

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT

2021



**Termbray Industries
International (Holdings) Limited**

Stock Code: 00093

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ABOUT THIS REPORT

We are an investment holding company and the group's principal business are property development and investment.

Termbray Industries International (Holdings) Limited (hereafter the "**Company**" or "**Termbray**") and its subsidiaries as listed in Scope of Report (collectively the "**Group**" or "**we**" or "**us**") are pleased to publish the sixth environmental, social and governance ("**ESG**") report (the "**Report**"), summarizing our policies, approaches and performance of ESG-related topics and issues.

Scope of Report

This ESG Report covers the ESG management approaches, environmental and social performance of the Group during the period from 1 January 2021 to 31 December 2021 (the "**Reporting Period**" or "**2021**"). The scope of our core operations is same as annual report of the Group, including the business of property management and leasing of properties in Hong Kong and the mainland China, sales of properties in the mainland China, and money lending services of providing mortgage and personal loan financing to customers in Hong Kong.

The reporting boundary has been expanded which the business of providing financial services in Hong Kong was included, due to the business expansion in Hong Kong.

Reporting Standard

The Report has been prepared in accordance with the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEx**") ("**HKEx ESG Reporting Guide**"). The Report has been reviewed and approved by the board of directors (the "**Board**") of the Company.



Reporting Principles

During the preparation process, the Group adheres to the fundamental reporting principles, namely materiality, quantitative, balance and consistency, as outlined in the HKEx ESG Reporting Guide.

1. Materiality

We performed a materiality assessment to determine the material ESG issues and focus of this Report. The materiality matrix and details of stakeholder engagement are illustrated in the later section of this Report.

2. Quantitative

All disclosed information, environmental and social key performance indicator(s) (“KPI(s)”) were organized and calculated according to HKEx ESG Reporting Guide and standardized methodologies. The assumption and calculation principles are illustrated in the relevant sections.

3. Balance

The Board has acknowledged its responsibility to oversee the Company’s sustainable development and review the truthfulness, accuracy and completeness of this Report. This Report has been prepared carefully with a fair view.

4. Consistency

Unless otherwise specified, this Report has been prepared in the same way in terms of the methodologies when compared to those in previous years. We adopted consistent environmental and social data management approaches to allow a fair comparison of our performance over time.

Contact & Feedback

The Group values your feedback and opinion on the Report. Please feel free to contact us with the following contact information:

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183 Queen’s Road Central,
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Company website: www.termbray.com.hk

OUR ESG MANAGEMENT APPROACH

ESG Governance Structure

The Group is committed to operating the business in an environmentally, socially and economically responsible practice. Due to the growing awareness of ESG issues from stakeholders, as well as the interest from investors to learn how we react to the ESG-related risks, we have formulated a comprehensive strategic approach that reflects our long-term value creation depending on the sustainable development of our business, and the community in which we operate.

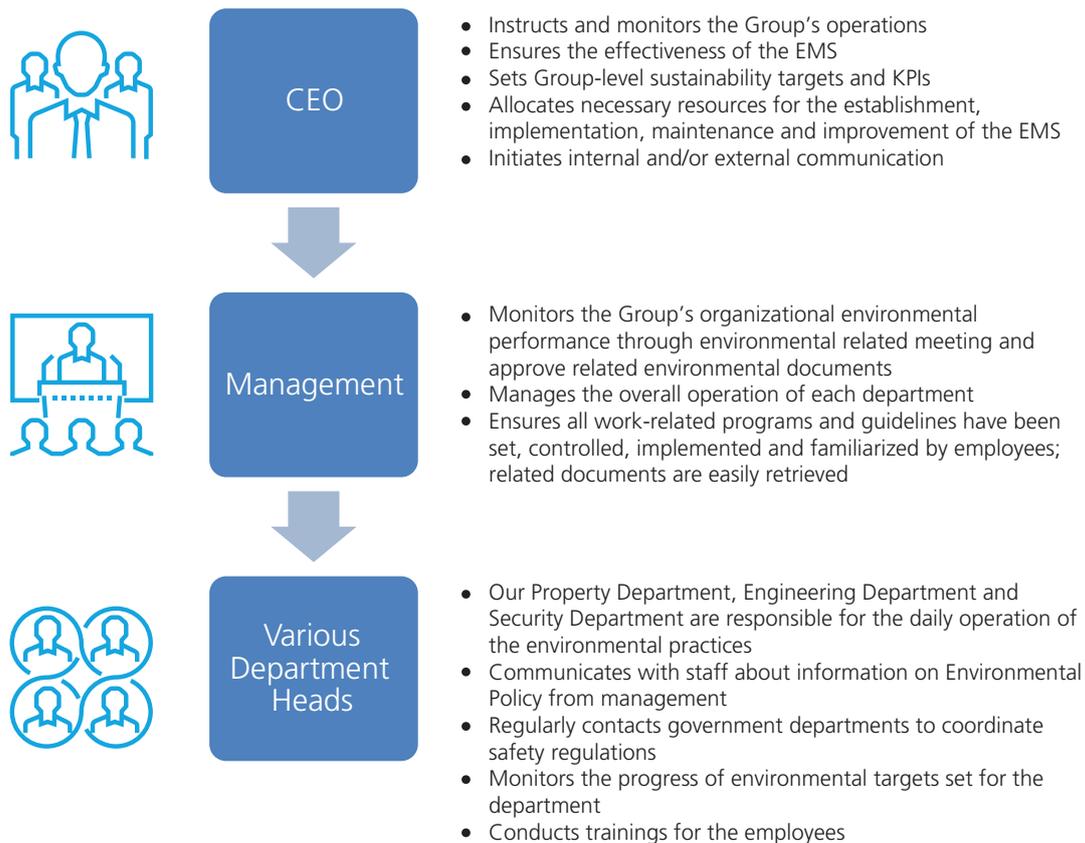
The Group has made our sustainability pledge to show the commitment to incorporating environmental sustainability values into our business. The ESG Policy states the Company's management approach on aspects including business, environmental and community and aligns with our ESG commitments, leading the Group towards our sustainability pathway.

