



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

2023 SUSTAINABILITY REPORT





CONTENTS



02 About this Report



03 About VPower Group



04 Message from Chairman



06 Our Approach to Sustainability

- 06 Corporate Governance
- 10 Sustainable Development Goals
- 12 Stakeholders Engagement and Materiality Assessment



17 Preserving Our Planet

- 17 Climate Change Management
- 21 Environmental Management
- 23 Responsible Use of Resources



26 Working with Our Partners

- 26 Culture of Mutual Understanding and Trust
- 26 Diverse, Fair and Inclusive Workforce
- 28 Rights, Interests and Development of Employees
- 28 Health and Safety of Employees
- 29 Sustainable Supply Chain



31 Supporting Our Communities




34 Performance Data Summary



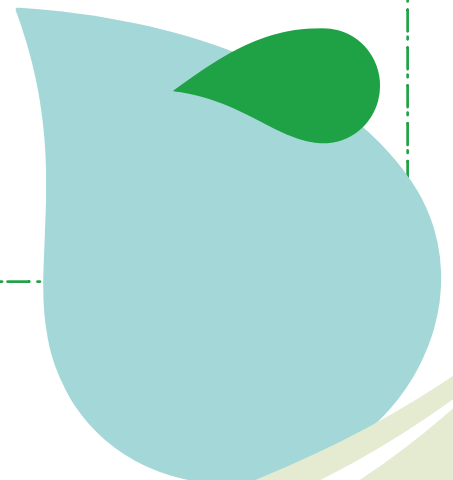

41 GRI Content Index



45 ESG Reporting Guide Content Index



52 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 practising the sustainability targets, and constantly communicating 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 2023 (the “**Year**”).

Report 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 Global Reporting Initiative (“**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 C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**SEHK**”) (“**ESG Reporting Guide**”).

Reporting Principles

Materiality — the Group identifies the ESG topics through a questionnaire survey to stakeholders and internal discussions, details of which are available in the “Our Approach to Sustainability” section;

Quantitative — the Group regularly collects and calculates its ESG-related performance. Details of the standards, methodologies, assumptions and/or calculation tools and sources of conversion factors for the emissions and energy consumption are available in the “Performance Data Summary” section;

Balance — the Group provides the information to present an objective and unbiased view of its ESG performance; and

Consistency — unless otherwise indicated, the Group uses the consistent methodologies as previous years to display ESG data.

Access to this Report

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

Other Information

This Report is approved by the board of directors of the Group (the “**Board**”). It is recommended to read this Report in conjunction with VPower Group’s 2023 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.

Feedback

We appreciate comments and suggestions on this Report and our sustainability approach. Please feel free to share your comments through our [feedback form](#), or get in touch with us at esg@vpower.com.

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.

The Group has two business segments, namely power system integration (“**SI**”) and investment in, building and operation of decentralised power stations (“**IBO**”).



Our solutions are customised to meet various needs of customers in terms of fuel selection, capacity requirements, applications and operating modes. 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 also strive to expand our low-carbon power portfolio and further improve our operational efficiency to minimise the environmental impacts of our business.

In 2023, we were proud to receive the “EcoChallenger” award and “5 years+ Eco Pioneer” recognition at the BOCHK Corporate Low-Carbon Environmental Leadership Awards 2022, which fully affirms our continuous endeavours to environmental protection through innovative green power projects over the years. We also actively participate in business organisations joining community efforts to fulfil our green commitments.

As a state-controlled company, VPower Group stands ready to take up greater economic and social responsibilities to promote sustainable corporate development and cooperate with stakeholders to create value.

2023 marked the year of rebirth for VPower Group after it experienced significant changes. Notwithstanding the various challenges it faced, VPower Group has fully demonstrated unwavering determination of overcoming adversity and pursuing growth. Persistent in integrating sustainable practices throughout its management and operation systems, VPower Group has been actively exploring a sustainable development model for its unique characteristics and needs. While its development strategy reflects consideration about environmental, social and governance, it remains active in strengthening the foundation for sustainable corporate development through continuous learning and improvement.

Dr. Kang Hubiao
Chairman



Climate issues are closely linked to VPower Group as an energy supplier. As governments around the world pay increasing attention to climate issues, the 28th United Nations Climate Change Conference (COP28) was successfully held and reached the commitment to transition away from fossil fuels for the first time which coincides with VPower Group's strategic policy of phasing out pure diesel power generation projects by 2030 and achieving carbon neutrality by 2050. Driven by the dedication to supply low-carbon power to the communities, the Group supports energy transformation with practical actions including launching product upgrades and commencing waste energy utilisation. The Group is also actively exploring low-carbon business, such as wind, solar and storage integrated smart energy system management solutions, energy storage solutions and microgrid smart power supply system solutions. During the year, the Group commenced research on several diesel-fired power stations in exploring the feasibility of adding solar for supplementary power generation to reduce fuel consumption and the overall carbon emissions of the power stations.

For the purpose of strengthening climate management, the Group has conducted a preliminary climate risk assessment for its businesses in various locations which prepares itself to perform subsequent scenario analysis reflecting its situation and risk assessments in accordance with international standards as well as enables better understanding about, measurement of and response to the financial impact brought by climate risks. An effective assessment is also helpful for the Group to understand its market positioning, seize business opportunities, and formulate climate risk management to ensure long-term sustainability and resilience.

VPower Group has been supporting the Belt and Road initiative proposed by China and has successively developed power station infrastructure projects in Indonesia, Peru, Myanmar and other overseas regions to improve the local power supply. Coinciding with the 10th anniversary of the Belt and Road initiative in 2023, the Group set another milestone to become a state-controlled company. It will effectively utilise the strong business network and abundant resources of the controlling shareholder and its group companies to further expand its business presence along the Belt and Road.

Upholding the Silk Road spirit of peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit, the Group will continue to actively promote the development of communities in which it operates and promote local employment and talent development through a strengthened localised operations and management. In the meantime, the Group will continue its corporate caring initiatives, enhance communication and promote cultural integration to build a harmonious and friendly community.

Looking ahead, the Group will continue the pursuit of a sustainable development model. In respect of business, it will further enrich business content, enhance core competitiveness and improve operating standards; in terms of governance, it will optimise various policy mechanisms, stimulate growth momentum and promote quality development with a higher level of governance; in connections with team establishment, it will form a team of courageous, motivated, flexible and adaptive talents to support the healthy and steady development of the Group; in regard development safety, it will boost the overseas project risk prevention systems and mechanisms and reinforce the safeguard of the project and personnel safety. With confidence and persistence, the Group will, as always, strive to achieve a win-win situation of coherent economic, social and environmental benefits with stakeholders.

Last but not least, I would like to express my sincere gratitude to the Board and all employees for their efforts and contributions to achieving environmental and social goals over the years which have successfully marked various milestones in the history of VPower Group. The picture is painted and the east wind has arrived. In 2024, VPower Group will continue to uphold the spirit of corporate culture and move toward the vision to be a world-class energy supplier with dreams, missions and concerted efforts.

Kang Hubiao
Chairman
29 April 2024

OUR APPROACH TO SUSTAINABILITY

Corporate Governance

The robust governance framework is always the cornerstone of sustainable development and value creation. At VPower Group, we are committed to establishing an effective Board, a robust risk management and internal control system, and a strict health and safety management. Holding an open and transparent attitude and being accountable to all shareholders, the Group continues to improve its corporate governance.

The Board, under the supervision of all shareholders, is the highest governance body of the Group and has oversight of the Group's management and business activities. Following the change of control over the Company in September 2023, the Board was restructured in December 2023 with the number of the members increasing from eight to nine. Four new executive directors and two new independent non-executive directors joined the Board to replace certain existing directors. Each of the new directors has received appropriate orientation training to ensure that they must, in the performance of their duties, act honestly and in good faith in the interests of VPower Group as a whole.

After the restructuring, the Board retains three committees to assist in discharging its duties, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. It also reviewed and amended the terms of reference of each committee as needed. For the effective performance of functions of the Board and improve efficiency of the Group's operational management and decision-making, the Board has introduced provisional authorisation policy which stipulates the principles of authorisation management and defines the scope of authorisation.

With a view to accelerating business development and achieving effective management, the Group expanded its management team during the year by adding one financial management professional and two business development specialists. With the authorisation of the Board, the Group has established a Management Committee, composed of all members of senior management, to hold regular meetings to discuss and make decisions on important matters, ensure departmental coordination, and report to the chairman of the Board or the Board from time to time.

For more information about the Group's corporate governance, please refer to the Corporate Governance Report in our 2023 Annual Report.



Sustainability Governance

The Board bears ultimate responsibility for the oversight of sustainability issues that have been identified as relevant and material to the Group and climate-related risks and supervision of the relevant daily work with the assistance of the Management Committee and the Sustainability Committee.

Consisting of representatives from key departments, the Sustainability Committee is established to formulate comprehensive sustainable development goals and effectively implement related work through the coordinated efforts and diverse perspectives and voices of different departments. The Sustainability Committee is responsible for setting, promoting and monitoring environmental and social performance indicators and metrics and determining priorities, implementation work of which is undertaken by the Sustainability Department. The Sustainability Committee holds meetings as needed and reports to the Management Committee and the Board on material topics promptly.



In 2023, the meeting topics of the Sustainability Committee included:

- Discuss the material sustainability topics of the industry and peers
- Review of the Group's environmental and social key performance indicators (KPI)
- Review of stakeholder engagement
- Formulation of the suppliers' code of conduct
- Review of the health and safety management

In view of the international community and industry's increasing emphasis on sustainable development and the increasingly stringent relevant disclosure standards, the Group continues to research the international standards, make references to industry practices, and arrange further training for relevant employees in order to improve the sustainability governance in alignment with the best practices.

Maintaining interactive communication with stakeholders allows the Group to enhance its sustainability governance. The Group conducts annual questionnaire survey with stakeholders. We are committed to listening to the voices of stakeholders and responding to their concerns where appropriate.

OUR APPROACH TO SUSTAINABILITY

Business Ethics

Ethical behaviour is at the core of VPower Group’s corporate culture and the basis for our business development and we expect our employees, consultants and business partners to share the same view.

The Group’s *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.

The implementation of the *Code of Conduct* relies on every of our people to execute, promote and maintain. Within the Group, we take an active approach with multiple measures including ongoing communication and provision of training to ensure our employees fully understand our expectations and principles of our policies. In our business, we actively promote ethical conduct to our suppliers, contractors and other business partners through stakeholder engagement and daily work communication.

