



青鸟环宇
JADE BIRD UNIVERSAL

**BEIJING BEIDA JADE BIRD UNIVERSAL
SCI-TECH COMPANY LIMITED**
北京北大青鳥環宇科技股份有限公司

STOCK CODE : 08095

(A joint stock limited company incorporated in the People's Republic of China with limited liability)



2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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I. About the Report

In compliance with the requirement under Appendix 20 of the Rules Governing the Listing of Securities on GEM of The Hong Kong Exchanges and Clearing Limited (“HKEx”), Beijing Beida Jade Bird Sci-Tech Universal Company Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to present its seventh Environmental, Social and Governance (“ESG”) Report (the “Report”) for the year ended 31 December 2022 (“FY2022”), which demonstrates the Group’s approach and performance in terms of ESG management and corporate sustainable development for FY2022.

The Group is principally engaged in the development of travel and leisure business, investment holding, and other businesses including sales and purchases of metallic products, sales and production of LED devices, and production and sales of wine and related products.

As an enterprise mainly focusing on the tourism development projects in the People’s Republic of China (“the PRC”), the Group understands the importance of environmental and social sustainability to the long-term development of the tourism industry and local communities. Along with the national “30.60 Carbon Target” and a series of guiding documents on climate actions, the Group is committed to following the direction of development on sustainable development and low-carbon economy as illustrated by the Chinese government.

Aiming to integrate ESG management into its business operations, the Group continues to refine its business model and build resilience to various challenges which impose vital impacts to the world’s environmental sustainability, social stability and economic growth.

Boundary Setting

Adopting the Operational Control Approach, the Group sets its reporting boundary to cover the environmental and social performance within the major business segments of the Group in the PRC. Demonstrating the principle of Materiality, the Group excludes the production and sales of wine and related products business in the reporting boundary with reference to its insignificant annual operations and revenue. The establishment of the new LED devices production business also imposes a change to the Report’s scope in FY2022.

The reporting period of this ESG Report is FY2022, from 1 January 2022 to 31 December 2022, unless specifically stated otherwise. The environmental and social data presented in this Report, including the number of employees, only covers the aforementioned scope, which may lead to a slight difference as compared to the data for the whole Group as disclosed in the Annual Report 2022.

For the corporate governance section, please refer to the Group’s Annual Report 2022 (page 43 to 58).

I. About the Report

Reporting Principles

Materiality:

The prioritisation of the significance of the Group's environmental, social and economic impacts is crucial for the Group in setting up an effective sustainability strategy. The Group conducts materiality assessment annually by inviting internal and external stakeholders to express their concerns and expectations in terms of the Group's sustainable development. More information can be found in the section Materiality Assessment. Meanwhile, the principle of Materiality is also reflected in the boundary setting where ESG performances of immaterial business segments are not included in this Report.

Quantitative:

The application of the reporting principle of Quantitative is reflected in the use of calculations and numeric presentations of the Group's environmental and social Key Performance Indicators ("KPIs"). Calculation methods, assumptions and conversion factors used are specified clearly in the footnote of the corresponding performance tables.

Balance:

The Group is fully transparent on its outstanding achievements and room for improvement in order to portray an unbiased picture of the Group's sustainability performance.

Consistency:

To facilitate informed decision-making process through transparent information disclosure, the Group adopts a consistent reporting framework and reporting techniques that were aligned with previous ESG Reports to allow meaningful comparisons. Corresponding explanation will be clearly made in case of any significant differences from the previous reporting framework.

Information disclosure

The information in this Report was gathered through numerous channels, including official documents and internal policies of different subsidiaries of the Group, the factual evidence of the implementation of ESG practices in the Group, the feedback from staff via online surveys in the format of quantitative and qualitative questions based on the reporting framework, and the analysed statistics of the Group's annual performance in business operations and sustainable development. To deliver a more formalised ESG report that appeals to the readers, a complete content index is available at the end of the ESG report for readers' convenience to check its integrity. The Report is prepared in both English and Chinese. Should there be any conflict or inconsistency, the English version shall prevail.

II. Board Inclusiveness

The Group is aware of the importance of a robust and systematic sustainability governance framework towards its long-term development and the momentum of bringing forth a positive impact to the society. To this end, the board of directors of the Company (the “Board”) is responsible for overseeing the Group’s ESG issues through championing the integration of ESG concepts in risk management and business operations across the Group. The Board has the ultimate responsibility to ensure the effective implementation of the Group’s ESG policies and initiatives, thus carrying out its sustainability strategies from top to bottom.

Striving to integrate the ESG concept in the organisational culture and business operations, the Board members, the secretary of the Board and the company secretary of the Company are responsible for monitoring, tracking and managing the sustainable development performance of the Group, overseeing the effective implementation of ESG-related internal strategies (including climate-related risk identification and management) and formulating and revising policies regulating the business operations under material topics.

In order to meet the ever-changing needs of its stakeholders, the Board regularly reviews and adjusts its sustainability policies through the reports from the management. Details of the Group’s management approaches are elaborated in different sections of this Report.

With the forward-looking guidance and well-designed action plans to address underlying ESG matters, the Group will focus on optimising its internal sustainability framework and be the first mover to gain its advantage in leading the industry towards prosperity.

II. Board Inclusiveness

Board Statement

DEAR VALUED STAKEHOLDERS,

On behalf of the Board, I am pleased to present this ESG Report, detailing the Group’s approach, performance and commitment regarding corporate sustainability for the financial year ended 31 December 2022.

2022 was another unprecedented year filled with challenges and uncertainties brought by the COVID-19 Pandemic (the “pandemic”), as well as the beginning of entering the new normal. Throughout the year, we have been devoted to maintaining our resilience towards climate change and our commitment to creating a sustainable future. Learning from the lessons the pandemic taught, the Group further understands the importance of incorporating sustainability in its business strategies and operations.

Our approach to a better future

The COP27 climate summit has once again reminded people of how precious the environment is. The Group cherishes the natural environment which it heavily relies on, and has therefore aligned its risk management with the recommendations from the Task Force on Climate-related Financial Disclosures (“TCFD”). The Group will continue to evaluate the climate-related risks that it may face, and explore potential opportunities that emerge from the change in climate.

Meanwhile, to identify material ESG issues, the Group engages with its stakeholders through an annual materiality assessment. Through the assessment, the material ESG issues will be prioritised and validated by the Board, thus facilitating the Group to meet the needs and expectations of its stakeholders.

Moreover, the Group stays aligned with the Sustainable Development Goals (“SDGs”) announced by the United Nations in 2015 as guided by its mission and to enhance the level of its commitment towards sustainable development. By evaluating and communicating thoroughly with its stakeholders, the Group has identified and continued to contribute to the 2 SDGs, namely SDG 3: Good Health and Well-being, and SDG 4: Quality Education.

II. Board Inclusiveness

Our aspirations

Green travel business has now become a trend in balancing the tourism industry and environmental conservation, and it serves as a sustainable long-term development option that the nation is placing great importance on. The Group understands tourism is one of the significant industries which require attention on decoupling its growth with carbon emissions in stepping forward to reach carbon neutrality. Therefore, the Group spares no effort in identifying and setting environmental targets that are suitable and appropriate, with the aspiration of staying in line with the nation's ambition of achieving carbon neutrality by 2060. The Board monitors and regularly reviews the progress of achieving these targets, thereby approving their disclosures in this Report.

Looking forward, the Group will continue its commitment to taking up its responsibility as a corporate citizen. The Group strives to bring products and services that are of the best quality to its customers, while not losing sight of driving a more sustainable future for the nation.

Last but not least, I would like to take this opportunity to express my sincere gratitude to all employees of the Group for their excellent contributions during the year, and to the unfaltering support of our shareholders and business partners on our journey towards a more sustainable enterprise.

Ni Jinlei

Chairman and Executive Director

30 March 2023

III. Stakeholder Engagement

The Group understands that listening to its stakeholders is of utmost importance in order to ensure its business directions and sustainability strategies are up to date with the proper priorities and key stakeholders' interests, as well as staying in line with the industry's best practices. The Group actively engages with both its internal and external stakeholders, including employees, shareholders, suppliers, customers, etc., via their preferred communication channels as listed below.

Stakeholders 	Expectations and Concerns 	Communication Channels 
Government and regulatory authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Anti-corruption policies • Occupational health and safety 	<ul style="list-style-type: none"> • Supervision on the compliance with local laws and regulations • Fulfilment of statutory reporting requirements • Written correspondence
Shareholders	<ul style="list-style-type: none"> • Return on investments • Corporate governance • Business compliance 	<ul style="list-style-type: none"> • Regular reports and announcements • General meetings • Official website of the Group • Investor briefings and research reports
Employees	<ul style="list-style-type: none"> • Employees' remuneration and benefits • Career development • Health and safety in the workplace 	<ul style="list-style-type: none"> • Performance appraisals • Regular meetings and trainings • Emails, notice boards, hotline, team building services with the management
Customers	<ul style="list-style-type: none"> • Production quality assurance • Protection of customers' privacy and rights 	<ul style="list-style-type: none"> • Customers' satisfaction surveys • Face-to-face meetings and onsite visits • Customer service hotline and emails
Suppliers	<ul style="list-style-type: none"> • Fair and open procurement • Win-win cooperation • Environmental protection • Protection of intellectual property rights 	<ul style="list-style-type: none"> • Open tender for key suppliers • Contracts and agreements • Suppliers' satisfaction assessment • Telephone discussions • Face-to-face meetings and onsite visits
General public	<ul style="list-style-type: none"> • Involvement in communities • Business ethics • Environmental protection awareness 	<ul style="list-style-type: none"> • Media conferences and responses to enquiries • Public welfare activities • Official website of the Group

III. Stakeholder Engagement

Materiality Assessment

As ESG risks and opportunities vary across industries and depend on different corporate background, perspectives and business models, the Group undertook an annual review to identify, assess and prioritise the material ESG issues.

