



粵海廣南(集團)有限公司

GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability) (於香港註冊成立的有限公司)
(Stock code 股份代號: 01203)



2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



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About the Report

GDH Guangnan (Holdings) Limited (the “Company”) and its subsidiaries (collectively as the “Group” or “We”) present the Environmental, Social and Governance (“ESG”) Report (the “Report”) for the period between 1 January 2023 and 31 December 2023 (“Year 2023”, “This year” or the “Reporting Period”). The ESG Report provides an overview of our strategy, work and performance on ESG, enabling stakeholders to better understand the Group’s process on sustainability issues, development direction and how we are fulfilling our corporate commitment to social responsibility.

SCOPE OF THE REPORT

The Report covers the Group’s fresh and live foodstuffs business in Mainland China and Hong Kong Special Administrative Region, as well as tinplating business in Mainland China.

The Report describes the efforts and achievements in the ESG aspects of the aforementioned two businesses during Year 2023. The Report does not cover the property leasing business as its revenue only accounts for a small portion of the Group’s consolidated revenue. Environmental data summary of fresh and live foodstuffs business and tinplating business during Year 2023 is disclosed in Appendix I: Environmental Performance Data Summary of the Report. To enhance the completeness of the Report and the continuity of data, some contents of the Report have appropriately extended over a longer period of time, which have been explained in the corresponding positions.

REPORTING PRINCIPLES

The Report was prepared in accordance with Appendix C2 — Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), following the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”. The applications are shown in the table below. This Report has been reviewed and confirmed by the board (“Board”) of directors of the Group.

Reporting Principles	Definition	The Group’s Response
Materiality	The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.	The Group completes the identification of material issues based on communication with stakeholders, actual operating conditions and strategic development, and provides targeted disclosures on relevant matters that may have an important impact on stakeholders.
Quantitative	KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	The Report provides quantitative information, the statistical criteria, methodology, assumptions and calculation tools, as well as the sources of conversion factors to enable readers to evaluate and validate the practical achievements of the Group in sustainable development.

About the Report (continued)

Reporting Principles	Definition	The Group's Response
Balance	The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Report comprehensively and fairly elaborates on the environmental, social, and governance matters that may have had a significant impact on the Group's business during the Reporting Period, including our achievements and challenges faced.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The Report follows the same preparation criteria and calculation methods as the previous year. Changes, if any, will be clearly stated in the Report for the reference and comparisons of readers.

INFORMATION OF THE REPORT

The information and data used in the Report are sourced from official documents, statistical reports, internal data, and public information of the Group. The Board undertakes that there is no false record, misleading statement or material omission in the Report, and is responsible for the authenticity, accuracy and completeness of the content herein.

CONTACT US

For any questions or suggestions on the content of the Report, please contact our Company Secretary at:

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Sustainable Development Strategy

BOARD STATEMENT

The Group recognises the importance of ESG to long-term and stable operations and continues to strengthen the supervision and participation of the Board in ESG matters of the Group, in order to further enhance the Group's ESG management.

The Board is responsible for the ESG management and integrating the concept of sustainable development with the Group's overall strategies, policies and business plans. The Board, together with management, regularly identifies and evaluates material ESG risks related to the business to ensure effective management and control of ESG. The Board also regularly reviews the communication channels with stakeholders, maintains effective communication with stakeholders, to understand their expectations and requirements. To supervise the implementation progress of ESG-related work, the Board reviews the plan, budget and expenditure of ESG-related work. In addition, the Board is responsible for supervising the preparation of this Report, and reviewing the content to ensure its quality.

This year, the Group reviewed the material ESG issues regarding the actual business development plans by taking into account regulatory requirements, macro policies, industry concerns and other factors through industry surveys, expert assessments and Board discussions. The result of material ESG issues have been approved and confirmed by the Board.

In order to continuously improve the sustainable development performance, the Group has set key ESG targets covering pollutant emissions, resource use, climate change, and biodiversity conservation in accordance with the Listing Rules, stakeholder expectations and requirements, and its own business development plans. The Board reviews and discusses the setting of targets and will regularly review based on the progress of the targets.

COMMUNICATION WITH STAKEHOLDERS

The long-term benefits and sustainable development of the Group rely on the support and trust of stakeholders. Therefore, we attach great importance to communication with stakeholders, and have established regular communication channels. In this way, we can understand and collect the expectations and requirements of all parties for the sustainable development of the Group, and strive to create value for all parties. The following are the ways we communicate with the key stakeholders.

Stakeholders	Expectations and Requirements	Means of Communication and Response
Government Departments and Regulators	<ul style="list-style-type: none">• Compliance with national policies, laws and regulations• Production safety• Compliant emissions	<ul style="list-style-type: none">• Timely, accurate, and truthful disclosure of information and submission of regulatory data in accordance with the laws• Regularly accepting production safety inspections and assessments• Regularly submitting relevant reports to the local environmental department
Shareholders/ Investors	<ul style="list-style-type: none">• Long-term and stable returns• Raising company value• Compliant operation	<ul style="list-style-type: none">• Stable dividend policy to ensure shareholder returns• Holding general meetings and issuing results announcements• Establishing a comprehensive compliance management system

Sustainable Development Strategy (continued)

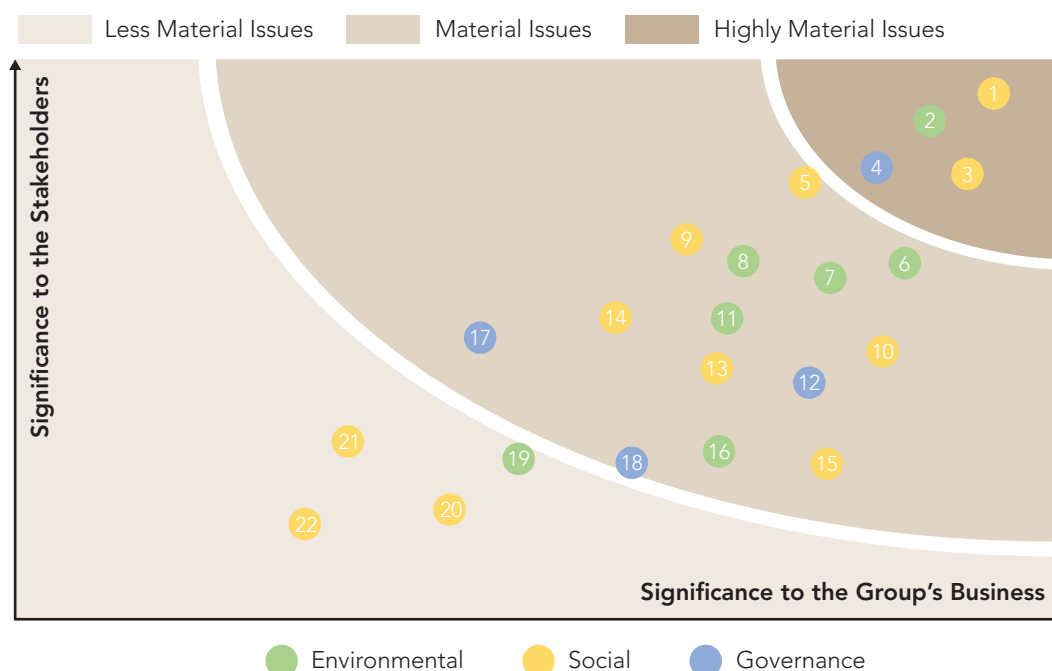
Stakeholders	Expectations and Requirements	Means of Communication and Response
Business Partners/ Suppliers	<ul style="list-style-type: none"> • Compliance with business ethics • Performance of contracts • Maintaining a long-term and stable cooperation relationship 	<ul style="list-style-type: none"> • Standardising procurement with integrity • Fulfilling the contract as agreed • Conducting regular supplier evaluations
Customers	<ul style="list-style-type: none"> • Product quality and safety • Good customer services • Reliable privacy protection 	<ul style="list-style-type: none"> • Continuously improving the product quality and safety management system • Customer service hotlines, communicating conferences, opinion surveys and return visits • Regular training on privacy protection
Employees	<ul style="list-style-type: none"> • Remunerations and benefits and promotion • Career development • Occupational health and safety • Enhancing team cohesion 	<ul style="list-style-type: none"> • Reasonable remuneration mechanism and promotion channels • Training on employee competency • Establishing an occupational health and safety management system, and regularly organising body check for employees • Organising team building, cultural and sports and caring activities
Industry Peers	<ul style="list-style-type: none"> • Industry standards formulation • Driving industry development 	<ul style="list-style-type: none"> • Industry seminars • Mutual visits and fellowship activities with trade associations
Community and the Public	<ul style="list-style-type: none"> • Promoting the development of communities • Supporting public welfare and charity activities 	<ul style="list-style-type: none"> • Providing employment opportunities and promoting the development of local industries • Participating in public welfare and charitable undertakings and volunteer services

MATERIALITY ASSESSMENT

In order to gain a deeper and more accurate understanding of the expectations and requirements of stakeholders, and to enhance the relevance and materiality of the Report, the Group comprehensively considered factors such as industry concerns, compliance requirements, and its own business operating conditions to sort out material ESG issues. The Group examined the materiality of each issue and prioritised 22 material ESG issues based on two dimensions: "significance to the Group's business" and "significance to the stakeholders", and drew up a materiality matrix of ESG issues. Meanwhile, the Group carried out targeted management improvement initiatives based on the priority of the issues to ensure that the Group's development strategies were aligned with the requirements of the material issues and stakeholders. The following results of material ESG issues have been reviewed and approved by the Board.

Sustainable Development Strategy (continued)

Materiality Matrix of ESG Issues



Materiality	Priority Ranking	Name of Issues	Scope
Highly Material Issues	1	Product Quality and Safety	Social
	2	Waste Management	Environmental
	3	Occupational Health and Safety	Social
	4	Business Ethics	Governance
Material Issues	5	Responsible Marketing	Social
	6	Energy Management	Environmental
	7	Management of Water Resources	Environmental
	8	Noise Management	Environmental
	9	Sustainable Supply Chains	Social
	10	Customer Services	Social
	11	Responding to Climate Change	Environmental
	12	Operational Compliance	Governance
	13	Remuneration and Benefits	Social
	14	Diversity and Equal Opportunity	Social
	15	Training and Development	Social
	16	Use of Raw Materials and Packaging Materials	Environmental
	17	Information Security and Privacy Protection	Governance
	18	Intellectual Property Protection	Governance
Less Material Issues	19	Biodiversity Protection	Environmental
	20	Promotion of Community Development	Social
	21	Charity	Social
	22	Technology Innovation	Social

Quality First

The Group regards quality as the essence, continuously improves our product quality and safety management system, controls key quality and safety compliance points, and is committed to providing customers with high-quality and safe products. Meanwhile, we uphold the service philosophy of putting customers first, focusing on customer feedback, and optimising the service experience.