Group ESG Policy

- To better protect the environment and improve conditions in the community, the Group will comply with all sustainability-related laws, policies and regulations
- To consume resources responsibly, e.g. water, electricity, to minimize their wastage while avoiding greenhouse gas ("GHG") emissions, which reduces and prevents the risk of environmental pollution
- To extend our sustainability values to the supply chain and promote the use of environmentally-friendly products while maintaining the quality of products delivered
- To develop a healthy, safe, supportive and equal working environment
- To develop a work place that upholds the highest business integrity without any corruptive, bribery and fraud cases
- To communicate with staff about the Group's environmental targets and KPIs to increase their environmental awareness
- To enhance the living standards of the community in which we operate and build a collaborative relationship with our stakeholders

The Board holds the responsibility to oversee the ESG management mechanism and is supported by the ESG Working Group which comprises of executives and representatives from different departments.

To manage the environmental issues and ensure our operations abide by related environmental laws and policies, the Group established a robust Environmental Management System (“**EMS**”) and stipulated our ESG management structure in the Environmental Management Handbook. Our EMS is led by our Chief Executive Officer (“**CEO**”) with the support of various departments to ensure the effective implementation of EMS and alignment with the business strategies, operating environment and regulatory requirements. Key responsibilities of the respective personnel are as follows:



ESG Risks Management

The Group understands that the ESG risks may seriously affect our business activities and operation. A risk management system has been implemented with a set of risk management policies, and controls and measures in place, which are incorporated with our existing risk management framework. For example, the Policy of Environmental Risk Management and Structure has been implemented to address the personnel, its responsibility and the risk management approaches. The risk management undergoes several key processes which are monitored and overseen by the ESG Working Group regularly, including understanding the Group's objectives by the management, identification and evaluation of the risks, analysis their impacts and likelihood, developing and monitoring the controls and measures of the risks.

During the Reporting Period, we have appointed a consultant to perform ESG risk assessment and the identified ESG risks have been incorporated into our risk management framework. These key risks, including climate related risks and IT security and access risk were identified. Mitigation measures have been addressed and implemented to reduce the impact of the risks. Below are some of the countermeasures implemented to address the impacts of the identified ESG risks.

Risk Identified	Impact and Countermeasure(s) Implemented
Climate Related Risks (Physical)	<p>Impact: Inability to plan for and recover from a major climate disaster interrupts the day-to-day operations of the organization, preventing it from providing essential products and services to its customers and recovering its operating expenses.</p> <p>Countermeasures Implemented: In order to mitigate the risk, we have outlined several policies to deal with the flooding issues, customers' needs, and employees' safety concerns. We also review the flooding blackspot regularly and prepare stand-by pumps to prevent damage from the flooding events. For more details, please refer to the section headed Our Environmental Management in this Report.</p>
IT Security and Access Risk	<p>Impact: Inadequately protection of internal and external access to the customer data from theft, viruses, sabotage, or improper use, which may undermine the confidence of the customers.</p> <p>Countermeasures Implemented: The Group has established Personal and Business Data Policy which employees is obliged not to disclose any confidential information of the Group, including the information of the Group's customers and business partners. For more details, please refer to the section headed Services and Product Responsibility in this Report.</p>

STAKEHOLDER ENGAGEMENT

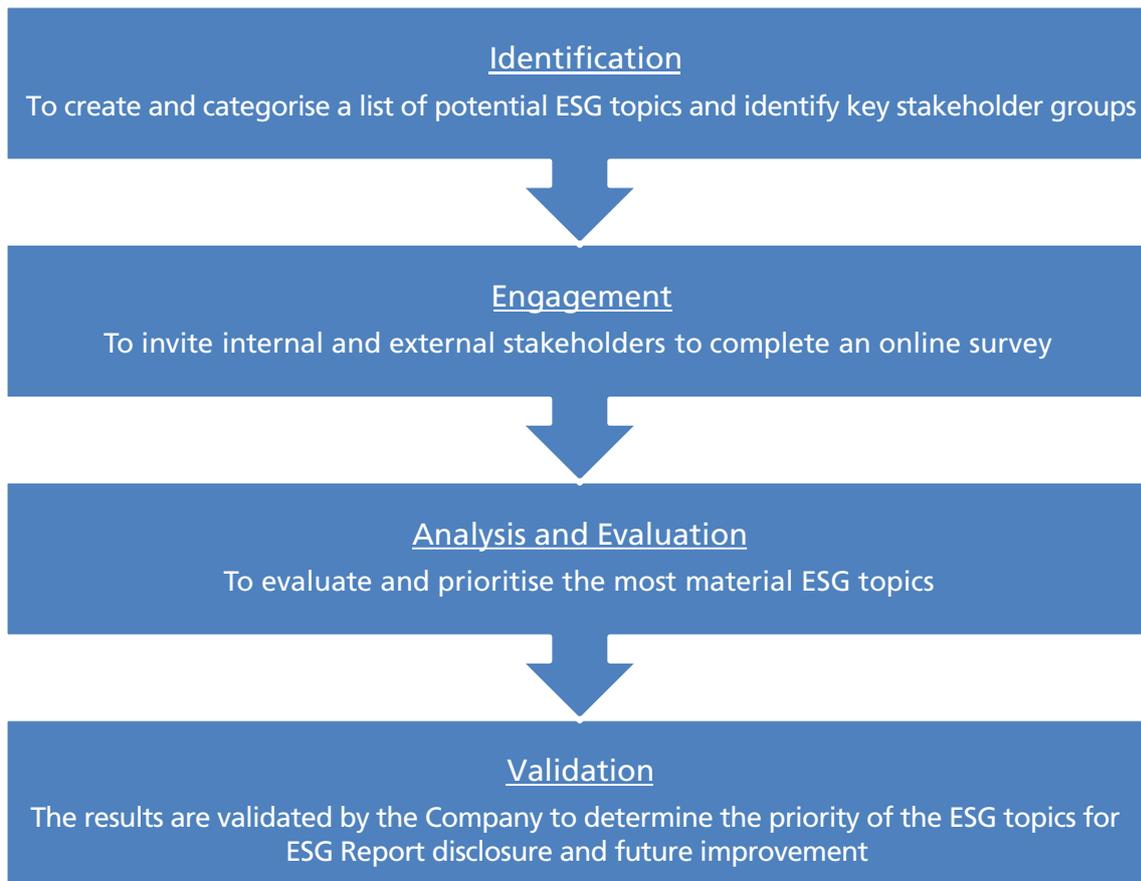
The successful implementation of our ESG strategy requires continuous communication and engagement with stakeholders, which have a significant impact on our business or experience the impact from our activities. We constantly engage with them to understand their expectation, perceptions and priorities regarding ESG issues. By gathering stakeholders' opinions and understanding their concerns, the Group can refine its management policies and approaches on ESG management, determine a more suitable way to address the ESG issues as well as making continuous improvements on its ESG performance. We regularly engage with these stakeholders in appropriate channels, as shown in the table below:

Types of Stakeholder Group	Communication Channels
Investors and shareholders	<ul style="list-style-type: none"> • Company website • Company's publications • Hotline and email • Annual general meeting • Annual and interim reports
Customers	<ul style="list-style-type: none"> • Company website • Customer direct communication • Customer feedback and complaints • Customer satisfaction surveys
Employees	<ul style="list-style-type: none"> • Training • Orientation • Emails • Regular meetings
Suppliers and business partners	<ul style="list-style-type: none"> • Selection assessment • Procurement process • Performance assessment • Regular communication with business partners (e.g. emails, meetings, on-site visit etc.)
Community and the public	<ul style="list-style-type: none"> • Company website • Company's publications • Community activities

MATERIALITY ASSESSMENT

To direct the framework of our ESG reporting, as well as formulating the ESG management strategies, materiality is defined as any factor that has a present or future impact on our ability to achieve our ESG commitment. The Group has commissioned an independent consultant to conduct a materiality assessment in form of an online questionnaire. Both our internal and external stakeholders (e.g. employees, customers, Board members) were invited to fill in the questionnaire and scored the identified twenty-seven ESG issues in accordance with their relevance and importance to the business operation and the stakeholders themselves respectively.

Based on the materiality of each of the ESG issues as addressed by the stakeholders, the ESG issues are prioritized and shown in the materiality matrix below. The issues which fell in the upper right corner of the matrix were defined as the topics that matter most on the Group's business operation and are of the most concern by our stakeholders.



MATERIALITY MATRIX

A number of environmental, social and operation topics were identified for the material assessment after performing desktop research. Significance of the topics for the Group and its stakeholders are assessed to help the Group understand the gap between its development direction and the stakeholders' expectations. The Group's and stakeholders' matters of concern are presented in the following materiality matrix:



Environment	Social	
	Employment	Operation
1. Air emission	9. Labour rights	18. Customer satisfaction
2. Greenhouse gas emission	10. Labour-management relations	19. Product and service quality and complaints handling
3. Climate change	11. Employee retention	20. Customer health and safety
4. Energy efficiency	12. Diversity and equal opportunity	21. Marketing and product and service labelling compliance
5. Water and effluents	13. Non-discrimination	22. Intellectual property
6. Use of materials	14. Occupational health and safety	23. Customer privacy and data protection
7. Waste management	15. Employee training	24. Responsible supply chain management
8. Environmental compliance	16. Employee development	25. Business ethics
	17. Prevention of child labour and forced labour	26. Socio-economic compliance
		Community
		27. Community investment

According to the results of the materiality matrix, the Group should focus on employment aspects. Looking forward, the Group will continue to review and develop corresponding ESG policies and targets, as well as optimizing the ESG reporting disclosure in order to pursue continuous improvement in our ESG performance in future.

CARE FOR OUR EMPLOYEES

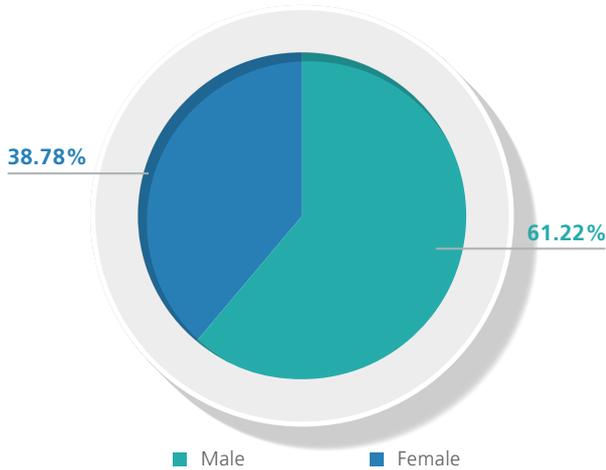
We believe that employees are a valuable asset to the Group. Termbray strives to invest and spend resources to enhance the staff's physical, mental, financial wellness and career development by maintaining high employment standards and providing a safe workplace. We also pay an effort on eliminating the risks of health and safety and improving the quality of the working environment through implementing standards and policies.

As of the end of Reporting Period, the total number of employees was 49. The figures of the employment as at the end of the Reporting Period are shown below:

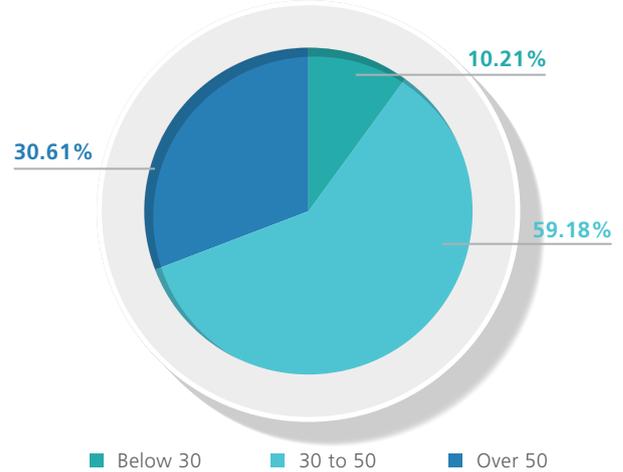
		2021
Total number of employees¹		49
By gender (%)	Male	61.22%
	Female	38.78%
By age group (%)	Below 30	10.21%
	30 to 50	59.18%
	Over 50	30.61%
By geographical region (%)	Hong Kong	53.06%
	mainland China	46.94%
By employment type (%)	Senior Management	6.12%
	Middle Management	18.37%
	General Staff	75.51%

¹ The number excludes Directors.

