

AUSTAR 奥星

Consulting,
Digitalization and
Construction

Integrated Process and
Packaging Equipment &
Systems

Life Science
Equipment and
Consumables

2024

Environmental, Social and Governance Report

Austar Lifesciences Limited
奥星生命科技有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 6118

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THE REPORT

As a technology-based pharmaceutical engineering solution provider, Astar Lifesciences Limited (the “**Company**”) and its subsidiaries (collectively “**AUSTAR**”, the “**Group**”, or “**we**”) stand at the forefront of innovation. Our expertise lies in leveraging cutting-edge technology to meet the evolving needs of the pharmaceutical industry. With a steadfast commitment to excellence, we strive to deliver comprehensive solutions across the product life cycle, ensuring the success of our clients’ ventures.

At the core of our business philosophy lies an unwavering commitment to responsible development. AUSTAR recognises the importance of environmental, social, and governance (“**ESG**”) measures in fostering positive change within our community. Guided by this principle, we actively strategise and formulate ESG approaches and initiatives that align with our vision for sustainable growth.

We are pleased to present our annual ESG report (the “**Report**”), which provides a comprehensive overview of the Group’s commitment to ESG principles. This report highlights our management approaches, initiatives, and performance in environmental and social aspects during the financial year ended on 31 December 2024 (the “**Reporting Period**”), unless otherwise specified. The scope of the Report covers our key business segment groups.

To establish a more synergised and efficient business platform, the Group has finished its business restructuring adjustment after serious review on its production lines. From the Reporting Period onwards, the six business segments of the Group have been consolidated into three business segment groups, namely, (1) Integrated Process and Packaging Systems, (2) Consulting, Digitalization and Construction, and (3) Life Science Equipment and Consumables.

This restructuring adjustment is expected to bring about competence improvement and allow the Group to be more resilient under tougher competitive circumstances. The Group is proudly looking forward to a more precise positioning as a technological company with comprehensive knowledge and experience in life sciences process technology and applications as well as industry regulatory rules and practices, which would enable the Group to help clients to address issues in quality, compliance, and operation excellence.

REPORTING STANDARD

The Report has been prepared in accordance with the requirements stipulated in the “Environmental, Social and Governance Reporting Code” (the “**ESG Reporting Code**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). We have also embraced the “comply or explain” provisions set forth in the ESG Reporting Code, with the exception of provisions that we have deemed inapplicable to our operations. In such cases, we have provided comprehensive explanations in the relevant sections. The ESG Report has been reviewed and approved by the board of directors of the Group (the “**Board**”) in March 2025.

REPORTING PRINCIPLES

The ESG Reporting Code serves as a comprehensive framework that underlines the principles for ESG information disclosure. Adhering to the adopted reporting principles is crucial to ensure the accuracy, objectivity, transparency, and comparability of the Report. This Report has been prepared in accordance with the following reporting principles:

Materiality

- The Group identified material ESG topics through stakeholder engagement and materiality assessment. Details can be found in the “Materiality Assessment” section.

Quantitative

- The Group has provided comprehensive information regarding the standards, methodologies, and sources of conversion factors employed. For specific details, please refer to the relevant sections in the ESG Report.

Balance

- The Report provides an objective and impartial presentation of the Group’s environmental and social performance.

Consistency

- The methodology for disclosing key environmental and social performance indicators remains consistent with the previous Reporting Period.

CONTACT AND FEEDBACK

At AUSTAR, we are dedicated to delivering exceptional services and nurturing enduring relationships within the community, underpinning the longevity of our business. Our focus is on prioritizing the needs of our stakeholders and maintaining active dialogue with them. Your feedback and suggestions on our ESG Report or sustainability practices are highly valued. We invite you to share your insights through the following channels:

- Address: Room 2010, No. 1018 Changning Road, Changning District, Shanghai P.R. China
- Tel: 400-8121-586
- Email: info@austar.com.hk
- Official website: <http://www.austarunion.com>

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CHAIRMAN'S MESSAGE

Due to the negative influence caused by geopolitical tensions, the global pharmaceutical supply chain continued to experience unpredictable changes. Chinese pharmaceutical companies have carefully reassessed their global market positioning and development strategies, revealing a notable decline in the number of new high-end projects. However, brought on by advancements in science and technology, the industry could still see development trends especially in the area of new drug research and development, production process optimization, digitalization transformation, and individualised precision medicine. Moreover, stricter regulations have prompted industry players to invest more in compliance, thereby raising the market entry threshold and driving the pharmaceutical industry towards high-quality and high-standard development.

During the Reporting Period, the Group has maintained a steadfast commitment to advancing sustainable development across all business sectors in response to the escalating global market demand. We have proactively engaged with stakeholders and conducted thorough materiality assessments to pinpoint and address ESG issues that hold significance for both our business and stakeholders. By amplifying the voices of our stakeholders, we pledge to elevate our ESG management endeavours in alignment with their concerns. This strategic focus empowers us to judiciously prioritise and allocate resources, thereby ensuring optimal business outcomes. Our goal is to refine our ESG strategies efficiently, leveraging the assessment outcomes as invaluable guiding posts.

The Group upholds a resilient ESG governance structure designed to seamlessly facilitate our ESG management initiatives. The Board assumes responsibility for overseeing the sustainability strategy to steer the Group's long-term trajectory. Simultaneously, the ESG Executive Committee is entrusted with executing oversight by coordinating, monitoring, and evaluating sustainability performance. Regular board meetings are convened to assess ongoing sustainability performance and provide strategic updates. For plan execution and policy implementation, department units take the responsibilities and report on progress and insights to the Board. On behalf of the Board, I extend profound gratitude to all my colleagues for their indispensable contributions to the Group's sustainable progression. Looking ahead, we are resolutely committed to fortifying our ESG governance across all organizational echelons to effectively underpin our long-term aspirations.

The Group remains resolute in championing exemplary corporate citizenship and fulfilling our social obligations. We are dedicated to collaborating with customers, employees, business partners, and the broader community to cultivate a more harmonious society characterised by a sustainable environment and equitable development. We will actively seize pertinent opportunities and prioritise sustainability as a pivotal cornerstone. We understand that generating enduring value for the Group transcends mere financial performance and are resolute in embedding sustainability across all facets of our operations, as has always been our commitment.

Ho Kwok Keung, Mars

Chairman

VISION, MISSION AND CORE VALUES

As a leading figure in the pharmaceutical sector, AUSTAR acknowledges its duty to conduct operations and expand in a conscientious manner. We emphasise the integration of ESG factors and prioritise the welfare of individuals in our strategic decision-making. Our governance framework guarantees the widespread implementation of our management principles throughout the Group. By upholding top-tier standards of professionalism and governance, we remain steadfast in fulfilling our commitments to stakeholders and the broader society.

Mission



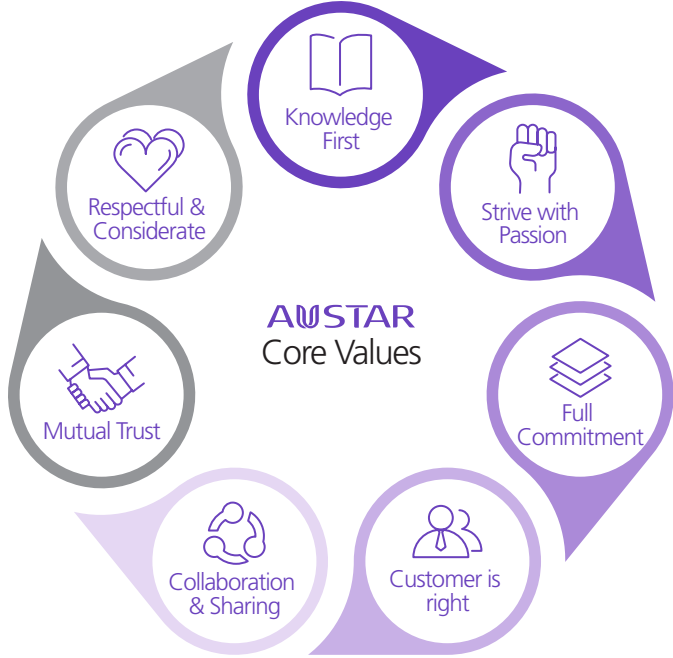
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Vision

- 01 Being the globally recognised best technical product and service and solution provider to pharmaceutical researchers and manufacturers;
- 02 Deploying resources of global world-class partners to build up all-round knowledge and connection of the whole drug product life cycle and to provide comprehensive and integrated technical solutions;
- 03 Gathering global resources and leveraging products and services empowered with cost and technical advantageous features, to help upgrade pharmaceutical industry in emerging countries.

Core Values

- Truth Kindness Perfection Operation Philosophy



HIGHLIGHTS OF MAJOR ACHIEVEMENTS

A Testament to Corporate Commitment and Industry Advancement

In the 16th Executive Committee election of the Shijiazhuang Chamber of Commerce and Industry (石家莊市工商業聯合會), the Company was distinguished with the privilege of being chosen as one of the Standing Committee Enterprises. This esteemed accolade stands as a testament to our exceptional corporate capabilities, ongoing commitment to community investment, and unwavering dedication to propelling industry growth. Our active involvement in various social initiatives and the concerted efforts towards sustainable development have resonated positively within the community and industry.

This recognition not only signifies a validation of our past accomplishments but also acts as a catalyst for our future endeavours. It underscores the trust and confidence bestowed upon us by our peers and the community, motivating us to continue our pursuit of excellence and innovation for public health. As a Standing Committee Enterprise, we are poised to leverage this platform to further advance our business objectives, foster meaningful collaborations, and contribute significantly to the sustainable growth and prosperity of the community landscape.

Acknowledgement as a Key Player with the 2024 Municipal Industrial Design Center

Leveraging exceptional industrial design innovation capabilities, robust technological research and development strengths, and substantial industry influence, our facility in Shijiazhuang has achieved a significant milestone by being named to the prestigious list of the “2024 Municipal Industrial Design Center” (“2024年度市級工業設計中心”認定名單). This accolade symbolizes official recognition and validation from governmental and industry authorities for AUSTAR’s expertise and innovative accomplishments in the pharmaceutical sector.