QUALITY AND SAFETY CONTROL

The Group always prioritises product quality and safety, continuously improves its product quality and safety management system and enhances product reliability so as to meet customers' needs. This year, there were no product recalls for safety and health reasons in the Group's fresh and live foodstuffs business and tinplating business.

Fresh and Live Foodstuffs Business

We strictly comply with related laws and regulations, including but not limited to the Food Safety Law of the People's Republic of China, the Law of the People's Republic of China on Product Quality, the Animal Epidemic Prevention Law of the People's Republic of China, the Law of the People's Republic of China on the Entry and Exit Animal and Plant Quarantine, the Measures of the People's Republic of China for the Administration of Safety of Imported and Exported Food, the Regulation on Food Safety in Guangdong Province, the Measures for the Administration of Inspection and Quarantine of Live Pigs Supplied to Hong Kong and Macao, the Regulation on Pig Slaughter of Guangdong Province, as well as the Public Health and Municipal Services Ordinance, the Food Business Regulation, the Slaughterhouses Regulation and the Prevention of Cruelty to Animals Ordinance of Hong Kong. We have also formulated and implemented the Measures for the Administration of Food Safety, the Provisions on the Administration of the Reporting and Handling of Food Safety Incidents, the Provisions on the Administration of Production Process Control, the Product Quality and Safety Traceability System, the Defective Product Recall System, as well as a series of systems of moisture detection, plague detection, and prohibited drug detection for fresh and live foodstuffs. By doing so, the quality and safety control requirements at all stages of fresh and live foodstuffs are regulated in detail to ensure that customers are provided with high-quality, safe and hygienic fresh and live foodstuffs.

Our subsidiaries engaged in the fresh food business have achieved quality and food safety related management system certifications for many consecutive years, including HACCP food safety management system certification, ISO 9000 quality management system certification, and ISO 22000 food safety management system certification. This year, we conducted annual review work in accordance with various system certification standards and requirements, and obtained the qualification notification of supervision and audit issued by the China Quality Certification Centre, in order to ensure the continuous and effective operation of each management system.



HACCP Validation Notice



ISO 9000 Validation Notice



ISO 22000 Validation Notice

Quality First (continued)

I. Measures for Quality and Safety Management

The Group is committed to providing citizens with safe, hygienic, fresh foodstuffs, and has formulated detailed management requirements for various stages such as supply, production, storage, transportation and distribution. The Group's Production Safety Management Department continues to urge its subsidiaries to strictly implement the requirements of "daily control, weekly inspection and monthly scheduling". This year, we conducted over a hundred food safety inspections and promptly rectified the problems identified, fulfilling our responsibility for food quality and safety.

<p>Supply Chain</p>	<ul style="list-style-type: none"> • We collect and check the qualification certificates and qualified food documents from suppliers, including but not limited to business licences, food production licences or food business licences, pig slaughtering certificates, animal epidemic prevention qualification certificates, export registration certificates, factory inspection reports, animal quarantine certificates, meat quality inspection certificates, animal health certificates, as well as the customs declaration forms, inspection and quarantine certificates and other documents for imported food. • We send samples of live pigs to a third-party testing agency for inspection. We will terminate the contracts with suppliers which are found to be involved in illegal drug use, poor sanitation management or unqualified sampling.
<p>Production Chain</p>	<ul style="list-style-type: none"> • The department in charge of inspection and quarantine is responsible for verifying the animal quarantine certificates, animal vaccination labels, quantity and other relevant information for live animals. • The production department is responsible for daily maintenance, upkeep, and overhaul of production equipment to ensure that it is operational. Operators are responsible for the correct use of the equipment in their position and for the maintenance and lubrication of the equipment. Workshop supervisors must inspect all mechanical equipment and various cutting machines to be used every day. If any food contamination hazards are found, they must work with equipment maintenance personnel to address them in a timely manner, so as to meet production and hygiene requirements. • We ensure that all slaughtering operators hold valid health certificates to avoid direct contact with food by personnel with food safety diseases such as dysentery, typhoid fever, and viral hepatitis.
<p>Storage Chain</p>	<ul style="list-style-type: none"> • Raw materials, semi-finished products, finished products and substandard products are stored separately, and containers and vehicles are clearly labelled and disinfected in a timely manner. • The food warehouse is dedicated and equipped with facilities and measures to prevent rodents, flies, moisture, mould, and to keep ventilation. Meanwhile, an inspection and registration system for the entry and exit of food storage is established. Regular clearance inspections are carried out to prevent expired, spoiled, and infested food. Food that does not meet food safety requirements will be disposed of in a timely manner.

Quality First (continued)

Transportation Chain	<ul style="list-style-type: none"> • It is strictly prohibited to load the products that have not been inspected and certified by the factory. • We strictly monitor the temperature of cold chain delivery vehicles to ensure that the freshness requirements are met. • Delivery vehicles should be strictly cleaned and disinfected before transport.
Distribution Chain	<ul style="list-style-type: none"> • Fresh and live foodstuffs are stored in fresh-keeping warehouses after entering supermarkets, retail stores, and other shopping places, and their shelf life, appearance, and packaging integrity are checked. • We strictly control sales time and temperature, timely remove expired and spoiled products, and strictly prohibit the display of substandard and expired products.

II. Quality and Safety Training

The Group gives priority to building a culture of quality. Through regular training on product quality and safety, we continuously improve the professional skills of our employees and strengthen their quality awareness. During Year 2023, we supported employees to attend external training courses related to food quality, safety and hygiene. For example, through training and assessment, employees successfully obtained quality and safety certificates related to fresh and live foodstuffs business, such as safety and health supervisor certificate, safety inspection training certificate, and basic safety management certificate issued by Hong Kong Occupational Safety and Health Council.

Case: Food safety management and hygiene management training for employees

In March 2023, the Group conducted training on food safety management and hygiene management for employees and on-site management personnel involved in production. The training covered the interpretation of laws and regulations related to food safety, personal hygiene management, and occupational health and safety. Through this training, relevant employees had a deep understanding of the laws, regulations, and penalty provisions related to food safety, and further clarified the hygiene management requirements and safety code of conduct in production activities.



Training on Food Safety Management and Hygiene Management for Employees

Quality First (continued)

Case: Training on quality management standards for pig slaughtering

In December 2023, the Group conducted a programme on the key points of quality management and good practices in pig slaughtering for front-line managers of the production departments and quality management departments. This training enabled the front-line managers to fully understand the good practices and requirements from food production, processing, packaging, storage, transportation to sales, and further enhanced the professional knowledge of the front-line managers.



Training on Quality Management Standards for Pig Slaughtering

Tinplating Business

We strictly comply with the Product Quality Law of the People's Republic of China, the Production Safety Law of the People's Republic of China and other relevant laws and regulations in our business operations. We have developed and implemented a series of systems, including the Quality, Food Safety, Environment, Occupational Health and Safety and Energy Management Manual, the Quality Accident Handling Measures, the Annual Inspection of Product Quality, the Operating Guideline for the Control Process of Customer Quality Demand, the Product Recall Control Procedures, and the Safety Inspection and Hazard Management Regulations. By doing so, we are committed to creating better quality, more efficient and more competitive products.

The Group's subsidiaries engaged in the tinplating business have achieved the ISO 9000 quality management system certification and ISO 22000 food safety management system certification for many consecutive years. During Year 2023, we conducted an annual review in accordance with the certification standards and requirements of each system, and the review results showed that each management system continued to operate effectively.

Quality First (continued)



ISO 9000 Quality Management System Certification



ISO 22000 Food Safety Management System Certification

I. Measures for Quality and Safety Management

The Group's tinplating business has established comprehensive measures to control product quality and safety risks, quality testing requirements and standards, and a mechanism for handling production quality accidents. In addition, we have clarified the management and supervision responsibilities of each department, in order to minimise the likelihood of quality accidents occurring during the production process. In case of quality accidents, we thoroughly investigate the causes of accidents, provide criticism and education to those responsible, and hold them accountable according to the severity of the incident. And we promptly develop detailed preventive and corrective measures, striving for continuous improvements in product quality.

Quality First (continued)

Controlling Measures for Product Quality and Safety Risk

Risk areas	Risk analysis	Controlling measures
Raw materials inspection and control	Defective raw materials result in substandard products.	<ul style="list-style-type: none"> Strictly follow relevant standards for raw material inspection, and thoroughly check the factory inspection qualification report or material certificate provided by the suppliers. Meanwhile, closely monitor the effect of raw materials, and immediately stop using them if there are any abnormalities. Actively promote the use of safe and environmentally friendly materials.
Intermediate product inspection and control	Defects occur during the production process, resulting in substandard products.	<ul style="list-style-type: none"> Determine whether the product meets the relevant requirements according to the product inspection standard and the customer's needs. If necessary, submit the product to the customer for confirmation or trial to determine whether it meets the requirements. If the customer has special requirements, the inspection should be carried out based on the customer's requirements.
Product inspection standards	Quality inspectors are not familiar enough with the standards or lack testing skills, which leads to the risk of false detection and misjudgement.	<ul style="list-style-type: none"> Conduct regular in-service training for quality inspectors to enhance their familiarity with testing standards. Provide regular hands-on training for quality inspectors on testing instruments and equipment, and conduct skill assessments or competitions. Implement performance evaluation, and strengthen daily inspections and accountability assessment.
Printing and posting labels of finished products	The production personnel print labels with the wrong content, or the packaging personnel post the wrong labels.	<ul style="list-style-type: none"> Production personnel print labels in strict accordance with the guidelines for label printing operations. Packaging personnel strictly adhere to product specifications when posting labels and identification cards. Provide daily instructions and work inspections for production personnel to correct wrong operations in a timely manner.
Checking the finished products before entry	Products with planned batch numbers don't match the actual ones, and the products to be processed have not been rechecked, which creates a risk of defective products circulating.	<ul style="list-style-type: none"> The products to be processed (TIC system locked products) are not allowed to be loaded out of the warehouse until the identification plate is revoked. Product barcodes are used for warehousing to reduce manual checking errors.

