utilise personal data from our existing and potential customers. Therefore, we must abide by the fair information practices as stipulated in the data protection principles of the Personal Data (Privacy) Ordinance in Hong Kong. To protect personal data, the Group has well established internal control and compliance procedures developed on the basis of the Ordinance to ensure compliance with relevant laws and regulations.

We ensure appropriate measures are taken to prevent misuses or disclosure of personal data and to hold such personal data solely for such collection purposes. For Money Lending Business, separate manual has been established to demonstrate and record our compliance on the provisions of the Personal Data (Privacy) Ordinance of Hong Kong under Licensing Conditions of Money Lenders Licence. We obtain and handle sensitive and private personal information on a daily basis. All information collected will be limited to the intended purpose only and restricted on unauthorised dissemination unless to such parties who are authorised by law to request the information. We strictly follow the rules and regulations stipulated under Money Lenders Ordinance of Hong Kong during our business operations. During the Year, the Group received no complaints regarding breaches of customer privacy (2025: Nil).

The Group strictly complies with relevant laws and regulations that have significant impacts on the Group relating to advertising, labelling and remedial measures for the products and services provided, including not limited to the Advertising Law of the PRC, the Product Quality Law of the PRC, the standard for Quality Control of Concrete. We strive to provide the highest quality products and services to maintain customer satisfaction and to ensure product safety. During the Year, the Group did not receive any cases that violated the aforementioned laws and regulations (2025: Nil).

# Environmental, Social and Governance Report

## Anti-Corruption & Anti-Money Laundering

The Group attaches great importance to anti-corruption, corporate integrity and honesty, and strictly complies with the Prevention of Bribery Ordinance of Hong Kong and the Criminal Law of PRC. No person is allowed to take advantage of their position to demand and receive bribery or obtain benefits by improper means. We are also forbidden to blackmail, conduct fraud or launder money. The Group is committed to creating a culture of integrity and justice by accepting internal complaints and whistleblowing.

The Group has established an anti-bribery policy to effectively prevent commercial bribes, kickbacks or similar payoffs or benefits provided by suppliers or clients. Employees are encouraged to report any misconduct, including but not limited to negligence, abuse of power, acceptance of bribes, or misappropriation of company assets, to designated personnel. Upon the receipt of such report, the Group promptly investigates alleged misconduct and take appropriate remedial actions in respect of confirmed violations. In Money Lending Business, internal procedures for regulating and monitoring our due diligence and record-keeping procedures are implemented to ensure strict abidance of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong.

The Group is committed to maintaining good corporate governance, we established a Whistleblowing Policy and maintained smooth whistle-blowing channels, including telephone hotlines and online reporting, to encourage our employees and parties who deal with us (including customers, contractors, suppliers, creditors and debtors) to report any misconducts within the Group. The Group will seriously deal with verified violations of laws and disciplines to promote the good functioning of the anti-corruption policy and system. To protect whistleblowers, the Group will keep the whistleblower's personal information strictly confidential. Furthermore, employees are assured that they will not be subject to retaliation, unfair treatment, or adverse employment consequences for reporting concerns in accordance with the Group's Whistleblowing Policy. In general, whistleblowers are encouraged to submit their reports to the chairman of the Audit Committee of the Group in writing by post deposited at the business office address of the Group in Hong Kong as set out on page 7 of this report. The Group will make every effort to keep the whistleblower's identity confidential and handle the report in the same manner as stipulated in the Whistleblowing Policy.

The Group always places strong emphasis on and continuously strengthens the work for integrity cultivation and probity education of the Directors and employees. To enhance employees' awareness of anti-corruption and anti-fraud, the Group regularly conducts anti-corruption and anti-fraud training and cultural promotion activities, including relevant national laws and regulations, the Company's internal anti-corruption and anti-fraud management systems, and related courses.

In addition, we have developed a questionnaire to assess our employees' understanding on relevant laws and internal standards. This tool serves as a communication channel between the management and the operating staff, facilitating discussions on potential conflicts of interest that may arise during business operations. Apart from the questionnaire, we also circulate updated materials provided by the Hong Kong Business Ethics Development Centre of Independent Commission Against Corruption from time to time keeping our employees informed about the latest developments in maintaining high standards of commercial ethics.

# Environmental, Social and Governance Report

During the Year, the Group has complied with all applicable anti-money laundering laws and regulations in Hong Kong, including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong. The Group was not aware of any non-compliance with laws or regulations that has a significant impact concerning bribery, extortion, fraud or money laundering during the Year (2025: Nil).

## Community

We actively advocate employees to participate in charitable events, to contribute to the community and drive further participation in community services. The Group encourages and provides full support to our employees to participate in various volunteer work and charitable activities.

The Group will continue to uphold the principles of accountability to shareholders, investors, suppliers, customers and the public community and seek further development opportunities to maintain a harmonious relationship with stakeholders.

## Awards and Recognitions

In December 2025, Hainan Huasheng Concrete Co., Ltd., a principal subsidiary of the Group, was ranked 87th in the “2025 Top 100 Private Enterprises in Hainan” by the Hainan Provincial Federation of Industry and Commerce. This recognition highlights the Group's robust operational scale and its significant contribution to the economic prosperity of the Hainan Free Trade Port.



# Environmental, Social and Governance Report

## Appendix HKEX ESG Reporting Code

| HKEX Aspect & KPIs                                                                                                                                                                                                                                                                           | Section                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>A1: Emissions</b><br>Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on the Company relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste | A. Environmental Aspects             |
| A1.1: The types of emissions and respective emissions data                                                                                                                                                                                                                                   | Air Pollution                        |
| A1.3: Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)                                                                                                                                                       | Hazardous Waste                      |
| A1.4: Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)                                                                                                                                                   | Non-hazardous Waste                  |
| A1.5: Description of emission target(s) set, and steps taken to achieve them                                                                                                                                                                                                                 | Greenhouse Gas Emission              |
| 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                                                                                                                                       | Hazardous Waste, Non-hazardous Waste |
| <b>A2: Use of resources</b><br>Provide information on the Company's policies on the efficient use of resources, including energy, water and other raw materials                                                                                                                              | Use of Resources                     |
| 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)                                                                                                           | Energy and Water Consumption         |
| A2.2: Water consumption in total and intensity (e.g., per unit of production volume, per facility)                                                                                                                                                                                           | Energy and Water Consumption         |
| A2.3: Description of energy use efficiency target(s) set, and steps taken to achieve them                                                                                                                                                                                                    | Energy and Water Consumption         |
| A2.4: Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them                                                                                                                                   | Energy and Water Consumption         |
| A2.5: Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced                                                                                                                                                                | Packaging Materials                  |

# Environmental, Social and Governance Report

| HKEX Aspect & KPIs                                                                                                                                                                                                                                                                                                                            | Section                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>A3: The Environment and Natural Resources</b><br>Provide a description of the Company's policies on minimising the company's significant impact on the environment and natural resources                                                                                                                                                   | The Environment and Natural Resources |
| A3.1: Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them                                                                                                                                                                                                      | The Environment and Natural Resources |
| <b>B1: Employment</b><br>Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare | Employment and Labour Practice        |
| B1.1: Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region                                                                                                                                                                                                                         | Employment and Labour Practice        |
| B1.2: Employee turnover rate by gender, age group and geographical region                                                                                                                                                                                                                                                                     | Employment and Labour Practice        |
| <b>B2: Health and Safety</b><br>Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on the Company relating to providing a safe working environment and protecting employees from occupational hazards                                                                       | Health and Safety                     |
| B2.1: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year                                                                                                                                                                                                                        | Health and Safety                     |
| B2.2: Lost days due to work injury                                                                                                                                                                                                                                                                                                            | Health and Safety                     |
| B2.3: Description of occupational health and safety measures adopted, how they are implemented and monitored                                                                                                                                                                                                                                  | Health and Safety                     |
| <b>B3: Development and Training</b><br>Provide information on the policies improving employees' knowledge and skills for discharging duties at work. Description of training activities                                                                                                                                                       | Development and Training              |
| B3.1: The percentage of employees trained by gender and employee category (e.g., senior management, middle management)                                                                                                                                                                                                                        | Development and Training              |
| B3.2: The average training hours completed per employee by gender and employee category                                                                                                                                                                                                                                                       | Development and Training              |

# Environmental, Social and Governance Report

| HKEX Aspect & KPIs                                                                                                                                                                                                                                                                                                   | Section                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>B4: Labour Standards</b><br>Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on Huasheng International relating to preventing child and forced labour                                                                                         | Employment and Labour Practice                 |
| B4.1: Description of measures to review employment practices to avoid child and forced labour                                                                                                                                                                                                                        | Employment and Labour Practice                 |
| B4.2: Description of steps taken to eliminate such practices when discovered                                                                                                                                                                                                                                         | Employment and Labour Practice                 |
| <b>B5: Supply Chain Management</b><br>Provide information the Company's policies on managing environmental and social risks of the supply chain                                                                                                                                                                      | Supply Chain Management                        |
| B5.1: Number of suppliers by geographical region                                                                                                                                                                                                                                                                     | Supply Chain Management                        |
| B5.2: Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored                                                                                                                                                 | Supply Chain Management                        |
| B5.3: Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored                                                                                                                                                                    | Supply Chain Management                        |
| B5.4: Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored                                                                                                                                                 | Supply Chain Management                        |
| <b>B6: Product Responsibility</b><br>Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on the Company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress | Operating Practices and Product Responsibility |
| B6.1: Percentage of total products sold or shipped subject to recalls for safety and health reasons                                                                                                                                                                                                                  | Monitoring on the product and service quality  |
| B6.2: Number of products and service-related complaints received and how they are dealt with                                                                                                                                                                                                                         | Handling customer complaints                   |

# Environmental, Social and Governance Report

| HKEX Aspect & KPIs                                                                                                                                                                                                                                   | Section                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| B6.3: Description of practices relating to observing and protecting intellectual property rights                                                                                                                                                     | Protecting Intellectual Property Rights       |
| B6.4: Description of quality assurance process and recall procedures                                                                                                                                                                                 | Monitoring on the product and service quality |
| B6.5: Description of consumer data protection and privacy policies, how they are implemented and monitored                                                                                                                                           | Safeguarding Privacy and Personal Information |
| <b>B7: Anti-Corruption</b><br>Provide information on the policies and compliance with relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering                         | Anti-Corruption & Anti-Money Laundering       |
| B7.1: Number of concluded legal cases regarding corrupt practices brought against the company or its employees during the reporting period and the outcomes of the cases                                                                             | Anti-Corruption & Anti-Money Laundering       |
| B7.2: Description of preventive measures and whistleblowing procedures, how they are implemented and monitored                                                                                                                                       | Anti-Corruption & Anti-Money Laundering       |
| B7.3: Description of anti-corruption training provided to directors and staff                                                                                                                                                                        | Anti-Corruption & Anti-Money Laundering       |
| <b>B8: Community Investment</b><br>Provide information on the policies on community engagement to understand the needs of the communities where the Company operates and to ensure its activities take into consideration the communities' interests | Community                                     |
| B8.1: Focus areas of contribution (e.g., educational, environmental concerns, labour needs, health, culture, sport)                                                                                                                                  | Community                                     |
| B8.2: Resources contributed (e.g., money or time) to the focus area                                                                                                                                                                                  | Community                                     |

# Environmental, Social and Governance Report

## Implementation Guidance for Climate Disclosures Under HKEX ESG Reporting Framework

### Climate-related Disclosures

### 2026 Response

#### Governance

|      |                                                                                                                                                                                                                                                                                                                                                         |                                 |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 19   | An issuer shall disclose information about:                                                                                                                                                                                                                                                                                                             |                                 |
| a.   | the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:                                                   |                                 |
| i.   | how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.                                                                                                                                        | Board Statement                 |
| ii.  | how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.                                                                                                                                                                                                                                               | Board Statement                 |
| iii. | how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities. | Board Statement                 |
| iv.  | how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and                                                      | Board Statement, Climate Change |
| b.   | An issuer shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:                                                                                                                             |                                 |
| i.   | whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and                                                                                                                                                                                 | Board Statement                 |
| ii.  | whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.                                                                                                                                         | Board Statement                 |

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

### Strategy

- |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                         |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 20 | <p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> <li>a. describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;</li> <li>b. explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</li> <li>c. specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</li> <li>d. explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</li> </ul> | <p>Climate Change</p> <p>Climate Change</p> <p>Climate Change</p> <p>Climate Change</p> |
| 21 | <p>An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>a. a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and</li> <li>b. a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Climate Change</p> <p>Climate Change</p>                                             |

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

- 22 An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:
- a. information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:
    - i. current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; Climate Change
    - ii. current and anticipated adaptation and mitigation efforts (whether direct or indirect); Climate Change
    - iii. any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; Climate Change
    - iv. how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and Emissions
  - b. information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a). Climate Change
- 23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a). Emissions
- 24 An issuer shall disclose qualitative and quantitative information about:
- a. how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and Climate Change
  - b. the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. Climate Change

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

- 25 The issuer shall provide qualitative and quantitative disclosures about:
- a. how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:
    - i. its investment and disposal plans; and Climate Change
    - ii. its planned sources of funding to implement its strategy; and Climate Change
  - b. how the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. Climate Change
- 26 An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:
- a. the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
    - i. the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; Climate Change
    - ii. the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and Climate Change
    - iii. the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; Climate Change

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

- b. how and when the climate-related scenario analysis was carried out, including:
- i. information about the inputs used, including:
    - 1. which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; Climate Change
    - 2. whether the analysis included a diverse range of climate-related scenarios; Climate Change
    - 3. whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; Climate Change
    - 4. whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; Climate Change
    - 5. why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; Climate Change
    - 6. time horizons the issuer used in the analysis; and Climate Change
    - 7. what scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis); Climate Change
  - ii. the key assumptions the issuer made in the analysis; and Climate Change
  - iii. the reporting period in which the climate-related scenario analysis was carried out. Climate Change

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

### Risk Management

|      |                                                                                                                                                                                                                                                                            |                |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 27   | An issuer shall disclose information about:                                                                                                                                                                                                                                |                |
| a.   | the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:                                                                                                                                 |                |
| i.   | the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);                                                                                                                              | Climate Change |
| ii.  | whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;                                                                                                                                                   | Climate Change |
| iii. | how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);                                                                     | Climate Change |
| iv.  | whether and how the issuer prioritises climate-related risks relative to other types of risks;                                                                                                                                                                             | Climate Change |
| v.   | how the issuer monitors climate-related risks; and                                                                                                                                                                                                                         | Climate Change |
| vi.  | whether and how the issuer has changed the processes it uses compared with the previous reporting period;                                                                                                                                                                  | Climate Change |
| b.   | the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and | Climate Change |
| c.   | the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.                                                   | Climate Change |

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

### Metrics and Targets

- 28 An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as:
- a. Scope 1 greenhouse gas emissions; Greenhouse Gas Emission
  - b. Scope 2 greenhouse gas emissions; and
  - c. Scope 3 greenhouse gas emissions
- 29 An issuer shall:
- a. measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; Greenhouse Gas Emission
  - b. disclose the approach it uses to measure its greenhouse gas emissions including:
    - i. the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; Greenhouse Gas Emission
    - ii. the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and Greenhouse Gas Emission
    - iii. any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; Greenhouse Gas Emission
  - c. for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and Greenhouse Gas Emission
  - d. for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). Greenhouse Gas Emission

# Environmental, Social and Governance Report

| Climate-related Disclosures |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2026 Response                                                                                                                                                                     |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30                          | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | The Group is currently quantifying the amount of assets and business activities aligned with climate-related risks and opportunities, and aims to disclose in the future reports. |
| 31                          | An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                   |
| 32                          | An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                   |
| 33                          | An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                   |
| 34                          | <p>An issuer shall disclose:</p> <p>a. an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>b. the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</p> <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>                                                                                                                                                                    | Carbon pricing is currently not a part of our decision-making. We will explore the use of internal carbon pricing in the future.                                                  |
| 35                          | An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).                                                                                                                                                                                                                                                                                                                                                                                                                               | Climate Change                                                                                                                                                                    |
| 36                          | <p>An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.</p> <p>In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p> | SASB Reporting Index                                                                                                                                                              |

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

|    |                                                                                                                                                                                                                                                                                                                                          |                         |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 37 | An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: |                         |
| a. | the metric used to set the target;                                                                                                                                                                                                                                                                                                       | Greenhouse Gas Emission |
| b. | the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);                                                                                                                                                                                                                         | Greenhouse Gas Emission |
| c. | the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);                                                                                                                          | Greenhouse Gas Emission |
| d. | the period over which the target applies;                                                                                                                                                                                                                                                                                                | Greenhouse Gas Emission |
| e. | the base period from which progress is measured;                                                                                                                                                                                                                                                                                         | Greenhouse Gas Emission |
| f. | milestones or interim targets (if any);                                                                                                                                                                                                                                                                                                  | Greenhouse Gas Emission |
| g. | if the target is quantitative, whether the target is an absolute target or an intensity target; and                                                                                                                                                                                                                                      | Greenhouse Gas Emission |
| h. | how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.                                                                                                                                                                                  | Greenhouse Gas Emission |

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

|    |                                                                                                                                                                                                                                                                                    |                                                                                                       |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 38 | An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:                                                                                                                         |                                                                                                       |
|    | a. whether the target and the methodology for setting the target has been validated by a third party;                                                                                                                                                                              | As we move forward, we will explore the feasibility of having our targets validated by a third party. |
|    | b. the issuer's processes for reviewing the target;                                                                                                                                                                                                                                | Greenhouse Gas Emission                                                                               |
|    | c. the metrics used to monitor progress towards reaching the target; and                                                                                                                                                                                                           | Greenhouse Gas Emission                                                                               |
|    | d. any revisions to the target and an explanation for those revisions.                                                                                                                                                                                                             | Greenhouse Gas Emission                                                                               |
| 39 | An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.                                                                                                                   | Emissions                                                                                             |
| 40 | For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:                                                                                                                                                               |                                                                                                       |
|    | a. which greenhouse gases are covered by the target;                                                                                                                                                                                                                               | Greenhouse Gas Emission                                                                               |
|    | b. whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;                                                                                                                                                                                         | Greenhouse Gas Emission                                                                               |
|    | c. whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; | Greenhouse Gas Emission                                                                               |
|    | d. whether the target was derived using a sectoral decarbonisation approach; and                                                                                                                                                                                                   | Greenhouse Gas Emission                                                                               |

# Environmental, Social and Governance Report

## Climate-related Disclosures

## 2026 Response

- e. the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:
- i. the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;
  - ii. which third-party scheme(s) will verify or certify the carbon credits;
  - iii. the type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and
  - iv. any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).
- We currently have not purchased carbon credits to offset our emissions. The Group is committed to optimising the business operations for energy efficiency and climate resilience. We will keep evaluating the necessity of purchasing carbon credits in the future.

# Environmental, Social and Governance Report

## SASB Reporting Index

Huasheng includes SASB disclosures where similar information is provided in our ESG Report and other public documents. Below is a partial list of the SASB disclosures for the Construction Materials and our responses.

| Topic                    | Metric                                                                                                                                                                                                                                                                                     | Code         | ESG Report or Our Responses          |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------|
| Greenhouse Gas Emissions | Gross global Scope 1 emissions, percentage covered under emissions limiting regulations                                                                                                                                                                                                    | EM-CM-110a.1 | Greenhouse Gas Emission              |
|                          | Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets                                                                                                                         | EM-CM-110a.2 | Greenhouse Gas Emission              |
| Air Quality              | Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM <sub>10</sub> ), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals | EM-CM-120a.1 | Air Pollution                        |
| Energy Management        | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable                                                                                                                                                                        | EM-CM-130a.1 | Energy and Water Consumption         |
| Water Management         | (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress                                                                                                                                                       | EM-CM-140a.1 | Energy and Water Consumption         |
| Waste Management         | Amount of waste generated, percentage hazardous and percentage recycled                                                                                                                                                                                                                    | EM-CM-150a.1 | Hazardous Waste, Non-hazardous Waste |