Recognition as a Leading High-Tech Enterprise in Hebei Province’s 2024 Designation

Through its exceptional technological innovation, core technical accomplishments, and effective research and development management framework, our operation at Shijiazhuang has attained recognition as one of the first batch of high-tech enterprises to be filed officially for record in the 2024 designation by Hebei Province’s accrediting body. This milestone highlights the Company’s dedication to advancing technology and research, firmly establishing its position as a leading high-tech enterprise in the region.

ESG MANAGEMENT APPROACH

Management Structure

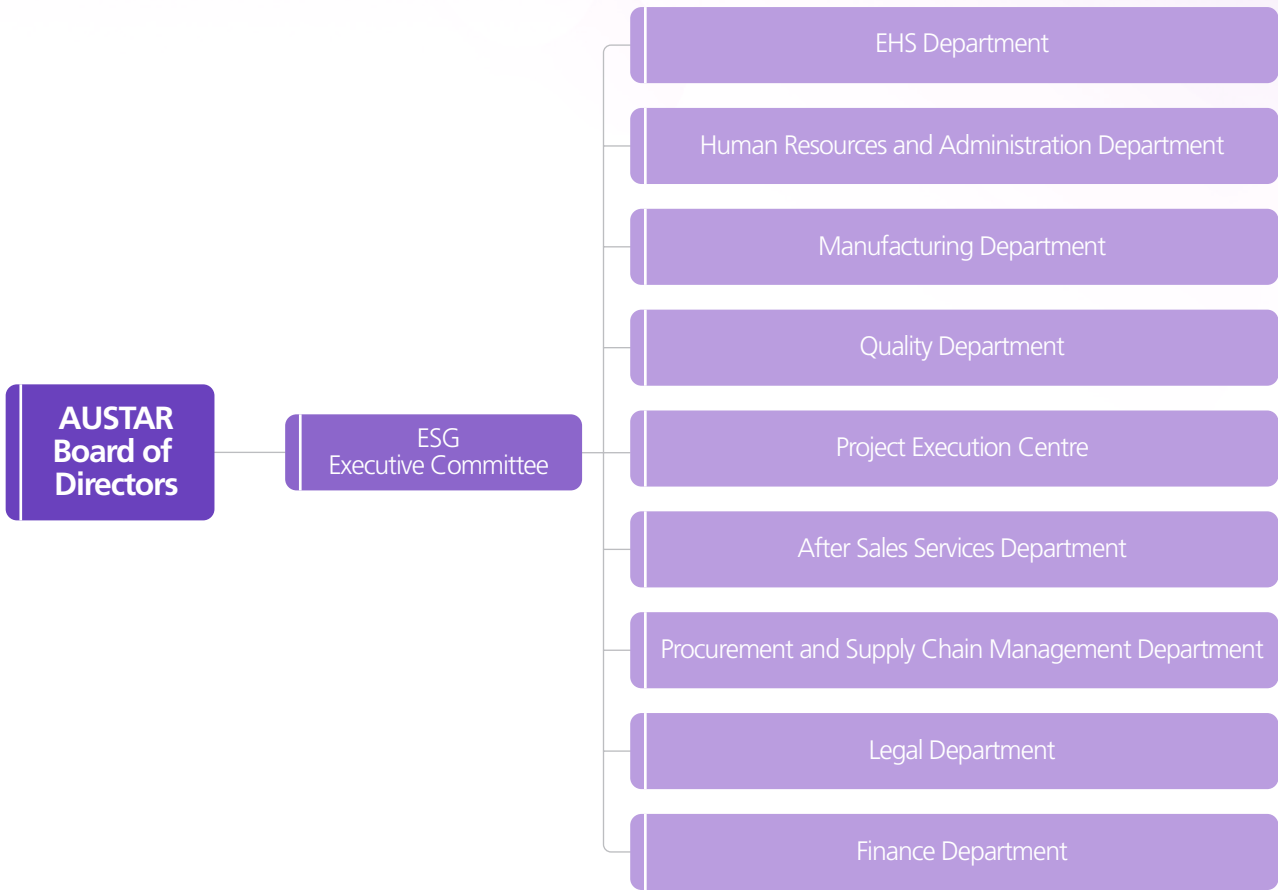
Establishing a robust ESG governance structure is vital for effective ESG management within AUSTAR, involving various levels and department units. A top-down governance and management structure ensures the seamless integration of formulated principles and plans across the entire business value chain.

The Board actively oversees the overall ESG strategies, management approaches and all the other ESG matters of the Group, including ESG risk management, action plans and corresponding targets setting and initiatives. Moreover, the Board offers invaluable strategic guidance in identifying ESG-related risks and significant ESG issues. Regularly, the Board conducts thorough reviews of the progress made towards achieving ESG objectives and targets. Additionally, the Board holds the responsibility of reviewing and approving ESG reports prepared by the ESG Executive Committee. Through these reports, the Board ensures that the Group's commitment to ESG principles is accurately and transparently communicated.

Under the authorisation of the Board, the ESG Executive Committee (the “**Committee**”) comprises representatives from various department units within the Group, with a primary focus on advising and addressing key ESG matters. With a specific emphasis on AUSTAR's department units, the committee plays a vital role in implementing diverse initiatives. By gathering input and suggestions from multiple department units, the Committee develops ESG strategies with practical details. Furthermore, the Committee assumes the responsibility of identifying and analysing significant ESG risks and opportunities within investment strategies and risk management, recognizing their potential impacts on the Group's operations and development. To ensure effective ESG governance and management within AUSTAR, the Committee establishes relevant targets and conducts regular progress reviews. The Committee also stays abreast of the latest market trends and industry practices pertaining to ESG-related issues. To prepare the annual ESG reporting disclosure, the Committee engaged with stakeholders and conducted materiality assessments with a third-party consultant. The ESG Executive Committee reported its findings to the Board and provided recommendations for ongoing improvement in ESG performance on a regular basis.

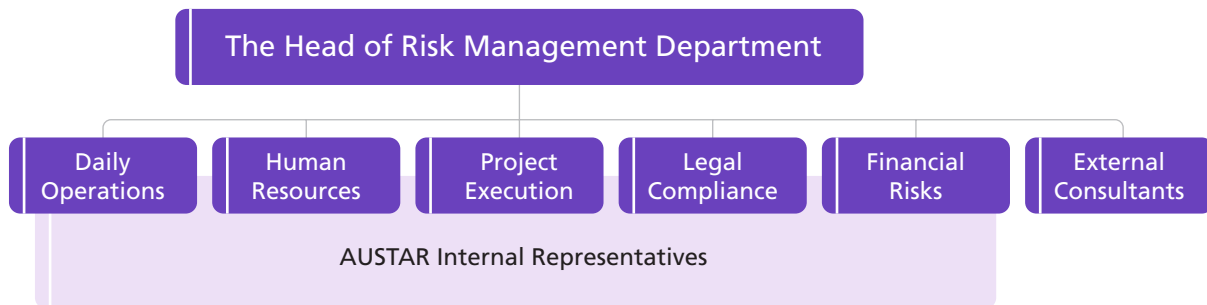
Each department unit holds responsibility for executing and managing all ESG initiatives, ensuring effective coordination. Regular tracking and reviewing of performance enable the development of improvement plans and the preparation of the annual ESG report for public disclosure.

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Risk Management

At AUSTAR, prioritizing the establishment of a strong internal control and risk management system is crucial for enhancing operational efficiency and minimizing potential market disruptions. The Risk Management Department plays a pivotal role by implementing a standardised procedure for risk identification, assessment, monitoring, and reporting. This enables timely response to potential risks and their impacts on the Group’s operations, ultimately safeguarding the best interests of stakeholders.



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The Group places great importance on risk management with the Head of the Risk Management Department leading the charge. Through regular communication with department units, the Head of the Risk Management Department provides guidance on risk management and fosters coordination in adapting to or mitigating risks.

To ensure the highest standard of internal control, five authorised personnel are assigned to different areas, including Human Resources, Project Execution, Daily Operations, Legal Compliance, and Financial Risks. These personnel are responsible for identifying, assessing, and responding to risks within their respective domains. External consultants are also engaged to assist in identifying and assessing risks across various departmental units. The Risk Management Department receives regular reports on identified risks, along with suggested measures and initiatives for adaptation or mitigation, to facilitate follow-up handling and rectification. All types of risks, including climate-related risks, are considered in the annual risk assessment process and are reviewed by the Internal Control System.

During the Reporting Period, regular meetings took place within the Risk Management Department, focusing on the top 20 most significant events. External consultants' opinions were considered to discuss the sources of risks and determine appropriate follow-up measures. The Risk Management Department conducted thorough analysis to ensure the feasibility and effectiveness of the proposed solutions in risk adaptation or mitigation.

Furthermore, emergency situation handling also falls under the purview of the Risk Management Department. By coordinating with department units, the Risk Management Department formulates response plans and takes prompt action. Input from external consultants may be sought, and further investigations or measures may be undertaken as necessary.

STAKEHOLDER ENGAGEMENT

We place a strong emphasis on fostering open and transparent communication channels to actively engage in continuous dialogue with our stakeholders. This approach is central to enhancing our ESG management strategy and gaining a deeper insight into stakeholder expectations, concerns, and perspectives regarding our business operations and growth. During the Reporting Period, we identified directors, employees, shareholders/investors, suppliers/customers, distributors, government and regulatory authorities, as well as community/academic institutions, as our key stakeholder groups. By capturing the viewpoints and concerns of our stakeholders, we have integrated their feedback into our management methodologies and long-term policy development. To facilitate effective and high-quality communication, we have established a variety of communication channels for stakeholder engagement, detailed in the table below.

