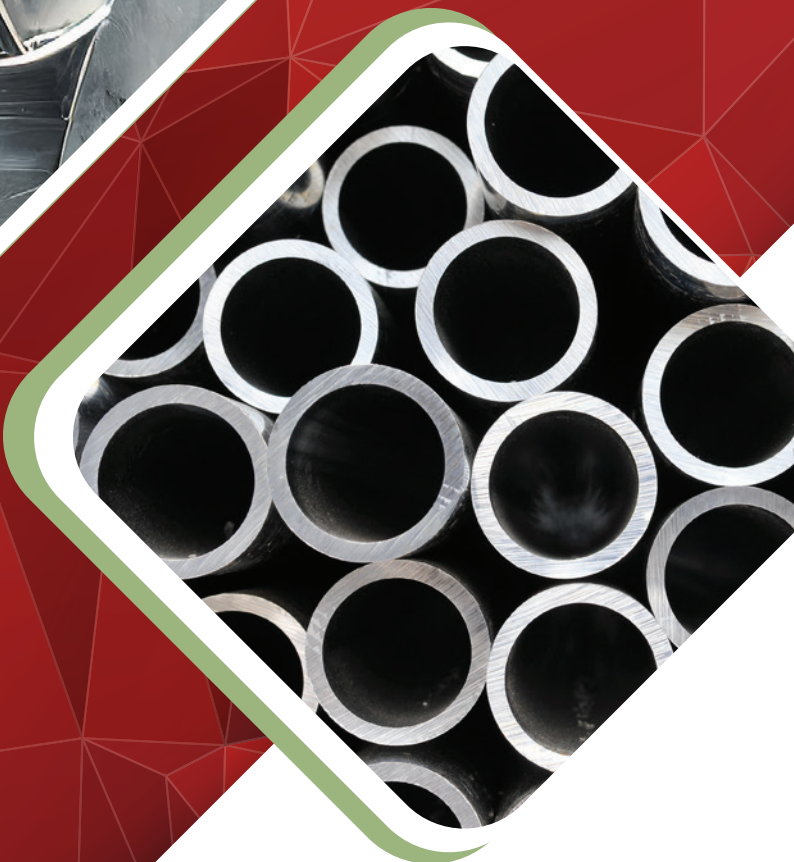




興發鋁業控股有限公司  
XINGFA ALUMINIUM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)  
(HKEX stock code: 98)



2024

Environmental, Social and  
Governance Report



# CONTENTS

1	BOARD'S STATEMENT	2
2	GOVERNANCE FIRST, RESPONSIBILITY FOREMOST	4
3	STRIVING FOR PERFECTION AND PURSUIT OF EXCELLENCE	19
4	ENVIRONMENTAL PROTECTION FOR SUSTAINABLE COEXISTENCE	28
5	HUMAN-ORIENTED, SINCERITY AND TRUSTWORTHY	41
6	COMMUNITY PARTICIPATION AND SHARING	60
7	ABOUT THIS REPORT	64
8	APPENDIX	66



1

# BOARD'S STATEMENT





## 1 BOARD'S STATEMENT

Given major challenges as witnessed globally including climate change, resource scarcity and social inequality, the role of enterprises has no longer limited to economic value creation but also tasked with the mission to promote environmental protection, social responsibility and good governance ("ESG"). As a leading enterprise in the aluminium product industry, Xingfa Aluminium has always been adhering to the mission of "Pursuing Excellent Quality and Serving Global Customers", devoted to integrating the concept of sustainable development into its corporate strategies and daily operations and responding to the global appeal for sustainable development with practical actions, while steadily advancing towards the vision of "Becoming an International First-Class Aluminium Product Manufacturing Enterprise with Professionalism and Dedication to Excellence. "

In 2024, Xingfa Aluminium made significant progress in ESG. We have strictly followed the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited and actively aligned with the applicable Sustainable Development Goals ("SDGs") of the United Nation 2030 Agenda for Sustainable Development to comprehensively promote the sustainable development practice in a wide range of areas from environmental protection, employee rights and interests, community participation to corporate governance. We deeply understand that the success of a corporate does not only come from improving its economic efficiency but also arise from environmental protection, care for employees and contribution to the society, all of which is based on our core values, namely "Customer First, Quality Foremost, Innovation Leading, Ingenious Craftsmanship".

In terms of environmental protection, we continued to invest in resources and optimize our production processes aiming at reducing carbon and waste emissions as actively promoting the establishment of green factories. Through introducing solar photovoltaic power generation, energy-saving equipment and intelligent management systems, we have set an example of green production for the industry, fulfilling our promise of "Better Building, Better Life" in addition to lessening energy consumption.

As for employee rights and career development, insisting on a people-oriented approach, we provided a fair working environment and diversified training opportunities to ensure the growth and development of every employee in a safe and healthy nature. In terms of community involvement, apart from actively fulfilling our corporate citizenship responsibilities, we have been committed to creating more value for society through charitable donations, help-poor and schooling campaigns, and environmental protection and public welfare activities.

This report details the ESG practices and achievements of Xingfa Aluminium in 2024, covering various fields including environmental protection, resource management, employee rights and community involvement. In virtue of this report, we hope that all the stakeholders will be able to see our efforts and commitments on the path of sustainable development while all parties are sincerely invited to join hands with us to boost green transformation and social progress.

Looking ahead, Xingfa Aluminium will continue to focus on sustainable development, further deepen its ESG practices, and proactively address global challenges including climate change and resource scarcity. We believe that only by continuous innovation and cooperation can we realize the harmonious coexistence of enterprise, society and environment, becoming a stronger contribution to the better life of human beings and truly realization of our corporate vision of "Better Building, Better Life".

*Chairman of the Board*

**WANG Li**

26 March 2025



# GOVERNANCE FIRST, RESPONSIBILITY FOREMOST



Corporate governance, the cornerstone of sustainable development, is the core of achieving Xingfa Aluminium's long-term steady operation. This section elaborates our practices and results in governance structure, transparency, ethical compliance, data security and supply chain governance. We secured our responsibilities performed to the environment, society and stakeholders while pursuing economic benefits via our well-established board supervision mechanism, transparent information disclosure system, strict ethical conduct code and effective supply chain management. Good corporate governance is believed to enable corporate competitiveness plus creating long-term value for the community and assisting the realization of the SDGs.

**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



Ensure sustainable consumption and production

**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



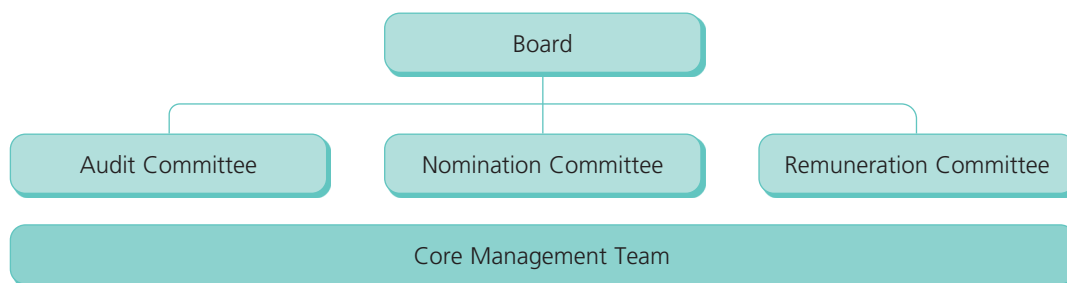
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



## 2.1 Corporate Structure with clear responsibilities

### 2.1.1 Roles and responsibilities of the Board

As the highest decision-making body of the Company, the Board is responsible for leading and supervising the overall operation of the Group, including the approval of business development, investment decisions and strategic planning, as well as the maintenance of the effectiveness of the risk management and internal control systems. Meanwhile, the Board is also responsible for monitoring the overall performance of the Group to ensure steady corporate development. Currently, there are three specialized committees under the Board, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, each of which carries out its work in accordance with its terms of reference and reports regularly to the Board on its progress and achievements.



The Executive Directors, supported by senior management, formed the core management team of the Company. The Executive Directors are responsible for formulating the business strategies and development plans of the Group along with ensuring their alignment with the long-term corporate objectives. The senior management is responsible for enforcement and monitor of implementing such plans and ensuring the effective fulfilment of strategies so as to drive the continuous growth and innovation of the Group.

### 2.1.2 Establishment and Implementation of Risk Management and Internal Control Systems

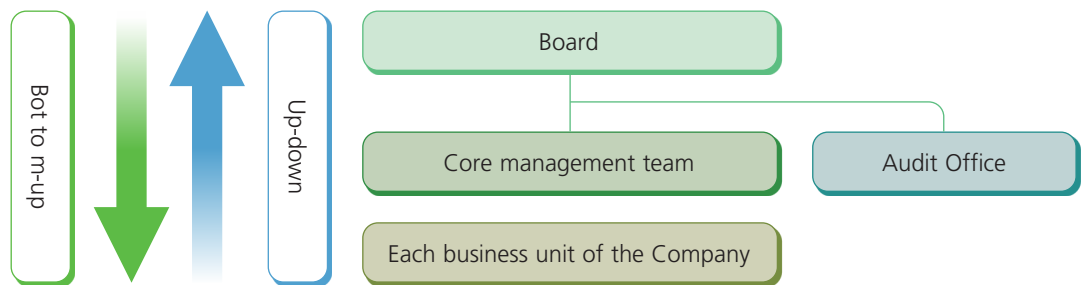
The Board has overall responsibility for maintaining the robust and efficient risk management and internal control systems of the Group as securing the consistency which with the overall corporate strategic objectives. Apart from involving in the formulation and approval for the risk management strategies of the Group, the Board also bears duty for overseeing such strategic implementation by the senior management besides reviewing key risks and mitigation measures as the effectiveness guarantee for risk management framework.

The Group made efforts to ensure a comprehensive risk identification and assessment through a bottom-up and top-down combined risk management approach, with risks bottom-up identified and ranked by each business unit, whereas as for top-down approach, the management reviewed whether each business unit has comprehensively identified and reasonably ranked risks before appropriate handling. The management team monitors emerging risks regularly aside from formulation of the internal audit plans focusing on risk management and continuous evaluation on the appropriateness and effectiveness of the risk management and internal control systems, thereby enhancing the overall effectiveness regarding risk and control framework of the Group.



The risk management and internal control systems of the Group was designed to minimize risk coupled with asset protection, fraud prevention and detection, and shareholder interests' safeguard. Maintenance of an accurate accounting record of the Group benefited from the systems which also assisted its compliance with relevant laws and regulations. The Board carried out a thorough review covering the entire financial year concerning the risk management and internal control systems on an annual basis.

Furthermore, the Audit Office, the internal audit unit established by the Group, is subordinate to the Board and operates guided by the Audit Committee. By strategic goal analysis, business process evaluation, risk analysis and performance measurement, the Audit Office formulated the internal audit work plans in conjunction with the internal control self-inspection mechanism of comprehensive risk management together with regular reports to the Audit Committee and the Board of Directors on the audit results and recommendations for internal control improvement, so as to ascertain the compliance and efficiency in the operations of the Group.



### 2.1.3 ESG Governance Framework

In terms of ESG governance, the Board of the Group played a significant role in promoting sustainable development as assuming full responsibility for its ESG strategies and reporting as well as monitoring ESG-related policies, measures and performance of the Group. The Board actively fulfills its ESG governance responsibilities by assessing and determining our ESG-related issues and risks other than guaranteeing the establishment of the appropriate and effective ESG risk management and internal control systems of the Company.

In the meantime, the Board required the management of the Company to report regularly on the aspects including implementing ESG efforts and target progress of our subsidiaries, and to deliver decisions on key ESG issues timely, including by reviewing and approving ESG reports which aimed to understand the ESG performance of the Company's business.

At the subsidiary level, we have conducted an ESG accountability whereby each employee of the Company has his or her own ESG responsibility. For the sake of ESG responsibility implementation, responsibility letters must be signed in each subsidiary between the general manager and the vice-general manager, the vice-general manager and the department supervisors of each workshop, and each workshop department and the shifts at each level, achieving the horizontal and vertical interlock regarding responsibilities altogether.



### 2.1.4 Sustainable Development Strategy

The United Nations (“UN”) adopted the 2030 Agenda for Sustainable Development in 2015, announcing 17 Sustainable Development Goals (“UN SDGs”), which cover the global challenges facing society today, including those related to poverty, inequality, climate, environmental degradation, prosperity and peace and justice. With these goals, the UN hopes that companies can achieve their own sustainable development while promoting the sustainable development of society. As a corporate citizen, the Group fully understands the importance of global sustainability and endeavours to respond to the UN SDGs. It is committed to creating value in five major aspects, that is, “Striving for Perfection and Pursuit of Excellence”, “Protecting the Environment, Co-existence and Co-prosperity”, “Human oriented, Sincerity and Trustworthy” and “Community Participation and Sharing”. By doing so, we fulfil corporate social responsibilities (“CSRs”) and make progress towards sustainable development. While adhering to the corporate mission of “letting the aluminium industry bring excellence for better human life”, the Group has also formulated a sustainable development strategy, which covers the following:

Sustainable Development Strategy	Strategic Objectives	UN SDGs	
Governance First, Responsibility Foremost	Ensuring an effective governance structure when managing various types of risks and safeguarding the orderly corporate operations	Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation Goal 12: Responsible Consumption and Production Goal 16: Peace, Justice, and Strong Institutions	  
Striving for Perfection and Pursuit of Excellence	Adhering to the vision of “creating excellence in Xingfa as a century old brand”, strengthening technological innovation, developing high-tech products and accelerating the industrialisation of patented products	Goal 3: Good Health and Wellbeing Goal 12: Responsible Consumption and Production	 
Environmental Protection for Sustainable Coexistence	While consolidating Xingfa products, we are committed to protecting the environment and leading green production in the industry	Goal 7: Affordable and Clean Energy Goal 13: Climate Action	 
Human-oriented, Sincerity and Trustworthy	Adhering to the talent concept of “Human-oriented, Sincerity and Trustworthy”, we are constantly optimising the talent management model and building an excellent management team	Goal 1: No Poverty Goal 8: Decent Work and Economic Growth Goal 10: Reduced Inequalities	  
Community Participation and Sharing	We are actively ensuring the safety of staff, giving back to the community and working with all parties to achieve growth and a win-win situation	Goal 3: Good Health and Wellbeing Goal 11: Sustainable Cities and Communities	 



## 2.2 Transparency and Openness While Sharing Information

### 2.2.1 Stakeholder Engagement

The Group is committed to maintaining good relationships with stakeholders, as it regards them as the bedrock of its business development. By actively identifying stakeholders, we establish and constantly improve various communication mechanisms. Through active and effective communication, we gain an in-depth understanding of the expectations and requirements of stakeholders. We highly respect and safeguard the legitimate rights and interests of stakeholders. By well balancing the relationship with shareholders, employees and various sectors of society, we work with them to attain sustainable, sound and steady development. To answer the expectations and requirements of stakeholders, the Group incorporates their concerns and requirements into its sustainable development issues and actively responds with practical actions to strive for the mutual growth with stakeholders.

During the Year, we continued to engage regularly with key stakeholder groups in a variety of formats to ensure we could communicate effectively on topics of stakeholder concern.