Quality First (continued)

Meanwhile, as tinplate products are used for food packaging, we have product recall control procedure and mechanism in place. We have also set up a dedicated task force to receive and verify the potentially defective tinplate products for food packing. Moreover, we organise simulation exercise on product recall regularly, in an effort to ensure the effectiveness of the recall control procedures.

II. *Quality and Safety Training*

We regularly provide training related to product quality and safety for employees of the tinplating business, including trainings on food safety knowledge, product defect identification and product inspection standards, in order to enhance the understanding of product quality and safety.

Case: Tinplate Quality Management Training

In November 2023, the Group launched quality management training for employees of the tinplating business who are responsible for quality control services as well as those who work in the production workshops. This training explained in detail the best quality management practices of our peers and compared our quality key performance indicators with those of our peers. Specifically, this training enabled us to know our performance, strengths and weaknesses among peers, and learn better ideas and methods for quality management. By doing so, we can further improve our product quality review mechanism and the quality control and verification processes.



Tinplate Quality Management Training

Quality First (continued)

HIGH-QUALITY SERVICES

Optimising Customer Services

Adhering to the customer-oriented service philosophy, the Group respects the opinions of all customers, and regards them as an important basis for service improvement, striving to optimise the customer service quality. We have formulated and implemented policies related to customer complaint handling, to make the customer complaint handling process mechanism complete and formatted. In this way, we aim to ensure that customers receive timely, considerate and effective after-sales services. This year, our complaint response rate of products and services and complaint resolution rate were both 100%.

Customer Feedback Channel

We take each customer's requirements seriously. Any customer who has any comments or complaints towards the products and services of the Group can contact relevant sales personnel via channels such as service hotline and online communication. Upon receipt of a customer complaint, the sales personnel will record the content immediately, and report it to the relevant department. The sales personnel will also reply to customers in a timely manner, informing them of the progress and results of the complaint.

Customer Complaint Resolution Mechanisms

The Group has established different complaint handling and resolution mechanisms based on the natures of the fresh and live foodstuffs business and the tinplating business.

- For complaints related to the fresh and live foodstuffs business, relevant departments will comprehend the content of the complaint, grasp the situation from the related staff at fresh meat stalls, and reply to the customer within 24 hours via supermarkets or retail shops. In addition, we will take appropriate actions to avoid the same or similar situation from happening.
- For complaints related to the tinplating business, we will keep a detailed record of the product batches which the customers complain about, and conducts in-depth analysis of the causes of the product problems in the relevant batches. If the quality problem is caused by a supplier or the delivery company, we will report it to the supplier or delivery company and seek compensation. At the same time, we will work out a compensation plan with the customer and take appropriate improvement measures to avoid the recurrence of the same problem.

Enhancing Customer Satisfaction

Through regular customer satisfaction surveys, we collect and analyse customers' opinions on product quality, service quality, delivery timeliness, price-performance ratio, etc. of the fresh and live foodstuffs business and the tinplating business, so as to introduce improvement measures to enhance customer satisfaction.

Responsible Marketing Management

Adhering to the compliant marketing, the Group strictly abides by the Law of the People's Republic of China on Protection of Consumer Rights and Interests, the Advertising Law of the People's Republic of China and other relevant laws and regulations and industry standards of the countries and regions where we operate. We have also formulated and implemented the management policies such as the Work Guidelines for Marketing Group of Fresh and Live Foodstuffs Business Division and the Management Measures for the Sales Agent, to further improve the marketing management mechanism, ensuring our marketing process follows the business ethics and market rules. We are committed to conducting responsible product promotion and marketing and creating a transparent and honest operating environment, so as to provide customers with assured products and services.

Quality First (continued)

We adopt a zero-tolerance attitude towards any exaggerated or false information in product marketing. All advertising and promotional materials released to the market are subject to compliance audit prior to use. This is to avoid consumers' erroneous associations or interpretations of advertising slogans, product packaging, service names, etc., and to safeguard their rights and interests.

Sales agents are engaged to perform some of the marketing activities for the Group's fresh and live foodstuff business. In this regard, we have formulated a detailed sales agent management code. The Group's marketing department and purchasing department are responsible for communicating with sales agents and providing them with publicity data, information, policies and quotations. The departments also take responsibility for providing sales agents with technical support in various forms, including training of key business personnel, professional guidance and quotation preparation.

In addition, we are dedicated to strengthening marketing personnel's professionalism and awareness of honest marketing. We continuously launch marketing training on different topics to enhance the professional skills and business ethics of marketing personnel.

Information Security and Privacy Protection

The Group highly recognises the importance of information management, cybersecurity and privacy protection. Therefore, the Group strictly abides by the laws and regulations such as the Personal Information Protection Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China and the Hong Kong Personal Data (Privacy) Ordinance. In addition, the Group has formulated and implemented the informatisation work system to standardise the management mechanisms for the collection, use and storage of data.

The Group adheres to the principles of legality, legitimacy and necessity when collecting and using data from partners, customers and employees. Meanwhile, the Group ensures the security of information storage and transmission through technical measures, including setting access permissions, deleting sensitive data and encryption. We have set up a confidentiality management group to coordinate and manage the protection of trade secrets and sensitive data. Meanwhile, we require employees to sign and promise to comply with privacy rules to keep trade secrets and related information confidential. Moreover, employees are not allowed to disclose trade secrets, internal documents and information, as well as business and customer information without permission, and should not disclose the Group's trade secrets to a third party, even after the termination of employment. Regarding the data involved in the auction of fresh and live foodstuffs, employees must keep it strictly confidential, and must not disclose any information that may affect the auction results even after the auction. This year, we maintained and upgraded our computer operating systems to further improve the security level of information system and software.

We regularly conduct training on information security and privacy protection to strengthen employees' awareness of information security and confidentiality, including information security rules and regulations, privacy protection management requirements and emergency response procedures for information leakage. We will seriously handle the leakage of trade secrets and customer information, illegal use of sensitive information for profit, and other similar acts.

Green Operation

Aware of the importance of green operations for the sustainable development of the Company, we have incorporated the concept of green operations into our daily operations. For waste management, we strictly comply with international, Mainland China and Hong Kong environmental laws and regulations. We constantly optimise the production process, and introduce the advanced processing equipment, to reduce the emission of various types of pollutants and to meet the emission standards. For resource management, we adhere to the concept of recycling, optimise the resource allocation for higher resource utilisation efficiency and waste reduction, and also encourage employees to save resources. In addressing climate change, we strive to promote the green office and low-carbon travel actions to reduce greenhouse gas emissions. For biodiversity conservation, we actively participate in the public welfare activities for ecological protection, and contribute to environmental and ecological protection with practical actions. This year, the Group had no violations concerning pollutant emissions and resource utilisation.

The Group has set up a dedicated Environmental Protection Management Committee (“the Committee”), to supervise and implement environmental protection and promote the Company’s sustainable development. The Committee is mainly responsible for organising, supervising and implementing environmental protection work, and paying attention to changes in environmental protection laws and policies, and formulating and updating the Company’s management policies. The Environmental Protection Management Office under the Committee is responsible for monitoring all departments in their waste management, resource management and operation of the environmental management system. It also guides the departments and environmental managers on cleaner production and daily pollutant detection, and carries out employee training on environmental protection.



Environmental Protection Management Committee Structure

The Group implements the environmental strategy of “Win the trust of Society with Clean and Environmental Protection” and practices the goals of “energy conservation, consumption reduction, pollution reduction and efficiency enhancement”. Meanwhile, the Group has established a comprehensive environmental management system and hold the ISO 14001 environmental management system certificates.

Green Operation (continued)



ISO 14001 Environmental Management System Certificates

In order to respond to emergent environmental pollution incidents effectively, and to minimise the impact of accidents on the environment, the Group has developed Emergency Plans for Emergent Environmental Incidents in accordance with the Emergency Response Law of the People's Republic of China, the Administrative Measures for the Recording of Emergency Preparedness for Environmental Emergencies of Enterprises and Institutions and other relevant laws and regulations, to standardise the emergency treatment and rectification measures of hidden dangers. The Group's Production Safety Management Department takes a lead in inspecting hidden hazards, handling major emergencies, and regularly organizing emergency drills, to ensure an efficient response to environmental emergencies. Meanwhile, the Group has installed different monitoring equipment to monitor the real-time environmental conditions of the plants, and installed anti-leakage pools at hazardous chemical storage sites to avoid major leakage. We also have emergency supplies with inspection, protection and communication functions to deal with environmental emergencies.

We also attach great importance to the environmental performance of our employees and have established a reward and punishment system. We reward employees who propose effective solutions that can improve emission management or resource management scheme, and punish employees accountable for negligent duties and resources waste, so as to increase employees' enthusiasm for environmental pollution prevention and control and resource saving. At the same time, the Group is committed to improving employees' environmental knowledge. Specifically, the Group conducts environmental training for new employees to help them understand the national environmental laws and policies, as well as the relevant rules of the Company. Through the above initiatives, the Company effectively improves environmental protection management and cultivates the awareness of environmental responsibility among employees.

Green Operation (continued)

ENVIRONMENTAL TARGETS

As a company mainly engaged in the distribution and trading of fresh and live foodstuffs, provision of slaughtering service, and manufacturing and sales of tinplate products, the Group is committed to enhancing resource management and formulating sustainable development plans. During the Reporting Period, we set environmental management targets to constantly improve energy efficiency and reduce environmental impact.