Stakeholders	Concerns and Expectations	Communication Channels
Directors ¹	<ul style="list-style-type: none"> • Risk management 	<ul style="list-style-type: none"> • Consultation via phone calls and emails • Direct communication • Board and Board committee meetings • Suggestion box
Employees	<ul style="list-style-type: none"> • Vocational training and development • Salaries and benefits • Health and safety 	<ul style="list-style-type: none"> • Consultation via phone calls and emails • Direct communication • Group conferences • Suggestion box
Shareholders/Investors	<ul style="list-style-type: none"> • Stable return on investment • Transparency of information disclosure 	<ul style="list-style-type: none"> • General meetings • Corporate communications • Consultation via phone calls and emails
Suppliers/Customers	<ul style="list-style-type: none"> • Performance of contract • Standardised supply chain management system and procurement process • Establishment of complaint system 	<ul style="list-style-type: none"> • Interim and annual reports • Meetings, exhibitions, and online webinars • Social media
Distributors	<ul style="list-style-type: none"> • Well-established information exchange system • Steady and stable supply of products 	<ul style="list-style-type: none"> • After-sales opinion box • Consultation via phone calls and emails • Meetings and workshops • Online material sharing platform "Resource Centre"
Government and regulatory authorities	<ul style="list-style-type: none"> • Business operation in compliance with relevant laws and regulations 	<ul style="list-style-type: none"> • Interim and annual reports • Meetings
Community/Academic institutions	<ul style="list-style-type: none"> • Contributions to community development 	<ul style="list-style-type: none"> • Interim and annual reports • Community service

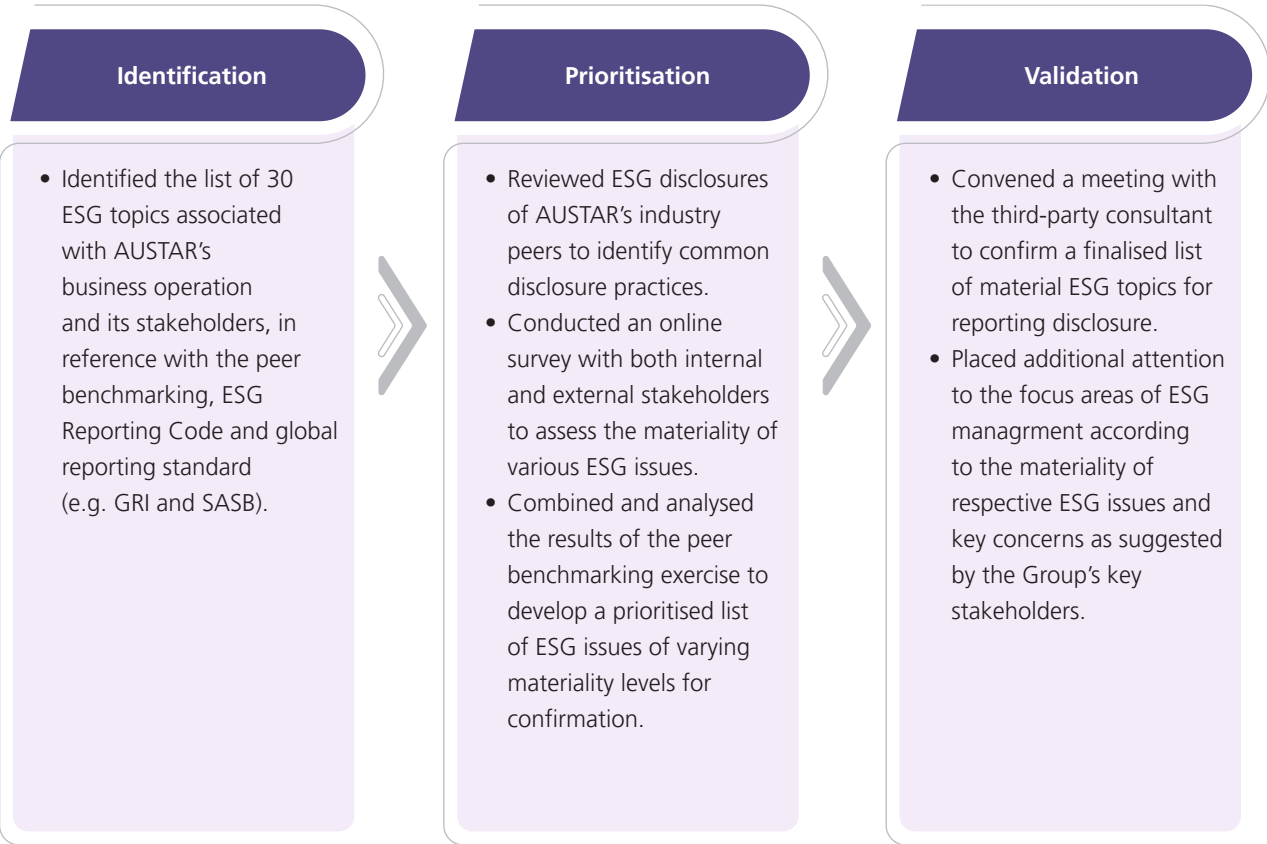
Note:

1 Including members of the Risk Management Department.

MATERIALITY ASSESSMENT

To stay attuned to the evolving expectations of both our internal and external stakeholders, we consistently conduct thorough stakeholder consultations. In the year 2022, we collaborated with a third-party consultant to undertake a materiality assessment aimed at identifying crucial ESG concerns and stakeholders. This assessment collected 687 valid responses for a detailed analysis. During the Reporting Period, we updated the materiality assessment based on current market trends, input from our peers, and relevant reporting standards and tools.

Process of materiality assessment



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Aspects	ESG Issue
Environmental	<ol style="list-style-type: none"> 1) Emissions Management 2) Waste Management 3) The Environment and Natural Resources 4) Climate Change 5) Resources Management 6) Water Management 7) Greenhouse Gas Emissions
Social	<p>Employment and Labour Practices</p> <ol style="list-style-type: none"> 8) Employee Rights & Turnover Rate 9) Employee Welfare and Pay System 10) Occupational Health and Safety 11) Employee Training and Development 12) Labour Standards 13) Diversity and Inclusion 14) Inclusive Working Environment and Equal Opportunities <p>Product and Innovation</p> <ol style="list-style-type: none"> 15) Product Safety and Quality Assurance Management 16) Customer Satisfaction 17) Customer Data Protection and Privacy Protection 18) R&D and innovation 19) Intellectual Property Rights 20) Selling Practise and Compliance <p>Supply Chain</p> <ol style="list-style-type: none"> 21) Supply Chain Management 22) Open and Fair Sourcing 23) Stable and Responsible Sourcing <p>Community</p> <ol style="list-style-type: none"> 24) Community Investment 25) Promotion of Sector Development
Governance	<ol style="list-style-type: none"> 26) ESG Governance 27) Stakeholder Communication 28) Business Ethics and Anti-corruption 29) Strategic Cooperation 30) Risk Management

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The materiality assessment process involved in-depth discussions and evaluations within the Group. The materiality matrix provided above summarises the significance of each ESG issue, with highly material issues occupying the top right quadrant. Senior management and the Board meticulously reviewed and finalised the results of the materiality matrix, along with the identified material ESG issues.

Aligned with the assessment outcomes and our reporting principle, this Report primarily delves into high materiality ESG issues. Nonetheless, we acknowledge the significance of addressing moderate and low materiality issues by formulating management approaches. This comprehensive approach offers stakeholders a well-rounded view of our ESG management practices. We routinely reassess our current ESG strategies, policies, and objectives to continually elevate our ESG performance and reporting transparency.

Throughout the Reporting Period, ESG issues related to product and innovation retained their high materiality status, significantly impacting both our business and stakeholders. Drawing insights from the latest market trends and updates from our peers, we have pinpointed the following focus areas: 1) Customer Satisfaction, 2) Product Safety and Quality Assurance Management, 3) R&D and Innovation, 4) Customer Data Protection and Privacy Protection, and 5) Occupational Health and Safety. These areas will receive our utmost attention and effort.

ENVIRONMENTAL PERFORMANCE

AUSTAR acknowledges the growing significance of sustainable and responsible business practices in the global biopharmaceutical and pharmaceutical industries. To systematically address our environmental responsibilities, we have adopted an Environmental Management System (“**EMS**”) certified under the ISO14001 standard. This system has enabled us to implement various control measures to optimise resource use and reduce emissions and waste, thereby minimizing our environmental impact.

During the Reporting Period, AUSTAR strictly complied with relevant environmental laws and regulations and was not aware of any incidents of non-compliance and litigation cases. Our commitment to compliance highlights our dedication to operating in an environmentally responsible manner.

1. Emissions

AUSTAR is striving to adhere to all relevant laws and regulations that significantly impact our operations, particularly in relation to air and greenhouse gas emissions, water and land discharges, and the management of hazardous and non-hazardous waste. These regulations include, but are not limited to, the Environmental Protection Law of the People’s Republic of China (“**PRC**”), the Law of the PRC on the Prevention and Control of Atmospheric Pollution, the Law of the PRC on the Prevention and Control of Water Pollution, the Law of the PRC on the Noise Pollution Prevention and Control, and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, as well as the Law of the PRC on Environmental Impact Assessment.

The negative impact of emissions on both the environment and human health is widely acknowledged. To combat this, we have established a comprehensive “Wastewater, Waste Gas, and Noise Management System” to effectively control and minimise our operational footprint and pollution. By implementing standardised management practices and various initiatives across our facilities, we strive to significantly reducing emissions and achieving our internal environmental targets within the specified timeline. Our commitment to sustainable practices ensures that our operations contribute to a healthier environment.

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1.1. Air Emissions

At AUSTAR, air emissions primarily result from the combustion of gaseous fuels in both stationary and mobile operations. To address this, all our manufacturing sites are fully enclosed and equipped with organic exhaust gas treatment facilities. These facilities efficiently filter the organic exhaust gas generated during the manufacturing process, guaranteeing that emissions discharged into the atmosphere adhere to regulatory standards. This approach not only diminishes gaseous pollutants but also upholds a safe and healthy indoor air quality within our facilities.