In FY2022, the Group engaged its stakeholders to perform a materiality assessment survey initiated by a third-party agency in order to enhance the objectivity of evaluation. Through a systemic materiality assessment, ESG issues can be prioritised, analysed and formulated into a materiality matrix. The materiality matrix reflects the relative importance of the ESG issues rated by its stakeholders, and further facilitates the Group to develop action plans for a more effective management system.

To ensure that the Group is addressing the issues that are most relevant to its business and stakeholders, the Group takes a stepwise approach in conducting its annual materiality assessment.

1. Identification

With reference to the ESG Guide and internationally recognised reporting frameworks, 28 topics from seven pillars including environment, employment, supply chain management, product responsibility, anti-corruption, community relations, and leadership & governance, were identified under the latest sustainability landscape that were deemed to have potential environmental and social impacts through the Group's operations.

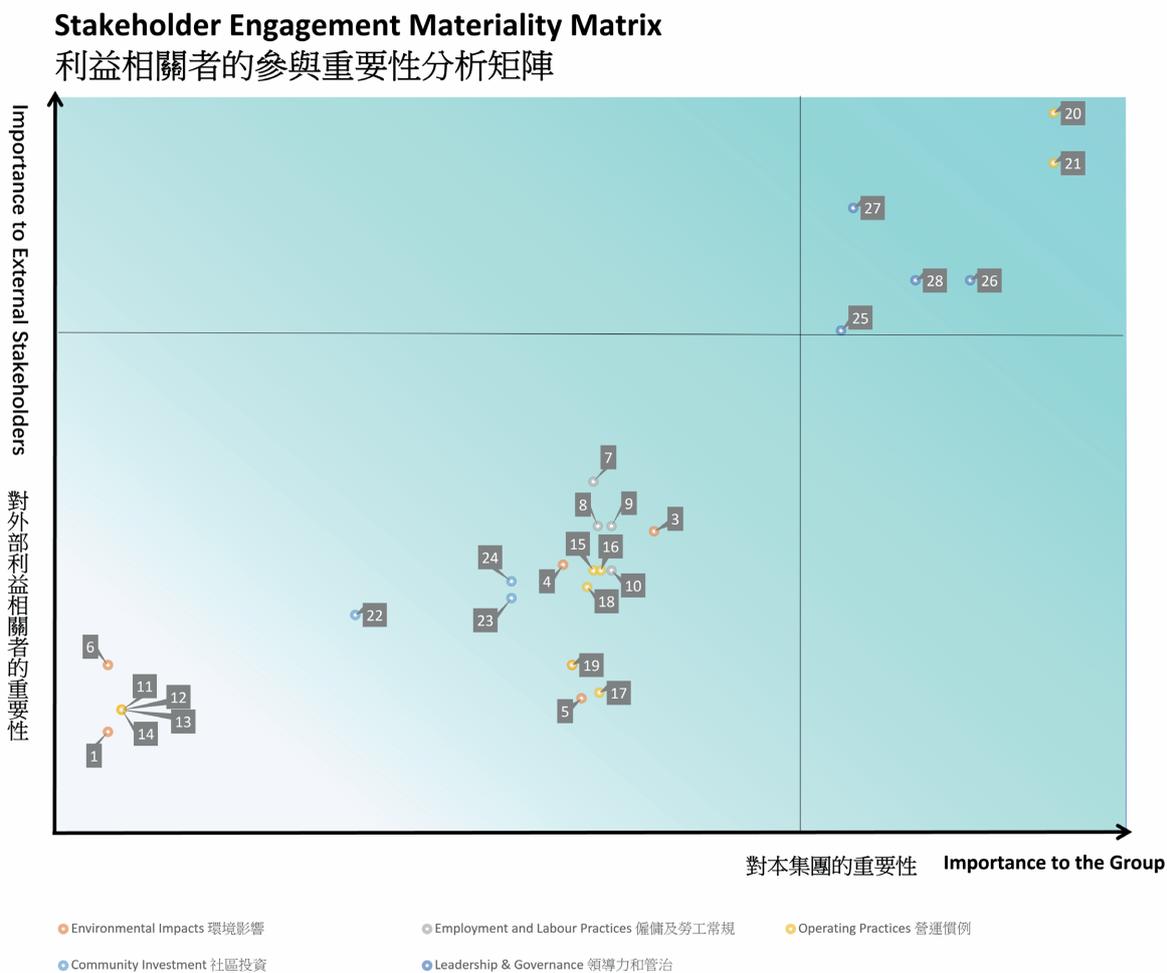
III. Stakeholder Engagement

1	GHG Emissions	15	Product/Service Quality and Safety
2	Energy Management	16	Customer Privacy and Data Security
3	Water & Wastewater Management	17	Marketing and Promotion
4	Solid Waste Stewardship	18	Intellectual Property Rights
5	Climate Change Mitigation & Adaptation	19	Labelling Relating to Products/Services
6	Renewable and Clean Energy	20	Business Ethics & Anti-corruption
7	Labour Practices	21	Internal Grievance Mechanism
8	Employee Remuneration and Benefits	22	Participation in Philanthropy
9	Occupational Health and Safety	23	Cultivation of Local Employment
10	Employee Development and Training	24	Support of Local Economic Development
11	Green Procurement	25	Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
12	Engagement with Suppliers	26	Management of the Legal & Regulatory Environment (regulatory compliance management)
13	Environmental and Social Risk Management of Supply Chain	27	Critical Incident Risk Responsiveness
14	Supply Chain Resilience	28	Systemic Risk Management (e.g. Financial Crisis)

III. Stakeholder Engagement

2. Prioritisation

To determine the materiality of the selected ESG topics, the Group collected and analysed the feedback of the stakeholder groups, followed by plotting the results of the materiality assessment on the materiality matrix below to reflect their level of significance.



According to the materiality matrix, “Business Ethics & Anti-corruption”, “Internal Grievance Mechanism”, “Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities”, “Management of the Legal & Regulatory Environment (regulatory compliance management)”, “Critical Incident Risk Responsiveness” and “Systemic Risk Management (e.g. Financial Crisis)” were being identified as the material ESG topics to the Group.

3. Validation

The results were being reviewed and endorsed by the Board. This assessment favours the Group to prioritise and identify material ESG issues precisely, thus developing action plans to meet its stakeholders’ ever-changing needs.

III. Stakeholder Engagement

Sustainable Development Goals

The Group has been actively supporting the SDGs, and continues its commitment on identifying, integrating and aligning the SDGs which are of greatest importance to its stakeholders and its business operations. The Group treats these SDGs as the driving force for the development of its sustainability strategy, and has prioritised two SDGs in continuation with the previous reporting year.



3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages

The Group pays special attention to the good health and well-being of local residents living at the communities it operates at and all staff and tourists at its scenery spots. As a corporation actively engages in the tourism business, the Group understands that ensuring the health and well-being of the local communities is of high importance while promoting economic growth and development.

With respect to this, the Group is committed to maintaining the cleanliness and hygiene of the scenic areas by voluntarily participating in the garbage cleaning of non-main roads and facilitating the pandemic prevention and control measures for the local communities.



4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The Group offers continuous on-the-job training for its employees to hone their professional skills and realise their self-value, as a response to the call for promoting lifelong learning opportunities for all.

Moreover, the Group continues its focus on supporting projects which ensure inclusive and equitable quality education is provided to all. Poverty has always been linked with the accessibility to quality education opportunities, therefore, the Group has long been committed to financially supporting underprivileged students to continue their studies at universities, as well as providing free shuttles for students taking the Entrance Examinations every year.

Stakeholders Feedback

As the Group strives for excellence, stakeholders' feedback, especially on topics listed as the highest importance in the materiality assessment and its ESG approach and performance, is highly welcomed. Readers are welcome to contact the Group through www.jbu.com.cn.

IV. Environmental Sustainability

Ensuring long-term sustainability of the environment and community in which it operates is always the top priority of the Group's core values. In FY2022, the Group stringently controlled its emissions and resource consumption, and complied with the relevant environmental laws and regulations in its operating regions, including but not limited to:

- Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法);
- Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法);
- Law of the People's Republic of China on Prevention and Control of Water Pollution (中華人民共和國水污染防治法);
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法);
- Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法); and
- Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法).

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources, as well as climate change in FY2022.

A.1 Emissions

In FY2022, the Group complied with applicable environmental laws regarding emissions during its daily operations. The Group was not in violation of any laws and regulations in relation to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise, that have a significant impact on the Group. The Group is committed to monitoring, measuring and recording its emissions during operations in order to mitigate its environmental impacts.

