



# To Give Positive **Environmental** Impact

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2023**

Incorporated in the Cayman Islands with limited liability

Stock Code: 8391

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A young girl with long, light brown hair is looking out of a window, her hands clasped together. The background is blurred, showing other people and what appears to be a train or bus. A large yellow arc graphic is in the top left corner, and a grey arc graphic is in the bottom left corner. The text 'About Cornerstone Technologies' is overlaid on the image.

# About ● Cornerstone Technologies



Cornerstone Technologies Holdings Limited (“the Company”) together with its subsidiaries (collectively as “the Group” or “Cornerstone Technologies”) was established in 2016, leading the development of innovative sustainable environmental technology solutions. Headquartered in Hong Kong, it is committed to providing diversified and convenient electric vehicle (“EV”) charging solutions to meet the needs of electric vehicle owners.

**Business Overview**

The Group posted solid results for the year ended 31 December 2023 (“reporting year”).

**KEY  
FINANCIAL  
INFORMATION**



More details of Cornerstone Technologies' financial performance and related information can be found in its Annual Report 2023, which is available on Cornerstone Technologies' and SEHK's websites.







Cornerstone Technologies is a company that specializes in innovative, high-quality, and reliable EV charging technologies. We're particularly dedicated to developing electric vehicle charging solutions that align with market needs.

The 2024 Hong Kong government budget reveals plans to actively promote trials of new energy public transportation, including electric trucks and tourist buses. This initiative is expected to expand the use of electric vehicles in Hong Kong. Moreover, the government is extending the first registration tax reduction arrangement for electric vehicles until March 2026, encouraging broader use of electric vehicles and stimulating the private car market.

With the Hong Kong government's policy support, the demand for electric vehicle charging stations continues to grow. Seizing this opportunity, our group has developed and expanding its internal R&D team to grasp the latest industry technologies quickly. This enables us to provide our customers with the most efficient and advanced charging solutions, increasing our market share. By collaborating with various brands, Cornerstone Technologies can offer a diverse range of comprehensive charging solutions for electric vehicle users, addressing their needs in different scenarios.

Furthermore, the Hong Kong government has officially granted Cornerstone Technologies the right to operate charging services at 27 electric vehicle charging stations. This makes us the first private operator selected by the Hong Kong government to commercialize the electric vehicle charging station market. We believe our group will play a crucial role in promoting the commercialization of electric vehicle charging services, contributing to the sustainable development of the charging industry and fostering the growth of the electric vehicle ecosystem.





# **Board Statement on Sustainability Management**



## Dear Stakeholders,

Cornerstone Technologies firmly believes that sustainable development is essential to our business success. We are dedicated to incorporating this concept into our business strategies, operations, and culture, viewing it as the foundation of our long-term success.

According to the Environmental Bureau, transport contributes to approximately 20% of Hong Kong's total carbon emissions. Vehicles, especially commercial ones such as trucks, buses, minibuses, and taxis, are the primary source of air pollution in Hong Kong, accounting for over 90% of roadside nitrogen oxide emissions. Given the need to reduce greenhouse gas emissions, the transport industry is a crucial sector for carbon reduction.

In response, the Hong Kong government has set clear carbon reduction targets and plans to achieve carbon neutrality by 2050. The government is promoting new energy transportation, including electric vehicles, and encouraging their widespread use. Cornerstone Technologies has been proactively enhancing its capabilities to maintain a leading position in this emerging market.

We will continue to engage with more stakeholders in the value chain and provide diversified and flexible charging solutions to stimulate the use of electric transportation. We believe that through ongoing dialogue with employees, customers, suppliers, and the community, we can better understand their needs and incorporate their feedback into our business strategies. This will enable us to create innovative services that balance urban development, community life, and carbon reduction needs.

Regarding our operations, we recognize the potential damage extreme weather can inflict on infrastructures, including car parks and charging facilities. Hence, our Board of Directors supervises regular risk management, especially those associated with climate change. The Audit Committee, authorized by the Board, reviews the risk management and internal control systems and reports back to the Board. We conducted a comprehensive review of these systems in 2023 and found them to be effective, sufficient, and without significant defects.

Moving forward, we will continue to align with government policies and collaborate with various stakeholders. Our aim is to make EV Charging accessible and to the best of efforts, to ensure that the growth of charging facilities in the city matches the increase in electric vehicles on the road, thereby contributing to Hong Kong's carbon neutrality goal.

Board of Directors  
March 2024





# **Feature Story – From Personal to Commercial: Expanding the Green Transportation Ecosystem**





In 2021, the government introduced the “Hong Kong Electric Vehicle Popularization Roadmap.” The goal is to help Hong Kong attain carbon neutrality by 2050 through the widespread use of electric vehicles. Although policy incentives can spur society to use more electric vehicles, establishing a comprehensive electric vehicle ecosystem is crucial for long-term use. If the user experience is subpar and the supporting facilities are underdeveloped, people might abandon their electric vehicles. As a critical stakeholder in this ecosystem, our group is committed to transforming early adopters into long-term loyal users, aiding in long-term carbon reduction.

