



VPower Group International Holdings Limited  
偉能集團國際控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code: 1608



SUSTAINABILITY REPORT  
2022

# CONTENTS

02 • About this Report

03 • About VPower Group

04 • Message from Chairman

06 • Our Approach to Sustainability

06 Corporate Governance

09 Sustainable Development Goals

10 Sustainability Performance Targets

11 Communication with Stakeholders

15 • Preserving Our Planet

15 Taking Action on Climate Change

17 Protecting Our Environment

19 Ensuring Responsible Use of Resources

22 • Working with Our Partners

22 Establishing Mutual Understanding  
and Trust

22 Building Diverse and Inclusive  
Workforce

24 Retaining and Nurturing Talents

24 Safeguarding Health and Safety of  
Employees

25 Managing Supply Chain

26 • Supporting Our Communities

29 • Performance Data Summary

36 • GRI Content Index

39 • ESG Reporting Guide Content Index

46 • Compliance with Relevant Laws and  
Regulations which have Significant  
Impacts on VPower Group



# ABOUT THIS REPORT

VPower Group International Holdings Limited (“**VPower Group**”, together with its subsidiaries, the “**Group**”) is committed to improving business practices to achieve sustainability targets. We constantly communicate our approach to sustainability with stakeholders. This annual Sustainability Report (this “**Report**”) of the Group presents our environmental, social and governance (“**ESG**”) performance for the year ended 31 December 2022 (the “**Year**”).

## Reporting Scope

This Report covers the ESG performance of the Group’s business over which VPower Group has operational control. The entities covered are the same as those included in the Group’s audited consolidated financial statements. The portfolio includes its Hong Kong, mainland China, and regional office premises, the system integration factory in Shenzhen, China (the “**Shenzhen Factory**”), and the power projects in operation during the Year.

Unless otherwise specified, the ESG performance of the Group’s joint ventures, contractors and suppliers is not reflected in this Report.

## Reporting Basis

This Report has been prepared with reference to the GRI Standards, and in accordance with the reporting principles and disclosure requirements of the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**SEHK**”) (“**ESG Reporting Guide**”).

## Reporting Principles

The following reporting principles have been applied in the preparation of this Report:

- **Materiality** — the ESG issues being discussed in this Report are determined based on the results of the materiality assessment, details of which are available in the “Our Approach to Sustainability” section;
- **Quantitative** — information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors, for the reporting of emissions and energy consumption, are disclosed in the “Performance Data Summary” section. Key performance indicators (“**KPIs**”) are set to be measurable;
- **Balance** — information is presented to provide an objective and unbiased view of our ESG performance; and
- **Consistency** — consistent methodologies are applied to the presentation of our ESG data. Any changes to the methods or KPIs will be disclosed.

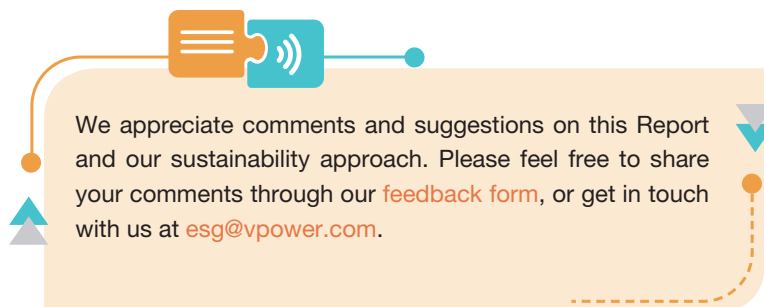
## Access to this Report

This Report is available in both English and Chinese on the websites of VPower Group ([www.vpower.com](http://www.vpower.com)) under “Investors” and HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)).

## Other Information

It is recommended to read this Report in conjunction with VPower Group’s 2022 Annual Report, which is also available on the aforesaid websites.

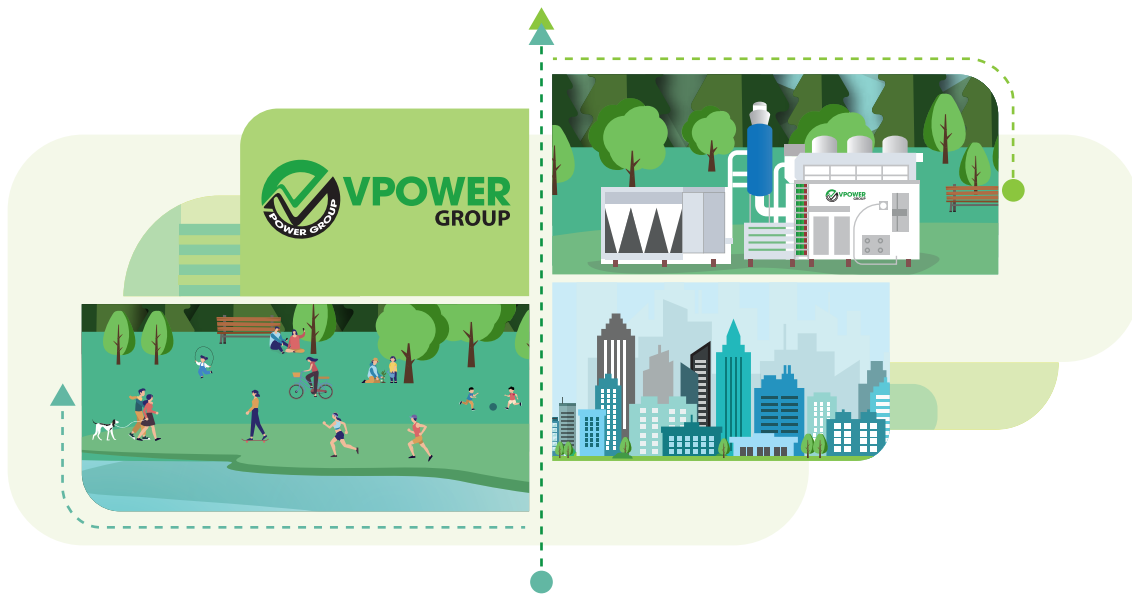
Should there be any discrepancy between the English and Chinese versions of this Report, the English version shall prevail.



# ABOUT VPOWER GROUP

Headquartered in Hong Kong, VPower Group is a global energy provider specialising in decentralised power generation. With more than 20 years of proven operational excellence in the energy market, VPower Group is one of the world-leading large gen-set system integrators and one of the leading gas-fired engine-based decentralised power station owners and operators in Asia. It has two business segments, namely power system integration (“SI”) and investment in, building and operation of decentralised power stations (“IBO”).

At the forefront of a rapidly changing energy industry, we support our customers with reliable and flexible power. We design and integrate plug and play engine-based gen-sets and power generation systems which are delivered to customers who intend to own the equipment; we also provide comprehensive decentralised power station solutions from investment, building, operation to maintenance. Our solutions are customised to meet customers’ diverse requirements in terms of choice of fuels, power needs, application, and operation mode. With a fleet of engine-based gen-sets which currently operates on natural gas, biogas, biodiesel and diesel, we strive to expand our low-carbon fuel mix in order to offer our customers with more choices, higher efficiency and lower carbon emissions.



Along with the global effort to combat climate change, we are committed to phasing out pure diesel power projects by 2030 and achieving carbon neutrality by 2050. We adopt strategies in line with our targets involving the development of decentralised integrated energy solutions that apply combined cooling, heat and power systems, renewables or new forms of fuel and energy storage. We also strive to further improve our operational efficiency and minimise the environmental impacts of our business.

In 2022, we were proud to receive the Bronze Award of Manufacturing Sector at the BOCHK Corporate Environmental Leadership Awards 2021. We have participated in the Awards for five consecutive years and accumulated three recognition awards, affirming our continuous efforts to environmental protection through innovative green power projects. To join the collective efforts with the communities to achieve greater contributions and keep up with the industry development, we have joined the Green Council and Business Environment Council in Hong Kong as a member.



# MESSAGE FROM CHAIRMAN



**Mr. Samson Lam**

Executive Chairman and Co-Chief Executive Officer

The global energy crisis of 2022 has reminded us of the importance of sustainable development. Being fully committed to achieving a sustainable future, we continue to diversify our reliable and low-carbon product offerings to customers, empower vulnerable communities, and nurture our workforce during these challenging times.

Last year, exacerbated by the aftermath of COVID-19 and increasing geopolitical tension, the global energy crisis hindered the global economic rebound and increased the chance of a global recession with surging energy prices and inflation, supply-demand imbalances, and supply chain disruptions. Yet, amidst the macro-economic fluctuations, there were also hope and tremendous opportunities.

As market forecast, the global energy crisis highlights the need for a massive surge in clean energy investment. The increasing level of intermittent renewable energy in power systems is expected to drive the demand for various flexible balancing solutions, such as gas-fired power stations for grid balancing and energy storage systems. Our focus is to maintain competitive and resilient so as to capture the business opportunities and move towards sustainable development.



## Commitment to Climate Mitigation, Adaptation, and Resilience

When it comes to sustainability, climate change emerges as the most challenging issue. As global pressure to act on climate change continues to mount, world leaders attending the 27<sup>th</sup> United Nations Climate Change Conference (COP27) collaborated to call for international support for the climate adaptation of the poor and vulnerable countries in light of “Climate Justice” and highlighted the significance of increasing low-emission and renewable sources.

It is well-recognised that the power sector has a crucial role to play in achieving long-term local and global decarbonisation goals. With our business presence covering various emerging countries, we clearly understand that our contributions are not limited to the delivery of reliable and stable power to local people aiming at higher electrification rates, but also support in establishing a greener future. We remain steadfast in our commitment to phasing out pure diesel power projects by 2030 and our target of carbon neutrality by 2050. Last year, while the global energy sector was hit badly by the economic turmoil and geopolitical conflicts, we continued our decarbonisation journey by continuing our energy storage project and initiating a flare gas to power project.

The increased frequency of extreme climate events evidenced the destructiveness of climate change. To protect our people and minimise potential physical losses, we are enhancing our climate resilience and adaptation by establishing the ability to predict, prepare for, and respond to climate-related risks and related disturbances.

## Nurturing Our Workforce and Empowering Our Communities

Our people are the most valuable assets to our long-term development. I appreciate how they contribute themselves in safeguarding the reliability of power during the challenging period of 2022. To further nurture our workforce, we have enhanced our support to our people by rendering various self-development and training programmes covering technology, management, ethics, and safety through both offline and online platforms.

Occupational safety and health are placed at our highest priority and all our employees are protected by our comprehensive occupational health and safety management systems. Thanks to the joint efforts of our management and employees, we have maintained a “zero accidents, zero occupational diseases” safety record.

To empower the communities in which we have operations, we have focused on the post-pandemic needs of local people. In addition to donations of goods, we have actively implemented various programmes to contribute to sustainable development regarding vulnerable groups, the next generation, the environment, culture, health, and communities.

## Advancing Towards a Sustainable Future

Looking ahead, we are excited about the new opportunities in low-carbon energy transition. We continue to be steadfast to implement our sustainability strategies and actively explore the path of renewable energy.

I give my heartfelt thanks to all stakeholders, including our employees, customers and other business partners, for their unwavering trust and support, which gives us confidence and strength in advancing towards sustainability. We are eager to move to the new chapter, in which we are confident to bring sustainable values to our stakeholders.

**Samson Lam**

Executive Chairman and Co-Chief Executive Officer

28 April 2023



# OUR APPROACH TO SUSTAINABILITY

## Corporate Governance

At VPower Group, we believe that a robust governance framework is always the cornerstone of sustainable development and value creation. With a commitment to operating business in a responsible manner, we strive to foster a culture that values ethical behaviour, accountability, integrity and transparency. Maintaining such ethical culture requires continuous efforts and development. Over the years, a set of policies and procedures to safeguard corporate governance has been established and we have continued to refresh the policies to catch up with the relevant rules and regulations and the international best practices.

The board of directors (the “**Board**”) is the highest governance body of the Group and has oversight of the Group’s management and business activities. The Board comprises three executive directors, two non-executive directors, and three independent non-executive directors. It has three committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, to assist it in the discharge of responsibilities. For further information about the Group’s corporate governance, please refer to the Corporate Governance Report in our 2022 Annual Report.

## Sustainability Governance

The Board retains ultimate responsibility for the oversight of sustainability issues that have been identified as relevant and material to the Group and climate-related risks. It formulates strategies and reviews progress made against our sustainability goals on a regular basis with the support of the Sustainability Committee (the “**Committee**”).

An effective management of sustainability issues and climate-related risks requires a concerted effort across the Group. Chaired by Executive Chairman and comprising managers from various business units, the Committee establishes, promotes, and monitors environmental and social performance indicators and metrics, sustainability standards and priorities. The Committee, in collaboration with different business units and stakeholders, also drives the application of sustainability strategies in the Group’s internal controls, business development and daily operations. It updates the Board on sustainability development while climate-related risks are discussed and escalated to the Audit Committee by the internal audit team.



In 2022, meetings were held by the Sustainability Committee to discuss the following issues:

- Desktop review of material topics of the industry and peers
- Environmental and social key performance indicators (KPI)
- Stakeholder engagement
- Community investments
- Environmental projects at workplaces





# OUR APPROACH TO SUSTAINABILITY

The trend of sustainability changes together with the evolving energy industry. The Committee considers industry research, regulatory developments, international sustainability best practices to provide input on specific issues relevant to the Group. Market updates are also shared with directors to advance their knowledge about sustainability. To ensure stakeholders' expectations are properly addressed, a stakeholder engagement survey is conducted annually. The results of which are used for the formulation of sustainability strategies and evaluation of relevant performance.

## Business Ethics

Ethics is at the core of our business practices which is of utmost importance to our corporate foundation and business development. We expect our employees, consultants and other business partners to work in line with our commitments.



Our *Code of Conduct* sets clear expectations for how we work and how we treat others with respect, fairness and integrity. It is supplemented by a series of policies and procedures covering various topics such as confidentiality, privacy, conflicts of interest, and misconduct including corruption, bribery, extortion, fraud and money laundering.

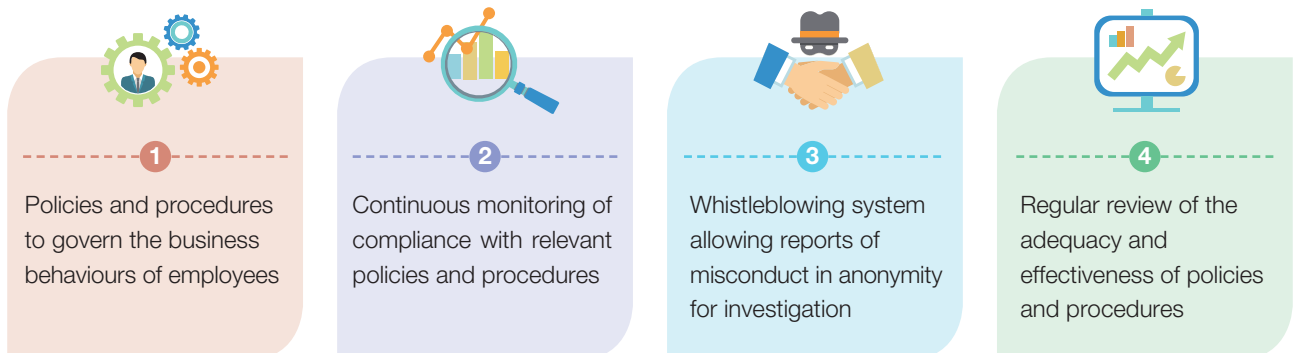
As we rely on our people to promote and safeguard our values and code of conduct, we take an active approach with multiple measures including ongoing communication and provision of training to ensure they fully understand our expectations and principles of our policies. In particular for new joiners, introduction of our *Code of Conduct* and *Anti-bribery and Corruption Policy* forms part of the orientation.

In 2022, we reinforced the Group's zero-tolerance policy against misconduct including corruption, bribery, extortion, fraud and money laundering through mandatory training on related policies and procedures. All directors and employees were provided training materials and case studies.

It is our practice that we continuously evaluate, update, and refine our management approach to business ethics to ensure our corporate governance system is effective. We also regularly monitor compliance with relevant policies and review the policies from time to time to make sure they continue to work effectively.

To avoid the potential occurrence of misconduct and ensure that we operate in accordance with the highest ethical standards, we have developed a whistleblowing system which enables employees and other stakeholders to anonymously report any actual or suspected inappropriate behaviour, fraud, or violations for investigation. We welcome our stakeholders to raise their concerns through the whistleblowing channels. All practicable measures will be taken to protect informants from any form of retaliation, such as unfair dismissal or unwarranted disciplinary action.

In 2022, there were no instances of material violations concerning business ethics, in particular bribery, corruption, extortion, fraud and money laundering and no whistleblowing report was received from the whistleblowing channels.





# OUR APPROACH TO SUSTAINABILITY

## Risk Management and Internal Control

Risk management is the bedrock for a company to achieve high-quality and sustainable development. Opportunities always come with risks. At VPower Group, we recognise the significance of balancing business opportunities and risks to a sustained development and have therefore established risk management and internal control systems.

While the responsibility of risk management lies with everyone working within the business, the internal audit team leads the identification, assessment and monitoring of the key business, financial, operational and compliance risks of the Group. Through regular discussion with management and different business and functional units about the risk factors from various perspectives, the team compiles risk register with potential impacts on the Group and mitigations which is reported to the Audit Committee.

Climate change and other ESG risks are also embedded in the Group's risk management process. Climate change is complex in terms of its nature, impacts, and correlation with other types of risks, we therefore define it as a material strategic risk. Considering the emerging challenges brought by various ESG risks and the growing disclosure requirements, we plan to conduct a comprehensive review over the risk management of ESG risks in 2023.

Details of our Enterprise Risk Management Framework, risk management process and risk profile are described in the "Risk Management" section of our 2022 Annual Report.




## Sustainable Development Goals

At VPower Group, we consider sustainable development at a strategic level. We are a supporter of United Nations 2030 Agenda for Sustainable Development and a participant in the United Nations Global Compact, with a commitment to integrating business development with social value.

The United Nations Sustainable Development Goals (SDGs) set a global framework to address the world's biggest challenges. Among its 17 goals, we have prioritised six SDGs on which we focus our efforts in order to make the most impactful contribution. These goals have been incorporated into our business strategies and decisions. We are keen to be part of the global efforts in shaping the sustainable future.



**4 QUALITY EDUCATION**




### Goal 4: Quality education

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

We continue to enhance the knowledge and skills of our employees by providing them with different types of training. We also encourage them, with financial subsidies, to undertake external training, and obtain relevant professional qualification. In 2022, we achieved 100% employee training rate.

**7 AFFORDABLE AND CLEAN ENERGY**



### Goal 7: Affordable and clean energy

**Ensure access to affordable, reliable, sustainable and modern energy for all.**

We strive to provide reliable decentralised power supply to communities. By maintaining a safe and reliable electricity supply, we aim to expand our low-carbon and cost-effective power solutions in different parts of the world. In 2022, we continued to operate our power stations using natural gas, biogas and biodiesel in various regions with needs for stable power.

**8 DECENT WORK AND ECONOMIC GROWTH**



### Goal 8: Decent work and economic growth

**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.**

It is our policy to provide equal employment opportunities for all and decent work to employees. In addition to hiring people in emerging countries, we also ensure they work in a safe and secure working environment.



# OUR APPROACH TO SUSTAINABILITY

## Goal 11: Sustainable cities and communities

11 SUSTAINABLE CITIES AND COMMUNITIES



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

Electricity is the basis of a modern life. We continue to provide sustainable energy supply to local communities to make their life safe and resilient. We also actively engage in community events, such as supporting COVID-19 prevention programmes.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Goal 12: Responsible consumption and production

**Ensure sustainable consumption and production patterns.**

We have proactively improved our production process to enhance efficiency, reduce waste and emissions and ensure recycling or compliant disposal.

## Goal 13: Climate action

13 CLIMATE ACTION



**Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.**

We are committed to sustainable development and have set a carbon neutrality target by 2050. We continuously increase our efforts in adopting renewables in our solutions and supporting our customers in gradually transitioning into a green future.

## Sustainability Performance Targets

As we set four KPIs in our sustainability-linked loan facilities previously, we continued our efforts in monitoring the performance and achieving the targets.



KPI 1: Proportion of workforce in emerging markets

67.25%



KPI 2: Average training hours of workforce

35.79 hours per person



KPI 3: Net scope 1 & 2 GHG emissions intensity of IBO business segment

155.35 tonnes CO<sub>2</sub>e/ HK\$'000,000 revenue



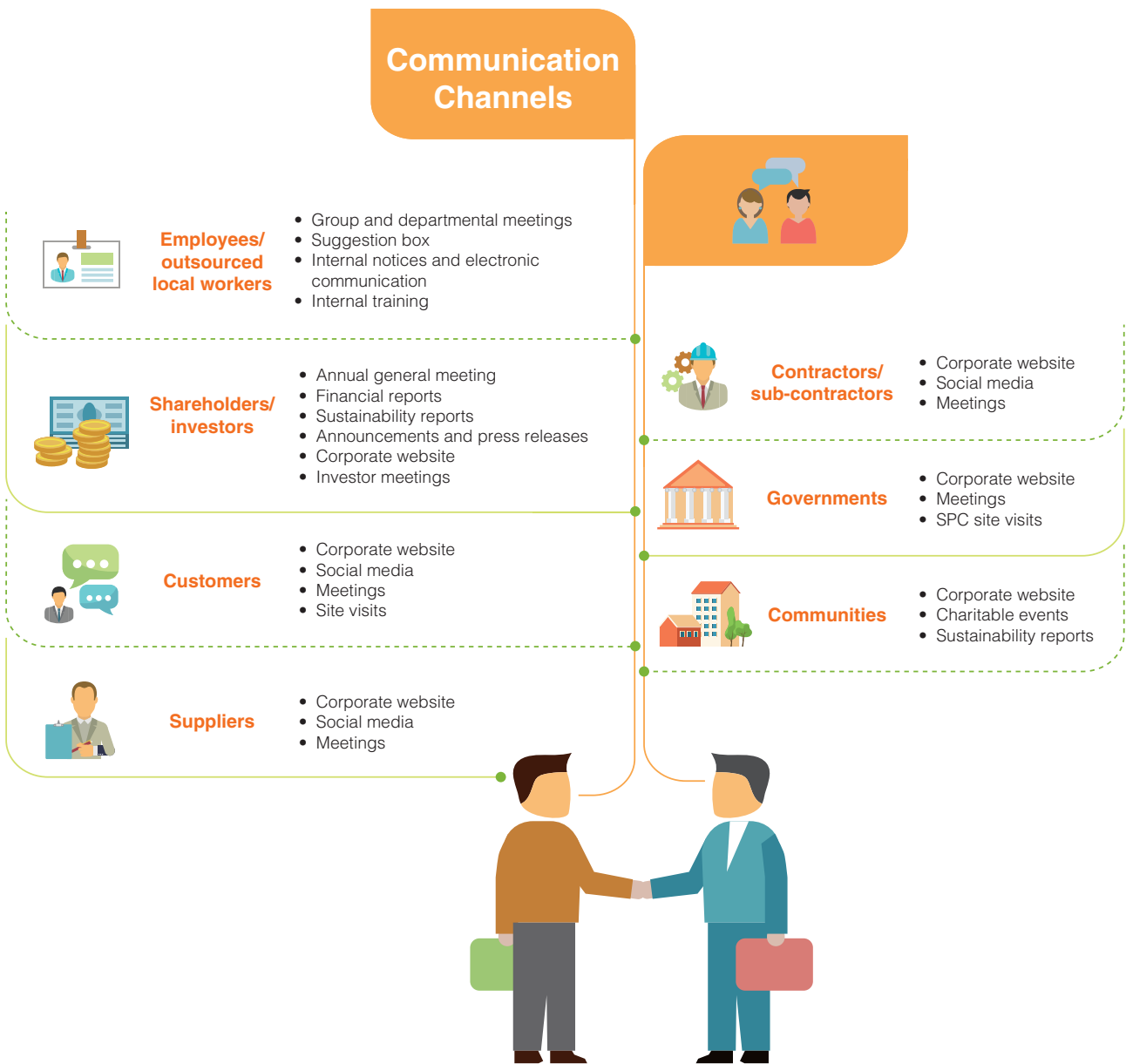
KPI 4: Solid non-hazardous waste diverted from landfill

6,809 kg

## Communication with Stakeholders

Communication and engagement with employees, investors, customers, suppliers, regulators, community representatives and many other stakeholders is an integral part of our daily operations. It is important for us to understand the views and expectations of stakeholders as so to formulate our business strategies that are beneficial to everyone we care about.

By considering the stakeholders' dependence on and influence over our business, we have identified seven main groups of stakeholders. We ensure that the right of our stakeholders to be heard is well-protected by opening up various communication channels. In case of any critical concerns and serious grievances received from any of the channels, the responsible employees are responsible for escalating the issues to their managers and hence the executive directors.

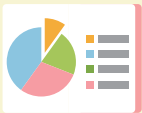


# OUR APPROACH TO SUSTAINABILITY

## Materiality Assessment

On top of our regular communication with stakeholders, questionnaire survey which serves as the basis of materiality assessment is also a key tool for us to systematically understand the sustainability topics that concern our stakeholders. In 2022, we conducted a desktop review over the list of sustainability topics to ensure the list is inclusive and updated with the prevailing policies, our own business development, international disclosure standards, capital markets' expectation, and industry benchmarks.

### 1 Identification of sustainability topics



- Research on relevant policies, international disclosure standards and trends concerning sustainability development in capital markets
  - Identification of a series of sustainable development issues covering environmental, social and governance aspects in light of major challenges facing peer companies
- **35 sustainability topics were identified**

### 2 Engagement with stakeholders



- Designing questionnaires by which stakeholders are invited to rank their top ten sustainability topics and express their opinions on the Group's sustainability performance
  - Distribution of questionnaires to stakeholders via various online and offline channels
- **164 responses were received from employees, suppliers, contractors, investors, banks, customers, shareholders and industry associations**

### 3 Analysis of Findings



- Performing statistical analysis of the responses and the rankings
  - Discussion with senior executives and business heads to collect further information about management's view
  - Conducting materiality matrix
- **10 sustainability topics were prioritised**

### 4 Review and validation

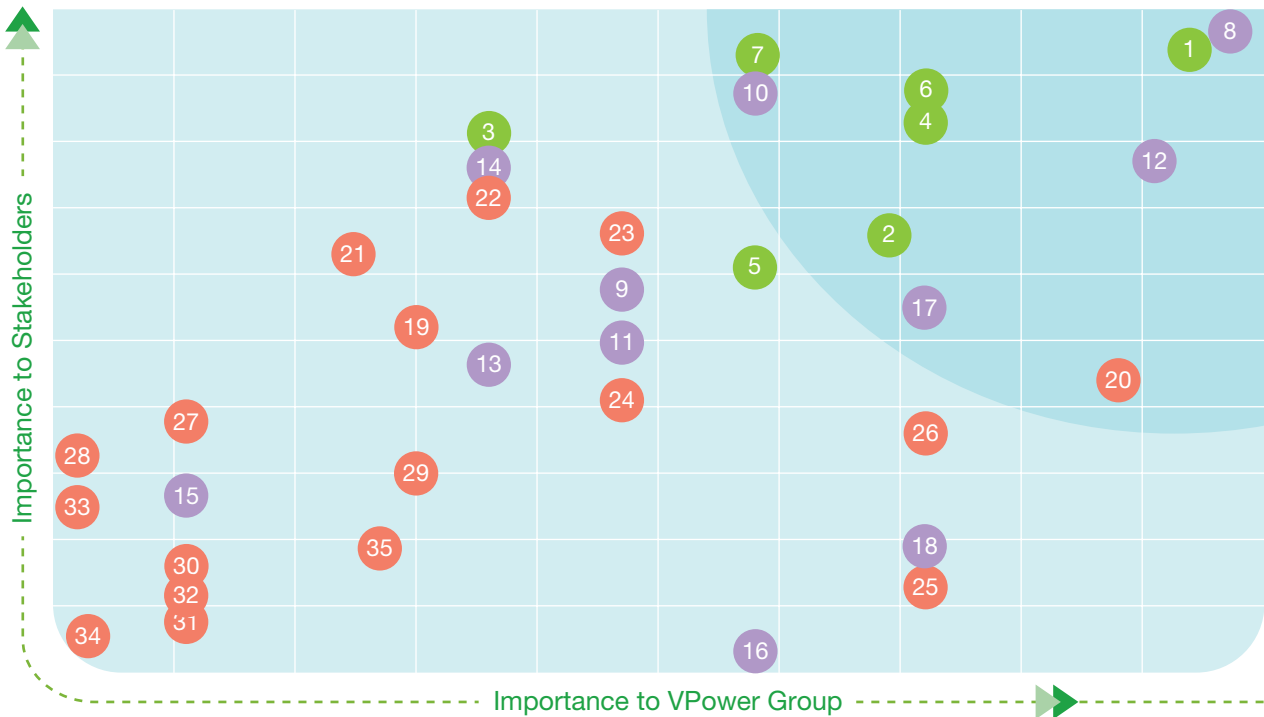


- Outcomes of the materiality assessment and feedback received from stakeholders were reviewed by the Sustainability Committee and presented to the Board
- **The results were applied in the sustainability reporting and will be incorporated in our business strategies**

# OUR APPROACH TO SUSTAINABILITY

The materiality matrix is arranged according to the importance of sustainability topics to stakeholders (Y-axis) and the importance of sustainability topics to the Group (X-axis).

By going through the complete process of materiality assessment and review, we have identified 10 key sustainability issues which are material to our stakeholders and us, and are used to guide our strategy formulation.



Economic	Environment	Social	
<ol style="list-style-type: none"> <li>1. <b>Market Presence</b></li> <li>2. Indirect Economic Impacts</li> <li>3. <b>Supply Chain Management</b></li> <li>4. <b>Anti-corruption</b></li> <li>5. Fair Competition</li> <li>6. <b>Product Availability and Reliability</b></li> <li>7. Research and Development</li> </ol>	<ol style="list-style-type: none"> <li>8. <b>Strategy of Sustainable Development</b></li> <li>9. Materials Usage</li> <li>10. <b>Energy Efficiency</b></li> <li>11. Greenhouse Gas Management</li> <li>12. <b>Response to Climate Change</b></li> <li>13. Wastewater and Waste Management</li> <li>14. Environmental Compliance</li> <li>15. Supplier Environmental Assessment</li> <li>16. Environmental Grievance Mechanisms</li> <li>17. Environmental Education</li> <li>18. Biodiversity</li> </ol>	<ol style="list-style-type: none"> <li>19. Business Ethics</li> <li>20. <b>Employment Practice</b></li> <li>21. Employee Welfare</li> <li>22. <b>Occupational Health and Safety</b></li> <li>23. <b>Training and Development</b></li> <li>24. Diversity and Equal Opportunity</li> <li>25. Child Labour and Forced Labour</li> <li>26. Workplace Security</li> <li>27. Human Rights Assessment</li> </ol>	<ol style="list-style-type: none"> <li>28. Community Involvement and Development</li> <li>29. Customer Health and Safety</li> <li>30. Employee Grievance Mechanisms</li> <li>31. Marketing and Labelling</li> <li>32. Customer Privacy</li> <li>33. Cybersecurity</li> <li>34. Grievance Mechanisms for Impacts on Society</li> <li>35. Disaster and Emergency Planning and Response</li> </ol>



# OUR APPROACH TO SUSTAINABILITY

## Our Top 10 Material Topics

Our top 10 material sustainability topics identified from the materiality assessment reflect the diverse views of different stakeholder groups. We disaggregate the consolidated view to compare the top 10 topics of each group, which gives us a clearer picture of the materiality of each topic. The top 10 topics also define the content of this Report with reference to the relevant GRI standards.

Rank	Sustainability Topics	Shareholders/ Investors/				Contractors/ Sub-		Industry			Relevant GRI Standards
		Management	Banks	Employees	Customers	contractors	Suppliers	Associations	Media		
1	Strategy of Sustainable Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
2	Response to Climate Change	✓	✓	✓	✓	✓					305: Emissions 2016
3	Market Presence		✓	✓	✓	✓	✓				✓ 202: Market Presence 2016
4	Energy Efficiency	✓	✓		✓	✓	✓		✓		302: Energy 2016
5	Training and Development	✓		✓	✓			✓			404: Training and Education 2016
6	Anti-Corruption	✓	✓	✓			✓		✓		✓ 205: Anti-corruption 2016
7	Product Availability and Reliability		✓	✓				✓			✓ N/A
8	Supply Chain Management			✓	✓			✓			✓ 204: Procurement Practices 2016
9	Employment Practice	✓									401: Employment 2016
10	Occupational Health and Safety			✓			✓				403: Occupational Health and Safety 2018



# PRESERVING OUR PLANET

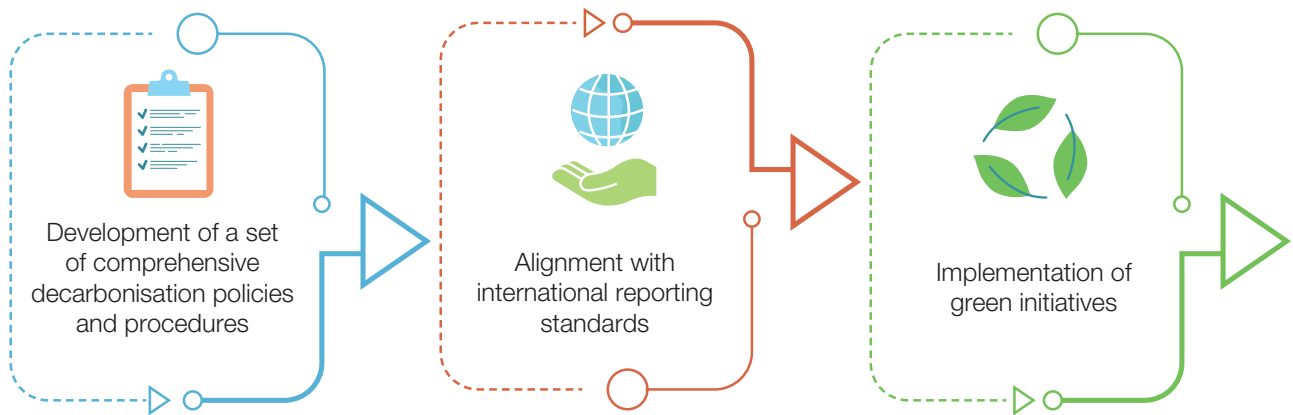
## Taking Action on Climate Change

Climate change is an acknowledged common concern to all humankind which continues to exacerbate the frequency of extreme weather events and forces policy changes. It also leads to a shift to a greener mindset of consumers and investors around the world. Our strategy and management approaches for combating climate change and safeguarding the environment are articulated in our *Climate Change Policy* and *Environmental Management Policy*.

Climate change poses significant and far-reaching operational, financial, or even physical impacts to all of our stakeholders, and our business, which also brings tremendous opportunities to businesses in the low-carbon economy. As it is important that we adapt to climate change, we are preparing ourselves to better assess and manage climate-related risks and opportunities, and strategising our sustainable development plans in alignment with our target of carbon neutrality by 2050.

## Roadmap to Carbon Neutrality

### Operations Strategy



### Energy Portfolio



Phase out pure diesel power projects by 2030



Continue to promote the use of natural gas, as it is the cleanest fossil fuel and the key to safeguarding energy security





Develop integrated energy solutions that apply green technologies and new forms of energy including hydrogen



# PRESERVING OUR PLANET

## Responding to Climate-related Risks

We consider climate change as a strategic risk under our Enterprise Risk Management Framework. Understanding climate-related risks enables us to formulate appropriate strategies and response plans. We are exposed to both transition and physical risks of climate change.

	How are we affected...	What can we do...
<p><b>Transition risks</b></p>  <ul style="list-style-type: none"> <li>risks arising from the extensive changes to policies, legal regulations, technology and market preference during the transition to a low-carbon economy</li> </ul>	<p>Inability to adapt to the changes could have a material negative effect on our financial conditions and business development, which may also adversely impact the Group's reputation.</p>	<p>We have to keep up with the transition and market expectations on us as an energy industry player. We plan to increase the use of low-emission energy sources and systems and deploy more resources in the development of energy efficient products.</p>
<p><b>Physical risks</b></p>  <ul style="list-style-type: none"> <li>risks of potential direct damage to our assets and indirect impacts from supply chain disruption caused by acute climate events or chronic changes in climate patterns</li> </ul>	<p>In the short run, the increased frequency of flooding, tropical cyclones and wildfires may damage our power generation assets and disrupt our supply chain; while in the long run, the chronic changes such as water stress, prolonged periods of drought and heatwaves may expose our assets to gradual damage resulting in lower energy efficiency and asset write-downs in the worst case.</p>	<p>We have to carefully assess the physical risks of every site where our business locates which helps us formulate on-site contingency plans to safeguard our operators and maintain operations. We will also explore more climate resilient design of our new projects. To protect the economic value of our power assets, further insurance coverage over natural disasters will be considered.</p>



## Protecting Our Environment

In recognition of the fact that there is only one Earth and we share the same planet with finite resources, we are fully committed to preserving our environment. Environmental considerations are integrated into our business planning and operations across all aspects. We have robust environmental management and energy management systems in place and we continue to look for improvements.

Despite our continued efforts to protect our environment and control our emissions and consumption of natural resources, the impacts of power station operation on the environment and the surrounding communities cannot be fully avoided. We open up communication channels for the affected stakeholders to express their concerns and are happy to work with them to formulate feasible solutions to minimise any unwanted impacts.

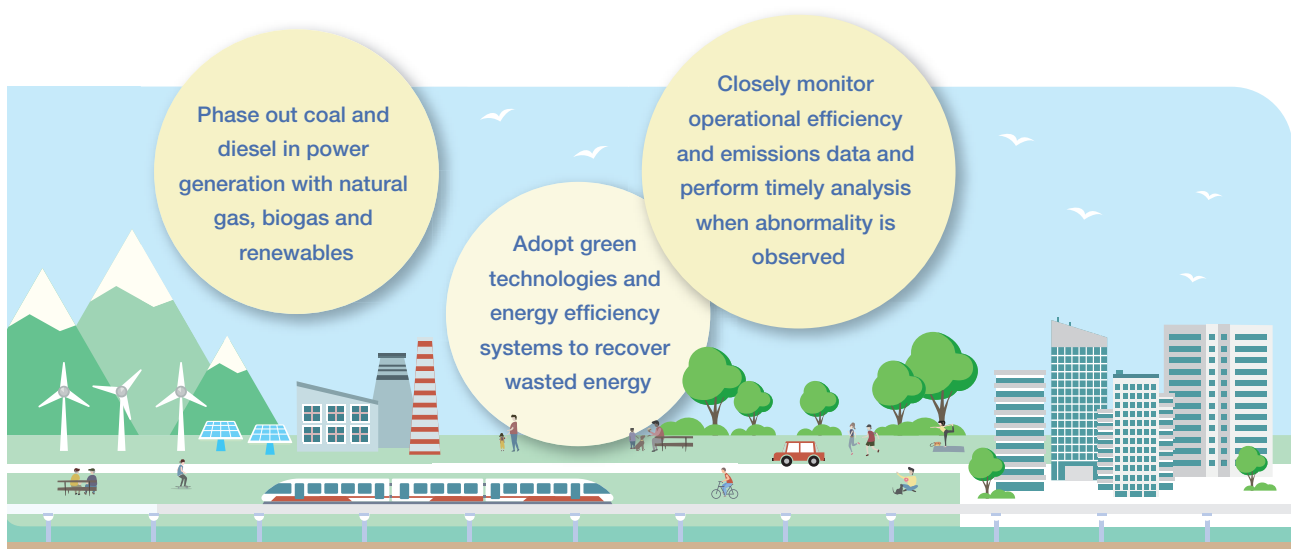
### Greenhouse Gas (GHG) Management

Reduction of GHG emissions is a common goal of the world. As an energy industry player, we pay great attention to our carbon footprints of operations and continuously work on decarbonisation of our business. To reduce emissions at source, we actively promote the use of natural gas, biogas and renewables in replacement of coal and diesel in power generation. We also closely monitor the operational efficiency of our gen-sets and adopt green technologies such as waste to energy solutions so as to control the emissions from our operations. With an aim to clearly understand our GHG emissions performance and identify reduction possibilities, we engage a consultant to compile our emissions inventory with applicable international standards.

Apart from controlling our own GHG emissions, we also intend to support our customers in lowering their GHG emissions from operations. By integrating the world-leading engine technology in our power solutions, we ensure its high fuel efficiency and low emissions. Besides, we start expanding our offerings to battery energy storage and waste to heat solutions.

In 2022, two project companies owning and operating a heavy fuel oil-fired power station in Peru respectively were deconsolidated from the Group as subsidiaries. Subsequent to the deconsolidation, the operational performance including emissions of the two companies were not reflected in the Group's respective performance.

### Management Approach



# PRESERVING OUR PLANET

## GHG Emissions in 2022

Direct (Scope 1) emissions

**296,027.02**  
tonnes CO<sub>2</sub>e



Energy indirect (Scope 2) emissions

**7,526.74**  
tonnes CO<sub>2</sub>e



Other indirect (Scope 3) emissions

**170.42**  
tonnes CO<sub>2</sub>e



Total gross GHG emissions

**303,724.18**  
tonnes CO<sub>2</sub>e



—

GHG emissions offset

**81,396.34**  
tonnes CO<sub>2</sub>e



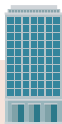
=

Net GHG emissions

**222,327.84**  
tonnes CO<sub>2</sub>e

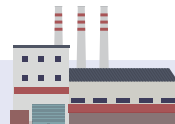


## GHG Emissions Intensities



Offices

**0.071** tonne CO<sub>2</sub>e/m<sup>2</sup> of  
floor area



Shenzhen Factory

**0.087** tonne CO<sub>2</sub>e/  
HK\$'000,000 of revenue  
from SI business

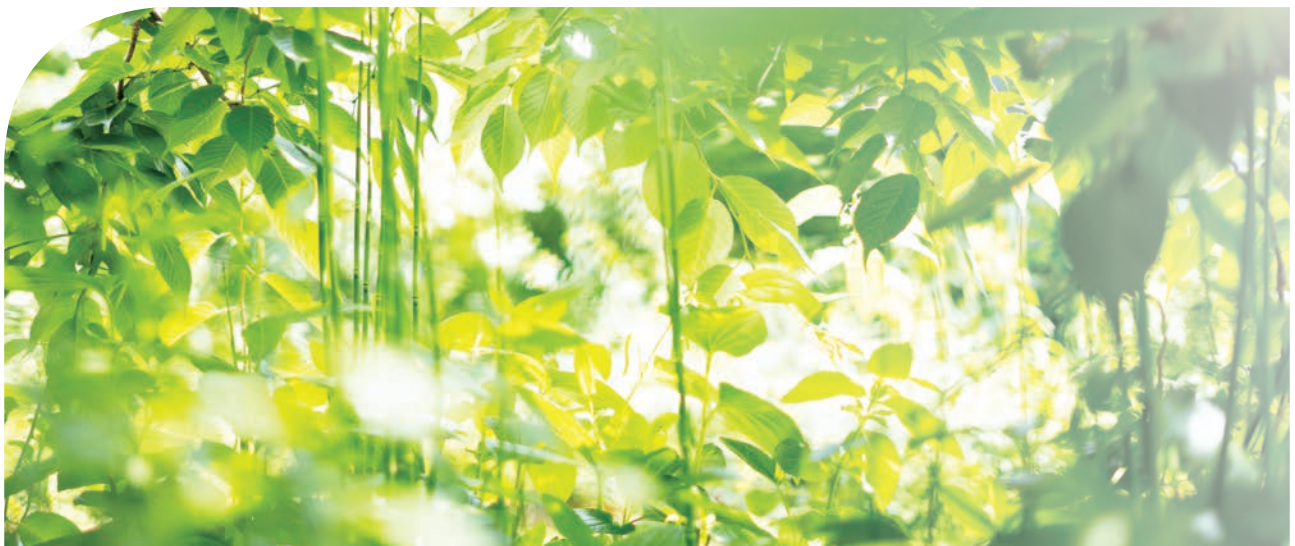


IBO projects

**0.000122** tonne CO<sub>2</sub>e/kWh  
of electricity generated

## Air Emissions and Control

Acknowledging the irreversible impacts of air pollutants emitted from the combustion of fossil fuels, we follow international standards strictly and implement several internal procedures and policies, including the *Environmental Monitoring and Measurement Control Procedure*, to monitor and manage our air emissions. We employ environmentally sound and energy-efficient gen-sets and green technologies, such as selective catalytic reduction system, in our power stations to minimise relevant emissions. The major air pollutants discharged from our IBO projects and Shenzhen Factory include sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM), and the respective emissions in 2022 were 306.39 tonnes, 3,601.53 tonnes and 63.53 tonnes.



## Ensuring Responsible Use of Resources

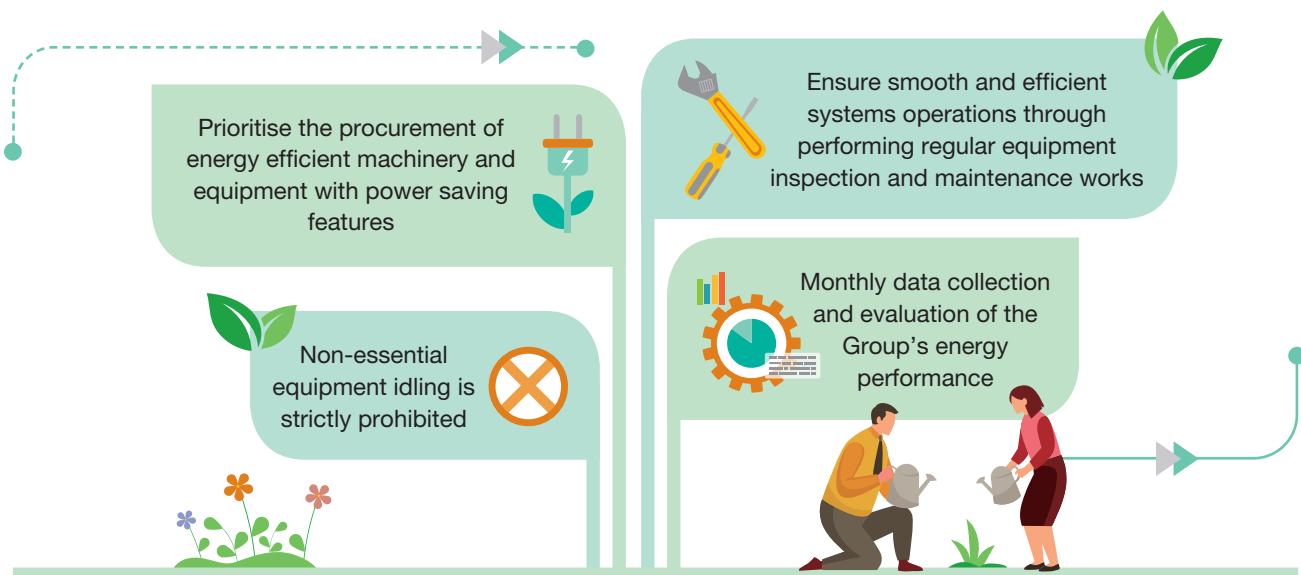
The responsible use of resources is essential to sustainable development. Adopting life cycle thinking, the Group takes a holistic view when assessing the environmental impacts of the production of our products and provision of services throughout their entire life cycle. We have implemented the *Environmental Management Policy* to guide us towards environmentally responsible operations and manage potential adverse environmental impacts from our operations. The environmental aspects covered by the policy include environmental impact assessments and monitoring, air, noise, and water pollution and waste management. We also strive to nurture a culture of responsible consumption and resource management based on the principles of 4Rs: Reduce, Reuse, Recover and Recycle.



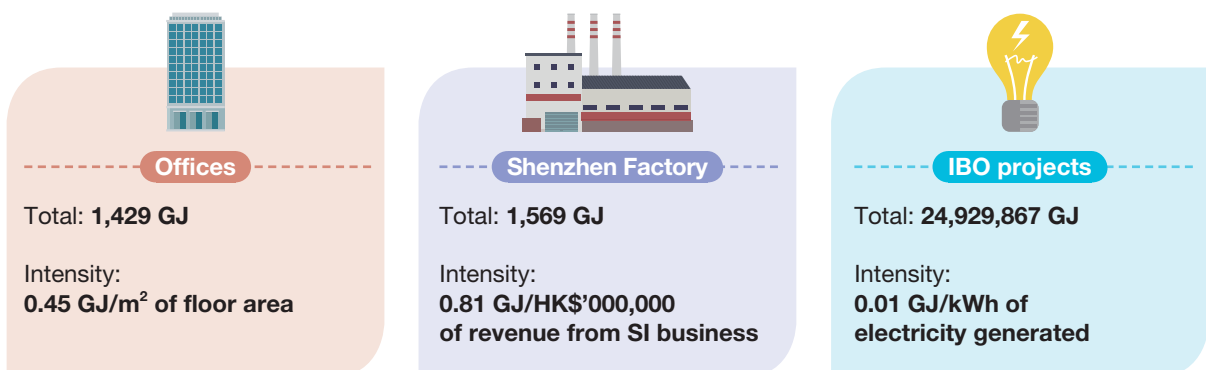
### Energy Conservation

The process of generating electricity to our customers is the main source of the energy consumption by the Group. Our use of energy includes direct consumption of natural gas, heavy oil and diesel for power generation and indirect consumption of purchased electricity. We have policies and procedures including the *Energy and Resources Control Procedure* in place to control the use of energy resources of the Group. At power stations, we use world-class engines which have highest single cycle efficiencies for our power systems and further improve the overall energy efficiency of our power stations through hybrid solutions. In offices, we continue to adopt energy saving solutions and provide related training to our employees to enhance their awareness of energy saving.

### Management Approach



### Energy Consumption and Intensities in 2022



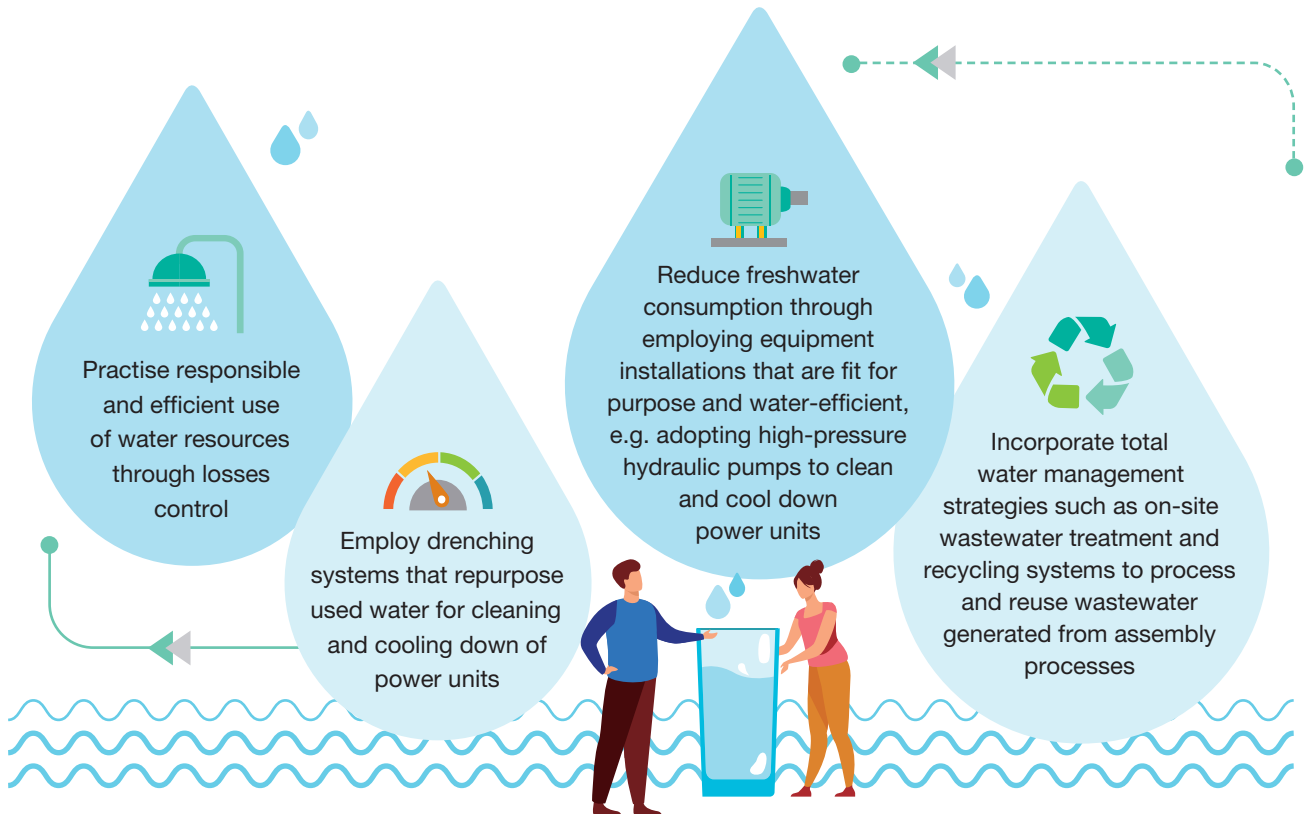


# PRESERVING OUR PLANET

## Water Resources Conservation

We acknowledge the importance of managing water risk and seek to use water in a sustainable way. As outlined in our *Energy and Resources Control Procedure*, we are committed to implementing practical measures for managing water consumption, and minimising the impact of effluents discharged from our operations into the local environment. The Group consumes water resources mainly for gen-set cooling purpose and generation of steam at power stations. As we employ closed loop cooling systems for our power generation units, the volume of water resources being consumed during our operations is not significant. Despite this, we will continue to improve our overall water utilisation efficiency and explore water reuse solutions.

## Management Approach



## Water Consumption and Intensities in 2022



## Waste Management

We place waste prevention and reduction at the top of the agenda of waste management. In addition to encourage more reuse and recycling in our day-to-day operation, we endeavour to reduce hazardous and non-hazardous waste during project development and operations. Working with our employees, contractors, and suppliers, we advocate waste reduction at the source and promote the use of recycled products. Currently we have the *Waste Management Control Procedure* and *Hazardous Waste Handling Management Control Procedure* in place to govern our waste management. The major types of waste generated from our operations include industrial waste of gen-set assembly processes, waste oil at power stations, and general refuse.

Despite the fact that the volume of waste we generate is relatively small, we will continue to monitor our waste generation and strive to increase the volume of waste diverted from landfill with a target of waste reduction set. In support of the GREEN @ COMMUNITY campaign in Hong Kong, we set up a recycling corner in office in 2022 at which employees are provided with multiple recycling bins for the recycling of different types of waste. Online training was also arranged to educate employees about recycling.

## Management Approach

### Non-Hazardous Waste



**Non-Recyclables**  
(e.g. general refuse)

Collected by government's sanitary division on a regular basis



**Recyclables**  
(e.g. scrap metal, waste paper, waste cardboard)

Collected by qualified handlers for recycling and/or landfilling in a safe manner

### Hazardous Waste



**Hazardous Waste**  
(e.g. waste oil, chemical waste, waste battery)

Collected by qualified handler for disposal in a safe manner

## Waste Generated and Intensities in 2022

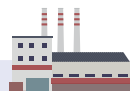
### Non-Hazardous Waste



**Offices**

Total: **3,724 kg**

Intensity:  
**1.18 kg/m<sup>2</sup> of floor area**



**Shenzhen Factory**

Total: **12,390 kg**

Intensity:  
**6.37 kg/  
HK\$'000,000 of revenue  
from SI business**



**IBO projects**

Total: **17,784 kg**

Intensity:  
**0.000007 kg/kWh of  
electricity generated**



**IBO projects**

Total: **170,264 L**

Intensity:  
**0.00007 L/kWh of  
electricity generated**



# WORKING WITH OUR PARTNERS

## Establishing Mutual Understanding and Trust

Our employees, customers, contractors and suppliers are our valuable business partners with whom we strive to create a fair and mutually beneficial cooperation. We cultivate a culture of understanding and trust and believe in open and effective communication with our business partners. In addition to our day-to-day communication, we also establish various channels for our partners to speak up so that their views and expectations will continue to shape our development for the better. It is promised that their voices will be listened and useful feedbacks will be considered in our business decisions.

We embrace differences, and respect our business partners of different ethnicity, culture, religion and sexual orientation. At the same time, we also expect our business partners to align with our code of conducts and core values of integrity and business ethics.



## Building Diverse and Inclusive Workforce

Creating a diverse and inclusive workforce is the key to driving our success through excellence as it provides different perspectives on how we conduct our business which keep us improving. We strive to attract talent with diverse cultural backgrounds, genders, ages, professional backgrounds, and other diversity characteristics. This helps to build an open, respectful, diverse, and communicative corporate culture. Being committed to providing an equal opportunity working environment, we enforce an anti-discrimination policy in all aspects of human resources management to strictly prohibit all forms of discrimination against gender, age, marital status, sexual orientation, disability, race and religion.

We adopted zero-tolerance policy against discrimination, harassment, or victimisation of our employees. Under any circumstances our employees feeling offended, they are encouraged to voice their concerns through different channels including those provided under the Employee Suggestion Scheme, and in case of misconduct and violations of applicable rules and regulations, the whistleblowing system.

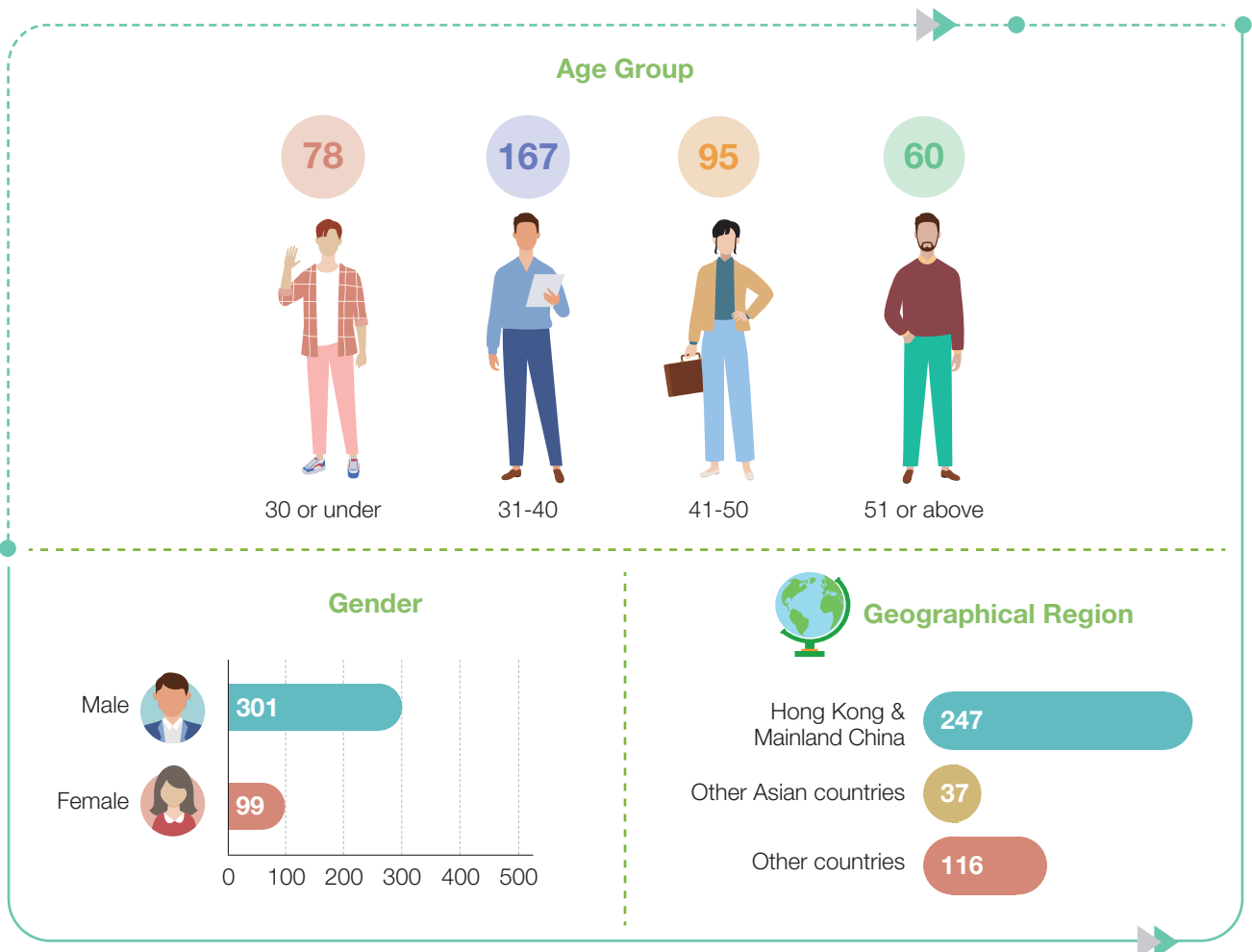
# WORKING WITH OUR PARTNERS

Our employment practices, which are reviewed by senior executives annually, also adhere to all applicable employment regulations relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, other benefits and welfare, and child labour or forced labour avoidance.

Aiming at supporting the employment rate of local communities and utilising the know-how of local people, we recruit country managers of our operations in Mainland China, Hong Kong, Brazil, Singapore and Indonesia from the local communities. We also collaborate with domestic human resources agencies to hire local residents to work mainly as operators in our power stations. We consider the offering of employment opportunities an effective support to the long-term development of communities in which we operate.

As of 31 December 2022, the Group had 400 employees and 525 outsourced workers. During the Year, two subsidiaries were deconsolidated and therefore employees of which were not classified as employees of the Group at the year end.

## Employment Profile



# WORKING WITH OUR PARTNERS

## Retaining and Nurturing Talents

The attraction, retention, and development of talents form part of our human capital strategic planning. As we see our workforce as the most important asset, we offer extensive career development opportunities in addition to competitive remuneration packages to the right talents.

Guided by the *Training Policy*, we are committed to fostering a culture of continuous learning and investing in employees' career advancement. By assessing employees' needs for training, we provide different types of online and offline internal training. Employees are strongly recommended to participate in webinars and workshops organised by professional institutions if they consider the training valuable and insightful to their career and personal growth. In 2022, our employees accumulated approximately 16,700 training hours in total on various topics including environmental awareness, health and safety, and technical and functional skills. As our routine programme, we collaborated with universities and provided internships to students to equip them with practical working experience.



**100%** of employees received training

It is also our practice to give sufficient opportunities for managers to take up more leading roles in different projects in order to train up their leadership and management skills. During the year, all employees were invited to conduct a performance appraisal through which they could exchange their views and expectations about the current job positions and own career development with supervisors and management. Rounds of promotions were conducted in different workplaces to recognise the achievement and efforts of employees.

## Safeguarding Health and Safety of Employees

Safety first is the rule of thumb in our operations. We work hard to provide safe and accident-free workplaces for our employees and contractors at all times in order to achieve zero harm. As part of our commitment to securing the health and safety of our employees, we implement a set of comprehensive safety policies, standards, and instructions such as the *Safety Handbook*, *Power Plant Management Handbook*, *Power Plant Safety Equipment Operation Instructions* and ISO 45001. Contingency plans and procedures to deal with unwanted accidents are also in place.

As a power station operator, we encounter various potential health and safety risks. While our executives monitor the safety risks and establish related control systems, our safety officers, project managers and each of our employees and contractors also play a key role in keeping everyone safe at work. We therefore actively promote the safety awareness of our employees and contractors with regular safety training. In 2022, we did not record any case of occupational injury or illness.

The COVID-19 pandemic remained a serious threat to the health of our people in 2022. We adapted to the new normal of social distancing and reinforced measures to ensure employees' health. The measures included intensified hygiene and cleaning procedures, provision of protective equipment and sanitisers, establishment of work-from-home arrangements, and implementation of virtual connection such as video conferencing.



**Policies and instructions**



**Training**



**Precautionary measures against COVID-19**

## Managing Supply Chain

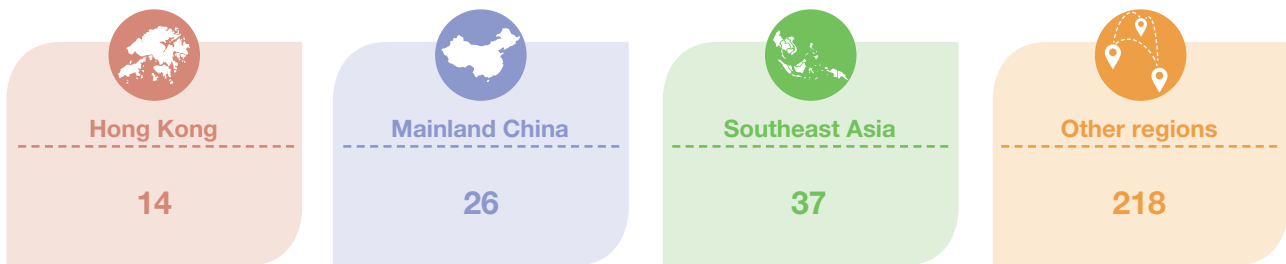
### Responsible Procurement

Long-term stability and resilience of our supply chain are vital for the smooth operation of our business. We fully recognise the impact of our supply chain management on the environment, society, and the economy and incorporate relevant material topics into our supply chain management. This helps us to enhance the flexibility, sustainability, and resilience of our supply chain, strengthening our competitiveness and that of our supply chain partners.

We continue to strengthen our supply chain management and have formulated the *Evaluation Control Procedure and Procurement Control Procedure* to govern our procurement process. The mindset of responsible procurement is extended throughout our operations, including our administrative and supporting functions. Employees are required to comply with our internal guidelines and policies in relation to code of conduct, anti-bribery, and conflict of interest which are applicable in the course of procurement and communication. We also opt to work with suppliers who are environmentally and socially responsible. Certifications, such as ISO 14001 Environmental Management System, are preferred.

In 2022, the Group worked with 295 suppliers along our supply chain in accordance with the abovesaid policies and procedures. We will continue to refine our procurement strategy and strengthen the enforcement of suppliers' compliance.

### Number of Suppliers by Geographical Region



### Product Responsibility

We adhere to the principles of customer centricity by constantly improving product quality, strengthening after-sales service capabilities, actively communicating with customers and collecting customer feedback. As a responsible energy provider, we are dedicated to providing reliable distributed power solutions to our customers. We adhere to our *Inspection Control Procedure* to ensure that our gen-sets and power generation systems are carefully tested in accordance with both national and international quality and safety control standards before they are shipped to our customers. Our Shenzhen Factory, being the base of our system integration, is certified with ISO 9001:2015 Quality Management System.

Aiming to achieve excellence in customer satisfaction, we have specialists managing each of our customers whose feedback is always welcomed. We are also committed to prompt response in case of any complaints or demand for product returns. Attaching great importance to the privacy of customers, we handle customer information with confidentiality as stipulated in our *Code of Conduct* and other relevant internal procedures.

To continually improve and deliver quality products and services, we engage our customers on an ongoing basis and take their responses into consideration when developing our business development plans and policies.

In 2022, there were no cases of product recalls for safety and health reasons, nor incidents of non-compliance with regulations concerning product and service information and labelling, marketing communications and consumer data protection.



# SUPPORTING OUR COMMUNITIES

We value our responsibilities in caring and supporting communities in which we operate. Aside from supplying stable and reliable electricity, we strive to make contributions to the communities through leveraging our resources and expertise, volunteer service, resource allocation, and sharing of professional skills. We encourage our regional teams with local know-how to initiate community development programmes targeting at adequately serving the needs of local communities.

In 2022, we focused on the post-pandemic needs of communities. In addition to donations of goods, we actively implemented various programmes to contribute to the sustainable development of vulnerable groups, the next generation, the environment, culture, health, and communities.



## Community Development

On World Humanitarian Day 2022, our Brazil offices hosted the “Planting Love, Growing Hope” programme. In addition to basic yet high-quality food, we also provided various vegetable seeds to vulnerable groups in low-income communities where we have operations. The recipients included the elderly, children, and disabled individuals. The objective of the programme was to encourage these vulnerable groups to sow seeds of hope in their homes to achieve self-sufficiency, as well as to raise communities’ awareness about food saving and food safety.



## Green Advocacy

Echoing with “Hong Kong Green Day” initiated by the Green Council of Hong Kong and International Fruit Day, we launched the “Dress Green and Go Green” and “Fruit Day” campaigns in our global offices. Employees came back to offices with green clothing or accessories and shared green fruits together. As part of our green initiatives in offices, we took this campaign as an opportunity to raise awareness of environmental protection among our employees.



## Social Inclusion

To share the joy of Mid-Autumn Festival with our business partners in a more meaningful way, we collaborated with Silent World, a social enterprise led by people with disabilities, to design our festive greeting card. Our experience to work with the professional designer reaffirmed the idea that disabilities do not limit one’s abilities and talents. By sharing our own experience with our business partners and the public, we hope to promote the cooperation with social enterprises with a view to raising the communities’ understanding and awareness of people with disabilities.

Silent World is a social enterprise in Hong Kong that is led by people with disabilities. It provides visual production services such as graphic design, comic creation, multimedia production, product design, and social responsibility projects to their clients and institutions.





# SUPPORTING OUR COMMUNITIES

## Health promotion

The occurrence of COVID-19 highlighted the vulnerabilities of lives. As post-pandemic initiatives, we hosted various events to promote the importance of keeping ourselves healthy and safe. During the Breast Cancer Awareness Month campaign and the Blue November campaign, seminars were arranged to promote the prevention and early diagnosis of the most common cancers of men and women. The campaigns were designed to increase the awareness of these diseases and created a sense of understanding by showing support to the patients.



## Cultural Preservation

Dragon boat racing is one of our important intangible cultural heritages. While all races were either cancelled or postponed due to the pandemic, we were glad to see our sponsored dragon boat team resume training and achieve outstanding performance in open races.



In 2022, we rendered full support to our employees in participating community services and arranging events during office hours, and committed approximately HK\$400,000 in community investment which included monetary and in-kind donations and support to non-governmental organisations.



# PERFORMANCE DATA SUMMARY

## Environmental Aspect

	Unit	2022
<b>GHG Emissions<sup>(1)</sup></b>		
<b>Direct (Scope 1) Emissions<sup>(2)</sup></b>		
Offices	tonne CO <sub>2</sub> e	75.91
Shenzhen Factory	tonne CO <sub>2</sub> e	57.72
IBO projects	tonne CO <sub>2</sub> e	295,893.38
<b>Energy Indirect (Scope 2) Emissions<sup>(3)</sup></b>		
Offices	tonne CO <sub>2</sub> e	49.88
Shenzhen Factory	tonne CO <sub>2</sub> e	102.00
IBO projects	tonne CO <sub>2</sub> e	7,374.87
<b>Other Indirect (Scope 3) Emissions<sup>(4)</sup></b>		
Offices	tonne CO <sub>2</sub> e	98.05
Shenzhen Factory	tonne CO <sub>2</sub> e	9.76
IBO projects	tonne CO <sub>2</sub> e	62.61
<b>Total Gross GHG Emissions</b>	tonne CO <sub>2</sub> e	303,724.18
<b>GHG Emissions Intensities</b>		
Offices	tonne CO <sub>2</sub> e/m <sup>2</sup> of floor area	0.071
Shenzhen Factory	tonne CO <sub>2</sub> e/HK\$'000,000 revenue from SI business	0.087
IBO projects	tonne CO <sub>2</sub> e/kWh of electricity generated	0.0001220
<b>GHG Emissions Offset<sup>(5)</sup></b>		
Shandong Project	tonne CO <sub>2</sub> e	65,485.33
Myingyan II Project	tonne CO <sub>2</sub> e	15,911.01
<b>Net GHG Emissions<sup>(6)</sup></b>	tonne CO <sub>2</sub> e	222,327.84
<b>Net Scope 1 &amp; 2 GHG Emissions Intensity of IBO Business</b>	tonne CO <sub>2</sub> e/HK\$'000,000 revenue from IBO business	155.35

Notes:

- (1) Calculations are made in accordance with applicable guidelines including *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)* published by the Electrical and Mechanical Services Department and Environmental Protection Department of the HKSAR Government, United States Environmental Protection Agency's approved methodologies with the use of applicable emission factors, and applicable methodologies under the Clean Development Mechanism of United Nations Framework Convention on Climate Change.
- (2) Scope 1 emission is defined as the direct GHG emissions associated with sources which are owned or controlled by VPower Group. Emissions from fuels processed in sources owned or controlled by VPower Group prior to combustion also falls under this category. For projects where fuel supply and consumption are regulated by off-takers, such GHG emissions are considered to be out of VPower Group's scope of operations, and hence are not reflected in this Report.
- (3) Scope 2 emission is defined as the GHG emissions arising from the generation of purchased electricity (i.e. electricity that is purchased or otherwise brought into the organisational boundary of the company) consumed by VPower Group. Emission factors of electricity purchased in Scope 2 are referenced to the latest available emission factors released by CLP Power Hong Kong Limited, as well as the *Corporate Greenhouse Gas Emissions Calculation Methodology and Reporting Guide for Electricity Generation Facilities (2022 Revised Edition)* issued by the Ministry of Ecology and Environment of the People's Republic of China.
- (4) GHG emissions from air travel are calculated using the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator.
- (5) GHG emissions offset only includes offsets achieved by our environmental projects or technologies. Examples of environmental projects include the use of Organic Rankine Cycle to capture residual heat for further power generation, and the use of biomass and other renewables to replace the use of fossil fuels for power and heat generation.
- (6) Net GHG emissions refer to the total gross GHG emissions less any emissions that are offset by VPower Group's business activities.



# PERFORMANCE DATA SUMMARY

	Unit	2022
<b>Air Emissions<sup>(7)</sup></b>		
<b>Shenzhen Factory</b>		
Sulphur dioxide (SO <sub>2</sub> )	tonne	0.009
Nitrogen oxides (NO <sub>x</sub> )	tonne	1.040
Particulate matter (PM)	tonne	0.029
<b>IBO Projects</b>		
Sulphur dioxide (SO <sub>2</sub> )	tonne	306.38
Nitrogen oxides (NO <sub>x</sub> )	tonne	3,600.49
Particulate matter (PM)	tonne	63.50
<b>Energy Consumption</b>		
<b>Electricity Consumption</b>		
Offices	kWh	112,169
Shenzhen Factory	kWh	175,554
IBO projects	kWh	16,385,781
<b>Natural Gas Consumption</b>		
IBO projects	m <sup>3</sup>	504,936,997
<b>Liquid Fuel Consumption</b>		
Offices	L	28,462
Shenzhen Factory	L	26,007
IBO projects	L	111,515,752
<b>Biogas Consumption</b>		
Shandong Project	m <sup>3</sup>	38,129,717
<b>Total Energy Consumption<sup>(8)</sup></b>		
Offices	GJ	1,429
Shenzhen Factory	GJ	1,569
IBO projects	GJ	24,929,867
<b>Total Energy Consumption Intensities<sup>(8)</sup></b>		
Offices	GJ/m <sup>2</sup> of floor area	0.45
Shenzhen Factory	GJ/HK\$'000,000 revenue from SI business	0.81
IBO projects	GJ/kWh of electricity generated	0.01

Notes:

- (7) Air emissions include the air pollutants generated from our Shenzhen Factory and power projects in Brazil, Peru, China and the UK over which VPower Group possesses ownership or operational control. For other power projects where fuel supply and consumption are regulated by off-takers, such associated emissions are considered to be out of VPower Group's scope of operations, and hence are not reflected in this Report.
- (8) Calculations are performed in accordance with applicable guidelines including *United Nations International Recommendations for Energy Statistics, Series M No. 93 (2018 Edition)* published by the Department of Economic and Social Affairs of the United Nations Secretariat and *Key World Energy Statistics (2021 Edition)* published by International Energy Agency with the use of standard conversion factors.

# PERFORMANCE DATA SUMMARY

	Unit	2022
<b>Water</b>		
<b>Water Consumption</b>		
Offices	m <sup>3</sup>	663
Shenzhen Factory	m <sup>3</sup>	4,731
IBO projects	m <sup>3</sup>	104,687
<b>Water Consumption Intensities</b>		
Offices	m <sup>3</sup> /m <sup>2</sup> of floor area	0.21
Shenzhen Factory	m <sup>3</sup> /HK\$'000,000 revenue from SI business	2.43
IBO projects	m <sup>3</sup> /kWh of electricity generated	0.0000421
<b>Waste</b>		
<b>Non-Hazardous Waste Generated</b>		
Offices	kg	3,724
Shenzhen Factory	kg	12,390
IBO projects	kg	15,824
<b>Non-Hazardous Waste Generated Intensities</b>		
Offices	kg/m <sup>2</sup> of floor area	1.18
Shenzhen Factory	kg/HK\$'000,000 revenue from SI business	6.37
IBO projects	kg/kWh of electricity generated	0.0000070
<b>Hazardous Waste Oil Generated</b>		
IBO projects	L	170,264
<b>Hazardous Waste Generated Intensity</b>		
IBO projects	L/kWh of electricity generated	0.000070
<b>Environmental Compliance</b>		
Number of violation cases related to pollutant emissions or environmental impacts	no.	—



# PERFORMANCE DATA SUMMARY

## Social Aspect

	Unit	2022
<b>Employment Profile</b>		
<b>Total Number of Employees</b>	no.	400
<b>By Age Group</b>		
30 or under	no.	78
31–40	no.	167
41–50	no.	95
51 or above	no.	60
<b>By Gender</b>		
Male	no.	301
Female	no.	99
<b>By Employment Type</b>		
Full-time	no.	393
Part-time	no.	7
<b>By Contract</b>		
Permanent	no.	394
Temporary	no.	6
<b>By Region</b>		
Hong Kong & Mainland China	no.	247
Other Asian countries	no.	37
Other countries	no.	116
<b>Full-time Employees</b>		
<b>By Gender</b>		
Male	no.	299
Female	no.	94
<b>By Region</b>		
Hong Kong & Mainland China	no.	242
Other Asian countries	no.	37
Other countries	no.	114
<b>Part-time Employees</b>		
<b>By Gender</b>		
Male	no.	2
Female	no.	5
<b>By Region</b>		
Hong Kong & Mainland China	no.	5
Other countries	no.	2

## PERFORMANCE DATA SUMMARY

	Unit	2022
<b>Permanent Employees</b>		
<b>By Gender</b>		
Male	no.	299
Female	no.	95
<b>By Region</b>		
Hong Kong & Mainland China	no.	243
Other Asian countries	no.	37
Other countries	no.	114
<b>Temporary Employees</b>		
<b>By Gender</b>		
Male	no.	2
Female	no.	4
<b>By Region</b>		
Hong Kong & Mainland China	no.	4
Other countries	no.	2
<b>Non-employee Workforce Profile</b>		
<b>Total Number of Workers</b>	no.	525
<b>By Age Group</b>		
30 or under	no.	209
31–40	no.	217
41–50	no.	79
51 or above	no.	20
<b>By Gender</b>		
Male	no.	514
Female	no.	11
<b>By Region</b>		
Asian countries	no.	458
Other countries	no.	67



## PERFORMANCE DATA SUMMARY

	Unit	2022
<b>Employee Turnover Rate<sup>(10)</sup></b>		
<b>Overall</b>	%	50.20 (38.01)
<b>By Age Group</b>		
30 or under	%	45.63 (41.67)
31–40	%	52.48 (35.11)
41–50	%	60.16 (47.01)
51 or above	%	30.16 (24.19)
<b>By Gender</b>		
Male	%	51.15 (39.78)
Female	%	35.58 (31.68)
<b>By Region</b>		
Hong Kong & Mainland China	%	63.14 (63.14)
Other Asian countries	%	12.39 (12.39)
Other countries	%	58.45 (11.30)
<b>New Employee Hire Rate<sup>(10)</sup></b>		
<b>Overall</b>	%	18.78 (12.53)
<b>By Age Group</b>		
30 or under	%	31.07 (26.04)
31–40	%	20.79 (11.17)
41–50	%	11.38 (8.55)
51 or above	%	6.35 (3.23)
<b>By Gender</b>		
Male	%	16.84 (8.56)
Female	%	25.96 (26.73)
<b>By Region</b>		
Hong Kong & Mainland China	%	12.71 (12.71)
Other Asian countries	%	7.08 (7.08)
Other countries	%	38.03 (17.39)
<b>Health and Safety</b>		
Total working hours	hours	1,022,715.4
Number of work-related fatalities	no.	0
Rate of work-related fatalities	—	0
Number of high-consequence work-related injuries (excluding fatalities)	no.	0
Rate of high-consequence work-related injuries (excluding fatalities)	—	0
Number of work-related injuries	no.	0
Rate of work-related injuries	—	0
Lost days due to work-related injuries	days	0
Number of occupational disease	no.	0

# PERFORMANCE DATA SUMMARY

	Unit	2022
<b>Development and Training</b>		
Employee training rate	%	100
Total training hours	hours	16,691.55
Average training hours per employee	hours	35.79
<b>By Gender</b>		
Male	hours	39.11
Female	hours	23.66
<b>By Employee Category</b>		
Directors and executives	hours	17.29
Managers	hours	17.38
General Staff	hours	49.32
<b>Labour Practices</b>		
Number of violation cases related to employment or labour regulations	no.	0
Number of violation cases related to child labour or forced labour	no.	0
Number of discrimination cases related to gender, ethnicity, age and health during recruitment	no.	0
<b>Parental Leave</b>		
Return to work rate	%	100
Retention rate	%	83

## Notes:

- (1) Contractors or sub-contractors, with whom we have no direct employment relationship, are not considered part of our workforce in the disclosure of our employment and labour practices according to ESG Reporting Guide.
- (2) Total working hours are calculated by multiplying the total number of employees as at 31 December 2022 by 40-hour workweek per employee and 52 weeks in the year.
- (3) Numbers of work-related fatalities in 2020 and 2021 were 0 case.
- (4) Rate of work-related fatalities = (Total number of work-related fatalities/Total working hours) x 200,000
- (5) Rates of work-related fatalities in 2020 and 2021 were 0.
- (6) High-consequence work-related injuries (excluding fatalities) refer to work-related injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.
- (7) Rate of high-consequence work-related injuries (excluding fatalities) = (Total number of high-consequence work-related injuries (excluding fatalities)/Total working hours) x 200,000
- (8) Work-related injuries also include work-related fatalities and high consequence work-related injuries.
- (9) Rate of work-related injuries = (Total number of work-related injuries/Total working hours) x 200,000
- (10) The figures in brackets refer to the adjusted figures by isolating all relevant data of the two deconsolidated companies.



# GRI CONTENT INDEX

VPower Group has reported the information cited in this GRI content index for the period of 1 January 2022 to 31 December 2022 with reference to the GRI Standards. GRI 1: Foundation 2021 is used.

The following table indicates the location to GRI Standards disclosures included in this Report and other publicly available documents of VPower Group.

DISCLOSURE	Relevant Section(s) in this Report and/or Other References/Explanation	Page no.
<b>GRI 2: General Disclosures 2021</b>		
2-1 Organisational details	About this Report and About VPower Group	2–3
2-2 Entities included in the Organisation's sustainability reporting	About this Report and 2022 Annual Report—Notes to financial statements	3
2-3 Reporting period, frequency and contact point	About this Report	3
2-4 Restatements of information	No information has been restated	
2-6 Activities, value chain and other business relationships	About VPower Group and Working with Our Partners	3, 22–25
2-7 Employees	Working with Our Partners	22–25
2-8 Workers who are not employees	Working with Our Partners	22–25
2-9 Governance structure and composition	Our Approach to Sustainability and 2022 Annual Report—Corporate Governance Report	6–14
2-10 Nomination and selection of the highest governance body	2022 Annual Report—Corporate Governance Report	—
2-11 Chair of the highest governance body	2022 Annual Report—Corporate Governance Report	—
2-12 Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability	6–14
2-13 Delegation of responsibility for managing impacts	Our Approach to Sustainability	6–14
2-14 Role of the highest governance body in sustainability reporting	Our Approach to Sustainability	6–14
2-15 Conflicts of interest	2022 Annual Report—Corporate Governance Report	—
2-16 Communication of critical concerns	Our Approach to Sustainability	6–14
2-17 Collective knowledge of the highest governance body	Our Approach to Sustainability	6–14
2-19 Remuneration policies	2022 Annual Report—Corporate Governance Report	—
2-20 Process to determine remuneration	2022 Annual Report—Corporate Governance Report	—
2-22 Statement on sustainable development strategy	Our Approach to Sustainability	6–14
2-23 Policy commitments	Our Approach to Sustainability	6–14
2-24 Embedding policy commitments	Our Approach to Sustainability	6–14
2-25 Processes to remediate negative impacts	Our Approach to Sustainability and Preserving Our Planet	6–21



DISCLOSURE	Relevant Section(s) in this Report and/or Other References/Explanation	Page no.
2-26 Mechanisms for seeking advice and raising concerns	Our Approach to Sustainability and Working with Our Partners	6–14, 22–25
2-27 Compliance with laws and regulations	Our Approach to Sustainability and Compliance with Relevant Laws and Regulations which have Significant Impacts on VPower Group	6–14, 46–48
2-28 Membership associations	About VPower Group	2
2-29 Approach to stakeholder engagement	Our Approach to Sustainability	6–14
<b>GRI 3: Material Topics 2021</b>		
3-1 Process to determine material topics	Our Approach to Sustainability	6–14
3-2 List of material topics	Our Approach to Sustainability	6–14
3-3 Management of material topics	Our Approach to Sustainability, Preserving Our Planet and Working with Our Partners	6–25
<b>GRI 202: Market Presence 2016</b>		
202-2 Proportion of senior management hired from the local community	Working with Our Partners	22–25
<b>GRI 205: Anti-corruption 2016</b>		
205-2 Communication and training about anti-corruption policies and procedures	Our Approach to Sustainability	6–14
205-3 Confirmed incidents of corruption and actions taken	Our Approach to Sustainability	6–14
<b>GRI 302: Energy 2016</b>		
302-1 Energy consumption within the Organisation	Preserving the Planet and Performance Data Summary	15–21, 29–35
302-3 Energy intensity	Preserving the Planet and Performance Data Summary	15–21, 29–35
302-4 Reduction of energy consumption	Preserving the Planet and Performance Data Summary	15–21, 29–35
<b>GRI 305: Emissions 2016</b>		
305-1 Direct (Scope 1) GHG emissions	Preserving the Planet and Performance Data Summary	15–21, 29–35
305-2 Energy indirect (Scope 2) GHG emissions	Preserving the Planet and Performance Data Summary	15–21, 29–35
305-3 Other indirect (Scope 3) GHG emissions	Preserving the Planet and Performance Data Summary	15–21, 29–35
305-4 GHG emissions intensity	Preserving the Planet and Performance Data Summary	15–21, 29–35
305-5 Reduction of GHG emissions	Preserving the Planet and Performance Data Summary	15–21, 29–35
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Preserving the Planet and Performance Data Summary	15–21, 29–35



# GRI CONTENT INDEX

DISCLOSURE	Relevant Section(s) in this Report and/or Other References/Explanation	Page no.
<b>GRI 401: Employment 2016</b>		
401-1 New employee hires and employee turnover	Performance Data Summary	29–35
401-3 Parental leave	Performance Data Summary	29–35
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1 Occupational health and safety management system	Working with Our Partners	22–25
403-2 Hazard identification, risk assessment, and incident investigation	Working with Our Partners	22–25
403-5 Worker training on occupational health and safety	Working with Our Partners	22–25
403-6 Promotion of worker health	Working with Our Partners	22–25
403-8 Workers covered by an occupational health and safety management system	Working with Our Partners	22–25
403-9 Work-related injuries	Performance Data Summary	29–35
403-10 Work-related ill health	Performance Data Summary	29–35
<b>GRI 404: Training and Education 2016</b>		
404-1 Average hours of training per year per employee	Working with Our Partners	22–25
404-2 Programs for upgrading employee skills and transition assistance programs	Working with Our Partners	22–25
404-3 Percentage of employees receiving regular performance and career development reviews	Working with Our Partners	22–25

# ESG REPORTING GUIDE CONTENT INDEX

## Mandatory Disclosure Requirements

Subject Areas, Aspects, General Disclosures and KPIs	Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
<p><b>Governance Structure</b></p> <p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</li> </ul>	<p>Our Approach to Sustainability</p>	<p>6–14</p>
<p><b>Reporting Principles</b></p> <p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality, Quantitative and Consistency.</p>	<p>About this Report</p>	<p>2</p>
<p><b>Reporting Boundary</b></p> <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>About this Report</p>	<p>2</p>



# ESG REPORTING GUIDE CONTENT INDEX

## “Comply or Explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Preserving Our Planet and Compliance with Relevant Laws and Regulations which have Significant Impacts on VPower Group	15–21, 46–48
KPI A1.1	The types of emissions and respective emissions data.	Preserving Our Planet and Performance Data Summary	15–21, 29–35
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Preserving Our Planet and Performance Data Summary	15–21, 29–35
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Preserving Our Planet and Performance Data Summary	15–21, 29–35
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Preserving Our Planet and Performance Data Summary	15–21, 29–35
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Approach to Sustainability and Preserving Our Planet	6–21
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Our Approach to Sustainability and Preserving Our Planet	6–21

# ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Preserving Our Planet  Our business does not involve significant use of raw materials. Therefore, no dedicated policies are in place.	15–21
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).	Preserving Our Planet and Performance Data Summary	15–21, 29–35
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Preserving Our Planet and Performance Data Summary	15–21, 29–35
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Preserving Our Planet	15–21
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Preserving Our Planet  There were no issues related to sourcing water that was fit for purpose.	15–21
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our business does not involve significant use of packaging material for finished products.	
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Preserving Our Planet	15–21
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Preserving Our Planet	15–21
<b>Aspect A4: Climate Change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Preserving Our Planet	15–21
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.	Preserving Our Planet	15–21



# ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>Aspect B1: Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Working with Our Partners and Compliance with Relevant Laws and Regulations which have Significant Impacts on VPower Group	22–25, 46–48
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Working with Our Partners and Performance Data Summary	22–25, 29–35
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary	29–35
<b>Aspect B2: Health and Safety</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Working with Our Partners and Compliance with Relevant Laws and Regulations which have Significant Impacts on VPower Group	22–25, 46–48
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary	29–35
KPI B2.2	Lost days due to work injury.	Performance Data Summary	29–35
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Working with Our Partners	22–25
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Approach to Sustainability and Working with Our Partners	6–14, 22–25
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Working with Our Partners and Performance Data Summary	22–25, 29–35
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary	29–35



# ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
<b>Aspect B4: Labour Standards</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labour.	Working with Our Partners  We are not exposed to a significant risk of having child labour or forced labour. Therefore, we do not consider that the laws and regulations relating to preventing child labour and forced labour having a significant impact on VPower Group.	22–25
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Working with Our Partners	22–25
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Working with Our Partners  The Group has zero tolerance against such practice. Violations are subject to internal disciplinary actions or handled by relevant authorities.	22–25
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Working with Our Partners	22–25
KPI B5.1	Number of suppliers by geographical region.	Working with Our Partners	22–25
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.	Working with Our Partners	22–25
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Working with Our Partners	22–25
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Working with Our Partners	22–25



# ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Working with Our Partners  Our business does not involve substantial advertising and labelling.  Therefore, no dedicated policies are in place and the compliance with relevant laws and regulations does not have a significant impact on VPower Group.	22–25
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Working with Our Partners	22–25
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	No complaint was received from our customers.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	We protect with best efforts the Group’s intellectual property rights, and complying with all applicable laws and regulations, including observing the intellectual property rights of our suppliers.	
KPI B6.4	Description of quality assurance process and recall procedures.	Working with Our Partners	22–25
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Working with Our Partners	22–25

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	Our Approach to Sustainability  Current policies and measures in place are adequate to comply with generally applicable standards, we do not consider that the laws and regulations relating to bribery, extortion, fraud and money laundering having a significant impact on VPower Group.	6–14
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.	During the Year, no investigation or legal proceeding regarding corruption, bribery, extortion, fraud and money laundering was instituted against VPower Group or its employees.	
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Our Approach to Sustainability	6–14
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Approach to Sustainability	6–14
<b>Community</b>			
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Approach to Sustainability and Supporting Our Communities	6–14, 26–28
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting Our Communities	26–28
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting Our Communities	26–28



# COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS WHICH HAVE SIGNIFICANT IMPACTS ON VPOWER GROUP

SEHK's ESG Reporting Guide  
Subject Area

Compliance with Relevant Laws and Regulations which have  
Significant Impact on VPower Group

## Environment

### Aspect A1: Emissions

*Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste*

Relevant laws and regulations of the People's Republic of China ("PRC") that are significant to the Group include Environmental Protection Law of the PRC, Rules on the Administration concerning Environmental Protection of Construction Projects, Law of the PRC on Environmental Impact Appraisal, Law of the PRC on Energy Conservation, Law of the PRC on the Prevention and Control of Air Pollution, Law of the PRC on the Prevention and Control of Water Pollution, Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes.

Relevant laws and regulations of other jurisdictions that are significant to the Group include Environmental Policy Act (Brazil), Clean Air Act Law (Brazil), National Water Resources Policy Law (Brazil), Solid Waste Management Policy Law (Brazil), General Law on Environmental Management (Peru), Environmental Quality Standard for Air (Peru), Environmental Quality Standard for Water (Peru), General Law for Solid Waste (Peru), The Environmental Conservation Law (Myanmar), Conservation of Water Resources and Rivers Law (Myanmar), Environmental Protection Act (UK), Climate Change Act (UK), Water Resources Act (UK), Environmental Permitting (England and Wales) Regulations 2016, Control of Pollution Act (UK), Environmental Protection and Management Law (Indonesia), and Law on Water Resources Management (Indonesia).

These laws and regulations stipulate the applicable requirements on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste. It is imperative to meet these statutory obligations to the extent applicable as violation of any of applicable environmental laws and regulations may result in penalties, operation suspension, or legal action against the Group.

In 2022, we did not identify any confirmed non-compliance incident in relation to environmental protection that would have a significant impact on VPower Group. Please refer to the "Preserving Our Planet" section on how VPower Group ensures compliance with applicable environmental laws and regulations.

# COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS WHICH HAVE SIGNIFICANT IMPACTS ON VPOWER GROUP

SEHK's ESG Reporting Guide  
Subject Area

Compliance with Relevant Laws and Regulations which have Significant Impact on VPower Group

## Social

### Aspect B1: Employment

*Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare*

Relevant laws and regulations that are significant to VPower Group based on the scale of operation include Labour Law of the PRC, Labour Contract Law of the PRC, Social Insurance Law of the PRC, Law of the PRC on Promotion of Employment and Employment Ordinance (Hong Kong).

In relation to our IBO business with operations in Myanmar, Indonesia, Peru and Brazil, the laws and regulations that are significant to the Group include Law No. 13 of 2003 on Manpower (Indonesia), Law on Social Security (Indonesia), Law on Wages (Indonesia), Law on Termination of Employment (Indonesia), Payment of Wages Law (Myanmar), Leave and Holidays Act (Myanmar), Employment and Skills Development Law (Myanmar), Shops and Establishment Law (Myanmar), The Social Security Law (Myanmar), The Minimum Wage Law (Myanmar), No. 29497 New Labour Procedure Law (Peru), Supreme Decree No. 003-97-TR Law on Productivity and Labour Competitiveness (Peru), Law of Social Security (Brazil), Law of Equal Pay (Brazil) and Decree Law No. 5452 Consolidation of Labour Laws (Brazil).

The above laws and regulations stipulate the legal obligations and responsibility of employers to provide employment protection and benefits covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. These laws and regulations are of great importance as they offer appropriate protections to employees, the most important asset of the Group.

In 2022, we did not identify any confirmed non-compliance incident in relation to our employment practices that would have a significant impact on VPower Group. Please refer to the "Working with Our Partners" section on how VPower Group ensures compliance with applicable employment laws and regulations.



# COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS WHICH HAVE SIGNIFICANT IMPACTS ON VPOWER GROUP

SEHK's ESG Reporting Guide Subject Area	Compliance with Relevant Laws and Regulations which have Significant Impact on VPower Group
<p><b>Aspect B2: Health and Safety</b></p> <p><i>Relating to providing a safe working environment and protecting employees from occupational hazards</i></p>	<p>Relevant laws and regulations that are significant to the Group based on the scale of operation include Labour Law of the PRC, Work Safety Law of the PRC, Law of the PRC on the Prevention and Control of Occupational Diseases, Measures for the Administration of Contingency Plans for Work Safety Incidents, and Occupational Safety and Health Ordinance of HKSAR.</p> <p>In relation to our IBO business with operations in Myanmar, Indonesia, Peru, Brazil and the UK, the laws and regulations that are significant to the Group include Law No. 13 of 2003 on Manpower (Indonesia), Law No. 13 of 2003 Occupational Health and Safety Law (Indonesia), Government Regulation No. 50 of 2012 Government Regulation on Occupational Health and Safety (Indonesia), Occupational Safety and Health Law (Myanmar), The Workmen's Compensation Act (Myanmar), The Employees' Social Security Act (Myanmar), The Workmen's Safety, Health and Welfare Rules (Myanmar), Law No. 29783 Occupational Health and Safety Law (Peru), Law No. 28806 Law on the Prevention and Control of Risks in the Workplace (Peru), Decree Law No. 5452 Consolidation of Labour Laws (Brazil), Regulation on Safety and Health at Work (Brazil), Law No. 6,514/1977 Law on the Prevention of Occupational Risks (Brazil), National Institute of Occupational Safety and Health Act (UK), Management of Health and Safety at Work Regulations (UK), and Workplace (Health, Safety and Welfare) Regulations (UK).</p> <p>These laws and regulations set out requirements to safeguard labour safety and sanitation, prevent accidents in the process of labour, and reduce occupational hazards. Compliance with these laws and regulations to the extent applicable is paramount as workplace safety is of critical importance to each and every employee of the Group.</p> <p>In 2022, we did not identify any confirmed non-compliance incident in relation to health and safety that would have a significant impact on VPower Group. Please refer to the "Working with Our Partners" section on how VPower Group ensures compliance with applicable laws and regulations relating to health and safety.</p>