Aspect	Our Targets
Pollutant Management	Reduce the impact of wastewater, exhaust gas, solid waste and noise on the environment
Energy Management	Improve the efficiency of energy utilisation and reduce energy consumption
Management of Water Resources	Reduce water consumption and achieve water saving and reusing
Response to Climate Change	Reduce carbon emissions and cope with climate disasters
Biodiversity Protection	Reduce the impact of operations on biodiversity

POLLUTANT MANAGEMENT

Wastewater Management

The Group is committed to the environmental target of meeting wastewater discharge standards. The Group strictly complies with the Water Pollution Prevention and Control Law of the People's Republic of China, the Discharge Standard of Water Pollutants for Meat Packing Industry, the Discharge Limits of Water Pollutants, the Integrated Wastewater Discharge Standard, the Emission Standard of Pollutants for Electroplating, the Discharge Standard of Water Pollutants for Iron and Steel Industry, the Hong Kong Water Pollution Control Ordinance and other laws and regulations and national and local discharge standards. The Group has also formulated the Description of Slaughterhouse Wastewater Treatment Plan and other internal wastewater treatment procedures in accordance with the Pollutant Discharge Permits to standardise the wastewater treatment procedures and facilities, to ensure that the discharged industrial wastewater meets the standards. Furthermore, the Group strictly implements the Guidelines for Environmental Suspension Operations and the Wastewater, Exhaust gas, Noise and Solid Waste Pollution Control Process at all production workshops and sewage treatment stations. By doing so, the Group can prevent environmental pollution incidents caused by excessive discharge of wastewater due to operational errors or emergencies. The Group is subject to regular inspections by local government and engages third-party agencies to conduct inspections on wastewater flow rate and water quality standards, such as Chemical Oxygen Demand (COD), ammonia nitrogen and pH value, so as to ensure the discharged wastewater meets the national or local standards.

The wastewater generated in the operation of the Group's fresh and live foodstuffs business is mainly non-hazardous wastewater, which does not contain substances that have a significant negative impact on the environment. Specifically, the wastewater generated includes the sewage from cleaning the livestock in the slaughterhouse, the cleansing sewage from the fresh meat processing workshops and the fresh meat stalls, the cleansing sewage from meat cutting process, and the domestic sewage from the office. The Group's slaughterhouses and meat processing plants of the fresh and live foodstuffs business are equipped with wastewater treatment stations, which treats the wastewater. The treated wastewater will be discharged into the municipal sewage system after reaching the standards. The cleansing sewage of the slaughterhouse is discharged to the sewage canal of each cleaning pen in accordance with the management procedures of the slaughterhouse, and is collected, filtered and disinfected for reuse. The cleansing sewage of each supermarket is treated in its grease trap, and environmentally friendly detergents are used to clean the grease trap to reduce the environmental pollution caused by the detergents. The

Green Operation (continued)

domestic sewage generated by the office is discharged into the municipal pipelines for unified treatment. During Year 2023, the Group's fresh and live foodstuffs business carried out the technical transformation of the wastewater treatment station and the sedimentation tank of the cattle and sheep workshops to further upgrade the wastewater treatment system. We also renovated and reclaimed water reuse at the plant areas with high municipal water consumption to save water.

The wastewater generated by the Group's tinsplating business mainly comes from electroplating wastewater from the production of tinplate and related products, other industrial sewage and waste reagents, and domestic sewage from the office. Sewage treatment stations have been set up in the factories of the Group's tinsplating business, where the industrial wastewater will be treated through procedures including chemical neutralisation, hydrolysis and acidification, physical and chemical precipitation, filtration and sterilisation. The treated wastewater will then be discharged after being tested and reaching the standard. Domestic sewage from the office is pretreated by septic tank and then discharged into regional water purification plant. In the meantime, the sludge generated from sewage treatment station is dehydrated and sent to the hazardous waste disposal enterprise for treatment. For hazardous industrial wastewater that requires special treatment, such as concentrated oily wastewater, waste emulsions, waste thinner and others, we add specific processing procedures at the factory's sewage treatment station and production department to reduce its environmental pollution, after which it is stored in a special leak-proof container. After completing the declaration of the government discharge information management platform, we will entrust a qualified recycler for subsequent processing. In addition, we are committed to the development of water recycling technology. We have taken measures such as regularly maintaining reverse osmosis water purification equipment and increasing the frequency of pre-filter replacement to a quarterly basis, so as to raise the water production rate of reverse osmosis membranes and effectively reduce the amount of wastewater generated.

Exhaust Gas Management

The Group strictly abides by the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and the Emission Standards for Odor Pollutants (GB14554-93), the Integrated Emission Standard of Air Pollutants (GB16297-1996), the Emission Standard of Pollutants for Electroplating (GB2190-2008) and the Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB13/1640-2012), the Emission Control Standards for Volatile Organic Compounds in Industrial Enterprises (DB13/2322-2016) and other industry-related exhaust gas emission standards. To standardise the internal exhaust gas treatment procedures and ensure that employees operate the exhaust gas treatment equipment correctly, we have formulated and strictly enforced the Exhaust Gas Classification Management Procedures and the Guidelines for the Use of Exhaust Gas Treatment Devices to achieve emission standards.

Exhaust emissions from the Group's fresh and live foodstuffs business mainly consist of a small amount of odour from the slaughterhouse, exhaust gas from transport vehicles, and exhaust fumes from transport vehicles. During Year 2023, the fresh and live foodstuffs business of the Group completed the deodorisation technology transformation in the plant, which collects and treats the slaughterhouse odour for discharge. The fresh and live foodstuffs business also conducted quarterly testing at the plant's exhaust gas discharge outlets in accordance with the requirements of the Pollutant Discharge Permits. The main testing indicators are flue gas parameters, ammonia, hydrogen sulphide and odour concentration. To properly manage exhaust emissions from vehicles, we enhance ventilation treatment during vehicle unloading, regularly inspect and maintain vehicles, and require drivers to switch off the engines of idling vehicles, so as to reduce the impact of vehicle emissions on the environment.

The exhaust gas generated by the Group's tinsplating business is mainly from the production process of tinplate and the exhaust emissions of vehicles for daily transportation, including organic exhaust gases, oil mist exhaust gases and chromic acid mist. The factories of the tinsplating business are equipped with complete exhaust gas treatment equipment, which collects the exhaust gas in the workshop through the gas collection hood and then treats the exhaust gas through various methods. These methods include lye spray absorption, vacuum oil mist separation, scrubbing and acid regeneration, thermal combustion for organic waste gas, and activated carbon catalytic combustion process. The exhaust gas is discharged at high altitude through the exhaust gas discharge port after reaching the standard. In the tinsplating business, the Group specially arranges personnel from the environmental

Green Operation (continued)

protection department to operate the exhaust gas treatment equipment and monitor the emission of various exhaust gases in the factory. The personnel are also required to operate the exhaust gas treatment equipment in strict accordance with operating specifications to prevent exhaust gas leakage or excessive emissions caused by operational errors and reduce environmental impact. During Year 2023, with the standardised exhaust gas classification management system, GDH Zhongyue (Zhongshan) Tinplate Industrial Co., Ltd. (“GDH Zhongyue”) obtained A rating in the Classification Management Rating Results of Zhongshan City’s 2023 List of Key Enterprises Involving VOCs issued by Zhongshan Municipal Ecology and Environment Bureau.

Case: GDH Zhongyue was awarded the provincial environmental credit evaluation green card enterprise once again

In recent years, GDH Zhongyue has continuously increased environmental protection efforts, carried out the rainwater and sewage diversion project in the factory, and purchased an automatic sampling and monitoring system for wastewater and exhaust gas, in order to further improve the environmental management. In February 2023, the Department of Ecology and Environment of Guangdong Province reported the results of the environmental credit evaluation for enterprises in Guangdong Province. GDH Zhongyue has performed excellently in pollution prevention and control, ecological protection, environmental management, and social supervision, and was awarded the provincial environmental credit evaluation green card enterprise once again. GDH Zhongyue is the only enterprise in Zhongshan City, Guangdong Province that has awarded the credit evaluation green card for six consecutive years since 2016.



Automatic sampling and monitoring system for wastewater and exhaust gas

Management of Disposal of Solid Wastes

The Group operates in strict compliance with the Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and other relevant laws and regulations as well as local regulations for the storage of solid waste, and conducts classification and treatment of solid waste. In addition, we have formulated rules and systems on the management of hazardous waste, including the Hazardous Waste Management Plan and Management Ledger, the Hazardous Waste Warehouse Management System and the Hazardous Waste Management System, to clarify the whole process of hazardous waste storage, transfer and disposal.

The non-hazardous waste generated from the operation of the Group’s fresh and live foodstuffs business is mainly organic waste and sludge generated by slaughtering livestock in slaughterhouses and processing fresh meat, and domestic waste from daily operations. The hazardous waste is mainly generated from diseased livestock carcasses and meat in daily operations. Non-hazardous organic waste, such as pig hair, pig blood and livestock offal residues, will be recycled and disposed of by qualified enterprises on a regular basis. For sludge, during Year 2023, we installed additional plate and frame filter presses and screw presses for sludge dewatering before transferring the sludge to qualified organisations for recycling. This enables us to reduce the amount of non-hazardous waste disposal and its impact on the environment. Domestic waste produced from daily operations will be collected and disposed of by the property management companies. We set up a hazardous waste warehouse for diseased livestock carcasses and meat in daily operations, and stack hazardous waste in different locations of the warehouse according to the different

Green Operation (continued)

zoning signs of hazardous waste storage. The keeper of the hazardous waste warehouse regularly inspects the stored hazardous waste containers and facilities. Meanwhile, the keeper will clean and replace the containers and facilities in a timely manner, if they are found to be broken or destroyed, so as to avoid environmental pollution. In addition, we regularly entrust enterprises with hazardous waste operating licences to recycle and dispose of hazardous waste.

The non-hazardous waste generated during the production of the Group's tinplating business mainly includes recyclable waste such as wastepaper, residual materials, scrap iron and packaging wastes, and non-recyclable wastes such as domestic rubbish. The hazardous waste mainly includes chromium-containing resins, chromium-containing sludge, oil sludge, waste paint and waste oil residue. We strictly regulate the classification and treatment of various types of solid waste, and centrally store them for further disposal in accordance with laws. We sell the recyclable waste to professional recyclers. The non-recyclable waste is regularly sent to the local environmental and hygiene department for disposal, so as to improve the resource reuse rate and reduce waste. At the same time, in accordance with national requirements for the movement of hazardous waste, we have set up a special warehouse for the storage and management of hazardous waste, and entrusted the disposal of hazardous waste to qualified recycling enterprises. We also report the hazardous waste movements to the relevant government departments in real time.