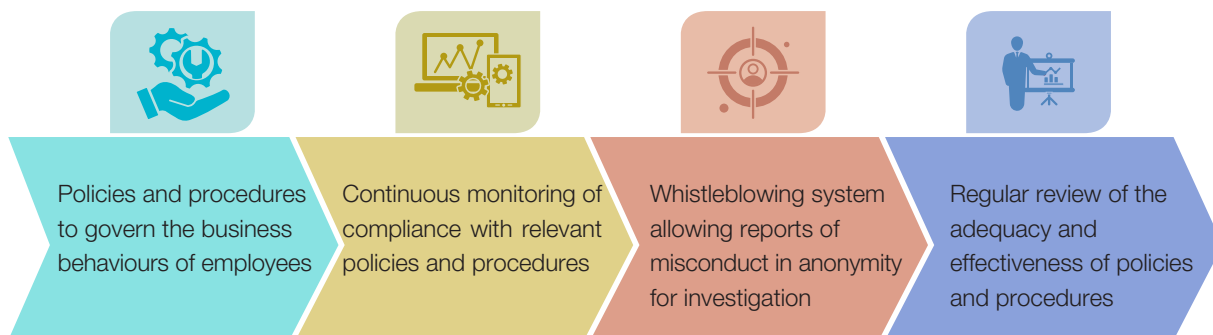
To avoid the potential occurrence of misconduct, we have developed a whistleblowing system which enables employees and other stakeholders to anonymously report any actual or suspected inappropriate behaviour, fraud, or violations. We are committed to treating every report equally and taking all practicable measures to protect informants from any form of retaliation, such as unfair dismissal or unwarranted disciplinary action.



We reinforce the Group’s zero-tolerance policy against misconduct including corruption, bribery, extortion, fraud and money laundering. The Group regularly organises compulsory training on the *Anti-Bribery and Corruption Policy* and procedures to promote all directors and employees to comply the principle of integrity. During the year, we provided a series of training materials to employees at different levels including but not limited to lectures, case studies and questionnaire tests.

We are committed to continuously evaluating, updating and refining our management about business ethics, regularly monitoring compliance with relevant policies and reviewing policies to ensure their continued effective implementation.

In 2023, there were no instances of material violations concerning business ethics, in particular bribery, corruption, extortion, fraud and money laundering and no valid whistleblowing report was received from the whistleblowing channels. There were also no complaints related to vicious competition and monopoly.



Risk Management and Internal Control

Risk management is the bedrock for a company to achieve high-quality sustainable development. With the assistance of relevant departments, the Group's management assesses the risks of VPower Group in multiple dimensions to prepare response plans and report to the Audit Committee. The Board evaluates and determines the nature and extent of risks to be undertaken to achieve the Group's strategic goals.

The Group's risk management and internal control system aim to identify, assess, analyse and monitor its key business, financial, operational and compliance risks. We emphasise the importance of every employee in the comprehensive implementation of risk management and strive to improve crisis awareness and response capabilities. In recent years, climate change and other environmental, social and governance-related risks have been embedded in the Group's risk management. With reference to the recommendations from the Task Force on Climate-related Financial Disclosures established by the Financial Stability Board and the relevant guidelines of SEHK, we are performing scenario analysis and risk assessments in consideration of the complexity of the Group's business and the extensive geographic presence that are more relevant to the Group.

The Group used to operate in multiple emerging markets in the past which resulted in a greater market risk. The intensified regional political conflicts in recent years have brought adverse impacts on the Group's business development and financial performance. The Group is actively mobilising assets to restart business development and restore profitability. For the purpose of strengthening risk management, we launched a more standardised internal approval process to control risks at every key procedure to achieve early identification, response and resolution of risks. As excessive risk avoidance might easily cause the Group to lose business opportunities, the management will communicate with the frontline business personnels from time to time to respond to potential problems promptly and where necessary, escalates the problems to the Board for discussion and decision. It is planned that more human resources will be invested to further improve the risk assessment model and comprehensively upgrade the risk management and internal control mechanisms.



OUR APPROACH TO SUSTAINABILITY

Sustainable Development Goals

Sustainable development is the corporate strategy of VPower Group. As a supporter of the United Nations 2030 Agenda for Sustainable Development and a participant in the United Nations Global Compact, we are committed to integrating business development with social value to gradually achieve comprehensive sustainable development goals.

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 in consideration of the Group's strategic planning, industry development and social contribution. These goals have been incorporated into our business strategies and decisions.

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 and promote low-carbon and cost-effective power solutions in different parts of the world. In 2023, on the premise of ensuring stable power supply, we reduced the operation of power stations with higher carbon emissions while continuing to develop and promote the application of new technologies such as clean energy, energy storage, and smart energy management.



Goal 11: Sustainable cities and communities

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

Stable power supply is an integral part of life. We maintain the supply of energy and electricity in regions in need of power, assist in community infrastructure construction, and gradually develop clean energy to the extent feasible. We also actively participate in community investment for sustainable development of communities and focus on environmental protection, education, health, sanitation, culture and other aspects to generate indirect economic effects.



Goal 13: Climate action

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

With a long-term vision, we have set sustainable development goals for 2030 and 2050, and spare no effort to promote energy transition. Currently, in addition to ensuring the continuous promotion of low-carbon power generation solutions such as natural gas, biodiesel and biogas, we have begun to develop energy storage and smart control system solutions, and gradually commence project upgrades. In the future, more clean energy and digital intelligent solutions will be incorporated into the business.



Goal 4: Quality education

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

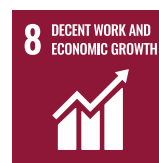
We continue to enhance the knowledge and skills of our employees by providing them with different types of training. We also encourage them, with financial subsidies, to undertake external training, and obtain relevant professional qualification. In 2023, we achieved 100% employee training rate.



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 decent work and promotion opportunities to employees, and respect their diverse backgrounds. In emerging markets, we strive to hire residents from local communities to help them improve their living and promote community development.



Goal 12: Responsible consumption and production

Ensure sustainable consumption and production patterns.

We have promoted the upgrading of production processes, replacement of parts and equipment, and application of sustainable raw materials. We also have installed environmentally friendly components such as catalysts and filters aiming to improve intelligent control and production efficiency, reduce waste generation, recycle and dispose the waste legally.



OUR APPROACH TO SUSTAINABILITY

Stakeholders Engagement and Materiality Assessment

Communication with employees, investors, customers, suppliers, regulators, community representatives and other stakeholders forms an integral part of VPower Group's daily operations. Various communication channels have been established to achieve open and effective communication. Through constant communication with close stakeholder and regular contact with other stakeholders, we expect a deeper understanding of their concerns and expectations for VPower Group is developed which will be reflected in our management and strategies.

Communication Mechanism

01 Identify relevant stakeholders

01



VPower Group's business is widely spread and involves stakeholder groups with different characteristics. We rank the relevance of the Stakeholders considering the impact of Group's business on the stakeholders and their impact on the Group.

02 Formulate communication plan

02



A variety of formal and informal, online and offline communication channels are used for stakeholders to effectively their rights to be heard and reflect their concerns, interests or opinions. Taking into account their influence to the Group's business and our influence on them, further communication is arranged on specific topics with particular stakeholder group.

03 Gather comments and report results

03



The voices of stakeholders are reflected in daily operations and management discussions. If there are any material concerns or serious complaints received from stakeholders through any channels, the Management Committee or even the Board will be reported for discussion and response.

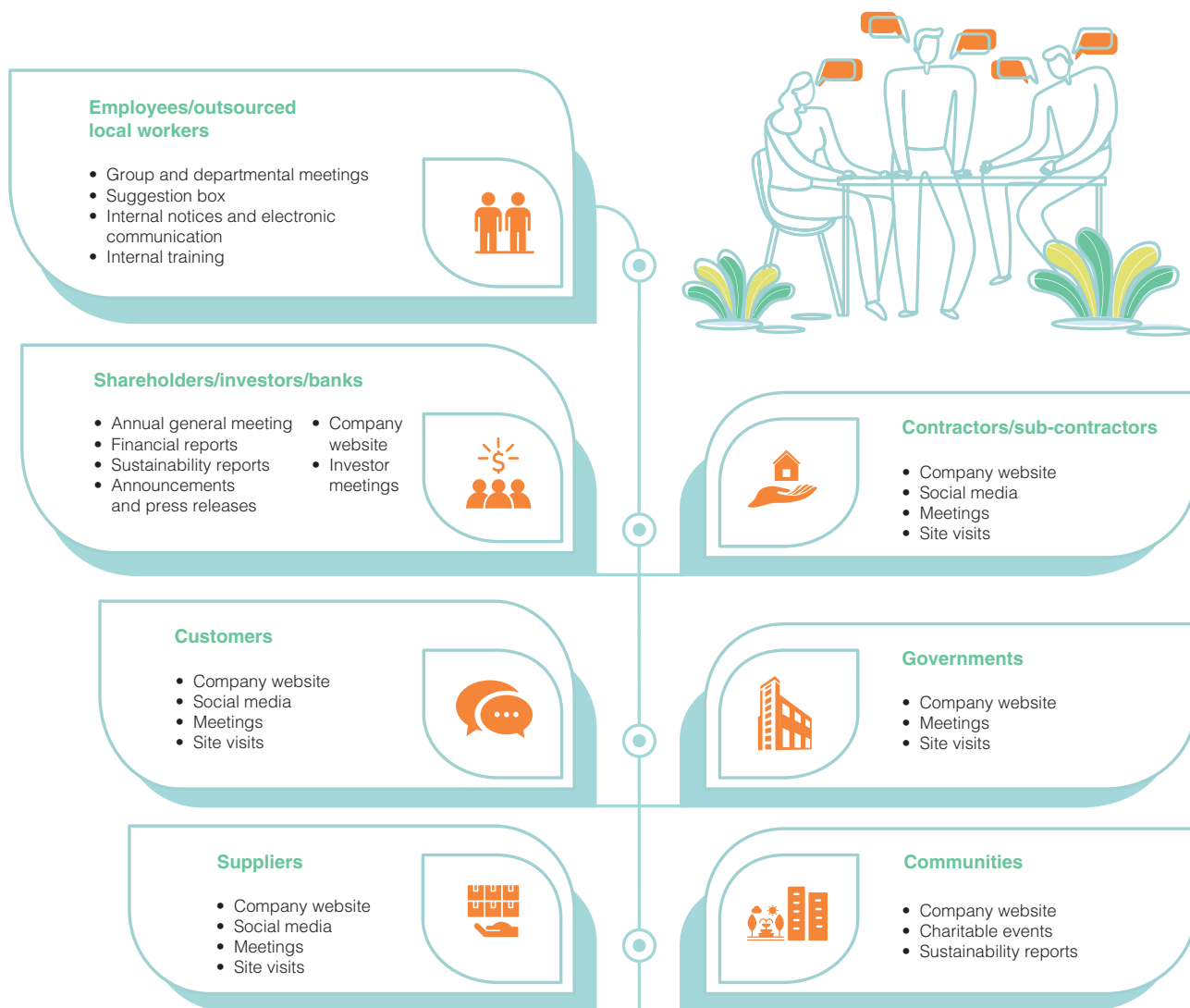
04 Review communication effectiveness

04



We evaluate the effectiveness of the communication with stakeholders by reviewing various indicators, including the number of valid feedback from stakeholders, satisfaction with products and services, results of relevant stakeholder communication activities, media monitoring and analysis, public and industry recognition and awards.

