



# Kimou Environmental Holding Limited 金茂源環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**Stock Code: 6805**

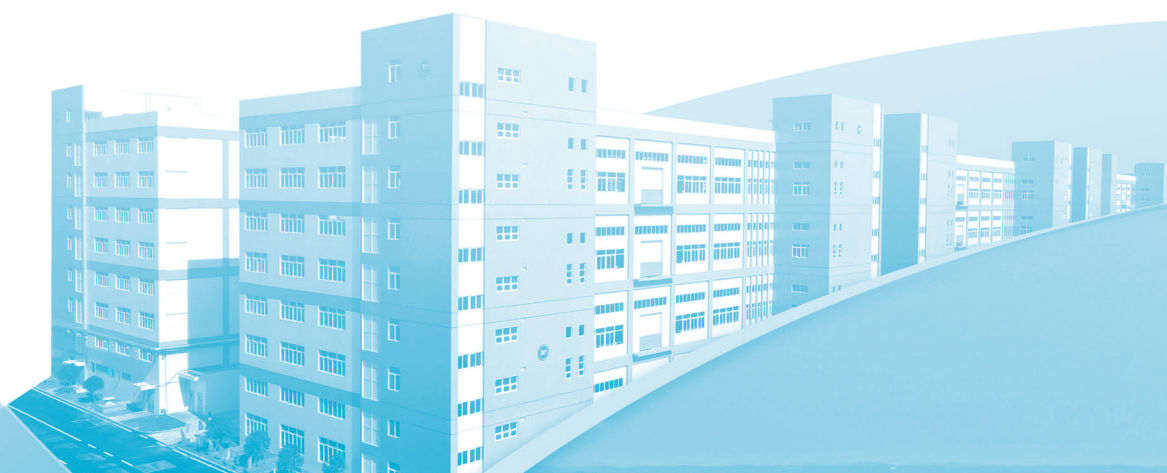


# 2024

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1. ABOUT THIS REPORT

### 1.1 Overview

This is the sixth environmental, social and governance (“ESG”) report (the “**ESG Report**”) published by Kimou Environmental Holdings Limited (hereinafter referred to as the “**Company**” or “**Kimou**”) and its subsidiaries (hereinafter referred to as the “**Group**” or “**we**”). This report outlines our ESG strategy, work and performance. You may access the ESG Report by clicking “INVESTOR RELATIONS” section on the Company’s website or relevant documents by browsing through the HKExnews website.

### 1.2 Reporting Scope

The report covers the Group’s ESG policies, approaches, objectives, performance and achievements for the period from 1 January 2024 to 31 December 2024 (hereinafter referred to as the “**Year**”, the “**Reporting Period**” or “**2024**”). The disclosure scope of the key performance indicators for the social category shall be consistent with the annual report of the previous year.

The scope of disclosure of the key performance indicator on environmental aspect included our principal place of business:

- Kimou (Huizhou) Surface Treatment Recycling Eco-Industrial Park (hereinafter referred to as “**Huizhou Park**”)
- Kimou (Tianjin) Surface Treatment Recycling Eco-Industrial Park (hereinafter referred to as “**Tianjin Park**”)
- Kimou (Central China) Surface Treatment Recycling Eco-Industrial Park (hereinafter referred to as “**Central China Park**”)
- Kimou (East China) Surface Treatment Recycling Eco-Industrial Park (hereinafter referred to as “**East China Park**”)
- Kimou (Southwest China Qingshen) Surface Treatment Recycling Eco-Industrial Park (hereinafter referred to as “**Qingshen Park**”)
- The term “Parks” herein refers to the above five parks collectively.

For details of the Group’s corporate governance, please refer to the section headed “Corporate Governance Report” in the annual report or the official website of the Group (<https://www.kimou.com.cn>).

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## 1.3 Reporting Standards

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the **"Guide"**) set out in Appendix C2 of the Listing Rules and complied with all the mandatory disclosure requirements and "comply or explain" provisions in the Guide and complied with the reporting principles of "materiality", "quantitative", "balance" and "consistency". The ESG Report has been reviewed and approved by the board of the directors.

**Materiality:** The Group has identified sustainable development issues related to its development and developed the content of the ESG Report based on the results of stakeholder communication and materiality assessment. The process and standard for stakeholder communication and identification of materiality issues are disclosed in the ESG Report.

**Quantitative:** The ESG Report has encompassed all key performance indicators required to be disclosed by the Guide. The statistical methodology, calculations, assumption and the sources of the conversion factors used for the quantitative KPIs are described in the definition of the ESG Report.

**Balance:** The ESG Report presents the Group's performance for the Reporting Period in an unbiased manner, avoiding any improper influence on the decisions or judgments of report readers.

**Consistency:** The ESG report employs the same statistical and key performance indicators reporting methods as in previous years. If there are any changes to statistical methods or key performance indicators or any significant factors that affect the comparison of data, we will make this clear in the ESG Report.

## 1.4 Reporting Language

The ESG Report is prepared in both traditional Chinese and English. In case of discrepancy, the traditional Chinese version shall prevail.

## 1.5 Feedback on the Report

We value your feedbacks with regards to the ESG Report and would be pleased to hear from you if you have any inquiries or suggestions.

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### 2. ABOUT KIMOU

Kimou is a leading surface treatment recycling economy industrial park operator in PRC, and is adhering to its mission of "Protecting Environment for Human Welfare (保護環境・造福人類)" and its aim of "Creating Industry Benchmark and Building a Model for Water Control (「創行業標杆・樹治水典範」)", striving to promote the green transformation and sustainable development of the surface treatment industry. With wastewater treatment as our core service, we focus on park management and emphasize corporate service. We are committed to improving the entire manufacturing industry chain, and facilitating the green and sustainable development of industrial manufacturing in PRC.

The Group has five large-scale surface treatment recycling economy industrial parks in Huizhou, Guangdong; Jinghai, Tianjin; Jingzhou, Hubei; Qingshen, Sichuan; and Taixing, Jiangsu respectively, forming a nation-wide business presence in southern, northern, central, western, eastern China. We endeavour to promote the agglomeration, intensification and clustering of surface treatment industry to foster the high-quality regional economic development and high-level environmental protection.

Our industrial parks have a planned site area of approximately 3.38 million square meters in aggregate, and a planned waste water treatment capacity of maximum 102,000 tonnes per day in aggregate, and currently, there are over 300 surface treatment enterprises already admitted. By exercising control at source, classification and collection as well as adopting advanced processing technologies, we have realized deep purification of waste water, heavy metal resource recycling and recycling of reclaimed water. Wastewater reuse technology enables recycling of more than 60% of the wastewater, and discharge of the rest in compliance with relevant standards. The Group is actively exploring deep electroplating wastewater treatment technologies, and is under cooperation with numerous colleges, universities and research institutes including State Environmental Protection Engineering Center for Organic Chemical Industrial Waste Water Disposal and Resources Reuse, Research Center for Environmental Nanotechnology of Nanjing University, Tsinghua Shenzhen International Graduate School, South China University of Technology, Tianjin Renai College to establish a strong technology research and development platform for persistent promotion of research, development and application of more advanced, more professional and more environmental friendly electroplating wastewater treatment technologies and systems. Through dedicated effort, the Group has not only obtained many honors and qualifications, but also made contribution to the construction of a beautiful China where people and nature live in harmony.

Through over a decade of effort, the Group has earned prestigious titles such as the China Surface Treatment Green Low-Carbon Industrial Park (Eastern China Park) (中國表面處理綠色低碳園區(華東園區)), China Demonstration Industrial Park of Electroplating Industry (中國電鍍示範園區), the Intensive Demonstration Industrial Park (集約型示範園區), the Innovation Award for Industrial Park Management (產業園區管理創新獎), and the China Surface Engineering Industry Scientific and Technological Award (中國表面工程行業科學技術獎). It owns four national-level high-tech enterprises, over 150 nationally authorised patents, and has successfully hosted the fourth (2016) and fifth (2018) National Electroplating Industrial Park Construction and Operation Seminars (全國電鍍園區建設運營研討會), as well as the China Surface Engineering Industry Development Conference (中國表面工程行業發展大會) in 2023 and 2024.

Adhering to the concept of professional service and scientific management, the Group solves the problems of sewage treatment for enterprises in the Parks while creating a comprehensive service platform, allowing enterprises to focus on their core business — production, operation and technological innovation, gradually establishing a harmonious synergy, win-win cooperation and value-sharing park-enterprise ecology.

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In the future, the Group will continue to uphold the concept of green, low-carbon and recycling development, leverage on the broader capital market and select land to build parks, persistently and steadily implement strategic layout, make every effort to promote high quality economic development and high-level ecological environment protection, and contribute to the construction of a beautiful China where people and nature live in harmony.



### Highlights of Sustainable Development

Environmental Protection	Occupational Safety and Health
<ul style="list-style-type: none"> <li>Total Greenhouse Gas Emissions(Scope 1 and Scope 2) of 75,011.5 tonne of CO<sub>2</sub>e; intensity of 53.6 tonne of CO<sub>2</sub>e/million of revenue , representing a year-on-year decrease of 7.7%</li> <li>No material non-compliance regarding environment pollution</li> </ul>	<ul style="list-style-type: none"> <li>Work-related fatalities for the past three years was 0%</li> <li>Safety production education and training rate for employees was 100%</li> <li>Number of emergency drills throughout the year was 10 times</li> </ul>
Human Resource Management	Governance
<ul style="list-style-type: none"> <li>Proportion of female staff exceeded 30%</li> <li>Trainings had been provided for all staff</li> <li>Total training hours were 20,223 hours</li> </ul>	<ul style="list-style-type: none"> <li>0 corruption or bribery incident</li> <li>100% Directors' participation rate of anti-corruption trainings</li> </ul>

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### 2024 Milestones

April 2024

The Group actively participated in the establishment of the Guangdong Kaiming Guangdong-Hong Kong-Macao Carbon Neutrality Research Institute (廣東開明粵港澳碳中和研究院) and played an important role within it. The Group's Executive Director and CEO, Huang Qiyang, was elected as a council member and vice president. The institute was established to promote theoretical and practical research in the field of carbon neutrality, focusing on policy system innovation, green and low-carbon energy transformation, and technological applications. Kimou Group will leverage on its operational experience and resources from the surface treatment industrial park to collaborate with the institute and other partners in advancing scientific research, achievement transformation, and application promotion. This effort aims to support the green and low-carbon transformation of the surface treatment industry, promote the high-quality development of the manufacturing sector, and contribute to achieving the national carbon neutrality goal.



**First Session of Council of Guangdong Kaiming  
Guangdong-Hong Kong-Macao Carbon Neutrality Research Institute**

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The Group was invited to participate in the Global Environment Fund's "China PFOS Prioritised Sectors Reduction and Elimination Project" Guangdong Demonstration Project Technical Experience Sharing and Promotion Exchange Conference (全球環境基金會「中國PFOS 優先行業削減與淘汰項目」廣東示範項目成果技術經驗分享及推廣交流會), organised by the Foreign Cooperation Center of the Ministry of Ecology and Environment and the Guangdong Provincial Department of Ecology and Environment (生態環境部對外合作中心廣東省生態環境廳). The event allowed the Group to learn about demonstration projects for new pollutant management and advanced governance technologies, accumulating knowledge and experience for subsequent research and technological innovation in the field of new pollutant governance.