Management of Noise

The Group strictly abides by relevant laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise and the three categories of standards in the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008) to manage noise in production and operation. During Year 2023, the Group commissioned qualified testing companies to conduct quarterly noise tests in the plant environment, and all test results met emission standards.

The noise of the Group's fresh and live foodstuffs business is mainly the noise of livestock in slaughterhouses. The Group transfers livestock to a quiet indoor slaughterhouse to reduce the impact of their noise on the surrounding environment. In addition, the Group regularly commissions qualified third-party organisations to conduct noise testing to ensure that the noise of the plant meets the standards. Besides, we provide earplugs for employees to block the livestock noise to protect them from occupational injuries.

The noise of the Group's tinplating business is mainly generated from the operation of production equipment and its ancillary facilities. In order to stop the transmission of noise, our tinplate production factories are designed to be semi-closed and installed with acoustic doors and windows. At the same time, according to the characteristics of the noise generated by the production equipment, such as mechanical vibration noise, air dynamic noise, electromagnetic noise, we targeted the use of different materials of sound insulation and noise reduction walls to prevent the spread of various types of noise. In addition, we pay attention to noise attenuation at the sound source. We further reduce environmental noise in operations by requiring our employees to operate production equipment correctly, avoiding arbitrary startup and shutdown of the equipment, regularly repairing and maintaining the equipment, and prioritising the procurement of new environmentally friendly and low-noise equipment.

RESOURCE MANAGEMENT

Energy Management

The Group is committed to the goal of scientific energy management and efficiency improvement through technological innovation. In operation, the Group strictly follows the requirements of the Energy Conservation Law of the People's Republic of China. The Group has also formulated and implemented internal energy management systems, such as the Energy Conservation and Emission Reduction Control Procedure and the Energy Management Operation Control Procedure. We also actively advocate green operational measures such as water and electricity conservation and paperless office to save energy. The Group has established an energy-saving management team with dedicated energy management personnel to improve the energy management structure, thereby promoting corporate energy saving and efficiency. The Group's energy management team conducts energy efficiency benchmarking with advanced peer companies, as well as within subsidiaries. By doing so, the Group sets uniform energy consumption budgets and energy-saving assessment indexes for various businesses, thereby enhancing the competitiveness of subsidiaries both inside and outside the Group. Meanwhile, the Group has implemented the configuration of three-level metering instruments and established a corresponding ledger for energy metering

Green Operation (continued)

instrument to monitor the energy consumption of each production plant in real time. We arrange regular on-site inspections by energy supervisors and measurement administrators to stop abnormal energy consumption and reduce waste in a timely manner. The Group has acquired the ISO 50001 energy management system certification for many consecutive years. This year, we conducted an annual review in accordance with the ISO 50001 energy management system certification standards and requirements, and the results of the review showed that our energy management system continued to operate effectively.



ISO 50001 Energy Management System Certification

The energy used by the Group’s fresh and live foodstuffs business includes fuels such as gasoline, diesel and liquefied petroleum gas and electricity. The fuel relates to direct energy consumption, mainly for vehicle use. Electricity relates to indirect energy consumption, mainly used for office and plant operations. In terms of green travelling, the Group advocates the use of new energy vehicles, reduces the use of fuel, and encourages the use of public transport. In terms of power saving, the Group adjusts the use of equipment in the production workshops according to the seasons and conducts inspections, switches off idle equipment in a timely manner, and conducts energy consumption statistics for workshops and assesses them through energy consumption costing.

The energy used by the Group’s tinplating business includes electricity, natural gas, steam, refined oil, tap water and industrial water. Among them, electricity and steam are indirect energy consumption. Electricity is mainly used for tinplating plant and office operations, and steam is mainly used for the production process of the tinplating business. Natural gas, gasoline, diesel and ethanol fuel are direct energy consumption, which are mainly used for production, office operations and vehicles. In terms of energy-saving renovation, we replace the old 65KW and 37KW air compressors with 110KW energy-saving air compressors; we transform the high-pressure water pumps in the substrate factory and install frequency conversion control cabinets that achieve regulation of speed and flow according to water consumption; we speed up the production lines of acid pickling and cold rolling in the substrate factory through technological transformation.

Management of Water Resources

Highlighting the full utilisation of water resources, the Group has formulated the Measures for the Administration of Water and Electricity and other policies to clarify the norms and requirements of managing water resources in operations. During Year 2023, the Group did not encounter any problems in sourcing water.

The water used by the Group’s fresh and live foodstuffs business is mainly from municipal water supply and it is mainly used for cleaning livestock and daily office operations. The fresh and live foodstuffs business of the Group is committed to regulating water use of all processes and developing water recycling technologies to save water. When cleaning livestock, the slaughterhouse manages water consumption of each production line and reduces the water cost by using plug-and-play water cards, setting up water-saving valves and arranging workshop patrol. During Year 2023, GDH Food (Foshan) Company Limited achieved a reduction in water consumption of workshops of pigs, cattle and sheep. Specifically, water consumption was reduced from 0.64 cubic metres/head to 0.51 cubic metres/head for

Green Operation (continued)

pigs, reduced to 3.14 cubic metres/head for cattle, and to 0.25 cubic metres/head for sheep. In terms of office operations, the Group closely monitors water consumption, encourages employees to use water rationally, and repairs the high water-consuming equipment and water leaks to reduce unnecessary water usage.

The water used by the Group's tinsplating business is mainly from municipal water supply and rivers, which is mainly used for the production of tinsplate and daily office operations. The tinsplating business also uses soft water, pure water and tower water throughout the electroplating production process. As a water-intensive industry, the tinsplating business encourages its factories to reduce unit water consumption of products through technological innovation, reuses wastewater and cooling water, and conducts pipe network inspection in factories. To make targeted corrective plans and set appropriate water consumption targets, we monitor the flow rate of the water consumption points and identify departments or processes with larger water consumptions. Regular maintenance of the pipe network is carried out to avoid leakage and waste. Through sound management of water resources, GDH Zhongyue reused nearly 142,000 cubic metres of wastewater throughout all production lines during Year 2023. Additionally, regarding office operations, the Group cultivates employees' awareness of saving water and electricity, puts up water-saving posters and installs water-saving valves to integrate water-saving practices into the green office.

Management of Packaging Materials

Complying with the Prerequisite Programmes on Food Safety — Part 4: Food Packaging Manufacturing and other industry standards, the Group has implemented the Quality, Food Safety, Environment, Occupational Health and Safety and Energy Management Manual and other policies. In doing so, we have clarified the use and management of packaging materials, to reduce the use of packaging materials in production and sales. The Group's packaging materials are mainly used for packaging fresh food in supermarkets and tinsplate products. The Group encourages employees in charge of food packaging to reduce the loss and disposal of packaging boxes, avoid excessive packaging, and reuse plastic boxes in good condition after cleaning and drying, so as to achieve simplified packaging and save packaging materials. Furthermore, to optimise packaging and reuse materials, we manage the usage and inventory of packaging materials via an online platform for unified warehouse management, and trace abnormal usage of packaging materials for appropriate treatment. The usage of packaging materials is recorded to control their usage in each factory, and regular inspection is organised to reduce waste.

RESPONDING TO CLIMATE CHANGE

To slow global warming and address climate change, the Group has included climate change issues into the corporate strategy. Committed to assuming corporate responsibilities, and practising green and low-carbon development, the Group has formulated appropriate plans in response to climate change risks, and promoted corporate transformation, upgrading and structural adjustment, to reduce greenhouse gas emissions.

To reduce the generation and emission of greenhouse gases, the Group carries out regular repair and maintenance of production equipment and treatment facilities to reduce electricity consumption. Besides, pursuing a green, low-carbon and paperless office, we encourage employees to transmit documents online to reduce paper used for photocopying, faxing or printing, use double-sided and format reduced printing, set the printer to duplex printing as the default setting, reuse envelopes and packaging materials, and reduce the font size and line spacing as much as possible to make full use of paper. In addition, the Group selects green suppliers to supply environmental-friendly paper and lighter paper to reduce greenhouse gas emissions arising from paper consumption. We implement 6S¹ standards for office management, and carry out training about environmental protection to enhance employees' awareness of green and low-carbon office. The Group encourages employees to hold online meetings instead of unnecessary business trips, use unleaded gasoline, and take more public transportation to practise green and low-carbon travel. We also use new energy vehicles for official travel to reduce greenhouse gas emissions in daily operations.

¹ Refers to the six items of SEIRI (organisation), SEITON (rectification), SEISO (sweep), SEIKETSU (clean), SHITSUKE (education) and SECURITY (safety).

Green Operation (continued)

In addition, the group identifies, analyses, and evaluates climate change risks that may have a significant impact on our business and operations based on our own business characteristics, and formulates targeted response measures accordingly.

Risk type	Risk description	Response actions
Acute risk	<p>Increasingly severe extreme weather events, such as typhoons, floods, and sudden natural disasters.</p> <ul style="list-style-type: none"> • Cause disruptions to transportation network or supply chain, affecting product delivery time. • Cause damage or destruction to the critical infrastructure of the factory, thereby increasing the operating costs of repair or replacement. • Pose a threat to the personal and property safety of employees, supply chains, and customers. 	<ul style="list-style-type: none"> • Formulate the Three Prevention Work Plan and Emergency Response Plan, continuously promote the prevention and handling of sudden natural disasters such as typhoons and floods, and strive to achieve orderly, efficient, and scientific disaster prevention and handling work, in order to minimize the probability of casualties and disaster losses. • Establish an emergency response working group and regularly conduct emergency skills training and drills to continuously improve disaster prevention and rescue capabilities. • Pay close attention to the relevant weather forecast of the operation location, and equip with emergency equipment and materials, such as flood control sandbags, flood boards, emergency lighting, first aid kits, etc.
Chronic risk	<p>Rising global temperatures could cause prolonged heat waves.</p> <ul style="list-style-type: none"> • Increase the safety risks of employee work, such as heatstroke or death due to heat. • Make animals more susceptible to diseases and increase the incidence and infectivity of diseases. • Add ventilation and refrigeration equipment in offices and factories will increase operating costs. 	<ul style="list-style-type: none"> • When encountering hot weather, provide employees with food and medicine that can prevent heatstroke in a timely manner, and remind employees to replenish water in time. • Reduce the temperature of animal living areas through measures such as spraying and ventilation, strengthen epidemic detection, and regularly clean and disinfect animal living areas. • Gradually replace with efficient and energy-saving ventilation and refrigeration equipment.

Green Operation (continued)

BIODIVERSITY PROTECTION

The Group is well aware of the important role that enterprises play in constructing national ecological civilisation, especially in protecting biodiversity. In this regard, based on our business characteristics, we organise actions on biodiversity protection to practise corporate social responsibility for environmental protection. Through a series of green public welfare activities and vegetation greening practises, we hope to spread the concept of green development, and contribute to the protection of “lucid waters and lush mountains” and biodiversity.

Case: “Green River” — Voluntary Activity for River Cleaning

On 10 April 2023, the Group organised young volunteers to carry out river cleaning activities on the 8-kilometre stretch of the river in the Torch District, Zhongshan City. The volunteers cleaned the garbage and floating objects on the river surface as well as the river shoals. They also raised awareness of environmental protection among residents along the river to ensure a free flow of the river and called on the masses to jointly keep the river clean, contributing to a clean community.



“Green River” — Voluntary Activity for River Cleaning

In addition, the sludge generated from meat processing is converted into fertiliser for surrounding green plants after proper treatment and dilution. In this way, we turn waste into wealth and green the vegetation, so as to reduce the impact of business operations on surrounding plants, and protect biodiversity.

Employee Oriented

The Group regards the employees as valuable assets for sustainable development. We firmly protect the rights and interests of employees, and are committed to eliminating any forms of discrimination and prejudice in the workplace, by developing a scientific and reasonable remuneration system, and providing generous and comprehensive benefits. For employee health and safety, occupational safety certification is orderly carried out and safety training sessions are regularly conducted to enhance employees' safety awareness. For talent training support, a variety of training courses are provided to employees to improve their vocational skills. We translate our care for employees into concrete actions, to enhance employees' happiness and sense of belonging. The Group did not have any violation cases related to employment, health and safety and labour guidelines during Year 2023.

Number of Employees (Employee Turnover Rate)	2023
Total	1,520 (10%)
By Gender	
Male	1,148 (9%)
Female	372 (11%)
By Age Group	
Less than 30 years old	283 (17%)
30 to 50 years old	942 (8%)
More than 50 years old	295 (6%)
By Region	
Mainland China	1,278 (9%)
Hong Kong, China	242 (14%)

Note: Formula for turnover rate calculation: number of employee leaving employment under a specific category ÷ number of employee under that specific category at the end of Year 2023 x 100%.

RIGHTS AND INTERESTS OF EMPLOYEES

Highlighting the protection of employees' rights and interests as well as human rights, the Group strictly abides by the Labour Law of the People's Republic of China and Hong Kong. We treat all employees equally, and prohibit discrimination on the grounds of gender, race, age and health status. Appropriate measures to accept complaints, investigate and handle complaints are taken to prevent sexual harassment through power abuse, exploitation of a superior position, and other means. We pay close attention to the legitimate rights and interests of our employees, especially the rights and interests of female employees during pregnancy and postpartum.

For employee remuneration, we implement a differentiated remuneration distribution mechanism, uses performance evaluation results as an important reference for bonus distribution, is committed to promoting a fair remuneration management system, and fully mobilizes the enthusiasm of employees.

The Group complies with the relevant laws and regulations related to the prohibition of child labour and forced labour, including but not limited to the Labour Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labour, as well as the Employment Ordinance and the Employment of Children Regulations of Hong Kong. We will sign an employment contract with employees when they join the company. The relevant work content, salary, working hours and location are clearly stated in the contract to prevent any forms of forced labour. We review the identification documents of employees before they commence duty to ensure that they have reached the legal working age, so as to avoid recruiting any child labour by mistake. In case of misemployment of child labour or forced labour, the Group will immediately stop the work of the relevant personnel, and investigate the incident. There were no incident concerning the employment of child labour under the legal working age or forced labour in the Group this year.

Employee Oriented (continued)

In addition, we make social insurance and housing provident fund contributions for Mainland China employees and mandatory provident fund contributions for Hong Kong employees, as required by law. We have also formulated the Employee Handbook of GDH Guangnan (Holdings) Limited and the Regulations on Attendance and Leave Management for both Mainland China and Hong Kong to ensure employees' rights to remuneration, occupational safety protection, vocational training and other rights in accordance with the law. Meanwhile, we help employees achieve work-life balance by making reasonable work arrangements, controlling overtime and strictly enforcing overtime approval procedures. The Group's employees are also entitled to statutory holidays and paid leave in accordance with the law.

HEALTH AND SAFETY

The Group considers the health and safety of its employees to be fundamental to the management of its operations. In accordance with laws and regulations such as the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, we have established a number of systems and policies, including the Responsibility System for Production Safety. Adhering to the production safety policy of "Safety First, Prevention Crucial, Comprehensive Management", we have clarified employees' production safety responsibilities, established a responsibility evaluation system, and achieved an efficient organisational structure and clear rights and responsibilities, thereby effectively improving our safety management capabilities. Meanwhile, we remain committed to occupational health and safety certification. This year, our occupational health and safety management system continued to operate effectively, as certified by the China Quality Certification Centre. In addition, safety inspections were carried out, and our subsidiaries were organised to check the implementation of production safety, occupational health, fire management, etc. Risks and hidden hazards were identified and addressed in a timely manner to create a safe working environment.

Case: Training on "Revised Production Safety Law and Employees' Responsibility for Safety"

This year, taking the opportunity of "Production Safety Month" and "On-Site Production Safety Check in Guangdong" campaigns, we organised a training on the "Revised Production Safety Law and Employees' Responsibility for Safety". With the aim of further clarifying the responsibilities of management personnel in production safety, we are striving to improve the safety awareness and skills of employees.



Training on the Revised Production Safety Law

Employee Oriented (continued)

Case: Safety Management, Responsibility and Skills Training

To improve safety management, the safety management, responsibility and skills training was organised for relevant personnel in the tinsplating business this year. The training mainly includes showing educational videos, analysing and explaining safety accident cases, and sharing knowledge on safe production. This training aimed to help employees continuously establish self-protection awareness and improve their ability to identify hidden hazards, thereby contributing to the Group’s production safety goal of “zero accidents” in 2023.



Safety Management, Responsibility and Skills Training

Case: Safety Knowledge and Vocational Skills Competition

This year, the Group held a competition on safety knowledge and a competition on vocational skills and theoretical knowledge, attracting a total of over 880 participants. In addition, over 20 emergency drills on safety risks were conducted during the year, involving more than 300 employees, to establish a normalised response mechanism for safety management and emergency response.



Safety Knowledge and Vocational Skills Competition

Number and rate of work-related fatalities occurred in each of the last three years:

Health and Safety	2023	2022	2021
Number of work-related fatalities	0	0	0
Percentage of work-related fatalities	0	0	0

Employee Oriented (continued)

TALENT CULTIVATION

Considering talent cultivation as the foundation for corporate development, the Group strongly supports the employees in improving their professional quality and skills for better career development. This year, a series of training sessions were organised in a variety of ways, such as on-site training, online platform training, internal training and external training. These training sessions mainly covered new employee orientation, production safety, integrity and confidentiality, latest policy interpretations, guidelines on the operation of office systems, official document standardization and office automation operations, financial management and professional skills courses.

In 2023, the Group's training details are as follows:

Average Training Hours (Percentage of Employees Trained)	2023
Total	14.9 (97%)
By Gender	
Male	14.6 (99%)
Female	15.7 (92%)
By Level	
Management and senior	37.3 (95%)
Middle	32.2 (99%)
Junior	13.1 (97%)

Note: Formula for percentage of trained employees calculation: number of trained employees under a specific category ÷ total number of employees in the specified category x 100%.

Formula for percentage of average training hours per employee: total number of training hours for employees in a specified category ÷ total number of employees in the specified category.

Focusing on enhancing employees' professional skills, the Group conducted a series of comprehensive professional talent development trainings by using online learning resources and offline approaches in 2023. This training aimed to build a talent pool in line with the high-quality development of our business. Trainings on interviewing skills, talent selection and appointment procedures, and labour risk-related training were provided to human resources staff to improve their human resources management skills. The practical training on investment business development was held for middle and senior management to help them learn business development strategies and skills, identify project risks and develop control measures.



Training on Investment Business Development

Employee Oriented (continued)

EMPLOYEE CARE

Always concerned about the well-being of employees, we take their priorities as ours and act on their wishes. We are committed to providing a wide range of welfare programmes and responding to employees' needs promptly.

Case: Visiting Employees in Need

This year, the Group provided comfort to employees in need. By providing material and financial assistance, we show care and sympathy, and bring warmth to those in need.



Visiting Employees in Need

Case: Cultural and Sports Activities for Employees

To enhance our team spirit, the Group organised various cultural and sports tournaments such as basketball, football, table tennis and badminton, as well as staff sports meetings. Through these efforts, we aim to continuously enrich the cultural life of our employees in their free time and strengthen their sense of belonging.



Cultural and Sports Activities for Employees

Employee Oriented (continued)

Case: Health Lecture

To support our employees in health management, experts from traditional Chinese medicine hospitals were invited to give a health lecture themed on "Employee Health Care and Cervical Spondylosis Prevention". The instructors shared about cervical spondylosis and exercises that would help prevent cervical spondylosis, to spread health awareness among employees.



Health Lecture

Case: Training on Mental Health

To further strengthen employees' mental health awareness and improve their psychological adaptability, a mental health training was delivered by an expert in mental health education. Focusing on communication, conflict resolution and career counselling, the expert taught methods for stress relief, psychological adjustment and non-violent communication techniques to help employees understand themselves, reduce stress and regulate their emotions. Employees were also invited to take part in a "venting session" in groups to express their feelings and relieve their stress.



Training on Mental Health

Case: DIY Planet Lamp Painting Activity

A DIY Planet Lamp Painting activity was held for employees to soothe their mind and body and lower stress, which aimed to spread the knowledge of colour psychology and art therapy among the participants, and to help them understand their own personalities behind colours, so that they can properly encounter the pressures and anxieties of life.



DIY Planet Lamp Painting Activity

Operating Practices

Regarding compliance management as the cornerstone of business, the Group always adheres to the compliance philosophy in daily management and operations. Meanwhile, we are committed to improving our risk resistance by constantly strengthening risk management and formulating diversified risk response strategies. Attaching great importance to business ethics, we will continue to promote integrity building while steadily strengthening intellectual property protection to avoid infringement. We strive to build a responsible supply chain and prevent violations by suppliers by giving high priority to supply chain management.

RISK MANAGEMENT

To further establish a sound comprehensive risk management system and continuously improve risk management capabilities, the Group has formulated a series of objectives and policies related to risk and compliance management, including the Measures for Comprehensive Risk Management of GDH Guangnan (Holdings) Limited, the 2023 Compliance Management Objectives of GDH Guangnan (Holdings) Limited, and the Compliance Management Measures of GDH Guangnan (Holdings) Limited. These have been developed in light of the Group's actual operation and management and in accordance with the Hong Kong Companies Ordinance, the Listing Rules, the Securities and Futures Ordinance, the Company Law of the People's Republic of China, the Law of the People's Republic of China on State-Owned Assets of Enterprises and other relevant laws and regulations. In addition, we have also refined strategies for managing strategic risks, investment risks, operational risks and other risks.

The Group adheres to the business philosophy of governing enterprises in compliance with the law and is committed to enhancing its corporate governance and compliance management. This year, we held a management review meeting on our compliance management system and assessed that the Group's compliance management system was operating effectively and met the requirements of the on-site assessment, and engaged a third-party assessment organization in October 2023 to carry out the certification of the Group's compliance management system in accordance with GB/T 35770-2022 and ISO 37301:2021 in the field of compliance management. In the course of the certification audit, experts from the audit team of the third-party assessment organization examined the construction of the Group's compliance management system and the degree of understanding and implementation of the system, and conducted interviews with the management and various departments. The audit concluded that the Group's compliance management work meets the requirements of GB/T 35770-2022 and ISO 37301:2021 compliance management system and operates effectively.



Compliance System Certification of the Group

Risk Management Objectives of the Group

1. Ensure legality and compliance of production, operations and management
2. Ensure asset security and promote capital preservation and appreciation
3. Ensure the implementation of key risk response measures, reduce uncertainty in achieving business objectives and improve the efficiency and effectiveness of business activities

Operating Practices (continued)

Three Lines of Defence Mechanism for the Risk Management of the Group

First Line of Defence: Departments and Subsidiaries

Second Line of Defence: Risk Management and Coordination Department

Third Line of Defence: Internal Audit and Supervision Department

The Group has set up a comprehensive compliance management organization structure to continuously strengthen its compliance management and its ability to address compliance risks. We have established a compliance management team, which meets regularly to study and resolve compliance management issues, and to guide, supervise and evaluate the compliance management work of various departments and subsidiaries, with a view to ensuring the effectiveness, appropriateness and adequacy of the Group's compliance management system and to provide compliance safeguards for the Group's operations. At the same time, we continue to improve our risk assessment standards, quantitatively assess the likelihood of occurrence of risks and the extent of their impact, and conduct assessment and evaluation of our risk control management work, with an aim to strengthening the control over the entire process of risk management. During the Reporting Period, there was no significant level of compliance risk among the identified compliance risks for the time being based on the current assessment.

Case: Training on Legal Risk Management

Several training sessions on legal risk management were held this year, including sessions on ISO 37301 compliance management system and contract management, to raise employees' awareness of risk management and enhance their knowledge of risk management and compliance, and effectively enhanced the working capabilities of the legal risk management personnel.



Training on Legal Risk Management

BUSINESS ETHICS

The Group places high emphasis on integrity building, and strictly complies with the Criminal Law of the People's Republic of China, the Prevention of Bribery Ordinance of Hong Kong and other laws and regulations regarding the prevention of corruption, bribery, fraud, extortion and money laundering in the places where the Group operates. Promoting business ethics and anti-corruption efforts in a coordinated manner, we have formulated internal policies such as integrity guidelines, and established supervision and management mechanisms. We also continuously standardise the corporate governance system, and enhance the integrity and business ethics awareness of all our employees, thereby effectively preventing corruption incidents.

To strictly regulate the code of conduct required of employees and directors in respect of integrity, we have also formulated rules against accepting and soliciting bribes, commercial bribery and illegal transfer of benefits, among others. In addition, we have also established an internal control system for integrity in business, set management objectives for integrity in business, incorporated integrity-related work into our annual work plans and summaries, included honesty and integrity as part of our staff performance evaluation, and continuously strengthened our internal integrity monitoring mechanism. We also encourage employees to report corruption. Strictly following the Regulations

Operating Practices (continued)

on Complaints and Whistleblowing, we promptly investigate and verify the reported issues. Meanwhile, we make every effort to protect the information security of whistleblowers and strictly prohibit the unauthorised disclosure of their personal information.

During the Reporting Period, we implemented integrity monitoring of our projects through regular on-site inspections, and overseeing tendering and bidding, project acceptance, payment and other processes to ensure that there are no corruption throughout the process. We continue to improve our compliance management system by developing Integrity and Compliance Commitment Letters to define compliance obligations.

We also put great efforts into integrity promotion and education. This year, we compiled an anti-corruption handbook and organised anti-corruption and integrity training for directors and employees.



Conference on Integrity

Case: Visit to Anti-corruption Education Base

This year, we organised employees to visit the Guangdong Anti-Corruption Education Base. During the visit, they learned about important anti-corruption ideologies and theories, the achievements of the national anti-corruption work, and the significant results of Guangdong's anti-corruption efforts. This experience helped them establish a bottom-line mindset of "do not want to be corrupt" and a red-line awareness of "do not dare to be corrupt" among the employees.

During the year, the Group was not informed of any litigation of corruption involving the Group or its employees, or the involvement in or occurrence of any violations related to anti-corruption.

INTELLECTUAL PROPERTY PROTECTION

We attach great importance to the protection of intellectual property. To this end, we have developed a series of management policies, including the Guidelines on Trademark Management Compliance of GDH Guangnan (Holdings) Limited, the Guidelines on Patent Management Compliance of GDH Guangnan (Holdings) Limited and the Rules for Implementation of Brand Management of GDH Guangnan (Holdings) Limited. In addition, we have strengthened contractual protection by including clauses related to intellectual property protection in our product procurement contracts to prevent the purchase of infringing products. Whenever a new technology or product is launched, we file patent applications with government departments to protect our intellectual property.

The Group also strengthens the protection of brand equity. Upon discovery of infringements, we immediately collect evidence and quickly develop legal solutions. The infringing party is required to immediately cease the infringing behaviour and, depending on the circumstances, to bear the liabilities arising therefrom, such as removal of the effects of the infringement and compensation for economic losses. If a solution cannot be reached with the infringing party through consultation, we will seek legal assistance as soon as possible to protect our brand equity in accordance with laws and regulations. In the meantime, we regulate the use of others' intellectual property rights in accordance with the law to prevent infringement, with absolute respect for the knowledge outcomes of others. In

Operating Practices (continued)

addition, the Group also works in accordance with the requirements of the system so as to prevent infringement of intellectual property rights of others. During the year, the Group was not involved in any violations related to privacy protection or intellectual property rights.

RESPONSIBLE SUPPLY CHAIN

With supply chain management as the driving force for business growth, the Group makes continuous efforts in responsible supply chain management by strictly regulating the procurement process and improving the supplier management system. In strict compliance with the Government Procurement Law of the People's Republic of China and the Law of the People's Republic of China on Tenders and Bids, we have developed a set of supplier management measures, procedural guidelines and other policies. We adhere to the principles of legality, integrity, fairness, justice, openness and transparency. During the Reporting Period, the Group was not informed of any violations related to supply chain management.

Regarding our fresh and live foodstuffs business, we conducted comprehensive analysis and evaluation of supply volumes based on annual sales targets and market demands, and provided guidance for suppliers on how to make scientific and reasonable deliveries. We clarified fresh food supply policies, smoothed transportation channels, and developed contingency plans tailored to supply situations, thereby achieving whole-process management of supply chains. Focusing on supplier evaluation and assessment, we strictly check the qualifications of suppliers. We also consider the environmental impact of products or raw materials during procurement, transportation and packaging, and give priority to those with a lower environmental impact.

During Year 2023, the Group's fresh and live foodstuffs business had a total of 342 major suppliers, divided by region as follows:

Number of Suppliers	2023
South China	313
East China	4
Central China	9
Northeast China	4
Southwest China	4
Northwest China	6
Overseas	2

Regarding the tinplating business, we make active efforts to build a digital supply chain management platform and practise high-standard green procurement to quickly screen and eliminate unqualified suppliers. We organised ESG management training for suppliers to clarify supplier quality control and supply chain management supervision systems, so as to improve ESG management and strengthen corporate sustainable development.

During Year 2023, the Group's tinplating business had a total of 298 major suppliers, divided by region as follows:

Number of Suppliers	2023
South China	123
East China	71
Central China	20
North China	57
Northeast China	17
Southwest China	4
Northwest China	6

Contributions to Society

Always taking social responsibility as our own duty, we have successfully conducted our core business while actively shouldering responsibility and giving back to society through practical actions such as charity activities and community services.

CHARITY

As a strong supporter of charity activities, this year, the Group organised volunteer services and participated in poverty alleviation and environmental protection activities to fulfill our corporate social responsibility.

Case: Donation to the "Charity Walk" Event

Since 2021, we have been donating RMB30,000 annually to the Torch Development Zone in Zhongshan City in support of the "Charity Walk" event. This event aims to promote the spirit of fraternity and the concept of life first, and foster a positive social culture of mutual assistance, thus contributing to the building of a civilised community.



Donation Certificate for "Charity Walk" Event 2023

Case: Village-Enterprise Assistance

In response to the call of the Foshan Rural Revitalisation Bureau, we have advanced the assistance programmes between the eastern and western regions. This year, a total of RMB60,000 was donated to help improve infrastructure, public services and rural living conditions, and to promote the development of sarcandra glabra and other characteristic and advantageous industries, thus contributing to local economic development.



Village-Enterprise Assistance

Contributions to Society (continued)

COMMUNITY SERVICES

As part of our corporate social responsibility, we have been involved in community service, to promote corporate resources and volunteer services in the community. Though these efforts, we strive to foster a culture of mutual benefit and win-win results, thereby contributing to the development of the community.

Case: Voluntary Blood Donation

This year, we called on young employees to take part in the voluntary blood donation campaign, and provided tips for donating blood and pastries for the donors. The campaign embodies the spirit of love and warmth, and we do our best to help as many people in need as possible.



Voluntary Blood Donation Campaign

Case: "Chinese Enterprises Serve the Community" Campaign

In response to the call of the Hong Kong Chinese Enterprises Association, we organised the "Celebrate and Create the Future Together: Chinese Enterprises Serve the Community" campaign to celebrate the handover. The Group's food retail stores in Hong Kong launched a special promotion throughout the month and distributed Four Treasures blessing packs to the public to celebrate the handover, thereby benefiting the local community in a practical manner. We will continue to take root in the grassroots community and adhere to the business philosophy of "quality first, service first, integrity and responsibility, cooperation and win-win cooperation" to serve Hong Kong people with better products at more affordable prices and fulfil our commitment to Hong Kong.



"Chinese Enterprises Serve the Community" Campaign

Honours and Certifications

The major awards and certifications obtained by the Group during Year 2023 are as follows:

GB 35770:2022/ISO37301:2021 Compliance Management System Certification

Fresh and Live Foodstuffs Business:

- HACCP Certification
- ISO 14001:2015 Environmental Management System Certification
- ISO 22000 Food Safety Management System Certification
- ISO 14000 Food Safety Management System Certification
- ISO 45001:2018 Occupational Health and Safety Management System Certification
- OHSMS18000 Occupational Health and Safety Management System certifications
- ISO 9001:2015 Quality Management System Certification
- 2023 Foshan Top 10 Digital Agricultural Pioneer Enterprises (Awarded by Foshan Bureau of Agriculture and Rural Affairs)
- 2023 Advanced Unit (Awarded by Guangdong Meat Association)

Tinplating Business:

- FSSC 22000 Food Safety Management System Certification
- ISO 9001:2015 Quality Management System Certification
- ISO 14001:2015 Environmental Management System Certification
- ISO 45001:2018 Occupational Health and Safety Management System Certification
- Environmental Credit Evaluation Green Card Enterprise of Guangdong Province
- Enterprise with Good Ecological and Environmental Credit in Hebei Province

Appendix: Environmental Performance Data Summary

	Unit	Fresh and Live Foodstuffs Business 2023	Tinplating Business 2023	Total 2023
Greenhouse Gas²				
Scope 1³				
Total	tCO ₂ e	904.18	9,611.61	10,515.79
Intensity	tCO ₂ e/million HKD of revenue	0.11	4.27	1.01
Scope 2⁴				
Total	tCO ₂ e	12,072.51	71,970.04	84,042.55
Intensity	tCO ₂ e/million HKD of revenue	1.49	31.98	8.09
Exhaust gas				
Nitrogen oxides	tonne	4.19	5.29	9.48
Sulphur oxides	tonne	0.0003	2.58	2.59
Particulate matter	tonne	0.31	4.64	4.95
Wastewater/Liquid Waste				
Hazardous wastewater				
Total	tonne	N/A	14.19	14.19
Intensity	tonne/million HKD of revenue	N/A	0.0063	0.0014
Non-hazardous wastewater				
Total	tonne	948,581.22	434,098.81	1,382,680.03
Intensity	tonne/million HKD of revenue	116.89	192.89	133.13
Waste				
Hazardous waste				
Total	tonne	0.13	1,170.20	1,170.33
Intensity	tonne/billion HKD	0.02	519.96	112.69
Non-hazardous waste				
Total	tonne	4,607.93	17,635.67	22,243.60
Intensity	tonne/million HKD of revenue	0.57	7.84	2.14

² The calculation of greenhouse gas emissions is based on Appendix II Reporting Guidance on Environmental KPIs provided by the Stock Exchange of Hong Kong ("Appendix II"). The Group greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide. For ease of reading and understanding, the greenhouse gas emissions data is presented in tonnes of carbon dioxide equivalent ("tCO₂e").

³ Scope 1 refers to the direct greenhouse gas emissions of the Group's business, including the combustion of diesel, gasoline, ethanol fuel and natural gas. The emission factors used are from the Guidelines for National Greenhouse Gas Inventories provided by the Intergovernmental Panel on Climate Change ("IPCC") and the Boiler Production and Discharge Emission Factor Manual provided by the Ministry of Ecology and Environment of the People's Republic of China.

⁴ Scope 2 refers to the indirect greenhouse gas emissions of the Group's business, including the consumption of purchased electricity and steam. The emission factors used include the carbon dioxide emission factor of China regional power grid from the Notice on Doing a Good Job in the Management of Corporate Greenhouse Gas Emissions Reporting in 2022 provided by the Ministry of Ecology and Environment of the People's Republic of China, the emission factor for heat from the Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines for Enterprises in Other Industries (Trial) provided by the National Development and Reform Commission of the PRC ("NDRC"), the emission factor provided by the Hong Kong Electric Co., Limited and the emission factor provided by CLP Holdings Limited.

Appendix: Environmental Performance Data Summary (continued)

	Unit	Fresh and Live Foodstuffs Business 2023	Tinplating Business 2023	Total 2023
Energy Utilisation				
Direct energy consumption				
Natural gas				
Total	'000 m ³	17.58	4,269.57	4,287.15
Intensity	'000 m ³ /million HKD of revenue	0.0022	1.90	0.41
Diesel				
Total	tonne	304,589.98	65,999.50	370,589.48
Intensity	tonne/million HKD of revenue	37.53	29.33	35.68
Gasoline				
Total	tonne	21,277.93	23,857.40	45,135.33
Intensity	tonne/million HKD of revenue	2.62	10.60	4.35
Ethanol fuel				
Total	tonne	N/A	4,816.00	4,816.00
Intensity	tonne/million HKD of revenue	N/A	2.14	0.46
Indirect energy consumption				
Electricity				
Total	MWh	20,778.85	88,789.16	109,568.01
Intensity	MWh/million HKD of revenue	2.56	39.45	10.55
Steam				
Total	tonne	N/A	68,881.86	68,881.86
Intensity	tonne/million HKD of revenue	N/A	30.61	6.63
Water Consumption				
Total	m ³	2,405,883.78	786,564.00	3,192,447.78
Intensity	m ³ /million HKD of revenue	296.46	349.50	307.39
Paper Consumption				
Total	kg	4,599.00	2,855.79	7,454.79
Intensity	kg/million HKD of revenue	0.57	1.27	0.72
Use of Packaging Material				
Total	tonne	10.16	2,893.58	2,903.74
Intensity	tonne/million HKD of revenue	0.0013	1.29	0.28

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Guide

Environmental, Social and Governance Reporting Guide		The Report
Aspect	General Disclosures and KPIs	Chapter/Statement
A. Environmental Aspect		
A1: Emissions	General Disclosure	Green Operation
	A1.1 The types of emissions and respective emissions data	Environmental Performance Data Summary
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity	Environmental Performance Data Summary
	A1.3 Total hazardous waste produced and intensity	Environmental Performance Data Summary
	A1.4 Total non-hazardous waste produced and intensity	Environmental Performance Data Summary
	A1.5 Description of emission target(s) set and steps taken to achieve them	Green Operation — Environment Targets
	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	Green Operation — Pollutant Management
A2: Use of Resources	General Disclosure	Green Operation
	A2.1 Direct and/or indirect energy consumption by type in total and intensity	Green Operation — Resource Management
	A2.2 Water consumption in total and intensity	Green Operation — Resource Management
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	Green Operation — Resource Management
	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	Green Operation — Resource Management
	A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced	Environmental Performance Data Summary
A3: Environmental and Natural Resources	General Disclosure	Green Operation
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Green Operation — Resource Management
A4: Climate Change	General Disclosure	Green Operation — Responding to Climate Change
	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	Green Operation — Responding to Climate Change

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Guide (continued)

Environmental, Social and Governance Reporting Guide		The Report
Aspect	General Disclosures and KPIs	Chapter/Statement
B. Social		
B1: Employment	General Disclosure	Employee Oriented
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Employee Oriented
	B1.2 Employee turnover rate by gender, age group and geographical region	Employee Oriented
B2: Health and Safety	General Disclosure	Employee Oriented
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Employee Oriented — Health and Safety
	B2.2 Lost days due to work injury	Employee Oriented — Health and Safety
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	Employee Oriented — Health and Safety
B3: Development and Training	General Disclosure	Employee Oriented
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Employee Oriented — Talent Cultivation
	B3.2 The average training hours completed per employee by gender and employee category	Employee Oriented — Talent Cultivation
B4: Labour Standards	General Disclosure	Employee Oriented
	B4.1 Description of measures to review employment practices to avoid child and forced labour	Employee Oriented — Rights and Interests of Employees
	B4.2 Description of steps taken to eliminate such practices when discovered	Employee Oriented — Rights and Interests of Employees
B5: Supply Chain Management	General Disclosure	Operating Practices
	B5.1 Number of suppliers by geographical region	Operating Practices — Responsible Supply Chain
	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	Operating Practices — Responsible Supply Chain
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Operating Practices — Responsible Supply Chain
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Operating Practices — Responsible Supply Chain

Appendix: Content Index of the HKEX's Environmental, Social and Governance Reporting Guide (continued)

Environmental, Social and Governance Reporting Guide		The Report
Aspect	General Disclosures and KPIs	Chapter/Statement
B6: Product Responsibility	General Disclosure	Quality First
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Quality First — Quality and Safety Control
	B6.2 Number of products and service related complaints received and how they are dealt with	Quality First — High-quality Services
	B6.3 Description of practices relating to observing and protecting intellectual property rights	Operating Practices — Intellectual Property Protection
	B6.4 Description of quality assurance process and recall procedures	Quality First — Quality and Safety Control
B7: Anti-corruption	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	Quality First — High-quality Services
	General Disclosure	Operating Practices
	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	Operating Practices — Business Ethics
	B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored	Operating Practices — Business Ethics
B8: Community Investment	B7.3 Description of anti-corruption training provided to directors and staff	Operating Practices — Business Ethics
	General Disclosure	Contributions to Society
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Contributions to Society
	B8.2 Resources contributed (e.g. money or time) to the focus area	Contributions to Society



粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED