

Asia Resources Holdings Limited

亞洲資源控股有限公司*

Stock Code 股份代號 : 899

Environmental, Social and Governance Report 環境、社會及管治報告

2022

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ABOUT THE REPORT

This Environmental, Social and Governance Report (the “ESG Report” or “Report”) summarises the environmental, social and governance (“Environmental, Social and Governance” or “ESG”) initiatives, programs and performance of Asia Resources Holdings Limited (the “Company”, together with its subsidiaries, the “Group”, “Asia Resources” or “We”), and demonstrates its commitment to sustainable development. Adhering to the management approach of environmental, social and governance sustainability, the Group is committed to effectively and responsibly handling the Group’s environmental, social and governance affairs as a core part of our business strategy, as we believe this is the key to the continued success of the Group in the future.

Reporting Framework

The ESG Report is prepared in accordance with the applicable Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Reporting Principles

During the preparation for this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as the following:

- Materiality** The materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the Board of Directors and the ESG Taskforce. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
- Quantitative** Supplementary notes are added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
- Consistency** The preparation approach of this ESG Report was substantially consistent with the previous years, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

The corporate governance practices of the Group are set out in the “Corporate Governance Report” on pages 10 to 24 of its Annual Report 2022.

ABOUT THE REPORT

Reporting Scope

This ESG Report mainly covers the two major business areas including 1. water business, 2. property development and property investment business, which are operated by the Group at its headquarters in Hong Kong and the People's Republic of China (the "PRC"), covering various cities in the PRC. These businesses are the main source of income for the Group this year. When the data collection system of the Group becomes more mature and the sustainable development work is further deepened, we will continue to expand the scope of the disclosure in the future.

Reporting Period

This Report details the Group's environmental, social and governance activities, challenges and measures for the period from 1 April 2021 to 31 March 2022 (the "Reporting Period").

Forward-looking Statements

The forward-looking statements contained in this Report are based on current expectations, estimates, forecasts, beliefs, and assumptions about the businesses of the Group and its subsidiaries and the markets in which they operate and are not guarantees of future performance. Our performance may be affected by market risks, uncertainties, and factors beyond the control of the Group. Accordingly, actual results and returns may differ materially from the assumptions made and the statements contained in this Report.

Contact Us

We welcome comments and suggestions from stakeholders. You can share your valuable opinions on this Report or our sustainability performance by emailing info@asiaresources899.com.hk.

MESSAGE FROM THE BOARD

On behalf of the Board of the Company, I hereby present you the ESG Report, demonstrating in detail the Group's approach and performance in terms of sustainable development for the year ended 31 March 2022 (the "Reporting Period").

Looking back on the Reporting Period, the fifth wave of the COVID-19 pandemic has resulted in a heavy blow to citizens' lives, health, society and economy. Relying on the diversification of business and the efforts of our colleagues, we continue to strengthen coordination and cooperation among various departments, make better use of human resources and material support, and continue to promote the development of the Group under the severe pandemic situation.

The Group firmly believes that ESG, as the core part of our business strategy, is the key to the Group's continued success in the future. We will continue to fulfil our commitment effectively and responsibly to ESG, formulate sustainable development goals and issues that require our attention, strive to pay attention to global climate change, respond to the national dual-carbon strategic goal policy and other social issues and formulate corresponding policy measures to reduce the Group's ESG risks.

To better manage the Group's ESG performance and identify potential risks, the Board of Directors conducts materiality assessments with the assistance of the ESG Taskforce. We have prioritized the opinions of stakeholders and major ESG-related issues and respond to the needs and expectations of all parties in a timely manner, so as to cooperate with employees and different stakeholders to seize opportunities for sustainable development.

Looking ahead, social distancing measures have been gradually relaxed due to the recent improvement in the local pandemic situation. Therefore, the Group will continue to work together with the government and all sectors of society to further stabilize the local pandemic situation.

The Board would like to take this opportunity to thank all employees for their efforts, contributions and support, as well as our business partners, customers, suppliers and shareholders for their continued trust and support.

Li Yuguo
Chairman of the Board
Asia Resources Holdings Limited

Hong Kong, 26 August 2022

BOARD STATEMENT – THE ESG GOVERNANCE STRUCTURE

While striving to create value for its shareholders, the Group also strives to fulfil its corporate social responsibility. We consider our environmental, social and governance commitment as an important part of our corporate social responsibility and are committed to integrating ESG factors into our decision-making process. To achieve this goal, we have developed a core governance framework to ensure that ESG is aligned with our strategic growth while advocating the integration of ESG into our business operations. Our corporate social responsibility structure is divided into two parts, the Board of Directors (the “Board”) and the ESG Taskforce.

A Two-way ESG Dialogue Mechanism

To promote effective communication within the organisation, the Group adopts a two-way ESG dialogue mechanism. By integrating the management methods of the “Top-down governance” and the “Bottom-up response and participation”, the Board not only can monitor the implementation of policies more effectively, identify potential risks, rectify problems that are inconsistent with sustainable development practices and keep track of the achievement of goals, but also enable the management to collect employee feedback and respond to unpredictable events.



BOARD STATEMENT – THE ESG GOVERNANCE STRUCTURE

The Board's Oversight Responsibilities

The Board has ultimate responsibility for the oversight of the Group's environmental, social and governance matters, including environmental, social and governance approaches, strategies and policies. To better manage the Group's performance in environmental, social and governance aspects and identify potential risks, the Board regularly conducts materiality assessments with the assistance of the ESG Taskforce, taking into account the opinions of different stakeholders, to assess and prioritise important ESG-related matters. The Board and senior management are responsible for ensuring that the Group's ESG strategies and related activities, including climate-related issues, are relevant and effective.

Environmental, Social and Governance Taskforce (ESG Taskforce)

The ESG Taskforce is authorised by the Board to carry out all day-to-day work related to corporate ESG responsibilities. The Group's ESG Taskforce comprises core members from different business units of the Group and facilitates the Board's oversight of ESG matters. The ESG Taskforce is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations and preparing the annual ESG Report.

The ESG Taskforce arranges regular meetings to assess the effectiveness of current policies and procedures and develop appropriate solutions to improve the overall performance of ESG policies. At the meeting, the ESG Taskforce discussed existing and plans to monitor and manage the Group's sustainable development goals, reduce potential risks and minimise their negative impact on business operations. The Group reduces the environmental impact of its operations by setting ESG-related objectives and targets. The Group will strive to integrate concepts of sustainable development into its business operations and fulfil its corporate responsibilities. The ESG Taskforce will report to the Board on a regular basis to evaluate the implementation and effectiveness of the internal control mechanism and review the progress of established goals and targets. The ESG Taskforce will also be involved in enterprise risk management to assist in the assessment and identification of the Group's ESG risks and opportunities.

STAKEHOLDER ENGAGEMENT

The Group attaches great importance to maintaining ongoing communication with different stakeholders and actively understands their feedback on our business and environmental, social and governance matters, and is committed to integrating concepts of sustainable development into all aspects of our business. To fully understand, respond to and address the core concerns of different stakeholders, we have been working with key stakeholders from time to time through different communication channels to gain a deeper understanding and comprehensive overview of their concerns and expectations.

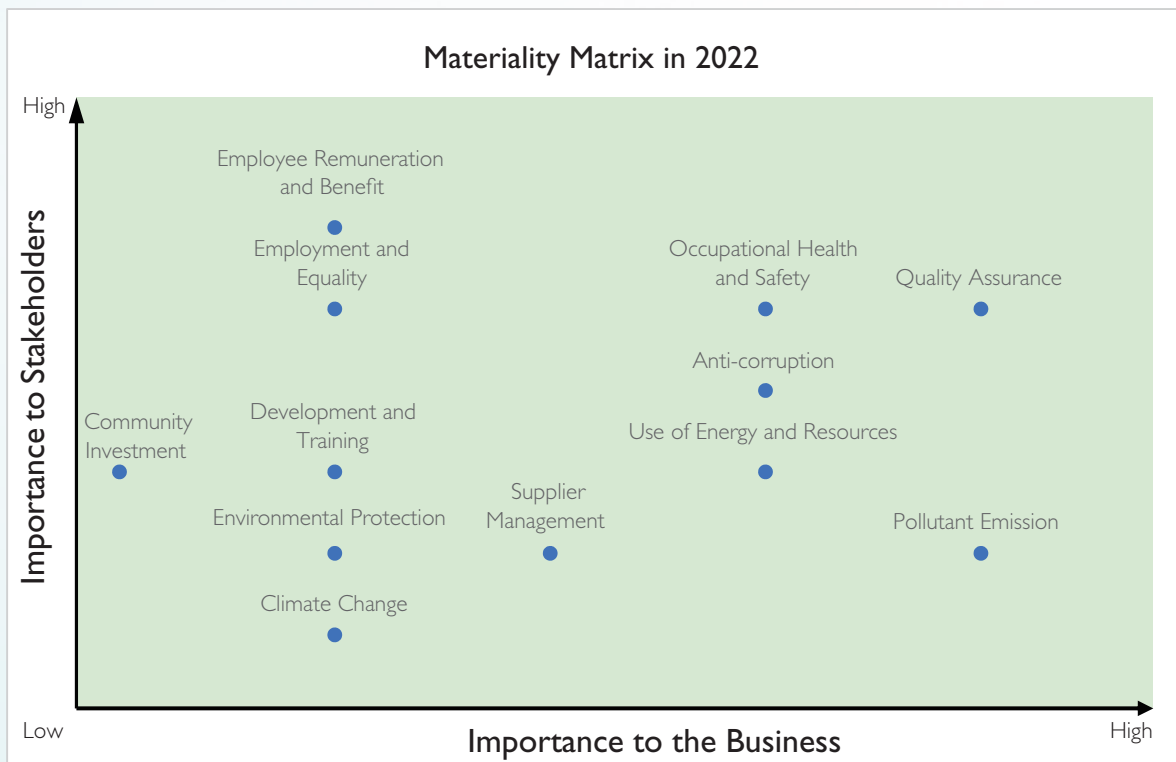
Stakeholders	Expectations and Concerns	Communication Channels
Government and Regulatory Authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Sustainable development • Occupational health and safety • Paying taxes in full and on time 	<ul style="list-style-type: none"> • Regular reports • Official website of the Group • Work reports preparation and submission for approval
Shareholders	<ul style="list-style-type: none"> • Return on investments • Corporate governance • Compliance with laws and regulations • Transparent information and effective communication 	<ul style="list-style-type: none"> • Financial reports • Announcements and circulars • Annual general meetings and special general meetings • Official website of the Group
Employees	<ul style="list-style-type: none"> • Employees' remuneration and benefits • Career development • Workplace health and safety • Labour rights 	<ul style="list-style-type: none"> • Training and orientation • Regular meetings • Emails and other electronic communications
Customers	<ul style="list-style-type: none"> • High-quality products and services • Customers' rights • Customers' satisfaction • Performance of contracts 	<ul style="list-style-type: none"> • Customer satisfaction survey • Face-to-face meetings and on-site visits • Customer service hotline and email
Suppliers	<ul style="list-style-type: none"> • Fair and open procurement • Performance of contracts • Mutual benefits and win-win situation 	<ul style="list-style-type: none"> • Open tendering • Suppliers' satisfaction assessment • Telephone conferences, face-to-face meetings and site visits
General Public	<ul style="list-style-type: none"> • Community participation • Compliance with laws and regulations • Environmental protection awareness • Transparent information 	<ul style="list-style-type: none"> • Official website of the Group
Professional Organisations	<ul style="list-style-type: none"> • Compliance with laws and regulations • Environmental protection and social responsibilities 	<ul style="list-style-type: none"> • Telephone discussions • Meetings (private or general meetings) • Emails and other electronic communications

The Group is committed to working with various stakeholders to improve the Group's ESG performance and continue to create greater value for the general community.

ESG MATERIALITY ASSESSMENT

In addition to referring to its business development strategy and industry practice, the Group also identified its major environmental, social and governance issues, and listed and compiled a questionnaire based on the Group's assessment results of important areas in previous years. By distributing questionnaires, the relevant stakeholders of the Group and the management and staff of each key function can assist the Group in reviewing its operations, identifying relevant environmental, social and governance issues and assessing the impact of relevant issues on the Group's business and each stakeholder importance of the person. The Group has analysed and presented the findings as a materiality matrix.

During the Reporting Period, the Group's material ESG issues matrix is as follows:



The Group has reviewed the results of the materiality assessment and considered that the results are applicable to the Group. The Group will continue to regularly monitor business operations and ESG performance.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

To create long-term value in sustainable communities, we support global action on the United Nations ("UN") Sustainable Development Goals. We have identified 5 UN Sustainable Development Goals. The Group will unwaveringly formulate more meaningful initiatives in line with the sustainable development goals into the Group's sustainable development strategy, and continuously review the progress of related goals to ensure that its operations are in line with international norms, so as to build a sustainable business.

Environmental Goals		<p>As a company engaged in the water mining business, the Group regards water as a valuable resource, and therefore pays particular attention to its water footprint in its value chain and is committed to using innovative technologies to serve clients with safe drinking water. The Group has been optimising its business operations, with particular emphasis on improving water efficiency. The Group also regularly assesses and monitors its water consumption and intensity and implements a water conservation policy to raise employees' awareness on water conservation.</p>
		<p>Climate change is affecting every country on every continent, disrupting national economies and affecting people's lives. Weather patterns are changing, sea levels are rising, and weather events are becoming more extreme. The Group understands the importance of identifying and mitigating major climate-related issues, pays close attention to the potential impact of climate change on the Group's business and operations and is committed to managing potential climate-related risks that may affect the Group's business activities and reducing potential risks and hazards to a minimum. The Group has implemented contingency measures.</p>
		<p>The Group values its employees as the most important asset for business development. To ensure the health and well-being of employees, the Group has established an effective management system to regulate its daily operations and provide employees with basic health insurance and medical benefits. Meanwhile, the Group has adopted several internal policies and measures to eliminate risks related to occupational health and safety. During the Reporting Period, the Group recorded zero cases related to work-related injuries or deaths.</p>
Social Goals		<p>Reducing inequalities and ensuring that free of discrimination, income equality and respect for human rights are critical to the Group. Therefore, the Group provides fair employment and promotion opportunities and formulates relevant policies to protect the rights and interests of employees. At the same time, the Group ensures that the distribution of employee benefits is reasonable and transparent, respecting their rights and meeting their expectations in a timely manner. In addition, the Group is committed to social contribution and strengthening partnerships with NGOs to help disadvantaged groups, thereby reducing the gulf between the rich and the poor in society.</p>
		<p>The Group understands the importance of sustainable production and consumption to its long-term business development. Apart from applying the concept of "Reduce, Reuse and Recycle" ("3R") to all stages of its projects to promote the sound management of energy and resources and promote sustainable consumption, the Group also recognises the importance of responsible production, therefore sustainable sourcing and production practices in line with international standards have been established.</p>