**"China PFOS Prioritised Sectors Reduction and Elimination Project" Guangdong Demonstration Project Technical Experience Sharing and Promotion Exchange Conference**

## 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

May 2024

East China Park successfully held the 2024 “Safety Production Month”(「安全生產月」) launch ceremony and the “First Jiangsu Provincial Tour for Electroplating Industry Safety Production”(「首屆江蘇省電鍍行業安全生產全省行」) event. The event attracted over 60 representatives from the Jiangsu Provincial Emergency Management Department (江蘇省應急管理廳), Taixing City Emergency Management Bureau (泰興市應急管理局), Taixing Economic Development Zone, Jiangsu Surface Engineering Industry Association (江蘇省表面工程行業協會), and enterprises admitted to the East China Park. At the launch ceremony, leaders from the Jiangsu Provincial Emergency Management Department emphasized the importance of safety production, the Jiangsu Surface Engineering Industry Association presented a plaque to the inspection and supervision team, and the general manager of the East China Park expressed a commitment to strengthening safety production management. Participants also observed a comprehensive emergency drill at the East China Park, demonstrating the park's ability to respond to sudden incidents. The subsequent joint meeting focused on in-depth discussions about safety production management, aiming to enhance industry safety standards. This event not only responded to the national call for safety production, but also promoted the standardization and sustainable development of safety production in the electroplating industry, fostering a harmonious safety environment for the sector. The East China Park will continue to leverage on its strengths, explore new approaches to safety production management, and contribute to the standardization and sustainable development of safety production in the industry.

The Group also participated in the “2024 Guangdong Province Hazardous Waste Utilization, Disposal Management, and Market Situation Analysis” conference (「2024 年度廣東省危險廢物利用處置管理及市場形勢分析」會議) organised by the China Resources Recycling Association (中國再生資源利用回收協會) and the Guangdong Association of Environmental Protection Industry (廣東省環境保護產業協會). At the conference, Wang Zhaolong, a senior engineer from the Solid Waste Management Center of the Ministry of Ecology and Environment (國家生態環境部固管中心), introduced the latest national policies and requirements for solid waste management. The Group engaged in discussions and exchanges with industry peers on hazardous waste management, which is beneficial to strengthening the Group's standardized environmental management of hazardous waste, helping it to establish long-term mechanisms, and improving the level of standardized environmental management of hazardous waste.



**“2024 Guangdong Province Hazardous Waste Utilization, Disposal Management, and Market Situation Analysis” conference**

## 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

June 2024

East China Park successfully held an investment promotion conference, which attracted more than 30 entrepreneurs and business representatives. Leaders from the Taixing Economic Development Zone emphasized the park's achievements in promoting innovation and green development during the conference and outlined its future as an industry exemplar. The conference showcased new opportunities within the park and invited entrepreneurs to collaborate in its development. We shared our experience in environmental protection and technological innovation, and were committed to continuing the building of a safe and eco-friendly park. The event resulted in several preliminary cooperation projects, injecting new driving force into the future development of the park and the economic development zone.

July 2024

Taking the third round of central environmental inspections as an opportunity, the Group aimed to better address the environmental situation, strengthen the foundation of environmental compliance, enhance awareness of environmental responsibility, and improve capabilities in preventing and responding to environmental policy risks. This effort promoted the establishment of a normalized environmental inspection mechanism across all parks. We coordinated a two-month inspection campaign on environmental policy compliance, during which, we held a special meetings to interpret environmental policies; developed the Guidance Manual for Environmental Policy Compliance (《環保政策合規指導手冊》), the Special Environmental Self-Inspection Checklist (《環保專項自查自檢清單》), the Hazardous Waste Standardized Management Inspection Form (《危險廢物規範化管理檢查表》), the Hidden Risk and Investigation Form for Emergency Management of Enterprise's Environmental Incidents (《企業突發環境事件應急管理隱患排查表》), and the Hidden Risk and Investigation Form for Risk Prevention and Control Measures on Enterprise's Emergency Environmental Incidents" (《企業突發環境事件風險防控措施隱患排查表》).

September 2024

The Tianjin Park signed an industry, academic and research cooperation agreement with Tianjin Renai College to promote the transformation of scientific and technological achievements and talent development. The park's general manager emphasized the six-year history of collaboration between the two parties and the significance of this third signing of agreement, committing to deepening the cooperation in scientific research and development, talent cultivation, and technical training. Tianjin Renai College signed cooperation agreements with several enterprises within the park and held an unveiling ceremony for the "Industry-Education Integration Practice Base" (「產教融合實踐基地」). This collaboration aims to deepen industry-education integration, establish a long-term partnership between the college and enterprises, enhance the precision and effectiveness of technological innovation, improve the quality of industrial chain development, and contribute to regional economic growth and industrial upgrading.

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October 2024

Tianjin Park held a government, bank, insurance and enterprise cooperation matchmaking meeting to optimize the business environment, deepen exchanges and cooperation among government, banks, insurance and enterprises, and address corporate financing challenges. The Tianjin Park was committed to persistently building a platform for government-bank-insurance-enterprise collaboration, enhancing connections with financial institutions to effectively resolve financing difficulties for enterprises within the park, thereby promoting their sustained development and innovation.

The Central China Park signed an industry, academic and research cooperation agreement with South China University of Technology, aiming to conduct pilot tests of anaerobic ammonia oxidation for wastewater treatment at the Central China Park. This initiative seeks to explore advanced water treatment processes and technical pathways for cost reduction and efficiency enhancement.



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November 2024

The 2024 China Surface Engineering Industry Development Conference (2024 中國表面工程行業發展大會) was held in Taixing, Jiangsu, with the East China Park being the host, providing the venue and organizational support. Themed “Jointly Building a Green Ecological Future, Sharing a Low-Carbon and Intelligent New Era” (「共築綠色生態好美景，共享低碳智能新未來」) the conference attracted over 600 industry representatives and media participants to collectively discuss topics such as green development, intelligent upgrading, and technological innovation in the surface engineering industry.



**2024 China Surface Engineering Industry Development Conference**

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The expert review meeting for the surface engineering industry group standard “Utilization of Reclaimed Water in Electroplating Parks — Process Water (《电镀园区再生水利用 — 工艺用水》) (T/CSEA 33-2024)”, primarily drafted by the Group, was held in Taixing, Jiangsu, and the standard was successfully passed.



### 2.1 Statement from the Board of Directors

As an environmental industry enterprise focusing on sustainable development, the Group deeply recognizes the importance of ESG in business operations, and considers it as the key to risk management and long term development. The Board of Directors serves as the highest decision-making and supervision body for ESG issues, bearing full responsibility for formulating ESG strategies, setting targets, and supervising and reviewing their progress. To ensure the effective implementation of ESG, the Group has established a three-tier governance structure encompassing the decision-making level, management level, and execution level.

The Board is responsible for approving the Group's ESG targets and policies, regularly overseeing the execution of ESG initiatives and the achievement of targets, ensuring that our commitment to environmental protection is fulfilled. Additionally, the Group has established a dedicated ESG team to handle daily ESG management and execution. We place great importance on feedback from all stakeholders, continuously identifying and assessing key ESG issues. Based on stakeholder communication, regulatory requirements, and industry trends, we prioritize these issues to ensure that our ESG disclosures accurately reflect the Group's actual situation. The Board also periodically discusses ESG topics during meetings, evaluating the progress and goal attainment of the ESG team to ensure that our objectives are achieved as planned.

In 2024, we will continue to utilize the results of ESG assessment which was done through online questionnaire. During the assessment, the Board reviewed key ESG issues and closely monitored feedback from major stakeholders. We continuously track stakeholders' needs and expectations to maintain the relevance and appropriateness of our issue matrix. At the same time, the Board has reviewed the achievement of this year's targets, ensuring that we meet previously established environmental targets while facilitating our business development.

## 2.2 ESG Governance Structure

As an environmental industry enterprise, we are fulfilling ESG responsibilities in a serious manner, and continuously refine our ESG philosophy and practices. We have established an ESG Group led directly by the Board to enhance the management efficiency of the ESG issues. The ESG Group, compassing all key departments, is responsible for the integration of ESG targets into our daily business operations, thorough supervision and management, and regular reporting of work progress to the Board, while the Board assumes ultimate responsibility for ESG issues within the Group.

The ESG Group has determined the Group's ESG management objectives, approach, strategies, priorities, etc., which have been approved by the Board to ensure the achievement of established ESG targets and the refinement of related ESG policies.



### 2.3 ESG Concept

The Group adheres to the core philosophy of “Earning the trust of the government, reassuring the public, ensuring the satisfaction of enterprises, we must do so earnestly (讓政府放心、百姓安心、企業開心，我們必須用心)”, and endeavours to be a reliable partner of the government, a safe choice of the public and the best peer of the enterprises. We are fully aware that only by maintaining integrity and professional services can we win the trust and satisfaction of all sectors of the community, which is the cornerstone of our continued success.

Our mission is “Protecting Environment for Human Welfare (保護環境，造福人類)”. As a member of the environmental protection sector, we are responsible for protecting the environment and creating a better future for mankind. We promote an environmentally friendly business model and take practical measures to reduce our environmental footprint, including reducing carbon emissions, conserving energy and optimising the use of resources to achieve a cleaner, healthier and more sustainable environment.

We aim to “Set industry benchmarks and establish models of water management (創行業標桿，樹治水典範)”. We pursue excellence and strive to set an industry example in the field of electroplating wastewater treatment. Through continuous improvement of management level and technological innovation, we lead the development of the industry, ensure efficient treatment of wastewater and contribute to environmental protection.

Our vision is to “Adhering to green development and promoting harmonious coexistence between humans and nature (堅持綠色發展，促進人與自然的和諧共生)”. We firmly believe that harmonious coexistence between humans and nature is the core of sustainable development. We actively promote the concept of green development and are committed to reducing consumption and damage to natural resources. Through sustainable business practices and environmental protection measures, we strive to achieve harmony between human activities and the natural environment.

In fulfilling our ESG responsibilities, we are actively exploring deep electroplating wastewater treatment technologies to support environmental sustainability. We continuously improve our ESG philosophy and focus on four key areas to enhance our ESG governance level, prevent related risks and improve operational quality. We are committed to continuing to fulfil our ESG responsibilities, contributing to environmental sustainability and driving the long-term sustainable development of the Company.

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### 2.4 Communication with Stakeholders

The Group is deeply aware of the importance of communication with stakeholders in driving sustainable corporate development. In 2024, we have proactively built and maintained a diverse range of communication channels to ensure an open, transparent and productive dialogue with our stakeholders. We listen to and value their views and expectations, and incorporate valuable feedback into our continuously optimised sustainability strategy.

Through regular communication with various key stakeholders, including investors, employees and regulatory authorities, we collect opinions and suggestions from all parties, and respond to and act on them in a timely manner. The following table summarises the Group's key stakeholders and the various communication platforms and methods adopted:

Key Stakeholders	Key Communication Methods
Customers	<ul style="list-style-type: none"> <li>• Customer satisfaction survey and feedback form</li> <li>• Customer service center</li> <li>• Daily operation/interaction</li> <li>• Telephone</li> <li>• Mailbox</li> </ul>
Shareholders/Investors	<ul style="list-style-type: none"> <li>• Annual general meeting and other general meetings</li> <li>• Interim report and annual report</li> <li>• Corporate communications, such as letters/circulars to shareholders and notices of meetings</li> <li>• Results Announcement</li> <li>• Visits by shareholders</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Channels for employees to express their opinions (form, suggestion box, opinion survey etc.)</li> <li>• Work performance assessments and appraisal</li> <li>• Business briefing</li> <li>• Conference/workshop/seminar</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>• Meeting</li> <li>• Field research</li> </ul>
Regulatory Authorities	<ul style="list-style-type: none"> <li>• Meeting</li> <li>• Written response to public consultation</li> </ul>
Community/Non-Governmental Organizations	<ul style="list-style-type: none"> <li>• Donation</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Supplier management procedure</li> <li>• Supplier/contractor appraisal system</li> <li>• Meeting</li> <li>• Field research</li> </ul>

## 2.5 Materiality Assessment

The Group has undertaken an online questionnaire materiality assessment in 2023 based on its own business combined with feedback from various stakeholders, and the process of materiality assessment for 2023 is shown below:

### Identifying ESG Issues

The group referred to the Hong Kong Stock Exchange's "Guide" and the materiality matrix provided by the Sustainability Accounting Standards Board (SASB) to select a total of 30 sustainable development issues and establish a material issue repository.

### Stakeholder Survey

The Group invited both internal stakeholders, including directors and senior management of the Company, and external stakeholders, including employees, business partners and media, to complete online questionnaires to further identify the material issues for the enterprise.

### Importance Analysis

The importance of each issue was examined based on two dimensions: "Importance to Business" and "Importance to Stakeholders". The results of importance assessments were summarised, and a materiality matrix was developed.

### Board Confirmation

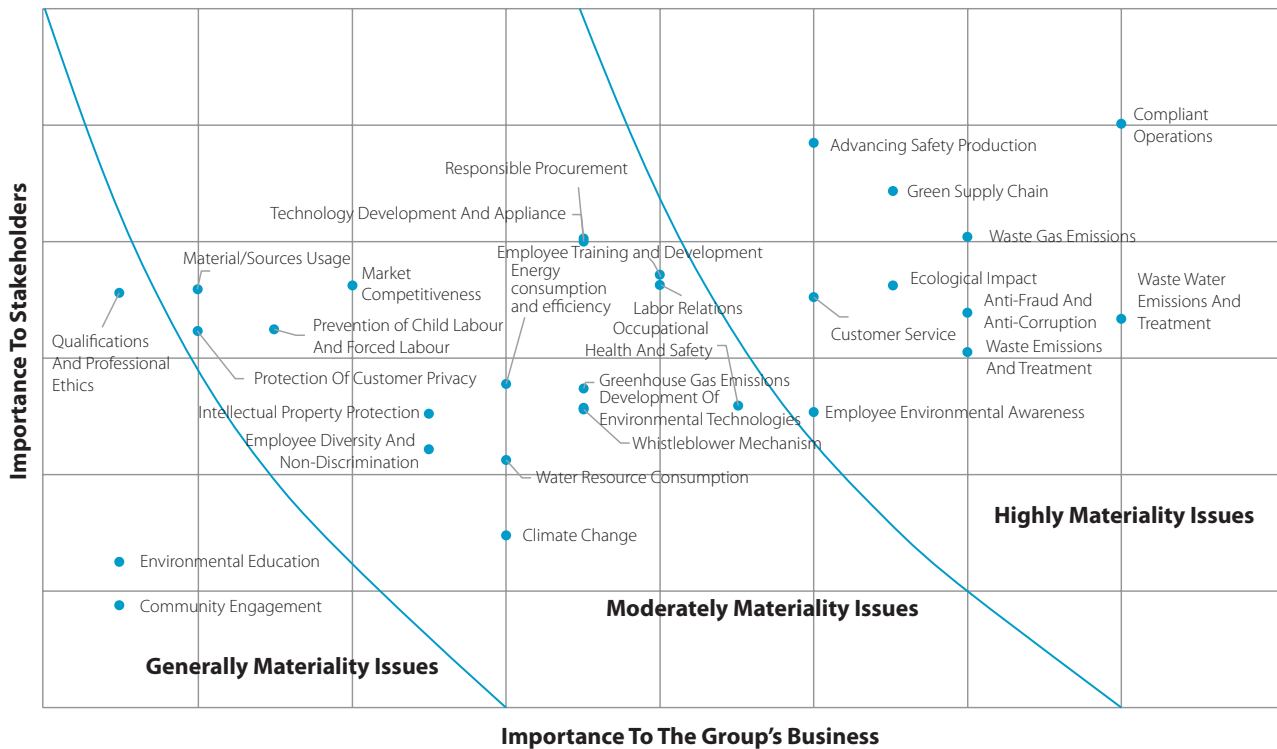
The materiality matrix graph displayed ESG material issues identified by both internal and external stakeholders, with their materiality confirmed and approved by the Board.

During the Year, the Board, the ESG Group and management of the Group have reviewed and confirmed that the results of the assessment of the material issues identified last year are still applicable, mainly because (i) there have been no significant changes in the business and market environment of the Group during the Reporting Period; and (ii) the results of the assessment continue to be reflective of the expectations of the Group from various stakeholders, and therefore the previous results will continue to be used in the Year.

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The top right to bottom left of the graph shows the ESG issues that we assessed as highly, moderately and generally materiality, respectively. The Board, ESG Group and management have jointly reviewed these assessments and have made detailed disclosures in this report based on the materiality of the issues. At the same time, the materiality of the issues is used as a key consideration in formulating our ESG policies.

**Material Issues Matrix**



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Highly Materiality Issues:			
Responsible Procurement	Waste Emissions and Treatment	Ecological Impact	Employee Environmental Awareness
Waste Water Emissions and Treatment	Waste Gas Emissions	Customer Service	
Anti-Fraud and Anti-Corruption	Green Supply Chain	Advancing Safety Production	
Moderately Materiality Issues:			
Occupational Health and Safety	Greenhouse Gas Emissions	Employee Diversity and Non- Discrimination	Technology Development and Appliance
Employee Training and Development	Development of Environmental Technologies	Market Competitiveness	Intellectual Property Protection
Labor Relations	Energy Consumption and Efficiency	Prevention of Child Labour and Forced Labour	
Whistleblower Mechanism	Water Resource Consumption	Protection of Customer Privacy	
Responsible Procurement	Climate Change	Material/Sources Usage	
Generally Materiality Issues:			
Qualifications And Professional Ethics	Environmental Education	Community Engagement	

Based on the materiality assessment, we have identified the directions of this Year's ESG (Environmental, Social, and Governance) key topics, including "Focus on Environmental Management", "Building a Team of Excellence", "Integrity in Business" and "Joining Hands in Community Development". This report will focus on elaborating on these four aspects to reflect our focus and contributions in the ESG field.

### 3. FOCUSING ON ENVIRONMENTAL MANAGEMENT

The Group adheres firmly to the Environmental Protection Law of the PRC (《中國人民共和國環境保護法》), the Cleaner Production Promotion Law of the PRC (《中華人民共和國清潔生產促進法》), the Circular Economy Promotion Law of the PRC (《中華人民共和國循環經濟促進法》), the Soil Pollution Prevention and Control Law (《土壤污染防治法》), the Water Pollution Prevention and Control Law (《水污染防治法》), the Air Pollution Prevention and Control Law (《大氣污染防治法》), and the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》), and other relevant laws and regulations of the PRC. We closely monitor the generation, treatment and discharge of toxic substances and promote the recycling and reuse of resources to realise the Group's long-term economic interests. During the Year, we did not violate any environmental protection laws and regulations in the PRC, had no material environmental incidents, and were not subject to any environmental protection-related penalties or involved in any environmental protection litigation.

As a benchmark enterprise of domestic surface treatment recycling economy industrial park, we ensure that our pollutant emissions meet the standards and enhance resource utilization to reduce the negative impact on environment and natural resources. To this end, we have implemented stringent pollutant emission management to ensure that all emission activities in the industrial park comply with environmental laws and regulations. In order to effectively manage resource utilization and emissions, we have established detailed environmental profiles for each of our enterprises that settled in and require them to strictly comply with our environmental safety requirements to ensure legal and compliant operations.

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In the event that an enterprise that settled in is found to have exceeded the emission standards or is unable to rectify the situation in a timely manner due to problems in production technology or aging equipment, we will take immediate measures, including recording the case, notifying the enterprise of rectification, suspending production and dispatching a technical team to provide guidance, to ensure that the enterprise completes the rectification and upgrading of its environmental protection facilities within the stipulated timeframe, and that the enterprise meets the requirements of the emission standards. We will take measures such as warnings, fines, suspension of production or termination of contracts, depending on the severity of the case, for customers who have violated the environmental protection requirements.

In addition, we also leased out the roofs of the buildings in the industrial park for solar photovoltaic power generation to meet the energy needs of our daily operations by utilizing renewable energy sources to provide clean electricity to the industrial park. During the Reporting Year, we conducted a comprehensive review and assessment of the implementation of our established environmental objectives and measures, intending to ensure stable business development while minimizing negative impacts on the environment. With a focus on improving the efficiency of energy and water resource usage and reducing waste and greenhouse gas emissions, we look forward to achieving better environmental sustainability performance in the future.

We have established a digital and intelligent green and intelligent management platform, ranging from the 24-hour monitoring system in the industrial park to the Internet of Things-based pre-alarm systems such as enterprise thermal imaging, smoke and temperature sensors, electricity monitoring, and one-button alarms, to establish the management of safety, environmental protection, energy and other data, and to construct a safety risk prevention and control system to ensure the safe production and stable operation of the industrial park and the enterprises.

As a socially responsible corporate citizen, the Group is keenly aware of the importance of environmental protection and endeavours to mitigate the potential impact of our business on the environment in pursuit of sustainable business practices. We have made environmental management a core consideration in our decision-making by rationalising the use of natural resources and energy, reducing waste generation and promoting waste recycling, as well as striving to minimise pollution to land and the atmosphere and to protect the ecological environment. Previously, we established specific management targets to improve the efficiency of energy and water resources usage, while aiming to reduce waste and greenhouse gas emissions. During the Year, the Group's energy and greenhouse gas emissions rose slightly, but our revenue intensity per million has fallen by 7.7%, reflecting the effectiveness of our controls. The increase in water consumption and waste emissions was due to the fact that the East China Park was still in the construction phase in 2023 and officially commenced operations in the Year; and the increase in the volume of wastewater treatment business in both the Central China Park and Huizhou Park during the Year, which resulted in a reasonable increase in the resource consumption of the corresponding resources.

### 3.1 Sustainable Water Resource Management

In the operation of the recycling economy industrial park, the large-scale use of water resources and the generation of wastewater are major environmental challenges. In order to cope with this challenge, our Group not only follows the Water Law of the People's Republic of China(《中華人民共和國水法》), the Law of the People's Republic of China on Prevention and Control of Water Pollution(《中華人民共和國水污染防治法》), the Regulations on Water Conservation(《節約用水條例》), the Environmental Quality Standard for Surface Water (GB3838-2002)(《地表水環境質量標準》(GB3838-2002)), the Guangdong Provincial Emission Standard for Electroplating Water Pollutants (DB44/1597-2015)(《電鍍水污染物排放標準》(DB44/1597-2015)) and the national Emission Standard for Electroplating Pollutants (GB21900-2008)(《電鍍水污染物排放標準》(GB21900-2008)), and also formulated a series of internal standard documents including Source Wastewater Standard, Measures to Meet Standards for Wastewater Treatment, Wastewater Treatment Process, Safety Protection for Wastewater System Pipeline Transportation, Electroplating Wastewater Treatment Operation and Management Technical Specification, Biochemical System Process Parameters Control, Physical and Chemical Processing Technical Irregularities and Emergency Measures, and Guidelines for Wastewater Analyses. We have adopted a number of measures to ensure that the wastewater treatment meets the environmental protection requirements, including scientific classification at source, optimal control of intermediate process parameters, and attainment of standards for end-of-pipe water quality treatment. We have installed a real-time automatic monitoring system to monitor the quality of wastewater, and have implemented stringent management in three key areas, namely, source management, treatment process and emergency response, to ensure that the wastewater treatment meets all relevant standards. We ensure that wastewater is discharged only when it meets the required discharge standards.

We utilised an automated monitoring system to ensure the continuous and stable transmission of environmental data from the industrial park to the governmental environmental protection institutions so as to safeguard the compliant operation of the wastewater treatment facilities. The Group ensures that the quality of the discharged water is always in compliance with the relevant policies and regulations under the Measures for the Administration of the Automatic Monitoring of Pollution Sources(《污染源自動監控設施運行管理辦法》) and the Measures for the Administration of Discharge Permits(《排污許可管理辦法》) formulated by the Ministry of Ecology and Environment of the PRC.

The Group's Code for Enterprises Entering the Parks (《入園守則》) stipulates that wastewater discharged by enterprises in the industrial park should be separately collected and clearly labelled, and mixed discharges are prohibited. To ensure the stable operation of the wastewater treatment and reuse system in the industrial park, we have implemented separate collection and differentiated treatment of wastewater discharged by enterprises. Wastewater is mainly divided into three categories: rinsing water, highly concentrated wastewater and highly concentrated wastewater liquid. We monitor the wastewater by separating the quality and distribution of wastewater, and take corresponding treatment measures according to the type and concentration of wastewater. Highly concentrated wastewater is collected in drums and sent to the concentrated water area for advanced oxidation treatment, and then returned to the wastewater treatment plant for final treatment.

We regularly inspect enterprises to ensure that their production processes are in line with environmental standards. Once an enterprise is found to have failed to meet the production technology or equipment standards, we will guide it to upgrade its technology and improve its processes to comply with the latest environmental standards. The administrator conducts daily spot checks on the wastewater discharges of the enterprises; the source wastewater management technicians carry out tests on the water quality of each regional pipe outlets at least twice a day; the wastewater treatment technicians check the quality of the water in the water collection wells every four hours, and on-line detection devices have been installed in the water collection wells to monitor the compliance of wastewater discharges. To prevent illegal discharges and leakage, we have implemented monitoring at source and stepped up daily inspections to reduce the burden on the treatment facilities.

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We use DCS (Distributed control system) at the equipment port to control the relevant parameters of wastewater treatment automatically, including pH value adjustment, the dosage of chemicals required for the Fenton reaction, etc., in order to achieve accurate dosing and reduce manual labour during the wastewater treatment process. The staff are mainly responsible for inspecting the operation of the equipment, monitoring the quality of the incoming water and outgoing water and ensuring that the dosage is adequate. We will take different emergency measures according to the process section. When abnormalities are found, we will adjust the corresponding control parameters or start the risk emergency system, and discharge the abnormal wastewater into the risk emergency tank for storage and further treatment to ensure that the effluent can meet the water quality up to standard.

### 3.2 Waste Management

The Group adheres to laws and regulations such as the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the National Hazardous Waste Inventory (《國家危險廢物名錄》) (2021 edition), Ministry of Ecology and Environment's the Standard for Pollution Control on Hazardous Waste Storage (《危險廢物貯存污染控制標準》) (GB18597-2023), and the Regulations of Tianjin Municipality on Municipal Solid Waste Management (《天津市生活垃圾管理條例》), to ensure that various types of wastes are properly managed and handled.

As regards the handling of solid waste, we have classified it into two categories, namely hazardous waste and general solid waste, and manage them separately. We strictly enforce the classification of hazardous waste and prohibit the mixed collection, storage, transportation and treatment of incompatible hazardous waste. When handling electroplating wastes and waste liquids (including cyanide-containing wastes and waste liquids), enterprises are required to comply with the relevant regulations of the environmental protection authorities and industrial parks, and must not dispose of electroplating waste liquids or store them excessively without authorisation for a prolonged period of time. For general solid waste, it is classified according to its recyclability and transferred by enterprises. Construction waste is separately classified and regularly transferred for disposal.

In electroplating wastewater treatment, heavy metal sludge constitutes the majority of our hazardous waste. All hazardous waste collected is disposed of safely by appropriately qualified third party organisations. We ensure that hazardous waste generated by our customers is transferred quickly and that it is not mixed with other solid waste. During the Year, our total hazardous waste production reached 34,899.8 metric tonnes, with a generation intensity of 24.9 metric tonnes per million of revenue, and all hazardous waste was recycled through legal channels.

The Group generated non-hazardous waste mainly comprising office waste and domestic waste. We have implemented meticulous waste classification measures in our daily office operations to promote the recycling of waste materials such as paper, metal and plastic. During the Year, the total production of non-hazardous waste was 1,095.4 metric tonnes, with a generation intensity of 0.8 metric tonnes per million of revenue. All non-hazardous waste has been properly disposed of through legal channels.

### 3.3 Green Carbon Reduction Management

Kimou adopts a high standard and modern management strategy to strictly monitor the emissions of enterprises in the industrial park. We follow relevant regulations such as the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), Ministry of Housing and Urban-Rural Development's Technical Specification of Air Duct (《通風管道技術規程》), and the Emission Standard of Air Pollutants For Boiler (《鍋爐大氣污染物排放標準》) formulated by the local governments of Tianjin and Huizhou. For organized emissions, we follow the emission limits of air pollutants for new enterprises in the Electroplating Contaminants Discharge Standard (《電鍍污染物排放標準》) (GB21900-2008) of the Ministry of Ecology and Environment; for non-organized emissions, we follow the Integrated Emission Standard of Air Pollutants (《大氣污染物綜合排放標準》) (GB16297-1996) of the Ministry of Ecology and Environment.

All enterprises in the industrial park are required to customise their exhaust gas treatment systems according to their production characteristics, including equipment such as gas collection pipes, gas collection hoods and waste gas treatment towers for their production lines. The Group's technical team will carry out preliminary engineering acceptance of the client's waste gas treatment facilities, after which the final acceptance will be carried out by an environmental protection organisation. Our waste gas treatment tower is equipped with an automatic dosing system, which strictly prohibits the emission of untreated waste gas (such as yellow smoke, concentrated white irritation gas and black smoke, etc.) that has not been treated to the required standard. In the treatment of exhaust gases, we implement on-line recycling of recyclable exhaust gases (such as chromic acid mist). For waste gases with no recycling value, we adopt the method of "Treating waste with waste" to purify the waste gases by spraying the electroplating wastewater, so as to control the generation of wastewater and waste gases from the source, thus reducing the total amount of waste gases to be treated.

The Group endeavours to reduce the emission of air pollutants in the operations of our customers and in our own office activities in order to reduce the burden on the environment while promoting economic development. Our emissions mainly come from the use of Company vehicles. To reduce vehicle exhaust emissions, we have implemented a number of measures: firstly, we encourage employees to use public transport to reduce the use of vehicles; secondly, we carry out regular maintenance on our vehicles to ensure that the emission systems are kept in optimal condition; and we also advise employees to switch off their engines when they park their vehicles to avoid unnecessary exhaust emissions, thereby minimizing vehicle emissions.

The Group's greenhouse gas emissions mainly come from direct emissions from its own vehicles (Scope 1) and indirect emissions due to purchased electricity (Scope 2). To reduce greenhouse gas emissions, we have implemented a series of energy saving and consumption reduction measures, please refer to the "Green Carbon Reduction Management" and "Resource Reuse" sections of this report for more detailed information.

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This Year, the Group conducted a greenhouse gas inventory in accordance with the “Greenhouse Gas Inventory Protocol” (《溫室氣體盤查議定書》) developed by the World Resources Institute and the World Business Council for Sustainable Development and “ISO14064-1” formulated by the International Organization for Standardization. Its emission performance is as follows:

Greenhouse Gas Emissions Performance	Unit	2024
<b>Greenhouse Gas Emissions</b>		
Direct Greenhouse Gas Emissions (Scope 1)	(tonne of CO <sub>2</sub> e)	<b>47,524.3</b>
Greenhouse Gas Offset From Newly Planted Trees (Scope 1)	(tonne of CO <sub>2</sub> e)	<b>6.1</b>
Indirect Greenhouse Gas Emissions (Scope 2)	(tonne of CO <sub>2</sub> e)	<b>27,493.2</b>
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	(tonne of CO <sub>2</sub> e)	<b>75,011.5</b>
<b>Greenhouse Gas Emissions Intensity</b>		
Greenhouse Gas Emissions Intensity (per million of revenue) (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e/million of Revenue	<b>53.6</b>

Scope 1: Direct greenhouse gas emissions from sources that are owned or controlled by the Group.

Scope 2: Indirect greenhouse gas emissions resulting from the generation of electricity, heating and cooling, or steam generated off site but purchased by the Group.

### 3.4 Resource Reuse

#### 3.4.1 Energy Management

The Group complies with the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約節約能源法》) and has established an efficient energy management system covering key resources such as water, electricity, steam and heat. For the convenience of our customers, we have equipped all buildings in the industrial park with water supply systems and installed valves to control water consumption at each customer's point of demand. In addition, customers are required to comply with the electricity usage regulations of the industrial park. If the electricity consumption exceeds the pre-determined quota, the industrial park will carry out disconnection operations to maintain the safety and stability of the power system.

We ensure the stability of our energy supply and encourage our customers to cooperate with us to rationalise the use of resources and improve the efficiency of energy use. In addition, we have established a unified steam supply network to each of our plants. Customers are required to manage their own steam usage and comply with the industrial park's steam usage regulations. At the same time, customers should ensure that steam piping is properly insulated to minimise steam loss. We encourage our customers to take an active role in the management of the steam network to ensure the efficient use of resources and to promote sustainable energy management in the industrial park.

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In order to reduce energy consumption of the parks, the Group actively implement energy management strategies. We set up an energy management team and establish “Energy Saving and Emission Reduction Incentive and Punishment Measures” (《節能減排獎勵措施》) to encourage our employees to propose innovative solutions related to energy conservation and emission reduction. Through the real-time energy online monitoring system, the team can analyse energy usage accurately and make timely improvements. We are committed to improving energy efficiency and promoting sustainable development and environmental protection within the park.

The Tianjin Park consumed green electricity of 1,000 MWh, and won the Green Electricity Consumption Certificate issued by the national authority.



During the Year, the total purchased electricity consumption of the Group during its operation was 51,235,959.9 kWh, and the electricity consumption density was 36,585.9 kWh per million of revenue.

### 3.4.2 Water Use Management

The recycled water treated by the wastewater treatment plant meets the production needs of all electroplating enterprises and must comply with the standard requirements approved by government departments to ensure the optimal utilisation of water resources. We advocate all electroplating enterprises to fully utilise water resources and avoid wasting available resources to achieve optimal resource allocation. To improve water and boiler fuel efficiency in the park and save steam production costs, we have established a condensed steam water circulation system. This system recycles condensed steam water and reuses it for hot water supply. This not only enhances the water resource utilisation efficiency of the entire park but also raise the temperature of boiler feed water, improves boiler water quality, achieving efficient resource allocation.

The tap water used by the Group is supplied by the municipal water supply system. The water pipelines in the park are made of environmentally friendly PE material, and all pipelines have been flushed to ensure the standard water quality and there are no issues with water intake. During the Year, we consumed 962,854.1 metric tonnes of water for wastewater treatment and daily office during our operation, with a water consumption intensity of 687.5 metric tonnes per million of revenue.

### 3.4.3 Wastes Reduction

The Group has been responsibly using various materials, and committed itself to reducing waste at the source, and confirmed proper disposal of waste or any remaining waste. We actively adopt various measures, such as the reduction of raw materials, reuse of items, and recycling of items to reduce the cost of hazardous waste disposal and the cost of resource purchase, thereby reducing environmental burdens. The Group has built a recycling treatment system for electroplating sludge, which has improved the recovery rate of heavy metals. All the recycled nickel is used to make raw materials of nickel carbonate, and we add waste acid generated during our operations to the sludge recycling process, so as to reduce the usage of fresh water and the usage of acid, effectively reducing resource consumption and achieving comprehensive utilisation of waste acid.

To reduce the consumption of office supplies, we have implemented various measures. Firstly, we advocate employees to reuse stationery to reduce the use of disposable and non-recyclable products. Secondly, we promote double-sided printing and implement paperless office system to minimise paper usage. At the same time, we strictly monitor and evaluate the quantity of materials to avoid unnecessary waste caused by excess inventory. We have reduced the consumption of office supplies and improved resource utilisation efficiency through our continuous efforts.

3.5 Climate Change Risk Management

During the Year, we have to address the unprecedented challenges brought by global climate change. We acknowledge that actively responding to climate change is crucial to the long-term development of enterprises. As such, we continued to improve internal management policy and regulate greenhouse gas emissions management. With reference to classification of climate change risks stated in the framework of Task Force on Climate-related Financial Disclosure (TCFD), we systematically identify and assess climate change-related risks.

We are aware of the climate change not only pose a threat to the environment, it may also have an impact on our business operation. The Group, therefore, has formulated various climate change risk management measures to mitigate the potential impact of climate change on our business operation. We will continue to update industry condition, policy changes and market trends, regularly identify and assess the relevant risk that may have impact on the Group's operation, and take corresponding measures to respond. The Board of Directors has overall responsibility for the management of the Group's environmental risks, including identifying, assessing and managing climate-related risks.

Physical Risks	
<ul style="list-style-type: none"><li>As global warming intensifies, extreme weather events such as abnormal rainfall patterns and flooding occur frequently</li></ul>	
Potential Impact	
<ul style="list-style-type: none"><li>Office locations may need to be temporarily closed</li><li>Extreme weather such as typhoons may cause injury or death to our employees</li><li>Power outage at office location</li></ul>	<ul style="list-style-type: none"><li>Facilities affected by flooding</li><li>Lead to health, safety and environmental accidents</li><li>Increase operational costs</li></ul>
Transition Risks	
<ul style="list-style-type: none"><li>Inability to adapt to relevant climate change policies and regulatory measures</li></ul>	
Potential Impact	
<ul style="list-style-type: none"><li>Closure of business for rectification</li><li>Profit loss</li><li>Damage to reputation</li></ul>	

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In response to the risks brought by climate change, we have identified the related risks and strived to improve our climate change management strategies. We have adopted various measures in response to climate change risks. These include compliance with government guidelines on extreme weather and developing employee safety measures. We strive to improve the extreme weather response capabilities and ensure the safety of our employees and reduce possible losses.

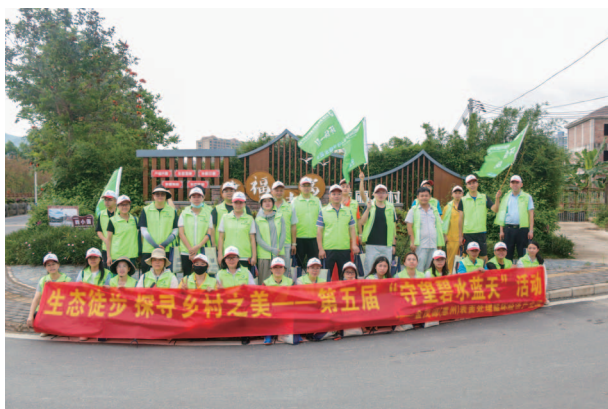
At the same time, we also actively address the transition risks brought by climate change. We will closely monitor the development of environment-related regulations that may affect the our business, supply chain and customers. We actively communicate with all stakeholders and encourage them to reduce greenhouse gas emissions.

Looking ahead, we will continue to identify and manage climate risks and opportunities, and pay attention to changes in environment-related regulatory policies that may affect the business. We will assess the impact of these changes on the Company and ensure that our business operates sustainably in an ever-evolving world while simultaneously reducing its negative impact on the climate. We help enterprises achieving sustainable development while contributing to addressing global climate change.



### Join hands to protect nature, Kimou implements “Commitment to green life scheme”

On World Environment Day (i.e. 5 June 2024), Qingshen Park held the green event titled “Commitment to green life scheme”. This event aimed to increase environment awareness of employees and promote green lifestyle, and promote harmonious coexistence between man and nature through the practical action of picking up trash on foot. The activity attracted the participation of all employees, which not only strengthened teamwork but also made positive contributions to environmental protection.



### “Earth Day · Protection of Beautiful Nature” Eco Walk

Huizhou Park takes practical actions to practice “lucid waters and lush mountains are invaluable assets”. The fifth “Earth Day · Protection of Beautiful Nature” Eco Walk was held on 19 April, which increase environment protection awareness of employees, enjoy beautiful rural village, and enhance the sense of responsibility and participation in ecological protection by stepping into the nature.

### 4. DEVELOPING A HIGH-QUALITY TEAM

The Group deemed human resources as core assets for corporate development. We strived to build a diverse, inclusive and exceptional. The Group recognises that our people are the key driver of our business success, therefore, we are focused on attracting, developing and retaining the best talent. We provide opportunities for employees' professional capabilities development and help them drafting suitable career path based on their personality and career development requirements. We commit to comply with all applicable labour and employment laws and regulations, including but not limited to the Law of the PRC on the Protection of Minors (《中華人民共和國未成年人保護法》), the Provisions on the Prohibition of Child Labour (《禁止使用童工規定》), the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), the Implementing Regulations of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) and the Employment Ordinance (《僱傭條例》) of the Hong Kong Special Administrative Region.

In addition, we have prepared a comprehensive "Employee Handbook" (《員工手冊》), including recruitment, dismissal, remuneration structure, etc. It stipulates the anti-discrimination policy that ensuring all employees enjoy a fair and equitable working environment in terms of gender, ethnicity, religion, age and sexual orientation. We also emphasise the importance of ethical professionalism, encourage employees to improve their personal qualities, and display a good mental outlook. We promote the construction of corporate culture and establish a good corporate image, aiming to create a respectful and supportive workplace for all employees.

#### 4.1 Building a Collaborative Team

People-oriented is the foundation of the Group's human resources development. We strive to establish a fair and inclusive working environment. To attract and recruit talents, we have formulated the "Recruitment Management System" (《招聘管理制度》) and the "Standard Process for Recruitment and Onboarding Management" (《招聘與入職管理標準流程》), ensuring an effective and compliance recruitment process.

In order to attract wide range of talents, our human resources department make extensive use of channels such as recruitment websites and on-site recruitment activities. During the recruitment process, we will work closely with each department to understand their employment needs and release corresponding recruitment information based on the needs. We will strictly review the candidate's identity document, resume and relevant qualification documents to assess the most suitable talents for positions, ensure that the recruitment process is fair, transparent and legal.

Candidates who passed the interview will be contacted to discuss salary and benefits, arrange medical check-ups and sign contracts. We committed that the recruitment process is strictly carried out in accordance with the procedures listed in the "Employee Handbook" (《員工手冊》) to eliminate any occupational and gender discrimination. It is strictly prohibited to employ child labor and forced labor and ensure the recruitment comply with relevant laws and regulations. We provide a fair career development opportunities and promote a diversity and inclusion culture, hence enhancing the team's creativity and competitiveness.

We adhere to the "Labour Contract Law of the PRC" (《中華人民共和國勞動合同法》) and the interest of employees are fully protected under various internal management systems, such as "Onboarding Management System" (《入職管理制度》) and the "Exit Management System" (《離職管理制度》). We sign legally binding contracts with new hires, and list working hours and salaries and benefits, overtime pay, night shift subsidies and other terms. In addition, we also provide them with orientation training and guidance to assist in integrating them into the team as soon as possible and improve work efficiency.

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In terms of employee exit management, we have implemented the "Exit Management System" (《離職管理制度》) to ensure a fair and transparent process. For employees' resignation applications, we will arrange dedicated personnel to conduct meetings and interviews, understand the reasons for their resignation, provide requisite assistance in completing resignation procedures smoothly. We appreciate employees' feedback and deemed as the important reference for improvement of human resources policies and practices.

During the Reporting Period, the Group did not violate any relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, equal opportunities, diversity, anti-discrimination, prevention of child labor or forced labor, and no case of child labor or forced labor were found in the Group.

As at 31 December 2024, the Group had 1,030 employees, with the following headcount distribution:

Employment	Number of Employees	2024
Total number of employees	Person	1,030
<b>Total number of employees by gender</b>		
Female	Person	320
Male	Person	710
<b>Total number of employees by employment type</b>		
Short term contract/part-time employees	Person	10
Full-time junior employee	Person	795
Full-time middle management	Person	176
Full-time senior management	Person	49
<b>Total number of employees by age</b>		
Below 30 years old	Person	316
30-50 years old	Person	653
Above 50 years old	Person	61
<b>Total number of employees by geographical region</b>		
North China	Person	164
Northeast China	Person	23
East China	Person	158
Central China	Person	128
Northwest China	Person	4
Southern China	Person	454
Southwest China	Person	89
Other regions (including Hong Kong, Macau, Taiwan)	Person	10

### 4.2 Comprehensive Compensation and Benefits

We strive to build a prospect working environment that may facilitate employees' career development while maintaining sustainability welfare policy, including attractive salaries and annual salary adjustment mechanism. The Group's "Employee Probation/Promotion Assessment Management System" (《員工試用／晉升考核管理制度》), "Salary Management System" (《薪資管理制度》) and "Performance Appraisal Management System" (《績效考核管理制度》) are based on the principles of fairness, competition, incentives and legality to provide a basis for employees' salary adjustments, and in a fair and open manner conduct employee performance appraisals in principle, and the appraisal results serve as the basis for employee evaluation, promotion, regularisation, etc.

Each department will form assessment and supervision groups to formulate corresponding assessment content. For employees with outstanding performance, we will award certificates at the employee recognition meeting to encourage them to continue their efforts. In order to optimise performance appraisal, we will analyse and organise all appraisal data to improve the employee incentive mechanism to ensure our human resources management practices can meet our employees' development requirements and expectations.

During the Year, the Group has increased its contribution to employee benefits based on the "Employee Benefits System" (《員工福利制度》) to provide each employee with Five Social Insurances and one Housing Fund stipulated in the legislation, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund. We understand that employees' health and well-being are the key to business success. Therefore, to recognise and reward our employees' efforts, we not only provide them with basic social welfares, but also provide various types of subsidies, including education allowances, perfect attendance awards, seniority awards, outstanding employee awards, performance bonuses and heatstroke prevention and cooling fees, etc.

To protect our employees' work-life balance, we provide a comprehensive leave policy including annual leave and statutory holidays stipulated by the state. In addition, we also provide company-based holidays such as personal leave, sick leave, work-related injury leave, marriage leave, bereavement leave, annual leave, maternity leave, petty leave, breastfeeding leave, and paternity leave, etc., to ensure that employees get adequate rest and support during the important time of their daily life. The Group committed to provide a supportive and caring working environment to ensure our employees feel valued and cared for, thereby enhancing employee satisfaction and loyalty while promoting the sustainable development of the Group.



### **Quanzhou trip themed “A Journey of Discovery, A New Chapter in Team Building”**

In September 2024, the headquarter of the Group and Huizhou Park jointly organised a Quanzhou trip, which aims to enrich our employees’ life after work and improve team cohesiveness at work and sense of belonging. This not only demonstrate the Company’s emphasis on employee welfare but also reflects our support for employees’ work-life balance.



### **Green Walk with “Children” — Environmental protection handicraft exhibition of employees’ children**

To celebrate the 53rd Word Environment Day, Huizhou Park organised an environmental protection handicraft exhibition of employees’ children to promote green and low carbon lifestyle and also increase environmental protection awareness of the children. The activity received an active response from the employees’ families, and more than 20 creative handicrafts made from waste materials were collected.

This activity not only raises environmental awareness among employees’ families but also integrates the concept of green living into their households through children’s participation, demonstrating our commitment to employees’ work-life balance and to environmental education for the next generation.

### 4.3 Workplace and Health

We attach great importance to employees' safety and health throughout the Group to build a safe and healthy workplace. To promote employees' well-being and strengthen team cohesion, we regularly organise a variety of cultural and sports activities aimed at enriching both their physical and mental well-being while fostering a positive and forward-looking work environment.

In terms of safety prevention and emergency preparedness, we take proactive measures and regularly conduct safety drills, including fire drills as well as safety awareness and education initiatives. These are key components in ensuring that employees can effectively respond to and protect themselves during emergencies. We provide necessary training and guidance, to ensure that employees understand and master the necessary safety knowledge and skills. In addition, we also strengthen the overall safety production management level of the park and the enterprise. We ensure our workplace complies with safety standards through continuous improvement and innovation, thereby protecting employees from work-related risks.



#### **“Burning with passion, Kimou basketball festival” The sixth “Huizhou Park Cup” basketball competition**

To strengthen employee leisure cultural and sports activities and increase corporate cohesion in the Park, Huizhou Park organised the sixth “Huizhou Park Cup” basketball competition for employees in August 2024. The activity includes opening ceremony, competition and closing ceremony. There are awards for champion, runner-up, third place, as well as honors such as the Outstanding Organisation Award and the Spiritual Civilisation Award.

Before the National Holiday in 2024, the Group convened a safety production meeting. Each park reported holiday work arrangements, including equipment inspection and repairs and maintenance, work schedules and others. The headquarters deployed safety management arrangements, emphasising the implementation of responsibilities, strengthening supervision, and improving emergency plans. In accordance with leadership requirements, safety production during the holiday seasons are strengthened, and emergency assistance preparations are ensured.

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### **Huizhou Park Convened 2024 Annual Safety Production Work Summary Meeting**

On 25 December 2024 Annual Safety Production Summary and 2025 Deployment Meeting was convened in Huizhou Park to strengthen corporate's safety awareness and management quality in the Park. The meeting summarised 2024 safety production work and deployed the work for 2025. Huang Wenfeng, an executive deputy director of the Park's safety committee, stressed the severity of the Year-end safety risks. Each enterprise is required to strengthen safety management and strictly implementing operating procedures. The meeting also explained the latest safety policy and regulations, analysed typical incident cases and shared effective safety production management experience.

#### **4.4 Nurturing Future Leaders**

The Group believes that employees are our most valuable asset and enables hand-in-hand progress of our employees together with the corporation. To achieve this, we continue to provide a wide range of training and development opportunities, to ensure that they can adapt to changing working conditions and requirements. We have deliberately developed "Training Management System" (《培訓管理制度》) to arrange various training methods, including regular, on-the-job, temporary, internal and external training, ensuring employees understand the latest industry-related laws and regulations as well as emerging environmental protection technologies, and improve their professional skills and knowledge level and promote their career development.

The personnel administration department is responsible for follow up on training progress in accordance with the annual training plan, and record relevant information in the "Training Attendance Register" (《培訓記錄賬簿》), and use this as basic information for personnel decisions such as employee promotions and transfers, as well as management data for subsequent training operations. To enhance training results, for public training arranged by the Group, outsourced training, and important internal training carried out by various departments, the personnel administration department will evaluate the training effect of the trainees in the form of spot checks, interviews or examinations after the training, in order to enhance and improve follow-up training. We aim to transform training investments into tangible improvements in employees' capabilities and performance, while nurturing an effective, creative, and competitive team.

### 4.5 Occupational Health in the Park

The Group regards its employees as its most valuable asset and is committed to providing them with a safe and healthy working environment. We strictly abide by the relevant laws and regulations such as the "Work Safety Law of the People's Republic of China" (《中華人民共和國安全生產法》), "Fire Protection Law of the People's Republic of China" (《中華人民共和國消防法》), "Social Insurance Law of the People's Republic of China" (《中華人民共和國社會保險法》) and "Occupational Disease Prevention and Control Law of the People's Republic of China" (《中華人民共和國職業病防治法》) to ensure that the health and safety of our employees are protected to the greatest extent. To this end, we have formulated the "Compilation of Work Safety Management Systems" and passed multiple certifications such as the Occupational Health and Safety Management System Certificate (GB/T45001-2020/45001:2018), Environmental Management System Certificate (GB/T24001-2016/ISO14001:2015) and Work Safety Standardization Level 3 Enterprise Certificate, demonstrating the professionalism and effectiveness of our safety management system.

During the Reporting Period, we had 237 lost workdays due to work-related injuries and no work-related fatalities in the past three years.

In our Group, we prioritize the safety and health of our employees and ensure that every employee is equipped with the necessary knowledge of safe production through the Safety Education and Training System. We have clearly defined production safety responsibilities. The Safety Management Department is responsible for the management of safety training, while the Comprehensive Services Department is responsible for providing company-level safety training for new employees. Our safety education program covers all employee groups from management personnel to those working in special jobs, new employees and others.

During the work process, we provide employees with personal protective equipment that meets the regulatory requirements, and strictly implement the safety regulations within the park, and strictly prohibit any violations. For employees working in high-risk positions, they are required to receive education on occupational health, occupational disease prevention and control laws and regulations, labor protection knowledge training, and training on the use of protective equipment before taking up the relevant positions, and they can only take up relevant positions after passing the examination. In addition, we have purchased employer liability insurance for all employees, and more comprehensive insurance for employees in dangerous positions to ensure that in the unfortunate event of work-related injuries, disability, death or illness, employees will be able to receive corresponding compensation as stipulated by national policies. We also arrange annual physical examinations for our employees to ensure their health.

In order to further ensure the safety of our employees, we have formulated the "Safety Inspection and Hidden Danger Investigation and Control System", which assists in hazard identification, finds unsafe factors and unsafe behaviors, and proposes methods and measures to eliminate or control these unsafe factors, ensuring that the laws and regulations on safe production are effectively implemented, thereby creating a safer working environment for our employees.

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The Group attaches great importance to the emergency preparedness of its employees and has formulated the Production Safety Accident Emergency Rescue Plan in accordance with the Guidelines for the Preparation of Production Safety Accident Emergency Plans for Production and Operation Units, which is designed to deal with potential incidents and emergencies. The plan integrates the risk assessment results and covers emergency response measures for various safety accidents that may be encountered during the production process. To enhance the emergency response capabilities of our employees, we regularly organize first aid training for all employees to ensure that every employee understands the potential dangers of leakage and fire, masters the necessary preventive measures, is familiar with various safety disposal methods, and masters basic escape techniques. In addition, we hold emergency drills at least once a year to strengthen employees' response capabilities in emergency situations through practical operations, including timely reporting of fires, correct use of fire extinguishers, effective extinguishing of initial fires, and mastering escape skills. Through such training and drills, the Group has established a responsive and well-prepared work environment to ensure that the lives and safety of employees are protected to the greatest extent possible in the event of an emergency.



### Case: Huizhou Park carries out fire drill

In January 2024, the Huizhou Park launched a drill simulating a "sudden fire scenario in the park factory due to a short circuit in the wires". The participating fire-fighting forces carried out practical projects such as fire discovery, evacuation and escape, parking of fire trucks, and organization of fire fighting in an orderly manner, and coordinated to carry out fire reconnaissance and fire fighting and rescue. The process was organized in an orderly manner with clear division of labor, which effectively improved the emergency rescue capabilities.

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金茂源华中表面处理园区



金茂源华东表面处理园区



### Case: The 23rd “Safety Production Month” series of activities was successfully held

All parks of the Group closely follow the theme of “Everyone is Safety-conscious, Everyone is Emergency-savvy – Smooth Passage of Life” and, in combination with the actual situation of production safety, further enhance the safety awareness of employees through a series of activities such as publicity and implementation learning, special training, and emergency drills, laying a solid foundation for production safety in the parks.

金茂源西南青神表面处理园区



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### **Case: Comprehensive Emergency Drill for Safety Accidents in Confined Space Operations in Boluo County in 2024**

On 29 November, the Huizhou Park, in conjunction with multiple departments, conducted a comprehensive emergency response drill for safety accidents in confined space operations. The drill simulated an emergency situation in which a fire occurred during the cleaning operation of a wastewater treatment pool, resulting in workers being trapped in a confined space. The drill sequentially activated three stages of enterprise-level, park-level emergency response and community-level emergency coordination, with all professional teams working together, and the accident was eventually effectively dealt with. The drill effectively tested the park's emergency response capabilities, verified its ability to coordinate operations with local rescue forces, and laid the foundation for building a "safe park."

## **5. INTEGRITY IN BUSINESS**

### **5.1 Supply Chain Partnership**

The Group recognises that sustainable management of the supply chain is critical to achieving our long-term sustainability goals. In 2024, we re-formulated the "Project Management Measures" (《項目管理辦法》) for project procurement, which included relevant "Supplier Management System" (《供應商管理制度》), "Bidding Management System" and (《招投標管理制度》), "Procurement Standard Process" (《採購標準流程》) and other systems and standards to establish a sound supplier management system and clarify supplier management responsibilities. We require all suppliers to comply with our internal rules and regulations and codes to ensure compliance and ethical standards in the supply chain.

The Group is fully aware of the importance of reliable suppliers to our steady development. We continuously improve our supplier management process through tools such as the Approved Supplier List, Supplier Survey and Evaluation Form, Supplier Monthly Assessment Record Form and Supplier Score Evaluation Form. We periodically evaluate existing suppliers and score them based on their performance in areas such as product quality, customer service and on-time delivery. When selecting partners, we tend to favor suppliers with higher scores and eliminate those with lower scores. We also place special emphasis on suppliers who pay attention to environmental protection at all stages of the supply chain and make them preferred partners.

We conduct strict background checks on new suppliers and require them to provide relevant information such as legal person identity, business license and product information. When necessary, we conduct on-site inspections to ensure supplier compliance. We firmly refuse to cooperate with any supplier who is involved in unethical business practices, corruption, forced labor, or other violations of local laws and regulations. In addition, we encourage suppliers to protect the environment and reduce the impact of their business operations on the environment.

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This Year, the Group had a total of 1,717 suppliers, including chemical, construction, equipment, instrumentation and pipes, and all complied with the Group's supplier practices.

Geographical region	Unit	Quantity
Eastern China	Number	440
Central China	Number	167
Southern China	Number	548
Northern China	Number	257
Southwest China	Number	186
Northwest China	Number	7
Other	Number	112

### 5.2 Commitment to Product Quality

The Group firmly abides by the relevant production safety laws and regulations such as the "Work Safety Law of the People's Republic of China" (《中華人民共和國安全生產法》) and the "Basic Specifications for Enterprise Production Safety Standardization" (《企業安全生產標準化基本規範》). We provide exceptional services to support our clients' sustainable development goals. Our services cover a wide range, including but not limited to key areas such as clean production, pollutant treatment, environmental accident emergency response, environmental policy consulting, environmental compliance declaration and project acceptance. In order to meet the production needs of our customers, we provide comprehensive supporting service solutions, including wastewater treatment systems, solid waste collection and temporary storage, municipal water supply, power supply, steam supply, hazardous materials management system, e-commerce communication information system, and park intelligent management platform, etc., to ensure that our customers can operate in an efficient and safe environment.

In the construction of wastewater treatment facilities, we select high-quality engineering materials and follow strict engineering construction specifications. Once the project is completed, we install and commission equipment that meets our high standards, ensuring that our wastewater treatment facilities are industry-leading in both infrastructure and equipment. In terms of wastewater treatment technology and processes, we continue to conduct independent research and development and innovation, while strengthening the verification of process effects to ensure that we provide customers with efficient and reliable wastewater treatment solutions and supporting services, promote environmental sustainability, and improve our governance standards.

The Group has obtained the Quality Management System Certificate (GB/T19001–2016/ISO9001:2015), which demonstrates our ability in formulating quality policies, quality objectives, and implementing quality control and quality improvement.

### 5.3 Intellectual Property Protection

The Group firmly abides by the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Implementing Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Intellectual Property Law of the People's Republic of China (《中華人民共和國知識產權法》) and other relevant laws and regulations to ensure the legality and compliance of our business practices. We attach great importance to the protection of intellectual property rights and respect and protect the intellectual property rights of all right holders.

When adopting third-party patented technologies, we ensure that we obtain authorization in accordance with the law and strictly abide by the agreements with patent holders to protect their legitimate rights and interests. In collaboration with partners, we clearly define the ownership, usage rights, validity period and sharing mechanism of subsequent R&D results of intellectual property rights, and protect the rights and interests of both parties by signing legally binding agreements.

We continue to monitor intellectual property rights related to the Group. Once any infringement of intellectual property rights is discovered, we will take legal action, including but not limited to requiring the infringing party to bear corresponding compensation liability and legal liability, in order to safeguard the dignity and value of intellectual property rights.

During the Reporting Period, the Group owned 173 patents, of which 34 were newly granted during the Year.

The Group strictly abides by the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and other relevant advertising laws, regulations and industry standards to ensure that our advertising content is authentic and legal. We provide information to our clients in a transparent and responsible manner and promise that all external marketing information is strictly reviewed to ensure compliance with legal requirements and does not contain any false or misleading content. We firmly oppose and prevent any form of false advertising to safeguard consumer rights and market order.

### 5.4 Excellent Customer Experience

We always provide customers with a convenient service experience, and have formulated the "Entry Rules and Regulations Management Standards" (《入園守則管理規範》) to ensure that customers can fully understand the services we provide and the operation mechanism of the park. We attach great importance to our customers' valuable opinions and reasonable requests. To this end, we have implemented the "Transaction Procedure Guidelines" (《事務處理流程規範》) to ensure that customer feedback is handled in a timely and effective manner.

Our process specifications specify in detail the steps for collecting, recording, processing and tracking customer feedback to ensure that every feedback is taken seriously and the relevant departments develop appropriate solutions. The management strictly reviews and confirms each opinion and its resolution to ensure that the issue is properly resolved. By 2024, we will achieve a customer satisfaction rate of more than 97%.

Once a solution is determined, we will proactively communicate with the customer and conduct a follow-up visit to ensure that the issue has been resolved and to inquire if there are any further suggestions for improvement. In addition, we organize annual summary and commendation conference every year to report to our customers the work results of the past year, and to take this opportunity to strengthen communication and exchanges with customers, laying a solid foundation for our continuous improvement and improvement of service quality. The Group fully understands that every feedback from customers is a valuable resource for us to improve our work. We are committed to using these opinions as an important basis for improving service and operation quality.

### 5.5 Comprehensive Information Management Framework

The Group is fully aware of the importance of information privacy and security and is committed to protecting the data security of itself and its customers. We strictly abide by the Regulations of the People's Republic of China on the Security Protection of Computer Information System (《中華人民共和國計算機信息系統安全保護條例》), the Regulations on Technical Measures for Internet Security Protection (《互聯網安全保護技術措施規定》), the Security Protection Requirements for Internet Interactive Services (《互聯網交互式服務安全保護要求》), the Basic Procedures and Requirements for Internet Service Security Assessment (《互聯網服務安全評估基本程序及要求》), and the Personal Data (Privacy) Ordinance (《個人資料(私隱)條例》) of the Hong Kong Special Administrative Region and other relevant laws and regulations to ensure that our business operations comply with the highest legal and ethical standards. In 2024, the Group issued the "Confidentiality System" (《保密制度》) to ensure information security in operations and safeguard the interests of all parties including the headquarters, subsidiaries and customers. During the Reporting Period, thanks to our continuous investment in information security management, we did not experience any information security incidents or leakage of customer data.

The Group is committed to handling customer information in a legal and compliant manner and strictly abides by relevant laws and regulations on data protection. We ensure that only authorized departments collect necessary customer information through legal means, and that the use of such information is limited to the purposes clearly specified in the contract. We clearly state the purpose of information collection, scope of use, retention period, etc. in all relevant documents.

In order to strengthen the protection of information and customer privacy, we have implemented a strict file management system and job responsibility system. All information to be released externally must go through a multi-level review process conducted by designated personnel of the Group to ensure the accuracy and compliance of the information. For confidential files, we assign dedicated personnel to manage them and strictly control access rights to prevent unauthorized access. We also regularly delete customer information that is no longer needed or old customer data to reduce the risk of data retention. To further protect information security, we deploy firewalls on computer systems, implement a strategy of regularly backing up important documents, and have the Information Technology Department periodically check computers for potential security risks to ensure the security and confidentiality of information in all aspects.

### 5.6 Corporate Integrity Governance

The Group is firmly committed to protecting information privacy and security and strictly abides by the Anti-Money Laundering Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Tax Law of the People's Republic of China and relevant laws and regulations. In order to maintain the integrity and ethical standards within the Company, we have formulated and continuously improved the "Integrity Management System" and "Complaint and Reporting System" to ensure that all business activities are conducted on the principles of fairness, honesty, integrity and respect.

We have a zero-tolerance attitude towards any corruption or bribery, and have established a two-tier reporting mechanism to encourage employees and stakeholders to actively report illegal behavior. Employees and stakeholders can report problems directly to CEO or Audit Committee. We ensure that all reports will be thoroughly investigated and that necessary disciplinary action will be taken against those involved, depending on the severity of the incident, including but not limited to legal prosecution, compensation for damages or dismissal. We attach great importance to the protection of whistleblowers, ensuring that the whistleblower's personal information and reporting content are strictly confidential and preventing any form of retaliation. In addition, we strengthen the management of information and customer privacy by implementing a file management system and a job responsibility system, ensuring that all materials released externally undergoes a strict multi-tier review process to maintain the security and confidentiality of information.

The Group focuses on creating a corporate culture with integrity and honesty at its core, emphasizing business ethics and responsibility. We continuously optimize the Company's management system to reduce operating costs and mitigate the risk of improper behavior such as corruption and bribery through effective supervision and improved effectiveness of early warning mechanisms. During the Reporting Period, we were not involved in or discovered any cases of corruption, bribery, extortion or money laundering.

During the Year, the Group provided anti-corruption training to all directors and 1,022 employees.

#### **Case: "Integrity and Self-discipline, Value Co-creation" Huizhou Park Anti-corruption Online Question-Anti-corruption Activity**

In order to raise employees' awareness of anti-corruption and create a fair and transparent working environment, Huizhou Park held an online question-and-answer activity on "Integrity and Self-discipline · Value Co-creation" from December 9 to 12, 2024. The activity was open to all employees of the Huizhou Park and was conducted through the WeChat mini-program. The first 100 people who scored full marks received an exquisite gift prepared by us. The activity aims to strengthen integrity and transparency in corporate culture through quiz, while improving employees' understanding of daily anti-corrosion knowledge.

### 6. JOINT COMMUNITY DEVELOPMENT

The Group believes that the growth of the Company is closely related to the prosperity of the community, so we actively participate in sustainable development activities in the community. Our efforts are not only reflected in our business achievements, but also in our unremitting pursuit of corporate social responsibility. We work to bring positive change to the community through various community engagement projects and are committed to improving the quality of life of community members.

As a member of the environmental protection sector, we are fully aware of the importance of raising public awareness of environmental protection. Therefore, we not only promote environmental protection measures within the Company, but also enhance the community's awareness of environmental protection through education and publicity activities. We support environmental projects in the community and promote the popularization of green lifestyles through investment of funds and resources.

During the Reporting Period, we contributed to the development of local communities by participating in community investment and development programs. Our philanthropic efforts extend beyond financial support to include employee volunteering and knowledge sharing to ensure our help meets real needs in the community. Our community charity activities cover a wide range of aspects including education, environmental protection, public health and community infrastructure construction. This Year, the Group's total donations to charity amounted to nearly RMB635,590. Through our continued community investment, we can contribute to building a more harmonious and sustainable society.

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### APPENDIX I: SUSTAINABILITY DATA INFORMATION SUMMARY

The following is a summary of data on sustainable development in the environmental context for the Year and 2024:

Environmental Aspect	Unit	2024
<b>Emission<sup>1</sup></b>		
Nitrogen Oxide	kg	679.6
Sulfur Oxide	kg	1.2
Suspended Particulates	kg	63.7
<b>Greenhouse Gas Emissions</b>		
Direct Greenhouse Gas Emissions (Scope 1)	tonne of CO <sub>2</sub> e	47,524.3
Greenhouse Gas Offsets from Newly Planted Trees (Scope 1)	tonne of CO <sub>2</sub> e	6.1
Indirect Greenhouse Gas Emissions (Scope 2)	tonne of CO <sub>2</sub> e	27,493.2
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e	75,011.5
Greenhouse Gas Emissions Intensity (per million of revenue) (Scope 1 and Scope 2)	tonne of CO <sub>2</sub> e/million of revenue	53.6
<b>Energy Consumption</b>		
<b>Direct Energy Consumption</b>		
Natural Gas	kWh	232,515,714.6
Gasoline	kWh	656,720.8
Diesel	kWh	1,455,020.2
<b>Indirect Energy Consumption</b>		
Purchased Electricity Consumption	kWh	51,235,959.9
Purchased Electricity Consumption Intensity (per million of revenue)	kWh/million of revenue	36,585.9
<b>Water Consumption</b>		
Total Water Consumption	tonne	962,854.1
Water Consumption Intensity (per million of revenue)	tonne/million of revenue	687.5
<b>Paper Consumption</b>		
Paper Consumption	kg	5,946.9
Paper Consumption per Capita	kg/staff	5.8
<b>Waste</b>		
Amount of Non-hazardous Waste Produced	tonne	1,095.4
Non-hazardous Waste Produced Intensity (per million of revenue)	tonne/million of revenue	0.8
Amount of Hazardous Waste Produced	tonne	34,899.8
Hazardous Waste Produced Intensity (per million of revenue)	tonne/million of revenue	24.9
Amount of Recycled Hazardous Waste	tonne	26,912.4

<sup>1</sup> The above emissions include vehicle emissions. Vehicle emissions were calculated in accordance EMFAC-HK Vehicle Emission Calculation [http://www.epd.gov.hk/epd/english/environmentinhk/air/guide\\_ref/emfac-hk.html](http://www.epd.gov.hk/epd/english/environmentinhk/air/guide_ref/emfac-hk.html) (English version only) by Hong Kong Environmental Protection Department and MOBILE6.1 Particulate Emission Factor (<http://www3.epa.gov/otaq/m6.htm>) (English version only) by United States Environmental Protection Agency (not precluding changes or updated versions).

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### Wastewater Discharge\*

Actual wastewater discharge indicators	Unit	2024 average emission concentration				
		Tianjin Park	Huizhou Park	Central China Park	East China Park	Qingshen Park
Ammonia	mg/L	1.74	0.03	1.21	0.54	0.37
Total nitrogen	mg/L	27.19	8.69	9.06	3.69	4.86
pH	–	7.77	7.27	7.45	7.11	7.90
Total suspended solids (TSS)	mg/L	13.00	4.10	8.72	6.00	12.29
Chemical oxygen demand (COD)	mg/L	43.98	20.00	28.21	16.00	10.29

\* The following emission standards are as follow:

1. Surface Water Environmental Quality Standard (《地表水環境質量標準》) (GB 3838-2002)
2. Comprehensive Wastewater Discharge Standard (《污水綜合排放標準》) (DB12/356-2018)
3. Guangdong Province Electroplating Water Pollutant Discharge Standard (《廣東省電鍍水污染物排放標準》) (DB44/1597-2015)

The following is a summary of data on sustainable development of the Group in the social area for the Year:

Social Aspects	Unit	2024
<b>Employment Management</b>		
Total employees	person	1,030
<b>Total Employees by Gender</b>		
Female	person	320
Male	person	710
<b>Total Employees by Employment Type</b>		
Short term contract/part-time employees	person	10
Full-time junior employees	person	795
Full-time middle management	person	176
Full-time senior management	person	49
<b>Total Employees by Age</b>		
Age below 30	person	316
Aged 30-50	person	653
Aged above 50	person	61

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Social Aspects	Unit	2024
<b>Total Employees by Geographical Region</b>		
Northern China	person	164
Northeast China	person	23
Eastern China	person	158
Central China	person	128
Northwest China	person	4
Southern China	person	454
Southwest China	person	89
Other Region (including Hong Kong, Macau and Taiwan)	person	10
<b>Employees Turnover Rate<sup>2</sup></b>		
Total staff turnover rate	%	16.2
<b>Employees Turnover Rate by Gender</b>		
Female	%	14.4
Male	%	17.0
<b>Employees Turnover Rate by Age</b>		
Age below 30	%	20.4
Aged 30-50	%	14.2
Aged above 50	%	14.1
<b>Employees Turnover Rate by Geographical Region</b>		
Northern China	%	13.7
Northeast China	%	14.8
Eastern China	%	16.8
Central China	%	18.5
Northwest China	%	0.0
Southern China	%	17.6
Southwest China	%	11.0
Other Region (including Hong Kong, Macau and Taiwan)	%	0.0

<sup>2</sup> Turnover ratio by category =  $L(x) / (L(x) + E(x)) \times 100$ ,  $L(x)$  = number of employees turnover in that category,  $E(x)$  = total number of employees in that category

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Social Aspects	Unit	2024
<b>Employee Training<sup>3</sup></b>		
<b>Percentage of Employees Trained by Gender</b>		
Percentage of female trained	%	31.1
Percentage of male trained	%	68.9
Average number of hours of training for female	hour	18.3
Average number of hours of training for male	hour	20.2
<b>Percentage of Employees Trained by Employment Type</b>		
Percentage of short term contract/part-time employees trained	%	1.0
Percentage of full-time junior employees trained	%	77.2
Percentage of full-time middle employees trained	%	17.1
Percentage of full-time senior employees trained	%	4.8
Average short term contract/part-time employees training hours	hour	2
Average full-time junior employees training hours	hour	20.3
Average full-time middle employees training hours	hour	19.2
Average full-time senior employees training hours	hour	9.50
<b>Occupational Health and Safety</b>		
Work-related fatalities in 2024	person	0
Rate of work-related fatalities in 2024	%	0
Work-related fatalities in 2023	person	0
Rate of work-related fatalities in 2023	%	0
Work-related fatalities in 2022	person	0
Rate of work-related fatalities in 2022	%	0
Number of working days lost due to work-related injuries	day	237

<sup>3</sup> This Year, we calculated the percentage of employees trained in accordance with Appendix III "Reporting Guidance on Social KPIs" of "How to Prepare an ESG Report" by the Stock Exchange.

This Year calculation method:

Employees by relevant category =  $T(x)/T \times 100$ ,  $T(x) = \text{Class} \times \text{Number of employees trained}$ ,  $T = \text{Employees trained}$

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### APPENDIX II: HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

KPI		Corresponding Chapters
<b>A. Environmental Aspects</b>		
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emission and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	A1.1	Types of emissions and respective emission data.
	A1.2	GHG emissions and densities from direct (Scope 1) and indirect (Scope 2) sources.
	A1.3	Total hazardous waste produced and intensity.
	A1.4	Total non-hazardous waste produced and intensity.
	A1.5	Description of measures to mitigate emissions and the actions taken to manage them.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and the actions taken to manage them.

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KPI			Corresponding Chapters
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources (including energy, water and other raw materials).	3.4.1 Energy Management 3.4.2 Water Use Management 3.4.3 Wastes Reduction
	A2.1	Direct and/or indirect energy consumption (e.g. electricity, gas or oil) by type in total and intensity.	3.4.1 Energy Management Appendix I: Sustainability Data Information Summary
	A2.2	Water consumption in total and intensity.	3.4.2 Water Use Management Appendix I: Sustainability Data Information Summary
	A2.3	Describe the energy efficiency initiatives and the actions taken to manage them.	3. Focusing on Environmental Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and the actions taken to manage them.	3. Focusing on Environmental Management
	A2.5	Total packaging material used for finished products and per unit produced.	The business of our Group does not involve packaging material
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	3. Focusing on Environmental Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3. Focusing on Environmental Management
A4: Climate Change	General Disclosure	Policy for identifying and addressing major climate-related issues that have affected or may affect the issuer.	3.5 Climate Change Risk Management
	A4.1	Describe significant climate-related matters that have and may have an impact on the issuer, and actions to manage them.	3.5 Climate Change Risk Management

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KPI			Corresponding Chapters
<b>B. Social Aspects</b>			
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.	4 Developing a High-quality Team 4.1 Building a Collaborative Team 4.2 Comprehensive Compensation and Benefits
	B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Building a Collaborative Team Appendix I: Sustainability Data Information Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Sustainable Development Information Summary
B2: Health and safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	4.5 Occupational Health in the Park
	B2.1	The number and rate of work-related fatalities in the past three years (including the reporting year).	4.5 Occupational Health in the Park Appendix I: Sustainability Data Information Summary
	B2.2	Lost days due to work injury.	4.5 Occupational Health in the Park
	B2.3	Description occupational health and safety measures adopted, how they are implemented and monitored.	4.5 Occupational Health in the Park
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Appendix I: Sustainability Data Information Summary
	B3.1	The percentage of employees trained by gender and employee category (e.g. Senior management, middle management, etc).	Appendix I: Sustainability Data Information Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Sustainability Data Information Summary
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.	4.1 Building a Collaborative Team
	B4.1	Description of measures to review employment.	4.1 Building a Collaborative Team
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Building a Collaborative Team

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KPI			Corresponding Chapters
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.1 Supply Chain Partnership
	B5.1	Number of suppliers by geographical region.	5.1 Supply Chain Partnership
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.1 Supply Chain Partnership
	B5.3	Description of practices used to identify environmental and social risks at each stage of the supply chain, how they are implemented and monitored.	5.1 Supply Chain Partnership
	B5.4	Describes the practices which promote the use of environmentally preferable products and services when selecting suppliers, how they are implemented and monitored.	5.1 Supply Chain Partnership
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.	5.2 Commitment to Product Quality 5.4 Excellent Customer Experience 5.5 Comprehensive Information Management Framework
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group is not involved in the sale of products
	B6.2	Number of products and service-related complaints received and how they are dealt with.	5.4 Excellent Customer Experience
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3 Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	5.2 Commitment to Product Quality
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.5 Comprehensive Information Management Framework

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KPI		Corresponding Chapters
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.
	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.
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.
	B7.3	Description of the anti-corruption training provided to directors and employees.
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.
	B8.1	Focus areas of contribution (e.g. education, environmental issues, labour needs, health, culture, sport).
	B8.2	Resources contributed to the focus area.