

China Asia Valley Group Limited  
中亞烯谷集團有限公司

(Incorporated in Bermuda with limited liability)(於百慕達註冊成立之有限公司)  
(Stock Code 股份代號: 63)

OMO

商業  
模式



中亞  
烯谷

2022

Environmental, Social and  
Governance Report

環境、社會及管治報告

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AHEAD

# Environmental, Social and Governance Report

## ABOUT THE REPORT

This report is the seventh annual environmental social and governance (“**ESG**”) report (the “**Report**”) published by China Asia Valley Group Limited (the “**Company**”) together with its subsidiaries (collectively referred as the “**Group**”). The Report summarised the Group’s sustainability performance, policies and strategies for the financial year ended 31 December 2022 (the “**Reporting Period**”).

### Reporting standard

The Report has been prepared in accordance with the “**Environmental, Social and Governance Reporting Guide**” (the “**ESG Reporting Guide**”) which is set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The board of directors of the Company (the “**Board**”) has reviewed and approved the ESG Report to ensure all material issues and impacts on sustainable development are fairly presented.

### Scope of the ESG Report

The scope of the Report covers the environmental and social performance of the subsidiaries of the Company, namely Super Homes Limited which is engaged in property investment, Cheung Kee Garden Limited (“**Cheung Kee**”) which is engaged in the provision of horticultural services and sales of plants under the brand name “**Cheung Kee Garden**”, China Asia Valley Property Management (Shenzhen) Co., Limited<sup>1</sup> (“**CAV Shenzhen**”) (中亞烯谷物業管理(深圳)有限公司), Shenzhen Zhongya Property Co., Limited (深圳市中雅物業有限公司) and Shenzhen Zhongya Management Co., Limited (深圳市中雅管理有限公司) which are engaged in the provision of property management services and office operation in Hong Kong headquarters (the “**Hong Kong headquarters**”). The Report focuses on four environmental aspects and eight social aspects required by the Stock Exchange. For information regarding the governance section, please refer to the Corporate Governance Report as incorporated in the Company’s 2022 Annual Report.

### Language and availability of the ESG Report

The Report is available in Traditional Chinese and English. In case of any discrepancy in the two versions, the English version shall prevail. Electronic copies can be downloaded at [www.00063.cn](http://www.00063.cn) and the website of the Stock Exchange.

### Contact and feedback

The Board treasures your opinion on its ESG management and report. Should you wish to provide any comment or suggestion on the ESG performances of the Group, please email the Group at [info@chn-graphene.com](mailto:info@chn-graphene.com).

<sup>1</sup> The company name in English is not the official name but a translation for reference only.

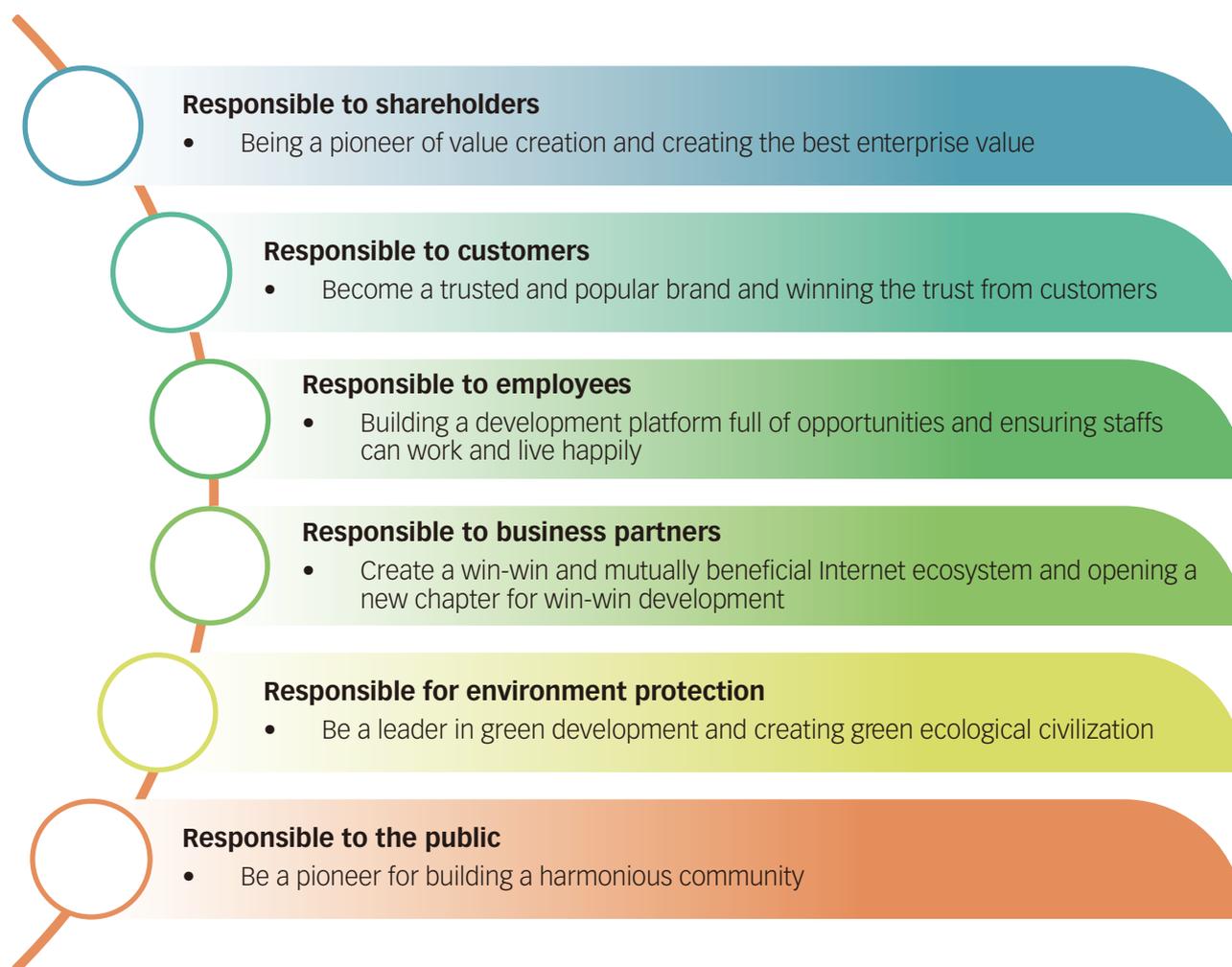
# Environmental, Social and Governance Report

## ABOUT THE REPORT (CONTINUED)

### Corporate philosophy and governance

Adhering to the core values – “Pragmatic, Pioneering, Innovative, Integrated, Win-win”, the Group believes the integration of theory and practice can lead a business to unlimited possibilities.