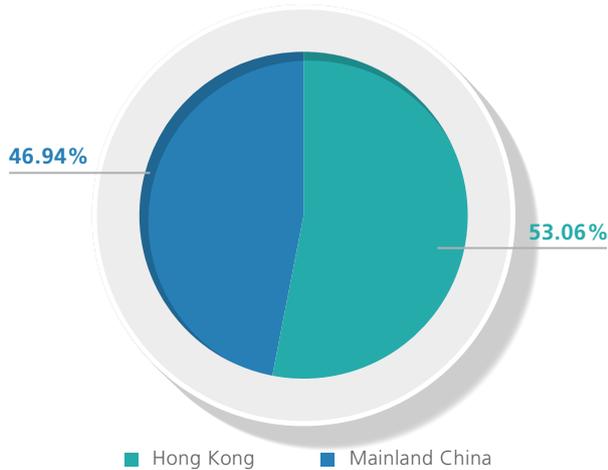
Total Workforce by Gender in 2021



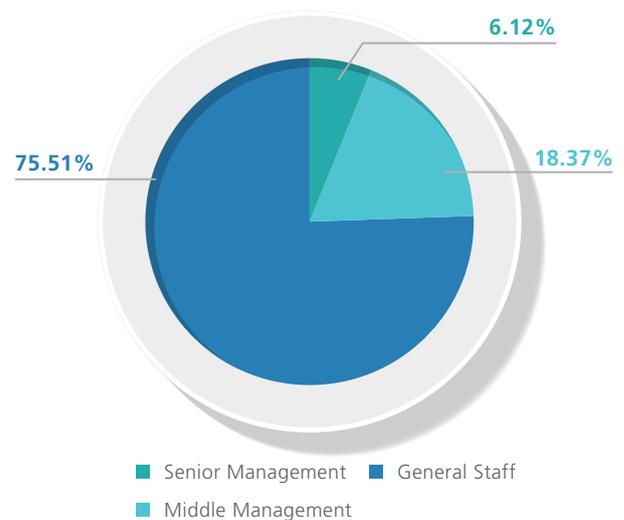
Total Workforce by Age Group in 2021



Total Workforce by Geographical Region in 2021



Total Workforce by Employment Type in 2021



Talent Attraction and Retention

Our employees are a crucial component for the success and growth of the Group. We have paid an effort to promote the mutual growth of the employees and the Group, by offering a motivating workplace that connects rewards and performance. Attractive and motivating remuneration packages based on factors such as performance, experience and qualification are offered to the employee to value their effort. The policy related to remuneration, compensation and dismissal, recruitment and working instruction of the Group is subject to regular review by the Board. Apart from the paid annual leaves and statutory holidays, the employees are also entitled to additional paid leaves to settle various types of needs, for example, sick leave, marital leave, maternity leave, compassionate leave and jury service/witness leave.

As of the end of the Reporting Period, the employee turnover rate was 34.69%. The detailed breakdown is presented in the table below:

Employee Turnover Rate²	2021 (Percentage)
Total	34.69
By gender	
Male	30.00
Female	47.37
By geographical region	
Hong Kong	42.31
mainland China	26.09
By age group	
Below 30	60.00
30 to 50	41.38
Over 50	13.33

Healthy and Safe Workplace

We regard safety and health as an important part of employee management. Our mission is “Safety First, Prevention and Precaution First”. We aim to provide a safe, comfortable, healthy environment for employees.

Safety Management

The Group’s Health and Safety Policy has been implemented to set up the framework for health and safety risk management, ensuring our commitment is achieved as stipulated in the relevant policy.

Meanwhile, we have adopted a set of safety guidelines to fulfil the regulatory requirements and our standards, as well as maintaining and monitoring the level of occupational health and safety of the workplace. For occupational safety, the handling and usage of production machinery and basic infrastructure facilities have been strictly managed and monitored by the Safety Management department. The department also performs occupational risk assessment and arranges appropriate safety tools and personal protective equipment to the employees. For the fire safety, all fighting fire equipment in the workplace has been properly managed in efficient working order and kept readily available for use. Training in fire safety at workplaces has been provided at regular intervals to all employees.



Fire safety training for employee

² The turnover rate of each category was calculated by dividing the number of employee who left during the Reporting Period by the number of employee as at 31 December 2021.

During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations in Hong Kong pertaining to the provision of a safe working environment and protection of employees from occupational hazards, such as Occupational Safety and Health Ordinance (Cap. 509) and Employees' Compensation Ordinance (Cap. 282). Meanwhile, one work-related incident was recorded and the total lost day due to work injury was 46 in 2021. In case of any work related fatalities, the employee's health status and history is mark on the work-related injuries report for record. The injured employee was entitled paid sick leave and sickness allowance.

	2021	2020	2019
Number of work-related incident	1	0	0
Number of lost day due to work-related injuries	46	0	0
Number of work-related fatalities	0	0	0

Equal Employment and Promotion

The Group is an equal opportunity employer, which is committed to ensuring that our business operation is fair, diverse, open, and equal. Any case of unfavorable treatment, discrimination and/or harassment based on age, color, race, ethnic origin, nationality, disability, gender, marital status, religious convictions and/or sexual orientation will not be tolerated. Employment decisions are made solely based on work-related factors such as employees' skills and achievements, qualifications and experience without considering any other characteristics as stated in the applicable laws. A series of policies and procedures against the use of child and forced labour as stipulated in the Labour Policy of the Group has been implemented.

We are determined to create a working environment that promotes equality and mutual growth. Employees who can show outstanding work performance and demonstrate contribution to the Group during the performance assessment process are rewarded including promotion, training and bonuses.

During the Reporting Period, the Group was not aware of any material breaches of relevant laws and regulations in the mainland China and Hong Kong, including among others the Law on the Employment Ordinance (Cap. 57) of Hong Kong, that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

Labour Standards

We are committed to protecting the labour rights of our staff and job applicants, and achieving zero tolerance on any form of child or forced labour in our operation. The prevention of child and forced labour policies has been implemented, which clear recruitment guideline has been set up, monitored, and reviewed by Human Resources Department to ensure the employment procedure is in compliance with the policies. In case of child labour being found, immediate action would be taken, such as suspension of their job duty, provision of health check and transportation arrangement to send them to home. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in the mainland China and Hong Kong, including among others Law on the Protection of Minors of the mainland China, Provisions on the Prohibition of Using Child Labor and the Employment Ordinance (Cap. 57) of Hong Kong, relating to child and forced labour.

Development and Training

Acquainting the latest knowledge, professional skills, expertise and obtaining the updated market trend are important for the Group and employees to keep up with the competitiveness and professionalism. We continuously devote resources to deliver various staff training to maintain our progress on the right track. We have set up a Training and Management Policy to outline the formulation, personnel, management, execution and monitoring of the employee training programs, which is implemented and monitored by our Human Resource Department.

We will assess the training needs based on business development needs and through the discussion with employees, in order to tailor-made an appropriate and suitable training plan. Each department is responsible to design the departmental training plan every year. All new staff are required to attend the introduction training as a compulsory program which aims to enhance their health and safety knowledge, promote a greater understanding of Group's existing policies, anti-corruption measures and safety protocols. On-the-job training and professional program are also offered to the staff of different roles, including the Board members, management staff, juniors and other employees. During the Reporting Period, we have offered 26.5 hours of training to the employee.

2021 Unit	Percentage of employees trained ³ (Percentage)	Average Training Hours (Hours)
Training	30.61%	0.58
By gender		
Male	23.33%	0.55
Female	42.11%	0.63
By employee category		
Senior management	0.00%	0.00
Middle management	44.44%	1.72
General Staff	29.73%	0.35

Relationship with Employees

Creating and maintaining communication channels between employees and the management is a core part to enhance the motivation of the employee. The annual appraisal is conducted periodically as a platform to review their performance, as well as sharing their response to the Group about the needs and concerns. The Employee Recognition and Appreciation Award has been set up to show our respect and appreciation for the outstanding staff.



³ Percentage of employees who received training is calculated by dividing the number of trained employee of each category by total employees of that category.

SERVICE AND PRODUCT RESPONSIBILITY

The Group continually develops long-term, sustainable, beneficial relationships with our business partners and other stakeholders to improve our performance. We are working and communicating with our partners closely to ensure the quality of the product and services are up to the standard to satisfy the needs and requirements of customers.

Supply Chain Management

A reliable and effective supply chain management is an important element of providing quality services and products to our customers and is conducive to the Group's operation efficiency. Hence, we have endorsed the Policy of Supply Chain Management that states the standard and requirements of the Group and outlines the procedures for supplier assessment and management. To ensure the selection of suppliers is conducted in a fair, ethical and impartial manner, we are committed to maintaining close communication with qualified suppliers for building long-term relationships with them. We require all the suppliers, contractors and vendors to comply with the legal requirements and regulations in the relevant jurisdictions. We also consider the business ethics of the suppliers, quality and durability of the products or services. During the Reporting Period, we collaborated with 47 suppliers, of which 40 of them come from Hong Kong and 7 from mainland China.

Green Procurement

Through procuring greener products, we can minimize the impact of our supply chain and promote the concept of green and low carbon business operation. We take environmental elements into consideration during the procurement process. The green procurement guideline has been endorsed in the Group's Environmental Policy, which aims to promote sustainable procurement by selecting eco-friendly products. It sets forth the guidelines on how to select the raw materials, products and services with lower impact to the environment. The scope covers the procurement of electrical and fire control appliances, office equipment, waste collection and office cleaning services, air conditioning system management services and pesticide services.

We seek an active effort to enforce environmental policies above industry standards; therefore, we recommend that our subcontractors should procure greener products as far as possible. Under the Policy, the following principles are established to prioritize suppliers with better sustainability consideration in their businesses:

THE GROUP'S PRINCIPLE OF GREEN PROCUREMENT

- The design of a building must consider the life cycle of materials and the environmental impact in order to eliminate resources consumption and achieve sustainable development
- During the production, the following factors are preferred to minimize the environmental impact:
 - eco-friendly materials
 - clean production technique
 - high energy efficiency product
 - pollutant eliminating product
- The products are easy for recycling, dismantling, replacing or being discarded safely
- Avoid using disposable items

Services and Product Excellence

We believe that providing services and products with the finest quality is the crucial element of building up the Group's reputation and business success. The Group is committed to maintaining high-quality services and products to maximize clients' satisfaction. During the Reporting Period, we were not aware of any material breach of relevant laws and regulations relating to health and product safety. No product sold or shipped by us was subject to recalls for safety and health reasons in 2021.

We value the feedback and opinion from customers and are open to listen to their ideas and comments on the quality, performance of the product and services. We keep learning and understanding their needs and expectation, as well as the gaps for improvement. Communication channels such as website, hotline and survey are set up as the platform between customers and the Groups. The procedures of complaints handling has been addressed in our Customer Compliant policy. It makes sure that all the complaints have been handled and followed up by corresponding department through the appropriate channel. To avoid reoccurrence of the same defects, the cases will be filed into data base for reference. The received responses will be reviewed and consolidated for follow-up. During the Reporting Period, no product- and service-related complaint was received.

Privacy Protection

We take action to protect the data of customers and businesses to secure their privacy. Personal and Business Data Policy has been established, which outlines the data protection principle, and complies with the relevant regulations, such as Hong Kong Personal Data (Privacy) Ordinance. We ensure all the data are properly stored without being accessed by to third parties unless we get the consent of the customer.

Advertising Ethics and Use of Product Label

Providing accurate information of product is the core philosophy of our marketing and advertising publication. Fake documents and related services are prohibited to ensure the customer receives the appropriate product information. In addition, to show the good faith and protect consumer's right to know about the true characteristics of the products, Product Labelling Procedure has been implemented. Following the procedures, the inappropriate use of the products can be avoided.

ETHICAL BUSINESS

The Group is committed to conducting our business operation in accordance with high ethical standards. We have implemented a comprehensive Code of Conduct (“**Code**”) and policies, which comply with the relevant laws and regulations and applies to all employee, the directors and its subsidiaries. It sets out our operation principles underpinning our management approaches to various topics, including business ethics, conflicts of interest, bribery and procurement. In 2021, there were no reported cases regarding breaches of the Code.

Anti-corruption and Anti-money Laundering

The Group is committed to ethical grounds by complying with anti-money laundering laws. We have set a strict policy of compliance with anti-bribery laws in all jurisdictions. We established the Anti-Bribery, Extortion, Fraud, Money Laundering Policy to ensure that our employees or management upholds the highest ethical standards during any forms of business activities. Our employees are not allowed to offer or accept any advantage for the purpose of affecting business operations, to provide any form of payment to officials, or to grant or accept loans from any organisations or person with whom we have a business relationship. Our client, suppliers, service providers or contractors are also bounded by this policy.

We also require all the employees and management staff to be prohibited from participating in physical disposal of cash proceeds derived from illegal activities. Relevant policies have been established which addresses appropriate controls such as record keeping, staff training and ongoing monitoring of customer. Employees are required to report to the management if they spot any suspicious transactions. The policies has also been reviewed regularly to make sure that out anti-corruption policies are complied with latest laws and regulations.

Whistle-blowing Channels

An internal whistle-blowing management team has been set up for implementing the whistle-blowing channels and investigating the reported cases. The management team will identify and propose recommendations to rectify inappropriate behaviours to the Group. If further investigation is deemed necessary, a responsible department will be dedicated and the result will be discussed in an internal meeting under a scheduled timeframe. The Internal Whistle-blowing Policy clearly stipulates the inappropriate behaviours and our channels. In case of any suspected cases are found, the employees may face legal consequence. In the Reporting Period, there were no reported cases regarding corrupt issues brought against the Group or employees.

Anti-corruption Trainings

To avoid improper conduction, we proactively uncover any potential corruption cases by understanding the patterns of inappropriate behaviours, educational needs and supervision effectiveness for a solid precaution plan. We also deliver anti-bribery training as a compulsory section as part of the induction training to all new joiners, to ensure they fully understand and agree to be bounded by the Code and Policy.

Intellectual Property Rights Protection

The Group strives to protect the intellectual property right to show our respect for creativity, including trademarks, patents, copyright, designs, plant varieties and the layout design of integrated circuits. We reward the effort and creativity of our employees by reserving the intellectual property. The relevant guideline has been illustrated in the Code which requires our employees to comply with legal requirements on the collection, holding, processing and use of intellectual property. During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to intellectual property regarding our products and services.

COMMUNITY PARTICIPATION

We contribute to the community to show our deep care and awareness of the society. The physical health, mental health and the need of labour are the focused topics of the Group. In 2021, we have organized events to increase the awareness of labour health. We also encourage our employees to take part in volunteering activities to build a closer connection with different community groups.





OUR ENVIRONMENTAL MANAGEMENT

The setting and management of sustainability goals is a crucial component of the Group to achieve continuous improvement. An annual review is conducted at the start of each year by the Group's management to evaluate the sustainability performance in the previous year. New targets may be assigned to subsidiaries during the review according to their performance, which are followed up by their responsible personnel at each of the subsidiaries.

A myriad of environmental policies covering the operation of the Group, its suppliers and contractors have been set to realize our sustainability goals.

A Group-level Environmental Policy is formulated to ensure the effective implementation of the EMS, cut down on the Group's consumption of energy and natural resources and minimize the Group's impacts on the surrounding environment where it operates. Under this policy, the Group promises to operate in accordance with the following guiding principles:

- Comply with relevant environmental laws, policies and other requirements
- Prioritize the use of clean energy, minimize water and electricity consumption while avoiding and preventing any pollution
- Wastewater and municipal solid wastes discharged during business operations are processed according to government regulations
- Communicate environmental goals, KPIs and performance with employees to raise their environmental awareness

As governed by our internal policy, our management and employees are held accountable for the impacts the Group's operations may inflict on the environment during its business processes as a sustainability-conscious company. It also demonstrates our commitment to improving the surrounding operating environment.

Emissions

Air and GHG Emissions

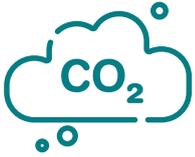
To monitor and manage the Group's air and GHG emissions, the GHG and Air Emission Policy has been established, which provides guidelines that comply with government regulatory requirements, including Measures of Guangdong Province on Prevention and Control of Air Pollution. Part of the Policy constitutes the Construction Site Emission Management Policy to provide clear direction for our contractors to control their air emissions at the sites and encourage them to fulfil their environmental protection responsibilities.

We are committed to:

- Complying with relevant laws and regulations in their operating environment and obtain related emission licenses
- Monitoring data of air pollutant emissions
- Employing suitable emission reduction equipment during the construction process, for example installing suspended particle removers, substituting regular diesel with ultra-low sulphur diesel for all diesel-powered machinery and facilities
- Repairing machines and facilities regularly to ensure that the Group's emission levels are within established limits

To achieve our short-term and long-term GHG emission targets, the Group has also set guidelines and targets on managing business operations that are main contributors to the Group's emissions. We encourage the use of environmentally-friendly vehicles over diesel vehicles, as well as the use of environmentally-friendly fuels (e.g. bio-diesel instead of regular diesel) under feasible circumstances.

Our Targets:



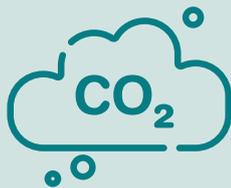
Reducing 15% of absolute GHG emissions by 2025 and 20% by 2030

Achieving carbon neutrality in 2050

(with the baseline in 2021)

We establish our strategic direction to reduce our GHG emission.

Promote and Increase
the Use of
Renewable Energy and
Low-carbon Energy



Consider Environmental
Factors into Procurement
Procedures



Communicate with our
Stakeholders in reducing
carbon emissions



Monitor the progress of
Carbon Reduction



Climate Change

The Group is determined to develop climate resilience in face of climate change, therefore the Climate Change Policy and related measures have been developed. The Group aims to counter climate change from four aspects:



To understand better the climate risks that we may face and the effects on the Group’s business, we have assessed and evaluated the potential climate physical and transitional risks.

Climate Risk	Impact
Physical risk:	Extreme weather may cause damages to property assets and power supply. For example, floods may occur in a more frequent manner for coastal regions, which may lead to larger expenses on the maintenance of physical assets and recovery of the manufacturing operation
Transitional risk:	More stringent regulatory disclosure requirements and growing expectations from business partners on climate change

Our Climate Management

In response to the potential climate physical risk, we establish appropriate procedures and measures to prevent or to minimize as much as possible the harm of climate change that will bring upon the Group, and actively take advantage of opportunities. The Group has prepared the Flood and Typhoon Emergency Plan to minimize the harm of extreme climate events such as storms, typhoons and floods etc., which may affect on Ever Success Plaza, our residential property in Zhongshan, through prevention and management. We also increase staff awareness on climate change and emergency management by preparing educational materials.

To encounter the climate transition risks, we continue to monitor, reflect and respond to market, technological, regulatory and policy developments related to climate change while improving the Group's understanding of the industry's best practices. We ensure the Group has access to related information and resources to monitor and regularly inspect the effects of climate change on our business operations, and assess the effectiveness of our climate mitigation and adaptation measures.

Wastewater Discharge

Wastewater is discharged from our properties such as offices. Hence, Wastewater Discharge Control Policy and related measures have been devised. The goal is to effectively control and manage its wastewater discharge within established standards including Discharge Limits of Water Pollutants of Guangdong Province to prevent polluting neighboring water sources. In order to systematically manage the wastewater arisen from our business operation, we monitor the wastewater discharge to improve our performance in wastewater management. We do not only focus on our own wastewater generation, but also invest in resources to encourage our employees, residents, tenants, contractors and service providers to comply with the Group's wastewater discharge management measures the Group's wastewater discharge management measures as below:

Construction Sites

- Installation of wastewater treatment facilities
- Regular inspection on the wastewater discharges
- Preventative measures to avoid contamination of wastewater e.g. proper storage of chemicals

Offices or Other Properties

- Conduct inspection/checking and repair the drainage system if defect is found
- Prevent blockage of the drainage system
- Control water consumption

Hazardous and Non-hazardous Waste

The Group produces little hazardous waste from its property investment and money lending business, whereas for its property development business, wastes such as waste paint can be produced. To prevent pollution and facilitate sustainable development of the society, economy and environment, the Group needs to ensure that all its produced hazardous and non-hazardous wastes are properly and safely managed throughout their production, treatment, storage and logistic preparation process while holding all related personnel responsible for the management of the wastes. Extra concerns are put on the hazardous wastes that are listed in the Directory of National Hazardous Wastes, or those identified as hazardous according to other national standards. When our contractors or service providers are involved in hazardous waste handling, they should follow our Hazardous Waste Management Policy. All hazardous wastes should be contained in leak-proof containers and handed over to qualified hazardous/chemical waste collectors for further treatment.

Non-hazardous wastes are further divided into recyclable and non-recyclable wastes for further treatment. Recyclable wastes refer to those with further exploitable resources, whereas non-recyclable wastes are those with values that cannot be further exploited due to hygiene issues or the difficulty of recycling. To manage these wastes, we have the Non-hazardous Waste Management Policy in place to serve as guidelines for all personnel (employees, contractors, service providers):

- Non-hazardous wastes should be actively collected and sorted
- Food waste should be minimized and hazardous wastes should not be mixed with domestic wastes
- Recycling bins marked with the specific type of waste it collects should be placed in appropriate locations, e.g. paper recycling boxes should be placed next to printers to increase the recycling rate and avoid secondary pollution of recycled items
- Related records of the waste are properly managed and stored to review the management of the waste generation



Use of Resources

Energy, electricity and water are the major resources that the Group consumes. To further reduce the impacts on the environment from its business activities, the Group aims to save energy, minimize wastage and achieve sustainable development through executing the Policy on Efficient Use of Resources.

In the Reporting Period, we have established our targets to reduce the consumption of resources through electricity and water conservation. The goals and KPIs are communicated to our employees to increase their environmental awareness. We believe that joining hand together with our employees, we can promote the resource conservation and protect our environment.

Our Targets:



Reducing 20% of its energy consumption by 2025 and 30% by 2030

Reducing 10% of its water consumption by 2025 and 15% by 2030

(with the baseline in 2021)

As our major business activities operate in office areas. The Green Office Policy outlines the initiatives with specified guidelines on managing the electricity, postal and office equipment repairing. The following shows some of our initiatives:



- Inspect and repair the water appliance when leakage is found
- Turn off the water device and electrical appliance immediately when not in use
- Prioritize and procure products with energy or water efficient labels



- Minimize the use of office stationery and consumables
- Encourage our employees to reduce the use of single-use consumables
- Promote paper-less office and reuse office goods as far as possible

The Property Department will regularly inspect the energy and resource consumption conditions of working premises. A written reminder will be issued to the responsible personnel in the department when practices against the energy-saving principles are identified for the first time. Departments should immediately undergo rectification as a form of proper response.

Biodiversity

Although we do not have significant impact on the biodiversity issue, we formulate the Biodiversity Policy to assess and manage the impacts that the Group's business activities have on the biodiversity and the ecosystem. All our business activities will not affect the internationally and locally endangered or protected species. It also ensures that the concept of ecosystem, wildlife and natural life protection will be considered during the process of building design, construction, development and renovation, and the use of environmentally-intrusive construction methods will be avoided.