Additionally, our treatment facilities are equipped with monitoring and alarm systems for real-time performance tracking and prompt responses to specific conditions. As part of our sustainability efforts, we are gradually transitioning from diesel-powered equipment, such as forklifts, to electric-powered alternatives, further reducing our reliance on fossil fuels.

To ensure compliance with emissions standards, we perform annual external inspections and engage third-party verification processes. We closely monitor and evaluate emissions of non-methane hydrocarbons (“**NMHC**”), benzene, toluene, xylene, and particulate matter at our manufacturing sites. During the Reporting Period, our manufacturing sites have been verified to comply with the national requirements outlined in the “Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises” and the “Integrated Emission Standard of Air Pollutants”.

To improve our vehicle management practices, we have implemented an internal “Vehicle Management Regulation”. This regulation provides comprehensive administrative oversight for daily business travel and short-distance trips, aiming to reduce unnecessary air emissions and fuel consumption. Therefore, we can achieve more efficient use of our vehicles, minimise environmental impact, and promote sustainable travel practices across the Group.

The table below provides an overview of the Group’s air emissions during the Reporting Period:

Emissions	Unit	2022	2023	2024
Nitrogen oxides (“NO _x ”)	kg	9.73	17.33	10.99
Sulphur oxides (“SO _x ”)	kg	0.24	0.26	0.26
Particulate Matters (“PM”)	kg	0.72	1.28	0.81

1.2. Greenhouse Gas (“GHG”) Emissions

AUSTAR acknowledges the significant environmental impact of GHG emissions and is striving to reducing its carbon footprint. The Group monitors its emissions across three scopes: Scope 1 emissions which encompass fuel combustion from machinery and vehicles owned by the Group; Scope 2 emissions which include the consumption of purchased electricity in offices and production sites; and Scope 3 emissions which account for air business travel undertaken by the Group’s employees. The majority of AUSTAR’s GHG emissions arise from energy consumption in its daily operations. To improve energy efficiency and reduce carbon emissions, the Group has implemented several measures. These initiatives are elaborated in section “2.1 Energy Use”.

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Additionally, AUSTAR has established the “Greenhouse Gas Emission Management Regulations ” to standardise its GHG management practices in line with ISO14064 standards. These regulations are specifically crafted to enhance the Group’s GHG emission inventory and reporting processes. By adhering to these standards, AUSTAR ensures that its practices are relevant, complete, consistent, accurate, and transparent. This structured approach not only improves the quality of the emissions data but also reinforces our commitment to environmental responsibility and regulatory compliance.

The table below provides an overview of the Group’s GHG emissions during the Reporting Period:

GHG Emissions ¹	Unit	2022	2023	2024
Scope 1 ²	Tonnes of carbon dioxide equivalent (“tCO ₂ e”)	38.94	73.49	72.65
Scope 2 ³	tCO ₂ e	1,296.12	2,001.37	2,490.49
Scope 3 ⁴	tCO ₂ e	580.58	1,071.88	849.44
Total GHG emissions ⁴	tCO ₂ e	1,915.64	3,146.74	3,412.58
Intensity per gross floor area ⁵	tCO ₂ e/m ²	0.05	0.03	0.03

Notes:

1. The calculation of Scopes 1 and Scope 2 GHG emissions is defined and calculated in accordance with the GHG Protocol, ISO14064 standard and “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” published by the Stock Exchange.
2. The direct emission (i.e. Scope 1) includes the combustion of fuels for stationary sources and mobile combustion of company vehicles.
3. The energy indirect emission (i.e. Scope 2) includes the purchased electricity consumed by the Group. For the Reporting Period, the calculation is based on the national emission factor in 2023 from the Ministry of Ecology and Environment.
4. The other indirect emissions (i.e. Scope 3) include business travel by the Group only.
5. The intensity calculation is based on the total floor area of the Group’s relevant facilities. The GHG intensity considers only Scope 1 and 2 emissions.

1.3. *Waste and Wastewater Management*

Through the implementation of the “Management Regulation on Waste Management”, AUSTAR has standardised its procedures for handling both hazardous and non-hazardous waste. This systematic approach helps to minimise adverse environmental impacts, including soil degradation, water contamination, and ecological imbalances. By adhering to these regulations, AUSTAR ensures that waste is managed responsibly and sustainably, furthering its commitment to environmental protection.

The large volume of waste generated presents significant challenges for cities and regions that rely heavily on landfills for waste management. For non-hazardous waste, AUSTAR focuses on green office initiatives based on the 4Rs principles – Reduce, Reuse, Recycle, and Replace. These initiatives aim to cut waste at the source and divert it from landfills, fostering greener, cleaner, and more sustainable workplaces. Key elements of these initiatives include:

- Waste minimization: Reducing waste generation at the source;
- Material collection and recycling: Systematic collection and recycling to prevent landfill disposal;
- Education and awareness: Prioritizing resource sustainability education for staff to encourage material reuse and recycling; and
- Recycling facilities and guidance: Providing recycling facilities and clear guidance at all manufacturing sites and offices to promote proper waste segregation, prevent contamination, and boost recycling rates and efficiency.

The major hazardous wastes generated by the Group include waste oil and emulsifiers used for mechanical lubrication at manufacturing sites. AUSTAR understands the importance of proper hazardous waste management to prevent land and water pollution. Consequently, the Group strictly adheres to all relevant laws and regulations concerning waste handling. Hazardous wastes are stored in designated areas with appropriate chemical labels and safety warnings. Regular inspections and maintenance are carried out to prevent any potential chemical leaks, and all hazardous waste produced by the Group is managed by certified waste collectors.

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By implementing oil and water separation and filtration systems at its manufacturing sites, the Group has successfully reduced the use of emulsifiers in the production process. Additionally, each manufacturing site is equipped with a septic tank for on-site sewage treatment, ensuring that wastewater is properly treated before being discharged into the municipal sewage system. This not only promotes environmental protection but also significantly improves water quality by reducing pollutants and contaminants, contributing to healthier ecosystems and safer water resources.

By embracing innovation and adjusting the water-to-solids ratio within our operations, the Group is actively working towards a dual goal: reducing the overall generation of wastewater and curbing the volume of sludge produced. This proactive strategy not only serves to lessen the requirement for hazardous waste generated through sludge sedimentation but also underscores our unwavering dedication to sustainable practices and environmental stewardship. Through these deliberate actions, we aim to not only optimize our processes but also contribute positively to the preservation of our environment for future generations.

During the Reporting Period, the Group achieved full compliance with relevant legislations and regulations regarding hazardous waste handling. The current waste management system is continuously monitored, and its effectiveness is regularly evaluated for on-site implementation. As deemed appropriate, future waste reduction goals will be established to further enhance environmental performance.

The table below provides an overview of the Group's waste generation during the Reporting Period:

Waste Generation	Unit	2022	2023	2024
Hazardous waste				
Hazardous waste	Tonnes	1.19	4.97	3.27
Intensity	Tonnes/m ²	0.00004	0.00006	0.00004
Non-hazardous waste				
General waste	Tonnes	69.74	110.74	158.57
Intensity	Tonnes/m ²	0.003	0.001	0.002
Sewage discharge	m ³	16,689.58	42,924.80	24,673.67
Intensity per GFA	m ³ /m ²	0.615	0.553	0.328

Notes:

1. Hazardous wastes include lubricant oil, emulsifier, and chemical waste.
2. Non-hazardous wastes include the domestic waste, wastepaper, and waste plastic.
3. The intensity calculation is based on the total floor area of the Group's relevant facilities.

2. Use of Resources

The Group consistently prioritises the optimization of resources to promote efficient operations, particularly in the use of energy, water, and packaging materials. To promote green operations, comprehensive management policies and operational guidelines have been established, emphasizing sustainability across the Group's various business segments. Achieving these goals requires the active participation and shared responsibility of all employees, who are encouraged to adopt eco-friendly practices in their daily operations. Additionally, the Group extends its commitment to sustainability by providing customers with energy-saving strategies and recommendations, fostering a collaborative effort towards energy conservation and the efficient use of resources.

2.1. Energy Use

Energy consumption is essential for the Group's smooth operations across its various business segments. The Group acknowledges the critical responsibility of educating and raising employee awareness about energy-saving practices. To guide these efforts, the Group has implemented the "Management Procedure on Energy Conservation and Consumption Reduction", which serves as a comprehensive guideline. This procedure outlines key measures for energy conservation, ensuring that all employees are equipped with the knowledge and tools to contribute to energy-saving initiatives during business operations. The key measures for energy conservation are outlined below:

- Switch off electrical appliances after office hours and when they are not in use (such as air-conditioning, computer, printer, photocopier, lighting, etc.);
- Adopt LED lighting in all office areas;
- Provide relevant training and education on energy-saving practices;
- Collect energy usage data regularly;
- Maintain an average indoor temperature between 24 – 26°C to save energy; and
- Regularly conduct equipment and circuit maintenance to reduce energy consumption.

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During the Reporting Period, the Group actively explored and installed solar in our Shanghai facility to improve our sustainability efforts and reduce our reliance on non-renewable energy sources. This initiative strives to reduce our carbon footprint, lower energy costs, and make a positive contribution to a cleaner environment.

Based on the AUSTAR Production System (“**APS**”) and two new production sites being put into operation, the three equipment manufacturing centres in Shanghai, Shijiazhuang and Nanjing have entered into a relatively mature stage of lean operation; continuous improvements have been made in terms of product quality, cost saving, and on-time delivery.

The Group thoroughly evaluates its impact on stakeholders and their businesses before setting any related targets, ensuring that any goals established are well-informed and considerate of the broader implications for all parties involved.

The table below provides an overview of the Group’s energy consumption during the Reporting Period:

Energy	Unit	2022	2023	2024
Purchased electricity	MWh	2,230.84	3,509.32	4,366.99
Mobile fuel consumption	MWh	156.75	165.11	166.32
Stationary consumption	MWh	Not applicable	199.77	192.75
Total energy consumption	MWh	2,387.59	3,874.21	4,726.07
Intensity per gross floor area (“ GFA ”)	MWh/m ²	0.09	0.05	0.06

Notes:

1. Due to limited consumption of stationary fuel during the Reporting Period as associated with relatively small environmental footprint, stationary fuel consumption in 2022 is considered insignificant.
2. The intensity calculation is based on the total floor area of the Group’s relevant facilities.

2.2. *Water Management*

The Group places a high priority on the efficient use of water resources and has implemented a range of water conservation initiatives under its “Management System for Saving Energy and Reducing Consumption”. These initiatives are designed to remind employees of the critical importance of water conservation and to encourage responsible water use throughout the Group. By promoting awareness and providing practical guidelines, the Group aims to reduce water wastage, promote sustainability and use water wisely and efficiently. The key measures for water conservation are outlined below:

- Avoid washing hands under running water;
- Tighten the faucet to prevent water dripping;
- Inspect water facilities on a regular basis to guarantee no leakage or dripping; and
- Report water pipeline leaking to the property management firm as soon as possible.

Actively pursuing water conservation measures across our facilities is a key focus for us. One notable initiative involves the installation of acid wash cleaning liquid recycling systems in our facilities. This system effectively reduces water consumption by recirculating the cleaning solution, minimizing the need for fresh water inputs. Moreover, we are committed to maximizing the reuse of water for various testing purposes, including the maintenance of green spaces and rainwater wells. By repurposing water in these areas, we not only reduce our overall water demand but also promote sustainable practices within our operations.

Regular inspections and pipeline maintenance are conducted at our manufacturing sites to prevent leakage. We also monitor monthly water usage closely and address any anomalies promptly to achieve effective water management. Before setting critical targets in our development plans, the Group will carefully evaluate the importance of water conservation for both our stakeholders and our business operations.

During the Reporting Period, the Group encountered no issues with water sourcing as it is fully under the control of the property management company at our offices and manufacturing sites.

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The table below provides an overview of the Group's water consumption during the Reporting Period:

Water	Unit	2022	2023	2024
Water consumption	m ³	20,861.98	53,656.00	30,842.09
Intensity per GFA	m ³ /m ²	0.77	0.69	0.41

Notes:

1. The intensity calculation is based on the total floor area of the Group's relevant facilities.

2.3. Packaging Materials

The Group is committed to minimizing excessive and unnecessary packaging through substantial efforts. We have successfully reduced the use of packing materials and actively avoided non-recyclable materials in our merchandising practices. By implementing source control measures, we have promoted the reduction of packaging materials.

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The table below provides an overview of the Group's consumption of packaging materials during the Reporting Period:

Packaging Materials	Unit	2022	2023	2024
Wrapping Paper	Tonnes	1.50	0.00	2.00
Carton Box	Tonnes	4.50	4.70	5.00
Stretch Film	Tonnes	6.52	5.60	7.20
Wooden Box	Tonnes	351.50	270.00	340.00
Plastic Strapping	Tonnes	5.50	3.01	7.00
Aluminium Foil	Tonnes	Not applicable	Not applicable	1.00
Total	Tonnes	369.52	283.31	362.20
Intensity per GFA	Tonnes/m ²	0.014	0.004	0.005

Note:

1. The intensity calculation is based on the total floor area of the Group's relevant facilities.

3. The Environment and Natural Resources

To uphold our commitment to reducing environmental impact and conserving natural resources, AUSTAR has adopted the ISO14001 EMS and relevant management strategies throughout our operations and management processes. These tools serve as practical means to facilitate systematic environmental management. We regularly assess and evaluate our operations to monitor performance. We also engage an independent consultant to conduct regular audits and assess the effectiveness and efficiency of our EMS.

Additionally, the Group has implemented the "Management Regulation on Noise Management" to standardise noise monitoring procedures. This regulation helps us identify and address noise issues through appropriate follow-up measures. We have adopted strategies such as using low-noise machinery and equipment, as well as practical engineering solutions that act as noise barriers to minimise disturbances in surrounding areas. To ensure compliance with relevant laws and regulations, certified third-party consultants have conducted noise assessments and monitoring for the Group's operations.

Furthermore, we are committed to identifying and assessing environmental factors and risks to eliminate any negative impact our operations may have on the environment. We closely monitor and control air, water, soil, and noise pollution by diligently managing the risks outlined in our list of environmental aspects. Our efforts include regular assessments and the implementation of effective mitigation strategies to ensure we minimise our environmental footprint.

4. Climate Change

Climate change stands as a critical global concern, with achieving carbon neutrality emerging as a shared goal among nations worldwide. The Paris Agreement, signed in 2015, serves as a pivotal international treaty requiring reductions in greenhouse gas emissions. China, a significant contributor to global efforts in combating climate change, has pledged to peak its carbon emissions before 2030 and achieve carbon neutrality by 2060. This commitment signifies a significant stride towards a more sustainable future.

In light of the escalating apprehensions regarding climate change, we diligently assess the recommendations outlined in the Task Force on Climate-related Financial Disclosures (“**TCFD**”) framework. Our routine climate-related risk assessments are conducted to gain deeper insights into the potential financial and operational ramifications on our business activities. Additionally, these evaluations help us pinpoint opportunities to combat climate change effectively. The Group has identified the following potential climate risks:

Physical risks

- **Acute risk:** The increased severity of extreme weather events (e.g., frost, snowstorms, and hail) may cause damage to our office buildings and/or manufacturing sites, disrupting our business operations and increasing maintenance costs.
- **Chronic risk:** Extreme weather events, such as flooding caused by rainstorms and rising sea levels, extreme cold waves, and heatwaves, may result in decreased revenue due to business interruptions and additional costs in our operations. Additionally, maintaining comfortable room temperatures during such extreme weather conditions may increase energy consumption at our offices and manufacturing sites, leading to a surge in operating costs.

Transition risks

- **Policy risk:** The recent implementation of carbon-pricing mechanisms has increased the cost of GHG emissions, which may result in higher operating costs and potential risks to our financial stability.
- **Market risk:** Market investors may prioritise projects that are environmentally friendly and involve low-carbon goods and design services, alongside with the shift in customer preferences. Additionally, limited natural resources and higher transportation costs may lead to increased costs when purchasing raw materials for our business operations.
- **Technological risk:** Opting for technologies that have lower climate impacts instead of those more vulnerable to climate change may involve higher costs.
- **Reputational risk:** Engaging in activities that have long-term damaging effects on the climate may act as barriers to attracting and retaining customers, employees, business partners, and investors.

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In response to the identified climate risks, the Group has formalised the “Addressing Climate Change and Sustainable Development Management Measures”, outlining that:

- the Group would take preferred measures to progressively reduce and minimise direct and indirect GHG emissions within its scope of control and encourage the Group’s stakeholders to take similar practices;
- the Group would avoid or minimise disruptions associated with climate change and, where possible, take advantage of opportunities to adapt to change; and
- the Group would take measures to respond to existing or potential impacts posed by climate change, and commit to building the capacity and resilience to adapt to climate change together with its stakeholders.

Aligned with the TCFD framework recommendations, the Group is dedicated to enhancing governance procedures and seamlessly integrating climate-related factors into our upcoming risk assessments. Moving forward, we will consistently monitor the influence of climate change on our operations and devise strategies to alleviate or prevent these effects in the future.

SOCIAL PERFORMANCE

In our commitment to sustainable business practices, AUSTAR acknowledges the vital contributions of our key stakeholders, including our employees, customers, suppliers, and the community. We view them as indispensable collaborators in our mission towards ethical and principled operations. As a responsible corporate entity, we prioritise stakeholders’ demands and feedback, pledging to proactively address our influence on individual’s welfare and the wider society. Through well-established oversight and unwavering dedication, we endeavour to cultivate mutual benefits and foster a constructive impact on the sustainable progress of our stakeholders and society at large.

5. Employment

Recognizing the crucial role our employees play in achieving AUSTAR’s business goals and sustaining our industry leadership, the Group has established a comprehensive human resources management framework. We are committed to providing every employee with a safe, motivated, and inclusive work environment that supports their well-being and development. We prioritise health and safety measures, offer opportunities for professional growth, and promote diversity and inclusion across all levels, aiming to create a workplace where everyone can thrive and achieve their full potential. Our employment policies and guidelines are in accordance with the principles outlined in the United Nations Universal Declaration of Human Rights, as well as the pertinent local laws and regulations governing our operations.

During the Reporting Period, the Group strictly complied with the applicable labour laws and regulations, including but not limited to the Employment Ordinance (Cap.57) of HKSAR, Employees’ Compensation Ordinance (Cap.282) of HKSAR, Mandatory Provident Fund Schemes Ordinance (Cap.485) of HKSAR and the Minimum Wage Ordinance (Cap.608) of HKSAR, the Labour Law of PRC and the Labour Contract Law of the PRC. The Group was not aware of any incidents or violations of the relevant labour laws and regulations relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.

5.1. *Employment Practice*

At the core of AUSTAR's growth and success are our employees, who form the foundation of our achievements. The Group is profoundly dedicated to protecting and promoting the fundamental rights and interests of our workforce. Our comprehensive Employee Handbook and "Personnel Records Management Control Procedures" detail the Group's human resource management practice. Also, our "Talent Acquisition Procedure" outlines and standardises the recruitment process. These materials cover a wide range of topics, including employment, promotion, compensation, dismissal, working hours, rest periods, benefits, assessment, training, employee relations, communication, financial management and data management system. These policies ensure that all our employment practices comply with statutory requirements relevant to our business operations.

To attract and retain top talent, we offer competitive remuneration and welfare packages. Full-time employees enjoy a range of benefits, including but not limited to 5 days of paid sick leave, comprehensive medical insurance and reimbursement, marriage and maternity leave, maternity allowance, housing allowance, and transportation allowance. Additionally, we actively seek and connect talent through various channels, including professional human resource agencies, university campus recruitment, social recruitment, and internal recommendations. By leveraging diverse recruitment channels, we can attract a wide range of candidates with varied skills and experiences, enriching our culture and driving innovation.

To cultivate a performance-oriented culture and unleash the creativity and potential of our employees, the Group has implemented an "Annual Performance Assessment Management System". This system sets key performance indicators ("KPIs") that allow senior management to evaluate individual performance based on work quality and contributions to the Group. It serves as an objective, quantitative and measurable tool for making annual adjustments in salary, bonuses, and promotions, ensuring fairness and transparency in performance evaluations but also encourages a culture of continuous improvement and excellence.

Furthermore, the Group organised an exceptional award ceremony to honour and recognise the outstanding achievements and contributions of its employees. This event celebrated excellence across various domains, including leadership, innovation, teamwork, and customer service. The award ceremony highlighted the Group's efforts to acknowledge the hard work of its employees, fostering a culture of recognition and appreciation.

5.2. *Equal Opportunities and Anti-discrimination*

At AUSTAR, we prioritise safeguarding the fundamental human rights and freedoms of our employees. Beyond complying with legal and regulatory standards, we are devoted to continuously improving our internal policies to eradicate all forms of discrimination in our workplace.

We are committed to utilizing the diverse talents and expertise of individuals from various backgrounds, creating a workplace that values and celebrates individual differences. By fostering a diverse workforce, we aim to maximise the potential of our human resources, thereby enhancing the Group's overall business performance and management.

Our unwavering commitment to openness and fairness ensures that we provide equal opportunities to all candidates and employees throughout the recruitment, employment, remuneration, promotion, and transfer processes. We are striving to preventing any form of discrimination, harassment, or vilification based on age, gender, place of origin, nationality, customs, religion, social class, physical disability, political affiliation, pathogen carrier status, or sexual orientation within AUSTAR's operations and development. We do not tolerate any form of discrimination or harassment in the workplace.

We uphold a workplace free from discrimination and harassment. Our zero-tolerance policy ensures that any violations of these principles will result in disciplinary action, including immediate termination for those found in breach.

5.3. *Employee Wellbeing*

In today's dynamic work environment, the significance of workplace productivity, bolstered by employee well-being, is paramount. Employee well-being now includes not only physical health and benefits but also mental health and social well-being.

Recognizing the significance of employee welfare, we understand that team-building activities play a vital role. These activities not only enrich employees' leisure time and relieve work pressure but also strengthen connections and trust among team members. During the Reporting Period, the Group organised various team-building events for its employees.

Case Study Summer Chill Festival

During the hot summer, we hosted a series of events to bring a sense of coolness to our employees. We provided cold coffee for relaxation, lucky bags to help cool down, and ice fruit with DIY snack toppings. These activities brought joy and encouraged our colleagues to take a little break.



Additionally, we place significant emphasis on the physical health of our employees by providing regular physical health screenings. These check-ups are designed to detect and address any potential occupational health issues early on. By proactively monitoring our employees' physical health, we aim to maintain a safe and healthy work environment. This commitment to health and well-being not only safeguards our employees' safety but also contributes to their overall job satisfaction and productivity.

Looking ahead, we will continue to organise more activities that strengthen team cohesion and social interaction. Our goal is to inspire employees to excel in their roles and contribute to sustainable business growth. By prioritizing employee well-being and promoting a healthy work-life balance, we believe our workforce will thrive, leading to improved productivity and overall job satisfaction.

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5.4. Employee Profile

The Group has a total of 1,495 employees, of which 1,445 are full-time employees, and 50 are other employees. Our voluntary turnover rate was 5.1%. The workforce profile divided by gender, age group and geographical region during the Reporting Period is illustrated in the below table:

Employment Profile	2022		2023		2024	
	Number of employees	Turnover rate (%)	Number of employees	Turnover rate ² (%)	Number of employees	Turnover rate ² (%)
By gender						
Male	1,481	19.4	1,262	30.7	1,131	24.7
Female	483	13.4	405	31.5	364	28.3
By age group						
< 30	609	14.3	425	63.6	315	44.5
Age 31 to 40	960	16.5	845	26.0	770	20.0
Age 41 to 50	315	18.2	327	8.3	344	21.8
> 51	80	17.9	76	13.2	66	33.3
By geographical region						
Hong Kong	3	33.3	3	66.7	2	100.0
Mainland China	1,894	18.1	1,615	29.1	1,440	25.0
Others	67	13.4	49	83.7	53	37.7

Notes:

1. The number of employees is calculated based on the number of headcounts.
2. Starting from FY2023, the calculation method for the turnover rate has been updated. The updated calculation now excludes individuals of other employment types such as internships. As a result, the turnover rates for FY2022 have been restated to reflect this revised calculation approach. The exclusion of individuals in other employment types ensures a more accurate representation of the turnover rate specific to regular employees.
3. The employee turnover rate equals the total number of employee turnover in a specific category divided by the total number of employees in the subjected category at the end of the Reporting Period.

6. HEALTH AND SAFETY

The Group is committed to ensuring employee welfare and prioritizing their well-being. We focus on proactively and systematically managing workplace and occupational safety within our operations and manufacturing facilities. Our goal is to provide a safe, comfortable, and harmonious working environment for all employees.

In order to avoid workplace accidents and occupational hazards, the Group has established an Occupational Health and Safety Management System in accordance with ISO45001 standard, to identify and manage safety risks. In addition, we have formulated a series of internal policies and implementation mechanisms in accordance with relevant international guidelines and applicable local laws and regulations, such as the Guidelines for Occupational Health and Safety Management System as proposed by the International Labour Organisation, the Work Safety Law of the PRC, Labour Law of the PRC, Fire Control Law of the PRC and the Law of the PRC on the Prevention and Control of Occupational Diseases.

Performing a thorough occupational health and safety risk assessment is crucial for identifying and managing significant safety hazards. The Group has developed "Control Procedures on Risk Identification and Risk Assessment" to guarantee comprehensive evaluations of health and safety risks. These procedures include implementing effective mitigation strategies to eliminate or control risk levels. In particular, we have outlined a "List of Unacceptable Risks" to ensure employees are aware of high-risk sources and their potential impact on health. This initiative aims to raise overall awareness and promote a safer work environment.

Additionally, the safety officer and departmental supervisors consistently perform internal safety inspections and checks. These efforts ensure that precautionary safety measures and practices are properly maintained. This proactive approach also facilitates the continuous identification and assessment of potential safety risks and hazards, helping to prevent accidents.

To further enhance our employees' capability in responding to emergencies, we hold regular fire drills and chemical leakage drills. These exercises are designed to make sure that all employees are well-prepared and can act swiftly and effectively in the event of an emergency. This proactive approach not only enhances safety but also boosts employees' confidence in handling critical situations, contributing to a safer and more secure workplace.

In addition, the Group offers relevant safety training programs, many of which are developed by third-party professional organizations. These training sessions cover various health and safety topics, including safety responsibility advocacy, occupational health protection, and the acquisition of necessary competencies and qualifications for daily tasks.

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For employees involved in work with potential high occupational hazards, the Group promotes well-being by providing regular health checks and recommending precautionary follow-up actions. The areas addressed potential occupational health risks, including exposure to noise, ozone, and nitrous oxide. Follow-up consultations were also provided to ensure employees maintain a safe and healthy condition.

Case Study AUSTAR Health Talk Series

To promote and raise awareness about women’s health, we invited a distinguished doctor from Hebei Hospital of Gynaecology to share insights on common women’s diseases and address frequently asked questions about HPV. The talk was a great success, attracting a large audience who were eager to learn and engage. The doctor provided valuable information on prevention, early detection, and treatment options, emphasizing the importance of regular check-ups and vaccinations.

In addition, we organised a lecture on osteoporosis, inviting a nutritionist to explain its definition, potential impact, and the importance of high-calcium foods. The session covered risk factors, symptoms, and prevention through diet and lifestyle. A Q&A session followed, allowing employees to ask specific questions and receive personalised advice.

Overall, the session was highly informative and well-received, contributing significantly to our ongoing efforts to improve women’s health awareness in the community.



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During the Reporting Period, the Group strictly complied with the applicable health and safety laws and regulations. The table below provides an overview of the Group's safety performance during the Reporting Period:

	2022	2023	2024
Work-related fatalities	0	0	0
Work-related accidents	0	0	0
Lost days of work-related injury	0	0	0

7. DEVELOPMENT AND TRAINING

To adapt to evolving business opportunities and stay aligned with the latest industry standards, the Group focuses on enhancing our employees' competencies and skills while promoting a positive learning environment. We have established "Training Management Procedures" to identify employee training needs, set development goals, and create an annual training plan. With such a mechanism, we standardise the Group's training management process by identifying the target learners and outlining the suggested learning times with a detailed schedule. This approach facilitates the comprehensive growth and professionalism of our employees.

For newly recruited employees, the Group organises New Hire Orientation Training to introduce them to various aspects such as the Group's corporate culture, business objectives, relevant policies and regulations, product knowledge, and the workflow of different departments. Additionally, pre-employment training is provided at three levels: corporate, departmental, and position-specific. This training aims to develop new employees' occupational skills, facilitate their smooth adaptation to the workplace environment, and enable them to excel in their roles while pursuing personal career development.

For specific employees, the Group offers on-the-job training in areas such as management skills, pharmaceutical project management, and various technical skills at different levels. This initiative supports employees in achieving their career development goals and strengthens their work capabilities. Selected employees are given opportunities for external post-qualification training, skill upgrading, ongoing training, and supervised education through training sponsorships. These programs aim to improve their position-specific knowledge and overall expertise. Additionally, the Group organises diverse workshops focused on knowledge management, case studies, and experience sharing among different teams to facilitate learning from experience and ensure effective knowledge transfer. These efforts not only boost individual performance but also contribute to the overall success and competitiveness of the Group.

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During the Reporting Period, the Group conducted a total of 8,279 hours of job-related training covering different professional areas with 73.9% of the employees trained.

Employee Training Data

Employee Training	2022		2023		2024	
	Percentage of employees trained (%)	Average training hours (hours/employee)	Percentage of employees trained (%)	Average training hours (hours/employee)	Percentage of employees trained (%)	Average training hours (hours/employee)
By employee category						
Senior management	71.4	8.85	14.0	1.50	43.1	4.50
Middle management	52.6	6.02	23.0	1.44	58.9	4.98
General	55.5	6.04	43.3	3.54	77.0	7.79
By gender						
Male	56.2	6.03	42.6	3.30	76.7	7.27
Female	54.5	6.44	34.6	3.28	65.4	8.29

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8. LABOUR STANDARDS

At AUSTAR, we have a strong stance against child labour and forced labour in all our business operations. To uphold the highest standards of ethical conduct and protect fundamental labour rights, we strictly adhere to the Labour Law of the PRC, the Labour Contract Law of PRC, Provisions on Prohibition of Using Child Labour, the Law of the PRC on the Protection of Minors and other relevant labour laws and regulations.

According to the Employee Handbook, all applicants must present valid identity documents during the recruitment process. It is to verify that candidates are eligible for the positions they are applying for and helps prevent the employment of child, forced, or bonded labour. Candidates are required to submit official documents, such as qualification certificates and job reference records, to validate the information they provide. We maintain a zero-tolerance policy towards any indications of child labour or forced labour to uphold the integrity of our workforce, any discrepancies or false information will result in immediate termination of the employment contract.

We have established also clear guidelines and regulations regarding attendance, labour intensity, and overtime in the “Employee Handbook” and “Attendance and Leave Management Control Procedures”. Employees are encouraged to enhance their work efficiency and complete their tasks within regular working hours. Overtime work must be approved in advance by department heads, and employees who work overtime will be compensated according to the established overtime rate structure.

In addition to our internal policies, we actively monitor our suppliers’ labour practices to eliminate of child labour and forced labour throughout our supply chain and business collaborations. By doing so, we not only minimise legal risks but also reinforce our commitment to responsible sourcing and ethical business practices. During the Reporting Period, the Group did not find any cases of forced labour and child labour. This reflects our effort in maintaining the integrity of our operations and supports our goal of fostering a fair and just work environment for all involved.

9. SUPPLY CHAIN MANAGEMENT

The Group places great importance on working closely with its suppliers to ensure adherence to social and environmental standards, thereby fostering a stable and sustainable supply chain. We value partnering with suppliers who offer environmentally friendly materials and products. To promote this, we require suppliers to provide relevant specifications and certifications, confirming that their goods and materials are eco-friendly or sustainably sourced. Additionally, we consider geographic location a key factor in our supplier selection process, giving preference to local suppliers to minimise the carbon footprint of transportation.

The quality of raw materials is fundamental to the Group’s products and services. The Group has implemented a supplier management system that selects qualified suppliers and monitors their quality, environmental, safety, and ethical practices through the “Procurement Management Manual” and the “Supplier Performance Evaluation and Management Control Procedures”.

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The supplier management system clearly defines the requirements for suppliers' legal compliance, selection, and evaluation. When engaging with new suppliers, we undertake a strict assessment and qualification process to ensure they meet these requirements. Suppliers of critical materials must obtain ISO9001 certifications, and all suppliers must have strong track records in environmental, health, and safety compliance. For existing suppliers, the Group conducts an annual performance review that covers safety compliance, material and service quality, product provision, and customer service to ensure consistent product and service quality. If there are adjustments to the mechanism or significant changes in product quality, additional evaluations are required.

To further evaluate our suppliers' health and safety performance, they are required to submit a mandatory "Environmental, Social, and Governance Self-Assessment Form ". The assessment is used to manage qualified suppliers and oversee the entire product procurement cycle. Selected suppliers will be engaged by the Group's Procurement Department and are required to sign a "Corporate Social Responsibility Commitment", which covers various aspects such as adherence to Labour standards, promotion of health and safety, proper storing and disposal of flammable, explosive or toxic and hazardous chemicals for environmental practice, and support for sustainable development practices. We reserve the right to promptly terminate our partnership with any supplier that consistently fails to meet our standards or violates our regulations, ensuring that we uphold high ethical and operational standards throughout our supply chain.

During the Reporting Period, we engaged in a total of 1,645 suppliers.

Supplier Profile

Country/City	Number of suppliers
Mainland China	1,604
Foreign	41
Total	1,645

10. PRODUCT RESPONSIBILITY

As a leading provider of high-tech pharmaceutical engineering solutions, AUSTAR is dedicated to assisting our customers in improving pharmaceutical processes and operational efficiency. We strive to integrate high-quality global resources and contribute to the safety and efficacy of medicines worldwide, ultimately protecting human health.

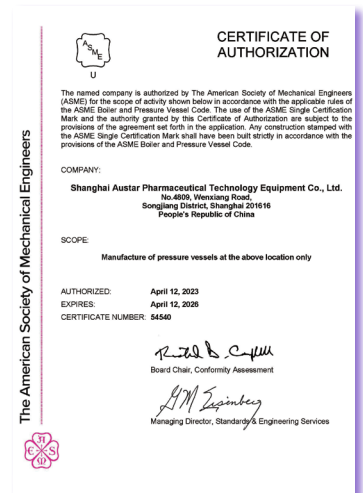
Our Comprehensive Management Manual sets out a clear framework that emphasises the importance of product quality, environmental protection, and employee occupational health and safety in our business decisions. These priorities help us uphold the highest standards in our operations, fostering a culture of excellence and responsibility.

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To ensure our unwavering commitment to quality, we have established a robust Quality Management System (“QMS”) that adheres to the internationally recognised ISO9001 standards. This QMS is meticulously implemented across our production workshops. We conduct regular internal and external audits to guarantee the effective upkeep of our management system. These audits are instrumental in identifying areas for improvement, enabling us to consistently maintain the highest standards of quality in our products and services. Furthermore, we have developed “Non-Conforming Products”, which outlined the management of non-conforming raw materials, in-process products, and finished goods within the Group to ensure quality and compliance with standards.

AUSTAR has strictly complied with national laws and regulations pertaining to product health and safety, labelling and advertising, including the Pharmaceutical Administration Law of the PRC, the Good Supply Practice for Pharmaceutical Products, the Advertisement Law of the PRC, in order to protect the public interests with no false data or misleading information on pharmaceutical products. Furthermore, we are devoted to providing accurate and reliable information to the public, ensuring transparency and fostering trust in our operations.

By adhering to these rigorous standards and complying with all relevant regulations, we strive to improve the well-being and safety of the public. Our unwavering dedication to maintaining the highest levels of quality, environmental protection, and employee health and safety underscores our commitment to being a responsible and trusted partner in the pharmaceutical industry. This commitment not only upholds the integrity and reliability of our products and services but also fosters a culture of trust and accountability, reinforcing our role as a leader in the industry.



10.1. Strict Quality Assurance

To maintain stringent control over product quality, we have established an effective Inspection and Test Management Program. This program is overseen by our dedicated Quality Control Department, which performs rigorous quality checks at various stages of the production cycle. These stages include the inspection of incoming materials, monitoring of manufacturing processes, final product inspection, and delivery. The Quality Control Department is also responsible for collecting, sorting, and managing inspection data and records. Should any nonconforming products be identified during inspections and testing, they are managed in accordance with our Nonconforming Products Control Procedure.

Our product quality assurance procedures are as follows:

- **Incoming Material Inspection:** Our inspectors perform random sampling of procured materials, parts, and components to verify their type, quantity, and quality. These inspections are conducted in accordance with the "Guidance to Incoming Material Inspection". The results of these inspections are then communicated to the procurement department or the relevant inventory personnel. The quality control engineer documents these results in the Record of Material Inspection.
- **Outsource Inspection:** Our inspectors conduct thorough examinations of products received from contracted companies. Products that meet our quality standards are stored in the Area for Qualified Products. Those that do not meet the standards are placed in the Area for Unqualified Products and are managed according to the "Control Procedures of Unqualified Products".
- **Process Inspection and Test:** Inspectors perform regular sampling checks at various stages of the production process to ensure consistent product quality. All operators cross-check the products, and only those that have been verified and bear the inspector's signature are permitted to proceed to the next stage or storage facilities. Any abnormalities detected during production are promptly addressed and rectified.
- **Inspection and Test of Finished Products:** We implement various indicators to verify that our finished products are free from defects and meet specific customer requirements. Ensuring timely delivery is also a key consideration in this process.

To mitigate potential risks to user health and safety due to product quality issues, we have established a comprehensive Product Recall Management Procedure. This procedure standardises the recall process for products that pose such risks. If the Quality Department determines that a recall is necessary following a recall necessity assessment, they collaborate with the Sales Department to initiate the recall process and inform affected customers. The Quality Department is responsible for marking, isolating, and tracking the recalled products. Additionally, they prepare a detailed product recall report to identify the root cause(s) of the incident and implement preventive measures to prevent recurrence.

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By implementing these robust quality control measures and recall procedures, we ensure that our products consistently meet the highest standards of quality, safety, and customer satisfaction. Our unwavering commitment to quality control drives us to deliver products that not only meet but exceed expectations. We hold the well-being of our customers in a high regard, continually striving to enhance their trust and confidence in our products.

10.2. Protecting Customer Privacy

Data governance and customer privacy are fundamental to the Group's success and reputation within the biopharmaceutical and pharmaceutical industry. Recognizing the sensitive nature of the information handled by the Test Service Department, we have implemented stringent security measures to protect customer privacy. Additionally, we have distributed the "Guidelines for Managing Visitors in Office Areas and Factories" across different regions to prevent disruptions to our business operations and manufacturing processes. We rigorously monitor visitor registrations, enforce adherence to security guidelines, implement security monitoring, and maintain strict control over car parking. Alongside our comprehensive data management strategy, we have established cybersecurity policies that align with industry best practices.

At AUSTAR, we nurture a culture of accountability where every employee is vital in ensuring the security of customer data. Our Labour Contract and Employee Handbook explicitly state the confidentiality principles that protect non-public customer information, mitigating the risk of data breaches. Furthermore, employees entrusted with the management of IT information and contract archiving systems are required to sign confidential agreements with clients. These protocols underscore our steadfast commitment to maintaining the highest standards of data protection.

Employees are strictly prohibited from disclosing confidential information to third parties without authorization, both during their employment and at any time thereafter. This includes, but is not limited to, strategic business plans, financial plans and data, insider information, unpublished corporate details, contract designs and specifications, quotation documents, and client information. These measures are in place to maintain the integrity and security of our sensitive information.

During the Reporting Period, the Group complied with relevant laws and regulations such as the Personal Data (Privacy) Ordinance (Cap.486) of HKSAR and the Data Security Law of PRC. The Group was not aware of any significant non-compliance cases associated with privacy matters.

10.3. Customer Satisfaction

Ensuring customer satisfaction stands as a pivotal element in our business triumph. We are steadfast in our dedication to perpetually elevating the excellence of our products and services. Our strategy for gauging customer satisfaction levels integrates findings from customer satisfaction surveys with insights gathered from diverse communication avenues, including customer visits, phone interactions, and inquiries, to provide a holistic assessment.

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By evaluating feedback from various channels, we obtain crucial insights into our customers' expectations for our products and services. This knowledge allows us to swiftly address their concerns and fulfil their needs efficiently. To facilitate this process, we have established a "Customer Satisfaction Management Procedure", which provides a systematic approach to measuring customer satisfaction.

Based on the results of our customer satisfaction survey, we are proud to share that our customer satisfaction surveys reveal an impressive average satisfaction rating of 97.3% for all products and services provided by the Group. Additionally, we have received 22 recommendation letters from our customers, praising our professional and timely response, which has led to productive services.

This outstanding result highlights our commitment to delivering top-notch quality and underscores the strength of our management system.

In the event of receiving customer complaints, whether verbal or written, we strictly adhere to our "Management Procedures on Customer Requirements and Complaints". This framework provides a systematic response, allowing us to promptly investigate and resolve customer issues. Our approach includes the following measures:

- **Joint Investigation:** We collaborate with relevant departments to thoroughly examine the entire production process or service, aiming to identify the root cause(s) of the reported issue.
- **Ongoing Communication:** We keep an open line of communication with complainants, adjusting our response and action plan as needed to achieve their satisfaction with the resolution.
- **Complaint Analysis:** We conduct an in-depth analysis of all complaints received every six months. This review helps us pinpoint areas for improvement in our management system and internal procedures, aiming to prevent similar issues from recurring.

During the Reporting Period, the Group strictly complied with the Law of the PRC on the Protection of Consumer Rights and Interests and there was no product recall, return or complaint regarding the products and services. We are pleased to report that we experienced no instances of product recalls, returns, or significant complaints regarding our products and services. Moreover, we received letters of appreciation from customers in multiple regions, inspiring us to continually improve the quality of our offerings.

At AUSTAR, customer satisfaction is not just a priority; it is the cornerstone of our continuous improvement efforts. We are unwavering in our dedication to delivering exceptional products and services that not only meet but exceed our customers' expectations. This commitment drives us to innovate and enhance our offerings, ensuring that we consistently provide value and quality to our customers.

10.4. Protecting Intellectual Property

AUSTAR fully understands the crucial role of intellectual property (“IP”) protection in driving product research and development. We are striving to safeguard our valuable intangible assets and fostering innovation. To achieve this, we have established comprehensive management systems and procedures, including the “Business Secret Information System”, “Patent Management Procedure”, “Registered Trademark Management Procedure”, and “Copyright Management Procedure” These frameworks standardise application and registration processes, effectively mitigating IP risks across all our operations.

Our Intellectual Property Strategy Department manages patent analysis, acquisitions, transfers, and licensing to ensure comprehensive protection and prevent infringement. By emphasizing IP protection, we nurture a culture of innovation and reward our investments in research and development. We work closely with authorities and industry partners to stay informed on best practices and comply with relevant laws and regulations. AUSTAR’s commitment to intellectual property protection strengthens our foundation for growth, enabling us to deliver cutting-edge products and solutions while driving industry progress.

Furthermore, our facility has been honoured as a Shijiazhuang Municipal Patent Implementation Industrialization Project (石家莊市專利實施產業化項目). This prestigious recognition serves as a resounding testament to the Company’s profound technological innovation capabilities and adeptness in transforming achievements into tangible outcomes.

During the Reporting Period, the Group possessed the following intellectual properties:

Types of IP	Number
Copyrights	28
Patents	43

11. ANTI-CORRUPTION

The Group is committed to conducting business with integrity and transparency. Thus, the Group strived to maintain a zero-tolerance policy towards corruption, extortion, money laundering, fraud, and solicitation. The Group’s Employee Handbook explicitly outlines the code of conduct and related policies, emphasizing the importance of avoiding all forms of corruption to promote ethical business practices. All employees are required to adhere to legal and ethical standards when interacting with stakeholders, which includes avoiding conflicts of interest, bribery, money laundering, and other forms of misbehaviour.

We have established and implemented the “Integrity Management Policy” to increase employees’ awareness of anti-corruption and to cultivate a culture of corporate compliance. This policy applies to all employees, business activities, and external events across the Group. To promote anti-corruption and anti-bribery, we emphasise the importance of honesty and ethical behaviour among our employees and stakeholders, providing ample support and guidance.

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The Group permits only reasonable and moderate entertainment, and all payments must be clearly documented according to the Group's financial accounting requirements, with supporting receipts and invoices. Our management team regularly reviews and updates policies and codes of conduct to ensure effective implementation. In the event of a regulatory breach, employees are subject to corresponding penalties and disciplinary actions, which may include immediate dismissal.

The Group has established a whistleblowing mechanism to facilitate the reporting of any suspected misconduct, malpractice, unethical behaviour, or unfair treatment. Employees and other stakeholders are encouraged to report any instances of corruption or misconduct through our well-defined communication and reporting channels, and relevant parties will respond in a timely manner. All information received, including the details of the report and the whistle-blower's identity, will be kept strictly confidential to protect the whistle-blower from retaliation. The Group will promptly investigate the reported case to validate the claims and take appropriate remedial actions are taken. These information will only be disclosed if there is evidence of criminal activity that necessitates legal proceedings.

To reinforce our anti-corruption program throughout the Group, we regularly provide relevant training courses to ensure employees are well-versed in our policies and procedures. We are committed to fostering a transparent and ethical work environment where all forms of corruption and bribery are strictly forbidden. During the Reporting Period, we conducted 7 anti-corruption training sessions, totalling 2 hours of training for all employees. The topics covered include but are not limited to: prohibited behaviours during the procurement process, main types of conflicts of interest and reporting requirements and more.

During the Reporting Period, the Group strictly complied with relevant laws and regulations, including the Criminal Law of the PRC, the Anti-unfair Competition Law of the PRC, and Anti-Money Laundering Law of the PRC. There were no illegal cases of corruption, extortion, fraud, or money laundering brought against the Group or its employees.

12. COMMUNITY INVESTMENT

Aligned with the Group's vision and mission, we are dedicated to advancing pharmaceutical technology for our customers while recognizing our responsibility to give back to the community. Our commitment to community engagement is reflected in our focus on education and labour needs. We strive to build mutually beneficial relationships with our community by encouraging our employees to participate in various activities that support the underprivileged and those in need.

To further enhance our management of external donations and sponsorships, we have implemented the "External Contribution and Sponsorship Management Policy". This policy helps us better fulfil our social and civic responsibilities by regulating and improving our approach to external contributions. The Group carefully prepares an annual budget for donations and sponsorships, continuously refining our internal approval procedures and audit processes. Additionally, we conduct thorough summaries and evaluations for each donation and sponsored project to verify their effectiveness and impact.

By fostering a culture of giving and community involvement, we aim to make a positive difference and uphold our commitment to social responsibility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG REPORTING CODE INDEX

ESG Reporting Code	Section/Explanation
Mandatory Disclosure Requirements	
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>

ENVIRONMENTAL PERFORMANCE

ESG Reporting Code		Section/Explanation
A1 Emission		
A1	<p>General Disclosure</p> <p>Information:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	1. Emissions – 1.1 Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1. Emissions – 1.2 Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1. Emissions – 1.3 Waste and Wastewater Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1. Emissions – 1.3 Waste and Wastewater Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	1. Emissions – 1.1 Air Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	1. Emissions – 1.3 Waste and Wastewater Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Code		Section/Explanation
A2 Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water, and other raw materials.	2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2. Use of Resources – 2.1 Energy Use
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2. Use of Resources – 2.2 Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2. Use of Resources – 2.1 Energy Use
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2. Use of Resources – 2.2 Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2. Use of Resources – 2.3 Packaging Materials
A3 The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3. The Environment and Natural Resources
A4 Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4. Climate Change

SOCIAL PERFORMANCE

ESG Reporting Code		Section/Explanation
B1 Employment		
B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5. Employment – 5.4 Employee Profile
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5. Employment – 5.4 Employee Profile
B2 Health and Safety		
B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	6. Health and Safety
KPI B2.2	Lost days due to work injury.	6. Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6. Health and Safety

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Code

Section/Explanation

B3 Development and Training

B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7. Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	7. Development and Training

B4 Labour Standard

B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	8. Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	8. Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	8. Labour Standards

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Code		Section/Explanation
B5 Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	9. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	9. Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	9. Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	9. Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	9. Supply Chain Management
B6 Product Responsibility		
B6	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.	10. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	10. Product Responsibility – 10.3 Customer Satisfaction

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Code		Section/Explanation
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	10. Product Responsibility – 10.3 Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	10. Product Responsibility – 10.4 Protecting Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	10. Product Responsibility – 10.1 Strict Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	10. Product Responsibility – 10.2 Protecting Customer Privacy
B7 Anti-Corruption		
B7	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud, and money laundering.</p>	11. Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	11. Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	11. Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	11. Anti-corruption

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<u>ESG Reporting Code</u>		<u>Section/Explanation</u>
B8 Community Investment		
B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	12. Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	12. Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	12. Community Investment