The Group is committed to responsible business practices, enhancing enterprise value through innovation, quality service and operational efficiency, and creating a positive influence on its shareholders, customers, business partners, employees, the environment and the community.



# Environmental, Social and Governance Report

## ABOUT THE REPORT (CONTINUED)

### ESG oversight

The Board aims to provide stakeholders with an understanding of the overall ESG governance structure of the Group. The Board acknowledges its role of oversight of ESG issues through the consideration and discussion of ESG issues in board meetings. In this section, the Board will further explain its ESG management approach and strategy, including the process used to evaluate, prioritise, and manage material ESG-related issues (including risks to the Group's businesses), and how it reviews progress made against ESG-related goals and targets with an explanation of how they related to the Group's business.

### ESG management approach and strategy

To ensure cohesion with existing business strategies and processes, the Board aligns its ESG management approach and strategy with our existing governance (i.e. risk management and internal controls system) framework. The ESG-related risks are therefore evaluated, prioritise, and managed as part of the existing processes of this governance framework so that ESG-related risks are managed just as effective as those which are not ESG-related.

Through an integrated, dual top-down and bottom-up approach, risks identified at each level of defense are discussed, evaluated and prioritise at that level as well as between the other levels. Material risks are then communicated and considered by the Board and the senior management regularly at board and committee meetings, as well as communications at the operation level with the various head of operation units, including the ESG working group with respect to matters related to ESG.

### ESG-related goals and targets progress review

Material ESG-related issues are issues that are critical to both the short-term and long-term success of the Group's business. It is those parts of the Group's business where these issues lie, the ESG impact of these issues is highly relevant. The KPIs of material ESG-related issues are regularly reviewed against goals and targets set up by the management and the Board, with the assistance of the ESG working group, throughout the process of the preparing ESG reporting to determine progress made and making adjustments and revisions to the original goals and targets where appropriate.

# Environmental, Social and Governance Report

## ABOUT THE REPORT (CONTINUED)

### Reporting Standard

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange. With the use of the four reporting principles of the Guide – materiality, quantification, balance and consistency – as the basis for preparing the Report.

Reporting principles	Definitions	Responses
Materiality	The report should reflect the significant economic, environmental and social impacts of the organization, or the areas that materially influence stakeholders’ assessments and decisions regarding the organization.	Management interviews were used to identify and report on ESG issues of critical importance to the Group and its stakeholders.
Qualification	An organisation must ensure that key performance data can be calculated and clearly state criteria and method of calculation.	Each unit was instructed to record key environmental and social performance data, and professional consultants were engaged to assess carbon emissions and other key environmental performances against local guidelines and international standards.
Balance	The organization should prepare the reports in an unbiased manner to ensure that the positive and negative impacts are clearly stated so that stakeholders can reasonably assess the overall performance of the organisation.	An accurate, objective and fair approach was adopted as the principle of preparation to explain the achievements of the Group in sustainability and the challenges it faced.
Consistency	A consistent disclosure statistical approach should be adopted to enable stakeholders to compare environmental, social and governance data with the sustainability performance and progress of the organization.	A consistent approach for statistics was adopted and, where practicable, historical data were provided for comparison.

# Environmental, Social and Governance Report

## ABOUT THE REPORT (CONTINUED)

### Confirmation and approval

All information contained herein has been collected from internal official documents and statistics and collected from the management and operation personnel in accordance with the Group's policies. The Report was approved by the Board on 30 March 2023.

## STAKEHOLDER ENGAGEMENT

The Group recognises that it is of paramount importance to maintain regular communication with different groups of stakeholders to better understand their needs and expectations towards the business operations as well as their points of view on ESG management practices and performance. With transparent and responsive channels such as meetings, telephone conferences, email and mutual visits in place to engage with the Group's key stakeholder groups, this helps the Group to address its concerns in a timely manner and gain new insights to make continuous improvements in its business practices.

Stakeholders	Expectations	Communication and Responses
Shareholders and investors	<ul style="list-style-type: none"><li>• Corporate governance</li><li>• Corporate transparency</li><li>• Financial results</li></ul>	<ul style="list-style-type: none"><li>• Optimise risk management and internal control</li><li>• Regular information disclosure</li><li>• Improvement in profitability</li></ul>
Government	<ul style="list-style-type: none"><li>• Compliance with laws and regulations</li><li>• Preventing tax evasion</li></ul>	<ul style="list-style-type: none"><li>• Continuously strengthen corporate management to ensure operational compliance</li><li>• Tax returns and other information</li></ul>
Customers	<ul style="list-style-type: none"><li>• Product and service quality</li><li>• Customer information security</li></ul>	<ul style="list-style-type: none"><li>• Provide quality products and services</li><li>• Personal data protection</li></ul>

# Environmental, Social and Governance Report

## STAKEHOLDER ENGAGEMENT (CONTINUED)

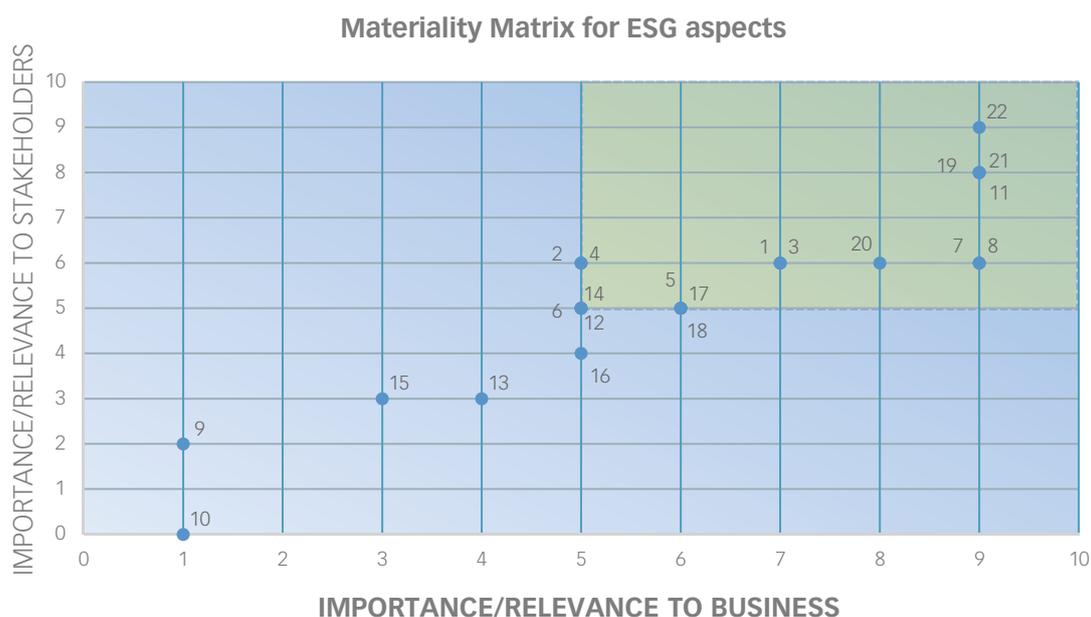
Stakeholders	Expectations	Communication and Responses
Suppliers	<ul style="list-style-type: none"> <li>• Business ethics and credibility</li> <li>• Payment schedule</li> </ul>	<ul style="list-style-type: none"> <li>• Fulfill contract terms and obligations</li> <li>• Fulfill payment obligations</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Rights and benefits of employees</li> <li>• Training and development</li> <li>• Occupational health and safety</li> <li>• Compensation, work hours and working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive remuneration package</li> <li>• Provide training courses or material</li> <li>• Conduct regular occupational health and safety training to increase staff awareness</li> <li>• Establish employee suggestion boxes</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Employment opportunities</li> <li>• Community development, and social welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Provide equal employment opportunities</li> <li>• Employee voluntary activities and community welfare subsidies and donations</li> </ul>
Public	<ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Use environmental protection and energy saving equipment</li> <li>• Issue newsletters on the Company's website</li> </ul>

# Environmental, Social and Governance Report

## MATERIALITY ASSESSMENT

Materiality assessment enables the Group to determine the ESG issues that matter most to its stakeholders and its business operation towards the environmental and social impacts. The Group has invited its key stakeholders, including its Board, employees, customers and suppliers, to fill out a survey to identify “material issues” and reflect on the environmental, social and operational issues which have the most significant impacts on the Company’s business and the relevant issues which are of concern to the stakeholders.

With reference to the scope of the disclosure as required under the ESG Reporting Guide, as well as taking into consideration its business features, the Group has identified and determined 22 issues covering greenhouse gas (“GHG”) emission, energy consumption, employee welfare, occupational health and safety, training and development, supply chain management, customer privacy, anti-corruption, and community investment with respect to its business operation.



### Environmental

### Social

### Operating practices

- |   |  |                              |
|---|--|------------------------------|
| 1. Greenhouse gas emissions                     | 9. Local community engagement            | 17. Economic value generated |
| 2. Energy consumption                           | 10. Community investment                 | 18. Corporate governance     |
| 3. Water consumption                            | 11. Occupational health and safety       | 19. Anti-corruption          |
| 4. Waste  | 12. Labour standards in the supply chain | 20. Supply chain management  |
| 5. Saving energy measures                       | 13. Training and development             | 21. Customer satisfaction    |
| 6. Use of raw materials and packaging materials | 14. Employee welfare                     | 22. Customer privacy         |
| 7. Utilisation of energy resources              | 15. Inclusion and equal opportunities    |                              |
| 8. Use of chemicals                             | 16. Talent attraction and retention      |                              |

# Environmental, Social and Governance Report

## THE ENVIRONMENT

The Group endeavours to operate its business in an economic, social and environmentally sustainable manner. The Group has taken initiatives and measures to optimise resource efficiency and reduce emission throughout its business operation in order to minimise the pollution and carbon footprint of its business development on the environment.

### Emissions

Due to the business nature of the Group in the provision of horticultural services, property management services and office operation, the Group contributes limited air emissions and GHG emissions to the environment. The only main source of air emissions is related to the use of vehicles which use petrol and diesel as fuel source. The Group continues to monitor the usage of motor vehicles and ensure its air emissions are minimised where possible.

The Group appropriately plans the transportation routine and avoids unnecessary trips. Besides, the Group maintains regular maintenance on its vehicles to ensure the engines function in optimal and efficient condition. The Group also requires its staff to switch off idling engines when the vehicles are stationary to prevent the emission of exhaust gases.

The main source of the Group's GHG emissions is derived from fuel combustion from motor vehicles owned by the Group and the consumption of purchased electricity in Hong Kong headquarters and in Cheung Kee business. The below tables are summarised the Group's air emissions as well as GHG emissions during the Reporting Period.