Stakeholder category	Major expectations	Major communication methods
Staff	Equal opportunities Salary and benefits Occupational health and safety Employee development	Intranet Training and employee activities Trade union and workers' congress Various seminars
Governments and regulatory institutions	Compliance operation Tax compliance Job creation Promote local economic development	Regular reporting Supervision and inspection
Investment institutions/ shareholders	Corporate governance Shareholders' interests Information disclosure Risk management and control	Company announcements General meetings Roadshow and reverse roadshow Strategy meeting Email, telephone, WeChat and corporate website
Suppliers/contractors	Integrity Mutual benefit for win-win	Bidding and tendering Review and evaluation meeting Regular communication Email, telephone, WeChat and corporate website
Customers	Brand influence Product quality Service standard Customer opinion	Customer opinion survey Customer centre and hotline Customer visits Exhibition fairs

Stakeholder category	Major expectations	Major communication methods
Industry	Comply with industry regulations Promote industry development Industrial innovation	Industry forums and exchanges Site visits Research
Media	Information disclosure Social contributions	Result announcement conference Media open day Special reports
Local community	Support public welfare Create a harmonious community	Community activities

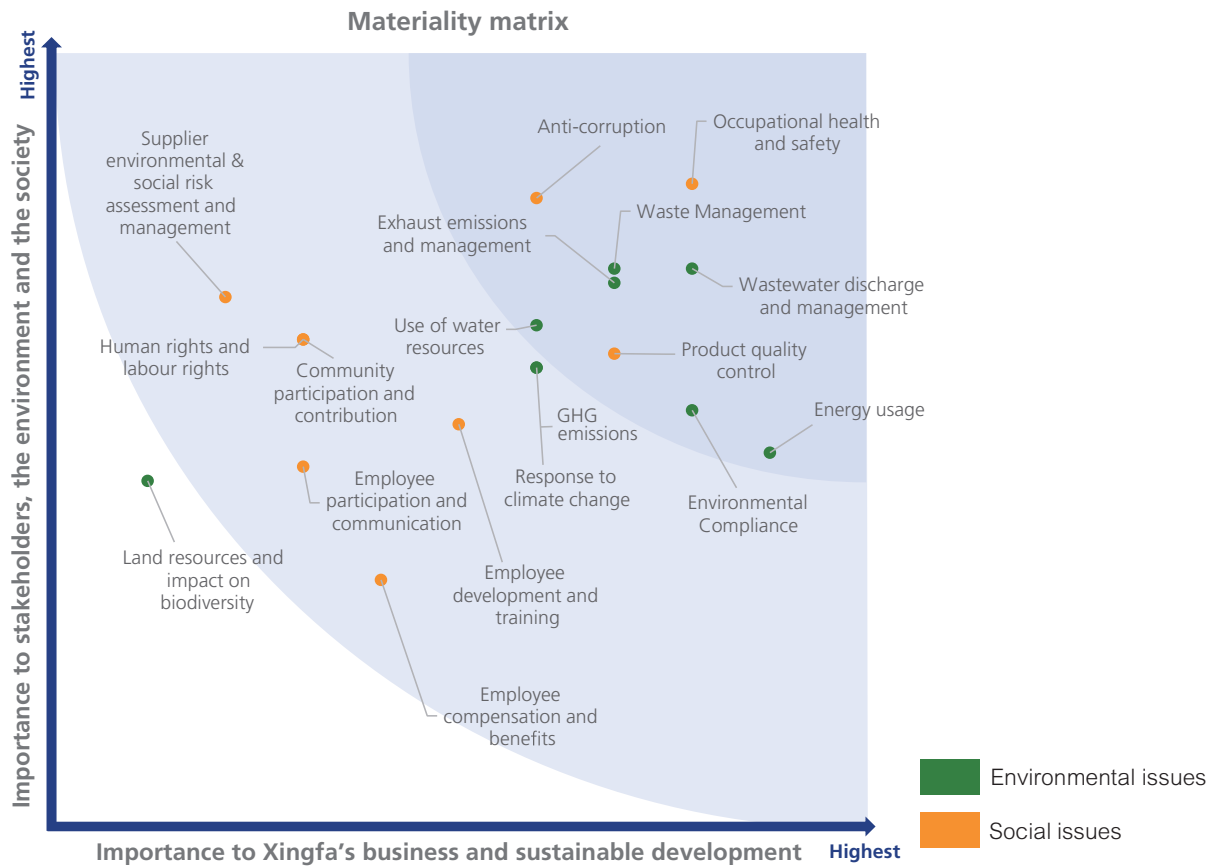
### 2.2.2 Materiality Assessment

In our previous reports, we have identified and assessed the materiality based on industry trends, practices of peer companies, the Sustainability Accounting Standards Board (“SASB”) industry-specific topics, and the key concerns of ESG-related rating standards. As there were no significant changes in our organisational structure, business scope and size during the year as compared with the previous reporting year, upon the recommendation of an independent third-party professional advisors, we have conducted a review of the material issues based on the issues identified in the previous environmental, social and governance report.

Identification of ESG Issues	Reviewed the list of topics based on the latest industry trend.
Sequencing of ESG issues	Understanding the qualitative insights of different stakeholders on identifying material issues through daily business engagement.
Analysis and review of materiality	Based on the opinions collected above, the management verified the results of the materiality assessment and reported to the Board for recognition. Both the Board and the management considered that the material issues for the Year were the same as the previous year.



The following sets out the degree of importance of various issues identified from the Group's materiality assessment during the Year:





The following are the nine material issues of the Group identified from the above materiality matrix:

	High-materiality issues	Overview
Environmental issues	Wastewater Discharge and Management	The impact of water pollutant (e.g. heavy metals, ammonia nitrogen, organic matter, etc.) discharged during our operations on the surrounding water bodies and ecology and the mitigation measures taken to reduce the impact
	Use of Energy	Energy management measures taken to reduce energy consumption and enhance energy efficiency in our operations (e.g. reducing the use of dyes, electricity, heating, steam, etc.)
	Waste Management	The methods of handling hazardous and non-hazardous waste during our operations and the waste reduction measures taken to minimise the impact on ecology and human health
	Exhaust Emissions and Management	The impact of air pollutant (e.g. nitrogen oxides, sulphur oxides, particulates, volatile organic compounds, etc.) emitted during our operations on the ecological environment and human health and measures to reduce their impact
	Environmental Compliance	Environmental compliance in our operations and identification of areas for improvement (e.g. whether all environmental permits required by laws and regulations are in place and in compliance with the relevant legal and regulatory requirements)
	Use of Water Resources	Water conservation measures taken to consume water reasonably and enhance water efficiency during our operations
Social issues	Occupational Health and Safety	To protect the occupational safety of our employees, provide a suitable working environment and promote their physical and mental health
	Anti-corruption	Policies and controls in place to prevent bribery, extortion, fraud and money laundering (e.g. anticorruption training, effective awareness and whistle-blowing mechanisms, etc.) in our daily operations and procurement processes
	Product Quality Control	Policies and measures adopted to improve our product quality and ensure our products could meet related standards



### 2.3 Ethics First, Focusing on Compliance

The Group attaches great importance to the integrity of its team, requires managers at all levels to set examples for others to follow suit and maintains a “zero-tolerance” approach to fraud and corruption through advancing good practice. We have been continuously improving the internal control mechanism and whistle-blowing mechanisms to eradicate various forms of corruptive and fraudulent behaviour, including bribery, extortion and money laundering. The Group arms employees with the bottom-line mindset to strengthen internal education and intensifies the supervision of corruption-prone aspects and post holders. Meanwhile, we also conduct the Party Discipline Month activities for Party branches and hold meetings on Party conduct and government integrity and anti-corruption to develop the awareness of integrity among Party members and cadres, a prerequisite for achieving the strategic goal of “no one daring, being able, or wanting to be corrupt”. We strictly implement the code of conduct for anti-corruption and anti-bribery in accordance with the relevant national policies, laws, rules and regulations. The above code of conduct clearly specifies that staff must abide by strict code of ethics and must not engage in malpractices such as corruption or bribery, receiving secret profits and gifts from customers, or misappropriation of funds. It is applicable to material procurement, outsourced processing, facility projects, business sales, equipment procurement and maintenance, quality supervision, other economic activities and belongings. At the same time, all customers, suppliers, service providers and underwriters who have business relationships with the Group are also covered by the code, which contains the following aspects:

- Requirements of anti-corruption and anti-bribery conduct for procurement and sales staff;
- Requirements of capital management involving anti-corruption and anti-bribery conduct during the procuring and selling processes;
- Requirements of anti-corruption and anti-bribery conduct for accounting cashiers;
- Regular check on the evaluation system;
- Whistle-blowing registration system.

The whistle-blowing registration system implemented by the Group allows employees to report violations of code of conduct to the Group. Every reported case is handled in a confidential manner and followed up according to the relevant policies and procedures. Anyone who violates the code of conduct shall be given a warning, demotion or dismissal depending on the severity of the matter. The Group will never tolerate any form of corruption. If an employee is found to be involved in corruption or other criminal offences, we will transfer the case to the disciplinary inspection and supervisory bodies, judicial authorities or other related government departments for handling.

During the Reporting Period, there was no misconduct or regulatory non-compliance related to bribery, extortion, fraud and money laundering in the Group while neither the Group nor any of our employees was involved in any corruption legal case that had already been filed and concluded.



## Henan Company – Party-day Themed Activity

On 29 July 2024, the Party branch of Henan Company held a Party-day activity with the purpose for strengthening the sense of identity and responsibility in the hearts of party members, encouraging them to work with integrity and aspiration. This intended to further consolidate the role of the Party branch as a battle fortress along with impelling the high-quality development of the company. The activity included three main sessions:

1. Party spirit education experience: Party cadres visited the Li Tangjie Memorial Integrity Education Base in Wen County for in-depth understanding of life story of Li Tangjie and feeling his cleanliness and honesty and serving spirit, leading to further bolstering of the party members to serve the public with clean and honest beliefs in politics.



2. Review on the oath of joining the Party: Led by branch secretary Li Meiyu, all the party members reviewed the oath of joining the Party. Swearing on the oath sonorously, they expressed loyalty and love for the Party and turned motivated to continue moving forward.





3. Collective Political Birthday: The branch secretary gave gifts and messages to the party members for their "Political Birthday" as the encouragement for them to remember the original intention of joining the party, bear in mind the mission, based on their positions give full play to their role as pioneers and role models, and contribute to the high-quality development of the company.



Apart from being a serious faith hammering, this activity played a role of profound party spirit education, while the party members stated their wishes to turn the learning gains into work momentum along with the determination to make new contributions to the development of the company.



### Jiangxi Company - Party Style and Integrity Building

With help of the guidance from the Party Committee of Jiangxi Company and the Party Committee of the Development Zone Authorities, the Party branch of the company has persisted in improving comprehensive and strict governance of the Party, giving full play to the leading role of the Party building, and deeply promoting the integrated strategic objective of “no one daring, being able, or wanting to be corrupt”, laying a strong political guarantee for the healthy development of the enterprise.

With a perfect supervision mechanism established, the company set up strict implementation standards for various expenses when Discipline Inspection and Audit Department of Xingfa Aluminium Group conducts regular supervision and inspection to assure the implementation of various regulations. At the same time, a party building culture gallery has been set up by the company in the office building with an Integrity Culture Wall added to guide the party members and cadres to establish anti-corruption and integrity awareness from their bottom of hearts through publicity and education, so as to create a clean and upright working atmosphere.

At the beginning of 2024, the party branch secretary and the Party Committee of Jiangxi Company entered into the “Responsibility Letter on Improving Party Conduct and Upholding the Integrity (《黨風廉政建設責任書》)”, which further clarified the responsibilities and objectives of improving party conduct and upholding the integrity. From April to July, the party branch of the company organised the party discipline learning and education activities for all the party members and management, by issuing the White Paper, “Discipline and Punishment Regulations of the Communist Party of China” (《中國共產黨紀律處分條例》白皮書), watching education films with warning effect, and launching the on-site teaching at the red education base, and other forms of in-depth learning of the party discipline regulations to strengthen the cultivation of party spirit. In addition, the party branch secretary taught a special party lesson on party discipline learning and education under the topic of “Achieve the four things and set up a benchmark in four aspects (做到四有·樹立四個方面標杆)”. Also, at the weekly meeting and quarterly conclusion meeting, in addition to safety production and integrity education promotion to the heads of various departments, one-on-one heartfelt talks were held with the persons-in-charge of key departments to remind the management of keeping their firm beliefs, standardised behaviour, cleanness and integrity always.



Leveraging on a series of measures to build party style and integrity, the company has further strengthened the sense of discipline, integrity and self-discipline of party members and cadres, placing a solid foundation for the healthy development of the enterprise. Looking ahead, the company will pursue deepening the party style and integrity construction to expand the overall strict governance of the party into the in-depth development, with the purpose of settling a strong protection for the enterprise to reach high-quality development.



## 2.4 Data Security and Privacy First

The Group attaches great importance to information security and customer privacy protection in strict compliance with relevant national and local laws and regulations. The Group is the first enterprise in the industry to apply the “ERP modern management information network project” and established the “Integration of Informatisation and Industrialisation Management System Assessment” in 2017.

The Group also works hard to keep customers’ information and privacy confidential and regulates the collection and preservation of customer information. For software that may contain customer information, customers’ private information will be encrypted and relevant records will be kept for customer information operation purposes only.

Given our informatisation, automation and digitalization standards, we utilised multiple information systems, adopted cloud computing, big data, Internet of Things, mobile 5G and other new technologies and integrated smart profile WMS, automated material multi-storey warehouse, automated mould multi-storey warehouse, energy information integrated management platform, production equipment data acquisition platform and comprehensive performance analysis platform. Now, we are also accelerating the construction of industrial Internet platforms, to ensure the continuous improvement of our operational efficiency and overall management standard.

The Group is committed to protecting customers’ personal privacy and attaches great importance to information security. In strict compliance with the relevant national and local laws and regulations, we ensure that customer information is used properly and prevent customer privacy leakage. We strengthen the “digital centre” multi-level information security protection as well as the network centre and industrial control security. We believe that information security system construction is a comprehensive, three-dimensional project. In addition to strengthening the introduction of security equipment, we also need to carry out information security knowledge training for all staff members, to reduce the security risks caused by unnecessary user operation behaviour. In 2021, we completed the security assessment of two digital centres and one network centre and reinforced the security of user terminals. In the future, we will continue to accelerate the process of enhancing the security of industrial control networks to ensure that security risks could be reduced to a minimum.

## 2.5 Supply Chain Governance and Win-Win for Green

### 2.5.1 Supply Chain Environmental Risk Management

While developing, we join hands with upstream and downstream partners in the value chain to promote a responsible supply chain, constantly improve service quality and facilitate the healthy and sustainable development of the industry. We conduct a qualification review during tendering and stipulate that the bidder must meet the related requirements to become our supplier. For example, the bidder must be a registered enterprise in the People's Republic of China, meet the relevant requirements as a legal person and possess a business licence and tax registration certificate. The bidder must provide product specifications, quality certificate, quality system certification (including environmental management system), credit certificate, etc. At the same time, we also require the bidder to meet CSR requirements in three different dimensions, that is, economic sustainability, environmental sustainability and social sustainability. The raw materials used in product manufacturing of the Group are mainly aluminium ingots and aluminium rods. Most of its upstream suppliers are highly-polluted and high energy-consumption enterprises. Accordingly, we make every effort to minimise the environmental impacts of the upstream suppliers. We require our supply chain partners to strictly comply with the specific requirements of the "Environmental Protection Law of the People's Republic of China", the "Environmental Impact Assessment Law of the People's Republic of China" and other relevant laws and regulations. Meanwhile, we have also issued related internal provisions. Our environmental risk management policy for the supply chain includes the following:

- The policy requires suppliers to satisfy the requirements of regulatory, reporting and operational measures. For chemical materials purchases, general safety will be enhanced through strengthening environmental management, preventing environmental pollution incidents and integrating supplier environmental risk management and supply chain management to achieve "overall safety";
- Supplier assessment covers the assessment of risks associated with the supplier, which includes aspects relating to product quality and hazardous material control, supplier environment. and safety control;
- Letters of guarantee are to be entered into with suppliers on the exclusion of environmentally hazardous substances. All of these materials and parts are required to pass the tests conducted by professional testing organisations and testing reports with official seals shall be provided.

Based on such policy, the companies formulate and implement supply chain environmental risk management measures in light of their actual production and operation conditions. For example, when Chengdu Company organises its supplier files every year, it requires suppliers to confirm that they are not accountable for any safety and environmental incidents in the previous year. Whether the suppliers passed the environmental impact and safety evaluation is the key inspection item of the Group in evaluating such suppliers. If any supplier fails to pass the evaluation, the supplier may be unable to fully guarantee the supply of products. As such, the Group will not sign any procurement contract with such supplier, to avoid related risks.



The Group established the “Procurement Management and Regulations of Guangdong Xingfa Aluminium Co., Ltd. (《廣東興發鋁業有限公司採購方式管理規定》)” and added the “Procurement and Bidding Management Regulations (《採購及招標管理規定》)” to regulate the risk assessment procedures and assessment indicators in the procurement and bidding process, including environmental and social risk-related considerations. These environmental and social risk considerations are also reflected in the Group’s “Supplier Qualification Evaluation Form (《供應商資質評價表》)” and “Supplier Annual Cooperation Evaluation Form (《供應商年度合作評價表》)”, forming a full closed-loop risk management from entry to continuous monitoring.

In addition, we have also implemented measures to control the environmental risks associated with factory parks. For example, Jiangxi Company signed an environmental protection agreement with the leasing units of the factory to clarify the environmental protection responsibilities of both parties and regularly visited each other to carry out environmental protection inspections. Meanwhile, we required outsourcing units with construction within the factory to sign safety and environmental protection management agreements, specifying the requirements for environmental protection management, and follow up with suppliers that fail to take environmental protection measures as required or cause pollution incidents.

### **2.5.2 Supply Chain Social Risk Management**

The Group has established supplier evaluation control procedures, major raw and auxiliary materials inspection and procurement procedures, quality objectives management and statistical requirements for managing and controlling the supplier evaluation processes and procurement. The Group’s tendering and procurement team is led by the senior management, comprising the sourcing director and heads of companies and departments. Raw materials are mainly purchased by tender invitation.

In order to reduce social risks in the supply chain, our social risk management policy for the supply chain includes the following aspects of content:

- Rules and regulations: The Group has established the “Supplier Management System of the Procurement Centre (《採購中心供應商管理制度》)” to define the functions and roles of supplier management as well as establish supplier classification, evaluation, selection, monitoring and other processes and criteria for considerations to cover environmental and social risks in the supply chain;
- Investigation on bidder’s qualifications: The policy states that the bidder must be an entity incorporated in the People’s Republic of China, which meets the legal person capacity required by the bidding unit and possesses an enterprise business licence and tax registration certificate. The bidder must provide product specifications, quality certificate, quality system certification (including environmental management system), credit certificate, etc.;
- Corporate Social Responsibility Management: The policy requires the suppliers of the Group to satisfy social sustainability.



# STRIVING FOR PERFECTION AND PURSUIT OF EXCELLENCE

Taking smart manufacturing with craftsman's spirit as the core, Xingfa Aluminium has been dedicated to creating high-quality aluminium products by fully implementing the Quality and Safety Plan Standards of the PRC and strictly abiding by the international certification systems including ISO 9001. By continuously optimizing our production processes and upgrading our technology, we have achieved a double improvement in production efficiency and product quality. With the emphasis on R&D and innovation, we actively promoted industry-academia-research cooperation and strengthened intellectual property management to provide diversified high-quality products and solutions to our customers. In terms of service, a comprehensive customer service system has been established for timely response to customer needs along with provision of professional technical support and after-sales service, showing our commitment to create maximum value for customers. Xingfa Aluminium has been leading in the industry with its outstanding quality and innovative spirit, providing quality products and services to customers globally.



3 GOOD HEALTH  
AND WELL-BEING  
Ensure healthy lives and promote well-being for all at all ages



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION  
Ensure sustainable consumption and production



### 3.1 Smart Manufacturing with Craftsman's Spirit

The Group takes smart manufacturing with craftsman's spirit as one of its missions, by fully implementing the State Council's "Outlines for Building China into a Strong Nation in Quality Construction《〈質量強國建設綱要〉》) and the "Work Safety Plan of China for the 14th Five-Year Plan Period (《「十四五」國家安全生產規劃》)" and strictly abiding by the ISO 9001 quality management system, the government recognised laboratory management system, measurement and certification management system, military certification system and other systems. Our requirements for product quality are higher than the industry average. We introduced world-advanced production equipment to optimise the physical and chemical properties of our products, a prerequisite for realising lean production. Since the introduction, we have not only improved productivity, but also reduced the number of workers, staff workload and operational costs. This is a step further toward the benefit maximisation for the Group.

During the Year, all the subsidiaries established Lean Production Teams with the "Improvement Week (改善周)" approach to conduct weekly on-site inspections, reviews and improvements. Moreover, the following is the progress made by the companies in performing lean production:

#### Sanshui Company

- Introduce new transport vehicles and rail transport to reduce the reliance on manual operation and significantly reduce the use of diesel;
- Carry out automation transformation of production lines, such as the addition of automatic frame dismounting machines to reduce the demand for manpower, lower the labour intensity of workers and improve production efficiency.

#### Jiangxi Company

- Carry out different modifications and optimization of the equipment involved in the production process, such as modifying heat dissipation for air compressor and energy saving for aging furnace apart from addition of aluminium ash separator to improve production efficiency and reduce energy consumption.

#### Henan Company

- Replace eight high-efficiency new spray guns for the fluorocarbon production line to reduce losses;
- Transform and upgrade the horizontal fluorocarbon production line to improve production efficiency and reduce energy consumption;
- Added automatic welding frame line machines to reduce human resource demands.



#### Precision Manufacturing Company – Deployment of New Automatic Logistics Systems and Waste Gas Treatment Systems

Xingfa Aluminium has been insisting on building digital manufacturing plants for high-end aluminium profiles and aluminium deep processing products. Among them, Xingfa Aluminium Precision Manufacturing Company has attained digitalisation and intelligence in the entire R&D process, production and management through cloud computing, big data, intelligent logistics and other new technologies around the core of the “Digital Factory”, so as to empower the technological innovation and green transformation of the industry.

In terms of digitisation and intelligence, Xingfa Precision has introduced advanced automation equipment and intelligent logistics systems, leading to a significantly improved production efficiency and product quality. The nine intelligent extrusion production lines of the company contain from the complete production chain of moulds, surface treatment to intelligent warehousing when realising seamless convergence between processes through automatic transport systems to decrease frontline production staff by 30% and lower manpower costs and energy consumption. In addition, the photovoltaic power generation technology adopted by the company generated 6.44 million kWh of electricity annually and reduced carbon emissions by 5.38 million kilograms per annum, setting an industry benchmark for green manufacturing.

In terms of economic benefits, with the development of an energy-efficient Volatile Organic Compounds (“VOCs”) waste gas treatment system, the company significantly reduced its energy consumption of natural gas in the production line. Compared with the energy consumption of 50-55 cubic metres per tonne of the conventional system, the energy consumption of Xingfa Precision’s system has been dropped to less than 10 cubic metres per tonne, resulting in an annual saving of approximately RMB3.927 million in natural gas costs. At the same time, the residual heat recovery technology in the system also improved the product qualification rate plus further reduced production costs.

Overall, Xingfa Precision has improved production efficiency and product quality additionally to setting an example for the sustainable development of the industry through digital transformation and environmental technology innovation. In the future, the company will pay unceasing attention to deepen its technological innovation with driving green manufacturing, in order to contribute more to the realisation of the “Double Carbon” goal.

The Group exercises rigid quality control throughout the entire process. We have quality control points in every segment from casting, extrusion, moulds and surface treatment to ex-warehouse delivery, preventing defective products from flowing into the next process. Meanwhile, we regulate quality inspection and evaluation measures for engineering projects, as a move to raise project management standards. For example, Jiangxi Company compiled documents such as the “Home Furnishing Product Framing and Loading Instruction Manual(《家裝型材裝框及裝車作業指導書》)”, “Aluminium Model Recycling and Loading Specification(《鋁範本回收裝車規範》)”, and “Quality Control and Reward and Punishment Incentive System for All Employees(《全員品質監控與獎懲激勵制度》)” and updated documents including the “Process Standards for Painting Workshops(《噴塗車間工藝標準》)”, “Process Standards for Fluorocarbon Workshops(《氟碳車間工藝標準》)”, “Process Standards for Extrusion Workshops(《擠壓車間工藝標準》)” and “Process Standards for Mold Workshops(《模具車間工藝標準》)” to provide guidance and specifications for quality assurance. Precision Manufacturing Company has continuously promoted the Process Governance and Lean Production projects, leveraging process analysis tools to sort out the production process together with creation of problem lists before targeted improvement. The quality control programs and various workshop standards have also been established in Zhejiang Company, a newly built workshop, covering the processes from casting, moulding, extrusion, spraying, fluorocarbon to break.

We also strictly control every detail of the operation process, carefully check whether there are quality problems such as grooves, rough lines and scratches on the profile surface and measure the profile angle and flatness through a square ruler to strive towards the goal of perfection. We fully implement the “Product Quality Management Manual(《產品質量管理手冊》)”, “Quality Department Management Plan(《質量部管理方案》)”, “QUASCAP Pearlescent Electrophoresis Profile Inspection Regulations(《QUASCAP珠光電泳型材檢驗規程》)” and “Internal Control Standards(《內控標準》)”, emphasise product quality management and strive to provide customers with satisfactory products, protect the ecological environment and maintain staff safety and health. The general manager of the Group holds a dealer meeting every year and visits key customers on an ad hoc basis every month to solicit opinions from customers on product improvement. In order to manage the recycling and processing of faulty products, we implement the “Control Procedure on Faulty Products(《不合格品控制程序》)” and the “Bad Quality Behaviour, Process Specification Supervision and Penalty System(《不良質量行為、工藝規範監督和扣罰處理制度》)”. During the Reporting Period, the Group did not violate any laws and regulations related to product liability.



### 3.2 Research and Development and Innovation

The Group has all along been committed to building core enterprise competitiveness by enhancing its technological innovation capabilities. Since its establishment, the Group has obtained more than 1,800 domestic and foreign patents and provided aluminium products and engineering solutions that cover over 200 thousand product specifications and models in all major areas of aluminium alloys, such as door, window and curtain wall systems in construction, electronic equipment, mechanical equipment, rail transportation, aerospace and ships. With our strong R&D capabilities and persistent pursuit of excellent quality, a wide and stable sales network has been established in China and beyond in the past over 30 years, so as to meet the needs of global customers for high-quality products.

During the Year, Xingfa Aluminium obtained 54 patents in total, including 19 invention patents, 20 utility model patents and 15 design patents. Among the newly developed products are new energy vehicle motor chassis products, battery trays and heat sink products. Precision Manufacturing Company plans to complete the SCS Kingfisher Certification (Recycled Content Certification System) for its products in the first half of 2025. The SCS Kingfisher Certification is a widely recognised environmental protection certification that aims to ensure minimising the impact of products on the environment to realise environmental protection and energy conservation during production, use and disposal, thereby reinforcing global sustainable development while fostering the recycling economy development, leading to green production in enterprises.

Furthermore, the Group actively conducts industry-university-research collaboration with universities and research institutes. For example, during the Year, Chengdu Company cooperated with Chongqing University to conduct research on the organisational properties of aluminium alloy extrusion deformation and heat treatment while working together with Guangdong Polytechnic Normal University in the research and development of automatic inspection equipment for aluminium product moulds. Jiangxi Company implemented industry-university-research joint efforts with Nanchang University on the project “Strengthening the wear-resistant life of nitriding layer of H13 steel in moulds (《模具H13鋼氮化層耐磨壽命強化》)”, which applied new nitriding penetrating agent and multi-stage nitriding technology, enabling shorter nitriding time as improving organisation and density of the infiltration layer with increasing thickness and hardness, hereby bringing the life of the moulds with single nitriding longer 1 to 2 times. The finally developed new nitriding technology and process were popularized in an industrialised way throughout the Group. On the other hand, Jiangxi Company also submitted the “Gan Po Talent Support Scheme Project (贛鄱俊才支持計劃項目)” for 2024 with Jiangxi University of Science and Technology.



#### Henan Company – Industry-Academia-Research Cooperation

Xingfa Aluminium has always been committed to advancing technological innovation and industrial upgrading through industry-academia-research cooperation. In 2024, Henan Company has implemented technological development projects jointly with a variety of universities and scientific research institutions, covering areas from the research and development of aluminium alloy materials, the optimisation of extrusion processes to green manufacturing technologies, becoming a further enhancement for the core competitiveness and market impact of the enterprise.

In terms of the R&D of aluminium alloy materials, Henan Company conducted the project of ‘Optimisation of Extrusion Technique of Large-sized Complex Aluminium Products (大型複雜鋁型材擠壓工藝優化)’ with Nanchang Hangkong University, which enhanced the production efficiency and product quality of large-sized complex aluminium profiles through computer simulation and optimisation of mould structure design. Besides, the ‘Research on Composition Design of High Strength Weather Resistant Aluminium Alloy Materials (高強高耐候鋁合金材料成分設計研究)’ project with Harbin Institute of Technology focused on the development of new high-strength and weather-resistant aluminium alloys, as support for the enterprise’s application in the high-end market technically.

In respect of extrusion technology optimisation, Henan Company cooperated with Xiangtan University in the project of ‘Large-sized Aluminium Alloy Extrusion Material Manufacturing Technology Development (大規格鋁合金擠壓材製造技術開發)’ to realise the efficient production of large-sized aluminium products through bettering isothermal extrusion technology and heat treatment technology. Meanwhile, the ‘Aluminium alloy stirring friction welding process development (鋁合金攪拌摩擦焊接工藝開發)’ project, in collaboration with Harbin Institute of Technology, researched the welding process of different series of aluminium alloy materials, further developing the welding performance and application of the products.

As for green manufacturing technology, teaming up with Xiangtan University, Henan Company started the project of ‘Development and Industrialisation of Green Recycled High-end Aluminium Industrial Materials (綠色再生高端鋁工業材的開發及產業化)’, creating impetus to the industrialisation of green recycled aluminium materials through the control of recycled aluminium composition and purification technology of melts with technological guarantee for the sustainable development of the enterprise.

Such industry-academia-research cooperation projects have not only enhanced the technical level and product quality of Xingfa Aluminium but also nurtured a group of high-quality R&D talents for the enterprise. Through close teamwork with universities and research institutes, Xingfa Aluminium has achieved remarkable results in the R&D of aluminium alloy materials, optimisation of extrusion processes and green manufacturing technologies, further consolidating its leading position in the industry. In the future, Xingfa Aluminium will continue to deepen the industry-academia-research cooperation, push technological innovation and industrial upgrading, and contribute more to the development of the industry.

The Group highly values intellectual property rights (“IPR”) management. In accordance with the requirements of the “Enterprise Intellectual Property Management (《企業知識產權管理規範》)” (GB/T 29490-2013) issued by the National Intellectual Property Administration (“CNIPA”), we have passed the certification of the “Enterprise Intellectual Property Management (《企業知識產權管理規範》)” system. We have formulated rules and regulations, including the “Intellectual Property Rights Management System” (《公司知識產權管理制度》), “Patent Management System (《專利管理制度》)”, “Trademark Management System (《商標管理制度》)”, “Intellectual Property Rights Training Measures (《知識產權培訓辦法》)”, “Scientific Research Project Management System (《科研項目管理制度》)” and “Intellectual Property Rights Strategic Planning Programme (《知識產權戰略規劃方案》)”, so as to strengthen the promotion of patent laws and regulations including the popularisation of patent knowledge, patent training, patent application and protection.

### 3.3 Products and Services

The Group always puts customers and their satisfaction first place. Apart from satisfying customers’ demands for high-quality products, we also focus on providing them with timely and effective service solutions. The Group’s sales network extends all over China and we are committed to building a customer service management mechanism through various customer service channels, including customer opinion surveys, customer service centres and hotlines, customer visits, exhibitions and large-scale activities such as super factories events. For the convenience of customers, we have also established online enquiry method on our website which enables a quick search on sales outlet locations, online messages, dealer portal website enquiry, anti-counterfeiting enquiry and other options.

In order to standardise customer service management and improve customer service quality, we provide the following after-sales service undertakings in our tender contracts:

- After receiving a customer’s quality feedback, Xingfa Aluminium will respond within 24 hours or dispatch service staff to the site as soon as possible for after-sales service until the customer is satisfied;
- Xingfa Aluminium will send technicians to the site to provide technical guidance services when needed;
- If there is any damage caused by the quality of the materials provided by Xingfa Aluminium, such materials will be replaced free of charge;
- Xingfa Aluminium will actively participate in engineering coordination meetings organised by customers, strictly implement meeting minutes or signed agreements between the two parties and pay return visits regularly to understand the use of materials;
- After contract obligations are fulfilled, Xingfa Aluminium undertakes to continue providing users with the relevant technical services and answer users’ inquiries at any time;
- Xingfa Aluminium will further improve its services and implement timely service, advanced service, full-process service and high-quality service throughout the entire product manufacturing and installation process.





### Xingfa Aluminium – Innovative Products

Xingfa Aluminium has always been devoted to furtherance in product performance and user experience through technological innovation. The innovative breakthroughs of the Company in product design and functionality were fully reflected in the launching of the Outside Casement Windows All-In-One with Break Thermal Shades (斷橋隔熱窗紗一體外平開窗) and Three-Track Break Thermal Break Sliding Doors (三軌斷橋隔熱推拉門).

Applying hidden drainage structure design to Outside Casement Windows All-In-One with Break Thermal Shades enables smoother drainage and effectively prevents water accumulation. Standard equipped with sealant injection angle pieces, 45° splicing is achieved in the product for a more levelled and increasingly efficient sealing, which further enhances the thermal and acoustic insulation of the windows. The silent load-bearing hinge design reinforced the smoothness of opening and closing of the windows while the stronger wind pressure resistance of the windows benefits from the snap-on European standard grooves to settle it into being used in different climatic conditions. Additionally, installing cable ties on the inside and outside of the corner material further optimises the air and water tightness of the windows, ensuring a comfortable indoor environment would be available for users to enjoy even in extreme weather conditions.



Highlighted by the ultra-wide frame design, Three-Track Break Thermal Break Sliding Doors own an overall heavy and sturdy door leaf with high stability and durability shown. The narrow-edge and hooked-rabbit design maximises the view as the transparency and aesthetics of the space gain enhancement. The anti-typhoon wheels effectively prevent the door leaf from falling with safety guaranteed, especially suitable for coastal or typhoon prone areas.



Aside from simple and elegant design, these two products attained diverse innovation breakthroughs in functionality, fully meeting the high-performance needs of modern families for window and door products. Xingfa Aluminium will continue to uphold the spirit of innovation and provide users with higher quality and more environmentally friendly products, as assistance to create a comfortable and safe living environment.

### 3.4 Supporting Industry Development and Driving Technological Innovation

In 2024, the subsidiaries under Xingfa Aluminium took an active part in a wide range of industry activities and projects, demonstrating the leadership and sense of responsibility of the enterprises in promoting industry development and technological innovation. Jiangxi Company participated in the appraisal of scientific and technological outcome of key R&D projects in Jiangxi Province, contributing to the technological progress of the industry by showcasing its technological breakthroughs and innovations in the aluminium profile field. Henan Company participated in the 2024 Zhongyuan Aluminium Product Upstream and Downstream Industry Annual Conference (中原鋁型材上下游產業年會) and Door, Window and Curtain Wall Industry Exchange Meeting (門窗幕牆行業交流會) to discuss market trends and cooperation opportunities with industry experts and enterprise representatives, and to develop the integration of industry resources and synergistic development. As for Zhejiang Company, its engagement in drafting the standards of the China Nonferrous Metals Industry Association (全國有色金屬委員會), delivering professional support for the development and improvement of the industry standards by virtue of its rich experience in the production and application of aluminium products. Such initiatives reflected both industrial influence of Xingfa Aluminium and its determination and motivation to enhance the high-quality development of the industry.



Picture: Jiangxi Company participated in the appraisal of scientific and technological outcome of key R&D projects in Jiangxi Province



# 4

## ENVIRONMENTAL PROTECTION FOR SUSTAINABLE COEXISTENCE

At Xingfa Aluminium, safeguarding the environment and conserving resources lie at the core of our sustainable development strategy. We strictly comply with national environmental protection regulations and are certified under the ISO 14001 environmental management system, demonstrating our commitment to minimizing the environmental impact of our production processes. We have made significant strides in managing exhaust gas, wastewater, and waste materials by introducing energy-saving equipment, optimizing resource utilization, and promoting green production. Meanwhile, we actively promote the adoption of renewable energy sources, such as solar photovoltaic power generation, to further reduce carbon emissions. Xingfa Aluminium will adhere to the principles of green development through innovative technologies and efficient management, thus contributing to environmental protection, resource conservation, and the realization of global sustainable development objectives.

7

AFFORDABLE AND  
CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy

13

CLIMATE  
ACTION



Take urgent action to combat climate change and its impacts



## 4.1 Environmental Compliance

Through integrating with the national green manufacturing development plan, the Group has formulated a comprehensive environmental protection system, constantly improved the environmental management standard and successfully obtained the ISO 14001 environmental management system certification and the ISO 50001 energy management system certification. All subsidiaries strictly abide by the "Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)", the "Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》)", the "Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)", the "Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》)", the "Prevention and Control of Environmental Pollution Caused by Solid Waste Law of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》)", the "Environmental Noise Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國環境噪聲污染防治法》)" and other relevant national laws and regulations, persist in conducting environmental emergency drills and improve employees' awareness of energy conservation and environmental protection and work capabilities. The Group has set up a safety and environment office to lead and be accountable for its environmental protection work. We implement the reward and penalty system for environmental protection to reward environmental protection staff with outstanding performance or penalise those who have violated the regulations in respect of environmental protection.

### 4.1.1 Investment in environmental protection

During the Year, the Group invested a total of more than RMB40,000,000 in environmental protection, which was mainly used for upgrading and renovation of sewage equipment, repair and maintenance, addition of sewage monitoring system, reconstruction of environmental emergency plan, hazardous waste treatment, etc. Sanshui Company has carried out the replacement of bag equipment and pipeline refurbishment for the smelting and dedusting system, as well as utilised the heat energy of the fluorocarbon regenerative thermal oxidation (RTO) furnace curing exhaust gas. Chengdu Company mainly invested in a new type of RTO exhaust gas treatment solution for technical transformation. Jiangxi Company has added online monitoring instruments for volatile organic compound (VOC) exhaust gas, monitoring station buildings, and hazardous waste terminals. Henan Company conducted online maintenance of wastewater facilities and exhaust gas equipment while performing upgrades and maintenance on other environmental protection facilities. Zhejiang Company primarily focused on the construction of exhaust gas treatment equipment and wastewater treatment facilities. In 2024, it completed the construction of the VOC enrichment control system, pre-spray exhaust gas treatment system, smelting workshop exhaust gas treatment system, and sludge treatment system for the sewage station.

#### 4.1.2 Environmental protection training activities

In addition to hardware investment, the Group also attaches great importance to personnel training, so that employees have a higher environmental awareness and consciously implement environmental protection operations in their daily work. The Group provides employees with general environmental protection management, standardised management of solid waste, hazardous waste management and other training. In addition, we also provide more in-depth special training, such as training on environmental emergencies such as sulfuric acid, liquid ammonia, and solvent leakage, and emergency drills. We have developed an Environmental Protection Commitment Agreement to reinforce our commitment to environmental protection, signing agreements with employees at all levels, leasing units and contractors to ensure compliance with environmental protection responsibilities. We also distributed environmental protection manuals for employees at all levels, and formulated environmental management systems such as the "Clean Production, Environmental and 7S Reward and Punishment and Assessment System (《清潔生產、環境及7S獎懲及考核制度》)", the "Regulations on Exhaust Emission Management (《廢氣排放管理規定》)", the "Regulations on Wastewater Discharge Management (《廢水排放管理規定》)", the "Regulations on Noise Management (《噪音管理規定》)", the "Regulations on Classification Management of Solid Waste (《固體廢棄物分類管理規定》)", and the "Administrative Measures for the Transfer of Hazardous Wastes (《危險廢物轉移管理辦法》)"

The Group strives to implement its environmental management initiatives and achieved all of the following targets during the Year:

<b>Sanshui Company</b>	•	No environmental pollution incidents throughout the Year
<b>Jiangxi Company</b>	•	During the year, the discharge of "three wastes" (wastewater, waste gas and solid waste) reached the national and local emission standards, and no penalty was imposed by the regulatory authorities for excessive discharge or other environmental pollution.
<b>Chengdu Company</b>	• •	No environmental pollution incidents throughout the Year Accredited as an enterprise with excellent credit rating in environmental protection by the Department of Ecology and Environment of Sichuan Province
<b>Henan Company</b>	• • • •	No environmental pollution incidents and environmental impact events Wastewater discharge, exhaust emission, and noise production in compliance with the national and local standards Compliant disposal of solid waste Steady operation of environmental protection facilities
<b>Zhejiang Company</b>	• •	No environmental pollution incidents throughout the Year No environmental management complaints throughout the year
<b>Precision Manufacturing Company</b>	• •	Wastewater discharge and noise production in compliance with the national and local standards All hazardous waste handed over to qualified entities for disposal

During the Reporting Period, the Group did not violate any laws or regulations related to environmental emissions, nor did the Group receive any notices of violation from the government environmental protection department.

## 4.2 Emissions Management

### 4.2.1 Exhaust Gas Emissions

Exhaust gas emissions generated during the production and operation of the Group include nitrogen oxide, particulates, sulphur dioxide and organic waste gas. We strictly comply with the relevant laws and regulations, such as the “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China (中華人民共和國大氣污染防治法)”. Our environmental policies require a stringent restriction on exhaust gas and particulates emitted into the atmosphere. Prior to emissions, exhaust gas must undergo purification treatment and shall not exceed the specified standard prescribed by the national or local environmental protection bureau.

Nitrogen oxide and particulates are mainly generated from the casting workshop. The Group has purchased natural gas energy transforming equipment and used natural gas as production energy to effectively reduce exhaust gas emissions in workshops. In addition, the production lines for each plant installed spray towers to increase the weight of pollutants to achieve sedimentation filtration and deployed regenerative catalytic combustion device (“RCO”) to purify organic waste gas while removing various organic pollutant at the same time and using equipment with bag filter to enhance the filtering capacity of pollutant.

During the Year, the following companies strengthened the exhaust gas purification management:

#### Sanshui Company

- Ceased to use the thermal cleaning furnaces and adopted low-temperature liquid nitrogen for paint stripping on fixtures, resulting in zero waste gas emissions and no use of natural gas.

#### Chengdu Company

- Upgraded the environmental protection equipment for the original fluorocarbon line in Phase I. Replaced the previous end-of-pipe activated carbon adsorption equipment with an Regenerative Thermal Oxidizer (RTO) zeolite emission treatment facility to improve emission treatment efficiency (Following the update, the RTO treatment has been stable, and the efficiency of VOC treatment has increased by approximately 10% compared to the previous year);
- Installed two new sets of volatile organic compounds (“VOCs”) emission online monitoring systems for real-time monitoring of fluorocarbon emissions to ensure compliance with emission standards.

#### Jiangxi Company

- Built an online exhaust gas monitoring facility and install a set of online exhaust gas monitoring instruments to efficiently oversee VOCs emissions. This enables enterprises to operate in compliance with regulations and mitigate environmental risks effectively;
- Deployed a set of non-organized foul gas monitors to enhance the management of non-organized emission gases. These monitors provide real-time monitoring of non-organised exhaust gas at the factory area, improving the treatment efficiency of exhaust gas emissions;



- Installed a set of real-time environmental monitoring instruments to monitor the factory environment. Data analysis and prediction capabilities facilitate the Company's safety, environmental protection, and occupational monitoring operations.

#### Henan Company

- Strengthen the treatment and transformation of non-organised emissions of exhaust gas to avoid non-organised emissions;

#### Zhejiang Company

- As a newly-built plant, the plant was equipped with spray tower, RTO, bag filter, etc., which met the requirements of the national environmental protection department on the emission of waste gas.



#### Precision Manufacturing Company– Introduce a New Advanced Fluorocarbon Environmental Treatment Equipment

Regarding environmental protection technology innovation, the Precision Manufacturing Company has developed a high-efficiency and energy-saving volatile organic compound ("VOCs") exhaust gas treatment system to tackle the challenges of coating waste gas treatment in the aluminum profile industry. The system incorporates technologies such as "high-efficiency paint stripper + four-stage high-efficiency dry filter + vertical exhaust gas adsorption concentration rotating device + three-chamber thermal storage oxidation device (RTO) + waste heat recovery", which effectively tackles the handling difficulties of high-boiling point VOCs. With the utilization of specially made high-temperature desorption zeolite molecular sieve material, the system reaches an adsorption efficiency of over 97.5%, ensuring that the exhaust gas is stably discharged in compliance with the standards. In addition, the system also has an intelligent energy-saving mode and production line linkage function, which can automatically adjust operating parameters according to exhaust gas concentration and production conditions, greatly reducing energy consumption.

Regarding environmental benefits, the system can reduce VOCs emissions by more than 2,872 tonnes and carbon dioxide emissions by 1,848-2,079 tonnes annually, providing strong support for the enterprise's sustainable development efforts.



During the Year, Zhejiang Company took the following measures to reduce the environmental impact of the construction site during the construction of a new plant:

- formulating a science-based construction plan during the construction of the project, which included enhancing construction management, advocating civilized construction, and strengthening transportation management and prevention of material loss and leakage measures on material transportation and usage;
- the construction waste should be reasonably piled up and cleaned in time, and dry construction waste should be sprinkled to reduce dust pollution during loading, unloading and transportation;
- watering the ground and roads in the operation area, regularly clearing road soil and covering the ground with dust-proof film to reduce the impact of floating dust pollution on the environment and minimise the impact on ambient air.

#### **4.2.2 Wastewater Discharge**

Industrial wastewater generated by the Group's production workshops mainly consists of three types, namely acidic and alkaline wastewater, chromium wastewater and nickel wastewater. We strictly abide by the "Emission Standards of Pollutants for Inorganic Chemical Industry (《無機化學工業污染物排放標準》)", the "Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)" and other relevant laws and regulations and the takeover standard for sewage treatment plants. The annual qualification rate of wastewater discharge was 100%.

In addition, our environmental policy requires strengthening wastewater treatment to reduce its discharge volume. The policy also requires good maintenance of the closed-circuit circulation and integrated treatment of production wastewater, including:

- Operating and retrofitting wastewater treatment and purification facilities;
- Oily, acidic, alkaline and highly toxic wastewater is prohibited from discharging into the water body. Discharging pollutants into the water system is strictly restricted to prevent pollution;
- Cleaning of vehicles and containers that contain greasy or poisonous substances in the water body is prohibited;
- Deploying defluorination process to the wastewater treatment station, adopting a dosing tank and maintaining the wastewater sedimentation tank;

- Reducing fluorinated wastewater discharges through the use of wastewater recycling agents and related retrofits;
- The testing centre is responsible for conducting daily wastewater inspection, installing online wastewater monitoring facilities, strictly controlling wastewater discharge within standards and preparing inspection records and reports;
- The safety and environmental management department conducts weekly sampling test on groundwater in manholes in key areas of the factory;
- The safety and environment office as well as the environmental protection management personnel in production workshops shall cooperate with and accept inspections by the environmental protection agency on wastewater discharge from time to time;
- Using a new process for online recovery of water resources from nickel wastewater and extraction of nickel metal resources to realise efficient recycling of resources with a water reuse rate of over 95%;
- Retrofitting the nickel wastewater treatment system to realise its separate treatment and frequently monitor nickel wastewater flow;
- Introducing the pot mould lye resource utilisation system to realise the recycling of lye.

During the Year, Jiangxi Company retrofitted the official rainwater harvesting system in the factory and constructed a retention pond for rainwater discharge to eliminate incidents such as potential sewage pipe collapse caused by ground subsidence and destabilization of flood walls; it also upgraded the technology on governance of fluoridated wastewater and conducted many experiments on the treatment methods of fluoridated wastewater, ultimately formulate the ratio of chemicals for removal fluoride from fluoridated wastewater to eliminate the risk of exceeding the standard of fluoride in the wastewater. Henan Company replaced the online monitoring base station on the wastewater in accordance with the national requirements and carried out the filing and acceptance about it to ensure effective monitoring of discharge performance. Zhejiang Company added a new sludge dewatering system to effectively reduce the volume and water content of sludge. The reduction of the water content of sludge would allow the storage volume of sludge to reduce by 75%, which reduced the risk of leakage during transportation.



### 4.2.3 Hazardous Waste Management

The Group strictly abides by relevant laws and regulations such as the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)” and the “Measures on the Management of Hazardous Waste Manifests (《危險廢物轉移聯單管理辦法》)” and specifies the management requirements for hazardous waste in the environmental policy. The hazardous waste produced during our production and operation mainly includes waste corrosive liquid, waste washing liquid, waste tank liquid, tank slag, wastewater treatment sludge, waste engine oil, etc. We standardised the management of hazardous waste according to their classification in accordance with national provisions.

We strictly follow the “National Catalogue of Hazardous Wastes (《國家危險廢物名錄》)” and other relevant regulations, and all hazardous wastes are entrusted to qualified third-party bodies for proper recycling and treatment. When pollution incidents may occur or have occurred, emergency measures must be taken immediately to prevent pollution from spreading out and alleviate or even eliminate the impact of incidents. Major incidents or emergent events should be reported to the safety and environment office of the Company for investigation within 2 hours after the occurrence.

During the Year, the Group continued to promote the process of hazardous waste recycling, reduction and non-hazardous treatment. Each company continued to expand the use of the pot mould lye resource utilisation system to realise the recycling of lye. They strengthened the standardised management of hazardous waste to ensure that storage, entry and exit ledger, various signs and warning signs and others meet the standardised management requirements. Jiangxi Company built and installed an electronic weighbridge for hazardous waste and an intelligent terminal management information system to strengthen the monitoring and traceability of hazardous waste throughout the process and improve the information accuracy of environmental management of hazardous waste. In addition, both Sanshui Company and Zhejiang Company set up appropriate storage facilities for hazardous waste to legally transfer hazardous waste to third-party hazardous waste treatment institutions.

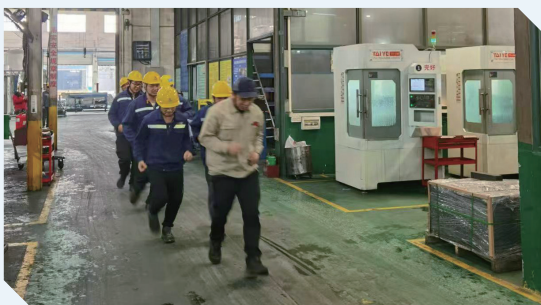
Meanwhile, each company established an emergency response team in workshops, supervised and carried out emergency response drills for environmental emergencies in workshops to enhance emergency response capability against environmental emergencies, as well as conducted training on hazardous waste knowledge. During the Year, all subsidiaries conducted emergency drills against emergency environmental incidents such as sulphuric acid leaks and liquid ammonia leaks.



### Sanshui Company – Emergency Drill for Liquid Ammonia Leaks

On 23 December 2024, the mould division of Sanshui Company successfully conducted an emergency drill for liquid ammonia leaks, aiming to improve the emergency response capability of the employees in case of sudden chemical leaks and ensure production safety. The drill simulated the situation of liquid ammonia leaks in the heat treatment workshop, which comprehensively examined the operability of the emergency plan and teamwork skills.

Once the drill began, the alarm of the liquid ammonia detector went off and some white smoke emerged from the scene. The supervisor of heat treatment workshop, immediately notified the head of the workshop, and instantly activated the emergency response procedures. The personnel of the rescue team swiftly evacuated the staff in the workshop to a safe area, and set up a cordon in the main road of the liquid ammonia room to prevent unrelated personnel and vehicles from entering. After that, two employees wore protective equipment such as protective suits and gas masks, entered the liquid ammonia room to deal with leaks; one was responsible for spraying while the other switched off the main switch of the liquid ammonia cylinder, and successfully controlled the leaks. After ensuring absolute safety, the maintenance personnel of the workshop repaired the leaking crack.



After the drill, all the staff gathered and the head of the workshop concluded the drill, praising the staff wore protective equipment and responded emergencies effectively. Nonetheless, the staff still needed to be further enhanced the alertness and response capability in daily training to ensure the safe use of equipment and facilities.



The drill not only raised the safety awareness and increased the emergency response capability of the employees but also accumulated valuable experience in responding to actual incidents. In the future, the Company will continue to carry out such drills on a regular basis to further improve the emergency management system and ensure the safety and stability of the production environment.

#### 4.2.4 Non-hazardous Waste Management

The non-hazardous waste generated by the Group's production and operation mainly includes aluminium slag, scrap steel, construction waste, office and domestic waste, etc. The Group also attaches great importance to non-hazardous waste treatment, especially the recycling of waste materials and non-hazardous waste residue. Some of the waste materials can be directly used for production after being processed. For example, the product scraps can be used as raw materials after recycling to the furnace. Other waste materials such as mould steel can be handed over to the steel plant for processing and reuse. The main components of non-hazardous waste slag such as aluminium slag in the casting workshop are alumina powder, aluminium powder and refractory particles, which can be used as raw materials for high-aluminium cement production after being handed over to the cement plant for treatment.

During the plant construction process, we strictly abide by national and local environmental protection laws and regulations and control construction waste through a series of environmental protection measures. Each subsidiary established its "Solid Waste Management Regulations (《固體廢物分類管理規定》)" to handle different types of waste more effectively. In addition, each subsidiary also assigned a recyclable waste storage area for wastes such as waste plastics and waste wood heads, so that general solid waste generated can be collected and recycled in a timely manner with a view to preventing resource loss and eliminate potential environmental hazards. During the year, while expanding its plant, Zhejiang Company collected construction waste and domestic waste and strictly prohibited mixing them for transportation. The construction waste, which came in a small amount, was collected in time for handling by the relevant departments to handle and improper disposal was strictly forbidden to reduce the environmental impact from construction waste. For the reusable construction waste, Zhejiang Company reused them all on the construction site to reduce waste. For the non-reusable construction waste, the contractor was asked to contact a third party for cleanup. All unavoidable construction waste was requested in a timely manner and disposed of by the relevant department.

During the Year, the waste materials and non-hazardous waste residues recycled by each company are as follows:

Company	Amount recycled
<b>Sanshui Company</b>	<ul style="list-style-type: none"> <li>About 1,100 tonnes of scrap steel</li> </ul>
<b>Jiangxi Company</b>	<ul style="list-style-type: none"> <li>A total of 2,459 tonnes of waste materials were used, including scrap iron, waste paper, waste plastic, waste wood heads, waste die steel, waste mould shavers, etc.</li> </ul>
<b>Henan Company</b>	<ul style="list-style-type: none"> <li>About 502 tonnes of scrap mould steel</li> <li>About 83 tonnes of scrap iron</li> <li>About 322 tonnes of scrap shaving</li> <li>About 105 tonnes of waste paper</li> <li>About 87 tonnes of waste wood</li> <li>About 33 tonnes of waste plastic</li> <li>About 600 tonnes of recycled scrap aluminium from customers</li> </ul>
<b>Zhejiang Company</b>	<ul style="list-style-type: none"> <li>About 50 tonnes of scrap mould steel</li> </ul>
<b>Precision Manufacturing Company</b>	<ul style="list-style-type: none"> <li>About 150 tonnes of scrap mould steel</li> </ul>



### 4.3 Use of Resources

#### 4.3.1 Use of Energy

The Group has an energy management system to collect statistics and analyse the consumption amount and trend of water, electricity, gas and other resources, enabling each production base to monitor resource consumption in real time and timely debug and repair controlling equipment to improve efficiency.

In order to increase the utilisation efficiency of electricity, we have taken effective measures including using LED lamps and energy-efficient equipment, replacing electrical machines with new and highly efficient motors, reclaiming residual heat of boilers and installing solar PV power generation equipment on plant rooftops. In addition, the Group also made full use of the energy generated during the production process, such as applying the heat generated from the operation of the workshop air compressors in heating the technology groove in the oxidation workshop and also providing hot water supply for staff for daily use, to effectively reduce the use of electricity and natural gas and reduce safety problems caused by the use of liquefied natural gas facilities.

During the Year, the companies continued to strengthen staff's energy conservation awareness training and supervision and use lean production activities to reduce process waste and improve operating efficiency, thereby reducing energy consumption per unit of products. Sanshui Company, Jiangxi Company, Henan Company and Precision Manufacturing Company have installed photovoltaic solar panels in their plants, generating more than 30,000,000 kWh of solar electricity during the Year. Sanshui Company retrofitted the burners of aging furnaces and carried out the replacement of forklift transportation with railways transportation to improve energy efficiency. Jiangxi Company arranged special personnel to manage the use of energy, regularly inspected the production site to ensure the normal operation of machinery, the compliance of personnel operations, and at the same time promoted energy-saving knowledge.

#### 4.3.2 Use of Water Resources

Water resources are of vital importance to our production process as it is indispensable in every process such as extrusion and casting. The Group uses both municipal water and water from its own well, so as to ensure there is no suspension in production due to water supply shortage. The Group does not face any issue in sourcing water that is fit for purpose. The ratio of municipal water use to well water use is approximately 8:2. In order to enhance water resources management capabilities and improve usage efficiency, the Group continues to implement the water reclaim system and reuse reclaimed water for daily life activities such as watering, toileting and cooling water production in facilities through water towers and water tanks. During the Year, Henan Company used recycled water for flushing toilets and workshops, with more than 50% of reclaimed water reused. Sanshui Company reused about 160,000 cubic meters of reclaimed water, which mainly went to front-end treatment in the surface workshop.

#### **4.3.3 Use of Packaging Materials**

The packaging materials of the Group are mainly packaging tapes, labels, stick bands, lumps of wood and sealing glue. We source from packaging materials suppliers that meet the requirements of relevant national laws and regulations. For sourcing product packaging materials, we have formulated the Group-wide sourcing management plan as its principal policy. Packaging material suppliers are selected by tender, with which the Group has already established long-term cooperative partnerships.

#### **4.3.4 Greenhouse Gas ("GHG") Emissions and Management**

Climate change is one of the most pressing challenges facing humanity in the global community. As a leading enterprise in the Chinese aluminium industry, the Group has actively responded to the call by the Ministry of Industry and Information Technology ("MIIT") of the People's Republic of China ("PRC") to construct a green manufacturing system. While seeking business development, we are also committed to protecting the environment and creating a green home together with all sectors of society. In 2017, we were included in the first list of exemplary green manufacturers by the Ministry of Industry and Information Technology, becoming one of the first 201 "green factories" in China. Our "Aluminium Profile Production Line Air Pollutant Emission Reduction Technology Reform" project was rated one of the "National Industrial Clean Production Demonstration Projects" by the Ministry of Industry and Information Technology, making Xingfa Aluminium the only company in Guangdong Province that won such title of honour. Meanwhile, we were also recognized as the "Clean Production Enterprise in Guangdong Province" and one of the "First Resource-saving and Environmental-friendly Enterprises in Guangdong Province on A Pilot Basis".

In order to reduce direct and indirect GHG emissions in production operations, the companies not only implemented green production but also promoted green office practices and raised ecofriendly awareness among staff. The Group gradually adopted natural gas as one of the energy supplies for production operations, because the carbon emissions of natural gas are lower than coal. So, the use of natural gas could reduce GHG emissions correspondingly. In addition, the companies adopted the OA system, promoted video conferencing system and paperless office, regulated the use of official vehicles, specified temperature for the air conditioner, and travel management to reduce energy consumption, use of papers and travel carbon emissions while ensuring office efficiency. The recycling of domestic and office water was also encouraged at the companies. The Group plans to:

- Retrofit or install the solar photovoltaic power generation system at all bases where possible (including new infrastructure projects);
- Gradually promote intelligent and digital transformation in existing bases and gradually replace motorised logistics with rail logistics; and
- Scientifically arrange production lines for all new and renovated projects based on the lean manufacturing concept, thus further reducing duplication of processes and achieving high energy efficiency.

#### 4.4 Climate Risks

To respond to risks arising from climate change more effectively, we conducted climate-related risk assessments and climate change scenario analyses this year in order to identify material climate risks and their potential financial impacts, and to design the corresponding risk mitigation measures.

We took two types of climate scenarios for analysing physical and transition risks: light green scenario and brown scenario. According to the publicly available data from the United Nations Intergovernmental Panel on Climate Change ("IPCC") and the Network for Greening the Financial System ("NGFS"), we projected future climate change after taking into consideration a range of policy, environmental, economic, energy and social factors. Among which, the light green scenario refers to the representative concentration pathways ("RCP") 4.5 intermediate scenario of IPCC and orderly pathway of the NGFS, while the brown scenario refers to the RCP 8.5 "current policy" scenario of IPCC and hot house world pathway of NGFS. According to the useful lives of asset, potential climate-related risks were assessed with three terms: short-term, mid-term and long-term (i.e. the coming 3, 8 and 15 years, respectively).

Risk Types	Term	Risks	Potential Financial Impacts	Risk Mitigation Measures
Physical Risk	Mid-term	Damage caused by typhoon, flooding arising from more extreme weather due to climate change.	Production facilities, warehouses and supply chain infrastructure may be damaged, resulting in high repair or reconstruction costs.	Insurance coverage on valuable assets have been arranged, complemented by business continuity plan to minimise impacts on production.
Physical Risk	Long – term	Increasing temperature caused by global warming may harm employees' health and reduce productivity.	High temperatures may reduce employees' productivity, leading to a decrease in production efficiency and affecting production capacity and revenue.	More air conditioning and ventilation equipment will be deployed at workshops as necessary.
Transition Risk	Short – term	Stringent sustainability disclosure requirements in China and Hong Kong will increase compliance risk.	Failure to disclose information of sustainable development in a timely or accurate manner could result in fines or legal actions, increasing the financial burden.	Professional sustainability consultant has been engaged to ensure compliance.
Transition Risk	Mid-term	Mainland China may include aluminium sector to the national carbon market, thereby increasing the cost of carbon emissions.	If it is included in the carbon market, the enterprises are required to purchase carbon credits, increasing direct costs.	Actively identify carbon emissions reduction opportunities to reduce production emission intensity.

In the future, the Group will continue to identify climate risks that have a material impact on our business and develop measures to mitigate the impact of various climate risks. At the same time, we will further optimise the management system related to green factories, continuously improve the environment and energy management system and leverage fully our corporate technology, resources and external partners to make Xingfa Aluminium an advanced and smart green factory with high energy efficiency, low pollution and low emission, contributing to the nation's green and low-carbon transformation and development.



# HUMAN-ORIENTED, SINCERITY AND TRUSTWORTHY

Employees are the most precious assets of Xingfa Aluminium. Adhering to the principle of “human-oriented”, we are committed to creating a safe and healthy working environment with varied development opportunities for our employees. Through a comprehensive occupational health and safety management system, fair employment policies and diversified training programmes, we ensure that all employees can realise their self-worth and career growth at work. At the same time, we attach great importance to employee communication and participation, encouraging our employees to contribute to the development of the enterprise. Xingfa Aluminium will continue to be employee-centric and promote the construction of talent echelon, injecting a continuous impetus into the sustainable development of the enterprise.

1 NO  
POVERTY



End poverty in all its  
forms everywhere

8 DECENT WORK AND  
ECONOMIC GROWTH



Promote inclusive and  
sustainable economic  
growth, employment and  
decent work for all

10 REDUCED  
INEQUALITIES



Reduce inequality  
within and among  
countries



### 5.1 Employment Practice

Being people-oriented, sincere and trustworthy is the foundation for a company to perform CSRs internally. To recruit a highly qualified workforce, the Group strives to provide a multicultural and equal workplace for employees, create comfortable and safe working conditions and implement dynamic management for ensuring the physical and mental health of staff.

We strictly comply with national and local labour regulations such as the “Labour Law 《勞動法》”, the “Labour Contract Law 《勞動合同法》”, the “Law on the Protection of Minors 《未成年人保護法》” and the “Provisions on Prohibition of Child Labour 《禁止使用童工規定》” to protect the legitimate rights and interests of staff. We follow the principle of equal employment, namely “fairness, openness and impartiality” and focus on job applicants’ business abilities, personal qualities and development potential during the recruitment process and none of them will be treated differently for reasons such as age, gender, ethnicity, nationality, marriage and family status, health condition and religion. We emphasise communication and participation among staff and disseminate policy and information through posting announcements on bulletin boards, e-mails, employee manuals, or training. Staff can put forward their opinions and questions to management through interviews, functional e-mail, or group discussion, so as to provide input for our operations and developments.

At the same time, the Group’s internal trade union organisation strictly abides by the relevant requirements of the “Trade Union Law of the People’s Republic of China 《中華人民共和國工會法》”, protects the rights and interests of staff in accordance with the law, performs democratic procedures and gives full play to the role of staff in democratic management. During the Reporting Period, the Group complied with the laws and regulations in relation to employment and labour in all material respects, including equal opportunity, diversity, anti-discrimination and welfare.

### 5.2 Caring for Employees

Adhering to the principle of “human-oriented”, Xingfa Aluminium enhances employees’ sense of belonging and happiness through a wide range of employee activities and welfare programmes. The Company regularly carries out care activities such as birthday gift distribution, supply of summer necessities, open-air barbecue for team building and festival celebration to create a warm and pleasant working atmosphere for employees. For example, the Company sends blessings and gifts to female employees on the 8th of March Women’s Day, organises environmental protection activities for employees on the Tree Planting Day, provides festive benefits at Dragon Boat Festival and Mid-Autumn Festival and provides employees with cool drinks on summer days, showing the Company’s meticulous care to its employees.

In addition, the Company also enhances team cohesiveness and corporate culture identity through employee birthday parties, 4th of May development activities, flag raising ceremonies on National Day and Xingfa Aluminium’s anniversary celebrations, etc. The Company’s trade union also plays an active role in providing assistance and support to employees with difficulties, further demonstrating the social responsibility and humanistic care of the enterprise. These initiatives have not only enriched the personal life of the employees but also injected strong internal momentum for the sustainable development of the enterprise.



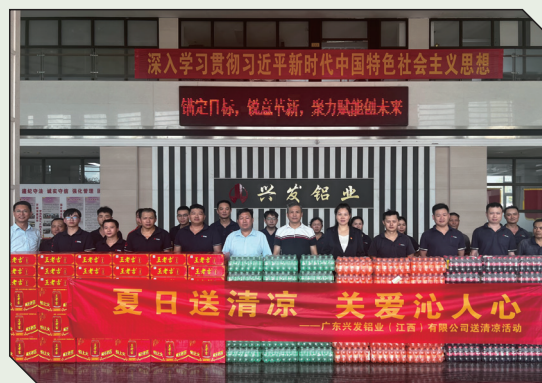
### Jiangxi Company – A Series of Employee Activities in 2024

In 2024, Jiangxi Company further strengthened its corporate cohesiveness through a wide range of employee activities so as to enhance employees' sense of belonging and happiness, fully embodying the Company's care and attention to its employees.

In terms of holiday benefits, the trade union and the administration human resource department of the Company issued a gift box of sticky rice dumplings with salted eggs to each employee during the Dragon Boat Festival, so the employees could share the warmth and care with their families during the festival. On the eve of the Mid-Autumn Festival, the party branch and the trade union of the Company provided Mid-Autumn Festival welfare materials and shopping points, so the employees could not only share the delicious mooncakes with their families but also use the points to buy the necessities according to their personal needs, perfectly showing the humanistic care of the Company as well as the warmth of the festivals.



To cope with the high temperature in summer, the party branch and the trade union of the Company launched the campaign called "Supply of Summer Necessities (夏日送清凉)" from July to September, distributing cool drinks to employees to earnestly safeguard their physical and mental health and ensure their safety throughout the summer. In addition, the Company also cooperated with Yichun People's Hospital to carry out the free medical consultation activity named "Employee Health Walk (员工健康行)", inviting experts to provide employees with medical services and health consultation for their convenience to further care for their physical and mental health.



In the Women's Day activities, the party branch and the trade union of the Company as well as the federation of women held a window flower paper-cut activity on 7 March with the theme of 'Delivering New Ideas and Inheriting Traditions with Papercutting (剪出新意、紙為傳承)', commended the female workers who have made outstanding contributions in their positions and demonstrated their women's charm through a wide range of activities so as to strengthen female workers' cohesiveness and sense of belonging.



On 2 May 2024, it marked an important milestone for Xingfa Aluminium entering its 40th anniversary. Jiangxi Company set up a sub-venue of the celebration ceremony, which was interconnected with the main venue in Foshan, Guangdong Province through on-site video connections, allowing all employees to witness the glorious journey of Xingfa Aluminium over the past forty years. The celebration not only strengthened the employees' sense of corporate pride but also injected new impetus into the future development.



The Company created a warm and harmonious working atmosphere through these activities and also further enhanced employees' happiness and sense of belonging. In the future, the Company will continue to uphold the principle of "human-oriented" and launch a variety of employee activities to create a better working and living environment for employees and jointly promote the sustainable development of the enterprise.

### 5.3 Labour Standard

The Group attaches high importance to fairness and incorporates it into all aspects of its labour standard. We issue policies relating to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, antidiscrimination and other benefits and welfare in the employee handbook, to create an open and transparent environment. In doing so, we offer a competitive remuneration and benefit package for staff to ensure good performers get paid well.

Instead of taking the one-sided narrative, we adopt a series of comparative evaluation measures to complement our employee management system, which include reviewing regularly the remuneration at all levels internally, collecting industry information on remuneration from the labour market and adjusting the remuneration and benefits with reference to position, work capability, work performance, skills and profitability of the Group. While adopting the performance-based incentive system, we also fully consider internal fairness. For example, the monthly salary of production line staff is calculated given the comprehensive piecework on a team or group basis, so as to ensure that staff who works more will be paid more. At the same time, varying employee performance appraisal processes are implemented for different positions according to the performance appraisal measures of the departments in which employees work. In addition, we adopt a policy whereby management personnel shall abstain from any human resource matter relating to their family members and relatives, which requires such family members and relatives of management personnel not allowed to work in the same departments with them.

The Group strictly abides by the minimum age of employment requirements stipulated by the PRC and the location where it operates. Our CSR policy expressly stipulates the prohibition of recruiting child labour under 16 years old. For minors between 16 to 18 years old, we carry out special protection in accordance with the laws of the PRC. Moreover, we illustrate the policy of preventing forced labour in the employee handbook and adopt an order-oriented production model to prevent forced labour. If child labour and forced labour are found, the Group will immediately terminate their employment and hold the relevant departments and personnel accountable.

Pursuant to the approval from local labour department, we implement a work system with integrated computation of working hours to ensure staff's rights to rest and leave are protected and production and other work can be completed through collective working, collective rest, shift replacement, time off in lieu (TOIL), flexible working hours, etc.

Apart from prohibiting employment discrimination and forced labour exploitation and ensuring that child labour is eradicated, we also adopt a zero-tolerance approach to any form of discrimination or harassment and bring violations under rigid prevention and control. During the Reporting Period, there was no misconduct nor regulatory non-compliance related to employment of child labour or forced labour in the Group.



#### 5.4 Occupational Health and Safety

The Group resolutely regards protecting the life safety and occupational health of its staff as its paramount mission. We adhere to the policy featuring “safety first, prevention as priorities and comprehensive governance” and the principle of “safety management is necessary for production management, and who is in charge, who bears the responsibility”. We have prepared a safe production management system, which emphasises that “all activities are based on the life and health of staff”. Besides, the safe production committee, headed by Chairman, has been set up to be responsible for our overall safe production management of the Group. For implementation, every production department has established its own safe production leading group, responsible for staff’s work safety in the department. We strictly follow the relevant regulations of the Group’s safety and quality control, actively carry out the promotion of safe production and regularly organise safety experts to conduct safety evaluations on every segment of production process and all equipment and facilities, including the evaluation of performance and risk factors. Our factories have also obtained ISO 45001 Occupational Safety and Health Management System certification, demonstrating that our occupational safety management system has reached international standard. At the same time, we update equipment and technology with the approach that deals with both symptoms and root causes to reduce the safety risks from the source. Below is the progress made by the companies during the Year:

- Sanshui Company retrofitted its logistics system by replacing forklift with railways to reduce accidents caused by forklift; newly installed air-conditioning rooms in the mould workshop and the extrusion workshop to ensure the health of employees at high temperatures; adjusted the rods and furnaces in the extrusion workshop in a timely manner to improve the heat preservation capability and reduce the safety risks of employees; ensured that labour protection supplies are distributed accurately and effectively;
- In terms of occupational health and safety protection, Chengdu Company provided employees with labour protection supplies in accordance with relevant national standards and the Company’s relevant regulations, and identified the relevant management systems;
- In terms of noise control, Jiangxi Company monitored the data of the workplace every quarter to ensure that the noise does not exceed the standard. For dust cleaning in powder rooms, the company purchased professional vacuums for cleaning. Upon the technological transformation of automatic alarm for low natural gas pressure, there was sensitive alarm in case of gas pipeline leakage, so as to eliminate the safety hazards caused by leakage;
- Henan Company added environmental protection collection and treatment facilities to reduce the impact of emissions on the health of employees; new sprinkler trucks were added to the factory to reduce the damage of dust to the respiratory system of the employees; ensured that the accurate and effective distribution of labour protection supplies;
- Zhejiang Company carried out self-inspection of noisy locations and required employees to wear labour protection supplies to protect their hearing and ear health;
- Precision Manufacturing Company improved the quality of labour protection supplies for employees and provided training to enhance employees’ awareness of occupational health protection; implemented noise reduction measures for job posts with high noise exposure; strengthened the transformation of dust collection and ventilation for severe dust positions.

As a production and construction-oriented enterprise, we attach great importance to staff's occupational health and resolutely comply with the "Law on the Prevention and Control of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》)" to ensure employees' occupational health. We set up safety facilities on construction sites, ensure timely provision of safety helmets, gloves and other labour protection supplies and make investments in safe production. Besides, the environmental measures adopted during production could reduce hazardous exhaust, waste and wastewater, which greatly protects the health of staff who long works in workshops. We are committed to instilling the environmental protection concept into staff. The companies achieved the following safety targets set for them during the Year:

	Status
<b>Sanshui Company</b> <ul style="list-style-type: none"> <li>General and major fire incidents: Nil</li> <li>Work injury incidents: 25 at most</li> <li>Incidence of occupational diseases: Nil</li> <li>Percentage of staff holding necessary certificates for special jobs: 100%</li> <li>Percentage of staff passing security training in the Year: 100%</li> <li>Rectification rate of hidden dangers in the Year: 100%</li> </ul>	<ul style="list-style-type: none"> <li>Accomplished</li> <li>Accomplished (21 incidents in total during the Year)</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> </ul>
<b>Jiangxi Company</b> <ul style="list-style-type: none"> <li>Major fire, explosion and major equipment incidents: Nil</li> <li>Major hazardous chemicals leakage and environmental pollution incidents: Nil</li> <li>Rectification rate of hidden dangers before the prescribed time limit: 100%</li> <li>Incidence of occupational diseases: Nil</li> <li>Percentage of new employees taking three-tier security training: 100%</li> <li>Compliance on pollution discharge/emission and hazardous waste disposal: 100%</li> <li>Administrative penalties for environmental and safety violations from governments: Nil</li> </ul>	<ul style="list-style-type: none"> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> </ul>

		Status
<b>Chengdu Company</b>	<ul style="list-style-type: none"> <li>Major fire, explosion and major equipment incidents: Nil</li> <li>Class C/minor incidents: ≤5%</li> <li>Compliance on pollution discharge/emission and hazardous waste disposal: 100%</li> <li>Administrative penalties for environmental and safety violations from governments: Nil</li> <li>Incidence of occupational diseases: Nil</li> <li>Percentage of new employees taking three-tier security training: 100%</li> <li>Rectification rate of hidden dangers before the prescribed time limit: 100%</li> <li>Major hazardous chemicals leakage and environmental pollution incidents: Nil</li> <li>Major safety production incidents at company level: Nil</li> </ul>	<ul style="list-style-type: none"> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> </ul>
<b>Henan Company</b>	<ul style="list-style-type: none"> <li>Minor injury and above incident rate: ≤ 5%</li> <li>Incidence of occupational diseases: Nil</li> <li>Rectification rate of hidden dangers: 100%</li> <li>Percentage of staff holding necessary certificates for special jobs: 100%</li> <li>Percentage of staff passing security training in the Year: 100%</li> <li>Fitment rate of labour protection supplies: 100%</li> </ul>	<ul style="list-style-type: none"> <li>Accomplished (1 incident in total during the Year)</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> </ul>
<b>Zhejiang Company</b>	<ul style="list-style-type: none"> <li>Major safety production incidents: Nil</li> <li>Fire incidents, explosion and major equipment incidents: Nil</li> <li>Major hazardous chemicals leakage and environmental pollution incidents: Nil</li> <li>Rectification rate of hidden dangers before the prescribed time limit: 100%</li> <li>Incidence of occupational diseases: Nil</li> <li>Percentage of new employees taking three-tier security training: 100%</li> <li>Compliance on pollution discharge/emission and hazardous waste disposal: 100%</li> <li>Administrative penalties for environmental and safety violations from governments: Nil</li> </ul>	<ul style="list-style-type: none"> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> <li>Accomplished</li> </ul>
<b>Precision Manufacturing Company</b>	<ul style="list-style-type: none"> <li>Severe and major safety incidents: Nil</li> <li>General safety incidents: 3</li> <li>Minor injury incidents: 3</li> </ul>	<ul style="list-style-type: none"> <li>Accomplished</li> <li>Accomplished (nil during the Year)</li> <li>Accomplished (2 incidents in total during the Year)</li> </ul>

In addition, we provide comprehensive safety awareness and skills training for employees, which disseminates laws and regulations, occupational safety-related knowledge, job skills, occupational hazards and other information, offer special training courses for employees on occupational health and safety in light of actual needs of the companies (such as return-to-work training for employees after holidays, hands-on training for key posts and training on procedures for high-risk operations) and arrange daily routine safety inspections, occupational health checkup before employment for new workers and on-the-job health checkup for employees who have joined us for more than one year. At the beginning of each year, an annual training programme is prepared according to the training needs of each production workshop and the entire process is tracked and implemented as scheduled.

During the Year, the companies actively carried out occupational safety-related activities and training in areas such as firefighting, training on job operation procedures, hidden hazard investigation and management, safety of special jobs in the equipment and energy department, prevention and control of occupational diseases, summer safety, first aid and emergency drills.



#### **Sanshui Company – Emergency Response Drill for Hazardous Chemical (Concentrated Sulphuric Acid) Leaks in the Oxidation Electrophoresis Workshop**

On 17 October 2024, an emergency response drill for hazardous chemical (concentrated sulphuric acid) leaks was successfully conducted in the oxidation electrophoresis workshop of Sanshui Company, aiming to improve the emergency response capability of the employees in case of sudden chemical leaks and ensure production safety. The drill simulated the leaks of the valve of the acid supply pipe in the sulphuric acid cabinets, which comprehensively examined the operability of the emergency plan and teamwork skills.





Prior to the drill, the Company set up an emergency response team which was subdivided into alarm communication team, evacuation team, leak control and rescue team, alert team and filming team, specifying the duties and tasks of each team. During the drill, the operator immediately shut down the sulphuric acid pump and notified the department supervisor upon discovery of sulphuric acid leak, then the supervisor instantly activated the "Emergency Plan for Chemical Leaks (《化學品泄漏應急預案》)". The personnel of the rescue team wore the protective equipment before entering the scene, then closed the main valve of the sulphuric acid tank to limit the leak, after that, they used sand to cover and adsorb the sulphuric acid on the ground to ensure that the leak was effectively controlled. Afterwards, the emergency repair personnel of the power department replaced the valve cover gasket and carried out a leak check to ensure that there was no chemical leak before locking the door of the sulphuric acid cabinets.



After the drill, the workshop management and safety officers reviewed the drill and explained the safe operation of concentrated sulphuric acid. Under this drill, the employees gained a deeper understanding of the dangers and chemical properties of sulphuric acid as well as the necessary protective measures and emergency response procedures, and improved the level of emergency management and rescue. The drill not only improved the feasibility and reliability of the emergency plan but also accumulated valuable experience in responding to actual incidents, achieving the expected purpose.





### Zhejiang Company – Activities for the Safety Production Month in 2024

During the safety production month in 2024, Zhejiang Company attached great importance to the work of safety production and carried out a series of activities closely related to the theme of “everyone stresses safety, everyone masters emergency response – open up the life channel (人人講安全，個個會應急—暢通生命通道)”. Firstly, with great attention of the leader, a thorough plan and a range of requirements were formulated for the activities. Secondly, the Company successfully created a good atmosphere for the activities through extensive promotion and emphasis on effectiveness, increasing employees’ attention to and participation in safety production. The promotion of the activities for the safety production month was conducted internally, which conveyed the policies, regulations and knowledge of safety production effectively and laid a foundation for the smooth commencement of the activities.



Furthermore, the Company also actively ran a crane skill competition and organised an incident drill, aiming to continuously improve employees’ safety consciousness and emergency rescue capability. Through these activities, the employees further increased their awareness about safety production, and they also comprehensively and fully improved their safety operation skills. In particular, the incident drill provided employees with real-life scenarios to enhance their emergency response capability and improve the effectiveness and operability of the emergency response plan.



Besides, the safety knowledge competition deepened employees' understanding and knowledge of safety production, promoting the circulation of safety culture and the effective operation of safety standardisation work. Last but not least, the Company also implemented the safety production responsibility system by conducting safety hazard investigation and management activities. The general manager and deputy general manager personally led the team to carry out safety hazard investigation activities, performed a comprehensive investigation of the on-site operating environment and key management and control areas, and required the person-in-charge to rectify the hidden hazard in a timely manner to ensure safety production. These activities have effectively promoted the in-depth development of the safety production work of the Company, firmly protecting the stable development of the Company.



The Company fully commenced the activities for the "safety production month" in 2024, further enhanced the safety awareness of all employees, promoted the construction of the safety culture of the Company, and laid a solid foundation for future safety production work. It is hoped that the Company will continue to strengthen the safety production work and ensure the safe and stable development of the employees and the enterprise in the future.

We allocate different types of labour protection gear to staff according to the national regulations on the prevention and treatment of occupational diseases and conduct awareness-raising training for staff in respect of occupational hazards factors that exist in production environment. The safe production leading group in each department conducts inspection on the actual compliance of staff safety management. For any staff who does not wear safety equipment properly, warning will be given for the first time of non-compliance discovery and upon the second time of non-compliance discovery, a fine will be imposed on the responsible leader in strict adherence to the principle that "Person-in-charge is the Responsible Person". At the same time, each company invites the local occupational disease prevention and control centre to conduct occupational health examination for front-line workers every year.

In order to continuously improve, transform, install and maintain safety protection equipment, all companies invested considerable funds during the Year for employee safety education and training, purchase of personal labour protection supplies, purchase of fire-fighting facilities and equipment, safety testing and evaluation, safety and accident prevention facilities, emergency rescue equipment and drills, occupational hazard protection fees, etc. The amounts invested by each company are as follows:

	Sanshui Company	Chengdu Company	Jiangxi Company	Henan Company	Zhejiang Company	Precision Manufacturing Company
Safety inspections (times)	118	321	149	81	55	62
Incident emergency drills (times)	109	44	86	63	27	26
Safety production investment (RMB0'000)	512	539	957	184	64	316

During the Reporting Period, the Group did not violate any law and regulation on health and safety nor were there any work-related employee fatality incidents. In response to work injury incidents that occurred during the Year, we took a series of proactive follow-up measures to further enhance our safety management and protect the health and safety of our employees. First of all, the Company carried out on-site case warning education and training for work injury incidents and explained the causes of incidents and preventive measures to employees through real-life case analyses, so as to enhance employees' safety awareness and emergency response capability. Next, the management strengthened on-site inspection management, regularly inspected the production site, swiftly identified and rectified safety hazards to ensure that the production environment meets the safety standards. Also, the Company reported and analysed incidents, explained the causes of the incidents and the requirements of safe operation in detail, and formulated improvement measures to prevent recurrence of similar incidents. These measures not only reflect the great importance of Xingfa Aluminium to the safety of its employees but also lay a solid foundation for the formation of the safety culture of the enterprise.



### 5.5 Development and Training

We firmly believe that staff development and training is an important part of our efforts to achieve business objectives, improve performance and attain sustainable development. We are committed to attracting and retaining high-quality talents by rendering them with sustainable development and training opportunities. The staff development and training policies are set out in the employee handbook and staff training is guided in accordance with the “Staff Training Management System (《員工培訓管理制度》)” and “Measures for the Management of Staff Career Development (《員工職業發展管理辦法》)”. We carry out diversified training programmes, which are conducted through classroom training and online learning, to help employees grow and improve themselves quickly to the greatest extent. During the Year, the companies were active in providing occupational health and safety training.

	Sanshui Company	Chengdu Company	Jiangxi Company	Henan Company	Zhejiang Company	Precision Manufacturing Company
Safety training session (times)	638	1,322	602	339	387	125
Attendance	25,845	31,782	33,037	25,368	10,211	2,237

We made the following achievements during the Year in respect of safety training:

- Rate of occupational health checkup after employment: 100%
- Safety training rate of newly recruited/transferred/reinstated staff: 100%
- Percentage of staff holding necessary certificates for special jobs: 100%
- Percentage of principal person-in-charge and safety management personnel receiving training: 100%

The Group has formulated the “Training Plan for the Construction of Talent Echelon of Xingfa Aluminium (《興發鋁業人才梯隊建設培養方案》)”, implemented the talent training system, established and improved the talent training mechanism of the Group, and through the formulation of an effective plan for the selection of successors and reserve talents for key positions. The Group reasonably tapped and cultivated the reserve talent team, established the talent echelon of the Group, and provided human resources support for the sustainable development of the Group. The Group issued the “Interim Administrative Measures for Continuing Education of Employees (《員工繼續教育暫行管理辦法》)” to implement a training system to meet the needs of the Group’s sustainable development, promoted the construction of a learning enterprise, and encouraged the enthusiasm of employees to learn and comprehensively improve the overall quality of the Group’s employees. The Group also optimised the level and structure of employees’ academic qualifications and standardised the management of employees’ on-the-job academic education.

We develop an annual training implementation plan based on the results of the survey on employee training needs and with reference to our training resources and arrangements for human resources activities. Our training work adheres to the principle of “comprehensive coverage and key development”, mainly covering the following aspects:

### ***New Staff Training***

Through various forms of training, new staff is able to fully understand the Group’s development status, organisational structure, rules and regulations, process flows, etc., enhance their recognition of and confidence in corporate culture and give full play to their initiative and enthusiasm.

### ***Management Training***

General management training courses are available to all staff members, including management skills improvement, business etiquette, emotional management, safety training, communication skills improvement, office automation, laws and regulations and policy presentations, to improve staff quality and comprehensive skills.

### ***Professional Training***

We offer a wide range of professional training for staff, such as trainings on sales skills, financial operations skills, human resources management and specific projects. The purpose of such training sessions is to improve the knowhow and skills of professional staff, thereby improving work efficiency. At the same time, we hire highly skilled staff as internal lecturers to share their work experience and professional skills with other staff members and use this as an opportunity to explore outstanding talents, recruit a contingent of efficient internal trainers and pass on our corporate culture, skills and know-how.

### ***Online Training***

We integrate with intelligent and Internet platform-based learning methods and collaborate with third-party training agencies to develop an on-line training platform. The platform devised different training programmes for staff at each stage and incorporate training attendance into the annual appraisal to ensure training effectiveness and timeliness and improve the pro-activeness of staff in learning.



#### Sanshui Company – Training Programmes in 2024

In 2024, Sanshui Company created and held diversified training activities. These trainings covered a wide range of aspects such as safety, skill enhancement, quality control and equipment operation which aimed to improve employees' professional competence and safety awareness so as to ensure the efficiency and safety of our operations.

First of all, safety training is an integral part of the training programmes of the Company. Each department regularly organises various safety training, such as safety training for certain positions in the hardware warehouse, crane safety operation training and emergency first aid drills for heatstroke. These trainings not only raise employees' safety awareness but also enhance their ability to cope with emergencies through practical drills. For example, the melting and casting division organised a training in January 2024 for all employees to learn about the safety production responsibility system to ensure that every employee understands and complies with the safety operating procedure.

Furthermore, skill enhancement training is also one of the key trainings of the Company. The mould division, extrusion division, deep processing division and other divisions organised a lot of skill training for specific positions, such as mould repairing skill training, extrusion process operation training and automatic welding safety operation training. These trainings enable employees to learn the latest technology and operation methods and improve production efficiency and product quality. For example, the extrusion division organised an extrusion process operation training in March 2024 with 70 participants, which effectively enhanced employees' operation skills.

In addition, quality management training is also a crucial part of the training programmes of the Company. The technical quality department organised many trainings, such as quality trainings and safety trainings, to ensure the quality stability and consistency of products. These trainings not only improve quality inspectors' working ability but also enhance all employees' quality awareness. For example, the technical quality department organised a quality training in February 2024 with 95 participants, which significantly strengthened employees' quality control ability.

Last but not least, equipment operation training is also an important part of the training programmes of the Company. The equipment department organised multiple equipment operation and maintenance trainings, such as crane operation and maintenance quality safety training, and safe use of gas cylinders in the equipment department. These trainings ensure the normal operation of the equipment and reduce the occurrence of equipment failures and incidents. For example, the equipment department organised a crane operation and maintenance quality safety training in May 2024 with 83 participants, which effectively lifted employees' ability to operate and maintain the equipment.

To sum up, the training programmes of Sanshui Company in 2024 entirely covered a wide range of aspects such as safety, skills, quality and equipment operation. Through diversified forms and contents of training, the Company effectively enhanced employees' comprehensive quality and its overall operation standard. These trainings not only enhanced employees' professional competence and safety awareness but also laid a solid foundation for the sustainable development of the Company.







### Xingfa Aluminium – Training Camp for 2024 University Graduates

On 20 July 2024, the training camp for 2024 university graduates of Xingfa Aluminium was successfully held. In the 20-day training, the new employees gained a comprehensive and in-depth understanding of the profile and future development blueprint of the enterprise, and gradually adapted to the requirements of the workplace in terms of attitude and mentality. The graduates successfully became the newcomers in the workplace from young students, injecting strong new impetus into the prosperous development of Xingfa.



During the training period, the Company placed emphasis on the improvement of personal skills and attached importance to teamwork and knowledge sharing. On the morning of 20 July, the Company held a closing ceremony cum team presentation of the training camp for 2024 university graduates, in which representatives of each team shared their learning experience, practical experience and future development plan with the key ideas such as “grassroots”, “technology”, “process”, “talent development”, “intelligent automation” and “AI”. Through these sharing, we not only understood the discovery and suggestions from new employees on technology innovation but also learnt the power of teamwork. They pooled wisdom and collectively explored how to apply what they have learnt in practical work to make contribution to the innovative development of the enterprise.



At the end of the activity, Wang Li, the secretary of the party committee and the chairman of Xingfa Aluminium, gave a wonderful conclusion to the presentations made by the new employees with the core values of 'the courage to express ideas' and 'the courage to try'. He encouraged the new employees to express their ideas and try new things in their new positions, so as to explore a new chapter in the journey to "Xingfa Aluminium". The closing ceremony cum presentation was not only a training results-focused demonstration but also represented an in-depth thinking and outlook on the future development.

In order to further strengthen team cohesiveness and to thank the new employees for their hard work, the Company hosted a fantastic gala on the evening of 20 July. The new employees demonstrated their team spirit and youthful vigour through various art forms such as dance, song, skit and recitation. The interactive session reached its climax with the games such as "digital bomb" and 'balloon stomping battle", which enhanced the communication and cooperation amongst one another. At the end of the gala, the Company recognised the employees and teams with outstanding performance, and the event successfully concluded with a rousing chorus of "Bauhinia in Full Bloom (《紫荆花盛開》)".



The successful conclusion of this training camp was not only a recognition of the hard work of the new employees but also a good prospectus for the future development of Xingfa. We believe that these energetic new colleagues will spread their wings and fly high in Xingfa, and have a good career path in "Xingfa", so as to contribute to the sustainable development of the enterprise.

# COMMUNITY PARTICIPATION AND SHARING

As a responsible corporate citizen, Xingfa Aluminium has always regarded social responsibility as an important pillar of corporate development. We actively participate in community building and public welfare activities and are committed to creating long-term value for the society. Through charitable donations, poverty alleviation and education assistance, environmental protection and other forms of public welfare, we work hand in hand with the community to promote the sustainable development of society and the environment. Xingfa Aluminium will continue to take practical actions to give back to the society, fulfil its corporate citizenship and contribute to the building of a harmonious society.

**3** GOOD HEALTH AND WELL-BEING



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

**11** SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable



As a socially responsible and grateful corporate citizen, Xingfa Aluminium has been actively assuming social responsibilities and undertaking many community development and social assistance programmes over the years. Through a variety of ways and initiatives to care for vulnerable groups, participate in environmental public welfare activities, make charitable donations and facilitate poverty alleviation and education development, we conduct practical actions to unify corporate development goals with CSRs and create value in communities related to our business operations.

While seeking continuous development, we always keep giving back to society. We have set up a dedicated charitable fund and have actively participated in social charitable donations in the name of companies and individuals and donated funds to socially disadvantaged groups or charitable associations, proactively assuming CSRs.

Among which, Precision Manufacturing Company set a good example with the following initiatives:

- In order to care for the families of its employees and support the education of the young generation, Precision Manufacturing Company organised the “Building Dreams with Aluminium, Painting the Future Together (築夢鋁途·共繪未來)” school commencement ceremony for the children of its employees in 2024. The event aimed to provide practical support to the children of its staff who are about to embark on a new school year, helping them to be in a better condition to meet the challenges of learning.

On the day of the event, the company prepared a gift bag for the children, containing high-quality stationery and daily necessities to meet the children’s daily learning and needs, so that the children feel the care and warmth of the company in a relaxed and pleasant atmosphere.

Through this activity, Precision Manufacturing Company not only alleviates the financial burden of the families of its employees, but also conveys the high importance it attaches to education and its positive expectations for the future. We believe that supporting the growth and learning of our staff’s children will not only enhance the sense of belonging and happiness of our staff, but also nurture more excellent talents for the society, and with them a better future can be built.



- In order to promote the spirit of Lei Feng and fulfil the social responsibility, Precision Manufacturing Company held the “Learn from Lei Feng and Go for Blood Donation (學雷鋒擡起袖子獻熱血)” voluntary blood donation activity in 2024. The purpose of this activity was to encourage employees to actively participate in public welfare undertakings, to support the blood demand for medical use with practical actions, and contribute to the community with love and strength.

On the day of the event, the company invited a professional team from the local blood donation centre to provide services, and arranged responsible personnel to explain to employees the knowledge and precautions of blood donation to ensure a safe and smooth blood donation process. The activity attracted 63 employees who voluntarily and earnestly donate their blood, demonstrating the selflessness and dedication of Precision Manufacturing Company’s employees. Each participant not only received a blood donation certificate, but also a souvenir prepared by the company to thank for their love and contribution.

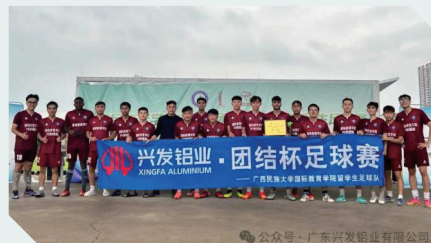
Through this activity, Precision Manufacturing Company not only provided substantial support for the blood demand for medical use in the community, but also further strengthened the sense of social responsibility and team cohesion of the staff. We believe that every drop of blood carries hope to save life, and every participant’s act of kindness will bring warmth and strength to the society. In the future, we will continue to promote this kind of public welfare activities and work together with our employees to create more value for the society.





### Xingfa Aluminium – Sponsored Football Match of Guangxi Minzu University

Sponsored by Xingfa Aluminium's Guangxi distributor, the football team of international students from the College of International Education participated in the group match of the 2024 "Unity Cup" 8-a-side Football Tournament for Teachers and Students organised by Guangxi Minzu University and won the championship in the Open Division of the Xiangshihu Campus with the outstanding capabilities and teamwork. The sponsorship not only demonstrated Xingfa Aluminium's support for the sports industry, but also further reflected the commitment made by the company to undertake the social responsibilities and its brand image.



As a global sport, football is not only a competitive sport, but also a symbol of unity, collaboration and hard work. Guangxi Minzu University has a strong football atmosphere on campus, and the football team of international students from the College of International Education has vividly interpreted this spirit by sweating together and cooperating with each other during the matches, which is highly compatible with the corporate culture of Xingfa Aluminium, namely perseverance, teamwork, innovativeness, and excellence (敢闖敢拼、團結進取、追求卓越).



As a listed company with 40 years of brand history, Xingfa Aluminium has always been committed to providing high-quality products and services to customers around the world with exquisite craftsmanship and professionalism. The sponsorship not only promoted football cultural exchanges among international friends and supported the development of university football, but also facilitated the external image of Chinese brands. In addition, Xingfa Aluminium has also entered into a partnership with the Meizhou Hakka Football Club with an aim to convey the brand philosophy of 'Better Living' through football matches.

In the future, Xingfa Aluminium will continue to pursue excellence in quality, provide services to customers around the world, and create greater social value by fulfilling its corporate social responsibility through practical actions, so as to consistently enhance its corporate brand, and contribute more to social development.



7

# ABOUT THIS REPORT



## 7 ABOUT THIS REPORT

### 7.1 Basis of Preparation

This 2024 Environmental, Social and Governance (“ESG”) Report of Xingfa Aluminium Holdings Limited (“Xingfa Aluminium”, the “Group” or “we”) is prepared in accordance with the requirements of the “Environmental, Social and Governance Reporting Guide” of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), covering the reporting period from 1 January 2024 to 31 December 2024 (the “Year” or “Reporting Period”). This Report is prepared in Chinese and the English version is the translation version. If there is any discrepancy between Chinese and English, the Chinese version shall prevail. Unless otherwise stated, the denominated currency in the report is in Renminbi. For the content of corporate governance, please refer to the Corporate Governance Report in the 2024 Annual Report of the Group.

### 7.2 Reporting Principle

This Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the “Guide”) set out in Appendix C2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and has also made reference to the latest consultation conclusions on climate disclosure requirements issued by the Hong Kong Stock Exchange in April 2024, which are applicable to financial years beginning on or after 1 January 2025. Meanwhile, as a subsidiary of Guangdong Guangxin Holdings Group Ltd. (a provincial state-owned enterprise), this Report has also made reference to the framework of the “Research Report on Environment, Social and Governance (ESG) Of Listed Companies Controlled By State-Owned Enterprise In The Greater Bay Area (2024) (《粵港澳大灣區國有企業控股上市公司環境、社會及治理 (ESG) 藍皮書 (2024)》)” for the purpose of disclosure.

This Report complies with the reporting principles regarding “materiality”, “quantitative”, “balance” and “consistency” and discloses in detail the concept, practice and performance of Xingfa Aluminium in terms of ESG. In order to enhance the completeness and comparability of this Report, some previous or recent related activity reports are also included.

### 7.3 Scope of the Report

The subject of this Report covers the core business of Xingfa Aluminium Holdings Limited and its subsidiaries, including the manufacture and sale of construction and industrial aluminium products. This Report focuses on reporting the environment and social policies relating to the Group’s core business during the Reporting Period. The board of directors (the “Board”) of Xingfa Aluminium is fully responsible for the Group’s sustainable development strategy, reporting and risk management. During the Reporting Period, we disclosed key performance indicators (“KPIs”) on important environmental and social issues and the KPIs of environmental issues only cover five subsidiaries located in Sanshui, Chengdu, Jiangxi, Henan and Zhejiang (still in the pre-production stage) of the People’s Republic of China (“PRC”) and the Precision Manufacturing Company. Additionally, the environmental and social impacts and financial significance of the Nanhai subsidiary only account for a small part of the Group’s overall business. Based on the principle of materiality, they are not included in this report.

### 7.4 Information and Feedback

We value your suggestions or opinions in seeking constant improvement. If you have any comments about this Report, please contact us in the following ways:

Postal Address: No. 5, Zone D, Central Science and Technology Industrial Park, Sanshui District, Foshan City, Guangdong Province

Tel.: 0757-85332727

Email address: xingfazhb@126.com



## APPENDIX I: MAJOR AWARDS AND HONOURS DURING THE YEAR

Since its establishment, Xingfa Aluminium has always been firmly the leader of construction aluminium profiles in China. The Group won the following major national awards and honours during the Year:

Award sponsors	Awardees	Honours
Guangdong Province Joint Graduate Training Foshan Base	Guangdong Xingfa Aluminium Co., Ltd	2024 National Outstanding Engineer Innovation Research Institute "Outstanding Engineer Workstation"
Department of Human Resources and Social Security of Guangdong Province	Guangdong Xingfa Aluminium Co., Ltd	2024 Guangdong Province Industry-Education-Evaluation Skills Ecosystem Chain Leader Cultivation Unit
China Manufacturing Enterprise Association	Guangdong Xingfa Aluminium Co., Ltd	Ranked 173rd in the 2024 China Manufacturing Industry Comprehensive Strength Top 200 and 94th in the 2024 China Equipment Manufacturing Industry Top 100
Foshan Enterprise Confederation, Foshan Entrepreneurs Association	Guangdong Xingfa Aluminium Co., Ltd	Ranked 19th in the 2024 Foshan Top 100 Enterprises and 10th in the 2024 Foshan Top 100 Manufacturing Enterprises
Guangdong Enterprise Confederation, Guangdong Entrepreneurs Association	Guangdong Xingfa Aluminium Co., Ltd	Ranked 27th in the 2024 Guangdong Top 500 Manufacturing Enterprises
The Sichuan Province Enterprise Development Promotion Center	Xingfa Aluminium (Chengdu) Co., Ltd.	Top 100 Enterprises in Technological Innovation and Development Capability in Sichuan Province for 2024
Sichuan Province Enterprise Confederation	Xingfa Aluminium (Chengdu) Co., Ltd.	Top 100 Manufacturing Enterprises in Sichuan Province for 2024
Chengdu Enterprise Confederation	Xingfa Aluminium (Chengdu) Co., Ltd.	Top 100 Enterprises in Chengdu for 2024
Chengdu Enterprise Confederation	Xingfa Aluminium (Chengdu) Co., Ltd.	Top 100 Manufacturing Enterprises in Chengdu for 2024
Foshan Municipal Bureau of Industry and Information Technology – 2025 Guangdong	Xingfa Aluminium (Sanshui Branch)	Hong Kong Cleaner Production Excellence Partner (Manufacturing)
Foshan Sanshui District Aluminum Processing Industry Association	Xingfa Aluminium (Sanshui Branch)	2024 Ten-Year Development Contribution Award
Foshan Brand Development Research Institute	Xingfa Aluminium (Sanshui Branch)	2024 Top 50 Enterprises with Ingenuity and Quality Brands

Award sponsors	Awardees	Honours
Foshan Sanshui District Aluminum Processing Industry Association	Xingfa Aluminium (Sanshui Branch)	2023-2024 Industry Pioneer
Foshan Sanshui District Aluminum Processing Industry Association	Xingfa Aluminium (Sanshui Branch)	Exemplary Unit for Party Building + Corporate Culture in the New Era
Henan Enterprise Confederation	Guangdong Xingfa Aluminium (Henan) Co., Ltd.	Ranked 86th in the 2024 Henan Top 100 Manufacturing Enterprises
Henan Nonferrous Metals Association	Guangdong Xingfa Aluminium (Henan) Co., Ltd.	2024 Most Competitive Enterprise in the Central Plains Aluminum Profile Industry
Guangdong High-Tech Enterprises Association	Guangdong Xingfa Precision Manufacturing Co., Ltd	2024 Guangdong Province High-Quality and High-Tech Product (Profile for Skiving Heat Sinks)
Guangdong High-Tech Enterprises Association	Guangdong Xingfa Precision Manufacturing Co., Ltd	Guangdong Province High-Tech Enterprise

## APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS

Key performance indicators	Unit	2024	2023
<b>Total aluminium output <sup>1</sup></b>	Ten thousand tonnes	<b>82.2</b>	76.3
<b>Environment aspect</b>			
<b>GHG emissions</b>			
Scope 1 <sup>2</sup>	Tonne	<b>168,660.0</b>	141,448.0
Scope 2 <sup>3</sup>	Tonne	<b>226,353.2</b>	197,026.4
Scope 3 <sup>4</sup>	Tonne	<b>11,455,039.5</b>	N/A
Total GHG emissions	Tonne	<b>11,850,052.7</b>	338,474.4
GHG emission density	Tonne/ten thousand tonnes	<b>144,212.6</b>	4,433.6
<b>Emissions</b>			
Total non-hazardous waste	Tonne	<b>1,225.4</b>	959.8
Intensity of non-hazardous waste	Tonne/ten thousand tonnes	<b>14.9</b>	12.6
Total hazardous waste	Tonne	<b>10,501.6</b>	10,008.3
Intensity of hazardous waste	Tonne/ten thousand tonnes	<b>127.8</b>	131.1
<b>Air pollution emissions</b>			
Total nitrogen oxide	Kg	<b>56,282.8</b>	29,491.6
Total sulphur dioxide	Kg	<b>15,800.4</b>	17,501.7
Total VOCs	Kg	<b>23,479.7</b>	16,271.2
Total fluoride	Kg	<b>2,648.7</b>	1,411.7
Total general dust	Kg	<b>2,675.8</b>	2,623.8

- 1 Total output of the self-made products of six companies located in Sanshui, Chengdu, Jiangxi, Henan, Zhejiang and the Precision Manufacturing Company. The differences in the intensity data below are due to rounding.
- 2 Scope 1 emissions are direct emissions resulting from the Group's consumption of natural gas and diesel, calculated with reference to the "Guidelines on the Calculation Method and Reporting of Greenhouse Gas Emission by Other Industries".
- 3 Scope 2 emissions are indirect emissions resulting from the Group's purchased electricity, calculated with reference to the "Guidelines on the Calculation Method and Reporting of Greenhouse Gas Emission by Other Industries".
- 4 Scope 3 emissions are indirect emissions resulting from the Group's purchases of aluminium raw materials and business flight travel. The calculation of emission factors for aluminium raw materials is made by reference to data from the International Aluminium Institute, while the emission factors for flights used in the calculation refer to the ICAO Calculator.

Key performance indicators	Unit	2024	2023
<b>Wastewater discharge</b>			
Total chemical oxygen demand	Kg	<b>48,056.3</b>	35,156.6
Total ammonia	Kg	<b>2,938.5</b>	1,992.0
Exceedance or other non-compliance situations	Times	<b>0</b>	0
Fines and prosecutions due to inconformity with environmental laws and regulations	Times	<b>0</b>	0
<b>Use of Resources</b>			
Total energy consumption <sup>5</sup>	kWh	<b>1,255,524,839.4</b>	1,110,083,059.3
Energy consumption intensity	kWh/ten thousand tonnes	<b>15,279,467.6</b>	14,540,631.6
Total purchase of electricity	kWh	<b>441,698,150.2</b>	381,392,010.5
Electricity consumption intensity	kWh/ten thousand tonnes	<b>5,375,371.6</b>	4,995,734.9
Total natural gas usage volume	m <sup>3</sup>	<b>75,255,376.2</b>	67,382,797.5
Intensity of natural gas usage	kWh/ten thousand tonnes	<b>915,841.8</b>	882,626.2
Total water consumption	Tonne	<b>3,390,746.4</b>	3,028,994.4
Water intensity	kWh/ten thousand tonnes	<b>41,264.7</b>	39,675.9
Usage of packaging materials (carton, kraft paper, etc.)	Tonne	<b>16,924.7</b>	19,457.0
Intensity of packaging materials (carton, kraft paper, etc.)	kWh/ten thousand tonnes	<b>206.0</b>	254.9
Usage of packaging materials (Others, including polyethylene wool, protective membrane, condensed membrane and self-adhesive tape)	Tonne	<b>9,682.3</b>	8,817.2
Intensity of packaging materials (Others, including polyethylene wool, protective membrane, condensed membrane and self-adhesive tape)	kWh/ten thousand tonnes	<b>117.8</b>	115.5

<sup>5</sup> Energy includes electricity and natural gas, among which, the calculation of natural gas is made by reference to the conversion factor in the "Guidelines on the Calculation Method and Reporting of Greenhouse Gas Emission by Other Industries".



Key performance indicators	Unit	2024	2023
<b>Social Aspect <sup>6</sup></b>			
<b>Employment</b>			
Total employees	Number	<b>9,328</b>	8,091
By gender			
Male	Number	<b>7,527</b>	6,434
Female	Number	<b>1,801</b>	1,657
By age			
16-30	Number	<b>1,600</b>	1,219
31-50	Number	<b>6,590</b>	5,914
>50	Number	<b>1,138</b>	958
By employment type			
Full-time employees	Number	<b>9,304</b>	8,091
Contracted or part-time employees	Number	<b>24</b>	0
<b>Turnover rate</b>			
Overall turnover rate	%	<b>54.9</b>	56.9
By gender			
Male	%	<b>52.8</b>	57.9
Female	%	<b>63.5</b>	52.7
By age			
16-30	%	<b>112.1</b>	113.8
31-50	%	<b>47.1</b>	51.0
>50	%	<b>19.6</b>	20.5

<sup>6</sup> Employees for the six companies: Sanshui, Chengdu, Jiangxi, Henan, Zhejiang and Precision Manufacturing. All employees came from the Chinese mainland.

Key performance indicators	Unit	2024	2023
<b>Health and Safety</b>			
Number of work-related fatality	Number	0	0
Number of work-related injuries	Number	85	22
Number of working days lost due to work related-injuries	Days	5,227	2,000
Fines and prosecutions due to inconformity with laws and regulations related to health and safety	Number	0	0
<b>Development and Training</b>			
<b>Average training hours</b>			
By employment type			
Senior management	Hours	17.1	16.6
General management	Hours	17.6	16.9
Non-management	Hours	25.7	29.3
By gender			
Male	Hours	26.9	29.6
Female	Hours	20.1	27.3
<b>The percentage of employees trained</b>			
By employment type			
Senior management	%	100	100
General management	%	100	100
Non-management	%	99.7	100
By gender			
Male	%	99.7	100
Female	%	99.7	100

Key performance indicators	Unit	2024	2023
<b>Suppliers</b>			
Number of suppliers by region			
Chinese mainland	Number	1,176	1,193
Hong Kong	Number	0	1
Overseas	Number	0	0
<b>Labour standard</b>			
Fines and prosecutions due to inconformity with laws and regulations related to labour standard	Cases	0	0
<b>Product responsibility</b>			
Fines and prosecutions due to inconformity with laws and regulations related to product responsibility	Cases	0	0
New products and technical patents acquired during the Year	Number	60	183
<b>Anti-corruption</b>			
Legal cases regarding corrupt practices brought against the issuer or staff	Cases	0	0
<b>Community investment</b>			
Total community investment	RMB10,000	75.1	3.15

### APPENDIX III: INDEX OF HKEX ESG REPORTING GUIDE

The following index has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” of the Hong Kong Stock Exchange applicable to the financial year of 2024. It also makes reference to the Consultation Conclusions on Climate-related Disclosure issued by the Hong Kong Stock Exchange in April 2024 for disclosure purposes. Although the relevant requirements will only apply to financial years beginning on or after 1 January 2025, we hope to make early disclosure of the new requirements to support stakeholders in obtaining appropriate and useful information for decision-making.

Subject Areas	Description	Section	Page/Remark
A Environment Aspect			
Aspect A1: Emissions			
<b>General Disclosure</b>	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4	
KPI A1.1	The types of emissions and respective emissions data.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.1	
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.	4.2	



Subject Areas	Description	Section	Page/Remark
Aspect A2: Use of Resources			
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	4	
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).	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1 4.3	
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.	4.1 4.3	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
Aspect A3: The Environment and Natural Resources			
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	4	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4	
Aspect A4: Climate Change		4.4	
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		
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.	4.4	

Subject Areas	Description	Section	Page/Remark
B Social Aspect			
Aspect B1: Employment			
<b>General Disclosure</b>	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.	5.1 5.2	
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
Aspect B2: Health and Safety			
<b>General Disclosure</b>	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.	5.4	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI B2.2	Lost days due to work injury.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.4	

Subject Areas	Description	Section	Page/Remark
Aspect B3: Development and Training			
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.5	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI B3.2	The average training hours completed per employee by gender and employee category.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
Aspect B4: Labour Standards			
<b>General Disclosure</b>	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	5.3	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.3	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.3	

Subject Areas	Description	Section	Page/Remark
Aspect B5: Supply Chain Management			
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	2.5	
KPI B5.1	Number of suppliers by geographical region.	APPENDIX II: ENVIRONMENTAL AND SOCIAL KEY PERFORMANCE INDICATORS	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.5	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.5	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.5	



Subject Areas	Description	Section	Page/Remark
Aspect B6: Product Responsibility			
<b>General Disclosure</b>	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.	3	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	–	During the Reporting Period, the Company did not have any products that required recall due to health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 3.3	During the Reporting Period, the company did not receive any complaints regarding its products and services.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	3.2	
KPI B6.4	Description of quality assurance process and recall procedures.	3.1 3.3	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.4	

Subject Areas	Description	Section	Page/Remark
Aspect B7: Anti-corruption			
<b>General Disclosure</b>	information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.3	
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.	2.3	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.3	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.3	
Aspect B8: Community Investment			
<b>General Disclosure</b>	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	6	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	6	

**APPENDIX IV: INDEX OF RESEARCH REPORT ON ESG OF LISTED COMPANIES CONTROLLED BY STATE-OWNED ENTERPRISE IN THE GREATER BAY AREA (2024)**  
**《(粵港澳大灣區國有企業控股上市公司環境、社會及治理(ESG)藍皮書(2024))》**

Aspects		Section	Remarks
A. ESG governance			
Corporate governance	<ul style="list-style-type: none"> <li>– Diversity on the Board</li> <li>– Anti-corruption</li> </ul>	2	
ESG governance of the Board	<ul style="list-style-type: none"> <li>– Participation of the Board</li> <li>– formulation of ESG tasks</li> <li>– Officer in charge</li> <li>– ESG strategies/targets</li> </ul>	2	
ESG management	<ul style="list-style-type: none"> <li>– Coordinate departments</li> <li>– Management systems</li> <li>– Performance appraisal</li> <li>– Capability building</li> <li>– Stakeholder engagement</li> </ul>	2	
B. Social value	–		
National value	<ul style="list-style-type: none"> <li>– Rural revitalisation</li> <li>– Regional development</li> <li>– National security</li> </ul>	2	
Industry value	<ul style="list-style-type: none"> <li>– Technology leadership</li> <li>– Industry transformation</li> <li>– Industrial chain collaboration</li> </ul>	3	
Environmental value	<ul style="list-style-type: none"> <li>– Clean energy</li> <li>– Green products</li> <li>– Ecological governance</li> <li>– Contributing to dual-carbon</li> </ul>	3 4	
Livelihood value	<ul style="list-style-type: none"> <li>– Facilitate employment</li> <li>– Public services</li> <li>– Volunteer services</li> <li>– Charitable donation</li> </ul>	5 6	
C. Risk management			
System Construction, Practices, Performance Management, Negative Disclosure	Areas cover: <ul style="list-style-type: none"> <li>– Environmental management</li> <li>– Energy and resources</li> <li>– Emissions</li> <li>– Response to climate changes</li> <li>– Product quality</li> <li>– Customer services</li> <li>– Supply chain management</li> <li>– Safety production</li> <li>– Employees' rights and interests</li> <li>– Employee development</li> </ul>	2 3 4 5	

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