During the year under review, the Group's major emissions are air and GHG emissions, and non-hazardous solid waste and wastewater, while no significant amount of hazardous waste were recorded in the reporting year. Air emissions including sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM") were mainly generated from vehicles for transportation. GHG emissions were mainly composed of Scope 1 (Direct Emissions), which is mostly contributed by the use of liquid fuels. A summary of the Group's emissions in FY2022 is available in the table below:

IV. Environmental Sustainability

Table E1 – The Group’s Total Emissions by Category in FY2022

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2022	Intensity (Unit/employee) in FY2022 ¹	Amount in FY2021 ²	Intensity (Unit/employee) In FY2021 ²
Air Emissions ³	SO _x	Kg	12.2	0.02	16.7	0.04
	NO _x	Kg	15,178.9	26.0	20,747.6	46.7
	PM	Kg	857.2	1.5	2,056.7	4.6
GHG Emissions ⁷	Scope 1 ⁴ (Direct Emissions)	Tonnes of CO ₂ e	2,006.9	3.4	2,730.5	6.1
	Scope 2 ⁵ (Energy Indirect Emissions)	Tonnes of CO ₂ e	1,643.0	2.8	223.0	0.5
	Scope 3 ⁶ (Other Indirect Emissions)	Tonnes of CO ₂ e	17.6	0.03	18.8	0.04
	Total (Scope 1 & 2 & 3)	Tonnes of CO ₂ e	3,667.3	6.3	2,972.3	6.7
Non-hazardous Waste	Wastewater ⁸	Tonnes	40,708.0	69.7	31,308.0	70.5

- ^{1.} Intensity for FY2022 was calculated by dividing the amount of air, GHG and other emissions respectively by the total number of employees 584 of the Group in FY2022 within the reporting scope;
- ^{2.} The amount and intensity for FY2021 were extracted from the data in the ESG Report 2021;
- ^{3.} The calculation of air emissions included only the consumption of fossil fuels for transportation purpose;
- ^{4.} The Group’s Scope 1 (Direct Emissions) included only the emissions arose from the consumption of liquid fuels in motor vehicles;
- ^{5.} The Group’s Scope 2 (Energy Indirect Emissions) included only the emissions arose from electricity consumption;
- ^{6.} The Group’s Scope 3 (Other Indirect Emissions) included only the emissions arose from paper wastes disposed of at landfills, and electricity used for processing fresh water and sewage by government departments;
- ^{7.} The methodology adopted for reporting on GHG emissions set out above was based on “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEx, GHG Protocol Corporate Accounting and Reporting Standard and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories; and
- ^{8.} As most wastewater generated was discharged into the municipal sewage system without a clear record, the amount of wastewater generated by the Group was estimated on the assumption that 100% of freshwater used was discharged as wastewater.

IV. Environmental Sustainability

Compliance

The Group has implemented its Environmental Protection Management Specification (環境保護管理規範) to better manage its emissions. Meanwhile, to comply with the requirements of the local environmental protection department, the commercial management department is responsible for entrusting a third-party testing agency to detect the pollution factors of the commercial sewage and emissions. The pollution levels must not exceed the national and local pollutant emission concentration standards. In any case of violation, investigations have to be made for finding out the reasons behind and corrective measures should be done in a timely manner.

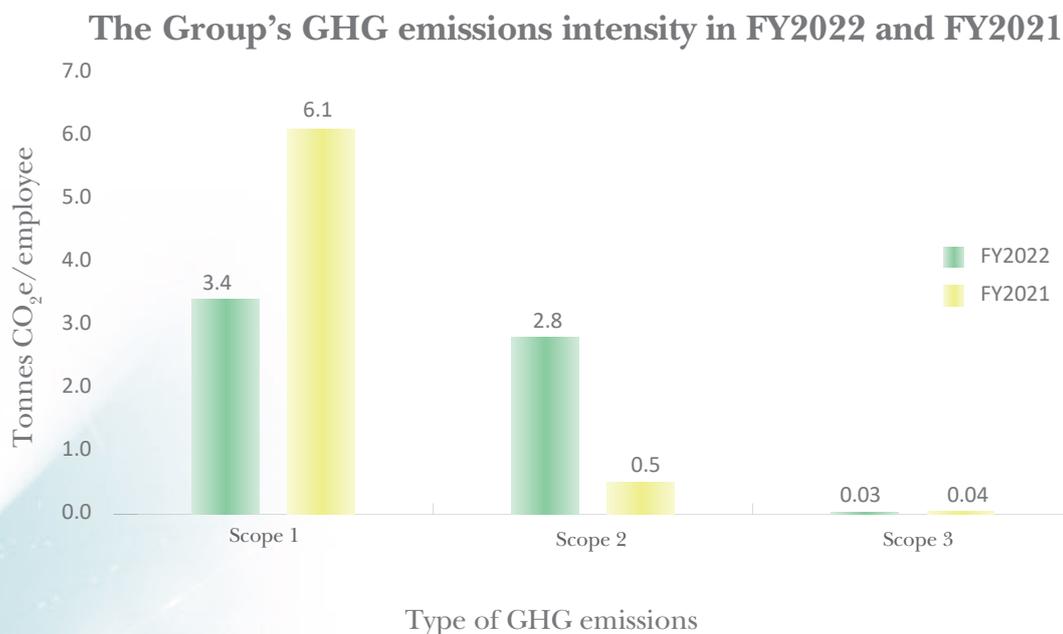
Air & GHG Emissions

In FY2022, there was a decrease in all three types of air emissions the Group emitted. In particular, the PM emission reduced for 58%, primarily due to the reduction in the consumption of transportation fuels.

In addition, the Group's sales and production of LED devices business emits volatile organic compound ("VOC") during the production process. The Group's internal policies clearly formulates the emission standards and regular inspection has to be done. In FY2022, the Group's VOC emission has been lowered with the utilisation of collection ducts to collect the VOC, which will then be purified by the external air purification unit in the ventilation system before releasing to the atmosphere.

In FY2022, Scope 1 emissions is the major type of the Group's GHG emissions, accounting for 55% of the Group's total GHG emissions profile. The surge in Scope 2 (Indirect Emissions) emissions was mainly due to the increase in electricity consumption at the Group's newly integrated sales and production of LED devices business. Such changes made the Group's GHG emissions pattern differed from that in FY2021. Still, the intensity of the overall GHG emissions remained at a similar level, which a 6% decrease was recorded in the year under review.

Graph showing the changing pattern of GHG emissions intensities



To ensure that actions are taken effectively towards its aspiration, the Group is dedicated to controlling its consumption of fossil fuels and optimising its operations. More information on the Group's actions on managing its consumption on fossil fuels and electricity will be described in A.2 Use of Resources.

IV. Environmental Sustainability

Wastewater

In FY2022, the wastewater generated from the Group mainly comprised of non-hazardous commercial and domestic wastewater. The municipal wastewater was directly discharged into the drainage system of the property building. The Group ensures its wastewater discharge meets the third-level standard in the Integrated Wastewater Discharge Standard (GB8978-1996), and receives approval from the local government before discharging to the drainage system. For domestic sewage and construction wastewater, the Group makes sure they are treated by grease traps and septic tanks before entering the urban sewage pipe network.

Sales and Production of LED devices business

The drainage pipes and rainwater pipes are separated, while discharging wastewater into rainwater pipes is strictly prohibited. The Administrative Department is responsible for monitoring the condition of water pipes and preventing them from clogging. The wastewater discharged from production plants meets the requirements as listed in the Guangdong Province Discharge Standard (水污染物排放限值-廣東省地方標準) (DB44/26-2001). Various pollutants, including COD_{Cr} (chemical oxygen demand), BOD₅ (five-day biochemical oxygen demand) and SS (suspended solids) have been reduced at different levels in FY2022.

The amount of non-hazardous wastewater increased by 30% in FY2022, primarily due to the resumption of local travelling following the reopening of scenery spots.

The Group reckons that the generation of wastewater largely depends on the consumption of freshwater, therefore, it adopts effective measures to reduce its water consumption thus wastewater discharge in daily operations. Details will be discussed in A.2 Use of Resources.

Solid Waste

During the year under review, the amount of solid waste generated was not significant. Nonetheless, the Group has implemented its Waste Management Measures (廢棄物處理辦法) in continuation of its commitment to integrating the concept of sustainable waste stewardship in its daily operations.

In response to the countrywide waste sorting regulation, waste classification has been implemented across the Group's operations. Qualified third parties are assigned to handle onsite waste classification, collection and further treatment including reuse and recycling. In FY2022, 0.5 kg of plastic waste has been recycled.

Meanwhile, solid waste that cannot be recycled will be transported to the waste disposal plant. In order to minimise solid waste generation, the Group discourages the use of disposable paper cups, tissue, chopsticks and plastic bags. Furthermore, slogans have been posted at canteens to remind its employees to cherish food and reduce food waste.

Given that tourism development is the major business of the Group, reclamation and construction projects are inevitable. Therefore, the Group ensures the projects are aligned with national policies and local requirements in order to better control the potential emissions and discharges. Corresponding ecological protection measures along with pollution prevention and control measures are strictly implemented, while the three-simultaneous system are also enacted to ensure that the impact on the surrounding environment is controllable.

In addition, the Group's sales and production of LED devices business has introduced automatic solder paste printing machines to its production lines, and has led to a 33% decrease in the consumption of solder paste.

IV. Environmental Sustainability

A.2 Use of Resources

In FY2022, the Group mainly consumed electricity, water, diesel, gasoline, paper, plastic, and paper-made packaging materials. Effectively utilising natural resources has always been the top priority of the Group's environmental concern, thus the Group continues to improve its performance in resource management by setting up and monitoring appropriate KPIs concerning the procurement practices and resource consumption. The following table illustrates the amounts of resource consumption during the year under review:

Table E2 – The Group's Total Use of Resources by Category in FY2022

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2022	Intensity (Unit/employee) in FY2022 ¹	Amount in FY2021 ²	Intensity (Unit/employee) in FY2021 ²
Energy ³	Electricity	000' kWh	2,827.9	4.8	365.5	0.8
	Diesel	L	339,575.9	581.5	403,964.5	909.8
	Gasoline	L	458,489.3	785.1	690,555.4	1,555.3
	Total	000' kWh	10,905.9	18.7	11,409.5	25.7
Water	Water	m ³	40,708.0	69.7	31,308.0	70.5
Paper	Paper	Kg	927.5	1.6	1,239	2.8
Raw materials	Plastic	Kg	0.5	8.6×10 ⁴	–	–
Packaging materials	Paper	Kg	0.8	1.4×10 ³	–	–

¹ Intensity for FY2022 was calculated by dividing the amount of resources the Group consumed in FY2022 by the total number of employees 584 of the Group in FY2022 within the reporting scope;

² The amount and intensity in FY2021 were extracted from the data in the ESG Report 2021 of the Group; and

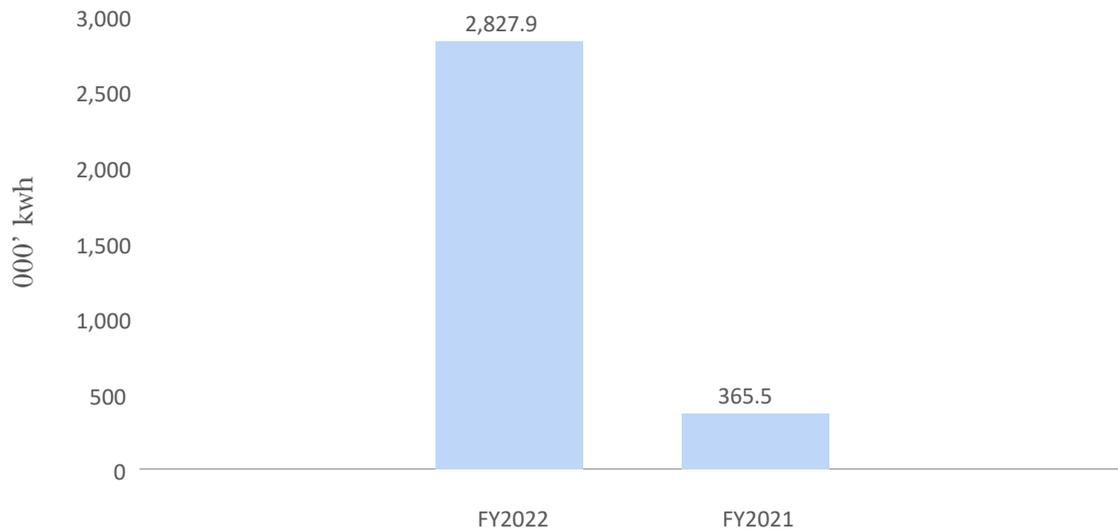
³ The energy conversion of resources consumed was based on the energy coefficient set out in “How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEx.

IV. Environmental Sustainability

Electricity

The administrative and manufacturing operations mainly contribute to the Group's electricity consumption in FY2022. The electricity consumption of the Group surged during the year under review due to the newly incorporated sales and production of LED device business.

The Group's electricity consumption in FY2022 and FY2021



During the year under review, the Group has implemented a series of electricity saving measures, including but not limited to:

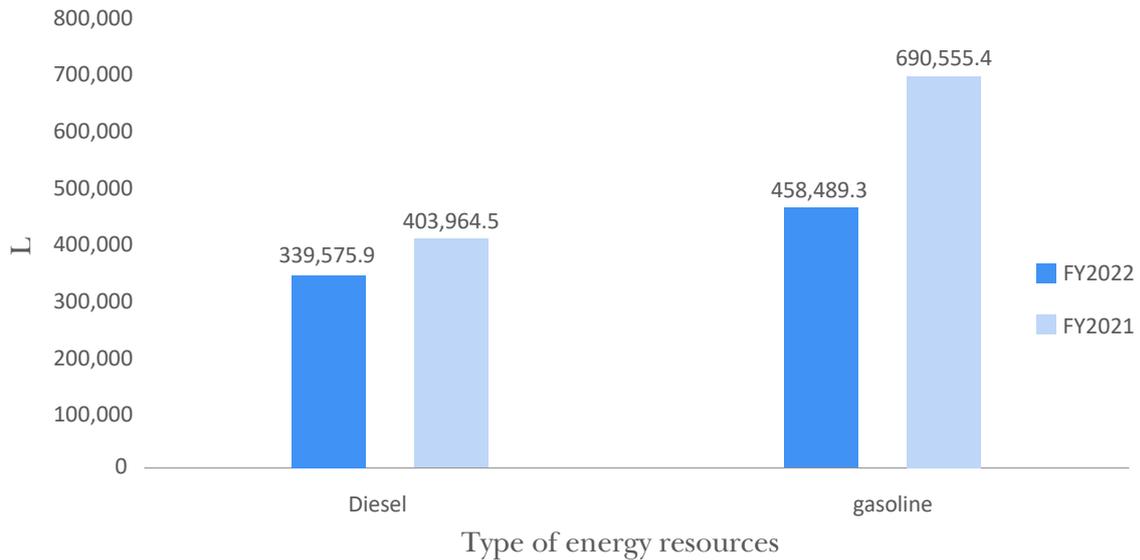
- Maximise the usage of natural lights when there is sufficient natural lighting;
- Switch off idle equipment, lighting and air conditioner;
- Clean and repair equipment regularly to ensure their efficiency;
- Prioritise the purchase of energy efficient equipment with energy label;
- Use eco-friendly refrigerant; and
- Strictly prohibit the use of high-power electrical appliances.

IV. Environmental Sustainability

Other energy resources

Other than electricity, the Group consumed diesel and gasoline during the year under review for its transportation services under the tourism business. Both fuels showed a fall in consumption in FY2022.

The Group's consumption of diesel and gasoline in FY2022 and FY2021



The Group aims to control its use of fuels by adopting the following measures:

- Adopt the policy of centralised fleet management to reduce unnecessary transportation;
- Maximise the transportation efficiency through the strict monitoring and frequency reduction of empty transport miles;
- Upgrade the fleet with energy-efficient engines;
- Encourage employees to take public transport whenever possible; and
- Reduce unnecessary business travel by making use of digital means for communications.

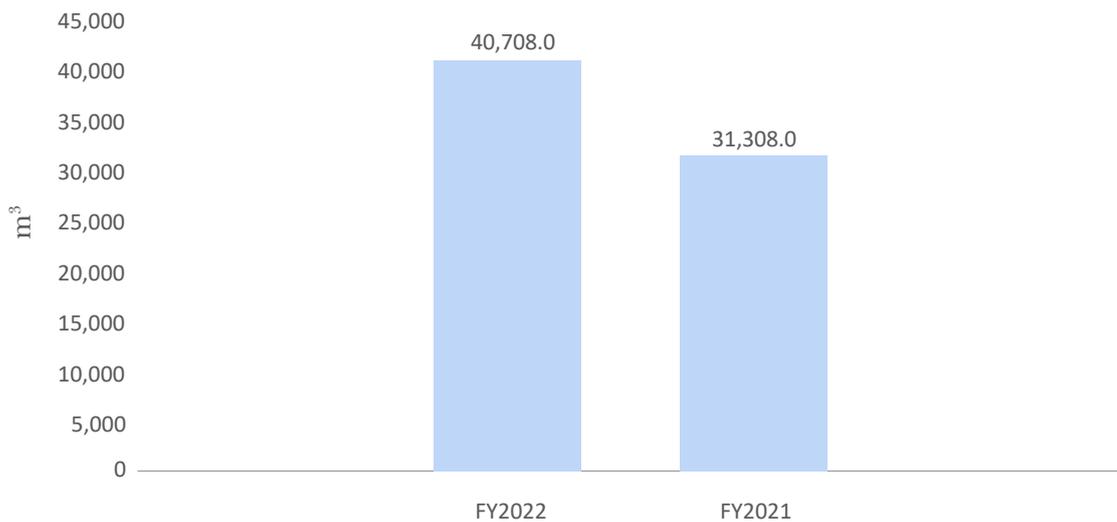
IV. Environmental Sustainability

Water

Water is another major resource that the Group consumed in FY2022. With the resume of travel and reopening of scenic spots, there was a rise in the use of water, while the intensity remained at a similar level with a slight decrease of 1%.

During the year under review, the Group did not face any problem in sourcing water that was fit for its purpose.

The Group's water consumption in FY2022 and FY2021



The Group endeavours to improve the utilisation of water resources by implementing internal policies, such as the Water and Electricity Safety Management Measures (水電安全管理辦法), and actions such as:

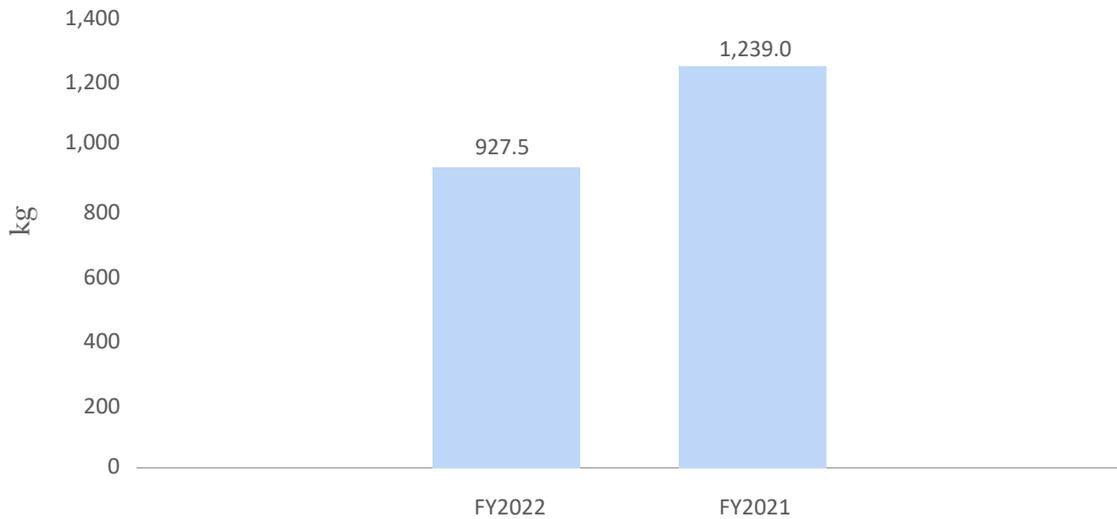
- Provide training to staff on water conservation;
- Assess conservation performance among employees regularly;
- Upgrade toilets with smart flushing system using reclaimed water; and
- Facilitate wastewater reuse after treatment.

The Group has also started to replace its original water supply system by a frequency conversion water supply system, which provides water according to the demand and time frame, thus improved the water usage efficiency and reduced waste of water resources.

IV. Environmental Sustainability

Paper

The Group's paper consumption in FY2022 and FY2021



Paper was mostly used in the Group's administration operations. In FY2022, there was a 25% decrease in the Group's paper consumption, and 115 kg of paper has been recycled. The following are measures implemented by the Group to minimise the consumption of paper and other paper-made products:

- Collect and recycle used paper;
- Set double sided printing as default;
- Remind staff to think before print to prevent unnecessary waste;
- Use singled-sided paper for documents not of top importance;
- Edit documents directly in soft copy without printing;
- Promote a paperless office by encouraging use of email and electronic bulletin boards for information exchange; and
- Encourage customers to use electronic invoices.

IV. Environmental Sustainability

A.3 The Environment and Natural Resources

The Group understands its diverse range of businesses may have varied impacts on the environment and natural resources. Considering the Group as a whole, the relatively significant environmental impacts of the Group in FY2022 are the GHG emissions arose from the consumption of electricity and the increase in water consumption. Meanwhile, significant decreases in gasoline and paper consumption were recorded as well.

Nevertheless, the Group will continue its commitment to upholding its standards and actively delivering on its environmental responsibility, so as to align with the national ambition to achieve carbon neutrality by 2060. By adopting a systematic approach, the Group has been monitoring and analysing its environmental performance, which are followed by a series of environmental targets listed below:

Areas	Targets	Actions
Air and GHG emissions	Taking FY2022 as the baseline year, the Group aims to reduce the intensities of air pollutants and GHG emissions in FY2023 to be lower than the corresponding intensities in FY2022.	<p>The Group is committed to ensuring all its operating vehicles are in compliance with the national standards and are passed in the annual vehicle inspection with regards to the vehicle pollutant emission limits and measurement.</p> <p>The Group will continue to search for more environmentally friendly fuels to reduce its GHG emissions.</p>
Solid waste	Taking FY2022 as the baseline year, the Group aims to maintain its solid waste intensity at the same level.	The Group will strictly follow its internal policies regarding solid waste disposal and explore for alternatives in reducing waste during its operations.
Electricity	<p>Taking FY2022 as the baseline year, the Group aims to reduce the electricity consumption intensity in FY2023 to be lower than the corresponding intensity in FY2022.</p> <p>Some of the Group's subsidiaries have set a reduction target on electricity consumption by 5% to 10% in FY2023, setting FY2022 as the baseline year.</p>	<p>A series of internal policies and guidelines including the Water and Electricity Safety Management Measures (水電安全管理辦法) are formulated to instruct all employees to study and implement sustainable practices.</p> <p>All subsidiaries of the Group are required stringently comply with the Group's energy saving policies.</p>

IV. Environmental Sustainability

Areas	Targets	Actions
Other Energy resources	Taking FY2022 as the baseline year, the Group aims to maintain the energy consumption intensities in FY2023 to be lower than the corresponding intensities in FY2022.	The Group will continue its efforts in exploring cleaner fuel alternatives.
Water and Wastewater	<p>Taking FY2022 as the baseline year, the Group aims to reduce the water consumption and wastewater discharge amount by 10% in FY2023 as compared to the figure in FY2022, assuming the overall business scope will remain unchanged.</p> <p>Some of the Group's subsidiaries have set a reduction target on water consumption by 2% to 5% in FY2023, setting FY2022 as the baseline year.</p>	The Group will continue to encourage its staff to save water by incorporating their achievements in seeking sustainability in performance appraisals.
Paper	Taking FY2022 as the baseline year, the Group aims to maintain its paper consumption at the same level.	The Group aims to control the number of printed documents and promote an automated and paperless office culture.

As an enterprise with a diverse range of businesses, the Group understands that its different businesses may have different impacts on the environment and natural resources. Other than establishing environmental targets, the Group is committed to upholding its standards and devoting its efforts to foster the concept of “Responsible travel” and “Responsible workplace”.

Responsible travel

Dedicated to promoting an environmentally conscious culture along with environmentally sound travel practices to minimise waste and reduce harmful emissions, the Group keeps enhancing the environmental performance of its vehicle usage by following the national standards and passing inspection as aforementioned. In addition, the Group encourages its staff to take public transport whenever possible as well as reduce unnecessary business travel by making use of digital means for communications.

Responsible workplace

The Group is committed to building a sustainable workplace by taking a series of energy-saving initiatives, such as avoiding heating/cooling of unused spaces and putting emphasis on improved building design. Moreover, in the past, one of the subsidiaries of the Group conducted an Environmental Impact Assessment (EIA) and received Environmental Permit for its tourism development project, demonstrating its outstanding commitment and effort in controlling its environmental performances.

IV. Environmental Sustainability

A.4 Climate change

The Group, as a supporter of the TCFD recommendations, is committed to identifying and mitigating climate-related risks for all of its stakeholders and the planet in response to the national goal of “30.60 dual carbon target”. For years, the Group has been focusing on its climate risk assessment from a holistic perspective, and regarding the following climate-related risks as ones which may impact the Group’s business operations in the long-term.

Risk		Potential Impact
Physical Risk	<ul style="list-style-type: none"> Increasing frequency of extreme weather events. 	<p>Severe weather and frozen roads may threaten the safety of both staff and tourists in the scenic areas. The potential increase in accidents may lead to a drop in the number of tourists due to safety concerns, thus reducing the Group’s revenue and causing a rise in operating costs.</p> <p>Moreover, the Group may have to allocate more monetary resources on tourists safeguarding measures and compensation to injured tourists or staff in case of any accident arise from the extreme weather events.</p>
Transition Risk	<ul style="list-style-type: none"> Change in weather patterns. 	<p>Such changes may cause some of the Group’s scenic areas not available for visit or even limit its potential in exploring new scenic areas for tourists.</p>

In response to the identified climate-related risks, the Group has formulated emergency plans for operations in severe weather events to ensure the safety of all staff and tourists. Guidelines are also provided as instructions on facing accidents swiftly and properly. Meanwhile, the Group also increased the frequency of safety inspections as well to safeguard the well-being of all.

Despite no immediate severe impacts are identified that may significantly affect the Group’s operations at this moment, the Group continues to monitor the latest risks arise and will formulate corresponding mitigation measures in a timely manner. Acknowledging that potential opportunities may arise as the climate change-related trends evolve, the Group will also get prepared to look into identifying and grasping any climate-related opportunities in the near future.

V. Social Sustainability

EMPLOYMENT AND LABOUR PRACTICES

Acknowledging that the Group's future depends on the quality, performance and commitment of its staff members, the Group strongly supports human rights, diversity, inclusion and ethical behaviour in the workplace and employment policies.

B.1 Employment

Employees have always been one of the most valuable assets of the Group to ensure its success and long-term development. In FY2022, a total of 584 employees were employed under the Group, in which 388 were male and 196 were female. Details on the employee distribution is illustrated in Table S3 in the APPENDIX – PERFORMANCE TABLE.

Law compliance

In FY2022, the Group abided by the relevant laws and regulations in its operating regions that were material to the Group's business, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (中華人民共和國勞動法);
- Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法);
- Minimum Wage Standards (最低工資規定); and
- The Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法).

To ensure the Group's employment policies are in line with the latest laws and regulations, the Human Resources Department is responsible for reviewing and updating the corporate documents in talent management regularly.

Recruitment and promotion

The Group strictly adheres to the principles of democracy, openness, impartiality and excellence as set out in the Recruitment Management System (招聘錄用制度) during the recruitment process. All applicants have to undergo a series of standardised selection process, including written test on professional skills, comprehensive ability tests and interview, before they are officially hired.

V. Social Sustainability

Besides, the Group organises performance evaluation periodically to assess its staff members. For those who have consistently demonstrated outstanding performance, especially in areas of growth and operational excellence, the Group proactively offers them with management positions. Regarding the career growth of junior staff, the Group provides them with a clear career development path, while those who have served the Group for more than three years will be offered a promotion and pay rise.

Compensation and dismissal

The Group's Salary Management System (薪資管理制度) clearly states the salary composition, which is divided into monthly fixed salary, subsidies under specific conditions and bonus. The Group conducts compensation reviews and salary adjustment regularly with reference to the market conditions, inflation rate, profitability of the Group and employees' past performance in order to motivate, reward and recognise those who made significant contributions to the Group.

Moreover, the Group prohibits any kinds of unlawful or unreasonable dismissals. Any termination of employment contract is strictly based on reasonable and lawful grounds according to the Dismissal Management System (解聘管理制度) and the relevant laws and regulations. In FY2022, the turnover rate of the Group was 11.5%. For more details, please refer to Table S4 in the APPENDIX – PERFORMANCE TABLE.

Working hours and rest period

In accordance with the “Provisions of the State Council on Employees' Working Hours” (國務院關於職工工作時間的規定), the Group arranges reasonable working hours and rest periods to its employees. In particular, the Attendance Management System (考勤管理制度) is in place to monitor the working hours of each staff. The Group does not encourage overtime working, however, corresponding compensation will be made to those who work overtime with reference to the Assessment Management System or his/her relevant employment contract.

In addition to basic paid annual leave and statutory holidays stipulated by the local governments, employees are also entitled to additional leave benefits such as marriage leave, paternity leave and compassionate leave.

Equal-opportunity and anti-discrimination

The Group endeavours to promote a fair, respectful and diverse working environment as an equal opportunity employer, thus is committed to developing a team spirit in the workplace that embraces and leverages the Group's multicultural essence and offers equal opportunities to talented individuals. Training and promotion opportunities, dismissals and retirement policies are determined irrespective of employees' gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job-related factors in all business units.

V. Social Sustainability

The Group has zero tolerance to any workplace discrimination, harassment or victimisation, thus has implemented internal policies which is in line with the relevant laws and regulations. By reinforcing its fair treatment and consideration in daily practices, the Group strives to eliminate all forms of discrimination and harassment in the workplace. The Human Resources Department is responsible for monitoring the compliance with applicable laws and regulations. Employees are also encouraged to voice out and report any discrimination or harassment during work.

In addition, the Group promotes gender equality both internally and externally. The Group provides employees with trainings related to fairness to let female employees to be fully aware of their rights and interests, thus educated to increase their self-protection awareness.

Benefits and welfare

The Group understands its duty to care for its employees. By providing additional benefits and welfare such as insurances, medical check-ups, well-equipped dormitories and housing subsidies, the Group aims to nurture employees' sense of belonging along with organising festival dinner parties and purchasing fitness equipment.



During the year under review, the Group complied with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2 Health and Safety

The Group is committed to creating a safe and secure workplace for employees, thus it understands the importance of maintaining the highest standards of safety and employee protection. To uphold its commitment, the Group has implemented strict internal health and safety policies which are aligned with the relevant laws and regulations in its operating regions, including but not limited to:

- Production Safety Law of the People's Republic of China (中華人民共和國安全生產法);
- Road Traffic Safety Law of the People's Republic of China (中華人民共和國道路交通安全法);
- Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法);
- Fire Control Law of the People's Republic of China (中華人民共和國消防法);
- Law of the People's Republic of China on the Protection of Rights and Interests of Women (中華人民共和國婦女權益保障法);
- Regulation on Emergency Responses to Work Safety Accidents (生產安全事故應急條例); and
- Regulation on Work-Related Injury Insurance (工傷保險條例).

During the year under review, emergency drills, safety inspection and training programmes regarding safety management requirements, fire safety regulations and prevention on infectious diseases were provided by the Group. Personal protection equipment (PPE) is distributed to the staff of the Group in accordance with the Provisions on the Prevention of Occupational Hazards and Labour Protection of Female Employees (職業病防治及女職工勞動保護規定) and Regulations on the Distribution and Use of Protection Equipment (勞動防護用品發放使用規定). Regarding the newly added sales and production of LED devices business segment, the production lines strictly follow the Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used (使用有毒物品作業場所勞動保護條例), Regulation on the Safety Management of Hazardous Chemicals (危險化學品安全管理條例) and Regulations on Preparedness for and Response to Emergent Public Health Hazards (突發公共衛生事件應急條例).

All employees are required to strictly comply with the internal safety production management policies and regulations, including the Office Safety Management Regulations (辦公場所安全管理規定) and the Quality, Occupational Health and Safety Management Manual (質量職業健康安全管理手冊). The Security Department is responsible for the regular safety inspection and the Administrative Department is responsible for organising medical check-ups for staff members, while it is the General Manager's responsibility to supervise and ensure that the relevant measures are implemented effectively.

V. Social Sustainability

Aware of its commitment to providing a safe working environment to its employees, the Group spares no effort to implement its internal safety measures, which effectiveness can be reflected on the zero work-related fatalities in the past three financial years. Meanwhile, for all injuries or accidents, the Accident Investigation Report (意外事故調查報告) has to be filled and submitted to the Administrative Department within 24 hours. The Group will review all incidents carefully and organise corresponding meetings to prevent similar cases from happening again. In FY2022, there were no work-related injuries cases thus no lost days due to work-related injury were recorded.

In FY2022, the Group was in compliance with the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

Response to COVID-19

The effective prevention and control of the pandemic by the Chinese government had minimised the impacts brought by the pandemic to the Group in FY2022. Nevertheless, the Group strictly followed the local requirements on pandemic prevention and control measures, such as maintaining social distance, wearing masks, carrying out disinfection of workplace and incoming vehicles, ensuring proper air ventilation, as well as reminding everyone to pay attention to personal hygiene.

In consideration of public health, nucleic acid testing is also arranged after the personnel movement during significant festivals and holidays. The measures aforementioned will be adjusted according to latest developments and government orders.

B.3 Development and Training

The Group views its employees as one of its most important assets and believes that all of its employees should have the opportunity to receive trainings in nurturing talents who are essential for maintaining and improving its competitiveness. Aiming to establish and continue to deepen staff members' sense of identity with the Group's culture, the Group strives to help its staff grow and develop in a wider and broader aspect. As such, it is committed to providing employees with pre-job training, on-the-job training, and recommending them to take post-graduate studies.

Following the principle of "Fairness, Competition, Rewards" (公平、競爭、獎優), the Group has established the Training Management System (培訓管理制度). The Human Resources Department is responsible for formulating the "Annual Training Plan", which includes the objectives, content, time and participants of various training programmes. Both newly employed and experienced staff members receive customised package of training courses designed and arranged by the Group. The Group provides comprehensive induction training, which covers the corporate culture, business process, work safety requirements, management policies and development philosophy of the Group, to the newcomers. For experienced employees, the Group, in collaboration with domestic technology research institutes and equipment manufacturers, organises suitable training programmes to improve their technical and product knowledge, as well as to understand relevant industry standards and workplace safety standards.

In FY2022, the Group provided 446 staff with 8,624 hours of training on topics such as health and safety, operations and service management. More details regarding the number of staff trained and the training hours can be found in Tables S5 and S6 in the APPENDIX – PERFORMANCE TABLE.

B.4 Labour Standards

In FY2022, the Group abided by relevant labour laws and regulations in its operating regions to prohibit any child and forced labour employment, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Labour Law of the People’s Republic of China (中華人民共和國勞動法); and
- Law of the People’s Republic of China on the Protection of Minors (中華人民共和國未成年人保護法).

To combat illegal employment of child labour, underage workers and forced labour, the Group strictly abides by the requirements of the State Council’s Provisions on the Prohibition of Using Child Labour (禁止使用童工規定) and the Ministry of Labour’s Provisions on Special Protection of Underage Workers (未成年工特殊保護規定). Its internal management measures are formulated according to the regulations aforementioned and clearly listed in its Staff Handbook and other Recruitment Management Specifications (招聘管理規範).

According to its “Prohibition of the Use of Child Labour and Underage Labour Management Systems”(禁止使用童工和未成年工管理制度), the Human Resources Department is responsible for ensuring all job applicants are lawfully employable by checking their identity documents prior to confirmation of any employment. The Human Resources Department also monitors and reviews employees’ identity documents and records monthly to ensure the Group’s policies have been implemented properly.

If any case of incompliance with relevant labour laws, regulations or standards has been identified, the responsible staff will be held accountable with announcement across the organisation. The Group will further discuss on improvements on its recruitment process, labour protection and grievance system, thus enact accordingly in order to prevent similar incident from happening again.

The Group also respects and advances human rights along its supply chain other than its internal systems and practices. All suppliers and contractors are required to acknowledge and ensure fair labour practices. In any case of violation, the suppliers/contractors will be removed from the list of qualified suppliers and the business partnership will be terminated until corrective measures have been implemented.

In FY2022, the Group was in compliance with applicable laws and regulations in relation to the prevention of child and forced labour that have a significant impact on the Group.

V. Social Sustainability

OPERATING PRACTICES

B.5 Supply Chain Management

Suppliers and business partners are vital to the Group's business sustainability. The Group aims to maintain continual and mutually rewarding relationships with its suppliers while upholding same sustainable believes throughout the value chain as a socially responsible enterprise.

Following the Supplier Conduct Code, the Group carefully selects suppliers who have demonstrated responsible business operations based on ethical, environmental and social criteria, demonstrating the Group's practice on sustainable procurement and creation of share values within the supply chain.

Each of the operating subsidiaries within the Group monitors the quality of its suppliers and assesses their practices on a strict and continuous basis according to its internal Supplier Evaluation Checklist. To minimise potential environmental or social risks along the supply chain, the Group strictly follows the criteria set out in the Checklist, including product quality control, product traceability, complaint handling, unconformity control and environmental hazardous substance management etc.

Sales and Production of LED devices business

In accordance with the Supplier Conduct Code, the Procurement Department assesses the performance of its suppliers monthly or quarterly. Only suppliers who pass the assessment can continue to be qualified suppliers of the Group.

Moreover, green procurement policies are important in controlling the environmental impacts that LED devices business could bring. Such policies are implemented to ensure that suppliers are providing materials which meet the requirements of relevant Restriction of Hazardous Substances (RoHS), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Halogen-free (HF) and Material Safety Data Sheet (MSDS) regulations. They are required to provide reports which meet the EU standards before official engagement.

Tourism development business

The Procurement Department is responsible for tracking potential suppliers' product quality, experience, service quality, financial status and operating stability through a holistic assessment. In the final evaluation of candidate suppliers, all selection factors and risks have to be considered before making a final decision, so as to build a competitive supply chain system. All qualified suppliers will be logged into the Group's Supplier Database which is reviewed annually. The Group communicates with its suppliers regularly through phone calls, online meetings, mails and on-site visits to strive for effective collaboration.

The quality of material supplied is crucial to business operates at scenery spots in terms of its environmental impact. Therefore, green procurement policies require suppliers to provide proof on their materials supplied meet the requirements of relevant RoHS regulations, while those who provide design materials have to present the Group with relevant environmental protection information of the manufacturer to ensure its credibility. Suppliers who have been certified as green partners and possess ISO 14001 certification will be listed as priority procurement partners. In the coming five years, this business segment of the Group strives to achieve 80% of its business partners being local suppliers, so as to pursue a green value chain.

Metallic products trading business

With reference to the Group's internal Trader Access Criteria (貿易商准入標準), suppliers are required to comply with relevant laws and regulations regarding environmental management system and occupational health and safety management system. The Procurement Department is responsible for performing preliminary background check of the potential partners by utilising external resources including TianYanCha, to identify and minimise any potential environmental and social risks, thus ensuring they are not involved in any non-compliance or litigation cases.

The Group is committed to giving priority to suppliers with better environmental performances in order to practise green procurement at its best. With regards to relevant environmental protection policies and requirements, the Group values suppliers who possess national environmental protection system certification and quality system certification. Meanwhile, if any supplier is found to be involved in environmental litigation, the Group will terminate the partnership immediately.

In FY2022, the Group were in stable communication and collaboration with 226 key suppliers which all of them are located in the PRC. The aforementioned supplier engagement policies are applied to 119 of the Group's key suppliers, and 41 key suppliers are included in the Group's green procurement policies.

B.6 Product Responsibility

Law Compliance

Investment business

In compliance with the relevant laws and regulations including the Price Law of the People's Republic of China (中華人民共和國價格法), the Group has been following its strict internal control policies to prevent operational risks and ensure operations are standardised. For instance, to promote the institutionalisation, standardisation and systematisation of safety management and supervision, the Group has formulated the Safety Production Management Measures (安全生產管理辦法) and Investment Management System (投資管理制度). These measures are also in place to effectively prevent the occurrence of various accidents, eliminate potential hazards, and ensure responsible investment. The inspection department is responsible for assessing the rationality, completeness and effectiveness of the internal control measures, thus monitoring the implementation of control procedures. Meanwhile, recall procedures are not applicable thus not discussed in this section due to the business nature of the Group.

V. Social Sustainability

Tourism development business

In FY2022, this business segment of the Group was in compliance with the relevant laws and regulations, including but not limited to:

- Production Safety Law of the People's Republic of China (中華人民共和國安全生產法);
- Product Quality Law of the People's Republic of China (中華人民共和國產品質量法);
- Price Law of the People's Republic of China (中華人民共和國價格法); and
- Regulation of the People's Republic of China on Road Transport (中華人民共和國道路運輸條例).

Quality and Safety

“Safety is life, Service is soul” (「安全是生命，服務是靈魂」). The Group has never forgotten its service motto, and continues to focus its efforts on improving health and safety while maintaining its excellent service quality at all times. As such, in order to ensure its services are up to standard, the Group has developed a series of internal policies such as the Code of Service Behaviour and Language Usage (服務行為和用語規範) in guiding staff behaviour, and the Non-conforming Control Management Procedures (不合格控制管理程序) to cope with staff whose performance is not acceptable.

Sales and Production of LED devices

The Testing and Inspection Procedure (產品檢驗管理程序) applies to all materials and products during the production process. Materials have to be certified before order processing, and the Procedure has clearly listed the steps for testing and inspection. The On-going Reliability Test is carried out for every batch of product, and the shipment can only be made after passing the Test.

Tourism development business

To protect the safety of all tourists in the scenic area, the Safety Production Committee has formulated a safety management system and regularly conducts safety production supervision and inspection following the requirements of Occupational Health and Safety Management System (GB/T45001-2020), Quality Management System (GB/T19001-2016) and Basic Requirement for Enterprise Safety Production Standardisation (GB/T 33000-2016).

V. Social Sustainability

Customer Satisfaction and Complaint Handling

The Group spares no effort in collecting customers' feedback on its service quality, as they serve as one of the crucial forces to drive further improvement of the Group. A satisfaction survey is carried out every year to evaluate its performance on fulfilling clients' needs and identify areas of improvement.

Tourism development business

Other than the satisfaction survey, the Customer Re-interview Specification (客戶回訪工作規範) is enacted in particular to stay updated with its customers by understanding their opinions on service quality and experiences during their stay in the scenic areas. Meanwhile, the Customer Service Department is responsible for managing the Group's tourist service quality. A 24-hour service hotline has been set up to ensure all opinions can be dealt within a timely manner.

In order to maintain its trust from the public, the Group continues to improve the transparency of the hotline operation and management. The Group has implemented a series of control measures to standardise internal procedures, including the Hotline Service Specification (熱線服務規範) and Complaint Acceptance and Handling Service Specification (投訴受理及處理服務規範).

In FY2022, no complaints have been received by the Group. Nevertheless, the Group will continue to monitor the quality of its products and services among its business segments and strive for further improvement.

Intellectual Properties and Innovations

The Group formulates the Enterprise Management Innovation Work Procedures (企業管理創新工作程序) to encourage innovative ideas by rewarding those who provided reasonable and feasible suggestions for innovation achievements and further escalates the Group's operations.

Meanwhile, the Group actively applies for appropriate intellectual property rights for any new trademarks, labels, product designs or self-developed technical know-how. The Group also hires legal counsel to provide legal advice on protecting its intellectual properties, and actively reports any case of violating intellectual property rights.

Advertising and Promotions

The Advertising Planning Department and Marketing Department are responsible for developing marketing plans and designing advertising materials, while all materials should follow internal verification standards and comply with the Advertising Law of the People's Republic of China (中華人民共和國廣告法). The Group employs an experienced legal counsel to review and monitor the advertisements and marketing materials before release to ensure any exaggerated or wrongful description in the materials can be spotted.

V. Social Sustainability

Data Security and Privacy Matters

Credibility has always been a crucial indicator of the Group's investment business, thus information security and data protection are of paramount importance to sustain its competitiveness. All business relevant information is kept secure within the Group's internal system, and IT Department is responsible for setting and monitoring the effective implementation of all firewalls and restrictions to prevent any unauthorised export of data or leakage of data. Moreover, personal data collected will only be used for the purposes as defined, while all employees are required to strictly abide by the rules and prohibited from disclosing any confidential information to external parties without customers' authorisation. The intranet of the Group is encrypted to prevent any unauthorised information usage and exportation, while customer codes are used throughout the ordering and sales procedures for manufacturing business without disclosing customers' information.

During the year under review, the Group did not receive any substantial complaints from its customers regarding its products and services quality, and no privacy information or sensitive data leakage incident has been reported.

In FY2022, the Group complied with the relevant laws and regulations regarding health and safety, advertising, intellectual property, labelling and privacy matters of its products and services that are material to the Group. Due to its business nature and the application of the Materiality principle, labelling-related issues are not discussed in this report as it is deemed not material to the Group's business.

B.7 Anti-corruption

It is of vital importance for the Group to maintain a long-lasting and trusting relationship with its customers, business partners and other key stakeholders by building a culture of ethical behaviour and acting with integrity. The Group strives to maintain a fair, ethical and efficient business and working environment. Under the reporting period, the Group adhered to the local laws and regulations relating to bribery, extortion, fraud and money laundering, irrespective of the area or country where the Group operates, including but not limited to:

- Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法);
- Law of the People's Republic of China on Anti-money Laundering (中華人民共和國反洗錢法);
- Interim Provisions on Banning Commercial Bribery (關於禁止商業賄賂行為的暫行規定);
- Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國不正當競爭法);
- Article 274th of the Criminal Law of the People's Republic of China on extortion and fraud (中華人民共和國刑法第二百七十四條關於敲詐勒索); and
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

V. Social Sustainability

In order to maintain an integrity working environment, all newly employed staff are required to sign a letter of integrity and gain knowledge on the Group's Anti-corruption Code of Conduct (反貪污行為守則). To maintain a high level of business integrity and minimise business risks, the Group implemented a comprehensive Internal Control Process (內部控制指引), which clearly specifies the responsibility and time for different control audits.

The Group also implemented its Prevention System of Conflict of Interest (利益衝突防範制度) to promote its integrity, legality and effective operations, thus showcasing its effort in initiating profound reforms and continuously improving prevention mechanisms. Furthermore, when negotiating the terms of the contract with external partners of significant deals, at least 2 people must make inquiries at the same time in order to ensure there is no secret deal, which hinders the Group's interests. In addition, the business, financial and compliance departments have to review the contract before signing to ensure that each clause does not contain any loopholes.

To strengthen the construction of social spiritual civilization as well as the ideological and moral mindset, the Group is dedicated to educating every staff in opposing and resisting commercial bribery truly from the heart. In FY2022, the Group organised anti-corruption-related training seminars with local labour unions and amounted to 2 hours for 30 general employees and 15 management staff.

Meanwhile, the whistleblowing policy is also in place for employees to report on any suspected activities. The Human Resources and Administrative Department is responsible for investigating any suspect or illegal behaviour to protect the Group's interests, while the President's Office is responsible for monitoring, reviewing and subsequent processing where any crime is substantiated by the Group.

In FY2022, no concluded legal cases regarding corrupt practices brought against the Group or its employees was recorded, and the Group complied with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that is material to the Group.

V. Social Sustainability

COMMUNITY

B.8 Community Investment

The Group believes creating long-term shared value for the local communities is mutually beneficial to both the Group and residents' well-being. Dedicated to supporting activities related to the local communities where its operations located at, in addition to creating local job opportunities, the Group prioritised the following aspects in community investment, namely Education and Promotion of Culture, and Health and Well-being of the Communities, during the reporting period.

Education and Promotion of Culture

“Knowledge is power.” – The Group believes knowledge could change one’s destiny, and is committed to offering educational opportunities to local youths. In FY2022, the Group donated RMB5,000 to a local education sponsorship programme which supports underprivileged university students. Moreover, the Group continued to provide caring shuttle bus services for students attending the Entrance Examinations (中考、學考及高考).

Meanwhile, the Group is also keen to promote the local culture. Zhurong Town, one of the cultural tourist spots operated by the Group, organised events inclusive of supporting night economy and intangible cultural heritage events, thus outdoor movie screening to promote cultural tourism.



V. Social Sustainability

Health and Well-being of the Communities

One of the Group's vision is to foster the harmony with local communities. The Group has always been bearing in mind that it is of top priority for the Group to promote health and well-being to the local residents. In FY2022, a total of 204 volunteer person-times participated in various activities, such as voluntary patrols, anti-scam promotion events and blood donation, in contributing to the development of a safer and closer community.

In light of the development of the pandemic, the Group actively participated in voluntary epidemic prevention and control work, including hygienic investigations and assisting nucleic acid tests in local communities. In addition, the Group donated supporting kits to highway service areas to express gratitude to those who worked at the frontlines of epidemic control.



VI. Appendix – Performance Table

Table S3. Number of Employees by Age Group, Gender, Employment Type, Position Type, Geographical Locations of The Group in FY2022 ¹

Unit : Number of employees		Age group			
Gender	Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	Total
Male	45	123	144	76	388
Female	44	82	48	22	196
Total	89	205	192	98	584

Unit : Number of employees		Position		
Gender	General staff	Middle management	Director and Senior management	Total
Male	341	28	19	388
Female	175	14	7	196
Total	516	42	26	584

Employment type		
Full time	Part time	Total
584	0	584

Geographical location	
Locations	Number of employees
PRC	566
Hong Kong	9
Others	9
Total:	584

¹ The employment data in headcount was obtained from the Group's Human Resources Department based on the full-time employment contracts entered into between the Group and its full-time employees. The data only covered full-time employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group within the reporting scope. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by HKEx.

VI. Appendix – Performance Table

Table S4. Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2022 ¹

Unit : Number of employees		Age group				Total
Gender	Aged 30 or below	Aged between 31 to 40	Aged between 41 to 50	Aged 51 or above		
Male	14	17	6	6	43	
Employee turnover rate (%)	31.1	13.9	4.2	7.9	11.1	
Female	7	7	5	5	24	
Employee turnover rate (%)	15.9	8.5	10.2	22.7	12.2	
Total	21	24	11	11	67	
Total employee turnover rate (%)	23.6	11.8	5.7	11.2	11.5	

Geographical locations		
Locations	Employee turnover	Employee turnover rate (%)
PRC	67	11.8
Hong Kong	0	0.0

¹ The turnover data in headcount was obtained from the Group's Human Resources Department based on the full-time employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of full-time employees who resigned in FY2022 by the number of full-time employees in FY2022. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by HKEx.

VI. Appendix – Performance Table

Table S5. Number and Percentage of Employees Trained in the Group by Gender and Position Type in FY2022 ¹

Unit : Number of employees		Position			
Gender	General staff	Middle management	Director and Senior management	Total	
Male	284	26	12	322	
% of employees trained	63.7	5.8	2.7	72.2	
Female	107	10	7	124	
% of employees trained	24.0	2.2	1.6	27.8	
Total	391	36	19		
% of employees trained	87.7	8.1	4.3		
Total number of employees			584		
Total number of employees trained			446		
Total percentage (%) of employees trained			76.4		

¹ The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2022. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by HKEx.

Table S6. Training Hours Received by the Employees of the Group by Gender and Position Type in FY2022 ¹

Unit : Training Hours		Position			
Gender	General staff	Middle management	Director and Senior management	Total	
Male	5,702	561	159	6,422	
Average training hours	16.7	20.0	8.4	16.6	
Female	1,831	213	158	2,202	
Average training hours	10.5	15.2	22.6	11.2	
Total	7,533	774	317	8,624	
Average training hours	14.6	18.4	12.2	14.8	

¹ The training information was obtained from the Group's Human Resources Department. The above data only covers the workplace within the reporting scope. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by HKEx.

VII. Report Disclosure Index

HKEx ESG Guide content index

Aspects	ESG Indicators	Description	Page/Remark
A. Environmental			
<i>A1: Emissions</i>	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. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations	12
	KPI A1.1	The types of emissions and respective emissions data.	13
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	12
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	13
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	21
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	15, 21
<i>A2: Use of Resources</i>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	16
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	16
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	16
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	20, 21
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	19, 21
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	16
<i>A3: The Environment and Natural Resources</i>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	21, 22
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	21, 22
<i>A4: Climate Change</i>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	23
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	23

VII. Report Disclosure Index

Aspects	ESG Indicators	Description	Page/Remark
B.Social			
Employment and Labour Practices			
<i>B1: Employment</i>	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.	24–26
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	38
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	39
<i>B2: Health and Safety</i>	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.	27, 28
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	28
	KPI B2.2	Lost days due to work injury.	28
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	27, 28
<i>B3: Development and Training</i>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer	28
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	40
	KPI B3.2	The average training hours completed per employee by gender and employee category.	40
<i>B4: Labour Standards</i>	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.	29
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	29
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	29

VII. Report Disclosure Index

Aspects	ESG Indicators	Description	Page/Remark
Operating Practices			
<i>B5: Supply Chain Management</i>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	30, 31
	KPI B5.1	Number of suppliers by geographical region.	31
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	30, 31
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	30, 31
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	30, 31
<i>B6: Product Responsibility</i>	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.	31–34
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	31
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	33
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	33
	KPI B6.4	Description of quality assurance process and recall procedures	31, 32
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	34
<i>B7: Anti-corruption</i>	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	34, 35
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	35
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	35
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	35
Community			
<i>B8: Community Investment</i>	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.	36, 37
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	36, 37
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	36, 37



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