Environment Indicators	Unit	2022	2021
<b>Emissions</b>			
Nitrogen oxides (NO <sub>x</sub> ) emissions	Kg	<b>83.28</b>	78.85
Sulphur oxides (SO <sub>x</sub> ) emissions	Kg	<b>0.11</b>	0.12
Particulate matter (PM) emissions	Kg	<b>3.86</b>	3.66
GHG Emissions <sup>(Note 1)</sup>			
Direct emissions (Scope 1)	Tonne of carbon dioxide equivalent ("tCO <sub>2</sub> e")	<b>18.05</b>	20.63
Indirect emissions (Scope 2)	tCO <sub>2</sub> e	<b>19.55</b>	14.84
Other indirect emissions (Scope 3)	tCO <sub>2</sub> e	<b>1.78</b>	1.77
Total GHG emissions	tCO <sub>2</sub> e	<b>39.37</b>	37.25
GHG emissions intensity per employee	tCO <sub>2</sub> e/employee	<b>0.34</b>	0.32

Note 1: Greenhouse gas emissions (direct and indirect) can be divided into the following three separate areas:

Scope 1: Direct GHG emissions represent fuel consumption of motor vehicles controlled by the Group;

Scope 2: Indirect GHG emissions represent electricity purchased from power suppliers; and

Scope 3: Other indirect GHG emissions represent paper and water consumption.

\* The emission factor is sourced from the sustainability report 2020 of HK Electric Investments. The figures are calculated in accordance with the "Reporting Guidance on Environmental KPIs".

# Environmental, Social and Governance Report

## THE ENVIRONMENT (CONTINUED)

### Emissions (Continued)

The Group generates minimal hazardous waste. The non-hazardous waste produced in the office operation is mainly general office waste and domestic waste, which is properly collected and consigned to the building management company for further handling. In the operation of the horticultural service and sales of plants, a total amount of 0.1 tonne (2021: 0.1 tonne) of fibreglass was produced and directly disposed to the landfills while 1.00 tonnes (2021: 1.15 tonnes) of plant residue and soil was reused for plantation.

Environmental Indicators	Unit	2022	2021
<b>Waste</b>			
Non-hazardous wastes produced in total <sup>(Note 1)</sup>	Tonne	<b>0.1</b>	0.1
The intensity of non-hazardous wastes produced per employee	Tonne/employee	<b>&lt;0.1</b>	<0.1
Hazardous wastes produced in total <sup>(Note 2)</sup>	Tonne	<b>N/A</b>	N/A
The intensity of hazardous wastes produced per employee	Tonne/employee	<b>N/A</b>	N/A

Note 1: Non-hazardous wastes produced by the Group cover the waste generated in the business operation of horticultural services and the amount of waste stated represents those directly disposed to the landfills only.

Note 2: Hazardous wastes produced by the Group are minimal and hence no relevant figure is quantified.

## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Reporting Period, the Group complied with national and local laws and regulations relating to environmental protection and pollutant emissions during its course of operation, including but not limited to, Air Pollution Control Ordinance (Cap.311) and Waste Disposal Ordinance (Cap.354) in Hong Kong Special Administrative Region (“**Hong Kong**”) and the Environmental Protection Law of the People’s Republic of China (the “**PRC**”). The Group was not aware of any material non-compliance with the relevant laws and regulations that has a significant impact relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. In addition, there was no fine or non-monetary sanction for non-compliance with relevant laws and regulations reported during the Reporting Period.

# Environmental, Social and Governance Report

## USE OF RESOURCES

The Group attaches great importance to resource conservation and energy efficiency in its daily operations. The Group strives to promote a green, energy-saving and environmentally friendly working environment to minimize energy and water use and achieve efficient utilisation of resources. Some key measures the Group implemented in its operations are highlighted below:

- Maintain regular inspections and checks for motor vehicles to prevent wastage of fuels;
- Widely use LED lights instead of compact fluorescent lamps;
- Switch off all the electrical appliances, light and air-conditioning not in use;
- Maintain indoor temperature at an energy-efficient level of 24–26 degrees Celsius;
- Configure the electronic devices to energy-saving mode;
- Purchase energy-efficient electrical appliance and water-efficient devices (such as those with Grade 1 energy/water label sprinkler systems);
- Encourage to adopt video conference and conference calls to prevent unnecessary overseas business travel;
- Encourage to print only when necessary, adopt double-sided printing and reuse used paper for printing or drafting; and
- Advocate the electronic document circulation and communication.

All the purchased electricity in its operations is from a local power company. Cheung Kee uses stream water for the daily operation of horticultural services and therefore no municipal water is purchased. Cheung Kee owns a light goods vehicle for transportation and the relevant fuel consumption (diesel) of the vehicle is included in the calculation of emissions and resource use.

The Board believes that such measures enable it to effectively reduce the burden on the environment caused by the Group's business operations. Since the Group does not have the need to consume a large amount of water, it does not have any issue in sourcing water that is fit for purpose.

# Environmental, Social and Governance Report

## USE OF RESOURCES (CONTINUED)

The Chinese government has initiated a strategic plan to achieve peak emissions in 2030 and a target of carbon neutrality in 2060. The Group, as a socially responsible corporation, wholeheartedly supports this national drive for the humanity of a brighter shared future. The Group has hence been vigorously promoting a culture of environmental protection, and will ultimately plan to achieve ESG targets which are largely aligned with this overall national strategy, but this is subject to whether finding suitable practical solutions to adequately mitigate pollution and emissions, while at the same time, these solutions have to be economical in order to enable the Group to operate its viable businesses. Hence the Board together with the ESG working group have taken a prudent stance towards setting any specific targets for emissions, waste generation and energy conservation, and are still at the first stage of reviewing the ESG risk and opportunities of the overall business, to ensure that the Group can build the necessary infrastructure so that if any targets are set in the future, these are appropriately endorsed, put into action, then measured and evaluated to ensure they are met. If any of these targets are set the Group will provide further information in due course.

The key environmental performance indicators regarding the Group's use of resources during the Reporting Period are shown in the table below:

Environmental Indicators	Units	2022	2021
<b>Use of resources</b>			
Electricity consumption	kWh	<b>26,003</b>	20,389
Diesel consumption	kWh	<b>70,250</b>	80,298
Energy consumption in total	kWh	<b>96,253</b>	100,687
Energy consumption per employee	kWh/employee	<b>823</b>	876
Water consumption	Cubic metre ("m <sup>3</sup> ")	<b>168</b>	160
Water consumption per employee	m <sup>3</sup> /employee	<b>1</b>	1
Packaging materials consumption <sup>(Note 1)</sup>	Kg	<b>N/A</b>	N/A
Packaging materials consumption per employee	Kg/employee	<b>N/A</b>	N/A

Note 1: No packaging material was consumed during the Reporting Period.

The Group closely monitors the level of energy consumption and GHG emissions from its operation. During the Reporting Period, the Group adopted a series of initiatives for efficient energy use and energy conservation. Details of such measures and the related results achieved are listed as follows:

Energy saving measures	Details and results achieved
Installation of environmental protection and energy-saving equipment	Purchased energy efficient electrical appliances and water efficient devices (such as those with Grade 1 energy/water label sprinkler system), consumption of electricity and water is reduced.
Light Emitting Diodes (LEDs)	LED lights are widely used in workplaces, which consume less electricity.

# Environmental, Social and Governance Report

## THE ENVIRONMENT AND NATURAL RESOURCES

In accordance with the Group's environmental philosophy, it is committed to providing high-quality services while also ensuring that all business activities impact the environment positively and maintaining the balance between operational efficiency and resource consumption. For instance, it adopts the more environmentally friendly products of pesticides (including garden insecticides) in the approved pesticide list of the Agriculture, Fisheries and Conservation Department of Hong Kong in order to reduce the harm and impact on the biodiversity of the environment.

## CLIMATE CHANGE

The Board acknowledges that climate change poses different kinds of risks as well as opportunities to the Group's operations. According to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), climate risks are classified into transitional risks (the adaptation challenges that companies may face in terms of policies, laws, technologies and markets) and physical risks (the impact that extreme weather events may have on companies).

For physical risks, examples include bad weather such as extreme cold or heat, heavy rain, storm, typhoon and other extreme weather events that can disrupt operations by damaging the power grid, communication infrastructures, obstructing and injuring our staff on the way or during their work, and also disastrous events incidental to these weather such as the fire hazard from overheated equipment in severe heat waves caused by global warming. All these events may bring a severe impact on the company's operations.

For transformation risks, which means the risks faced by the Group include the introduction of policies related to energy conservation and emission reduction, stricter emission reporting obligations and compliance requirements, etc.

In response, the Group will identify these risks and prioritise those which have a severe impact to take precautionary measures first. The Group will also identify, if any, opportunities where changing of the business processes may be possible, for instance, staff switch to using online video conference methods to communicate in order that these severe impacts to operations may be mitigated or avoided.

# Environmental, Social and Governance Report

## THE EMPLOYEE

### Employment practices and labour rights

The Group believes that its business success is underpinned by a talented and synergetic workforce. The Group is committed to building a fair, safe and harmonious workplace as well as a development platform with full of opportunities for its employees. The Group has human resources policies in place with respect to the staff remuneration, training, recruitment, equal opportunities and anti-discrimination to protect the legitimate rights and interests of all employees and to ensure strict compliance with the relevant employment laws and regulations in Hong Kong and the PRC.

### Compensation and benefits

The Group provides competitive remuneration and welfare packages for its employees. Full-time employees are entitled to marriage leave, maternity leave, paternity leave, jury service leave, examination leave, compassionate leave, sick leave, hospitalization leave in addition to annual leaves and statutory leaves. Employees can enjoy birthday leave so as to achieve a work-life balance. For employees in Hong Kong, medical insurance coverage and the Mandatory Provident Fund Scheme are also provided in accordance with the employment laws and regulations in Hong Kong. The working hours for general employees are normally not more than 8 hours a day and 40 hours a week. Overtime allowance or time off in lieu will be granted to eligible staff when necessary overtime work is required. For employees in the PRC, the Group will pay for their social insurance and housing funds pursuant to the law in the PRC.

### Diversity, equality and anti-discrimination

The Group emphasises the principle of equal opportunities and aims to achieve justice, fairness and openness in the whole employment process, from recruitment, remuneration, promotion and training to dismissal. The candidate selection and employment matters are evaluated based on the objective criteria such as the individual performance, experience, qualifications and skills, against the discrimination on the ground of gender, age, religion, marital status and ethnic discrimination. The Group advocates the diversified corporate cultures with the employees with different characteristics in terms of gender, ages, skills, educational backgrounds, industry experiences and other qualifications in order to achieve the most suitable composition and balance.

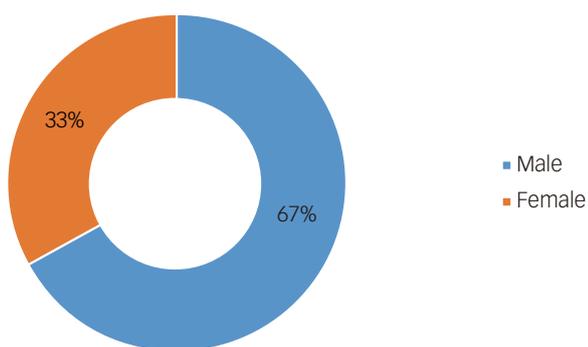
# Environmental, Social and Governance Report

## THE EMPLOYEE (CONTINUED)

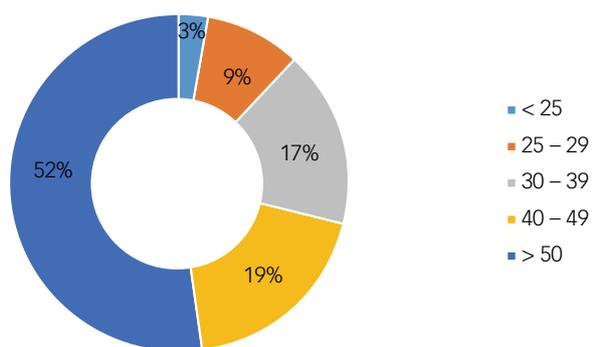
### Employee profile

As at 31 December 2022 there were a total of 149 employees. The distribution of the total workforce divided by gender, age group, position level, full or part time and their geographic locations are illustrated below:

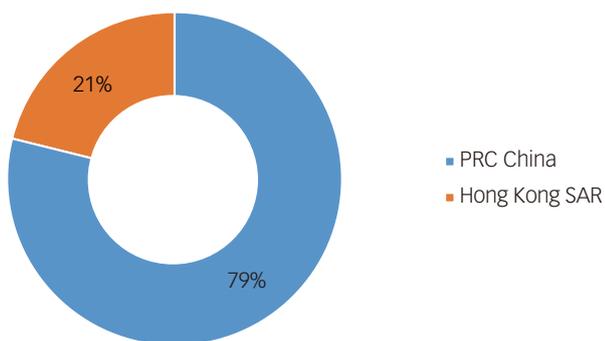
Employees by Gender



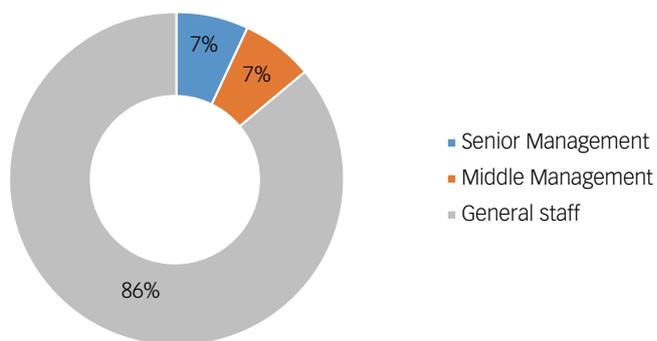
Employees By Age Group



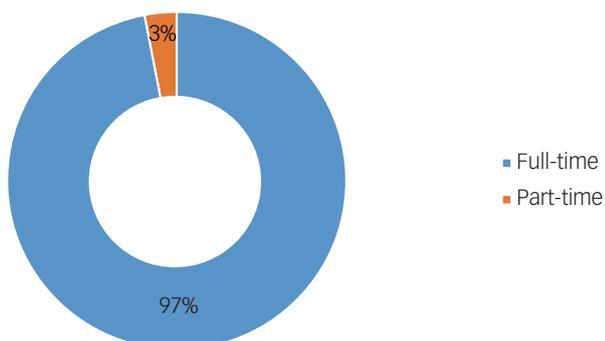
Employees by Location



Employees By Position



Employees by Type



# Environmental, Social and Governance Report

## THE EMPLOYEE (CONTINUED)

### Employee turnover

During the Reporting Period, total employee turnover was 15. The employee turn turnover rate by gender, age group, and geographical region are illustrated below:

<b>By gender</b>	<b>Turnover rate</b>
Males	9%
Female	12%

<b>By age</b>	<b>Turnover rate</b>
<25	25%
25–39	14%
30–39	16%
40–49	18%
>50	4%

<b>By geographical region</b>	<b>Turnover rate</b>
PRC	11%
Hong Kong SAR	6%

### ***Compliance with relevant laws and regulations***

During the Reporting Period, the Group was not aware of any material non-compliance with the Employment Ordinance, Minimum Wage Ordinance, Mandatory Provident Fund Schemes Ordinance and Employees' Compensation Ordinance of Hong Kong, Labour Law of the PRC, Labour Contract Law of the PRC and other applicable laws and regulations in Hong Kong and the PRC. In addition, there was no fine or non-monetary sanction for non-compliance with relevant laws and regulations reported during the Reporting Period.

# Environmental, Social and Governance Report

## THE EMPLOYEE (CONTINUED)

### Health and safety

The Group spares no efforts to safeguard the workplace health and safety of its employees. The Group endeavors to protect its employees from work-related accidents or injuries through the implementation of the safety and health risk management, control measures and initiatives, and pledges full compliance with the relevant occupational health and safety in Hong Kong (i.e. Occupational Safety and Health Ordinance (Cap.509) of Hong Kong) and the PRC including the Law of the PRC on Work Safety and Regulations on Work-Related Injury Insurance of the PRC.

Understanding the health and safety of employees is the foundation for smooth operation, the Group undertakes several actions to enhance the safety awareness of employees at all levels and join hands to share the responsibility to maintain workplace safety.



For the office operation, the Group maintains good housekeeping in its work area and strengthens the workplace management (e.g. the use of display screen equipment, electricity safety and pest control) to protect the safety and health of office staff.

# Environmental, Social and Governance Report

## THE EMPLOYEE (CONTINUED)

### Health and safety (Continued)

For the horticultural services and sales of plants operation, the Group regularly conducts safety risk assessments to identify potential and actual risks and hazards exposure to the employees and implement corresponding mitigation measures to minimise the level of safety risks. The Group has formulated operational guidelines for its employees to follow, including but not limited to (i) the proper use of personal protective equipment; (ii) the safe use of tools and equipment and chemicals; and (iii) the measures taken under hot weather to prevent heatstroke.

The managers and supervisors of Cheung Kee attended the occupational safety and health seminars organised by government departments or other organisations to obtain the latest safety statutory requirements and new information in respect of safety and health management, risk assessment and industrial safety. Through the practice of "Train the Trainer", the management holds safety sharing sessions every year to share relevant insight and knowledge of safety management, as well as exchanging experience with its employees to reduce the safety risks of employees and increase their safety awareness in daily activities.

In response to the COVID-19 pandemic, the Group has adopted measures related to personal hygiene protection, which include but not limited to (i) requiring employees to wear masks and frequently wash hands; (ii) providing hand sanitizers for its employees; (iii) conducting regular disinfection of offices; and (iv) providing subsidies of HK\$250 per month for each employee of Cheung Kee to purchase face masks and epidemic prevention supplies.



Fire safety equipment installed in the service site in Shenzhen



Notice board for preventing fire incident in the service site in Shenzhen

# Environmental, Social and Governance Report

## THE EMPLOYEE (CONTINUED)

### Health and safety (Continued)

#### *Compliance with relevant laws and regulations*

During the Reporting Period, the Group was not aware of any material non-compliance with Occupational Safety and Health Ordinance, the Law of the PRC on Work Safety and Regulations on Work-Related Injury Insurance of the PRC and other applicable laws and regulations in Hong Kong and the PRC and there was no fine or non-monetary sanction for non-compliance with relevant laws and regulations reported. There were no work-related fatalities during the Reporting Period. For the Reporting Period, there was one work-related incident (2021: 1 incident, 2020: 1 incident) and the number of days lost due to work injury were 299 days (2021: 71, 2020: 59).

#### Development and training

The Group aims to provide an environment where its employees can develop their career path that meets the long-term growth of their expectations and grow together with the Group as a whole. The Group encourages its employees in continual learning, especially safety training courses, and the seminar and/or external training organized by accredited professional institutions. During the Reporting Period, Cheung Kee provided training courses for its employees, which include (i) prevention of biological hazards and personal protection; (ii) safety guidelines for handling and disposing of dead wild birds; (iii) risk assessment for prevention of heatstroke at work; (iv) guide on safety at work under inclement and hot weather; (v) dangerous substances regulations; (vi) hazards during chemicals in use and safety guidelines; and (vii) guide to ladders and elevated working platforms. The Group also regularly provides reading materials and training to its Board to ensure that they keep pace with the latest regulatory requirements, corporate governance practices, and financial information and market trends.

During the Reporting Period, the contents of these training consisted mainly of new staff orientation, occupational safety, management, technical skills, and anti-corruption. The percentage of staff trained and their average trained hours are as follows:

<b>By Gender</b>	<b>Percentage of staff trained</b>	<b>Average hours trained per employee</b>
Male	31%	1
Female	34%	1

<b>By Employee Categories</b>	<b>Percentage of staff trained</b>	<b>Average hours trained per employee</b>
Senior Management	10%	0
Middle Management	70%	1
General staff	31%	1

# Environmental, Social and Governance Report

## THE EMPLOYEE (CONTINUED)

### Development and training (Continued)

The percentages of staff trained and average hours trained per employee are calculated using the total number of staff trained and total hours trained respectively, divided by the total number of staff as at the end of the year in their respective gender or employee categories.

### Labour standards

The Group fully understands its responsibility to protect human rights and combat the use of child and forced labour. The Group's human resources management personnel checks the identity card of permanent employees to ensure no person who is underage or under coercion is hired. All the employment contracts are entered on a voluntary basis without acts of forced labour. If such practices are discovered they will be thoroughly investigated and reported to the authorities where appropriate.

### *Compliance with relevant laws and regulations*

During the Reporting Period, the Group was not aware of any material non-compliance with the Employment Ordinance and Employment of Children Regulations of Hong Kong, the Labour Law of the PRC, Provisions on the Prohibition of Using Child Labour and Protection of Minors of the PRC and other applicable laws and regulations relating to preventing child or forced labour on the Group.

No non-compliance with the law that resulted in significant fines or sanctions had been reported during the Reporting Period.

## THE VALUE CHAIN

### Supply chain management

The Group is committed to strengthening the requirements of social responsibility in the supply chain system so as to enhance the competitive edge in the industry. The Group strictly abides by good practices and conducts fair and unbiased procurement processes when dealing with its suppliers. The Group will select those with a good reputation for being environmentally and socially responsible and/or that hold environmental certification to ensure they can meet the Group's requirement for material and service provision and minimise the environmental and social impacts in business activities, these include two significant suppliers of horticultural services and one supplier of gardening plants from Japan which provides reliable goods and services to us.

Not only a proven track record of legal compliance and satisfactory performance but also strong commitments to good ESG practices concerning issues such as environmental sustainability is expected and required when the Group hires suppliers and contractors. The Group encourages and supports its suppliers and contractors to further improve their environmental performance. The Group maintains close relationships with all the business partners and communicates to achieve high-quality performance together.

# Environmental, Social and Governance Report

## THE VALUE CHAIN (CONTINUED)

### Product quality and responsibility

The Group is committed to providing a high quality of products and services to its customers and proactively exploring their potential needs, in order to gain high customer satisfaction and foster its long-term business growth and development.

For the horticultural services and sales of plants operation, the Group provides the services of gardening design, horticultural greening projects with maintenance, rental of potted plants, and the wholesale and retail of various plants to its various groups of customers. By understanding the requests and expectations of its customers, the Group offers its customers with tailor-made products and services based on their requirements and specifications, in order to fulfill their needs and enhance their satisfaction and service experience. The team in Cheung Kee performs pest control on all plants before delivering to the customers to ensure that all products are of good quality. The Group offers after-sales service and pledges to replace all wilted plants or products in defect within the warranty period. During the Reporting Period, the Group has not received any material complaints related to its products and services, nor were there any recalls total due to safety and health reasons.

Data privacy and security are a great concern in society. The Group is dedicated to safeguarding the customer's interest and complies with the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong. The Group requires all its employees to strictly follow the internal guidelines when accessing and handling corporate confidential information, including but not limited to trade secrets, business plans, financial budgets, employee personal data and customer information. For instance, employees are prohibited to use any confidential information with regard to suppliers and customers or other matters relating to the Group for their own benefit or disclose and communicate such information to unauthorised third parties without prior approval by the Group to protect its interest.

### ***Compliance with relevant laws and regulations***

During the Reporting Period, the Group was not aware of any material non-compliance with the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong and other applicable laws and regulations relating to product and services health and safety and privacy matters in Hong Kong and the PRC. In addition, no significant fines had been reported during the Reporting Period.

# Environmental, Social and Governance Report

## THE VALUE CHAIN (CONTINUED)

### Anti-corruption

The Group upholds the high standards for ethical conduct and integrity. The Group exacts zero tolerance in corruption practices and complies with the applicable laws and regulations regarding anti-corruption, including but not limited to the Prevention of Bribery Ordinance (Cap 201) of Hong Kong and the Anti-Unfair Competition Law of the PRC. All employees are required to abide by the requirements of professional conduct and behaviours as specified in employee handbook and contract. Employees are strictly prohibited to offer and/or accept any advantages (e.g. gifts, entertainment or commissions etc.) from our business partners and customers. The Group has whistleblowing policy in place to encourage its employees and persons concerned about any suspected misconduct or malpractice within the Group and report a such concern in good faith to the human resource and administrative department. Employees who found misconduct after the verification of the case investigation will face disciplinary action and even be dismissed for serious cases. Anti-corruption training will be provided to staff and especially to directors as required.

### *Compliance with relevant laws and regulations*

During the Reporting Period, the Group was not aware of any material non-compliance with the Prevention of Bribery Ordinance (Cap 201) of Hong Kong and the Anti-Unfair Competition Law of the PRC and other applicable laws and regulations in Hong Kong and the PRC. There was no legal case regarding corruption practice brought against the Group or its employees.

### Community investment

The Group strives to create a harmonious, dynamic and livable environment for the communities where it operates. The Group strives to continue to improve the level of safety management in pursuit of safety operations and create more business and job opportunities for local communities in order to further promote sustainable development in Hong Kong and the PRC. Besides, the Group pays close attention to hotspot issues in social development and leverages its professional strengths to carry out poverty alleviation and public welfare activities. The Group encourages its employees to actively participate in social welfare, voluntary services and community activities in their spare time, so as to further share the care and warmth to their families and surrounding communities. Although resources contributed to these focus areas were difficult to quantify, to those who were on the receiving ends, these extraordinary benevolent and caring acts were worth much more than even silver and gold.

# Environmental, Social and Governance Report

## ESG REPORTING GUIDE INDEX

ESG Reporting Guide		Pages	Section in ESG Report
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
<b>A1</b>	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Page 8	
<b>KPI A1.1</b>	The types of emissions and respective emission data.	Page 8	Environmental Indicators
<b>KPI A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 8	
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 9	Environmental Indicators
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 9	Environmental Indicators
<b>KPI A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Page 8	The Environment – Emission
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Page 9–11	The Environment – Emission; The Environment – Use of Resources

# Environmental, Social and Governance Report

## ESG REPORTING GUIDE INDEX (CONTINUED)

ESG Reporting Guide		Pages	Section in ESG Report
<b>Aspect A2: Use of Resources</b>			
<b>A2</b>	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Page 10	The Environment – Use of Resources
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Page 11	Environmental Indicators
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Page 11	Environmental Indicators
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Page 10	The Environment – Use of Resources
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Page 10	The Environment – Use of Resources
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Page 11	Environmental Indicators
<b>Aspect A3: The Environment and Natural Resources</b>			
<b>A3</b>	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.	Page 12	The Environment – The Environment and Natural Resources
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 12	The Environment – The Environment and Natural Resources
<b>A4</b>	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Page 12	Climate Change
<b>KPI A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Page 12	Climate Change

# Environmental, Social and Governance Report

## ESG REPORTING GUIDE INDEX (CONTINUED)

ESG Reporting Guide		Pages	Section in ESG Report
<b>B. Social</b>			
<b>Aspect B1: Employment</b>			
<b>B1</b>	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.	Page 13, 15	The Employee – Employment Practice and Labour Rights
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Page 14	The Employee – Employee Profile
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Page 15	The Employee – Employee Profile
<b>Aspect B2: Health and Safety</b>			
<b>B2</b>	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.	Page 16–18	The Employee – Health and Safety
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Page 18	The Employee – Health and Safety
<b>KPI B2.2</b>	Lost days due to work injury.	Page 18	The Employee – Health and Safety
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Page 16–17	The Employee – Health and Safety

# Environmental, Social and Governance Report

## ESG REPORTING GUIDE INDEX (CONTINUED)

ESG Reporting Guide		Pages	Section in ESG Report
<b>Aspect B3: Development and Training</b>			
<b>B3</b>	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Page 18–19	The Employee – Development and Training
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Page 18	The Employee – Development and Training
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Page 18	The Employee – Development and Training
<b>Aspect B4: Labour Standards</b>			
<b>B4</b>	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.	Page 19	The Employee – Labour Standard
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Page 19	The Employee – Labour Standard
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Page 19	The Employee – Labour Standard

# Environmental, Social and Governance Report

## ESG REPORTING GUIDE INDEX (CONTINUED)

ESG Reporting Guide		Pages	Section in ESG Report
<b>Aspect B5: Supply Chain Management</b>			
<b>B5</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.	Page 19	The Value Chain – Supply Chain Management
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Page 19	The Value Chain – Supply Chain Management
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Page 19	The Value Chain – Supply Chain Management
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Page 19	The Value Chain – Supply Chain Management
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Page 19	The Value Chain – Supply Chain Management
<b>Aspect B6: Product Responsibility</b>			
<b>B6</b>	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.	Page 20	The Value Chain – Product Quality and Responsibility
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Page 20	The Value Chain – Product Quality and Responsibility
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Page 20	The Value Chain – Product Quality and Responsibility
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Page 20	The Value Chain – Product Quality and Responsibility
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Page 20	The Value Chain – Product Quality and Responsibility
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Page 20	The Value Chain – Product Quality and Responsibility

# Environmental, Social and Governance Report

## ESG REPORTING GUIDE INDEX (CONTINUED)

ESG Reporting Guide		Pages	Section in ESG Report
<b>Aspect B7: Anti-Corruption</b>			
<b>B7</b>	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.	Page 21	Anti – corruption
<b>KPI B7.1</b>	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.	Page 21	Anti – corruption
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Page 21	Anti – corruption
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Page 21	Anti – corruption
<b>Aspect B8: Community Investment</b>			
<b>B8</b>	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.	Page 21	Community Investment
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Page 21	Community Investment
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Page 21	Community Investment

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