Our Environmental Performance⁴

	Unit	2021
Energy consumption		
Total energy consumption	MWh	363.00
Total energy intensity	MWh/million HKD sales	3.32
Direct energy consumption		
– Diesel	MWh	1.80
Indirect energy consumption		
– Purchased electricity ⁵	MWh	361.20
GHG emissions		
Scope 1 ⁶	tCO ₂ e	0.47
Scope 2 ⁷	tCO ₂ e	285.76
Scope 3 ⁸	tCO ₂ e	0.001
Total GHG emission	tCO ₂ e	286.23
Intensity	MWh/million HKD sales	2.62
Freshwater ⁹	m ³	565.23
Intensity	m ³ /million HKD sales	5.16
Waste ¹⁰		
Non-hazardous waste	tones	0.27
Total waste intensity	tonne/million HKD sales	0.002
Paper consumption ¹¹		
Office paper	tonne	0.73
Intensity	tonne/million HKD sales	0.007

⁴ The data of Termbray (Fujian) Land Development Company Limited are excluded as the employee were work from home in the Reporting Period. The Group did not contribute any air emission during the Reporting Period.

⁵ The data of X8 Finance Limited and Zero Finance Hong Kong Limited covered from 24/12/2020 to 23/12/2021 due to the fixed billing cycle.

⁶ Scope 1 represents direct GHG emissions generated from the use of LPG by emergency generator in China.

⁷ Scope 2 represents indirect GHG emissions generated from the use of purchased electricity in office in Hong Kong and Mainland China.

⁸ Scope 3 represents other indirect GHG emissions generated from the paper waste disposed at landfills.

⁹ The data of X8 Finance Limited in Hong Kong are not available because the data have been included into the rental fee which cannot be extracted. The data of Zhongshan Ever Success Properties Limited covered from 09/1/2021 to 08/01/2022 due to the fixed billing cycle.

¹⁰ There is no hazardous waste being generated in 2021.

¹¹ The figure of office paper consumption includes the Company's office in Hong Kong and Mainland China.

HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs

Aspect A: Environment

		Explanation/Reference Section
A1 Emissions	<p>Information on:</p> <p>(a) the policies; and</p> <p>(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.</p> <p>Note:</p> <p>Air emissions include NO_x, SO_x, 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.</p>	Our Environmental Management – Emissions, Climate Change, Wastewater Discharge, Hazardous and Non-hazardous Waste, Use of Resources, Biodiversity
KPI A1.1	The types of emissions and respective emissions data.	Our Environmental Management –Emissions, Environmental Key Performance Indicators
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environmental Management –Emissions, Environmental Key Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environmental Management –Hazardous and Non-hazardous Waste, Environmental Key Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environmental Management – Hazardous and Non-hazardous Waste, Environmental Key Performance Indicators
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Our Environmental Management –Emissions, Climate Change, Wastewater Discharge, Hazardous and Non-hazardous Waste, Use of Resources, Biodiversity
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Environmental Management – Hazardous and Non-hazardous Waste, Environmental Key Performance Indicators

HKEx ESG Reporting Guide General Disclosures & KPIs**Explanation/Reference Section**

A2 Use of Resources	<p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p>Note:</p> <p>Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Our Environmental Management –Emissions, Use of Resources
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).	Our Environmental Management –Emissions, Environmental Key Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environmental Management – Environmental Key Performance Indicators
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Our Environmental Management –Emissions, Environmental Key Performance Indicators
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Our Environmental Management – Wastewater Discharge, Environmental Key Performance Indicators
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Our Environmental Management – Use of Resources, Environmental Key Performance Indicators
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environmental Management –Climate Change, Biodiversity
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environmental Management –Climate Change, Biodiversity
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Environmental Management –Climate Change, Biodiversity
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.	Our Environmental Management –Climate Change, Biodiversity

HKEx ESG Reporting Guide General Disclosures & KPIs**Explanation/Reference Section****Aspect B: Social**

B1 Employment	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.	Care for Our Employees – Talent Attraction and Retention, Equal Employment and Promotion, Labour Standards
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Care for Our Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Care for Our Employees – Talent Attraction and Retention
B2 Health and Safety	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.	Care for Our Employees – Healthy and Safe Workplace
KPI B2.1	Number and rate of work-related fatalities.	Care for Our Employees – Healthy and Safe Workplace
KPI B2.2	Lost days due to work injury.	Care for Our Employees – Healthy and Safe Workplace
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Care for Our Employees – Healthy and Safe Workplace

HKEx ESG Reporting Guide General Disclosures & KPIs	Explanation/Reference Section
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
	Care for Our Employees – Development and Training
	Note: Training refers to vocational training. It may include internal and external courses paid by the employer.
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).
	Care for Our Employees – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.
	Care for Our Employees – Development and Training
B4 Labour Standards	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 or forced labour.
	Care for Our Employees – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.
	Care for Our Employees – Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.
	Care for Our Employees – Labour Standards
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.
	Service and Product Responsibility - Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.
	Service and Product Responsibility - Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.
	Service and Product Responsibility - Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.
	Service and Product Responsibility - Supply Chain Management

HKEx ESG Reporting Guide General Disclosures & KPIs**Explanation/Reference Section**

KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Service and Product Responsibility - Supply Chain Management
B6 Product Responsibility	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.	Service and Product Responsibility – Services and Product Excellence, Advertising Ethics and Use of Product Label
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Service and Product Responsibility – Services and Product Excellence
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Service and Product Responsibility – Services and Product Excellence
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Service and Product Responsibility – Services and Product Excellence
KPI B6.4	Description of quality assurance process and recall procedures.	Service and Product Responsibility – Services and Product Excellence
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Service and Product Responsibility – Services and Product Excellence

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B7 Anti-corruption	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.	Ethical Business-Anti-corruption and Anti-money Laundering
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.	Ethical Business-Anti-corruption and Anti-money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethical Business-Anti-corruption and Anti-money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Business-Anti-corruption and Anti-money Laundering
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Participation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Participation