According to government data, there were only approximately 13,500 EV cars registered in 2019 in Hong Kong. However, as at the end of 2023, this figure has quadrupled in the last four years to approximately 73,300 due to government policies. In response to the government's action plan, Cornerstone Technology, a leading provider of electric vehicle charging solutions, has been actively enhancing and expanding the charging network, technology, and service facilities. To further this cause, we launched Cornerstone BUSINESS, a new brand promoting commercial electric vehicles. It spearheads the cross-industry “Green Transportation Pioneer Program,” which encourages the use of commercial electric vehicles.

Industry estimates suggest that between 800 and 1,000 taxis must be converted to electric by the end of 2024 to meet the government's goal of 3,000 electric taxis by 2027. To attract customers hesitant about the supporting facilities for electric commercial vehicles, our group focuses on promoting the construction of the electric vehicle ecosystem. We provide convenient and efficient supporting services, connecting all stakeholders in the electric vehicle business.

Cornerstone BUSINESS has a brand specifically for vans, eC-VAN. It offers customers a one-stop solution for renting, charging, and parking electric vans, making green logistics an attainable goal. In collaboration with logistics and freight leaders, we provide comprehensive support services for light-goods vehicle drivers, including registration, electric vehicle leasing, charging services, and parking discounts.

We have also established the “eC-TAXI” brand to support the taxi sector in the electric vehicle ecosystem. In partnership with the Hong Kong Taxi Minibus Business Association, we provide tailor-made charging discount programs and support services for taxi drivers, encouraging the adoption of green transportation.

Compared to diesel vans, electric vans reduce carbon emissions by 63% per kilometer driven. Similarly, electric taxis reduce carbon emissions by 35% per kilometer driven compared to LPG taxis.

Our group firmly believes that the successful construction of an electric vehicle ecosystem depends on the participation of the government and various stakeholders. This way, customers can receive timely support for everything from purchasing electric vehicles, loan services, vehicle maintenance and repair, to charging networks, passenger safety, experience, and insurance. We're committed to making the use of electric vehicles a part of daily life. As such, Cornerstone Technology is taking an active leading role in constructing a sustainable development-capable electric vehicle ecosystem, confident that its success will elevate our group to new heights.



A photograph of a man and a young boy planting a small tree in a grassy field. The man is kneeling on the right, holding the sapling, while the boy is kneeling on the left, also holding the sapling. They are both looking at the plant with interest. The background is a lush green field with trees in the distance. A large yellow curved shape is in the top left corner, and a semi-transparent white curved shape is in the bottom left corner.

# Our Sustainability Approach



The Group is committed to creating shared value for our stakeholders and local communities. We incorporate environmental and social sustainability considerations into our business decisions and daily practices.

**Sustainability Governance**

The Sustainable Committee, led by members of the Board of Directors (the “Board”) and backed by the Sustainability Taskforce, comprises members from various business units. These members utilize their expertise to contribute to pertinent areas. Concurrently, the Board supervises the Group's sustainable development direction to ensure key considerations are fully incorporated into the sustainable development strategy.

**Sustainability Strategy**

In alignment with the 2030 milestone year of the United Nations Sustainable Development Goals, we have established a roadmap. This roadmap transforms significant environmental and social challenges into strategic areas of action for our ongoing success.

Our commitment to sustainable development is founded on five pillars. Based on the results of the importance assessment, our efforts in carbon reduction and supply chain responsibility, among other pillars, are prioritized.





## Sustainability Risk Management

In the fast-paced world of technology and innovation, Cornerstone is not only making waves with its EV charging solutions but also setting benchmarks in managing ESG risks. The Group recognizes the importance of sustainable development and has integrated ESG risk management into its core business strategy.

The Group has identified several key ESG risks that are pertinent to its operations. These include digital security risks associated with customer data and charging system back-end, potential instability in power supply, waste disposal from scrapped electronic parts, and the loss of key technical personnel.

Recognizing digital security as one of the major challenges in today's data-driven world, Cornerstone takes every precaution to safeguard customer data. The Group is aware that a cyber-attack can cause significant damage, from customer data leakage to the disruption of their charging systems. As such, robust cybersecurity measures are in place to prevent unauthorized access and ensure the smooth operation of their charging systems.

Reliable power supply is another critical aspect of the Group's business, as the quality of its services heavily depends on a stable electricity network. The Group is committed to partnering with reliable energy providers and implementing contingency plans to mitigate this risk.

Environmental stewardship is at the heart of Cornerstone Technologies' operations. Aware of the environmental impacts of electronic waste, the Group ensures the responsible and ethical disposal of scrapped parts, thus minimizing any potential environmental damage.

Recognizing that its success hinges on its talented workforce, Cornerstone Technologies places a high value on employee retention, especially for those handling key technologies. The Group fosters an engaging and rewarding work environment to retain its skilled personnel.

Despite these challenges, there are significant opportunities. There's a growing market trend and consumer preference towards low-carbon commuting solutions and technologies. Additionally, government policies favoring EVs stimulate the overall development of the EV industry, creating a promising landscape for Cornerstone Technologies.

By taking a proactive and comprehensive approach to ESG risk management, Cornerstone Technologies is not just driving innovation in the EV charging industry, but is also leading the way in sustainable business practices.

## Stakeholder Engagement

Our sustainable development strategy is largely informed by feedback from our stakeholders. We maintain regular communication with key stakeholders through various channels, allowing us to collect their insights and make consistent improvements. Their input helps us recognize and prioritize both current and emerging risks and opportunities within our business.

After successfully integrating new business acquisitions in 2020, we've established various internal communication channels to encourage continuous dialogue with our employees. In an effort to further promote our sustainable development strategy, we've launched a series of internal communication activities to raise awareness and ensure consistency. These engagement activities aim to not only inform and motivate our employees but also provide a platform for them to share their thoughts and opinions about their work and the company overall.

Feedback from these channels is handled by an external consultant and directly submitted to the Sustainability Committee for review. We emphasize open communication and active participation in employee activities to encourage sustainable development and foster an inclusive, collaborative culture.



## CASE SHARING:

### REGULAR UPDATES TO GREEN BOND FRAMEWORK

Cornerstone Technologies acknowledges the need for the Group's development to keep pace with rapid market changes, confront unknown challenges, and enhance sustainable development capabilities. Consequently, the Group conducted a comprehensive review and update of the previously released Green Bond Framework within the year. This ensures that the framework aligns more with the Group's development, effectively manages changes in the external environment, and fosters investor confidence.

Below are examples of performance indicators and goals:

Eligible Categories	Project Description
Clean Transportation	Investments and expenditures (including but not limited to acquisition costs, research and development cost, construction cost and licensing costs) for the design, development and manufacturing of EV charging stations
Energy Efficiency	Projects intend to achieve at least a 20% improvement in energy efficiency, through measures including but not limited to: <ul style="list-style-type: none"><li>- Operation improvement;</li><li>- Technology adoption (such as installation of energy management systems);</li><li>- Professional services (such as relevant technical consultations, energy audits and feasibility studies); and</li><li>- Equipment upgrades in new/existing buildings</li></ul>

In line with our vision for sustainable development, we plan to introduce social performance indicators into the framework in the future.

## CASE SHARING:

# OUR ROBUST STAKEHOLDER ENGAGEMENT ACTIVITIES IN 2023

Cornerstone Technologies has always understood the importance of maintaining strong relations with its external stakeholders, including investors, suppliers, and industry peers. Throughout the year, the Group has invested significant time and effort in engaging with these stakeholders, fostering open dialogues and ensuring a mutual understanding of the Group's future direction and development strategy.

The Group has held over a hundred face-to-face meetings with investors, aiming to provide a deep dive into the Group's future prospects and strategic planning. These meetings have been pivotal in ensuring investors accurately interpret the Group's performance and maintain confidence in its profitability.

Maintaining a pulse on the market is crucial. Hence, Cornerstone Technologies actively communicated with suppliers to both articulate the Group's product and service requirements and to stay up-to-date with the latest industry developments. This ongoing dialogue has provided valuable insights into cutting-edge hardware packages and technologies, keeping Cornerstone at the forefront of industry innovation.

Believing in the power of collaboration to push the industry further, the Group has also engaged in multiple exchanges with industry peers. These interactions have allowed for a mutual understanding of market interpretations and shared practical experiences in technology application. This peer-to-peer exchange fosters healthier industry development, promoting technological advancement and market growth.

Through these strategic stakeholder engagement activities, Cornerstone Technologies continues to foster a culture of transparency and collaboration, strengthening its position as a market leader and reinforcing its commitment to sustainable development.



## OUR POLICY STATEMENT

To foster lasting relationships with our customers, we strive to provide exceptional customer experiences, top-notch products and services, and continuously develop innovative solutions to improve product delivery quality whilst safeguarding customer rights.

# Our Product Responsibilities

## Our Achievements

> Launched new brands under Cornerstone GO, namely eC-Van and eC-Taxi, to contribute in establishing the commercial EV ecosystem in Hong Kong

> Cooperated with external stakeholders to promote the use of commercial electrical vehicles

> Upgraded customer app introducing new features



## Customer Services

Our team is dedicated to upholding the highest standards of project delivery and safeguarding customer welfare at all interactions. This is achieved through effective quality assurance processes. We have implemented efficient systems to ensure our customers receive accurate and comprehensive information about our products and services. These systems include procedures for responding promptly and fairly to customer feedback.

Our quality assurance procedures also provide employees with guidance on handling non-conforming products and customer complaints. In 2023, we received no customer complaints and any issues that arose were resolved promptly and professionally.

## CASE SHARING: CUSTOMER SATISFACTION

We conducted a customer satisfaction survey to understand how we can further improve our services. The three main areas where our customers expressed satisfaction were: (1) ease of use, (2) likelihood to recommend our services, and (3) reasonable pricing. On average, customers rated our post-installation guidance an 8.10, reflecting their satisfaction with the clarity of our instructions. The positive feedback regarding our service staff's helpful and agreeable demeanor reaffirms our dedication to delivering superior customer service.



The Group address our commitment to enhancing product quality in line with our customer feedback. We are instituting regular checks and rolling out new charging products to ensure the highest standards. Furthermore, we are intensifying our customer support to better serve our clientele. Our launch of Cornerstone GO has successfully met the customer demand for an expanded coverage of public charging stations. As part of our improved marketing strategy, our focus is on strengthening customer engagement, increasing customer loyalty, and reinforcing partner relationships. We plan to implement several strategies, such as referral programs and dynamic promotions supported across various channels.

## Information Management

At Cornerstone Technologies, we place a high premium on honesty, openness, and transparency in our marketing communications. Prior to publication, all promotional materials undergo a thorough review by management to ensure full compliance with all applicable advertising and intellectual property guidelines and regulations. We strictly adhere to patent and licensing regulations to prevent any infringement and avoid violations. Measures have also been taken to protect our intellectual property, including registrations and confidentiality agreements. Our employees are required to strictly comply with policies regarding the use and storage of proprietary or confidential information.

We recognize the critical role of cybersecurity in protecting our assets and customer data. As such, we have implemented cybersecurity measures in our operations and projects to ensure their security and protection.

## CASE SHARING: UPGRADE OF CUSTOMER APP

As electric vehicle (EV) charging services see a surge in demand, Cornerstone Technologies continues to innovate to guarantee an exceptional user experience. The latest updates to its app, Cornerstone GO, exemplify this dedication, introducing two key features set to transform how EV owners charge their vehicles.

The first feature is the 'Overstay Penalty'. This feature, designed to address increased demand for charging services and improve user experience, encourages users to leave the charging station promptly after the charge is complete. This promotes fair and efficient usage of charging services for all EV owners. Cornerstone GO offers a grace period of 15 minutes for fast charging and 30 minutes for medium charging. Users who complete charging, unplug, and exit the charging bay within this grace period will not incur extra charges.

The second noteworthy feature is the 'Remote Reservation of Cornerstone GO Charging Station'. With the Cornerstone EV Charging app, customers can reserve charging bays remotely for free. This feature also allows users to unlock the charger, start charging immediately, and stop charging from any location, making the EV charging process more convenient than ever.

These innovative features not only simplify the charging process but also encourage responsible use of charging stations. By constantly enhancing its app's features, Cornerstone Technologies reaffirms its commitment to providing superior charging solutions that adapt to the changing needs of EV owners.

Product Health and Safety

Cornerstone Technologies reveals that we have implemented a comprehensive quality management system. This system includes product quality plans and trustworthy testing procedures to evaluate potential safety hazards, showcasing our dedication to product quality assurance policies.

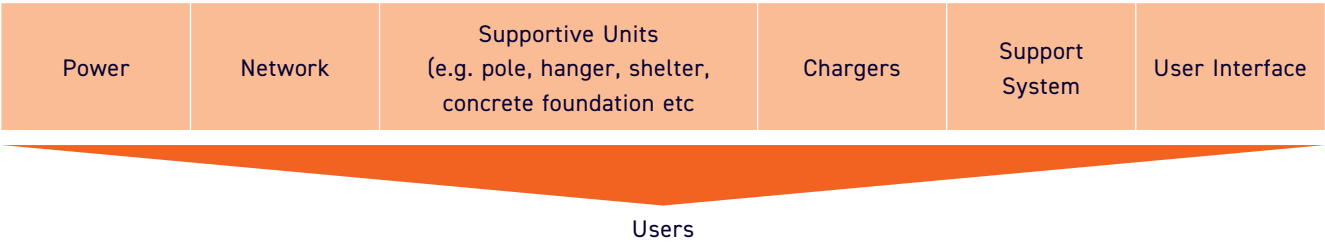
CASE SHARING:  
HIGH STANDARD OF QUALITY CHECK

Being a leader in innovative sustainable environmental technology solutions, the Group has taken a significant step in ensuring the quality and standard of their services. The Group has implemented a detailed Testing and Commissioning Procedure, a multi-stage process designed to ascertain that all provided charging systems meet the highest standards and requirements.

This policy applies to all charging systems installed by the Group, ensuring a uniform standard of excellence across all of the company's offerings. It represents an essential step in the Group's process of continuous improvement and dedication to customer satisfaction.

Before a charging system reaches the end-users, it undergoes thorough verification covering six key areas. Each area is meticulously checked to ensure the overall quality and reliability of the system. This comprehensive approach to quality control not only ensures the functionality of the charging systems but also builds strong trust with the customers.

The Six Key Areas:



The implementation of this Testing and Commissioning Procedure signifies the Group's commitment to delivering top-tier services and upholding customer satisfaction at the core of their values. It also showcases the Group's proactive approach to maintaining and enhancing the quality of their products and services, cementing their position as a reliable leader in the industry.



## OUR POLICY STATEMENT

At Cornerstone Technologies, we are dedicated to ethical and sustainable business practices, which encompass robust supply chain management to identify and manage environmental and social risks. We maintain a strict zero-tolerance stance towards corruption and bribery to uphold our commitment to integrity and fairness.

# Our Business Practices

## Our Achievements

> Reviewed guidelines planning to include more ESG requirements in procurement assessment

> Planned to arrange engagement workshops to share best ESG practices with business partners

> Continued to raise employees' awareness on anti-corruption



## Supply Chain Management

Cornerstone Technologies is committed to operating our business in a manner that is responsible to the environment and society, and we expect our business partners to do the same. We collaborate with approximately 200 suppliers and contractors worldwide. In 2023, there were no significant changes in our supply chain.

To ensure that our business partners meet our environmental, labour rights and health and safety standards, we have established a strict supply chain management system. We regularly conduct on-site inspections to monitor the performance of our suppliers. To adapt to the ever-changing social, economic and political environment, we have established guidelines and measures throughout our supply chain (from procurement to customer distribution).

## CASE SHARING: CAREFUL SELECTION OF SUPPLIERS

At Cornerstone Technologies, we aim to revise our business partner guidelines. This is to encourage our suppliers and contractors to integrate environmental and social objectives into their daily operations and overall culture. Our goal is to incorporate more environmental, social, and governance requirements into our procurement evaluations.



To improve our supplier management, we are having internal discussion and planning to establish a Supplier Code of Conduct and a Green Procurement Policy. These regulations must be adhered to by all new suppliers upon registration, and they must confirm their compliance in writing.

Moreover, Cornerstone Technologies is dedicated to incorporating sustainable development principles into our value chain to ensure customer satisfaction. We recognize the importance of developing collaborative relationships with our business partners in maintaining project quality, managing supply chain risks, and enhancing project efficiency.

## Anti-Corruption

Cornerstone Technologies enforces a strict policy against any form or degree of bribery and corruption. Employees must follow the guidelines outlined in the company's handbook, which defines corruption activities and their roles in preventing such actions.

Throughout the reporting year, we intensified our efforts in raising employee awareness about anti-corruption and anti-competitive behaviors through training sessions. As part of the onboarding process, all new employees and directors undergo anti-corruption training. Since this is part of routine procedures, the training hours have not been tracked. The Group will maintain these practices and enhance its record-tracking methods.

We take potential misconduct seriously at Cornerstone Technologies. To ensure accountability, we've implemented a whistleblowing procedure that encourages employees to voice any concerns to the Audit Committee. This committee is tasked with carrying out investigations in a confidential and impartial manner. We understand the importance of safeguarding whistleblowers, hence all reports are treated with utmost caution and fairness. We do not condone any retaliation against those who report in good faith.

During the reporting year, we adhered to all relevant laws and regulations, with no legal actions taken against us for corruption-related activities.



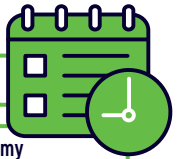
## OUR POLICY STATEMENT

Cornerstone Technologies places a strong emphasis on reducing its environmental impact through the implementation of energy efficient measures and responsible resource management practices. The Group aims to minimize its environmental footprint by following waste handling and monitoring guidelines, while conserving natural resources in accordance with its environmental policies. Our dedication to sustainability is evident across all aspects of our operations, as we strive to operate in an environmentally conscious and responsible manner.

# Our Environment

## Our Achievements

- > Continued to maintain high energy efficiency in office
- > Kicked started carbon credit project to explore the potential brought by carbon economy
- > Updated the Green Financing Framework to seizing opportunities brought by low carbon economy



## Resources

Committed to reducing our environmental footprint, Cornerstone Technologies abides by guidelines for proper waste handling to minimize waste generation. Our dedication to waste management reflects our commitment to sustainability and environmental responsibility. Besides, acknowledging climate change as a major global challenge, we recognize our role in the solution. As an EV solutions provider, we support the community's shift to low-carbon technologies while also focusing on decarbonizing our operations.

## CASE SHARING: A COMMITMENT TO REDUCING OFFICE RESOURCE CONSUMPTION

In the bustling headquarters of Cornerstone Technologies, a shift in thinking is taking place. The leading company, known for its sustainable environmental technology solutions, is not just about providing electric vehicle charging solutions. It's also about embodying its commitment to sustainability in its everyday office operations.

This year, Cornerstone Technologies has undertaken several initiatives to reduce resource consumption in the office. One of these is the push to cut back on office energy use. Employees have been reminded to turn off lights when not in use, a simple yet effective way to conserve energy. Besides, the office temperature has been standardized to reduce energy consumption while maintaining a comfortable working environment. These actions, while seemingly small, are steps towards the company's larger goal of minimizing its carbon footprint.



*The office temperature has been standardized to reduce energy consumption while maintaining a comfortable working environment.*

In addition to energy conservation, Cornerstone Technologies has also made strides in reducing paper use. Employees are encouraged to think twice before printing and to utilize digital platforms for document sharing and storage whenever possible. This approach not only saves trees but also contributes to a more organized and efficient workspace.

Perhaps one of the most significant initiatives introduced this year is the implementation of waste segregation bins within the office premises. Apart from daily household waste, toners can also be collected in offices to recycle. This move has boosted recycling rates among employees, thereby significantly reducing the amount of waste generated.



*Waste segregation bins collecting aluminum, plastics and toners are provided to boost the recycle rate in offices.*



Cornerstone Technologies' commitment to reducing office resource consumption is a testament to its dedication to sustainable growth. It's clear that the company's mission to develop innovative sustainable environmental technology solutions extends beyond its core business operations. It is a part of their corporate DNA and everyday office life, further enhancing their position as a leader in sustainability.

## Climate Change

Cornerstone Technologies adopts a proactive stance towards climate change, recognizing both the challenges it poses and the responsibilities it brings. As an EV solutions provider, the Group plays a pivotal role in promoting and enabling the transition to low-carbon technologies within the community. Concurrently, the Group is committed to decarbonizing its own operations, adopting sustainable practices across all aspects of its business. This dual approach reflects Cornerstone Technologies' commitment to being part of the solution to climate change, leveraging its influence to drive both industry and societal change towards a more sustainable future.

## CASE SHARING: EMBRACES CARBON NEUTRAL FUTURE

In a significant stride towards achieving a low-carbon future, Cornerstone Technologies has embarked on an ambitious journey. The Group has initiated the estimation and registration process for carbon credits generated by its electric vehicle charging projects in accordance to VERRA's methodology.

This cutting-edge initiative aligns with Cornerstone Technologies' commitment to leverage their unique business characteristics to aid society in transitioning towards a low-carbon future. The Group's efforts are in line with global goals to achieve carbon neutrality by 2050.

The endeavor to generate carbon credits is the company's latest step to drive the group towards low or even zero-carbon business operations. By promoting the use of electric vehicles and providing innovative charging solutions, Cornerstone Technologies is not only reducing carbon emissions but also creating a sustainable business model.

The carbon credits project is expected to further boost the Group's efforts in fostering a greener ecosystem. This initiative serves as a testament to Cornerstone Technologies' unwavering commitment to sustainability and its innovative approach to business.



## **CASE SHARING:**

# SEIZING OPPORTUNITIES IN THE LOW CARBON ECONOMY

In the face of climate change and a rapidly transforming market, Cornerstone Technologies has demonstrated its commitment to sustainability and innovation. The group has constructed a comprehensive green financial framework, which has been updated this year to align with the latest developments in their operations.

This framework enables Cornerstone Technologies to seize excellent market opportunities, such as investments in new low-carbon technologies and the installation of high-efficiency equipment, through a pool of green finance. It positions the group to be ready at any moment to leverage the potential of the low carbon economy.

In dealing with the challenges of climate change, Cornerstone Technologies has taken the lead in helping other institutions to reduce carbon emissions via its business operations. This strategy not only mitigates the impacts of climate change but also underlines the group's readiness and preparation for the low carbon economy.

By establishing the green finance framework early on, Cornerstone Technologies has set the stage for a competitive foundation in the low carbon economy. The group is not only reacting to the shifting market but is also taking proactive steps to shape the future of sustainable development and green technology industries.



## OUR POLICY STATEMENT

At Cornerstone Technologies, our people are at the heart of our operations. We are committed to upholding best practices in employment standards, promoting a learning culture, and maintaining high standards of occupational health and safety (OHS) throughout the Group. We achieve this through our comprehensive OHS management system and proactive measures, including regular risk assessments, safety training, and emergency response protocols.

# Our People

## Our Achievements

- > Hold a staff activity day to boost morale and sense of belonging
- > Provided regular mandatory training on key business areas
- > Continued to encourage employees to participate in engagement and community activities



## Employment System

The Group's Human Resources department, in collaboration with our business and corporate units, has established a comprehensive employment system. Included in this system is an employee handbook that provides guidelines on remuneration, recruitment, promotion, working hours, holidays, equal opportunities, anti-discrimination, and other benefits.

Cornerstone Technologies is committed to upholding human rights and adhering to fair labour standards. We strictly prohibit any form of child labour or forced labour. To ensure this, we have measures in place, such as verifying the identity and employment eligibility of all applicants.

## CASE SHARING: OUR DIVERSITY APPROACH

At Cornerstone Technologies, we strongly believe that diversity and inclusion are essential to a thriving corporate culture. We are dedicated to creating an environment that welcomes diverse experiences and perspectives, promotes equal opportunities, and fosters an inclusive workspace. We guarantee fair treatment for all our employees, irrespective of their race, skin color, ethnic background, nationality, gender, age, marital status, sexual orientation, religion, or political views.

We acknowledge the significant contribution of our female employees to our business growth, and we are committed to supporting their career and personal development. As at December 31, 2023, women make up more than 35% of our total workforce. Aligning with the new diversity requirements for listed issuers in Hong Kong to eliminate single-gender boards, we aim to foster diversity among our board members, ensuring the board functions effectively and efficiently. As at December 31, 2023, two out of eleven of the Board comprised of women. This commitment is in line with our policy on board diversity.



## Employee Well-being

We place great importance on maintaining a robust health and safety management system. Health and safety training is a vital component of our employee induction program. Guidelines are communicated through our knowledge sharing platforms, including employee handbooks. Our induction training program now emphasizes occupational health and safety tips more significantly.

Preventive measures are taken, including regular safety reviews that cover all areas crucial to safety management. These areas include safety policies, organizational structure, safety training, internal safety rules, inspection plans, risk monitoring plans, accident/incident investigations, and emergency preparedness.

In case of identified risks, designated personnel are responsible for implementing corrective measures based on relevant policies and procedures. We are committed to maintaining the same safety standards for all employees and contractors.

For our electric vehicle charging business, most manufacturing and on-site activities are conducted by contractors. In the contractor selection process, we prioritize contractors with internationally recognized health and safety management systems, such as ISO 45001 and OHSAS 18001.

## CASE SHARING: BUILDING TEAM SPIRIT AT CORNERSTONE TECHNOLOGIES

On the 27th of October, 2023, Cornerstone Technologies hosted “Cornerstone Day,” a team-building event aimed at fostering a sense of belonging and boosting morale among the staff members. The event was designed as a day camp, filled with adventurous group activities that cultivated camaraderie and unity among the participants.



The day was packed with various team-building exercises, each carefully planned to encourage collaboration, communication, and mutual understanding among the staff. The activities were not only fun but also helped to break down barriers, enabling employees to connect on a personal level beyond their professional roles.

In addition to group activities, the event created a platform for employees to share their thoughts and ideas. Staff members from different departments were invited to share their experiences, providing valuable insights into their roles and contributing to a holistic understanding of the company's workings.



Cornerstone Day was not just about having fun; it was a celebration of the company's culture of teamwork and mutual respect. By the end of the day, employees left with a renewed sense of motivation and a heightened sense of unity, taking with them the valuable lessons of teamwork and collaboration back to their respective roles in Cornerstone Technologies.

This event underscores the Group's commitment to fostering an inclusive and collaborative culture, highlighting the importance of team-building in creating a positive and productive work environment.

## Training and Development

At Cornerstone Technologies, we understand that nurturing a talent pool is crucial for sustaining business growth. In line with our dedication to professional development, new employees are mandated to undergo training on business ethics and company policies.

We've instituted a performance evaluation system to facilitate the career and personal growth of all employees. Regular mandatory training in vital business areas is provided, with our training programs categorized into series such as project management, technical skills, and contract management.

To secure future leadership, we've put in place succession planning processes for pivotal roles. This allows senior management to pinpoint and groom potential future leaders. In partnership with professional development associations, we ensure that our employees have access to cutting-edge leadership development tools and resources.

# Our Performance

## Environmental Key Performance Indicators<sup>1</sup>

Environmental Key Performance Indicators	Amount	Unit
<b>Air emissions</b>		
Nitrogen oxides (NOx)	–	kg
Sulphur oxides (SOx)	–	kg
Respiratory suspended particles (RSP)	–	kg
<b>GHG emissions</b>		
Scope 1	–	tonnes of CO <sub>2</sub> -e
Scope 2	40.29	tonnes of CO <sub>2</sub> -e
Total GHG emissions (Scope 1 and 2)	40.29	tonnes of CO <sub>2</sub> -e
GHG intensity (Scope 1 and 2, by floor area)	0.003	tonnes of CO <sub>2</sub> -e/sq. ft
Scope 3 <sup>2</sup>	1.26	tonnes of CO <sub>2</sub> -e
Total GHG emissions (Scope 1, 2 and 3)	41.55	tonnes of CO <sub>2</sub> -e
Greenhouse gas intensity (Scope 1, 2 and 3, by floor area)	0.003	tonnes of CO <sub>2</sub> -e/sq. ft
<b>Waste produced</b>		
Total non-hazardous waste	44.47	Kg
Non-hazardous waste intensity (by floor area)	0.003	Kg/sq. ft
Total hazardous waste	25.26	Kg
Hazardous waste intensity (by floor area)	0.002	Kg/sq. ft
<b>Paper consumption</b>		
Total paper consumption	787.07	Kg
Total recycling amount of paper	32.66	Kg
<b>Energy consumption</b>		
Petrol	–	MWh
Isopropyl alcohol	–	MWh
Electricity	103.32	MWh
Total energy consumption	103.32	MWh
Energy intensity (by floor area)	0.01	MWh/sq. ft
<b>Water consumption</b>		
Total water consumption	61	Cubic meter
Water intensity (by floor area)	0.004	Cubic meter/sq. ft

<sup>1</sup> Due to the change in the Group's business restructure, the printing business is no longer part of our business and the relevant data are excluded.  
<sup>2</sup> Includes the carbon emissions generated by business travel in plane.



## Social Key Performance Indicators

	Number	Distribution/Rate (%)
<b>Workforce Profile</b>		
<b>By gender</b>		
Male	55	63.95%
Female	31	36.05%
<b>By employment type</b>		
Full-time	82	95.35%
Part-time	4	4.65%
<b>By age group</b>		
30 years old or below	22	25.58%
31-40 years old	32	37.21%
41-50 years old	27	31.40%
51 years old or above	5	5.81%
<b>By employment position</b>		
General	57	66.28%
Middle	24	27.91%
Senior	5	5.81%
<b>New Employees</b>		
<b>By gender</b>		
Male	38	73.08%
Female	26	83.87%
<b>By age group</b>		
30 years old or below	21	95.45%
31-40 years old	24	77.42%
41-50 years old	14	56.00%
51 years old or above	5	100.00%
<b>By employment position</b>		
General	50	87.72%
Middle	14	56.00%
Senior	0	0.00%
<b>Employee Turnover</b>		
<b>By gender</b>		
Male	31	56.36%
Female	22	70.97%
<b>By age group</b>		
30 years old or below	19	86.36%
31-40 years old	22	68.75%
41-50 years old	5	18.52%
51 years old or above	7	140.00%
<b>By employment position</b>		
General	42	73.68%
Middle	10	41.67%
Senior	1	20.00%

	Number	Distribution/Rate (%)
<b>Health and Safety</b>		
Work-related fatality	0	0
Work-related injury	0	0
Lost days due to work-related injury	0	0
<b>Training and Development</b>		
<b>Employees Trained</b>		
<b>By gender</b>		
Male	55	100.00%
Female	28	90.32%
<b>By employment position</b>		
General	54	94.74%
Middle	24	100%
Senior	5	100%
<b>Average Training Hours</b>		
<b>By gender</b>		
Male	3.60	–
Female	4.07	–
<b>By employment position</b>		
General	3.70	–
Middle	4	–
Senior	1	–
<b>Supplier</b>	<b>Amount</b>	<b>Supplier Assessment</b>
<b>Implemented</b>		
Hong Kong	24	50.88%
China	33	

# Our Reporting Approach

This report covers the environmental, social, and governance performance of our Group's electric vehicle charging equipment business located in Hong Kong for the financial year from January 1, 2023 to December 31, 2023 ("Reporting Year"). Due to a reorganization of the business structure, the printing business was sold in 2023. Therefore, this report will not disclose its performance. For more details, please refer to the "Our Performance" section.

This report complies with the "comply or explain" provisions of the "Environmental, Social and Governance Reporting Guide" ("ESG Reporting Guide") issued by The Stock Exchange of Hong Kong Limited. In compiling this report, the Group has also followed the relevant reporting principles of the ESG Reporting Guide:

- **Materiality:** Material sustainability topics are identified through various stakeholder engagement activities. Different factors including the Group's strategy and stakeholders' concerns are taken into consideration. The issues identified were endorsed by the senior management and approved by the Board. More details are available in the Stakeholder Engagement section.
- **Quantitative:** As approved by the senior management, the Group has established a series of environmental targets. The progress towards these targets will be evaluated by the Board regularly. In addition, information is presented with quantitative measures whenever feasible. By doing so, it enables a transparent comparison of trends over years.
- **Balance:** To provide an unbiased picture of its performance, the Group reviews and discloses its achievements as well as areas for improvement.
- **Consistency:** To allow meaningful comparisons of environmental and social data over time, the Group uses consistent methodologies over time. A due diligence process is conducted to ensure the quality and accuracy of information disclosed.

Our GHG emissions inventory is prepared in accordance with the Greenhouse Gas Protocol, a corporate accounting and reporting standard developed by World Business Council for Sustainable Development ("WBCSD"). More details are available in the Performance Data Summary section.



# Content Index

Aspects	Content	Chapter/Remarks
<b>A Environmental</b>		
<b>A1 Emissions</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	<ul style="list-style-type: none"> <li>• Board Statement On Sustainability Management</li> <li>• Our Environment</li> <li>• Our Performance</li> </ul>
A1.1	The types of emissions and respective emissions data.	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	
A1.3	Total hazardous waste produced and intensity.	
A1.4	Total non-hazardous waste produced and intensity.	
A1.5	Description of emission target(s) set and steps taken to achieve them.	
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.	

Aspects	Content	Chapter/Remarks
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> <li>Our Environment</li> <li>Our Performance</li> </ul>
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	
A2.2	Water consumption in total and intensity.	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
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.	
A2.5	Total packaging material used for finished products and per unit produced.	<i>The Group is not aware of any issue in sourcing water</i>
		<i>Given its business nature, daily operations of the Group do not have significant relevance to packaging materials.</i>
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Group is not aware of any significant impact on the environment and natural resources.
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
<b>A4 Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	<ul style="list-style-type: none"> <li>Our Environment</li> </ul>
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.	

Aspects	Content	Chapter/Remarks
<b>B Social</b>		
<b>B1 Employment</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<ul style="list-style-type: none"> <li>• Our People</li> <li>• Our Performance</li> </ul>
B1.1	Total workforce by gender, employment type, age group and geographical region.	
B1.2	Employee turnover rate by gender, age group and geographical region.	
<b>B2 Health and Safety</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<ul style="list-style-type: none"> <li>• Our People</li> <li>• Our Performance</li> </ul>
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
B2.2	Lost days due to work injury.	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	



Aspects	Content	Chapter/Remarks
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> <li>Our People</li> <li>Our Performance</li> </ul>
B3.1	The percentage of employees trained by gender and employee category.	
B3.2	The average training hours completed per employee by gender and employee category.	
<b>B4 Labour Standards</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	<ul style="list-style-type: none"> <li>Our People</li> <li>Our Performance</li> </ul>
B4.1	Description of measures to review employment practices to avoid child and forced labour.	
B4.2	Description of steps taken to eliminate such practices when discovered.	
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> <li>Our Business Practices</li> </ul>
B5.1	Number of suppliers by geographical region.	
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.	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

Aspects	Content	Chapter/Remarks
<b>B6 Product Responsibility</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<ul style="list-style-type: none"> <li>Our Product Responsibility</li> </ul>
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<i>The Group recorded no products sold or shipped subject to recalls for safety and health reasons.</i>
B6.2	Number of products and service-related complaints received and how they are dealt with.	<ul style="list-style-type: none"> <li>Our Product Responsibility</li> </ul>
B6.3	Description of practices relating to observing and protecting intellectual property rights.	
B6.4	Description of quality assurance process and recall procedures.	
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	
<b>B7 Anti-corruption</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	<ul style="list-style-type: none"> <li>Our Business Practices</li> </ul>
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.	<i>We are not aware of concluded legal cases regarding corrupt practices brought against the Group or our employees</i>
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	<ul style="list-style-type: none"> <li>Our Business Practices</li> </ul>
B7.3	Description of anti-corruption training provided to directors and staff.	<i>The training hours have not been tracked. A procedure will be formulated to ensure data accuracy for disclosure.</i>
<b>B8 Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<ul style="list-style-type: none"> <li>Feature Story – From Personal To Commercial: Expanding The Green Transportation Ecosystem</li> </ul>
B8.1	Focus areas of contribution.	
B8.2	Resources contributed to the focus area.	