Communication Channels



OUR APPROACH TO SUSTAINABILITY

Materiality Assessment

Materiality assessment is the basis for sustainable development management and reporting. VPower Group conducts annual questionnaire survey to understand the concern of sustainability topics of relevant stakeholders in a systematic way. In 2023, we reviewed the list of sustainability topics to ensure that it fully reflected the Group's business development, international disclosure standards, capital market expectations and industry benchmarks.

Identification of sustainability topics

01



- Research on relevant policies, international disclosure standards and trends concerning sustainability development in capital markets
- Identifying a series of sustainable development topics covering environmental, social and governance aspects in light of major challenges facing by peer companies
- Connecting with the current development of the Group's business and the expectations of shareholders



We identified 34 sustainability topics, one less than in 2022. Among them, “workplace safety” is included in the “Occupational health and safety” while “supplier environmental assessment” is replaced by “supplier sustainability assessment”.

Engagement with stakeholders

02



- Designing questionnaires by which stakeholders are invited to rank the sustainability topics they concern and express their opinions and comments on the Group's sustainability performance in 2023
- Distributing questionnaires to diverse stakeholders via various online and offline channels



72 responses were received from employees, suppliers, contractors, investors, banks, customers, shareholders and industry associations.

Analysis of Findings

03



- Performing statistical analysis and score of the responses and the rankings
- Focusing on the priority ranking of each group of stakeholders and analyze the differences with the final results
- Discussing with senior executives and business heads to collect further information about management's view
- Conducting double materiality matrix



10 sustainability topics were prioritised.

Review and validation

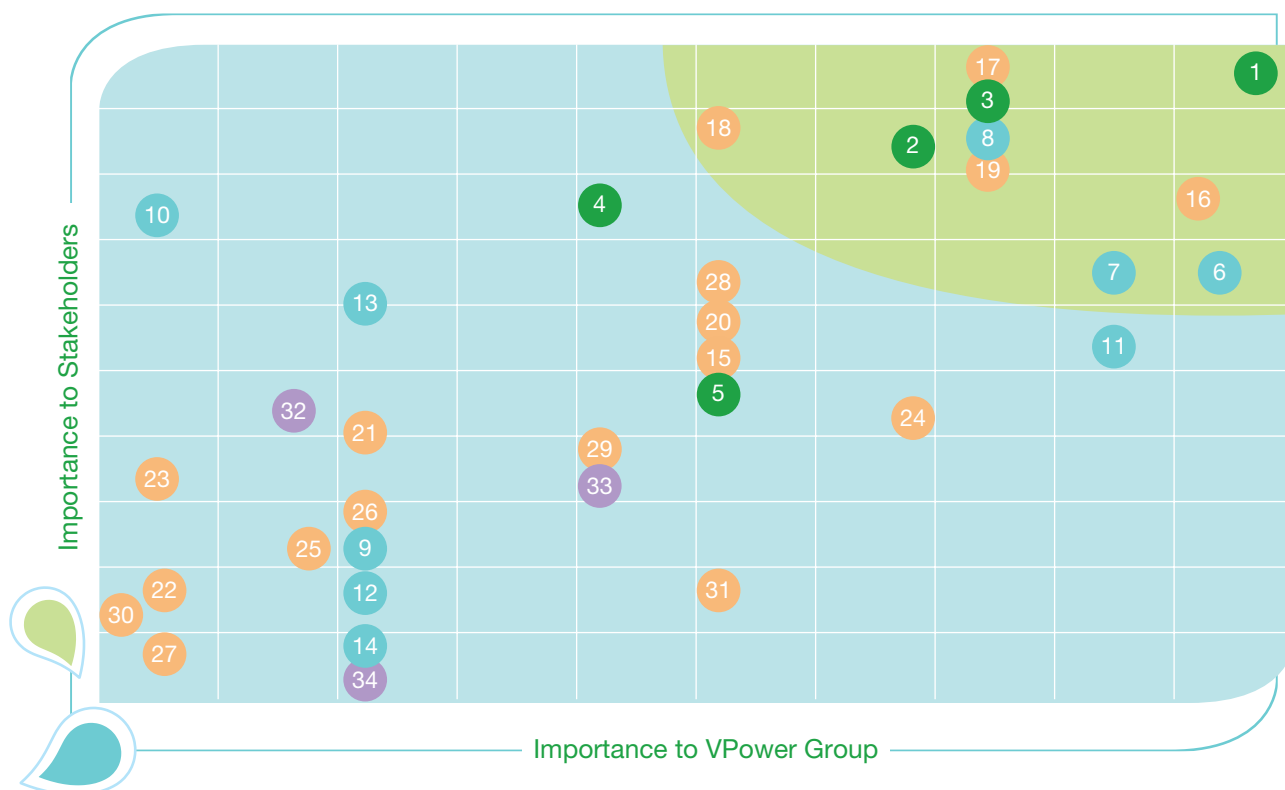
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A meeting of Sustainability Committee will be called to review the results of materiality assessment and stakeholders' feedback; review outcome is reported to the Management Committee for confirmation. The results will be applied in the sustainability reporting and disclosure, and will be incorporated in the development of business strategy and strategic deployment.

Materiality Matrix

Based on the stakeholder questionnaire survey results, we produced a materiality matrix to rank the sustainability topics reflecting their importance to stakeholders (Y-axis) and the VPower Group (X-axis) respectively. Through a comprehensive assessment, we have identified top 10 sustainability topics, which are responded to and disclosed in this Report. The top 10 sustainability topics also become the basis for the Group to formulate the sustainable development strategy and implement relevant action plans.



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

OUR APPROACH TO SUSTAINABILITY

Our Top 10 Material Topics

The materiality matrix reflects a consistent view between stakeholders and the management of the Group over the top 10 material topics meaning that the topics which are more concerned by the stakeholders are also important to the Group. As compared to the top 10 topics of last year, “Employee Welfare”, “Business Ethics” and “Greenhouse Gas Management” are added. In terms of ranking, VPower Group and its stakeholders demonstrate increasing attention to employee-related topics and corporate governance, business development, and environmental emissions aspects.

Sustainability			
Rank	Topics	Concern by Stakeholders Group	GRI Standards
1	Strategy of Sustainable Development	Shareholders/Investors/Banks, Employees, Customers, Suppliers, Contractors/Subcontractors	NA
2	Employment Practice	Shareholders/Investors/Banks, Employees, Suppliers, Contractors/Subcontractors	401: Employment 2016
3	Employee Welfare	Employees, Suppliers, Community Partners	401: Employment 2016
4	Anti-corruption	Shareholders/Investors/Banks, Employees, Suppliers, Contractors/Subcontractors	205: Anti-corruption 2016
5	Response to Climate Change	Shareholders/Investors/Banks, Contractors/Subcontractors, Community Partners	305: Emissions 2016
6	Energy Efficiency	Employees, Customers, Contractors/Subcontractors, Community Partners	302: Energy 2016
7	Training and Development	Shareholders/Investors/Banks, Employees, Suppliers	404: Training and Education 2016
8	Business Ethics	Employees, Customers, Suppliers, Contractors/Subcontractors	205: Anti-corruption 2016 206: Anti-competitive Behavior 2016
9	Greenhouse Gas Management	Shareholders/Investors/Banks, Suppliers, Community Partners	305: Emissions 2016
10	Occupational Health and Safety	Shareholders/Investors/Banks, Employees, Customers, Suppliers, Contractors/Subcontractors	403: Occupational Health and Safety 2018

PRESERVING OUR PLANET

Climate Change Management

Climate change has brought profound challenges to all concerns of the world. Active response to the climate change crisis with prompt action becomes the top priority. The data from the World Meteorological Organization shows that 2023 was the warmest year on record with the annual average temperature being about 1.45°C higher than pre-industrial levels, which is getting closer to the 1.5°C temperature control target set by the *Paris Agreement*. Meanwhile, there are increasing number of various extreme weather events, including heat waves, severe droughts, extreme rainfalls, tropical cyclones, which caused significant human lives and economic losses.

VPower Group, as an energy company that pays attention to climate change and green development, actively explores the economic opportunities and challenges that climate change may bring about. With reference to international standards, we have established a climate change management system and mechanism from five areas: governance, strategy, risk management, opportunities and targets, for the integration of climate change responses into the life cycle of corporate operations in pursuit of a business model that addresses climate change risks. During the year, we conducted a preliminary assessment of climate risks and opportunities faced by the Group in order to understand the potential financial impacts of these risks and opportunities, which is also the basis for improving climate adaptability and resilience, improving scenario analysis and formulating development strategies.

Climate Governance

The Sustainability Department and the Sustainability Committee were established with the respective responsibilities of coordinating and executing sustainability-related initiatives, including climate change risk management, to assist the management and the Board in formulating the Group's sustainable business strategies and monitoring related performance.

Decision-making

The Board

- Review the climate change risks and opportunities being identified
- Regularly review and discuss the status and progress of climate change targets



Management

The Management

- Review climate change work plans and related systems
- Organise climate change risk assessment



Execution

Sustainability Committee Sustainability Department

- Develop climate change work plans and related management systems and promote relevant work in local offices and power stations
- Conduct climate change risk assessment



Our *Climate Change Policy* and *Environmental Management Policy* set out our management approach to combating climate change and protecting the environment.

PRESERVING OUR PLANET

Climate Strategy

In response to the changing climate environment and market development, VPower Group has formulated short-term, medium-term and long-term strategies based on the current situation to move towards the Group's targets of phasing out pure diesel projects by 2030 and achieving carbon neutrality by 2050 in an orderly manner.

Short-term

- Concentrate on responding to potential damage to power station assets caused by extreme weather events, ensuring that power station assets can be deployed flexibly and have adequate insurance coverage
- Build the capabilities of climate combat in power stations to ensure employee safety

Medium-term

- Explore possibilities to develop more renewable energy and low-carbon energy solutions, and promote carbon-reduced energy supply options to customers
- Actively review the suitability and feasibility of various opportunities to offset or eliminate carbon emissions to further improve environmental performance





Long-term

- Optimise the power generation portfolio and phase out pure diesel projects
- Develop and practice green technologies





Climate Risk Management

Following an in-depth analysis of its business and integrating the excellent practices of outstanding peers into climate change risk identification, VPower Group preliminary sorted out the risk factors relevant to its business and formulated relevant management strategies.

Risks	Description	Trend	Impacts	Response
Transition risks				
Policies and regulations 	National or regional governments may introduce more stringent carbon emission limits, environmental standards and related laws and regulations, and even limit the use of fossil fuels	Increasing	<ul style="list-style-type: none"> • Policies on carbon emissions and energy efficiency may increase operating costs • May force the Group to suspend its fossil fuel power generation assets • Failure to comply with new policy standards or legal and regulatory requirements may result in penalties 	<ul style="list-style-type: none"> • Closely monitor policy and regulatory developments in the regions with operations to ensure operational compliance • Monitor energy consumption • Enhance training to the frontline personnels on relevant policies and regulations
Market risk 	Increased awareness of carbon reduction of the society has changed market demand as customers turn to low-carbon products	Increasing	<ul style="list-style-type: none"> • Lower income from gas-fired and oil-fired power generation due to reduced market demand 	<ul style="list-style-type: none"> • Keep abreast of the market direction and development trend and diversify solution offerings to meet the market demand
Technology risk 	More low-carbon technologies are introduced to the market and technologies with high energy consumption are phased out	Moderate	<ul style="list-style-type: none"> • Low carbon energy technologies are maturing, reducing the competitiveness of existing power generation technologies 	<ul style="list-style-type: none"> • Actively expand diversified green and low-carbon businesses • Apply low-emission technologies to improve overall energy efficiency of power generation solutions • Phasing out fossil fuel projects gradually
Reputation risk 	The public's attention to climate change and environmental protection has increased, and they have a negative impression on traditional energy-related industries, products and enterprises	Moderate	<ul style="list-style-type: none"> • The brand value may be damaged if the Group's low-carbon transformation cannot meet investors' expectations • May cause investors to undervalue the corporate 	<ul style="list-style-type: none"> • Convey the Group's strategic deployment and energy transformation actions through enhanced stakeholder engagement and communication • Actively improve ESG ratings

PRESERVING OUR PLANET

Risks	Description	Trend	Impacts	Response
Physical risks				
Acute risks 	The frequent occurrence of extreme weather events such as typhoons, tornadoes and flooding poses a threat to economies and human lives	Increasing	<ul style="list-style-type: none"> Possible damage to the Group's offices and power generation assets Cause the power stations unable to operate normally, affecting the business Threats to employees' health and safety Increase operating costs May cause supply chain disruption 	<ul style="list-style-type: none"> Regularly assess the risk of natural disasters in every business location, and formulate corresponding emergency plans to reduce the impacts of physical risks on business operations Increase employee training and arrange safety drills Increase insurance coverage as appropriate
Chronic risks 	Global warming leads to rising average temperature, rising sea level, reduced water availability, loss of biodiversity and other problems	Increasing	<ul style="list-style-type: none"> Resulting in reduced efficiency of the Group's power generation assets located in high-temperature areas, which increases operating and maintenance costs Extreme heat affects the overall productivity and health of onsite employees 	<ul style="list-style-type: none"> Develop new projects that are more climate-resilient Strengthen the inspection and maintenance of power generation equipment

Climate Change Opportunities

Climate change not only poses a range of transition and physical risks, but also provides new opportunities for our business.

The global efforts to mitigate the impacts of climate change and address climate change risks will promote green transformation of the economy and society. VPower Group has implemented green transformation, practiced green operations and green working, improved resource utilisation efficiency, and enhanced climate response capabilities. At the same time, the Group will leverage the advantages of its existing power generation business to accelerate the development of low-carbon energy, and provide customers with more green options.

Climate Targets

VPower Group, as an electricity supplier, uses the carbon emissions per kilowatt-hour of electricity sold as an indicator to achieve its climate target of carbon neutrality by 2050. The carbon intensity indicator reflects the Group's carbon reduction efforts in supplying electricity to customers. Relevant data is collected half-yearly for emissions calculations and the Group analyses the target gap to adjust strategies on a regular basis.



Environmental Management

VPower Group fully supports international carbon reduction goals and climate and environmental policies by strictly complying the environmental protection laws and regulations, and protecting the environment in daily operations and during business development. Placing reduction of carbon footprints and improvement of air quality as the top priorities, the Group is committed to integrating environmental factors into all business aspects to minimise their impacts on the environment.

The main environmental risks faced by the Group include greenhouse gas emissions, water pollution and solid waste pollution. Realising that environmental impacts of its business cannot be completely avoided, the Group strives to establish a comprehensive environmental management and energy management system with active control of various direct and indirect environmental impacts in order to materialise its commitment of environmental protection. Our existing systems include *Environmental Management Policy*, *Environmental Monitoring and Measurement Control Procedure*, *Energy and Resource Control Procedure*, *Waste Management Control Procedure* and *Hazardous Waste Handling Management Control Procedure*. As we welcome the supervision and opinions of stakeholders, communication channels are open to maintain close dialogue with stakeholders.

In response to the gradual tightening of environmental-related policies in various places, the Group will review the existing regulations from time to time to ensure that it keep pace with the times. At the same time, we will further implement the environmental protection responsibility system and specify the environmental protection responsibilities of each department, each project and each position.

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 the decarbonisation of our business.

The GHG emissions of VPower Group mainly come from the operation of power stations. To reduce emissions at source, we actively promote clean power generation solutions such as biogas power generation, mixed fuel power generation, and waste-to-energy solutions. To reduce emissions during the process, we develop smart control systems to improve the operational efficiency of the gen-sets. To reduce emissions at the end, we adopt various emission control and environmental protection technologies to reduce the exhaust emissions of the unit. Before a complete transition to zero-carbon power generation, use of natural gas in replacement of coal and diesel in power generation is not only a clean and reliable, but also an effective way to reduce GHG emissions and improve air quality.

Acknowledging the irreversible impacts of air pollutants emitted from the combustion of fossil fuels, we utilise the world's leading engine technology to achieve overall high efficiency and low-emission performance in power generation. We are also actively exploring the use of smart energy system management solutions such as renewable energy and battery storage to provide customers with lower-carbon customised power generation solutions. We also applied environmentally friendly technologies such as selective catalytic reduction systems in some power stations to minimise related emissions, and waste heat recovery of exhaust gas power generation technologies such as organic Rankine cycle systems for secondary utilisation.

Following international standards and industry best practices, the Group continues to review our GHG emissions inventory. To develop a clear understanding and oversee of the Group's GHG emissions, we collect the environmental data of our operation on a regular basis for emissions calculation and analysis using a model developed in accordance to international standards to identify and implement possible emissions reduction solutions.

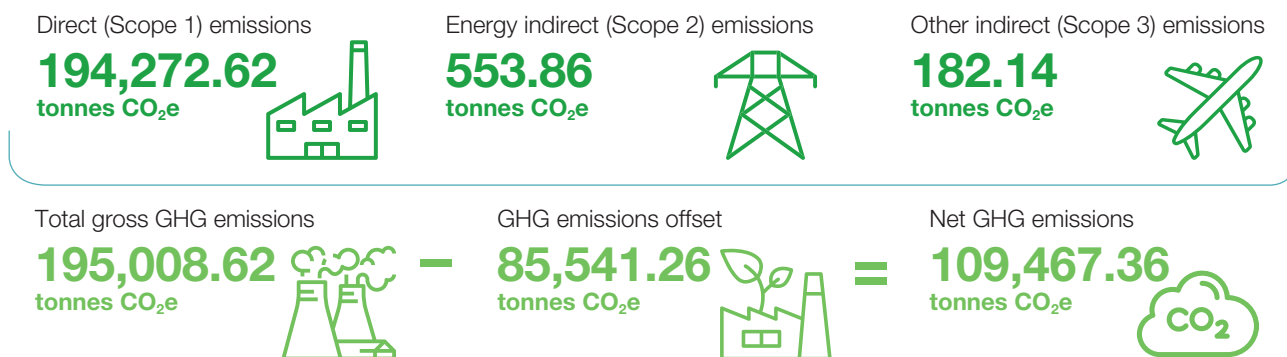


PRESERVING OUR PLANET

Management Approach



GHG Emissions in 2023



GHG Emissions Intensities



Responsible Use of Resources

VPower Group is committed to being a resource-saving and environmentally friendly enterprise. 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 to promote an environmentally responsible operating model and properly manage the negative environmental impacts in operation. 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 for our customers is the main source of energy consumption by the Group. Direct energy consumption includes the use of fuels such as natural gas, biogas oil and diesel to generate electricity, while indirect energy consumption is the purchased electricity. Since most of the electricity consumed in the operation of our power stations is the electricity generated by themselves, it will not be double counted in scope 2 indirect GHG emissions.

At power stations, we use world-class engines with the highest single-cycle efficiency as the main power generation system, and adopt various solutions and technologies according to different scenarios to maximize the overall energy efficiency and minimize the energy consumption of power generation. We are also committed to promoting green office, including low-carbon travel, paperless working, and limiting the use of electricity and paper, and strengthening employees' awareness of environmental protection and energy conservation through regular promotion and training.

Management Approach



Energy Consumption and Intensities in 2023

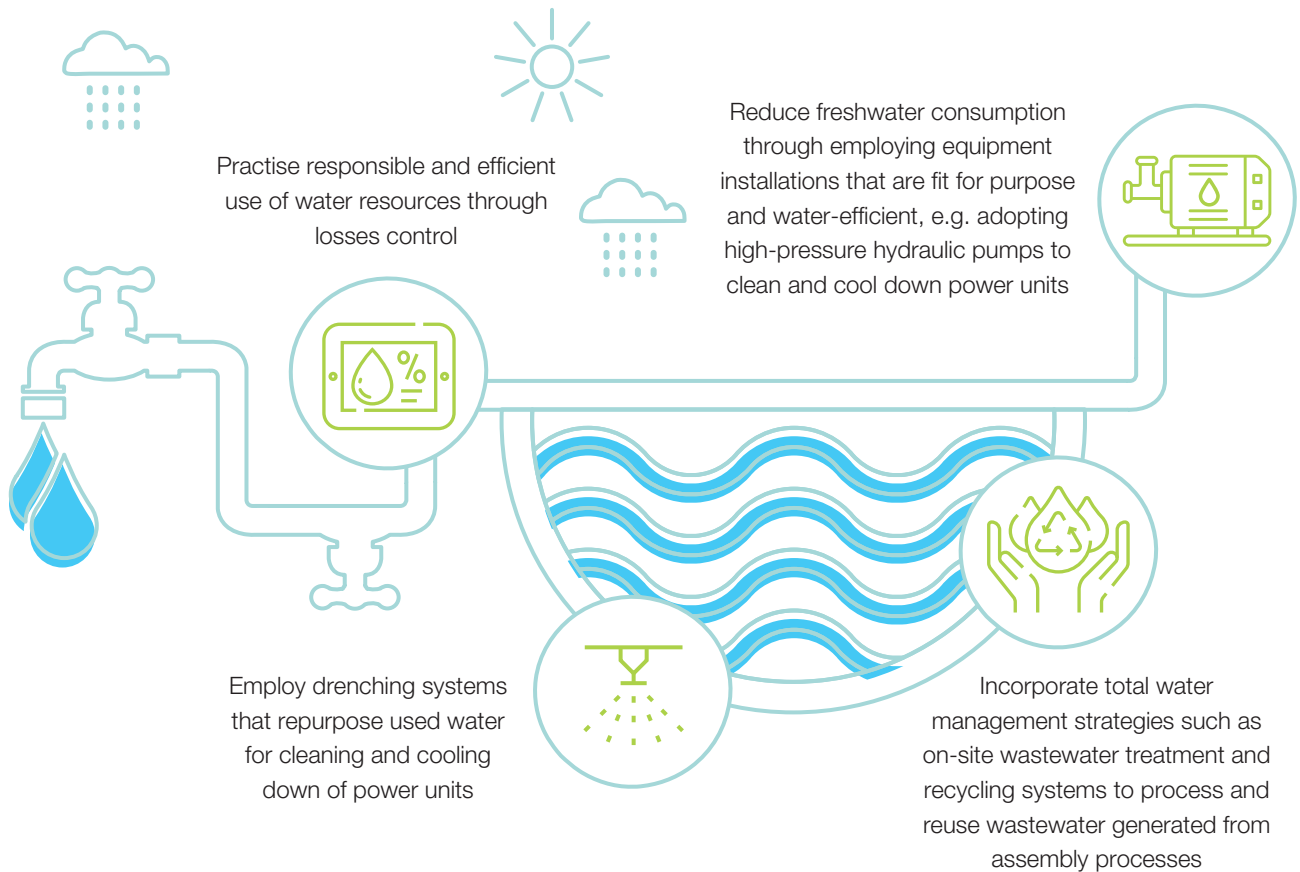


PRESERVING OUR PLANET


Water Resources Conservation

The Group consumes water resources mainly for gen-set cooling purpose and daily use. Acknowledging the importance of managing water risk, we seek to use water sustainably and implement practical measures to manage water consumption. Regarding power stations, the Group determines appropriate water sources and sewage discharge routes to reduce the impacts on the surrounding environment before commencing the construction. Since the Group's power generation units adopt a closed-loop cooling system, the water consumption during the operation process is limited. Despite this, we still strive to apply the most feasible and convenient methods to improve the overall water efficiency continuously and studied technical solutions for recycling water. In terms of daily water use, we encourage employees to consciously develop water-saving habits to cherish and save water.

Management Approach




Water Consumption and Intensities in 2023




Offices
Total: 521 m³

Intensity:
0.16 m³/m² of floor area



Shenzhen Factory
Total: 4,111 m³

Intensity:
6.09 m³/HK\$'000,000 of revenue from SI business



IBO projects
Total: 87,112 m³

Intensity:
0.0000751 m³/kWh of electricity generated

Waste Management

The Group’s waste is divided into hazardous waste and non-hazardous waste, which are further divided into recyclable and non-recyclable categories. The main types of waste of the Group’s operations include industrial waste generated during the assembly of gen-units, waste oil and general waste from power station operations. We are committed to achieving harmlessness, reduction and resource utilisation of waste, and minimising or avoiding environmental pollution caused by the disposed waste. In order to reduce hazardous and non-hazardous waste generated during project development and operation, the Group cooperates with employees, contractors and suppliers to actively promote waste reduction at source and the use of recycled products.

Despite the fact that the volume of waste we generate is relatively small, we still implement a strict process to monitor waste generation and disposal, including ensuring the compliance of hazardous waste disposal. We have set up waste recycling corners in power stations and offices to implement the waste the recycling programme to further detailed classification of waste such as waste paper boxes, waste wooden boxes, waste plastics and other renewable resources for recycling in batches. The programme is widely supported by the employees. Online training was also arranged to educate employees about recycling and waste reduction.

Management Approach

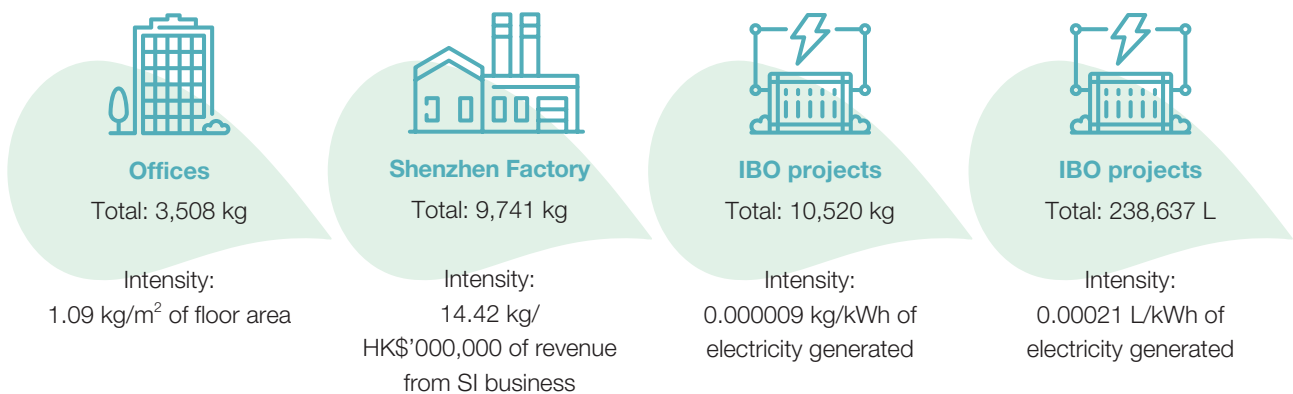
Non-Hazardous Waste



Waste Generated and Intensities in 2023

Non-Hazardous Waste

Hazardous Waste

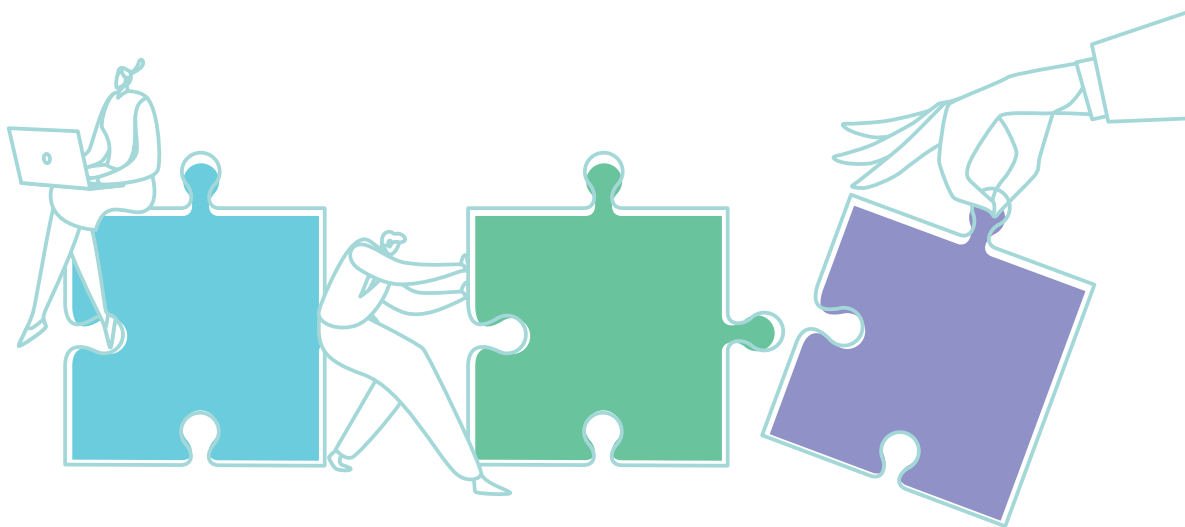


WORKING WITH OUR PARTNERS

Culture of Mutual Understanding and Trust

Establishing fair and mutually beneficial cooperative relationships with partners secures VPower Group's business development. Treating its employees, customers, contractors and suppliers as important business partners, VPower Group strives to maintaining an open and effective daily communication with them. We have established multiple communication channels for partners to express their opinions and expectations to our management. It is promised that their voices will be listened and reasonable and effective feedback will be adopted in our business decisions.

Respecting diversity and inclusion are always the Group's principles and values. While we endeavour to build a culture of mutual respect and understanding with different partners across regions, we expect them to align with our *Code of Conduct* and core values of integrity and business ethics.



Diverse, Fair and Inclusive Workforce

Upholding the core value of respecting people, VPower Group strongly believes that an excellent, healthy and harmonious workforce supports corporate development and is the key to driving our success. With a commitment to creating an equal, open and inclusive working environment, we fully protect legitimate rights and interests, salary and benefits of our employees, create a diverse and inclusive working atmosphere for employees and attach great importance to employee training to help achieve personal development.

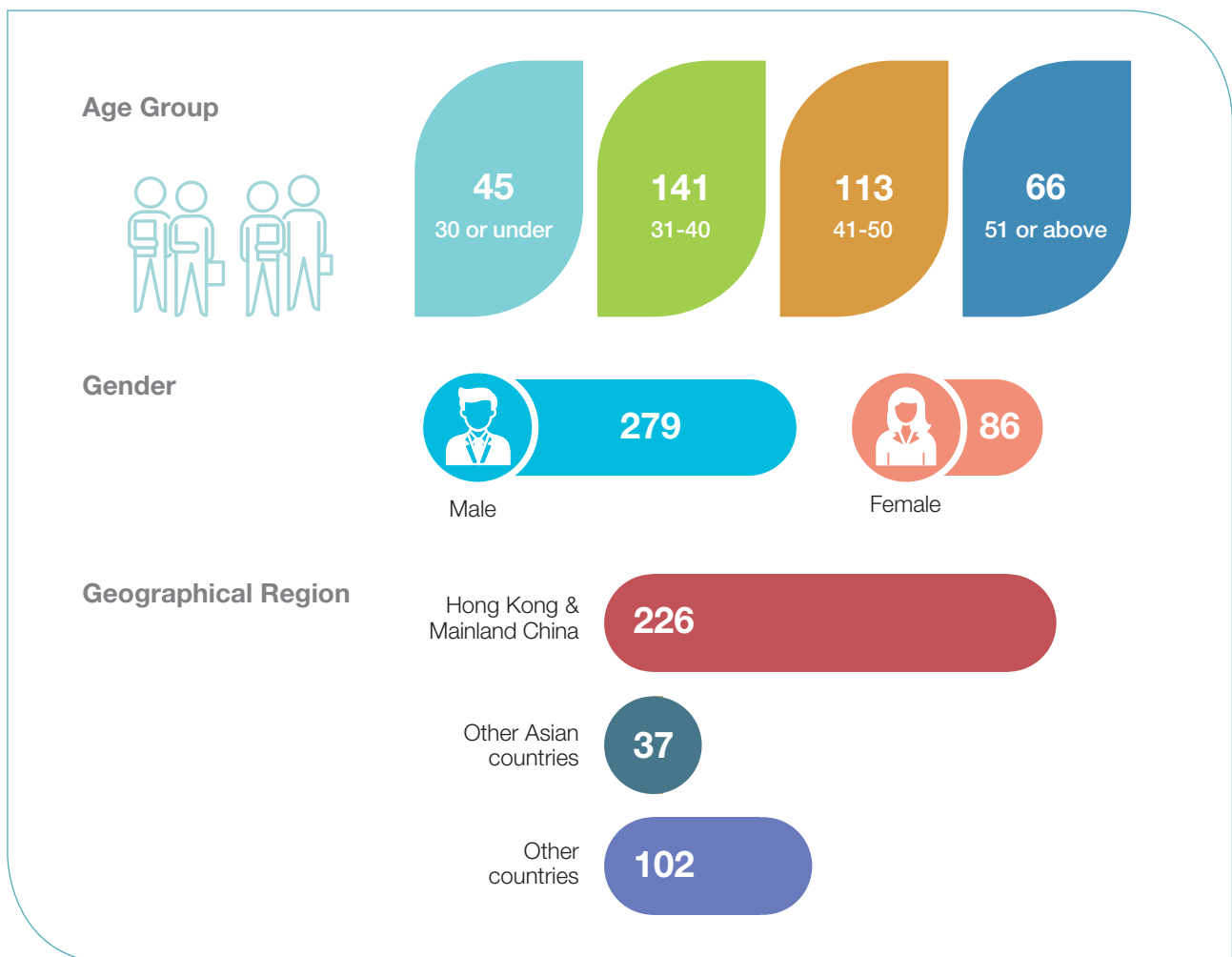
We are committed to complying with relevant laws and regulations and relevant internal management policies with a clear prohibition of child labour and forced labour. During the recruitment process, we provide equal opportunities to all job applicants and ensure that screening and hiring criteria are objective which are solely based on job responsibilities. During daily operation, we adhere to the zero-tolerance policy against discrimination, harassment or harm under which any aspects of bully, harassment or discrimination related to gender, religion, race, national or ancestral origin, cultural background, community, disability, sexual orientation, marital status, family status, age or political opinion is not accepted. We also limit the information collection to necessary personal data with an attempt to maintain equality and fairness.

The management of VPower Group listens to the voices of employees attentively. Our people are welcomed to express their opinions at any time through daily communication and the Employee Suggestion Scheme. A whistleblowing system is in place for any concerns about suspicious, inappropriate or illegal behaviours. Anonymity is guaranteed under the whistleblowing system. We encourage our employees to raise their concerns about suspicious misconduct and we promise to handle the reports in a timely, fair and transparent manner and that whistleblowers will not suffer retaliation.

The Group's management system regulates the rights of our management and other employees about remuneration and relevant interests with the salary standards, vacations, dismissal compensation and basic benefits being clearly defined. The management remuneration system reflecting a direct linkage of individual performance to the profitability of the Company is in place upon reviewed and approved by the Board. To provide more competitive remuneration packages and promotion opportunities to our employees, we assess their performance from multiple dimensions based on factors such as their work performance and outstanding personal contributions. Performance appraisal is conducted every year and our employees are encouraged to communicate with their supervisors and management about their views and expectations on their current positions and their own career development.

As at 31 December 2023, the Group had 365 employees and 359 outsourced workers.

Employment Overview of 2023



WORKING WITH OUR PARTNERS

Rights, Interests and Development of Employees

Talents are the core drive of the high-quality development of enterprises. Standing firm to safeguard the legitimate rights and interests of its employees, the Group is committed to protecting the rights of all employees to collective bargaining and freedom of association, and to properly handle labour relations. The different lifestyles of employees are well-respected and we provide employees with conveniences and support to their beliefs and living habits. In addition to statutory rights and insurance, the Group provides additional health protection, maternal and child care, holiday benefits, additional subsidies and other benefits to our people.

Believing that the growth and development of our employees are the fuel of the Group's growth momentum, we insist on establishing a sound training system to encourage them on continuous learning and breakthrough. By assessing employee's needs and goals of training, we arrange various types of training at different career development stages, including courses to improve professional skills and develop knowledge and literacy. According to the training policy, training subsidies are provided to support employees' participation in job position-related webinars, training courses and professional qualification examinations to achieve self-growth. In alignment with the trend of social sustainable development and corporate goals, the Group continues to enrich employees' knowledge related to environmental protection, governance and anti-corruption.

In 2023, our employees accumulated approximately 16,750 training hours in total on various topics including environmental awareness, health and safety, and technical and functional skills. The Group will continue to strengthen internal training, accelerate workforce enhancement and the cultivation of talents in reserve, and assist our employees in the exploration of their potential and development of core capabilities through more diversified career development plans and rich learning opportunities throughout their career planning.

100%
employee
training rate



Health and Safety of Employees

Committed to providing a safe workplace, VPower Group implements the principle of giving first place to safety, laying stress on prevention and taking comprehensive measures to achieve the goal of zero accident. In terms of governance, we fully implement safety policies, standards and guidelines, such as the *Safety Handbook*, *Power Plant Management Handbook*, *Power Plant Safety Equipment Operation Instructions* and ISO 45001 certification. Contingency plans and procedures to deal with unwanted accidents are also in place to protect the health and safety of employees.

In the operation of power stations, we focus on the various potential health and safety risks. Through comprehensive safety training and safety risk management, we implement meticulous management principles on health and safety. The Group adopts a safety responsibility system. From safety officers to safety directors, project managers, department heads and even management, they are all responsible for real-time monitoring and immediate response to the safety risk. Each employee is also responsible for each other's health and safety at work. In 2023, we did not record any case of occupational injuries or diseases.

Employee health management and prevention of occupational diseases are our focus. We ensure the physical health of our employees by establishing employee health training, promoting occupational disease prevention and treatment, providing medical care services, and encouraging regular health examinations. By detecting and monitoring occupational disease hazard factors, the Group formulated occupational disease prevention and control measures to meet relevant requirements of the workplace and surrounding environment, which can prevent employees from occupational diseases. In addition, we are committed to promoting the principles of self-focus and self-care, and encouraging healthy eating, physical activities, and mental health.



Sustainable Supply Chain

Responsible Procurement

Stable partnerships along the supply chain forms an important part of our sustainable business development. We continue to strengthen supply chain management and create a green, low-carbon, and responsible supply chain by integrating green, low-carbon, and environmentally friendly concepts and technologies into all aspects of procurement. Upon assessment regarding the sustainability of suppliers, we prioritise suppliers who are environmentally and socially responsible, in particular those with certifications, such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System.

Principles



The Group actively extends the mindset of responsible procurement throughout the production line. With the *Evaluation Control Procedure* and *Procurement Control Procedure*, we conduct strict screening and evaluation of suppliers in order to identify and control supply chain risks in the early stage.



On the other hand, our employees are required by the Group to comply with our policies in relation to *Code of Conduct*, anti-bribery, and conflict of interest which are applicable in the course of procurement and communication. We have added our requirements regarding ESG in the suppliers' code of code for further execution and promotion.

WORKING WITH OUR PARTNERS

In 2023, the Group worked with 587 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.



Product Responsibility and Customer Services

Excellent product services and customer service are the decisive factors for the steady growth of the Group's and business. With a target to achieve customer satisfaction, we keep improving the service quality, maintain close contact with customers with an open attitude, and strive to meet or even exceed customer expectations. Through product quality control and management, customer services and complaint handling guidelines, our team continues to strive for excellence and to meet customer needs.

Constantly improving product quality, actively communicating with customers, collecting customer feedback, and strengthening after-sales service capabilities are effective guarantees for us to maintain product competitiveness. As a responsible energy provider, we have developed *Inspection Control Procedure* to implement quality and safety control before shipping generator sets and power generation systems to meet international standards and customer requirements. Our Shenzhen Factory, being the base of our system integration, is certified with ISO 9001:2015 Quality Management System.

In terms of customer information, we strictly abide by the provisions on privacy protection of customer information in the *Code of Conduct* to keep customer information confidential, and continue to monitor and review the effectiveness of privacy management. At the same time, we raise employees' awareness of personal data protection and set up emergency measures to deal with unauthorised disclosure of private information by anyone through the internet, email, portable storage devices and file transfer methods to effectively reduce risks and mitigate crises.

In terms of after-sales service after product delivery, we also arrange specialists responsible for relevant projects to respond promptly, actively handle customer issues, collect and responsibly respond to complaints or product return requests. We continue to maintain close contact with our customers through various channels, including our company website, social media, video or physical meetings, and listen carefully to their valuable opinions. We fully consider customer feedback and opinions, which will be put them into practice in future business development plans and corporate policies to improve and provide high-quality products and services continuously.

In 2023, 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

Caring for and supporting communities is our social responsibility as a basic energy provider. Taking up responsibilities to the community, we are committed to providing stable and reliable power to the communities in regions in which we operate, and actively participating in community public welfare programmes to make contributions with our professional knowledge, volunteer services, and resource sharing.

We also actively respond to and support the local government's policy development in the utility industry, and provide opinions and responses in important public consultations. Our regional teams with local know-how are encouraged to initiate community development programmes targeting at adequately serving the needs of local communities.

In 2023, we focused on the health needs of the community, and launched a series of thematic training and promotion activities in particular on the United Nations' international days, to contribute to the sustainable development of vulnerable groups, the next generation, the environment, culture and the community.



Prevention and control of infectious diseases

After the COVID-19 pandemic, various infectious diseases, including influenza A and B, mycoplasma pneumonia, and dengue fever, continue to rage around the world. On International Epidemic Preparedness Day, we arranged promotion activities and training workshops to increase the community's awareness of epidemic disease prevention and control, and popularise relevant precautions and treatment matters. In Brazil, we cooperated with the local disease prevention and control health organisations to provide free vaccinations to local vulnerable groups in many remote areas to help them avoid contracting diseases and maintain good health.



SUPPORTING OUR COMMUNITIES

Focus on health

We set up a theme colour month to encourage employees and the community to be aware of the prevention and control of common diseases and to pay attention to mental health. In 2023, we held Yellow September, Pink October and Blue November activities, and encouraged employees to dress up in theme colours on event days. Yellow September aimed to promote mental health for lowering the suicide rate in the community; while Pink October and Blue November aimed to raise employees' and the community's awareness of breast cancer and prostate cancer respectively which are the most common female and male cancers, and promote prevention, diagnosis and early treatment, knowledge, and promote patient care and support.



The World Tsunami Awareness Day Promotion

Tsunami is one of the deadliest natural disasters causing an average of 4,600 deaths every occurrence. As the planet warms, ice caps and glaciers are melting, sea levels are rising, and storms and cyclones are increasing in frequency and intensity. In order to raise employees' and the community's awareness and safety consciousness of tsunamis, we held promotion training activities on World Tsunami Awareness Day.



Support Women

We have continued to participate in the Say Yes To Breastfeeding community support event organised by the Hong Kong Committee for UNICEF and co-organised by the Food and Health Bureau and the Department of Health in recent years, and implemented relevant employee welfare policies to create a breastfeeding-friendly workplace. At the same time, we provide breastfeeding employees with breastfeeding slots, private rooms and necessary facilities. Our female employees return to work after maternity leave and the retention of employees who are still on the job one year after returning to work at a rate of 100%.



Caring for the next generation

Oil drums are unavoidable waste generated from certain of the Group’s power stations. In Brazil, we cleaned and processed the used oil drums up to environmental standards and sent them to the environmental department of local government for artists to design with rare species that inhabit the local area, which were then donated them to school. These art oil drums are used for plant planting and storage in the school. Through the transformation of oil drums, we expect to draw the attention of our next generation to endangered animals, teaching them different types of plants and the importance of biodiversity and building their concern over ecosystem balance and environmental protection and waste recycling.



In 2023, we rendered full support to our employees in participating community services and arranging events during office hours, and committed approximately 8,100 hours of volunteer work and approximately HK\$100,000 in community investment which included monetary and in-kind donations and support to non-governmental organisations.

PERFORMANCE DATA SUMMARY

Environmental Aspect

	Unit	
GHG Emissions⁽¹⁾		
Direct (Scope 1) Emissions⁽²⁾		
Offices tonne	tonne CO ₂ e	43.28
Shenzhen Factory	tonne CO ₂ e	29.70
IBO projects	tonne CO ₂ e	194,199.64
Energy Indirect (Scope 2) Emissions⁽³⁾		
Offices	tonne CO ₂ e	53.75
Shenzhen Factory	tonne CO ₂ e	89.16
IBO projects	tonne CO ₂ e	410.95
Other Indirect (Scope 3) Emissions⁽⁴⁾		
Offices	tonne CO ₂ e	124.10
Shenzhen Factory	tonne CO ₂ e	4.26
IBO projects	tonne CO ₂ e	53.78
Total Gross GHG Emissions	tonne CO ₂ e	195,008.62
GHG Emissions Intensities		
Offices	tonne CO ₂ e/m ² of floor area	0.069
Shenzhen Factory	tonne CO ₂ e/HK\$'000,000 revenue from SI business	0.182
IBO projects	tonne CO ₂ e/kWh of electricity generated	0.0001678
GHG Emissions Offset⁽⁵⁾		
Shandong Project	tonne CO ₂ e	75,395.47
Myingyan II Project	tonne CO ₂ e	10,145.79
Net GHG Emissions⁽⁶⁾	tonne CO ₂ e	109,467.36
Net Scope 1 & 2 GHG Emissions Intensity of IBO Business	tonne CO ₂ e/HK\$'000,000 revenue from IBO business	132.64

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 emissions are 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 emissions are 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	
Air Emissions⁽⁷⁾		
Shenzhen Factory		
Sulphur dioxide (SO ₂)	tonne	0.003
Nitrogen oxides (NO _x)	tonne	0.471
Particulate matter (PM)	tonne	0.021
IBO Projects		
Sulphur dioxide (SO ₂)	tonne	91.355
Nitrogen oxides (NO _x)	tonne	2,784.133
Particulate matter (PM)	tonne	64.853
Energy Consumption		
Electricity Consumption		
Offices	kWh	123,866
Shenzhen Factory	kWh	156,334
IBO projects	kWh	1,053,716
Natural Gas Consumption		
IBO projects	m ³	166,934,275
Liquid Fuel Consumption		
Offices	L	14,987
Shenzhen Factory	L	13,617
IBO projects	L	96,662,295
Biogas Consumption		
Shandong Project	m ³	41,038,290
Total Energy Consumption⁽⁸⁾		
Offices	GJ	986
Shenzhen Factory	GJ	1,053
IBO projects	GJ	10,912,988
Total Energy Consumption Intensities⁽⁸⁾		
Offices	GJ/m ² of floor area	0.31
Shenzhen Factory	GJ/HK\$'000,000 revenue from SI business	1.56
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, 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	
Water		
Water Consumption		
Offices	m ³	521
Shenzhen Factory	m ³	4,111
IBO projects	m ³	87,112
Water Consumption Intensities		
Offices	m ³ /m ² of floor area	0.16
Shenzhen Factory	m ³ /HK\$'000,000 revenue from SI business	6.09
IBO projects	m ³ /kWh of electricity generated	0.0000751
Waste		
Non-Hazardous Waste Generated		
Offices	kg	3,508
Shenzhen Factory	kg	9,741
IBO projects	kg	10,520
Non-Hazardous Waste Generated Intensities		
Offices	kg/m ² of floor area	1.09
Shenzhen Factory	kg/HK\$'000,000 revenue from SI business	14.42
IBO projects	kg/kWh of electricity generated	0.000009
Hazardous Waste Generated		
IBO projects	L	238,637
Hazardous Waste Generated Intensity		
IBO projects	L/kWh of electricity generated	0.00021
Environmental Compliance		
Number of violation cases related to pollutant emissions or environmental impacts	no.	0

Social Aspect

	Unit	
Employment Profile⁽¹⁾		
Total Number of Employees	no.	365
By Age Group		
<30	no.	45
31–40	no.	141
41–50	no.	113
>50	no.	66
By Gender		
Male	no.	279
Female	no.	86
By Employment Type		
Full-time	no.	363
Part-time	no.	2
By Contract		
Permanent	no.	283
Temporary	no.	82
By Region		
Hong Kong & Mainland China	no.	226
Other Asian countries	no.	37
Other countries	no.	102
Full-time		
By Gender		
Male	no.	278
Female	no.	85
By Region		
Hong Kong & Mainland China	no.	224
Other Asian countries	no.	37
Other countries	no.	102
Part-time		
By Gender		
Male	no.	1
Female	no.	1
By Region		
Hong Kong & Mainland China	no.	2
Other Asian countries	no.	0
Other countries	no.	0

PERFORMANCE DATA SUMMARY

	Unit	
Permanent		
By Gender		
Male	no.	221
Female	no.	62
By Region		
Hong Kong & Mainland China	no.	151
Other Asian countries	no.	30
Other countries	no.	102
Temporary		
By Gender		
Male	no.	58
Female	no.	24
By Region		
Hong Kong & Mainland China	no.	75
Other Asian countries	no.	7
Other countries	no.	0
Non-employment Profile		
Total Number of Employees	no.	359
By Age Group		
<30	no.	165
31–40	no.	138
41–50	no.	46
>50	no.	10
By Gender		
Male	no.	340
Female	no.	19
By Region		
Hong Kong & Mainland China	no.	38
Other Asian countries	no.	296
Other countries	no.	25
Employee Turnover Rate		
Overall	%	22.45
By Age Group		
<30	%	43.55
31–40	%	21.43
41–50	%	17.31
>50	%	12.70

PERFORMANCE DATA SUMMARY

	Unit	
By Gender		
Male	%	18.62
Female	%	34.41
By Region		
Hong Kong & Mainland China	%	18.99
Other Asian countries	%	54.05
Other countries	%	19.27
New Employee Hire Rate		
Overall	%	13.32
By Age Group		
<30	%	22.58
31–40	%	16.88
41–50	%	6.73
>50	%	6.35
By Gender		
Male	%	11.38
Female	%	19.35
By Region		
Hong Kong & Mainland China	%	10.13
Other Asian countries	%	35.14
Other countries	%	12.84
Health and Safety		
Total working hours (/)	hours	808,963.00
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
Development and Training		
Employee training rate	%	100
Total training hours	hours	16,750.00
Average training hours per employee	hours	45.89
By Gender		
Male	hours	52.60
Female	hours	24.12

PERFORMANCE DATA SUMMARY

	Unit	
By Employment Category		
Directors and executives	hours	10.53
Managers	hours	22.69
General Staff	hours	54.60
Labour Practices		
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
Maternity Leave/Paternity Leave		
Total number of employees that were entitled to maternity/paternity leave		
Male	no.	279
Female	no.	86
Total number of employees that took maternity/paternity leave in 2023		
Male	no.	5
Female	no.	5
Total number of employees that returned to work in the reporting period after maternity/paternity leave in 2023		
Male	no.	5
Female	no.	5
Total number of employees that returned to work after maternity/paternity leave ended in 2022 that were still employed 12 months after their return to work		
Male	no.	5
Female	no.	3
Return to work rate		
Male	%	100.00
Female	%	100.00
Retention rate		
Male	%	62.50
Female	%	100.00

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 per month from January to December 2023 by the total number of 8 hours worked per day and the total number of working days in the month.
- (3) Numbers of work-related fatalities in 2021 and 2022 were 0 cases.
- (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 2021 and 2022 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

GRI CONTENT INDEX

VPower Group has reported the information cited in this GRI content index for the period of 1 January 2023 to 31 December 2023 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.
GRI 2: General Disclosures 2021		
The Organisation and its reporting practices		
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 Annual Report 2023 — Notes to financial statements	2
2-3 Reporting period, frequency and contact point	About this Report	2
2-4 Restatements of information	No Information has been restated.	
Activities and workers		
2-6 Activities, value chain and other business relationships	About VPower Group and Working with Our Partners	3, 26–30
2-7 Employees	Working with Our Partners	26–30
2-8 Workers who are not employees	Working with Our Partners	26–30
Governance		
2-9 Governance structure and composition	Our Approach to Sustainability and 2023 Annual Report — Corporate Governance Report	6–16
2-10 Nomination and selection of the highest governance body	2023 Annual Report — Corporate Governance Report	—
2-11 Chair of the highest governance body	2023 Annual Report — Corporate Governance Report	—
2-12 Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability	6–16
2-13 Delegation of responsibility for managing impacts	Our Approach to Sustainability	6–16
2-14 Role of the highest governance body in sustainability reporting	Our Approach to Sustainability	6–16
2-15 Conflicts of interest	2023 Annual Report — Corporate Governance Report	—
2-16 Communication of critical concerns	Our Approach to Sustainability	6–16
2-17 Collective knowledge of the highest governance body	Our Approach to Sustainability	6–16
2-19 Remuneration policies	2023 Annual Report — Corporate Governance Report	—
2-20 Process to determine remuneration	2023 Annual Report — Corporate Governance Report	—

GRI CONTENT INDEX

DISCLOSURE	Relevant Section(s) in this Report and/ or Other References/Explanation	Page no.
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	Our Approach to Sustainability	6–16
2-23 Policy commitments	Our Approach to Sustainability	6–16
2-24 Embedding policy commitments	Our Approach to Sustainability	6–16
2-25 Processes to remediate negative impacts	Our Approach to Sustainability and Preserving Our Planet	6–25
2-26 Mechanisms for seeking advice and raising concerns	Our Approach to Sustainability and Working with Our Partners	6–16, 26–30
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	6–16, 52–54
2-28 Membership associations	About VPower Group	3
Stakeholder engagement		
2-29 Approach to stakeholder engagement	Our Approach to Sustainability	6–16
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	Our Approach to Sustainability	6–16
3-2 List of material topics	Our Approach to Sustainability	6–16
3-3 Management of material topics	Our Approach to Sustainability, Preserving Our Planet and Working with Our Partners	6–30
Response to Climate Change, Greenhouse Gas Management		
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	Preserving the Planet and Performance Data Summary	17–25, 34–40
305-2 Energy indirect (Scope 2) GHG emissions	Preserving the Planet and Performance Data Summary	17–25, 34–40
305-3 Other indirect (Scope 3) GHG emissions	Preserving the Planet and Performance Data Summary	17–25, 34–40
305-4 GHG emissions intensity	Preserving the Planet and Performance Data Summary	17–25, 34–40
305-5 Reduction of GHG emissions	Preserving the Planet and Performance Data Summary	17–25, 34–40
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant	Preserving the Planet and Performance Data Summary	17–25, 34–40
Business Ethics		
GRI 206: Anti-competitive Behavior 2016		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Our Approach to Sustainability	6–16

DISCLOSURE	Relevant Section(s) in this Report and/ or Other References/Explanation	Page no.
Energy Efficiency		
GRI 302: Energy 2016		
302-1 Energy consumption within the Organisation	Preserving the Planet and Performance Data Summary	17–25, 34–40
302-3 Energy intensity	Preserving the Planet and Performance Data Summary	17–25, 34–40
302-4 Reduction of energy consumption	Preserving the Planet and Performance Data Summary	17–25, 34–40
Training and Development		
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	Working with Our Partners	26–30
404-2 Programs for upgrading employee skills and transition assistance programs	Working with Our Partners	26–30
404-3 Percentage of employees receiving regular performance and career development reviews	Working with Our Partners	26–30
Anti-Corruption		
GRI 205: Anti-corruption 2016		
205-2 Communication and training about anti-corruption policies and procedures	Our Approach to Sustainability	6–16
205-3 Confirmed incidents of corruption and actions taken	Our Approach to Sustainability	6–16
Employment Practice, Employee Welfare		
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	Performance Data Summary	34–40
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Working with Our Partners	26–30
401-3 Parental leave	Performance Data Summary	34–40

GRI CONTENT INDEX

DISCLOSURE	Relevant Section(s) in this Report and/ or Other References/Explanation	Page no.
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	Working with Our Partners	26–30
403-2 Hazard identification, risk assessment, and incident investigation	Working with Our Partners	26–30
403-3 Occupational health services	Working with Our Partners	26–30
403-5 Worker training on occupational health and safety	Working with Our Partners	26–30
403-6 Promotion of worker health	Working with Our Partners	26–30
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Working with Our Partners	26–30
403-8 Workers covered by an occupational health and safety management system	Working with Our Partners	26–30
403-9 Work-related injuries	Working with Our Partners and Performance Data Summary	26–30, 34–40
403-10 Work-related ill health	Working with Our Partners and Performance Data Summary	26–30, 34–40

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>Governance Structure A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Our Approach to Sustainability	6–16
<p>Reporting Principles A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality, Quantitative, Consistency.</p>	About this Report	2
<p>Reporting Boundary 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>	About this Report	2

“Comply or Explain” Provisions

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
A. Environmental			
Aspect A1: Emissions			
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	17–25, 52–54
KPI A1.1	The types of emissions and respective emissions data.	Preserving Our Planet and Performance Data Summary	17–25, 34–40
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	17–25, 34–40
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	17–25, 34–40
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	17–25, 34–40
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Our Approach to Sustainability and Preserving Our Planet	6–25
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	6–25

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
Aspect A2: Use of Resources			
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.	17–25
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	17–25, 34–40
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	17–25, 34–40
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Preserving Our Planet	17–25
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.	17–25
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.	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Preserving Our Planet	17–25
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	17–25
Aspect A4: Climate Change			
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	17–25
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	17–25

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. Social			
Employment and Labour Practices			
Aspect B1: Employment			
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	26–30, 52–54
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	26–30, 34–40
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary	34–40
Aspect B2: Health and Safety			
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	26–30, 52–54
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	34–40
KPI B2.2	Lost days due to work injury.	Performance Data Summary	34–40
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Working with Our Partners	26–30
Aspect B3: Development and Training			
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	6–16, 26–30
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	26–30, 34–40
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary	34–40

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
Aspect B4: Labour Standards			
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.	26–30
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Working with Our Partners	26–30
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.	26–30
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Working with Our Partners	26–30
KPI B5.1	Number of suppliers by geographical region.	Working with Our Partners	26–30
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	26–30
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	26–30
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	26–30

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.
Aspect B6: Product Responsibility			
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.	26–30
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Working with Our Partners	26–30
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	26–30
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Working with Our Partners	26–30
Aspect B7: Anti-corruption			
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.	6–17
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.	6–17

Subject Areas, Aspects, General Disclosures and KPIs		Relevant Section(s) in this Report and/or Other References/Explanation	Page No.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Our Approach to Sustainability	6–16
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Approach to Sustainability	6–16
Community			
Aspect B8: Community Investment			
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	6–16, 31–33
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting Our Communities	31–33
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting Our Communities	31–33

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

SEHK's ESG Reporting Guide Subject Area

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 Law 2023 (Brazil), Climate Change Regulation 2023 (Brazil), Environmental Policy Act (Brazil), Clean Air Act Law (Brazil), National Water Resources Policy Law (Brazil), Solid Waste Management Policy Law (Brazil), The Environmental Conservation Law (Myanmar), Conservation of Water Resources and Rivers Law (Myanmar), Environmental Improvement Plan 2023 (UK), The Energy Act 2023 (UK), Environmental Protection Act (UK), Climate Change Act (UK), Water Resources Act (UK), Environmental Permitting (England and Wales) Regulations 2016, Control of Pollution Act (UK), Environment Law (Indonesia), 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 2023, 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

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, Brazil and UK, 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), Law of Social Security (Brazil), Law of Equal Pay (Brazil), Gender Pay Parity Law (Brazil), Brazilian Labor Code (Brazil), the Workers (Predictable Terms and Conditions) Act 2023 (UK), the Pensions (Extension of Automatic Enrolment) Act 2023 (UK), the Employment Rights Act 1996 (UK), National Minimum Wage Act 1998 (UK), and Equality Act 2010 (UK).

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 2023, 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

Aspect B2: Health and Safety

Relating to providing a safe working environment and protecting employees from occupational hazards

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.

In relation to our IBO business with operations in Myanmar, Indonesia, Brazil and the UK, the laws and regulations that are significant to the Group include Occupational Safety and Health in Confined Spaces (Indonesia), Sexual Violence Crimes Law (Indonesia), 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), 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).

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.

In 2023, 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.