A. ENVIRONMENTAL

The Group attaches great importance to excellent environmental management in order to fulfil its social responsibilities. The Group has formulated relevant environmental protection management rules and systems for daily operations to regulate emissions and wastes generated during operations, so as to contribute to environmental protection and reduce carbon emissions and achieve the goal of long-term sustainable development.

2030 Environmental Goals

To support global efforts to address climate change and to facilitate the assessment of the effectiveness of the Group's strategies and measures to mitigate the impacts of climate change, environmental objectives are set at the Group level as follows:

Target to reduce intensity by 2030, using 2021/2022 as a base year:

Electricity consumption	Water consumption	Non-hazardous waste	Greenhouse gas emissions
↓ 4%	↓ 4%	↓ 8%	↓ 8%

By setting these goals, it guides the Group's business strategy. The steps taken to achieve these goals are detailed below.

A.I. EMISSIONS

All departments implement the Group's environmental protection policies under stringent supervision and guidance to ensure that all business processes comply with legal and regulatory requirements. Persons-in-charge at all levels will continuously review the Group's policies and implementation procedures and report to the management when appropriate and make suggestions and improvement measures if necessary.

During the Reporting Period, the Group was not aware of any significant violation of the relevant laws and regulations on air and greenhouse gases ("greenhouse gases"), emissions, water and land pollution and the generation of hazardous and non-hazardous wastes that had a significant impact on any important aspects of the Group. Relevant laws and regulations include but are not limited to the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Waste Disposal Ordinance and the Water Pollution Control Ordinance of Hong Kong.

Exhaust Gas Emissions

The Group's exhaust gas emissions during its operations mainly come from gasoline and diesel consumed in transportation. The Group has implemented the internal policy "Anti-pollution and Anti-noise operation Scheme" in all property development and water mining projects, and has strictly adopted the following measures:

- Frequent inspection of company vehicles to optimise fuel consumption;
- Encourage employees to use video conferences or teleconferencing to reduce unnecessary travel;

A. ENVIRONMENTAL

- Wash the wheels before the vehicle leaves the construction site;
- Daily flushing or sprinkling of water to remove dust and avoid sludge build-up;
- Establish appropriate speed limits and reduce the number of vehicle trips through better planning; and
- Install baghouses, enclosures and pressurised spray dust collectors along major roads on construction sites.

During the Reporting Period, the Group's emissions performance is summarised as follows:

Types of exhaust gas	Unit	2022	2021
Nitrogen oxides (NO _x)	kg	21.70	20.17
Sulphur oxides (SO _x)	kg	0.03	0.08
Particular matter (PM)	kg	1.67	1.91

GHG Emissions

The main GHG emissions of the Group are from the direct GHG emissions of gasoline and diesel consumed in transportation (Scope 1) and the indirect GHG emissions from purchased electricity (Scope 2). To properly manage greenhouse gas emissions, the Group actively adopts power-saving and energy-saving measures to reduce greenhouse gas emissions. Relevant specific measures will be described in the "Energy Management" section of aspect A2.

Indicators ¹	Unit	2022	2021
Direct GHG emissions (Scope 1)	tCO ₂ e	6.10	13.59
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	32.97	30.83
Total GHG emissions (Scope 1 and Scope 2)	tCO ₂ e	39.07	44.42
Total GHG emissions intensity ²	tCO ₂ e/employee	1.06	1.78

1. GHG emissions data is presented in carbon dioxide equivalent with reference to, inter alia, the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the latest published Baseline Emission Factors for Regional Power Grids in the PRC and the "Sustainability Report 2021" published by the Hong Kong Electric Investments Limited.
2. As of March 31, 2022, the total number of employees in the Group's reporting scope (including Hong Kong and the PRC) was 37 (As of March 31, 2021: 25). The data are also used to calculate other intensity data.

Direct GHG emissions (Scope 1) and sulphur oxides emissions of the Group decreased as compared with that of prior year, mainly due to the impact of the COVID-19 pandemic that the Group responded to the government's call for temporary lockdown of community, or work from home arrangement during the Reporting Period. Consequently, the consumption of unleaded petrol and diesel for related transportation has decreased significantly as compared with that of prior year.

A. ENVIRONMENTAL

Sewage Disposal

Property development and property investment business

The Group's property development and property investment businesses produced and discharged wastewater mainly from commercial wastewater generated by employees. Although the Group did not generate any industrial wastewater from its construction sites during the Reporting Period, the Group is still making efforts to plan and regulate wastewater discharge from its operating sites. For example, the Group stipulates that sewage treatment facilities of appropriate scale be installed on construction sites to carry out treatment to the sewage. All wastewater generated at construction sites must be treated internally before being discharged into the city sewer network. The Group also conducts internal monitoring on a regular basis to ensure that the wastewater after the treatment complies with the national and local standards, such as the Integrated Wastewater Discharge Standard (GB 8978-1996) of the PRC. Subsequently, the floating sludge produced during the process is collected and transported to a certified environmental organisation for further processing. To manage wastewater at construction sites more effectively, if any new construction projects are initiated, the Group will further monitor and record the amount of industrial wastewater generated during the operation of its property business.

Water business

The Group's water business includes a series of complex processes such as water resource mining, inspection, filtration, purification, production and sales. The Group has adopted a number of environmental protection technologies, and highly concerned the potential ecological impact of the process. As its water business does not use a lot of chemical raw materials or additives, the wastewater generated by this business segment of the Group is harmless. In addition, the Group is committed to reusing water as much as possible during extraction and production and has installed wastewater treatment facilities at all bottling plants. For wastewater that cannot be reused, the Group treats wastewater with scientifically validated methods before discharging it into the natural environment. The Group is committed to complying with the national and local wastewater treatment standards to ensure that all water used in the bottling process and discharged into nature meets the standards that is harmless to the aquatic organisms.

The wastewater generated by the Group's offices is mainly commercial wastewater, and its total amount is insignificant. These wastewaters have been discharged directly into the urban sewage pipe network. As the amount of wastewater generated by the Group largely depends on its water consumption, in order to improve water efficiency, the Group has taken specific water-saving measures. The water consumption data of the Group will be explained in the section "Water Management" in aspect A2.

Waste Management

Considering the Group's business and development plans, waste management, especially waste generated from property development and water operations, is considered to be a significant challenge for the Group. In order to minimise the impact of waste discharge on the environment, in addition to continuing to strictly abide by the relevant laws and regulations, the Group will pay more attention to monitoring the quantity and quality of construction waste. The Group is committed to promoting a circular economy within the enterprise and its sphere of influence and is committed to building a real-time platform, creating a professional team comprised of waste management experts, controlling and managing the recycling and disposal of construction waste, and more effectively dealing with non-recyclable construction waste.

A. ENVIRONMENTAL

Hazardous Waste

The Group does not directly generate hazardous wastes in the course of its operations. Therefore, it did not generate a large amount of hazardous wastes during the Reporting Period. Although the Group did not generate any hazardous waste during the Reporting Period, the Group has formulated guidelines for the management and disposal of hazardous waste. If any hazardous waste is generated, the Group must engage qualified waste collectors to dispose of such waste in order to comply with the relevant environmental laws and regulations.

Non-hazardous Waste

Property development and property investment business

The Group attaches great importance to its internal management and waste disposal measures. The waste it generates can be divided into two categories: commercial waste and construction waste. The Group has established waste management methods that comply with the “Administrative Measures for Urban Living Garbage” and the “Technical Code for Construction and Demolition Waste Treatment” of the PRC to properly dispose of commercial waste and construction waste generated by the Group. Among the aforesaid, commercial solid waste is regularly collected and processed by the administrative department of the Group. Construction waste generated from property development projects, including remaining steel materials and slats, is regularly collected by the Group and transported by qualified trucks to designated waste disposal facilities. In addition, the recyclable construction waste will be transported to the recycling station for reuse after collection. The Group strictly abides by local waste management laws and regulations and disposes of excess mud and all other construction waste in a legal and compliant manner in all material respects. During the Reporting Period, the Group did not generate any significant construction waste as no construction projects were carried out.

In order to achieve the goal of sustainable waste management, the Group will expand the scope of waste management in the future, strengthen on-site measurement, recording and reporting of construction waste, including improving site logistics to ensure that the use of materials is consistent with the construction sequence, thereby reducing waste generation, improving the awareness of the on-site staff on the application of the “3R” principles and strengthening on-site monitoring and review.

Water Business

The Group has been committed to reducing solid waste from its water business. At this stage, the solid waste generated by the Group is mainly commercial waste, which is managed by the Group’s administrative department and property building management department, and finally delivered to the landfill for disposal by the urban management in the PRC. Given that its water mining activities are expected to commence at the end of 2022 or early 2023, the Group will continue to monitor and keep track on the entire production process of its water business from a more comprehensive product life cycle perspective in the near future, allowing the Group to better control and manage waste emissions from its water operations.

A. ENVIRONMENTAL

Office Operation

The Group adheres to the principles of proper waste management, strives to maintain high standards in waste reduction and is committed to disposing of all non-hazardous waste generated from our business activities in line with the spirit of “Reduce, Reuse, Recycle and Replace”. The non-hazardous wastes generated by the Group’s business activities are mainly paper, household waste and kitchen waste. After collection and sorting, this type of waste will eventually be collected and processed by qualified waste treatment service providers, and recyclable waste (such as paper, etc.) will be recycled and reused as far as is practicable.

In addition, the Group is committed to establishing a paperless office environment. We regularly monitor the amount of paper used and implement various measures to minimise the use of different resources by our employees. We also post “Environmental Protection Messages” on office equipment to remind employees to pay attention to environmental protection and raise their awareness on environmental protection issue. We have implemented the following measures to encourage employees to take responsibility for waste management and minimisation of waste generation:

- Make full use of the internet system; for general notification, data transmission, etc. are carried out online;
- Choose environmentally-friendly materials;
- Try to avoid paper printing and copying;
- Use double-sided printing and double-sided photocopying as much as possible;
- Recycle single-sided printing paper for printing draft documents;
- Use old envelopes and recycle used stationery, paper, cartons, and folders;
- Install microwave ovens in offices and encourage employees to bring their own lunch boxes instead of ordering takeaway food; and
- Minimise the use of disposable paper products, such as paper cups and paper towels.

Type of waste	Unit	2022	2021
Total non-hazardous waste produced	Tonne	0.94	1.42
Total non-hazardous waste intensity	Tonne/employee	0.03	0.06

A. ENVIRONMENTAL

A2. USE OF RESOURCES

The Group actively promotes the efficient use of resources, monitors the potential impact of business operations on the environment and instils the awareness of resource conservation into the work and life of all employees. Through the four basic waste reduction principles of “Reduce, Reuse, Recycle and Replace”, we promote a green office and operating environment so as to minimise the impact on the environment. As stated in aspect A1, the Group has established policies and procedures on environmental management to manage the use of water, electricity, diesel, and gasoline.

Energy Management

In daily operation, the Group’s main energy consumption is electricity and gasoline and diesel consumed in transportation. Given the nature of the Group’s business, the energy consumption arising from the transportation process in its property development business and water business is inevitable. As stated in aspect A1, the Group has developed internal policies and procedures to implement the “Pollution Prevention and Noise Prevention Construction Plan” to manage the use of gasoline and diesel fuel for transportation.

The electricity consumed by the Group is mainly used for daily operations. To reduce electricity consumption and reduce greenhouse gas emissions, the Group has incorporated the concept of “Electricity Conservation” into its business strategy and daily operations. The Group is committed to further reducing its electricity consumption intensity and dependence on fossil fuels by selecting energy-efficient machinery and equipment. In order to continue efforts to save electricity, the Group will firmly implement the following practices:

- Choose energy-efficient appliances;
- Develop a good practice of turning off idle lights after use;
- Encourage employees to take more stairs and use fewer lifts;
- Use of daylight and LED lighting;
- Turn off lighting after office hours;
- Regular cleaning and inspection of office equipment such as refrigerators, air conditioners and shredders to ensure efficiency;
- Set proper air conditioning temperature;
- Reduce the carbon footprint of business travel by replacing long-distance meetings with the phone or video conferencing as far as is practicable; and
- Use of building energy efficiency equipment during construction.

Through the above measures, employees’ awareness of energy conservation and emission reduction have been improved.

A. ENVIRONMENTAL

The Group's energy consumption is as follows:

Type of energy	Unit	2022	2021
Total Direct energy consumption	kWh	23.38	52.57
– Unleaded Petrol	kWh	10.47	17.44
– Natural gas	kWh	2.25	–
– Diesel	kWh	10.66	35.13
Total indirect energy consumption	kWh	39.39	36.22
– Purchased electricity	kWh	39.39	36.22
Total Energy consumption	kWh	62.77	88.79
– Intensity	kWh/employee	1.70	3.55

During the Reporting Period, due to the impact of the pandemic, the Group responded to the government's request by arranging for our employees to work from home, or temporarily close down the office. As a result, the consumption of gasoline and diesel for related transportation was significantly reduced as compared with last year.

Water Resource Management

The water business is one of the core businesses of the Group. The Group is fully aware of the importance of water as one of the most precious resources on the planet. Thus, the Group has been seeking effective ways to use water and prioritise water conservation. It encourages all employees to develop and keep a good habit of conserving water consciously to reduce water consumption and has established the following water conservation measures:

- Regularly check the water supply pipeline to prevent the waste of water resources. If water leakage or various control devices are found to be out of order, take timely measures or report to the supervisor to formulate a plan in time to prevent the continuing loss of water;
- Use water supply facilities with good water-saving capacity as much as possible; and
- Establish the concept of water saving, strengthen water saving propaganda, post water saving messages, and guide employees to use water reasonably.

Due to the geographical location of the Group's office, the Group does not encounter any problems in obtaining suitable water sources.

A. ENVIRONMENTAL

The performance of the Group's water consumption is as follows:

Indicator	Unit	2022	2021
Total water consumption	m ³	600	1,156
Intensity	m ³ /employee	16.22	46.24

During the Reporting Period, due to the impact of the pandemic, the Group responded to the government's request by arranging for our employees to work from home, or temporarily close down the office. Therefore, the total water consumption was significantly reduced as compared with last year.

Use of Packaging Materials

Given the nature of the Group's business, it does not consume significant amount of packaging materials, and therefore the use of packaging materials is immaterial to the Group.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group actively pursues best practices in environmental protection and is committed to being responsible for the impact of its operations on the environment and natural resources in order to achieve sustainable development. In addition to complying with the relevant environmental laws and regulations and international standards to properly protect the environment, the Group has also taken various measures to reduce the potential impacts on the environment.

Indoor Air Quality Management

As employees spend a lot of their time in the office, good indoor air quality is very important. The Group regularly monitors and measures the indoor air quality in the workplace. By using air purification equipment in the workplace to filter pollutants, impurities, and dust particles, and regularly cleaning the air-conditioning system, the Group strives to ensure the good indoor air quality in the office.

Noise Management

The noise generated by the Group mainly comes from the use of machinery and equipment during water mining operations and construction. The Group strictly complies with the national and local noise emission standards, such as the "Emission Standards for Industrial Enterprises Noise at Boundary" (GB12348-2008), and the Group adopts appropriate noise reduction facilities and effective measures to reduce the impact of noise on the surrounding environment. Specifically, vibration pads and real-time sound monitoring equipment are widely used noise control tools at the Group's construction sites. In addition, the Group has installed noise enclosures, noise barriers and vibration isolation facilities, and stipulated the operating hours for the use of certain equipment/machines. In addition, in order to reduce noise emissions to a level that will not cause long-term or health impacts on the nearby residents, the Group actively conducts surveys on local residents to study how to apply quieter and more practicable operation methods for piling, construction and demolition of buildings.

A. ENVIRONMENTAL

A4. CLIMATE CHANGE

As the public awareness on environmental protection increases, climate change has become a popular topic that the public often discusses. Governments of various countries and international organisations continue to deepen their efforts to jointly discuss potential risks and solutions related to climate change. The latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report further warns of the severity and urgency of the climate crisis. The PRC government has proposed to achieve carbon peaking by 2030 and carbon neutrality by 2060. Therefore, it is expected that our country will take a more proactive attitude and adopt more active measures, policies and laws and regulations in the future to strive to achieve the goal of carbon neutrality.

The Group is aware of the threat posed by climate change. The Group closely monitors the potential impact of climate change on our business and actively contributes by offsetting its carbon footprint. The Group recognises the importance of climate-related issues and has referred to the reporting framework developed by the Task Force on Climate-related Financial Disclosures (TCFD). There are two main types of climate-related risks, namely physical risks and transition risks, and is committed to managing possible impacts and the potential climate risks of the Group's business activities.

Physical Risk

The increased frequency and severity of extreme weather events such as typhoons, storms, torrential rain, extreme cold or extreme hot weather create acute and chronic physical risks to the Group's business. Under extreme weather events, as the safety of our employees is threatened, the power grid or communications infrastructure may be disrupted, and the Group's productivity will decline, which exposes the Group to risks associated with non-performance and delayed performance and result in the Group's financial conditions being affected.

To minimise potential risks and hazards, the Group has put in place contingency plans, including flexible working arrangements and precautions in the event of severe or extreme weather conditions. The Group will continue to explore emergency response plans to further reduce the vulnerability of our operations to extreme weather events to improve business stability and sustainability.

Transition Risk

To achieve the global vision of carbon neutrality, the Group expects that the regulatory, technological and market landscape will evolve due to climate change, including tightening of national policies, implementation of environment-related taxes and customer preference for greener companies.

In response to the policy and legal risks as well as reputational risks, the Group constantly monitors changes in laws or regulations and global trends in climate change to avoid increased costs, fines for non-compliance or reputational risks due to slow responses. In addition, the Group has been taking comprehensive environmental protection measures, including measures to reduce greenhouse gases and has set targets to gradually reduce the Group's energy consumption and greenhouse gas emissions in the future.

The Group is fully aware of the importance of identifying and managing relevant climate change risks arising from its operations and strives to continue to reduce the environmental impact of its business activities within its capabilities, so as to safeguard the long-term interests of the business and its stakeholders.

B. SOCIAL

BI. EMPLOYMENT

The Group firmly believes that human resources are the most valuable assets and the core of competitive advantages, and it is also the foundation for the sustainable development of the Group. Therefore, the Group is committed to improving the employment system to attract, develop and retain employees. The Group has formulated the Recruitment Management Regulations and compiled the Employee Handbook, which cover recruitment, promotion and dismissal, remuneration and benefits, etc. The Group also reviews its policies and recruitment procedures regularly to ensure that recruitment standards can be continuously improved.

During the Reporting Period, the Group was not aware of any issues that had a significant impact on the Group and that seriously violated relevant laws and regulations on employment. Relevant laws and regulations include but are not limited to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China.

As of March 31, 2022, the total number of employees within the reporting scope of the Group was 37. The breakdown of the number of employees is set out in the table below:

Employee data	2022	2021
Total number of employees	37	25
By Gender		
Male	27	17
Female	10	8
By Age		
Below 30	0	1
30-50	23	14
Above 50	14	10
By Geographical Region		
Hong Kong	10	7
Mainland China	27	18
By Employment Type		
Full-time	37	25
Part-time	–	–

B. SOCIAL

As of March 31, 2022, the employee turnover rate* of the Group was 9.68%. The breakdown of the employee turnover rate is set out in the table below:

Indicators	Unit	2022
Total employee turnover	no. (%)	3 (9.68%)
By gender		
Male	no. (%)	1 (4.55%)
Female	no. (%)	2 (22.22%)
By age group		
Below 30	no. (%)	1 (200.00%)
30-50	no. (%)	0 (0.00%)
Above 50	no. (%)	2 (16.67%)
By region		
Hong Kong	no. (%)	1 (11.76%)
Mainland China	no. (%)	2 (8.89%)

* Employee turnover rate is calculated by the number of employees left during the Reporting Period/((number of employees in 2021 + number of employees in 2022)/2) × 100%

Employment Practices

- Recruitment, Promotion and Dismissal**
- The Group actively recruits potential talents and follows the principle of open and fair competition in the recruitment process. Factors such as competency, job understanding, actual job requirements and suitability for the position are considered recruitment criteria, ensuring a transparent and open recruitment process.
 - The Group conducts performance appraisals on a regular basis as a basis for promotion and salary adjustment. The Group regularly reviews its remuneration package and regularly evaluates the ability and performance of its employees to ensure that the Group recognises the work and contributions of all employees in a reasonable manner, rewards outstanding employees, and enhances employees' sense of belonging.
 - The Group strictly prohibits any form of unfair or unlawful dismissal. Termination of any employment contract shall be based on reasonable, lawful reasons and internal policies. The Group has formulated the procedures and conditions for dismissal and contract termination in the Employee Handbook. The Group also has a handover to-do list to ensure a seamless transition of job responsibilities.

B. SOCIAL

Remuneration and Benefits	<ul style="list-style-type: none">• The Group attaches great importance to fair remuneration, attendance and leave system and pays full remuneration to all employees in a timely manner.• The Group also provides employees with public holidays and paid annual leave as required by law. According to the labour law, the Group strictly implements the annual salary or hourly salary system according to the different positions of the employees.• Compensation and day off system will be reviewed regularly according to market and industry standards. The Group respects employees' rights to rest and vacation and has implemented relevant policies to supervise and regulate employees' working hours and their rights to various rest periods and vacations.• The Group signs and performs labour contracts with all employees in accordance with the Labour Contract Law of the PRC and the Employment Ordinance of Hong Kong. The Group pays five social insurances and one housing fund for its PRC employees in accordance with relevant PRC laws and regulations, namely endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund, so that employees can enjoy the protection of social insurance. The Group also makes fixed contributions to the Mandatory Provident Fund Scheme for its employees in Hong Kong in accordance with the Mandatory Provident Fund Schemes Ordinance of Hong Kong.• In addition to the Mandatory Provident Fund and statutory retirement benefits, the Group also provides medical benefits and subsidises employees' participation in various training and postgraduate programmes. In addition, the Group regularly organises team building events and meaningful entertainment activities for its employees to enhance their sense of belonging.
Working Hours and Rest Periods	<ul style="list-style-type: none">• The Group has formulated internal policies in accordance with the Provisions of the State Council on Working Hours of Workers and Staff and other local labour laws and clarified the arrangements for employees' working days and working hours in the Employee Handbook and does not tolerate forced labour. All overtime work is voluntary and appropriate overtime allowance will be offered.• The Group provides employees with different types of holidays, including statutory holidays and other paid holidays, such as maternity leave, paternity leave, sick leave, personal leave, etc.

B. SOCIAL

Equal Opportunity, Diversity, Anti-discrimination

- As an equal opportunity employer, the Group is committed to promoting anti-discrimination and creating equal opportunities, thereby creating a work environment of fair competition, mutual respect, and diversity.
 - Training and promotion opportunities and termination policies will not be based on the employee's age, gender, marital status, pregnancy, family status, disability, race, colour, ancestry, national or ethnic origin, national origin, religion, or any other non-job-related factor in accordance with.
 - In accordance with the relevant local laws and regulations, such as the Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong) and Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), the Group has implemented an equal opportunity policy against discrimination, harassment in any workplace or slanderous conduct with zero tolerance.
 - The Group actively encourages employees to report any incident of discrimination to the Group Human Resources Department. The Group will be responsible for the fair and transparent assessment, handling and taking any necessary disciplinary actions against incidents and related persons in accordance with the applicable local laws and regulations.
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B2. HEALTH AND SAFETY

The Group attaches great importance to the safety and health of its employees and is committed to providing employees with a healthy, safe and comfortable working environment.

The Group strives to eliminate potential workplace health and safety hazards and has maintained a good condition of safety management in all aspects to ensure the personal safety and health of employees during work.

The Group has formulated stringent internal safety and health policies to comply with relevant laws and regulations in Hong Kong and the PRC. During the Reporting Period, the Group was not aware of any violation of laws and regulations related to the provision of a safe working environment and the protection of employees from occupational hazards, which had a significant impact on the Group, including but not limited to:

- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);
- Production Safety Law of the People's Republic of China;
- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases;
- Regulation on Work-Related Injury Insurance of the People's Republic of China.

B. SOCIAL

As an enterprise engaged in property investment, property development and water mining business, prevention of occupational health and safety risks is of paramount importance to the Group. The Group strives for zero accident in its operations and strictly follows the instructions of the Quality Management Systems (ISO 9001:2015) and the Occupational Health and Safety Management Systems (ISO 45001: 2018), such as hazard identification and implementation of control measures to reduce on-site health and safety risks. Specifically, the Group has posted relevant warning labels and announcements on health and safety issues in conspicuous places at the construction site and stipulated that smoking and liquor drinking are strictly prohibited in the workplace. To ensure the safety and health of employees, the Group requires on-site workers to wear appropriate personal protective equipment, such as safety helmets, safety ropes and gloves, and requires all personnel entering the construction area to wear safety helmets, and regular physical inspection are arranged for all personnel. The Group also provides employees with medical and work injury insurance in accordance with the requirements of relevant laws and regulations.

The Group believes that a high standard of contingency planning is essential to minimise the risks associated with health and safety incidents during construction and water extraction. The Group has developed a crisis management plan and response mechanism to deal with any emergencies that occur at the construction site and water mine. Specifically, all work areas have unobstructed emergency exits and full unlocked first aid box. The Group has also arranged emergency drills and safety inspections to ensure that employees can enjoy a safe working environment.

To further enhance employees' awareness on occupational health and safety, the Group has arranged regular training courses for its employees on various topics such as emergency management, handling of hazardous substances and protection of machinery and equipment.

The Group achieved zero employee casualties for three consecutive years (including the Reporting Period). During the Reporting Period, the Group did not lose any working days due to work-related injuries.

COVID-19 Pandemic Outbreak Response Measures

The COVID-19 pandemic has brought various challenges to the Group. To prevent the spread of the virus in the workplace, the Group focuses on requiring its employees to pay attention to personal hygiene and follow the government's health advice. The Group has taken the preventive measures below for the COVID-19 pandemic, including but not limited to:

- Provide adequate number of surgical masks in the office while advising employees to practice good personal hygiene and avoid touching their eyes, mouth and nose before cleaning their hands;
- Encourage employees to wash their hands frequently and use hand sanitiser for at least 20 seconds;
- Provide 70-80% alcohol-based hand sanitiser in all work areas for hand sanitisation;
- Check and monitor the body temperature of employees to early detect any suspected COVID-19 cases;

B. SOCIAL

- Remind employees to cover their mouth and nose when they sneeze or cough;
- Remind employees to dispose of used tissues properly in the trash;
- Mandatory wearing of surgical masks;
- Encourage employees to maintain appropriate social distancing with each other;
- Arrange flexible working hours and implement work-from-home policies to avoid peak-hour travel and reduce travel frequency; and
- Require any employee with fever or other respiratory symptoms to seek medical attention and avoid entering the workplace.

B3. DEVELOPMENT AND TRAINING

Development and training help the Group to attract and retain talents, improve employee job satisfaction, morale and productivity, and improve health and safety standards. The Group attaches great importance to the development and training of directors and employees, encourages directors and employees to keep up with the latest trends in the industry, and provides them with appropriate trainings.

During the Reporting Period, the Group provided a total of 148 hours of training. 32.4% of the employees have received training, and the average training hours per employee was approximately 4 hours.

The breakdown and the average training hours completed by each employee by gender and employee category is as follows:

Indicators	No. of hours (%)	2022
Average hours of training per employee and percentage of employees who received training	no. (%)	4.00 (32.43%)
By gender		
Male	no. (%)	2.30 (29.63%)
Female	no. (%)	8.60 (40.00%)
By employee category		
Senior management	no. (%)	4.12 (58.82%)
Middle management	no. (%)	7.80 (20.00%)
General staff	no. (%)	0.00 (0.00%)

B. SOCIAL

B4. LABOUR STANDARDS

Prevention of Child Labour and Forced Labour

The Group prohibits any child labour and forced labour in its business. The Human Resources Department of the Group has formulated an internal policy, and the Group will inspect the identification documents of job applicants before employees are hired in order to prevent the employment of child labour. In addition, each employee's labour contract clearly states his working hours, location and main responsibilities, to protect employees from being assigned to work that is not within the scope of their responsibilities. If employees need to work overtime, the overtime work must be agreed upon through negotiation and compensated by overtime pay or time off according to relevant laws and regulations to prevent forced overtime work. Once the Group finds any violation of relevant labour laws, regulations or standards, the Group will immediately terminate the relevant labour contract and take disciplinary action against the relevant management personnel.

During the Reporting Period, the Group was not aware of any material matters that had a significant impact on the Group and that seriously violated the relevant laws and regulations on child labour and forced labour. Relevant laws and regulations include but are not limited to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China and the Regulations Prohibiting Child Labour of the People's Republic of China, etc.

B5. SUPPLY CHAIN MANAGEMENT

In order to ensure the quality of material supply, the Group strictly selects suppliers and has established a clear supplier evaluation management system – “Supplier Management Measures” for the selection of suppliers.

According to the “Supplier Management Approach”, the procurement department will review the suppliers from various aspects such as environmental risks, social risks, product quality, qualifications, the production capacity of production plants, past operating indicators, existing customer base, production tools and equipment, and related projects for a comprehensive assessment. The selected suppliers are required to submit a list of company management information. This standard procedure ensures that selected suppliers meet the Group's quality standards. The procurement department will inspect the production plant if necessary to gain a better understanding on the background of the selected supplier. Suppliers can only be qualified and successfully listed in the Group's supplier management system after passing the Group's assessments and interview tests. In addition, to reduce environmental and social risks, suppliers are required to comply with relevant laws and regulations, including environmental regulations or requirements and labour rules. Thereafter, the Group chooses to conduct quality assessments, communicate feedback and other actions on a regular basis to review the suppliers' list and review project quality to ensure that suppliers are maintained at the best level.

Green Procurement

The commitment to “Green Procurement” reflects the Group's determination to improve its environmental sustainability, not only within the Group's organisation, but also throughout the external supply chain. The Group is committed to local procurement in order to implement sustainable development into the Group's operating model. During the procurement process, the Group will give priority to local suppliers and environmentally friendly products and services, hoping to reduce the carbon footprint caused by procurement through local procurement, while supporting local economic development and creating employment opportunities for local communities.

B. SOCIAL

In addition to environmental factors, the Group will also take measures to monitor whether its suppliers or contractors comply with the relevant laws and regulations or meet other standards in terms of social risks such as health, safety, forced labour and child labour. We will ensure that suppliers can meet various standards by conducting site visits to the suppliers' operating premises, and this will be one of the factors in our evaluation process of suppliers. Through the above practices, the Group aims to reduce environmental and social risks in the supply chain.

The Group also pays attention to the integrity of suppliers and will only select suppliers and partners with good business records in the past and no violations of business ethics. The Group will not tolerate any acts of bribery and corruption, and strictly prohibits suppliers from obtaining procurement contracts or cooperative relationships through any form of benefit transmission or gift.

Number of suppliers by region

Location	Number of Suppliers
China	5
Hong Kong	20

B6. PRODUCT RESPONSIBILITY

Customer satisfaction is the cornerstone of the Group's sustainable development. The Group actively monitors product quality through internal control procedures and maintains constant communication with customers to ensure mutual understanding and meet customers' needs and expectations. The Group hopes to continuously improve the quality of our products and services by understanding the needs and expectations of our customers.

Property Development and Property Investment Business

The Group is committed to creating the highest quality living environment and striving for perfection. Every detail of a project must meet the Group's quality standards before it can be offered to market. In pursuit of high-quality products, the Group has established an integrated management system that meets the requirements of ISO9001:2015 and ISO 14001:2015, and strictly monitors the entire construction process to ensure that reliable products can be delivered to customers on time. The safety and quality of the properties developed by the Group are monitored and confirmed by the Engineering Department at all stages of construction. Meanwhile, the chief supervision engineer of each project, who acts as the project supervisor, is required to be equipped with the relevant working experiences and possesses the certification for Engineering Construction Supervision in the PRC.

Environmentally friendly and harmless materials have always been the Group's first choice in the construction material selection process. For example, since inhalation of volatile organic compounds ("VOCs") may cause serious health problems to tenants, the Group prioritises the use of materials with low VOCs during construction. In addition, the Group has established strict policies to take decisive measures to adjust and coordinate the construction plan immediately when there is a material deviation from the project plan. During the Reporting Period, the Group did not encounter any properties for sale that had to be recalled due to safety and health reasons in the property development and property investment business.

B. SOCIAL

Water Business

The Group aims to provide every customer with safe, high-quality, natural and unpolluted water. It implements the principle of “Serving clients with reliable products, excellent management, perfect quality and considerate sincerity” to ensure that all products in the water business and production process fully comply with the applicable laws and regulations, including but not limited to the Water Law of the People’s Republic of China and the Food Safety Law of the People’s Republic of China, and the guidelines of ISO9001:2015. We have invested heavily in source control, production monitoring and finished product management to establish a system management platform that largely meets customer needs and expectations. During the Reporting Period, the Group did not encounter any recalls of products sold for safety and health reasons in its water business.

Customer Satisfaction

Customers can give their feedback to the Group through customer satisfaction surveys and direct contact. After receiving the complaint, the Customer Relations Department will follow up on the complaint within the specified time limit. Through effective dialogue and mutual understanding with customers, the Group strives to improve its business performance and provide its customers with quality services and products. During the Reporting Period, the Group did not receive any complaints about product quality regarding health and safety reasons.

Protect Intellectual Property, Customer Data and Privacy

At the same time, the Group strictly abides by the laws and regulations on customer privacy, including but not limited to the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests and the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), to ensure that its customers’ rights are strictly safeguarded. The personal data collected by the Group from its customers are stored in encrypted systems to which only designated staff are authorised to access and are used only for the purposes for which the data was collected. The Group prohibits any employee from divulging the client’s information to any third party without the client’s consent. During the Reporting Period, the Group did not receive any complaints about customer privacy.

Product and Service Labelling

The Group has also issued internal guidelines to ensure that product descriptions and materials (including labelling of its products and services) provided to customers by sales and marketing departments are accurate and compliant with relevant laws and regulations, including but not limited to the Advertising Law of the People’s Republic of China. For example, the label of bottled water should be clear and comply with relevant laws and regulations, including but not limited to GB 7718-2011 National Food Safety Standard – Standard for nutrition labelling of pre-packaged foods and GB 28050-2011 China Food Safety National Standard General Rules for the Nutrition Labelling of Pre-packaged Foods. Any misrepresentation in marketing materials or exaggeration of offerings is strictly prohibited by the Group. The sales and marketing materials are reviewed by the legal counsel of the Group before releasing to the public in order to prevent any violation of the applicable laws and regulations regarding advertisement.

B. SOCIAL

B7. ANTI-CORRUPTION

The Group implemented zero tolerance against any corruption or fraud and strictly abides by the Prevention of Bribery Ordinance, Chapter 201 of the Laws of Hong Kong, the Anti-Corruption Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and the Anti-Corruption Law of the People's Republic of China Law and other laws and regulations.

The Group has a specific risk control personnel responsible for supervising related matters and has established integrity rules and regulations, covering the operation of business departments and project construction management, including detailed regulations on bidding, reimbursement, and other content. The Group is committed to maintaining an image of integrity and no corruption lawsuits have been brought against the Group or any of its employees and have been concluded during the Reporting Period.

Whistle-blowing System

The Group has established effective whistle-blowing mechanisms for employees and external parties to report any suspected corrupt activity, including anyone who may have a conflict of interest with the Group and any company involved in corrupt practices. Whistle-blowers may report any suspected misconduct cases orally or in writing to the Group's audit committee (the "Audit Committee"), providing details and evidence of the incident. The Audit Committee conducts independent investigations into any suspicious or illegal conduct to safeguard the interests of the Group. Investigations of relevant cases are conducted confidentially and independently to protect whistle-blowers from unfair dismissal or harm. If the Group discovers any suspected illegal activities, it will be reported to the relevant regulatory authorities or law enforcement authorities as appropriate.

Anti-Corruption Training

The Group also regularly provides trainings to employees on anti-commercial bribery and integrity concepts through induction training, middle and senior management training and keynote speeches, so as to enhance their awareness on preventing any unethical behaviour such as bribery, extortion, fraud and money laundering.

During the Reporting Period, all directors received anti-corruption training through anti-corruption training material ("Anti-Corruption Programme – A Guide for Listed Companies" published by the Independent Commission Against Corruption) and spent about 2 hours on self-study. Due to the impact of the COVID-19 pandemic during the Reporting Period, face-to-face physical training could not be conducted.

B8. COMMUNITY INVESTMENT

The Group has been committed to giving back to society and participating in public welfare development while promoting the continuous development of the enterprise. Our businesses, including water business, property development and property investment, provide affordable housing and job creation for low-income and underprivileged families in rural and rural suburban areas. The Group provides donations, conducts volunteer services and provides training opportunities and educational activities to the poor and needy in the community. In particular, the Group focuses on contributing to making the communities where it operates a better place to live, especially by promoting the development of local philanthropy and the healthy growth of children as its top priority.

MAJOR APPLICABLE LAWS AND REGULATIONS RELATED TO THE GROUP'S BUSINESSES

Aspects	Major applicable laws and regulations
Emissions and Ecosystem	<p>Air Pollution Control Ordinance</p> <p>Water Pollution Control Ordinance</p> <p>Waste Disposal Ordinance</p> <p>Environmental Protection Law of the People's Republic of China</p> <p>Environmental Impact Assessment Law of the People's Republic of China</p> <p>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Prevention and Control of Water Pollution</p> <p>Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste</p> <p>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</p> <p>Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise</p> <p>Water Law of the People's Republic of China</p> <p>Energy Conservation Law of the People's Republic of China</p>
Employment and Labour Standards	<p>Employment Ordinance</p> <p>Mandatory Provident Fund Schemes Ordinance</p> <p>Employees' Compensation Ordinance</p> <p>Minimum Wage Ordinance</p> <p>Sex Discrimination Ordinance</p> <p>Disability Discrimination Ordinance</p> <p>Family Status Discrimination Ordinance</p> <p>The Personal Data (Privacy) Ordinance</p> <p>Labour Law of the People's Republic of China</p> <p>Labour Contract Law of the People's Republic of China</p> <p>The Social Insurance Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Protection of Minors</p> <p>Insurance Law of the People's Republic of China</p>
Health and Safety	<p>Occupational Safety and Health Ordinance</p> <p>Dangerous Goods Ordinance</p> <p>Fire Safety Ordinance</p> <p>Production Safety Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</p> <p>Regulation on Work-Related Injury Insurance of the People's Republic of China</p>

MAJOR APPLICABLE LAWS AND REGULATIONS RELATED TO THE GROUP'S BUSINESSES

Aspects	Major applicable laws and regulations
Product Responsibility	<p>Trade Descriptions Ordinance</p> <p>The Personal Data (Privacy) Ordinance</p> <p>Advertising Law of the People's Republic of China</p> <p>Trademark Law of the People's Republic of China</p> <p>Food Safety Law of the People's Republic of China</p> <p>Food Recall Management Measures</p> <p>GB 7718-2011 National Food Safety Standard – Standard for nutrition labelling of pre-packaged foods</p> <p>GB 28050-2011 China Food Safety National Standard General Rules for the Nutrition Labelling of Pre-packaged Foods</p> <p>Water Law of the People's Republic of China</p> <p>Regulation on the Administration of the License for Water Drawing and the Levy of Water Resource Fees</p> <p>Administrative Regulations on the Work Safety of Construction Projects</p> <p>Construction Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</p> <p>Safety and Health in Construction Convention</p> <p>Regulation on the Quality Management of Construction Projects</p> <p>Law on the Management of the Environmental Inspection of Completed Construction Projects</p>
Anti-corruption	<p>Prevention of Bribery Ordinance</p> <p>Anti-Money Laundering and Counter-Terrorist Financing Ordinance</p> <p>Criminal Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Anti-money Laundering</p> <p>Anti-Corruption Law of the People's Republic of China</p> <p>Anti-Unfair Competition Law of the People's Republic of China</p> <p>The Bidding Law of the People's Republic of China</p>

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Emissions – Greenhouse Gas Emission
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity	Not applicable – Explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Non-hazardous Waste
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	2030 Environmental Goals
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2030 Environmental Goals
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity	Use of Resources – Water Resource Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Management 2030 Environmental Goals
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Resource Management 2030 Environmental Goals
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced	Not applicable – Explained

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Indoor Air Quality Management, Noise Management
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Physical risks, Transition risks
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child and Forced Labour

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI 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
KPI 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 – Green Procurement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights, Protection of Consumers' Information and Privacy

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Protection of Intellectual Property Rights, Protection of Consumers' Information and Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption – Anti-Corruption Training
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment