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D&G TECHNOLOGY

D&G TECHNOLOGY HOLDING COMPANY LIMITED

<INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY>

STOCK CODE 1301



SUSTAINABILITY  
REPORT

2024



EcoChallenge 環保挑戰者  
中環香港BOCHK  
企業低碳環保領先大獎2023  
Central Hong Kong BOCHK  
Corporate Green Leadership Award 2023



8 Years  
EcoPlanet  
環保先驅  
中環香港BOCHK  
企業低碳環保領先大獎2023  
Central Hong Kong BOCHK  
Corporate Green Leadership Award 2023

HKGA  
香港綠色企業大獎  
HONG KONG GREEN AWARDS  
CORPORATE LEADERSHIP  
Corporate Green Governance Award

5 years+  
商界展關懷  
caringcompany  
Awarded by The Hong Kong Council of Social Service  
香港社會服務聯會頒發

UNSDG  
ACHIEVEMENT  
AWARDS 2024  
HONG KONG  
聯合國可持續發展目標  
香港成就獎  
SUSTAINABLE ORGANISATION  
INNOVATION AWARD  
MERIT

HKGA  
香港綠色企業大獎  
HONG KONG GREEN AWARDS  
9  
consecutive years

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# 1 Board's Statement

To all stakeholders,

On behalf of the board of directors (the “Board”) of D&G Technology Holding Company Limited (the “Company”) and its subsidiaries (hereafter collectively referred to as “D&G” or “the Group”) (Stock Code: 1301), I am pleased to present the Group’s Environmental, Social and Governance (the “ESG”) practices. This report provides a comprehensive overview of our management policies, targets, initiatives, and performance.

The Group is committed to creating long-term value for stakeholders and the community, fostering harmonious development with society. During the period from 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024 (the “Reporting Year”), the Group actively identified and addressed risks and opportunities related to sustainable development and continuously enhanced our ESG performances. Our efforts during the year earned us numerous prestigious accolades, including the 2023-2024 Outstanding Intelligent Equipment Manufacturing Enterprise, Industry Cares 2024 - Caring certificate, UNSDG Achievement Awards Hong Kong 2024 - Sustainable Organization Merit Award, BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023 - EcoChallenger, and Hong Kong Green Awards 2024 – Corporate Green Governance Award. These honours highlight D&G’s strong commitment to ESG initiatives and inspire us to pursue greater achievements, as they serve as a foundation for the Group’s long-term development values.

In response to the national goals for carbon peak and carbon neutrality, as well as increasing stakeholder concerns about climate change, D&G has established low-carbon emission reduction targets and joined the Greater Bay Area Carbon Neutrality Association, embedding sustainability into our business operations.

Despite the dynamic and challenging business environment, the Group has demonstrated strong business resilience. The Board sincerely appreciates the management and staff for their unwavering dedication and hard work to the Group’s ESG achievements. Moving forward, the Group will remain committed to promoting a greener and more sustainable future for all our stakeholders and the broader community.

**Choi Hung Nang**

*Chairman*

28 March 2025

## 2 About this Report

### 2.1 Reporting Period and Scope

This marks the Group's tenth annual sustainability report (the "report"), presenting our sustainability performance for the financial year from 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024. The reporting scope primarily focuses on D&G's offices in Hong Kong, Beijing, Shanghai, Guangzhou, and Chengdu, along with the main manufacturing facility and adjacent employee dormitory in Langfang, Hebei. Other local and overseas offices have very limited operational activities, and as a result, their impact on the Group is considered negligible.

### 2.2 Reporting Framework

The report has been prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the "ESG Guide") issued by The Stock Exchange of Hong Kong Limited (the "HKEX"), and the Global Reporting Initiative standards (the "GRI Standards") 2021. The Group adheres to the principles introduced by the ESG Guide and the GRI Standards 2021 to report on the measures and performances in the Reporting Year. A content index is attached at the end of this report as a tool to navigate readers to the specific issues corresponding with the ESG Guide and the GRI Standards. Information on corporate governance has been reported in detail in the Annual report in accordance with Appendix C1 Corporate Governance Code of the Main Board Listing Rules.

### 2.3 Reporting Principles

The Group adheres to the following reporting principles during the preparation of this report:

Reporting Principles	The Group's Reporting Practices
Materiality	Identify material environmental and social issues through stakeholder engagement and report to the Board. This report discloses the identified material topics and relevant information.
Quantitative	The Group records and discloses material performance indicators in a quantitative way where appropriate.
Balance	This report discloses information objectively to provide an unbiased overview of the Group's ESG performance.
Consistency	The Group adopts consistent calculation methodologies to ensure data is comparable year-on-year unless stated otherwise.

### 2.4 Contact Details

We welcome any comments and suggestions on the report and other matters related to the sustainable development of the Group. Please feel free to contact us at:

Email: [info@dgtechnology.com](mailto:info@dgtechnology.com)



### 3 Sustainability Goals and Highlights

With a strong commitment to sustainability, the Group continues to enhance its environmental strategy and performance, fostering a greener and more sustainable society. Under the theme “Promoting Green Road Construction, Accelerating the Journey to Carbon Neutrality,” this report highlights the Group’s sustainability initiatives—from responsible corporate governance to environmentally conscious green operations—while reinforcing its dedication to stakeholder engagement and social responsibility. The Group’s ongoing efforts have been recognized by various organizations, earning industry certifications that underscore our sustainability achievements.

To align with People’s Republic of China (“China”) carbon peak and neutrality goals and contribute to the national sustainability agenda, the Group has prioritized low-carbon development and environmental protection in its technology and product research and development (“R&D”). Building on its established low-carbon targets and initiatives for 2022–2025, the Group has devised a comprehensive low-carbon action plan for 2025, which focuses on:

- Reduce energy consumption and carbon emissions in all operational processes to achieve the company’s 2025 phased low-carbon emission reduction targets.
- Strengthen intelligence and digitalization of equipment in factories, replace machines and equipment with energy-efficient ones as appropriate, and use IoT and big data to achieve accurate emission reduction and energy-saving management.
- Strengthen production site management, improve operational efficiency while reducing energy consumption and pollutant emissions, and implement green production models.
- Provide training on low-carbon emission reduction and establish relevant regulations to promote a corporate culture of low-carbon practices.
- Actively promote environmental protection and renewable equipment businesses through various channels to advance sustainable urban development.

#### 3.1. Environmental Targets

D&G has set carbon reduction targets to achieve carbon neutrality by 2050. In addition, D&G has established multiple environmental targets to promote sustainable development and gradually achieve energy saving and emission reduction goals by 2025 and 2030 respectively.

Index	Base Year Emissions	Target (by 2025 or before)	Target (by 2030 or before)
Energy Intensity (MWh/RMB’M revenue)	24.41 (Year 2018)	20.75 (Decrease by at least 15%)	15.87 (Decrease by 35% or more)
Water Intensity (m <sup>3</sup> /number of employees)	69.30 (Year 2018)	62.37 (Decrease by at least 10%)	48.51 (Decrease by 30% or more)
Air Emission Intensity (tonnes/RMB’M revenue)	0.0053 (Year 2018)	0.0045 (Decrease by at least 15%)	0.0034 (Decrease by 35% or more)
Carbon Intensity (tonnes of CO <sub>2</sub> e/RMB’M revenue)	15.09 (Year 2018)	12.83 (Decrease by at least 15%)	9.81 (Decrease by 35% or more)
Hazardous Waste Intensity (tonnes/RMB’M revenue)	0.243 (Year 2020) <sup>Note 1</sup>	0.207 (Decrease by at least 15%)	0.158 (Decrease by 35% or more)

Note 1: The original plan was to purchase 5 additional sets of catalytic combustion equipment for spray booths in 2023. It is estimated that an additional 45 tonnes of hazardous waste will be generated per year, and the projected peak is expected to occur in 2023. The expected peak value is 0.291. By exploring new spray equipment and coatings in 2023, there is no need to purchase additional catalytic combustion equipment. Therefore, the peak value of hazardous waste emission intensity is taken as the highest value in the past five years, which is 0.243 in 2020.

## 3 Sustainability Goals and Highlights

### 3.2. Sustainability Performance at a glance

The sustainability performance is highlighted as follows:

#### Safe Production



- ISO 45001:2018 Occupational Health and Safety Management System certification
- Zero work fatality rate for 10 consecutive years

#### Innovative and Green Manufacturing



- Phase out high-energy-consuming air compressors and switch to energy-saving air compressors to reduce electricity consumption.
- Replace high-energy-consuming plasma cutting machines with laser cutting machines to save electricity and enhance production efficiency.
- Install industrial fans in workshops and warehouses to replace high-power axial fans, saving electricity, reducing noise emissions, and improving the working environment.
- Replace heating pipeline valves in workshops and dormitories with adjustable energy-saving valves to reduce natural gas usage in boilers.
- Save 6 tonnes of steel per unit for recycled support structures through design improvements and retrofitting.
- Complete energy management system certification and achieve provincial-level green factory certification in Hebei.

#### Staff Training



- 157 training topics – 57.5 hours of occupational health and safety training, 236.5 hours of professional knowledge training, and 153.5 hours of management and operations training, including 29 hours of training on carbon peak, carbon neutrality goals, and environmental awareness knowledge.

#### Patents and Copyrights



- 257 registered patents – 15 invention patents, 7 design patents, and 235 utility model patents.
- 30 software copyrights.

#### Environmental Performance



- 5.60 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e/RMB'M) generated per million RMB of revenue.
- 100% of waste recycled and reused.
- 13.50 megawatt-hours of energy consumed per million RMB of revenue (MWh/RMB'M).
- Electric vehicles replaced fuel-powered vehicles for approximately 30,000 kilometers, saving around 14,000 RMB in energy costs.
- Generated approximately 1,000,000 kilowatt-hours of electricity through photovoltaic power generation, with about 820,000 kilowatt-hours used for self-consumption.
- Replaced the original high-energy-consuming boiler with an energy-efficient boiler, saving natural gas (energy-saving data for the first usage cycle is currently unavailable).

### 3 Sustainability Goals and Highlights

#### Recognition and Awards



Month	Award	Organiser/Organisation
2024/3	2023-2024 Outstanding Intelligent Equipment Manufacturing Enterprise	Asphalt Pavement Maintenance Technology Forum Organizing Committee
2024/3	2023 Public Welfare and Caring Enterprise	Asphalt Pavement Division Sichuan Provincial Construction Industry Association
2024/3	Energy Management System Certificate	Fangyuan Mark Certification Group
2024/3	2023 Outstanding Executive Member Unit	Equipment Manufacturing Industry Association of Hebei Province
2024/5	Caring Company 2023/24	Hong Kong Council of Social Service (HKCSS)
2024/7	UNSDG Achievement Awards Hong Kong 2024 - Sustainable Organization Merit Award	Green Council
2024/8	BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023 - EcoChallenger	Bank of China (Hong Kong), Federation of Hong Kong Industries
2024/8	BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023 - 8 Years+ EcoPioneer	Bank of China (Hong Kong), Federation of Hong Kong Industries
2024/9	Industry Cares Recognition Scheme 2024 – Caring Certificate (8 years + Awards)	Federation of Hong Kong Industries
2024/11	Hebei Provincial Green Factory	Hebei Provincial Department of Industry and Information Technology
2024/11	World Top 100 (Plus 50) Construction Machinery Manufacturer 2024	T50 Summit of World Construction Machinery Industry/China Construction Machinery Magazine
2024/11	China Top 50 Specialized Construction Machinery Manufacturer 2024	T50 Summit of World Construction Machinery Industry/China Construction Machinery Magazine
2024/11	Concrete Mixing Equipment of the Year - User Reputation 2024	T50 Summit of World Construction Machinery Industry/China Construction Machinery Magazine
2024/11	Service Brand of the Year - Concrete Mixing Equipment 2024	T50 Summit of World Construction Machinery Industry/China Construction Machinery Magazine
2024/11	2024 China Top 10 Road Construction and Maintenance Equipment Brand	T50 Summit of World Construction Machinery Industry/China Construction Machinery Magazine
2024/12	Top 10 Green Design Works	China International Industrial Design Expo Committee
2024/12	Hong Kong Green Awards 2024 - Corporate Green Governance Award (Corporate Vision)	Green Council
2024/12	Hong Kong Green Awards 2024 - Sustainable Performance (9 Years+)	Green Council
2024/12	2023-2024 Outstanding Construction Machinery Equipment Production and Supply Enterprise	Guangdong Asphalt Concrete Supply Chain Association

## 3 Sustainability Goals and Highlights

### 3.3. United Nations Sustainable Development Goals (“SDGs”)

Sustainable development is a global priority, and the United Nations has established 17 Sustainable Development Goals (SDGs) to address social challenges, environmental protection, and economic growth. These goals include “No Poverty”, “Zero Hunger”, “Reduced Inequalities”, and “Climate Action”. D&G is committed to integrating sustainable development into its business strategy, actively supporting and contributing to the SDGs. The Group has initially identified seven SDGs aligned with its core business activities and plans to develop focused strategies and actions to enhance detailed disclosures in the future. During the reporting period, the Group was awarded the Hong Kong Achievement Award for the UN Sustainable Development Goals by the Environmental Campaign Committee.



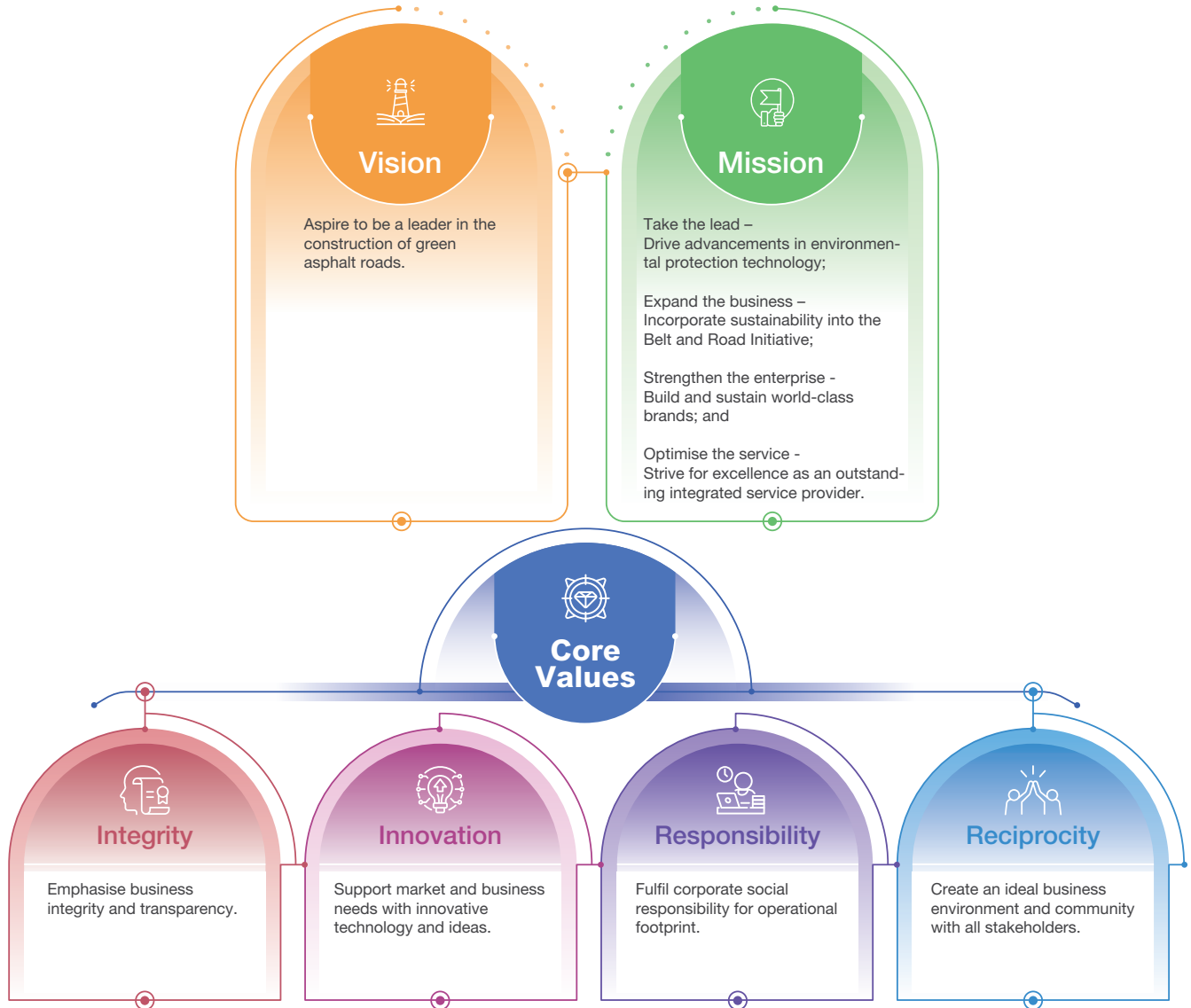
<b>SDG 3 Good Health and Well-being</b> 	<ul style="list-style-type: none"> <li>Establish an internal safety leadership team to ensure the health and safety of employees.</li> <li>Set safety production goals, such as zero major incidents of fire, explosions, or chemical leaks, and zero occupational diseases.</li> <li>Implement the ISO 45001 Occupational Health and Safety Management System.</li> <li>Provide resources and facilities that promote the physical and mental well-being of employees, and regularly organize activities to encourage a healthy lifestyle.</li> </ul>
<b>SDG 4 Quality Education</b> 	<ul style="list-style-type: none"> <li>Provide education and training to enhance employees' skills.</li> <li>Offer incentives to support employees in pursuing lifelong learning.</li> <li>Establish a university scholarship fund to reward teachers and students with outstanding academic and moral performance, and provide off-campus training bases to jointly build demonstration centers for industry-education-research collaboration.</li> </ul>
<b>SDG 7 Affordable and Clean Energy</b> 	<ul style="list-style-type: none"> <li>Set targets and gradually improve systems such as lighting to enhance energy efficiency in operations.</li> <li>Gradually adopt renewable energy sources to improve energy efficiency.</li> </ul>
<b>SDG 9 Industry, Innovation and Infrastructure</b> 	<ul style="list-style-type: none"> <li>Provide efficient, reliable, safe, and environmentally friendly recycled asphalt mixing and supporting equipment for domestic infrastructure construction.</li> <li>Focus on low-carbon and environmentally friendly technologies and product development as core directions, strengthen innovation in product research and development, and enhance environmental performance.</li> <li>Continuously introduce technological innovations or improvement projects aimed at reducing greenhouse gas emissions and saving energy consumption.</li> <li>Enhance the intelligence and digitalization of equipment within factories, increase the level of automated operations, reduce human resource input, and utilize IoT and big data to achieve precise emission reduction and energy-saving management.</li> <li>Strengthen the value chain and market through green financing to promote economic development.</li> </ul>
<b>SDG 11 Sustainable Cities and Communities</b> 	<ul style="list-style-type: none"> <li>Reduce the harmful effects of urban development on the environment, especially air quality and waste management, through the development of environmental-friendly recycled asphalt mixing and supporting equipment</li> <li>Develop and launch technological innovations or improvement projects that reduce GHG emissions and save energy to promote sustainable urban development</li> </ul>
<b>SDG 12 Responsible Consumption and Production</b> 	<ul style="list-style-type: none"> <li>Integrate the concept of circular economy into business operation, strengthen resource utilisation, recycling and reuse to reduce waste</li> <li>Manage wastes properly in an environmentally friendly way, and greatly reduce their flow into the air, water and land</li> <li>Promote sustainable procurement and realise sustainable development in the supply chain</li> </ul>
<b>SDG 13 Climate Action</b> 	<ul style="list-style-type: none"> <li>Strengthen energy consumption management, continuously replace production equipment with more energy-efficient equipment, and reduce GHG emissions</li> <li>Incorporate national directives and policies to set emission reduction targets for operations and set a timeframe for achieving carbon neutrality targets</li> </ul>



## 4 Business Review

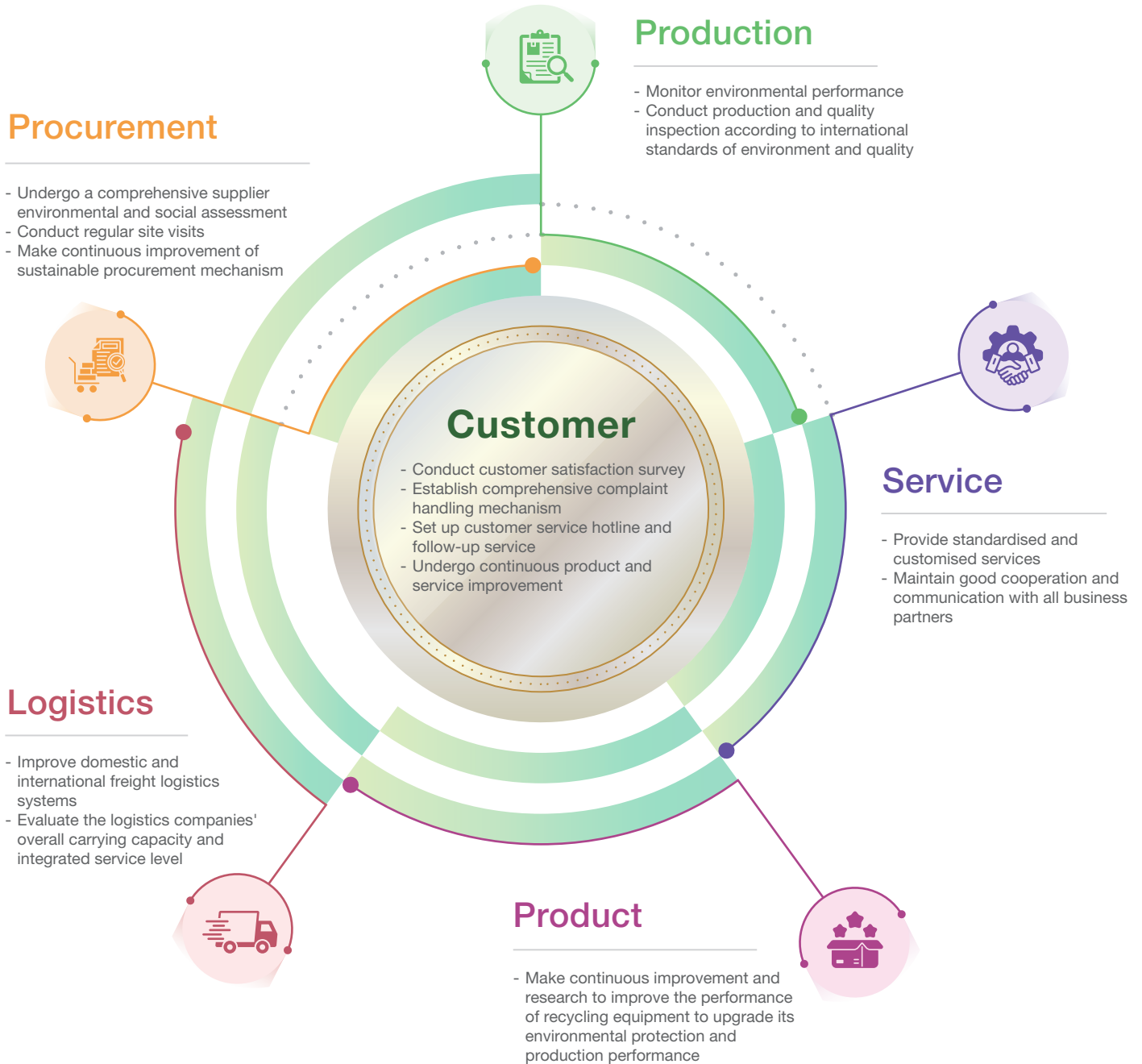
### 4.1. Vision, Mission and Core Values

D&G has established a clear vision, mission, and core values (“VMC”) to guide its long-term commitment to sustainable development and continuous growth. These principles serve as a foundation for the Company’s strategic direction, reinforcing its dedication to innovation and environmental responsibility.



## 4 Business Review

To support the above VMC, the Group has successfully integrated the concept of the circular economy into its business model. This strategic move has enhanced resource efficiency and sustainability:



## 4 Business Review

Continuing its steady growth, D&G has successfully expanded its market presence on a global scale. Since its establishment, the Group has extended its operations to over 40 countries, as depicted in the map below. Across seven regions, the Group employs a total of 330 employees, with all subsidiaries operating as wholly owned entities. A key milestone in its journey was the successful listing on the HKEX in 2015, further strengthening its market position and industry influence.

Market coverage (regions):



For the financial performance of the Group during the Reporting Year, please refer to the Group's 2024 annual report.

## 4 Business Review

### 4.2 Business Overview





As a key player in the manufacturing and service provision of medium and large-scale asphalt mixing plants in China and overseas, D&G drives innovation in the field of asphalt mixing technology. The Company prioritizes environmentally responsible production and continuous technological advancements to align with evolving industry needs. Headquartered in Hong Kong, D&G remains committed to integrating sustainability into its operations while delivering efficient and reliable asphalt mixing solutions.

With expertise in both conventional hot-mix asphalt mixing plants ("conventional plants") and recycling hot-mix asphalt mixing plants ("recycling plants"), D&G has also expanded its offerings in recent years. The development of recycled asphalt pavement ("RAP") crushing and screening equipment, along with sand manufacturing machines, has further strengthened its product portfolio. By leveraging advanced asphalt mixture technology, D&G provides customers with comprehensive solutions tailored to modern infrastructure demands.

In addition to its product innovations, D&G extends its support through a wide range of customer services. The Group supplies spare parts, key components, and equipment modification services for asphalt mixing plants, RAP processing equipment, and sand manufacturing machines, ensuring long-term reliability and performance.

D&G has the following categories of products for customers to choose from:


#### Conventional Plants

Category	Description	Properties
<b>Standard Series (DGX/PM/LAP)</b> 	Traditional and robust asphalt mixing plant	<ul style="list-style-type: none"> <li>100-400 tonnes/hour</li> <li>Easy to operate</li> <li>Reliable</li> <li>Easy to maintain</li> </ul>
<b>Compact Series (DGC)</b> 	Customers can save transportation costs with the Compact Series, which are designed with precise selection of individual elements and professional configuration on the exterior hull of shipping containers	<ul style="list-style-type: none"> <li>100-240 tonnes/hour</li> <li>Lower shipping costs</li> <li>Suitable for long-distance transportation</li> <li>No production capacity compromised</li> </ul>
<b>Mobile Series (DGM)</b> 	Customers with mobile needs can use the Mobile Series asphalt mixing plant for quick and efficient work	<ul style="list-style-type: none"> <li>100-120 tonnes/hour</li> <li>Fast transit</li> <li>Easy installation</li> <li>Suitable for maintenance</li> </ul>
<b>Warm Mix Series (WT)</b> 	The warm mix can be used at 50-60° lower than the hot mix asphalt technique, which results in cost savings and reduced emissions of pollutants	<ul style="list-style-type: none"> <li>30-120 m<sup>3</sup>/hour</li> <li>Lower Temperature Operation</li> <li>Good Mixture Performance</li> </ul>





## 4 Business Review

### Recycling Plants

Category	Description	Properties
<p>Recycling Series (DGXRE/LAPRE)</p> 	<p>As one of the first manufacturers in China to develop recycling plants and export the products to advanced countries such as Australia, D&amp;G takes pride in its recycling series in promoting a more environmentally friendly approach to asphalt production</p>	<ul style="list-style-type: none"> <li>• 100-400 tonnes/hour</li> <li>• 10-50% reclaimed asphalt pavement</li> <li>• Cost reduction</li> <li>• Environmentally friendly</li> <li>• Efficient production</li> </ul> <p>Environmental benefits:</p> <ul style="list-style-type: none"> <li>• 10-35% fuel reduction</li> <li>• Less emissions (compared with conventional plants)               <ul style="list-style-type: none"> <li>◆ Carbon dioxide - 60%</li> <li>◆ Sulphur dioxide - 70%</li> <li>◆ Volatile organic compounds ("VOC") - 50%</li> <li>◆ Carbon monoxide - 10-30%</li> <li>◆ Nitrogen oxides - 60-70%</li> <li>◆ Particulate matter - 20-25%</li> </ul> </li> </ul>

### Other Road Equipment

Category	Description	Properties
<p>Sand Manufacturing Machine (MS Series)</p> 	<p>It is an eco-friendly type aggregate shaping and sand making plant with the vertical shaft impact sand making, vibrating screen, dust collection module, transmission module and other components</p>	<ul style="list-style-type: none"> <li>• 30-260 tonnes/hour</li> <li>• Clean, stable production, and multi-functional output</li> </ul>
<p>RAP Asphalt Crusher &amp; Screener (RCS Series)</p> 	<p>In regards the road recycling material crushing and screening equipment needs to be used with the asphalt mixing station, which requires relocation, the RAP Asphalt Crusher &amp; Screener adopts fixed and modular design, flexible matching, convenient installation and quick relocation, which is suitable for the working conditions of asphalt mixing plant</p>	<ul style="list-style-type: none"> <li>• 150 tonnes/hour</li> <li>• Retains the characteristics of Tooth Roller Asphalt Crushing</li> <li>• Adopts the differentiated arrangement of Crushing Tooth Rollers and the low-speed flexible crushing mode</li> </ul>

## 4 Business Review

In an increasingly complex global landscape, D&G recognizes the importance of climate resilience and sustainability in overcoming challenges such as geopolitical tensions and the climate crisis. A proactive approach to sustainable development is essential for long-term success. To minimize environmental impact, the Group has embraced circular economy principles, focusing on enhancing the efficiency and environmental performance of its recycling plants. These facilities repurpose construction waste, including used and broken asphalt mixtures, into recycled asphalt pavement. Compared to conventional plants, recycling plants help significantly reduce air pollution emissions while promoting resource-efficient and environmental-friendly production. With growing global awareness of sustainability and tighter environmental regulations, the Group expects demand for such solutions to continue rising.

In response to evolving industry needs, D&G is actively developing environmentally friendly asphalt plants. A notable example is its newly designed sand manufacturing machine, which integrates green, intelligent, and clean production processes, reinforcing the Group's commitment to sustainable manufacturing.

Expanding beyond product development, D&G has also introduced equipment modification services. These offerings include installing recycling-enabled components, integrating remote control systems, and providing customized upgrades for conventional plants. By aligning with industry advancements and market trends, these solutions enhance customer convenience while strengthening the Group's competitive position. Innovation is a key driver of D&G's long-term vision. Since launching its R&D centre in December 2017, the Group has facilitated knowledge exchange, spearheaded innovative research projects, and fostered talent development with a focus on technological advancement. These initiatives accelerate the adoption of new technologies, improve product sustainability, and promote circular economy principles while driving business transformation.

## 5 Stakeholder Engagement

To gain a deeper understanding of stakeholder expectations and needs, D&G has established multiple communication channels aimed at collecting valuable feedback. These channels are integral to supporting the Group's business planning and decision-making process. During the Reporting Year, D&G actively engaged with stakeholders using various platforms, including the official WeChat account, the company website, and other online communication tools.

### 5.1. Communication Channels

Stakeholder Groups	Participants	Topics	Engagement Methods	Engagement Time
 Employees	<ul style="list-style-type: none"> <li>Management</li> <li>Employees</li> <li>New employees</li> </ul>	<ul style="list-style-type: none"> <li>Quality management</li> <li>Environmental management</li> <li>Occupational health and safety management</li> <li>Sustainability training</li> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Quality/environmental/occupational health and safety management system training</li> <li>Quality/environmental/occupational health and safety management system three aspects audit</li> <li>Employee meeting/satisfaction questionnaire</li> <li>On-the-job training and physical examination</li> <li>Environmental protection/sustainable development training and courses</li> <li>Corporate cultural activities, network platform group messages</li> </ul>	<ul style="list-style-type: none"> <li>Three-system training: Whole year</li> <li>Three-system audit: September</li> <li>Staff meeting: January, April, July, October</li> <li>Employee satisfaction questionnaire: December</li> <li>On-the-job training and physical examination: Whole year</li> <li>25th Anniversary Celebration of the Company: November</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Road construction companies</li> <li>Road construction machinery distributors</li> </ul>	<ul style="list-style-type: none"> <li>Discussing cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction questionnaire</li> <li>Factory inspection</li> <li>Site visit</li> <li>Customer events/seminars</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction questionnaire: January, July</li> <li>Site visit: Several times</li> <li>Exchange seminars: Several times</li> <li>Customer Event: November</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Material suppliers</li> <li>Subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Trainings and technical exchange</li> <li>Assessment and capability survey</li> </ul>	<ul style="list-style-type: none"> <li>Study visit</li> <li>Product technical standards exchange forum</li> <li>Supplier capability survey: add new suppliers</li> <li>Supplier assessment</li> </ul>	<ul style="list-style-type: none"> <li>Study visit: July</li> <li>Exchange forum: Several times</li> <li>Supplier capability survey: Several times</li> <li>Supplier assessment: June</li> </ul>
 Shareholders and investors	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Institutional investors</li> <li>Potential investors</li> </ul>	<ul style="list-style-type: none"> <li>Performance report</li> <li>Gazette documents</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Interim Report, Annual Report</li> <li>Announcements, circulars</li> <li>Press releases</li> <li>Sustainability Report</li> <li>Company presentation PowerPoint</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting: May</li> <li>Performance report: April, September</li> <li>Sustainability Report: April</li> <li>Announcements/Circulars/Press Releases: Several times</li> </ul>
 Educational and research partners	<ul style="list-style-type: none"> <li>Construction machinery association road machine chapter</li> <li>China Highway and Transportation Society</li> <li>Institute of Tsinghua University, Hebei</li> <li>Research Institute of Highway Ministry of Transport</li> </ul>	<ul style="list-style-type: none"> <li>Technical exchange</li> </ul>	<ul style="list-style-type: none"> <li>Daily communication exchange (Associations/research centres)</li> <li>China Asphalt Mixing Equipment Industry Summit</li> <li>Teaching and technical sharing and exchange forum (Research Institute of Highway Ministry of Transport)</li> <li>Annual Meeting and Development Forum of the Road Construction and Maintenance Machinery Branch</li> </ul>	<ul style="list-style-type: none"> <li>Communication exchange: Several times</li> <li>Industry summit: December</li> <li>Technical sharing and exchange forum: November</li> <li>Industry Association Annual Meeting and Development Forum: June</li> </ul>
 Government and other public bodies	<ul style="list-style-type: none"> <li>Provincial and municipal local governments</li> <li>County Party Committee and County Government</li> </ul>	<ul style="list-style-type: none"> <li>Inspection</li> </ul>	<ul style="list-style-type: none"> <li>Inspection</li> <li>Factory visits and interviews</li> </ul>	<ul style="list-style-type: none"> <li>Provincial: July, September</li> <li>Municipal: February, March, April, July, December</li> <li>County: Several times</li> </ul>
 Business partners	<ul style="list-style-type: none"> <li>Distributors</li> <li>Exclusive dealers</li> <li>Joint venture partners</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of product performance</li> <li>Product knowledge training and discussion</li> </ul>	<ul style="list-style-type: none"> <li>Seminars</li> <li>Training sessions</li> <li>Meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>March, July, August</li> </ul>
 Media	<ul style="list-style-type: none"> <li>Industry magazine</li> <li>Industry network platform</li> <li>Television Network</li> </ul>	<ul style="list-style-type: none"> <li>Information promotion</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration and cooperation</li> <li>Advertising and promotion</li> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Several times</li> </ul>

## 5 Stakeholder Engagement

### 5.2. Materiality Assessment

D&G carried out a stakeholder survey involving both external and internal groups. External stakeholders, including customers, distributors, and suppliers, as well as internal stakeholders – employees, were invited to share their views on various environmental, social, economic, and sustainable development topics relevant to the long-term business development of the Group. The results of the survey are outlined below:

Aspect	Issue	Ranking of External Stakeholders Engagement Survey Results <sup>Note 2</sup>	Ranking of Internal Stakeholders Engagement Survey Results <sup>Note 2</sup>
Environmental	Air quality control	1*	11
	Hazardous waste management	3*	7*
	Compliance with environmental laws and regulations	3*	4*
	Sewage management	10	13
	Supplier environmental assessment	11	14
	Identify and mitigate transition risks	12	17
	Greenhouse gases emission	14	11
	Natural environmental impact	15	17
	General waste recycling and management	20	15
	Identify and mitigate physical risks	21	19
	Water use and conservation	24	18
	Energy consumption and conservation	27	6*
	Raw material management and selection	29	12
Social	Product quality assurance	1*	1*
	Occupational health and safety	1*	5*
	Customer health and safety	2*	8
	Customer privacy	4	5*
	Labour standards	5	9
	Product marketing and labelling	6	5*
	Training and development	14	7
	Compliance with social and economic laws and regulations	14	8
	Employment standards	16	3*
	Non-discrimination	25	21
	Supplier social assessment	26	16
	Diversity and equal opportunity	28	20
Economic	Community involvement	30	22
	Direct economic performance	13*	2*
	Anti-corruption	19*	12
	Anti-competitive behaviour	22*	17
	Procurement practices	23	17
Sustainability	Indirect economic performance	23	13*
	Sustainability development framework	7*	10*
	Strengthen the executive capacity of the Sustainability Committee in managing related work and risks	8*	10*
	Sustainability goals	9*	11*
	Ongoing communication channels with all stakeholders	17	14
	Disclosure of stakeholder views and responses from the Group	18	16

Note 2: \* denotes that the issue is deemed as a high materiality level in the respective aspects.



## 6 Sustainability Corporate Management and Robust Governance

D&G considers robust and sustainable corporate governance to be the cornerstone of its business operations. Adopting a top-down management approach, the Group has established a comprehensive policy and oversight framework, ensuring clear organizational structure and well-defined responsibilities across all departments. The Group's commitment to sustainability is embedded within its governance framework, guiding strategic decision-making and risk management practices.

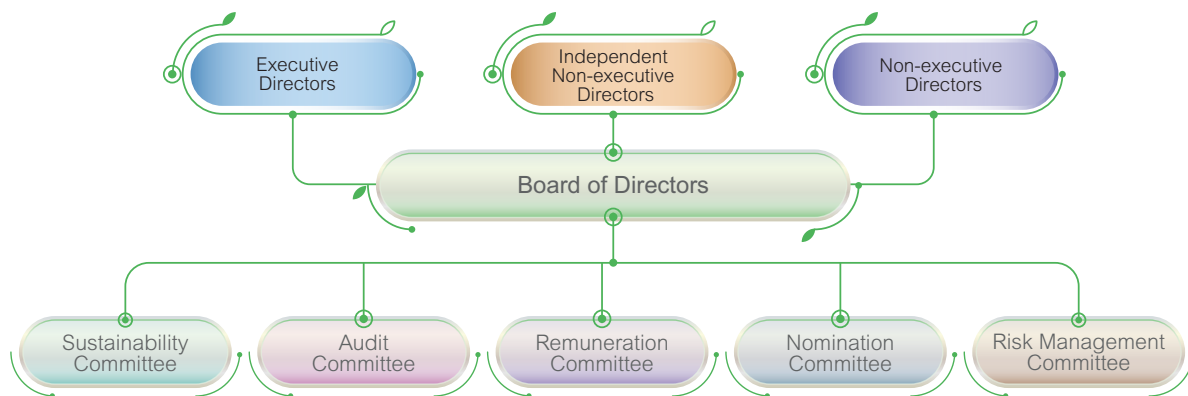
### 6.1. Corporate Governance Structure

To ensure effective risk management and internal control, D&G's senior management team, including the Board and the Chief Financial Officer, takes responsibility for setting strategic business goals and overseeing day-to-day operations across various departments, such as sales, marketing, production, finance, engineering, and customer service. The team comprises 12 senior members, with six independent non-executive directors (the "INED") and non-executive directors (the "NED"), who provide essential governance oversight, particularly in areas such as corporate strategic development, performance, accountability, major appointments, and transactions.

For sustainable growth over the long term, D&G has established a dedicated Sustainability Committee, led by the CEO. This Committee's key responsibilities include overseeing environmental and social issues, refining decision-making processes, and ensuring the implementation of sustainability measures in line with corporate objectives, all while reporting directly to the Board. The Committee consists of the Executive Director and Chief Executive Officer, Chief Financial Officer, Deputy Chief Executive Officer and General Manager of the Operation System, Deputy General Manager of the Operation System, Deputy Chief Engineer, Assistant to Chief Executive Officer, and Director of Chief Executive Officer Office.

To keep the Board and the Committee aligned with ESG-related risks and developments, meetings are held at least twice a year, either in person, by phone, or through video conferencing. Additional meetings are scheduled as necessary to meet operational demands. Supporting the Committee's efforts is an inter-departmental sustainable development working group focused on driving forward specific sustainability policies and initiatives.

For more information on the Group's corporate governance, please refer to the annual report 2024.



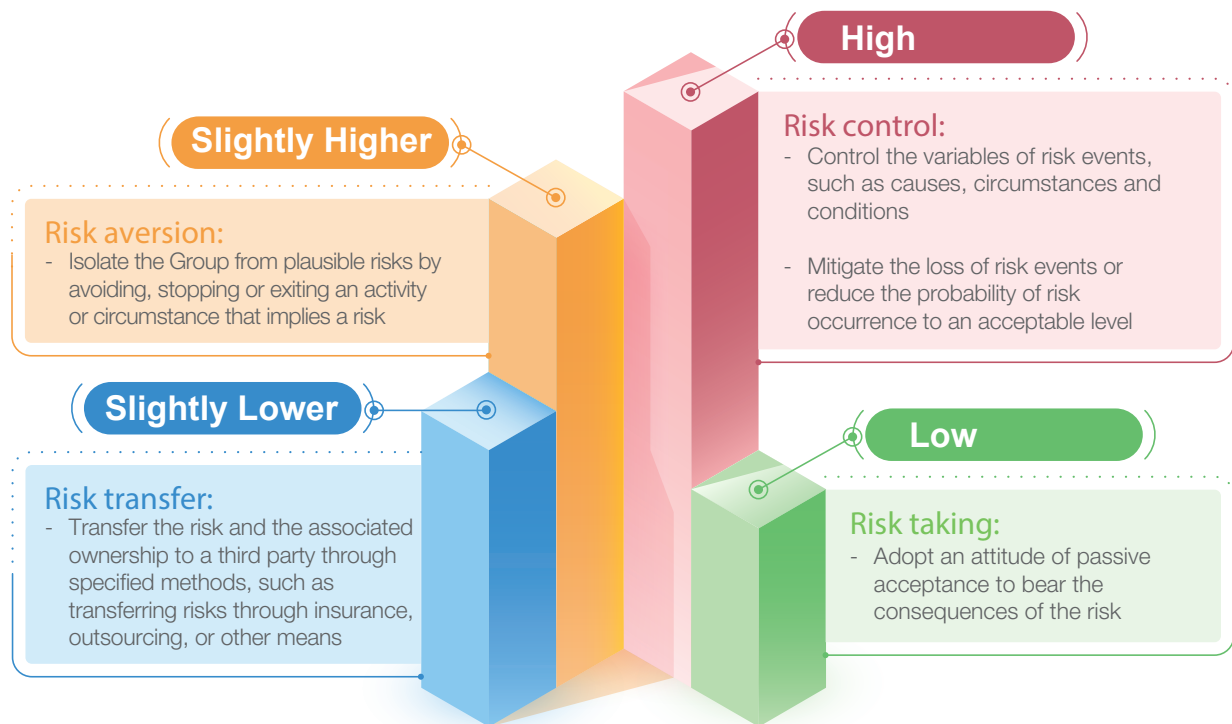
### 6.2. Risk Management

D&G prioritizes effective risk management in its operations. The Group defines risks as any uncertainties that could potentially disrupt or hinder the achievement of its business goals. To address these, D&G has developed comprehensive internal risk management policies and measures to identify, manage, and mitigate significant risks such as resource supply sustainability, overseas markets management, financial credit reliability, and ensuring environmental compliance.

In order to reduce operational risks and promote long-term sustainability, the Group integrates operational, environmental, and social considerations into its decision-making processes. In response to various types of risks, D&G utilizes its internal risk management system to perform detailed risk assessments. Based on the results of analysis, risks of project are evaluated according to their severity (from high to low) and categorized in the risk database, ensuring they are factored into business decisions as both risks and opportunities.

If a project is assessed as high-risk, the Quality Management Department (the "QM Department") is responsible for implementing and overseeing the risk management measures throughout the entire project's lifecycle. This process follows the initial assessment results with the assistance of the relevant departments. Overall, D&G has implemented the following measures to reduce potential risks, considering the likelihood of their occurrence.

## 6 Sustainability Corporate Management and Robust Governance

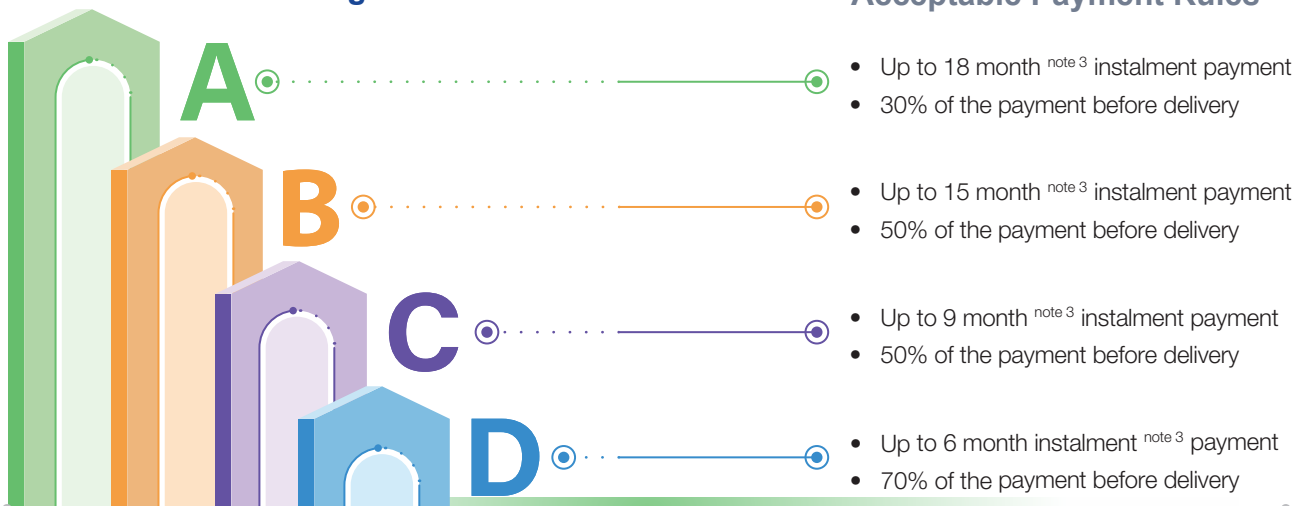


### 6.3. Ethics and Integrity

At D&G, the foundation of its core values is built on a commitment to integrity and ethical practices. The Group encourages employees to uphold high standards of self-discipline through a balanced system of rewards and penalties, supported by clear management guidelines. To reinforce the significance of occupational ethics, regular training sessions are conducted for all employees. Collaborating closely with the Legal and Compliance Department (the “L&C Department”), the Group has developed robust policies aimed at preventing anti-competitive and monopolistic behaviour, ensuring compliance with relevant laws and regulations.

The Group also extends its commitment to ethical conduct beyond internal operations, actively engaging with external partners such as suppliers and customers. Integrity in business relationships is a priority, and D&G places great emphasis on fostering transparent and ethical dealings with its customers. In addressing longstanding arrears, the Group has reviewed its existing customer credit policies and collection procedures, strengthening internal controls to ensure greater effectiveness. As depicted in the figure below, the Group classifies customer credit ratings into four categories, allowing for a more organized approach to managing credit risks.

#### Customer Credit Rating



Note 3: From the date of contract signing

## 6 Sustainability Corporate Management and Robust Governance

### 6.4. Anti-corruption

D&G enforces a strict policy against bribery and corruption, ensuring that integrity, fairness, and transparency guide all its business dealings. To manage conflicts of interest and the acceptance of advantages, the “Anti-corruption Policy” provides clear instructions for all directors, officers, and employees. It is forbidden for employees to solicit or accept any personal benefit from individuals or organizations engaging with the Group, including subordinates. Additionally, they are prohibited from excessive entertainment or the use of misleading information, regardless of personal gain. Employees are also expected to avoid situations that may cause a conflict of interest and are required to report any such issues directly to the CEO. The Group also extends this commitment to anti-corruption to its business partners, including suppliers, contractors, and clients.

D&G regularly holds sessions are held to keep employees well-informed about the Group’s anti-corruption measures and to raise awareness of potential corruption risks. These sessions cover essential topics such as Business Ethics, Corruption Prevention, System Integrity Guidelines, and the Code of Conduct. During the Reporting Year, the Group provided 4.5 hours of anti-corruption training, ensuring that employees comply with all relevant laws, regulations, and ethical standards in their roles.

#### Number of Employees that Participated in Anti-corruption Training

Year	2024	
Month	June	November
<b>By Gender</b>		
Male	9	9
Female	11	11
<b>By Employment Category</b>		
Senior management	0	0
Managers	5	5
Frontline and general staff	15	15

In line with its commitment to transparency and integrity, the Group has introduced a “Whistleblowing Policy” that empowers employees to report any suspected misconduct, either anonymously or openly. Various reporting channels are available, including a mailbox, mailing address, phone, and email. Once a report is submitted, the L&C Department takes charge of investigating the matter, maintaining the confidentiality of the whistle-blower throughout the process.

After completing the investigation, the L&C Department informs the complainant of the results and evaluates the severity of the issue. Depending on the findings, the department decides whether internal disciplinary action is appropriate or if the issue requires referral to relevant authorities. In the interest of fairness, individuals who are dissatisfied with the outcome can request a review and provide additional supporting information. If necessary, the L&C Department consults senior management for further direction. Should the case be substantiated, the whistle-blower may be rewarded, either through financial compensation or other administrative measures, as decided by senior management.

Due to the Group’s strong commitment to business ethics, there were no corruption cases reported during the Reporting Year.

## 7 Sustainable Value Chain

A sustainable value chain plays a crucial role in ensuring the stability of D&G's business operations. To support this, D&G prioritizes various key aspects that strengthen its value chain, such as establishing clear objectives, mitigating operational risks, fostering integrity and transparency in business practices, and adopting effective procurement and quality assurance measures. Additionally, the Group remains attentive to industry and market trends while emphasizing long-term collaboration with customers and business partners to drive sustainable business success.

### 7.1. Operational Compliance

Committed to responsible corporate practices, the Group integrates innovation with strict regulatory compliance in its operations. Through a structured management framework involving dedicated departments, policies, and procedures, D&G ensures adherence to economic, social, and environmental regulations under the supervision of the L&C Department. The Safety and Environmental Protection Department (the "S&E Department") plays a crucial role in monitoring environmental and workplace safety performance, ensuring compliance with evolving regulations, and addressing relevant government directives. To stay informed on regulatory changes, the S&E Department actively engages in sustainability training programs conducted by the government.

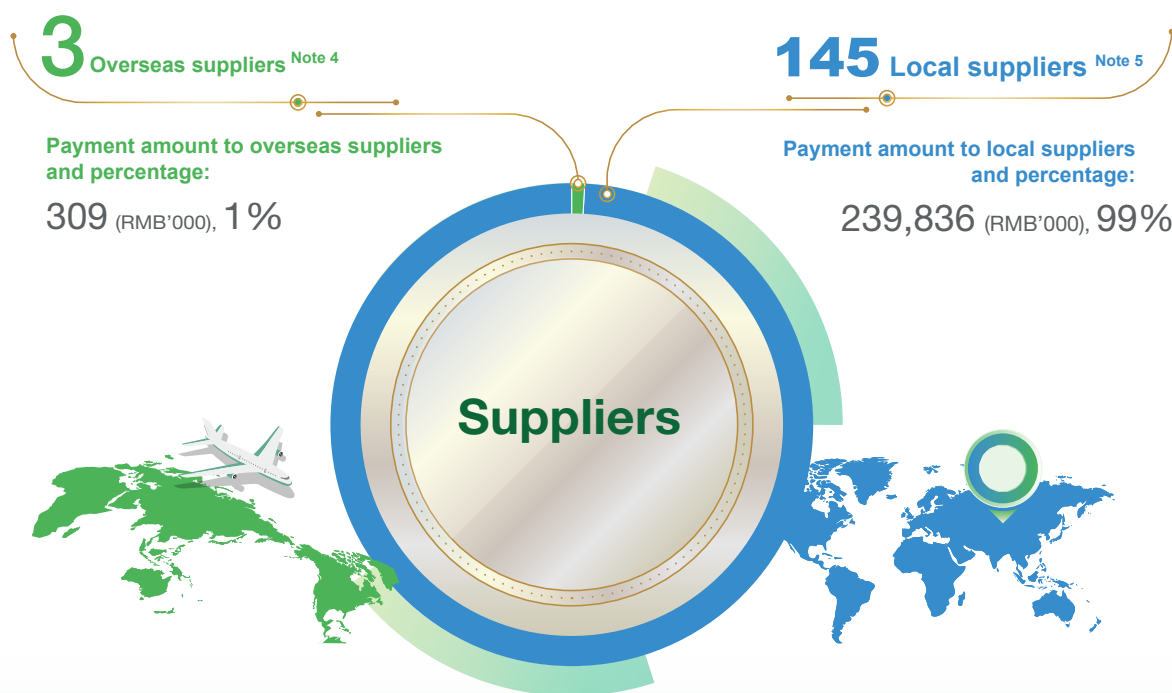
The Group prioritizes product safety and ensures its use aligns with descriptions provided during sales. To facilitate safe usage and improve customer understanding, D&G offers comprehensive and accurate product-related information, including technical data, drawings, and safety operation manuals. These materials provide detailed installation instructions and technical specifications to enhance customer convenience during equipment installation. Throughout the Reporting Year, the Group maintained full compliance with regulations concerning health and safety, product information, labelling, and marketing. No violations of laws or regulations in environmental, social, or economic areas leading to significant fines or sanctions were recorded. During the Reporting Year, D&G recorded no cases that needed to be resolved by the dispute mechanism.

### 7.2. Sustainable Procurement

Innovation remains a driving force behind the Group's technological advancements and product development. The R&D Centre plays a pivotal role in refining quality control processes, setting technical benchmarks for materials procurement, and supplying essential technical data for outsourced projects. Additionally, the Centre serves as an educational hub, offering public insights into the asphalt mixing plant industry. Visitors can explore interactive virtual reality tools that provide an immersive experience of the production process.

D&G places significant emphasis on sourcing from domestic and local suppliers to bolster local economies and reduce environmental impacts from material transportation. Environmental, occupational health, and safety ("EHS") factors account for 10% of the supplier management assessment. Standard supplier contracts include mandatory EHS clauses, requiring suppliers to comply with both national and D&G-specific EHS standards, protect the environment, mitigate pollution, and prevent safety incidents. For instance, suppliers are instructed to use paint barrel liners to minimize staining and reduce hazardous waste. To ensure alignment with its sustainability goals, D&G conducts regular supplier interviews to evaluate their adherence to its expectations.

In logistics, the Group is dedicated to expanding its customer base while enhancing domestic and international freight logistics systems. D&G periodically assesses the performance of its logistics partners, focusing on their loading capabilities and overall service quality. During the Reporting Year, the Group has already added 15 suppliers. Among a total of 148 suppliers, only 3 were overseas suppliers.



Note 4: Overseas suppliers refer to suppliers located outside of China

Note 5: Local suppliers refer to suppliers located in China



## 7 Sustainable Value Chain

In order to ensure the materials' quality and supply chain stability, the Group implements sustainable supply chain management through stringent control systems and policies. The Group has also allocated different departments to undergo risk and performance assessments:

<b>Material Supplies Department</b>	<ul style="list-style-type: none"> <li>• Execute works related to tender, bid evaluation and procurement</li> <li>• Organise supplier inspections and survey evaluations</li> <li>• Acquire market information such as quality and price of procurement</li> </ul>
<b>Planning and Coordination Department Production Department</b>	<ul style="list-style-type: none"> <li>• Send procurement request to the Procurement Department in accordance with the production plan and inventory status</li> </ul>
<b>L&amp;C Department</b>	<ul style="list-style-type: none"> <li>• Review the price of procurement</li> <li>• Monitor the procurement contract, tender document, and procurement process to ensure its compliance and legality</li> </ul>
<b>Administration Department</b>	<ul style="list-style-type: none"> <li>• Review procurement applications</li> <li>• Conduct inquiry and price comparison, and report them to the Material Supplies Department</li> </ul>
<b>Quality Management ("QM") Department</b>	<ul style="list-style-type: none"> <li>• Conduct quality check on procurement materials</li> <li>• Engage in assessment of suppliers</li> </ul>

Since 2019, D&G has implemented a sustainable procurement charter that urges suppliers to consider environmental, social, and ethical factors in their operations. The Material Supplies Department is tasked with selecting qualified suppliers by evaluating procurement standards, production requirements, and factors such as material quality, price, delivery timelines, packaging, after-sales service, and technical support. Beyond these basic criteria, D&G also evaluates suppliers based on their Environmental, Health, and Safety ("EHS") performance and financial stability. To mitigate on-site pollution and hazards, the Group has reinforced its EHS requirements, requiring suppliers to provide documentation such as qualifications and test reports to demonstrate the presence of a comprehensive EHS management system.

Suppliers with higher performance ratings are categorized as major suppliers and receive priority contracts, whereas those with lower scores are designated as alternative or secondary suppliers. To ensure a dynamic and high-performing supply chain, D&G conducts an annual supplier review. Secondary suppliers are given opportunities to improve, while those failing to meet standards must submit corrective action plans within two working days. If no substantial progress is observed, they are placed in an acquiesced status. However, those demonstrating improvement undergo reassessment, and unqualified suppliers retain the opportunity for future reviews.

In addition to the Material Supplies Department, the QM Department oversees the quality control of procured materials. If significant quality issues are identified during inspection, measurement, or process verification, the QM Department issues a "Non-conformity Report" and forwards the issue to the Material Supplies Department for product return. If the same issue occurs again without improvements, the Material Supplies Department conducts an emergency assessment, handles the situation with the supplier, and records the outcomes. D&G terminates relationships with suppliers whose qualifications have been revoked for at least two years.

### 7.3. Protecting Data Privacy and Intellectual Property Rights

D&G maintains a strict stance on intellectual property protection, ensuring compliance with copyright laws and prohibiting the use of unauthorized software. Employees are strictly restricted from installing or using pirated software on company devices. As part of its commitment to innovation and legal compliance, the Group has secured a total of 257 registered patents and 30 software copyrights.

Protecting customer privacy is a priority for the Group. Confidentiality agreements are required when signing contracts with customers to safeguard against data breaches. The Group also conducts regular maintenance of its IT protection systems to guard against malware and data theft. The employee handbook explicitly forbids employees from disclosing customer information, misusing customer data for profit, or engaging in actions that could harm the Group's interests. During the Reporting Year, D&G reported no significant instances of non-compliance or complaints related to customer privacy violations.

## 7 Sustainable Value Chain

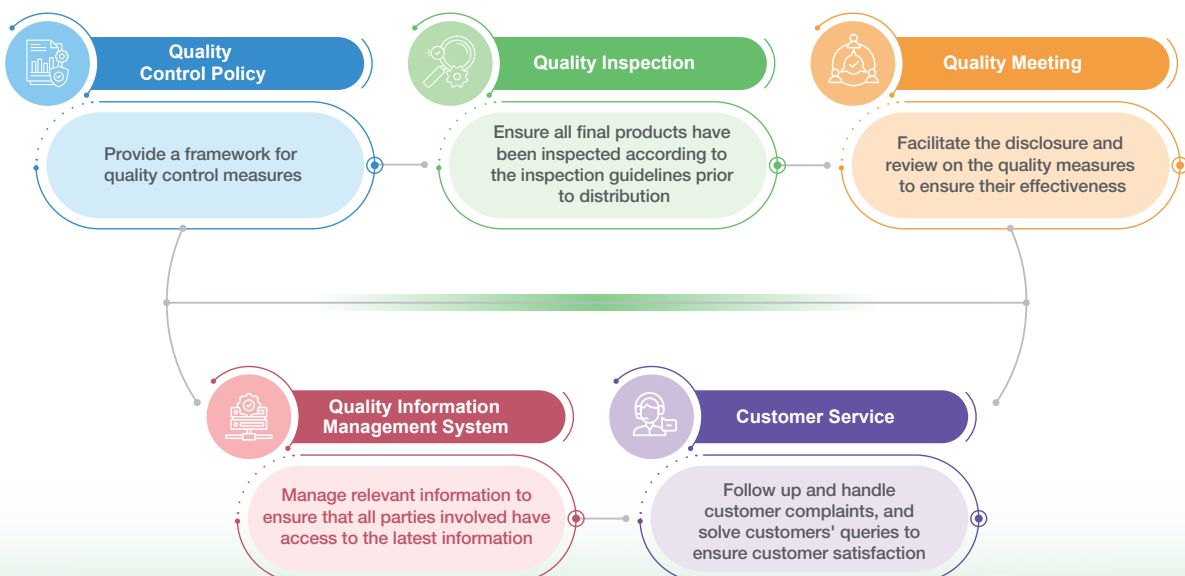
### 7.4. Quality Assurance

Ensuring superior product quality and performance is fundamental to D&G's operations. By embedding circular economy principles into its production framework, the Group continuously advances technological innovations to enhance product functionality and efficiency. Stringent production controls are in place to maximize resource efficiency and uphold high-quality standards. This commitment to excellence has reinforced the Group's reputation for reliability and sustainability and earned multiples international standard certifications:



D&G places significant emphasis on product safety and compliance with safety standards. The Group ensures that its products are designed to function effectively in their intended countries or regions of operation. Before production begins, D&G strictly adheres to the regulatory standards of the respective markets while also evaluating the environmental and societal impacts of its product compositions. To safeguard customer health and safety, all products undergo quality inspections in line with CE and EAC Certification standards. During the Reporting Year, there were no instances of product recalls or shipments due to safety or health concerns.

To maintain consistent product quality, D&G has implemented quality assurance protocols and measures aligned with the ISO 9001:2015 Quality Management System:



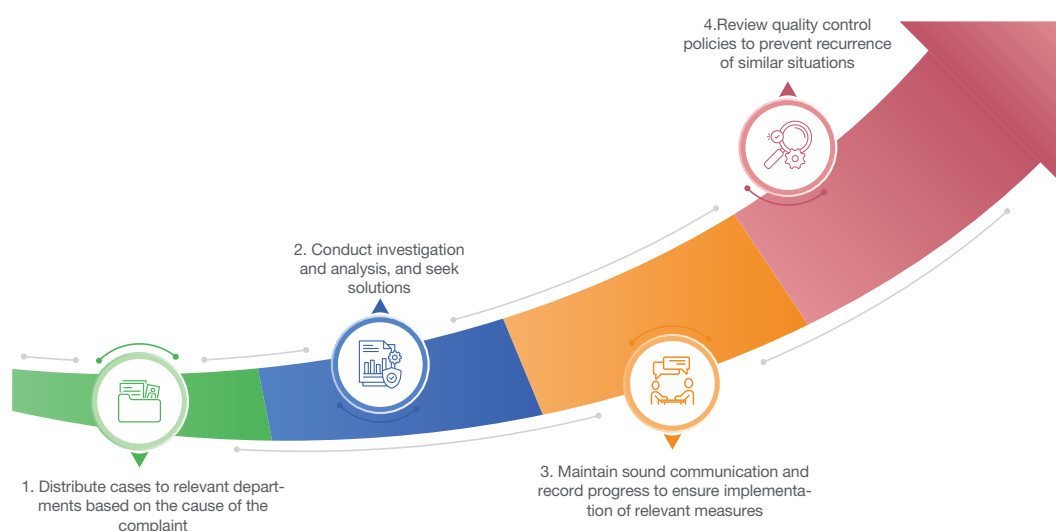
## 7 Sustainable Value Chain

To uphold product quality, D&G has designated the Process Management Department to oversee standardized testing procedures. This includes drafting operational guidelines, ensuring employees adhere to established protocols, and authorizing mass production only upon approval from factory supervisors or inspectors. Throughout manufacturing, supervisors closely monitor operations and consult the Process Management Department for technical support when needed. To sustain production efficiency, routine equipment maintenance and repairs are conducted. If quality issues arise during inspections, the QM Department promptly notifies the Production Department to initiate corrective measures. Additionally, employees participate in continuous on-the-job training to refine their technical expertise and enhance productivity.

D&G also prioritizes the management of defective products to maintain high-quality standards. Any semi-finished or finished items that fail to meet specifications are immediately set aside in the “Defective Products Area” by the Production Department. Depending on the nature of the defect, these products undergo repairs by either the QM Department or the Technology and Process Management Department. Once the necessary corrections are made, the QM Department reassesses and approves the items. For products deemed unsalvageable, the Production Department transfers them to a designated waste area, with efforts made to recycle materials where possible. Major cases are reviewed in quality assurance meetings to develop preventive strategies and mitigate future occurrences.

### 7.5. Customer Service

The Group views customer feedback as a valuable opportunity to enhance its quality control framework and prevent recurring issues. To facilitate this, D&G has set up several communication channels through which customers can share their opinions. The process for managing customer complaints is outlined as follows:



To ensure ongoing improvement in product quality and EHS management, the Group has established an assessment system to evaluate the performance of the QM Department and the S&E Department. If a complaint pertains to EHS standards, the S&E Department is responsible for verifying the products and services involved and implementing corrective actions. Meanwhile, the QM Department oversees the progress and effectiveness of these measures.

For complaints related to quality issues identified post-delivery or post-use, the Engineering Service Department consolidates and manages them, promptly reporting the issues to the QM Department. The QM Department holds bi-weekly quality meetings to review the data and develop appropriate improvement and preventive actions. Simultaneously, the Engineering Service Department liaises with customers and updates them on progress to efficiently resolve the issues in a way that satisfies customer expectations.

In order to manage the needs of customers effectively, the Group has divided the complaint cases into four general categories:

Type	Description	No. of Case Received in 2024
General complaints	Customer complaints that can be easily resolved through communication	312
Crisis complaints	Customer complaints that have a major impact on the Company's image and brand	0
Major complaints	Customer complaints that have a potential impact on the Company's image and brand	0
Invalid complaints	Customer complaints that are caused by misunderstandings	0

## 7 Sustainable Value Chain

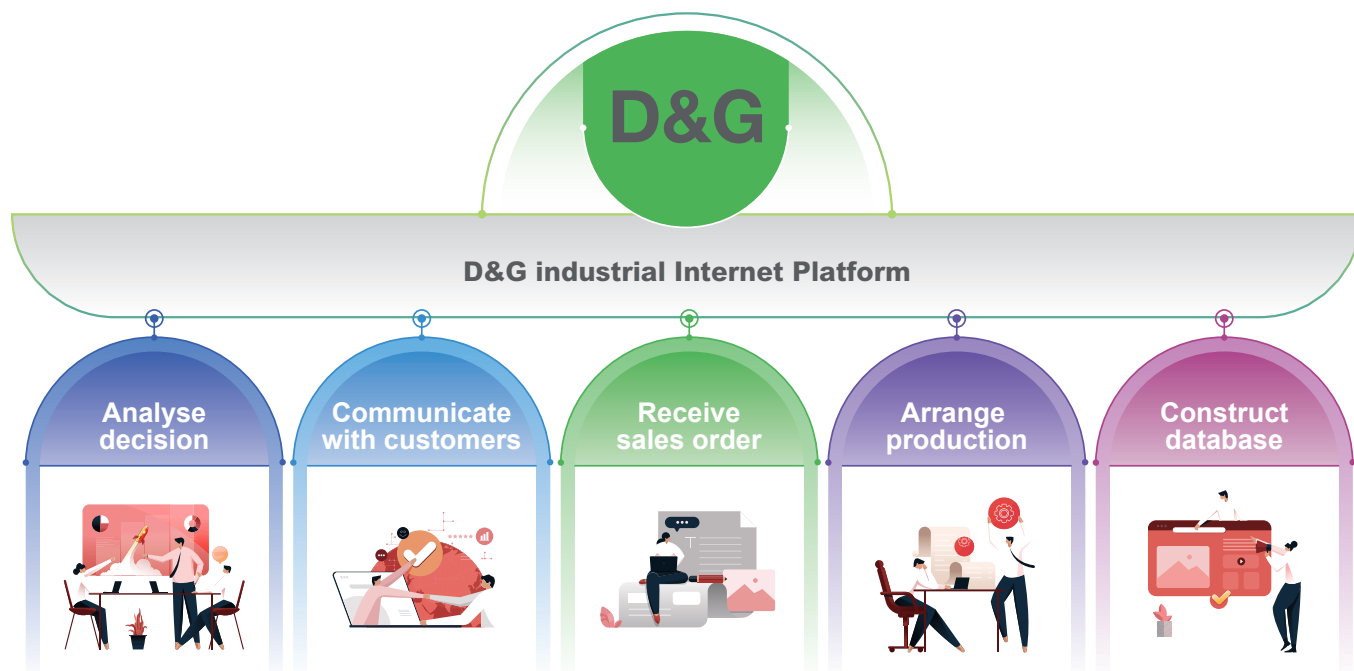
The Group has implemented a comprehensive complaint-handling system. When customers file complaints, the Group acts promptly to investigate the issue, provide clear explanations, arrange re-delivery of accessories, and offer compensation. All relevant departments also develop preventive and corrective measures to ensure that similar issues do not recur.

To enhance customer service efficiency and satisfaction, the Group upgraded its existing industrial internet platform to create the DG Leap Cloud Industrial Internet. This self-built platform operates on a Software-as-a-Service (SaaS) model, offering customers data services to facilitate equipment digitisation and intelligence at the lowest cost and highest efficiency. By collecting and transmitting valuable data, the platform helps customers optimize equipment operation, reduce energy and material consumption, and maintain stable product quality.

The platform includes several modules, such as production centre, equipment management, maintenance management, service management, and energy consumption management, which customers can select based on their needs. The energy consumption management module offers tools for tracking and analysing energy use. This initiative is a proactive step by D&G towards using digital technology to support the industry's carbon neutrality goals.

Since its launch, the industrial IoT platform has provided services to over 100 customers, covering not only domestic clients in China but also those in Hong Kong and other overseas markets. This project has contributed to increased sales of retrofitting services and spare parts, while also enhancing the technological value and market competitiveness of the company's products, indirectly driving product sales. The company continues to optimize and upgrade the platform's functionalities, striving to offer each customer a simple and user-friendly digital and intelligent tool. In 2024, the platform's production management and energy management subsystems delivered value-added services to customers in Yunnan, Beijing, and Sichuan.

D&G industrial Internet Platform:



## 7 Sustainable Value Chain

### 7.6. Industrial Partnership

D&G has been dedicated to building strong industry partnerships and collaborating with various professional scientific research institutions. Additionally, the Group actively participates in different professional associations and institutions. These efforts allow D&G to share its sustainable business operation model, stay aligned with industry trends, and contribute to the promotion of green development within the sector. Through these collaborations, D&G works to advance its commitment to sustainability while influencing the broader industry towards greener practices.

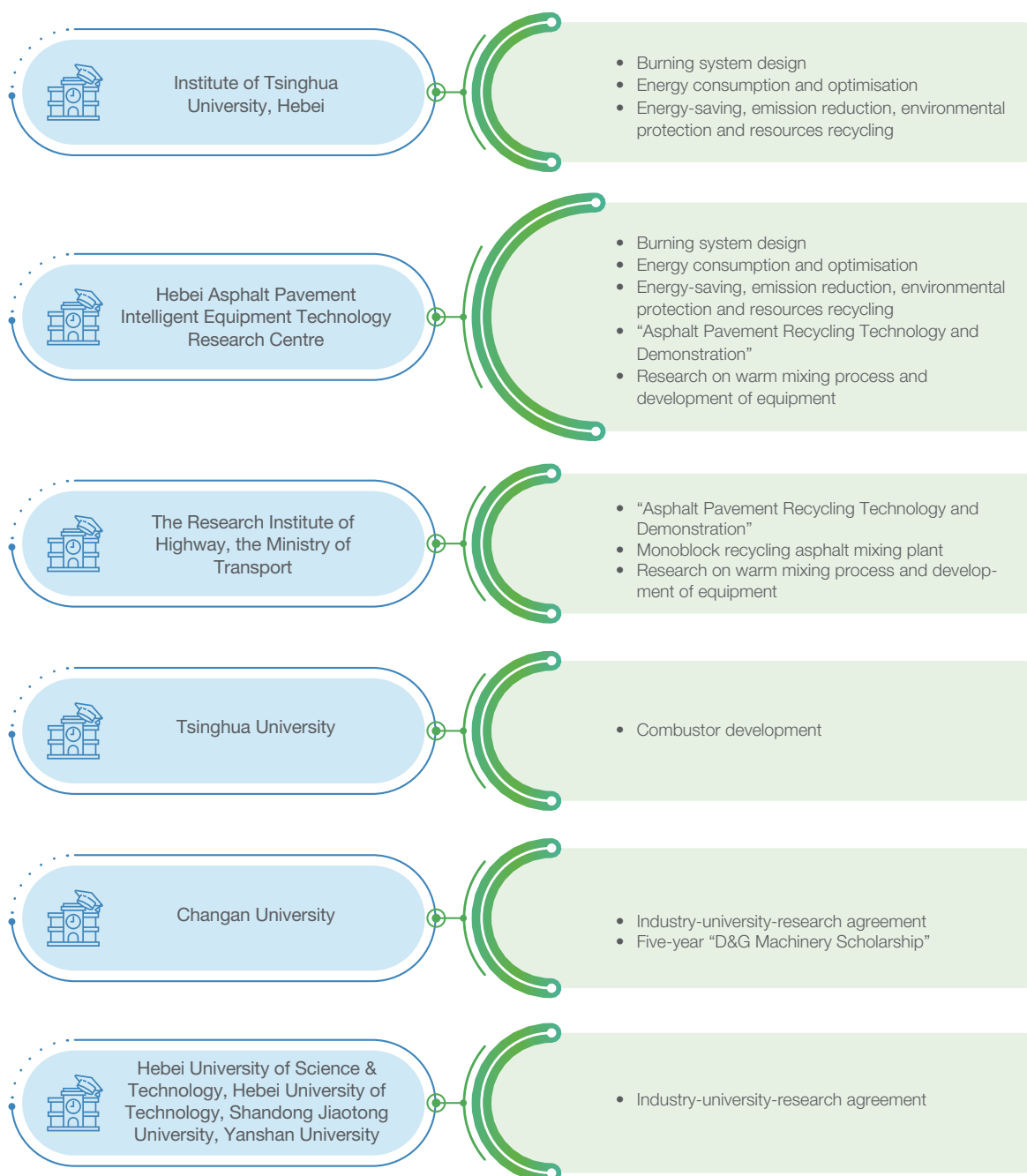
1. Founding Member of the Greater Bay Area Carbon Neutrality Association
2. Bronze Member of the Green Council
3. Founding Member of the Sustainable Procurement Charter
4. Founding Member of the Green Tech Alliance
5. Permanent Member of The Hong Kong Metals Manufacturers Association Limited
6. Corporate Member of the Federation of Hong Kong Industries
7. Vice President of the China Construction Machinery Association Road Machine Chapter
8. Council Member of the SME Service Committee of the China Construction Machinery Association (CCMA)
9. Member of the Industrial Internet Branch of the China Construction Machinery Industry Association
10. Member of the Equipment and Materials Procurement Branch of the China Association of International Engineering Consultants (CAIEC)
11. Vice Chairman of the Construction Machinery Association of Hebei Province
12. Corporate Member of the Langfang Publicly Listed Company Association
13. Corporate Member of the Guangdong Province Asphalt Concrete Supply Chain Association
14. President of the Sichuan Provincial Chamber of Construction Asphalt Pavement Chapter
15. Unit Member of the China Association of Small & Medium Commercial Enterprises
16. Council Member of the China Aggregate Association
17. Member of the Guangdong Aggregate Association
18. Corporate Member of the Equipment Manufacturing Industry Association of Hebei Province

## 7 Sustainable Value Chain

### Partner Organisations



### Partnership Projects



D&G aims to establish a stable and sustainable supply chain while fostering sustainable practices and raising awareness among its suppliers. Acknowledging the increasing demand for stringent product and service requirements from business partners and customers, D&G is committed to maintaining strong partnerships with suppliers. To ensure their capabilities align with the latest standards and requirements, the Group implements the following measures:



## 7 Sustainable Value Chain

Strategy of 2024	Objective of 2024	Target of 2024	Progress of 2024	Strategy of 2025	Objective of 2025	Target of 2025
<ul style="list-style-type: none"> <li>Incorporate sustainable procurement practice into the existing procurement procedures</li> <li>Consider sustainable development when purchasing raw materials for product design</li> <li>Save steel use during the production process by utilising scraps and leftover materials</li> </ul>	<ul style="list-style-type: none"> <li>Optimise procurement policies to address sustainable procurement issues</li> <li>Maximise the use of scraps and leftover materials to reduce the use of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>In 2024, all employees will receive training on sustainable procurement procedures</li> <li>Through design improvements, the amount of steel used for recycled remanufactured support brackets will be reduced by at least 10 tonnes per set</li> <li>Utilise at least 10 tonnes of scrap and leftover materials throughout the year 2024</li> </ul>	<ul style="list-style-type: none"> <li>50% of employees received training on sustainable procurement procedures</li> <li>Improved design of recycled support structures led to a reduction of 6 tonnes of steel usage</li> <li>A total of 3.6 tonnes of scrap materials were utilized throughout 2024</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate sustainability considerations into raw material design and procurement</li> <li>Optimize production processes by utilizing scrap materials to reduce steel consumption</li> </ul>	<ul style="list-style-type: none"> <li>Optimize raw material usage</li> <li>Maximize the utilization of scrap materials</li> <li>Reduce overall energy consumption of electricity and natural gas</li> </ul>	<ul style="list-style-type: none"> <li>Optimize design to reduce steel usage by <math>\geq 8</math> tonnes per unit for the new series of small-scale mixing equipment</li> <li>Utilize <math>\geq 3</math> tonnes of scrap materials throughout 2025</li> <li>Reduce energy intensity by <math>\geq 3\%</math> compared to 2024</li> </ul>
<ul style="list-style-type: none"> <li>Procure and utilise more energy-efficient products and services that support sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Unmanned operation of the internal supermarket in D&amp;G factory</li> <li>Choose the nearest location to receive visitors</li> </ul>	<ul style="list-style-type: none"> <li>Place 2 new vending machines and deactivate 3 refrigerators</li> <li>Reduce vehicle transportation distance by at least 5,000 kilometres in 2024</li> </ul>	<ul style="list-style-type: none"> <li>Energy management system certification completed</li> <li>Green factory certification completed</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize energy efficiency, environmental protection, and green development in procurement and manufacturing processes</li> </ul>	<ul style="list-style-type: none"> <li>Strive to obtain national-level green factory certification</li> </ul>	<ul style="list-style-type: none"> <li>Obtain national-level green factory certification</li> </ul>
<ul style="list-style-type: none"> <li>Apply risk management tools in the procurement process</li> </ul>	<ul style="list-style-type: none"> <li>Operate "Risk Identification, Assessment and Response Measures" effectively to minimise sustainability risks and impacts in the procurement process</li> </ul>	<ul style="list-style-type: none"> <li>Continue to operate "Risk Identification, Assessment and Response Measures" effectively in 2024</li> </ul>	<ul style="list-style-type: none"> <li>Added four vending machines; decommissioned three refrigerators</li> <li>Vehicle shuttle distance in 2024 remained similar to 2023 despite an increase in customer volume</li> </ul>	<ul style="list-style-type: none"> <li>Procure and utilize more energy-efficient products and services that support sustainable development</li> <li>Reduce water consumption within the factory</li> </ul>	<ul style="list-style-type: none"> <li>Reduce vehicle exhaust emissions from fuel-powered cars</li> <li>Continue efforts toward sustainability by reducing water consumption</li> </ul>	<ul style="list-style-type: none"> <li>Procure at least one new energy electric vehicle for company use</li> <li>Reduce per capita water consumption to <math>\leq 60\text{m}^3</math></li> </ul>
<ul style="list-style-type: none"> <li>In procurement and manufacturing processes, a greater emphasis is placed on energy efficiency, environmental protection, and green development</li> </ul>	<ul style="list-style-type: none"> <li>Obtain provincial Green Factory Certification</li> </ul>	<ul style="list-style-type: none"> <li>Obtain Energy Management System certification</li> <li>Obtain Green Factory Certification</li> </ul>	<ul style="list-style-type: none"> <li>All newly added large-scale suppliers in 2024 are certified with ISO 14001 and ISO 45001 management systems</li> </ul>	<ul style="list-style-type: none"> <li>Enhance on-site paint spraying management to identify opportunities for reducing hazardous waste generation, minimizing both waste production and disposal</li> <li>Apply risk management tools in the procurement process</li> </ul>	<ul style="list-style-type: none"> <li>Reduce VOC emissions</li> <li>Enhance energy efficiency and consumption reduction</li> <li>Effectively implement "Risk Identification, Assessment, and Response Measures" to minimize procurement sustainability risks and impacts</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions/energy intensity by <math>\geq 3\%</math> year-on-year</li> <li>Reduce air pollutants/hazardous waste emission intensity by <math>\geq 5\%</math> year-on-year</li> <li>Ensure the continued effective operation of "Risk Identification, Assessment, and Response Measures" in 2025</li> <li>Establish at least two backup suppliers for high-risk product categories by 2025</li> </ul>
<ul style="list-style-type: none"> <li>Select suppliers with good social practices</li> </ul>	<ul style="list-style-type: none"> <li>Major contractors must obtain ISO 14001 and ISO 45001 Management System Certifications</li> </ul>	<ul style="list-style-type: none"> <li>By the end of 2024, newly added scale suppliers are required to have ISO 14001 and ISO 45001 Management System Certifications</li> </ul>	<ul style="list-style-type: none"> <li>Successfully implemented the "Risk Identification, Assessment, and Response Measures" throughout 2024</li> </ul>	<ul style="list-style-type: none"> <li>Develop a local supplier support program, prioritizing the procurement of goods and services produced within a 200 km radius</li> </ul>	<ul style="list-style-type: none"> <li>Increase the proportion of local procurement to 40% to reduce the environmental impact of supply chain transportation</li> </ul>	<ul style="list-style-type: none"> <li>By 2025, local supplier expenditure will account for <math>\geq 40\%</math> of total procurement spending.</li> </ul>

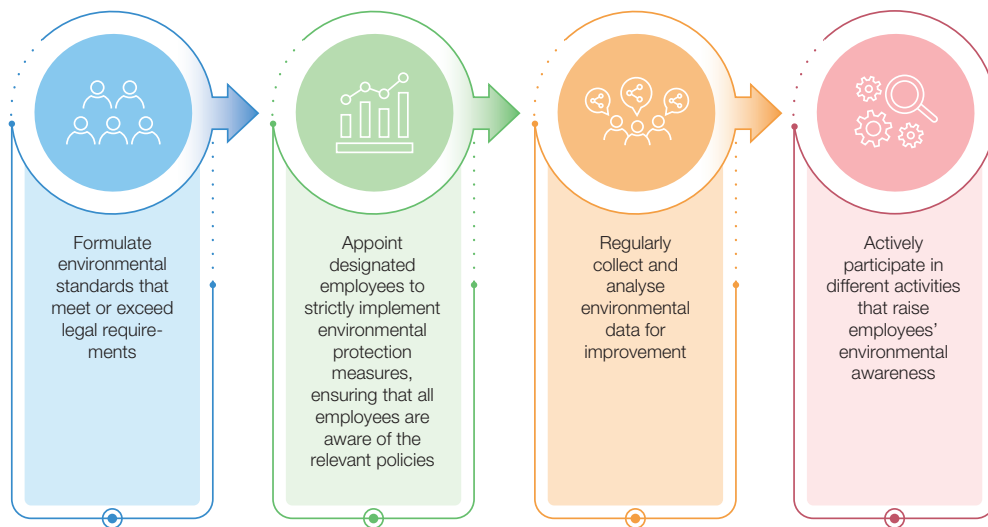
## 8 Environmental Management

Committed to building a sustainable future, the Group incorporates sustainable development principles into its business strategies and daily operations. In addition to adhering to environmental regulations, it actively embeds ESG considerations into management decisions, ensuring sustainability is integrated across all aspects of its operations.

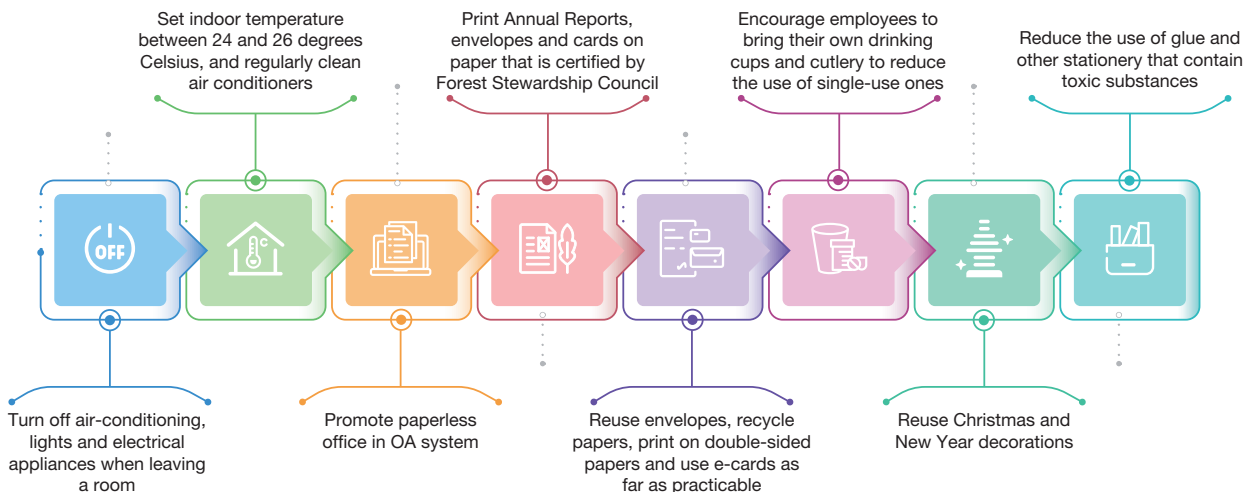
### 8.1. Green Operation

The Group is dedicated to fostering a sustainable society by embedding sustainability into its decision-making processes and daily operations. In line with its commitment to environmental responsibility, D&G complies with national laws, regulations, and standards governing air pollution, wastewater discharge, and waste management.

As a key player in asphalt road construction, the Group has strengthened its environmental management system by adopting the ISO 14001:2015 Environmental Management System. A dedicated committee has been established to oversee environmental initiatives, ensuring continuous improvements in sustainability practices. This committee not only formulates strategic enhancements but also monitors policies, provides regular updates to the Board, and recommends necessary adjustments. It serves as a bridge between stakeholders—including the Board, employees, customers, and investors—facilitating effective communication on environmental matters. To reinforce sustainability efforts at its Langfang factory, the Group has developed comprehensive environmental manuals to guide employees in responsible practices:



In addition to complying with applicable laws and regulations, the Group advocates strong environmental management practices to foster a green working culture among its employees. By sharing relevant information and enhancing both internal and external communication, the Group strives to cultivate an environmentally conscious mindset within the organization. At the Hong Kong headquarters office, a green office policy has been implemented to encourage employees to adopt the following environmental commitments:






## 8 Environmental Management

The Group has made efforts to improve the workplace environment by incorporating natural elements, such as green plants, into the work setting. This initiative is aimed at promoting the physical and mental health of employees. The Langfang factory, for example, boasts a green area covering approximately 9,493 m<sup>2</sup>, creating a more pleasant and healthier environment for the workforce.

In addition to the focus on employee well-being, the Group has set clear environmental management goals to ensure compliance with relevant standards and improve operational efficiency. These goals include achieving a 100% pass rate for environmental monitoring, ensuring that all hazardous waste is properly disposed of, limiting violations of paint spraying facilities and welding dust equipment to fewer than one occurrence, and preventing any production days from being affected by internal environmental or safety issues. These measures reflect the Group's commitment to maintaining high environmental standards and minimizing its ecological impact.

### 8.2. Environmental Initiatives

D&G fosters a culture of environmental responsibility by integrating sustainability into its production bases and workplaces. The Group encourages employees to embrace their role in advancing a sustainable society, instilling positive environmental values through awareness programs and initiatives. By actively engaging in environmental protection efforts, D&G aims to cultivate a greener living and working environments for all.

Activity	Description	Photos
The Green Carnival 2024 launch ceremony	D&G has sponsored the Green Carnival since 2017 and participated as a guest at its opening ceremony. The 20th Green Carnival, organized by the Green Council, was held on January 28, 2024, at Kowloon Park. Ms. Glendy Choi, CEO of the Group, attended the opening ceremony. The event featured various booths and performances by different educational groups, attracting many visitors.	
Green Run 2024	On 25th February 2024, D&G participated in Green Run 2024 organised by Green Council. D&G sent representatives to participate in the Green Run charity race and won the first runner-up in the corporate category.	 

## 8 Environmental Management

Activity	Description	Photos
Earth Hour 2024	<p>On 23<sup>th</sup> March 2024, D&amp;G participated in “Earth Hour 2024” organised by the World Wide Fund for Nature. All the non-essential lighting at owned properties, factories, offices and employees’ homes were switched off for one hour from 20:30 to 21:30.</p> <p>D&amp;G has been participating in this event for the past 12 years, demonstrating its support for environmental protection with concrete actions. Many employees heeded the call to support the Earth Hour initiative to promote environmental awareness.</p>	
June 5 <sup>th</sup> Environment Day	<p>On June 4, 2024, D&amp;G’s wholly owned subsidiary in Hebei, D&amp;G Machinery, collaborated with Yongqing Development Zone Central School to organize a Environment Day event in response to Hong Kong Green Day on June 5. Together with the students, the event featured environmental awareness campaigns, quiz competitions, and waste sorting activities. Through interactive games, the initiative promoted the concepts of energy conservation and environmental protection.</p>	 
Hong Kong Green Day 2024	<p>The 5<sup>th</sup> of June is the Hong Kong Green Day. D&amp;G has been the event sponsor for 9 consecutive years. Mr. Alban Yeung, CFO of the Group, attended the opening ceremony and served as a guest on the same day. The Company participated in the “Green Pledge” program, encouraging employees to participate in the “Wearing Green Action” on the 5<sup>th</sup> of June to show their support.</p>	 
“Green Living, Co-creation” Environmental Art Event	<p>On November 1, 2024, D&amp;G, as a sponsoring partner, co-organized the “Green Living, Co-creation” corporate ESG inclusive environmental art initiative with Learning Bridge Association, a non-profit organization. This event aimed to promote environmental awareness and sustainability through artistic expression, fostering collaboration between businesses and society. The proceeds from the event were donated to TWGHS Tsui Tsin Tong School to support its educational and environmental programs, further demonstrating corporate social responsibility and commitment to education.</p>	

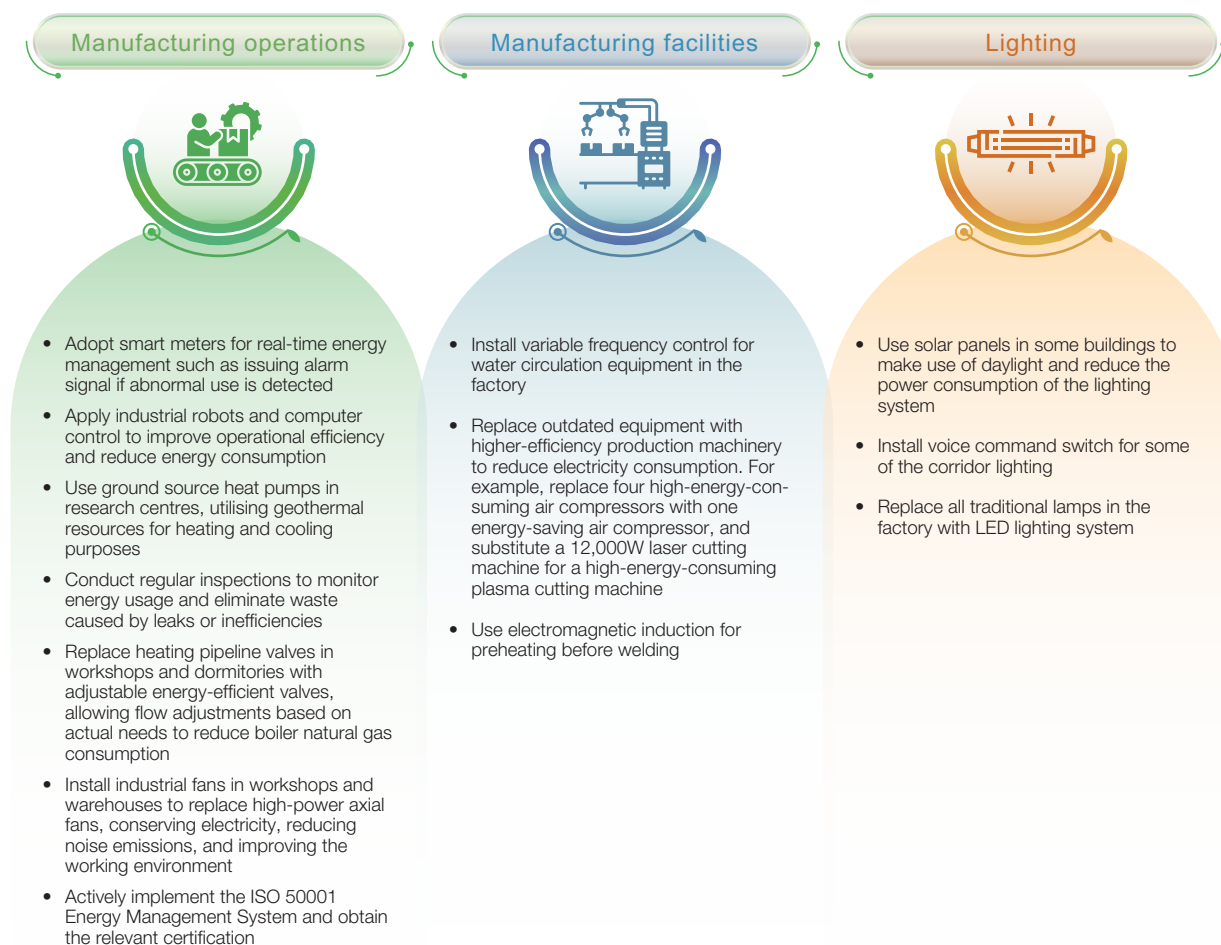


## 8 Environmental Management

### 8.3. Energy Consumption

The Group relies on municipally supplied electricity for production and natural gas to power factory boilers, as well as for heating and cooking in the staff canteen. In terms of greenhouse gas (“GHG”) emissions, natural gas usage and company vehicle operations contribute to direct emissions (“Scope 1”), while electricity consumption accounts for indirect emissions (“Scope 2”).








Understanding the pressing need to address climate change, D&G has introduced the “Energy Conservation and Consumption Reduction Management Guidelines” to optimize energy efficiency and reduce its carbon footprint. These guidelines require all departments to assess the environmental impact of their energy choices and prioritize sustainable alternatives. To advance its low-carbon energy management strategy, the Group has implemented the following measures:



The Group has appointed the S&E Department to collect and evaluate the monthly energy-saving performance of each production unit and department, as well as to oversee the effectiveness of implemented energy-saving measures. Routine inspections are conducted to monitor energy usage, preventing leaks and unnecessary waste. To reduce electricity consumption, the Group has implemented multiple energy-saving measures. For instance, the Production Department replaced four high-energy-consuming air compressors with one energy-efficient air compressor and substituted a 12,000W laser cutting machine for a high-energy-consuming plasma cutting machine, which reduces power consumption while improving production efficiency. Additionally, industrial fans were installed in workshops and warehouses to replace high-power axial flow fans, lowering energy usage, minimizing noise pollution, and improving working conditions. The heating pipeline valves in workshops and dormitories were also upgraded to adjustable energy-saving valves, enabling flow adjustments based on demand and reducing boiler natural gas consumption. As a result of these energy-saving initiatives, the electricity intensity per RMB 10,000 of output value decreased by 24% compared to 2023, while the natural gas intensity per RMB 10,000 of output value dropped by 31% compared to 2023. Furthermore, the Group actively implemented the ISO 50001 energy management system during the year and successfully obtained the relevant certification, enhancing energy management knowledge and efficiency.

By the end of 2024, the Group installed solar panels on the roof of the Langfang factory, covering a total area of 10,600 square meters. The estimated solar power generation in 2025 is 23.29 million kWh, which will result in a reduction of 13,554 tons of greenhouse gas emissions. During the Reporting Year, the solar panels generated 1 million kWh of electricity, with 820,000 kWh used for internal consumption. Photovoltaic power accounted for 32% of the Group's total electricity consumption.

## 8 Environmental Management

Energy Consumption	Unit	2024	2023
Electricity consumption (covered the usage of photovoltaic power) 	MWh	2,514	2,634
	GJ	9,052	9,484
Electricity consumption intensity (covered the usage of photovoltaic power) 	MWh/RMB'M Revenue <sup>Note 6</sup>	6.79	9.48
Natural gas consumption 	m <sup>3</sup>	233,782	307,496
	MWh	2,422	3,325
	GJ	8,720	11,971
Natural gas consumption intensity 	MWh/RMB'M Revenue <sup>Note 6</sup>	6.54	11.97
Fuel consumption 	MWh	68	—
	GJ	310	—
Total energy consumption 	MWh	5004	5959
	GJ	18,082	21,455
Total energy intensity 	MWh/RMB'M Revenue <sup>Note 6</sup>	13.50	21.45



## 8 Environmental Management

GHG Emissions	Unit	2024	2023
Scope 1: Direct emissions <sup>Note 7</sup>	tCO <sub>2</sub> e (tonnes of CO <sub>2</sub> equivalent)	503	666
Scope 2: Indirect emissions	tCO <sub>2</sub> e	1,571	1,699
Total GHG emissions <sup>Note 8</sup>	tCO <sub>2</sub> e	2,074	2,365
Total GHG emissions intensity	tCO <sub>2</sub> e/RMB'M Revenue <sup>Note 6</sup>	5.60	8.51

Note 6: The Group's revenue for the year ended December 31, 2024, and the year ended December 31, 2023, was RMB 371 million and RMB 278 million, respectively.

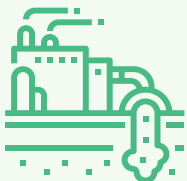

Note 7: Starting from this Reporting Year, the Group's greenhouse gas (GHG) emissions include emissions from its vehicle fleet.

Note 8: The Group's total GHG emissions do not yet include other indirect GHG emissions (Scope 3). However, in 2025, the Group plans to incorporate Scope 3 emissions data to ensure compliance with the disclosure requirements of the Hong Kong Stock Exchange (HKEX).

To support this effort, the Group plans to conduct energy management analyses by region to identify abnormal or high energy consumption sources, enabling better monitoring and targeted energy-saving measures.

### 8.4. Air Emissions

Recognizing the impact of industrial emissions on air quality and workplace safety, the Group has implemented strict controls over air pollutants generated during the machinery manufacturing process. The primary emissions from production activities at the Langfang factory include nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>"), and particulate matter ("PM"). To ensure compliance with local environmental regulations, the Group has established the "Air Emissions Management Guidelines." These guidelines outline a structured approach to categorizing and managing emissions while providing a framework for precise monitoring of air pollutant concentration levels.

Types of Air Emissions	Air Emission Management	Monitoring and Auditing
Air emissions from stationary sources (such as production equipment and natural gas boilers) 	<ul style="list-style-type: none"> <li>Air emissions must be treated properly prior to the discharge</li> <li>Install welding smoke dust removal purification devices, paint spray water curtain and activated carbon adsorption devices to filter air emissions</li> <li>Post relevant signs about emission restrictions at the chimney</li> <li>Regular maintenance and repair of air emission and purification facilities are conducted to ensure their normal operation</li> </ul>	<ul style="list-style-type: none"> <li>Third-party qualified environmental monitoring organisations are routinely appointed to measure exhaust emission levels according to emission standards</li> </ul>
Air emissions from mobile sources (such as automobiles) 	<ul style="list-style-type: none"> <li>Air emissions of the factories' vehicles are monitored in accordance with the "Guidelines of Prevention and Control of Motor Vehicle Exhaust Pollution"</li> </ul>	<ul style="list-style-type: none"> <li>Tests are carried out by inspection agencies of the local government as stated by relevant emission standards</li> </ul>

## 8 Environmental Management

The S&E Department has established air emission policies that apply to all factories and is responsible for monitoring air emission management across various departments and manufacturing units. In addition, the S&E Department engages qualified third-party environmental monitoring organizations to conduct thorough assessments of air pollutant emission levels, ensuring compliance with the required standards. In the event of illegal emissions, the S&E Department promptly records the incident and proposes corrective actions to resolve the issue.

To raise awareness among employees regarding different air emission sources and their corresponding pollutants, the Group promotes targeted mitigation measures aimed at reducing air emissions. These measures include:

Source of Air Emissions	Mitigation and Management Measures
Welding fumes	Extracted by the exhaust fan and treated by purifier
Particulates generated from grinding wheel and shot blasting	Removed by pulse bag dust collector
Metal dust	Removed by a central dust collector and reused
VOC gas emitted from paint spraying	Treated by water curtain and carbon adsorption
Cooking fumes from cafeteria	Removed by fume purifier

Air Emissions	Unit	2024	2023
NO <sub>x</sub>	tonnes	0.08	0.15
SO <sub>x</sub>	tonnes	0.00	0.00
PM	tonnes	1.11	0.77

During the Reporting Year, the Group ensured that air pollutant emissions from the Langfang factory complied with legal requirements. The Group also enhanced its method for collecting data on atmospheric pollutant emissions from equipment such as electricity welding dust removal systems and cutting machines. This improvement allows for more accurate data collection throughout the production process, with operating time now based on the actual recorded operating hours.

Striving for zero environmental hazards, the Group has implemented independent emission reduction measures, including limiting or halting production during heavy pollution alerts. Moving forward, the Group will continue to refine its emission control systems to contribute to improved air quality and safeguard employee health.

## 8 Environmental Management

### 8.5. Water Consumption and Wastewater Management

Effective water resource management is essential to the Group's commitment to sustainability. To minimize water consumption at its operational sites, the Group has introduced comprehensive water-saving initiatives. These efforts include promoting the use of high-efficiency water equipment and encouraging departments to adopt water-efficient practices. For instance, several irrigation sprinkler heads in green areas have been upgraded to improve water conservation.

The Group follows its self-established "Energy Conservation and Consumption Reduction Management Regulations", requiring all departments to install and use water-saving equipment based on actual operational needs. Regular inspections, maintenance, and replacements are conducted to prevent water waste. To achieve water conservation goals, the Group commissioned a third-party professional agency to conduct a water balance test within the factory during the Reporting Year. Additionally, the Group optimized water meters, installed secondary water meters in different areas to enhance monitoring, and strengthened water usage inspections and record-keeping. Damaged water fixtures were replaced promptly to eliminate leaks and water wastage.

While overall water consumption remains relatively low across operations and manufacturing, the staff dormitory at the Langfang factory accounts for a higher proportion of usage. Given that all water is sourced from municipal supply services, there was no significant concerns regarding water availability.

Water Consumption	Unit	2024	2023
Water consumption	m <sup>3</sup>	14,076	12,941
Water intensity	m <sup>3</sup> /employee	42.7	40.1

During the Reporting Year, the Group implemented water-saving initiatives by controlling the irrigation system in green areas, minimizing unnecessary watering. However, due to a major client event during the Reporting Year, the lawn in the factory area was re-laid and required irrigation, resulting in an overall increase in the Group's water consumption in 2024 compared to 2023. The Group will continue to monitor water usage in newly added workshops and green areas and will regularly review water-saving measures to ensure continued efficiency.

Regarding wastewater, the Group strictly adheres to the national "Integrated Wastewater Discharge Standard," ensuring that all wastewater discharge departments channel sewage into designated equipment or proper pipelines to prevent contamination of the surrounding ecosystem. To strengthen wastewater control, the Group has implemented systems to capture, treat, and recycle wastewater from cleaning operations in the painting workshop. Sewage treatment and collection systems are closely monitored to prevent leaks, with regular inspections conducted by the Administration Department. Additionally, the S&E Department arranges annual third-party inspections at the factory's integrated sewage outlet, reviews findings, and identifies areas for improvement. These measures ensure that wastewater discharge remains fully aligned with national emission standards.

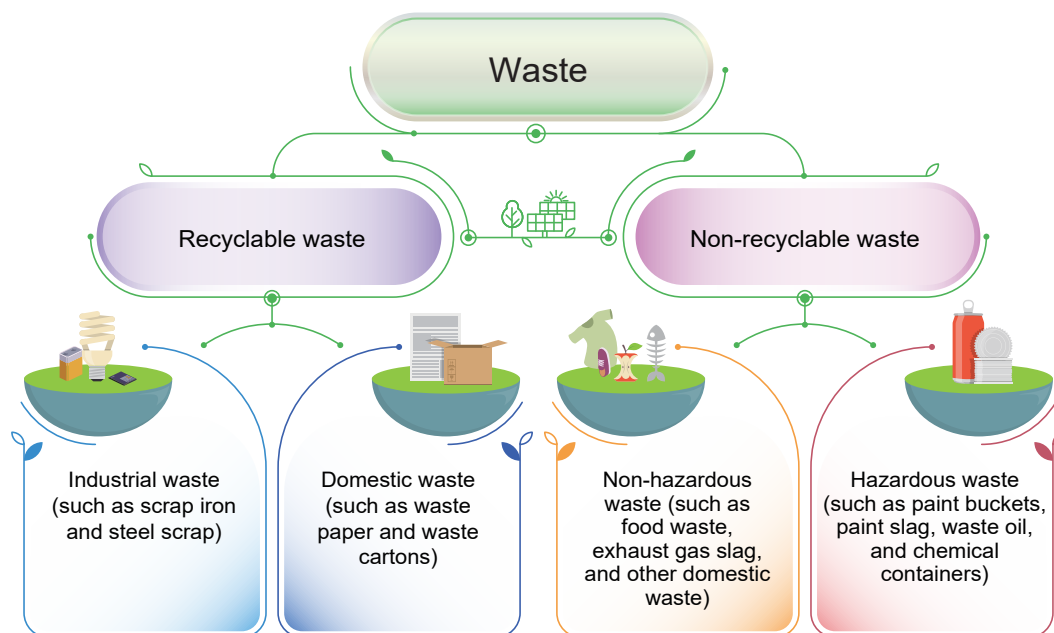
### 8.6. Waste Management

D&G actively promotes sustainable waste management by embedding resource efficiency into its operations. Guided by the principle of "Use Less, Waste Less", the Group follows a structured "4R" approach—reduce, reuse, recycle, and replace—to minimize waste generation. Materials such as steel, cable, packaging wood, and cartons are prioritized for recycling and reuse during production. The Production and S&E Departments collaborate to oversee waste separation, assess its effectiveness and safety, and provide guidance to other departments when necessary. Upholding its commitment to environmental responsibility, D&G has achieved a 100% satisfactory rate in waste separation, ensuring all hazardous waste is managed by the S&E Department. Regular training on hazardous waste disposal enhances employee awareness, while daily monitoring allows for immediate corrective action when needed.

To establish a clear and standardized approach to waste management, the Group has developed internal "Waste Management Guidelines", outlining proper waste handling procedures. These guidelines aim to mitigate disposal risks to both the Group and the local community, ensuring all production activities align with national waste disposal regulations. Each department designates personnel responsible for tracking and reporting waste data, reinforcing accountability and compliance.

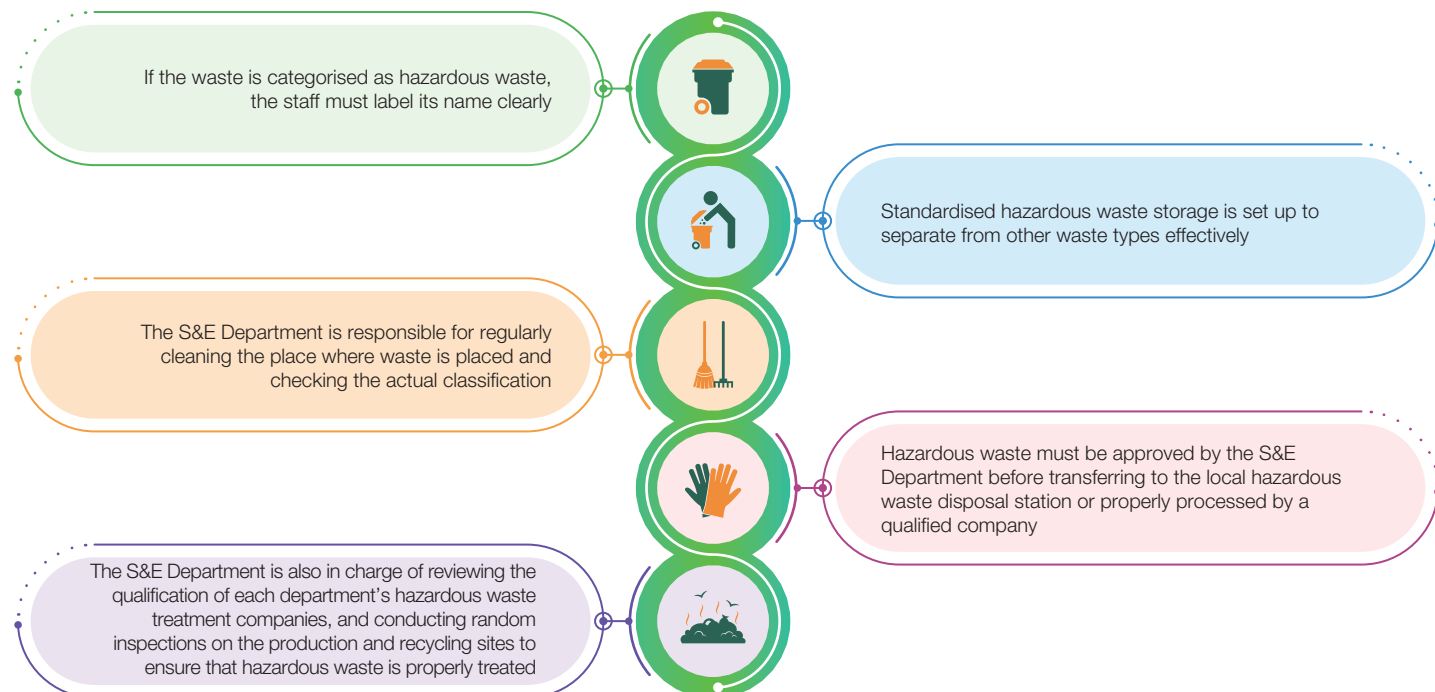
## 8 Environmental Management

Waste generated are generally divided into two main categories, namely recyclable and non-recyclable waste:



Effective hazardous waste management is essential to safeguarding employee health and minimizing environmental risks. Recognizing the potential hazards associated with improper disposal, the Group prioritizes strict controls over hazardous materials. Non-recyclable waste is centrally stored and managed by the Administration Department, ensuring compliance with safety protocols. Meanwhile, each department is encouraged to maximize recycling and reuse opportunities within manufacturing processes, reducing overall waste generation.

To further reduce the generation of hazardous waste, the Group continuously monitors the use of paint bucket liners in the spraying process of the production department. This prevents paint buckets from being contaminated, thereby minimizing the production of hazardous waste such as waste paint buckets. During the Reporting Year, all hazardous waste was properly classified and handed over to Shijiazhuang Zhongyou Youyi Environmental Technology Co., Ltd. and Shijiazhuang Chenghe Environmental Technology Co., Ltd. for disposal.



## 8 Environmental Management

Waste	Unit	2024	2023
Total amount of hazardous waste (treated by incinerator)	tonnes	51	60
Total amount of non-hazardous waste recycled	tonnes	244	88

		Amount (tonnes)	Percentage (%)
Recycled waste	Carton	5	2.23%
	Wood	38	15.53%
	Steel	201	82.24%

The Group is committed to mitigating the environmental impact of hazardous waste by continuing to focus on reducing its generation and increasing recycling efforts. Through ongoing efforts, D&G aims to minimize the carbon footprint associated with waste and ensure more sustainable waste management practices in the future.

### 8.7. Material Use

D&G integrates sustainability into its procurement strategy by prioritizing local sourcing and recycled materials. This approach reduces carbon emissions from transportation, supports the local economy, and enhances resource efficiency. Recycled materials are used in various applications, including fire-fighting sandboxes, dormitory water heaters, and brackets for CNC cutting machines, helping to minimize reliance on virgin raw materials.

Embracing the principles of a circular economy, D&G focuses on resource conservation, product recycling, and material reuse. In the manufacturing of asphalt mixing equipment, the company recycles steel offcuts to reduce environmental impact. Additionally, D&G optimizes packaging by selecting reusable or recyclable cartons and wood while implementing batch packing to minimize material consumption.

To achieve this, D&G has established a more precise material requisition system, which effectively enhances inventory management, reduces material waste, and enables some stock materials to be sustainably utilized for over six months. The Material Supplies Department and Finance Department oversee the classification and management of procurement materials, categorizing them into four main types:

Material Types	Definition	Management Methods
A	Small variety and large amount of funds needed	Frequently audit inventory and accurately calculate the actual demand of materials to avoid excessive amounts or waste
B	Percentages of varieties and costs are approximately equal	Regularly audit inventory, comparatively less frequent than type A materials
C	Large variety and small amount of funds needed	Regularly audit inventory, comparatively less frequent than type B materials
D	Stagnant materials <sup>Note 9</sup>	Intermittently conduct an audit as compared to other types of materials

Note 9: Stagnant materials are defined as materials with little consumption and low inventory turnover.

## 8 Environmental Management

### 8.8. Climate Change

Due to the irreversible impact of climate change on the Earth's ecology, various industries have announced carbon neutrality targets and will gradually transition to a low-carbon economy. The Group recognises that its business will be affected by climate change phenomena such as rising temperatures, typhoons, and extreme weather. When planning and designing new projects, we will consider climate risks and incorporate its impact into our business continuity plans. We have outlined the climate-related risks and opportunities with reference to the four core elements recommended by the Task Force on Climate-related Financial Disclosures (TCFD), which include governance, strategy, risk management, and metrics and targets.

#### Governance

The Board of Directors evaluates the significance of identifying ESG risks, including climate-related risks, and oversees the progress of ESG-related objectives and initiatives. Management policies and strategies addressing climate and other ESG matters have been established by the Board, ensuring ESG considerations are integrated into the Group's business decision-making processes. On the execution level, the Sustainability Committee manages climate-related risks and facilitates the implementation of relevant strategies and policies. The Committee is supported by an inter-departmental sustainable development working group to drive actions and decisions.

#### Strategy

Physical climate risks, such as extreme weather events (heavy rain, floods, typhoons, and rising sea levels), are becoming more frequent and intense. These events pose significant risks to operational continuity, including damage to facilities, decreased productivity, employee safety concerns, and environmental pollution. Additionally, rising temperatures could increase operational costs, such as higher cooling requirements for equipment and office air conditioning. To mitigate these risks, the Group will monitor extreme weather conditions, develop emergency response plans, and upgrade facilities to improve resilience.

Transition climate risk, stemming from regulatory, technological, and market shifts due to climate action, is another key concern. As governments set carbon neutrality targets, stricter regulations on carbon emissions are expected, potentially increasing compliance costs. Moreover, technological innovation for low-carbon and energy-efficient solutions will require the Group to invest in R&D for clean energy and emission reduction technologies. The Group is actively developing strategies to manage these transition risks.

#### Risk management

The Group recognizes the critical role of internal monitoring and risk management in its sustainable development. The Board continually oversees the internal monitoring and risk management system, ensuring it identifies climate change risks and opportunities. This ongoing oversight will enhance the Group's resilience in the face of climate-related challenges.

#### Metrics and targets

In response to the growing impact of climate change, D&G is committed to enhancing its low-carbon policies and performance. The Group has set clear objectives to reduce carbon emissions annually and has implemented various measures across operations to reduce energy, water, and material consumption. Scope 1 and 2 greenhouse gas (GHG) emissions data is available in the performance table. For Scope 3 emissions, the Group is refining its data collection methodology and plans to include this information in future reports. D&G will continue to adopt further measures and proactively pursue its targets to minimize its environmental footprint.



## 9 Community Health and Well-being

D&G acknowledges that its employees and operational sites are fundamental to the Group's long-term sustainability. The combined efforts of its workforce and the support from various community sectors are key drivers of the Group's continued growth and success. Upholding a people-centric management approach, D&G remains committed to corporate social responsibility by addressing critical social issues, fostering community well-being, and actively contributing to the development of the regions where it operates.

### 9.1 Our Employees

#### Health and Safety

D&G places great importance on workplace safety, adhering to the principle of "Safety First, Prevention-Oriented, and Comprehensive Management." The Group has established safety policies and measures and has obtained ISO 45001:2018 Occupational Health and Safety Management System certification, demonstrating strict compliance with international safety standards. To strengthen supervision and enforcement, D&G has formed a Safety Leadership Team, comprising the President, Production Director, and relevant department heads. This team is responsible for risk identification, hazard inspections, and ensuring compliance with regulatory requirements. Additionally, the Production Department assigns dedicated or part-time safety officers to conduct safety education and implement workplace safety inspections.

The Group has identified potential occupational disease risks for employees, including pneumoconiosis, eye and Otorhinolaryngology disorders, and chemical poisoning. To protect employee health, D&G provides medical check-up allowances before employment, during tenure, and upon departure. All medical reports are sent to the relevant department heads and employees while the Safety and Environmental Department compiles summary records. Access to these records is strictly controlled to protect employee privacy. During the Reporting Year, no work-related health issues were recorded.

D&G has set clear workplace safety objectives, including zero major incidents (fires, explosions, and chemical spills), zero occupational diseases, and ensuring 100% certification compliance for special operations personnel. The Group also aims to limit production downtime due to internal environmental or safety issues to no more than 15 days per year. Under this safety management framework, all departments collaborate to uphold occupational health and safety, continuously implementing and evaluating safety measures.



#### Safety Leading Group ("SLG")

- Manage daily production safety work, such as conducting safety inspection and monitoring
- Research and develop safe production technology and labour protection plan
- Investigate and handle work-related incidents
- Implement safe production emergency plans
- Review safe production planning and annual plan to set production safety targets
- Update all departments on national laws and regulations related to occupational health and safety



#### S&E Department

- Standardise occupational risk identification and control processes
- Formulate safe risk management solutions or control plans
- Carry out regular safety inspection in the factory
- Confirm and implement relevant safety measures to comply with the relevant laws and regulations
- Update relevant policies in respect of business as well as the relevant laws and regulations
- Organise consultation and maintain communication with external organisations on safe production matters
- Implement occupational health check plans for employees
- Conduct routine inspections of various buildings and associated safety facilities to ensure proper operation



#### Human Resources Department ("HR Department")

- Organise safety education activities such as safety training and fire evacuation drill
- Report incidents to respective departments promptly and conduct follow-up investigations
- Establish communication with the Labour Administration Department of the local government



#### Production Department

- Provide safe production training to employees
- Implement on-site supervision of safe production
- Execute various safety instructions of SLG

## 9 Community Health and Well-being



### Administration Department

- Ensure the safety of the Group's drinking water and conduct water quality assessment from time to time
- Manage and repair air conditioning systems of offices and factories
- Formulate contingency plan for food poisoning
- Manage the maintenance and upkeep of various buildings within the Group



### Equipment Department

- Employ and communicate with qualified construction contractors



### Engineers and Technical Staff

- Perform testing on safety technology and labour hygiene technology to ensure the safety, accuracy and stability
- Review and approve technical documents

### Talent Recruitment and Retention

D&G places great importance on its employees, recognizing them as the driving force behind the company's success. To support its workforce, the Group has developed a comprehensive human resources (HR) management system that covers recruitment, promotion, transfers, compensation, benefits, and professional development.

To safeguard employees' rights and well-being, D&G has implemented a structured internal employment policy that ensures fair and transparent workplace practices. Beyond compliance, the Group remains committed to attracting, developing, and retaining top talent, aligning individual career growth with the company's long-term strategic objectives.

#### Talent Attraction

D&G is committed to fostering a diverse and inclusive work environment that maximizes employee potential. The Group adheres to principles of openness, equality, and merit-based competition, establishing equal opportunity and anti-discrimination policies to ensure a fair and inclusive workplace. Discrimination based on gender, disability, marital status, race, religion, age, nationality, sexual orientation, or any other factor is strictly prohibited throughout the hiring process. Each new employee undergoes a probationary period of two to three months, during which their work performance, skills, adaptability, and effectiveness are assessed. Unbiased feedback is provided, and the final decision on whether the employee will be formally hired is made by the General Manager based on these evaluations.

D&G also upholds the principles of human rights by addressing any issues promptly and implementing measures to prevent violations. The HR Department ensures all candidates provide valid identification documents, verify their age and work permits, and prevent forced or child labour. In the event that child labour is discovered, the Group terminates the contract immediately, supports the individual's return to school, and allows adult family members to replace the child in the workforce to alleviate the financial burden. If the child is found to be sick or injured upon termination, D&G arranges for their medical treatment and covers all medical and living expenses during recovery.

During the Reporting Year, the Group complied with all relevant labour laws and regulations, with no reports of discrimination, child labour, or forced labour cases.

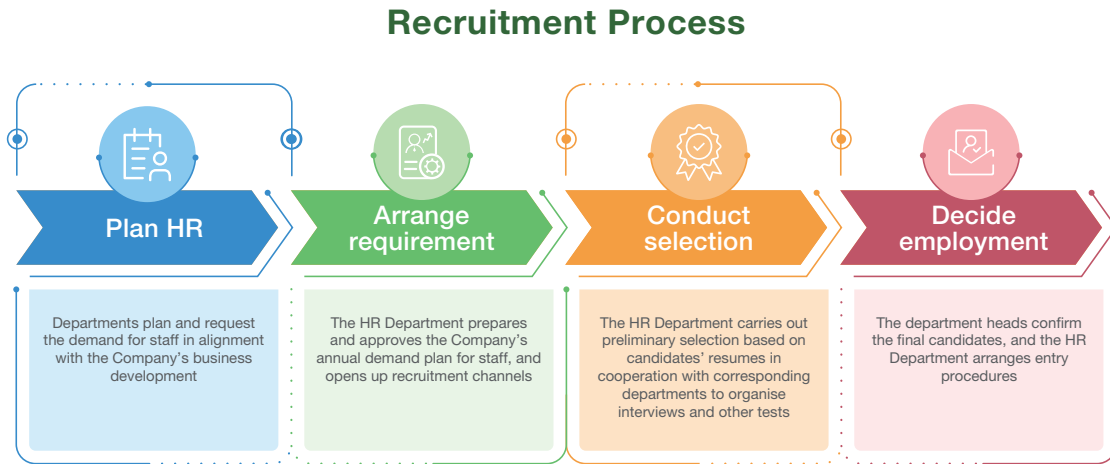
Furthermore, internal codes are in place to protect employees' rights and prevent the use of forced labour:

- No fees shall be charged to employees during the recruitment process
- Employees' identification documents shall not be detained
- Overtime working is only on employees' voluntary basis
- Employees' human rights such as using restrooms and drinking water in the workplace shall not be exploited
- Violence and threats shall not be allowed to force employees to work
- If forced labour is discovered, the management departments shall immediately stop illegal activities, hold the perpetrators accountable and provide appropriate compensation to the employee

## 9 Community Health and Well-being

The general recruitment process is shown in the diagram below:

### Recruitment Process

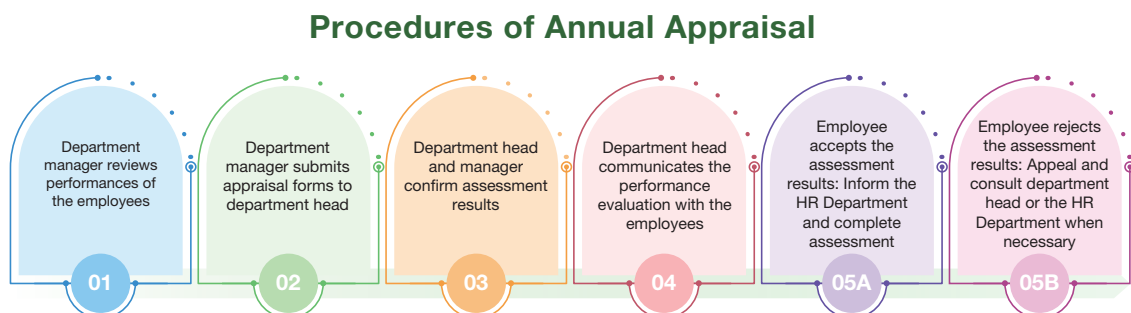


Supervisors in each department conduct annual appraisals of employees to objectively assess their performance over the past year. This evaluation considers factors such as work efficiency, teamwork, and overall attitude. Based on the results of these reviews, the Group makes salary adjustments and considers offering promotion opportunities to employees who demonstrate strong performance and potential for growth.

### Purpose of Annual Appraisal



### Procedures of Annual Appraisal



## 9 Community Health and Well-being

### Employee Benefits

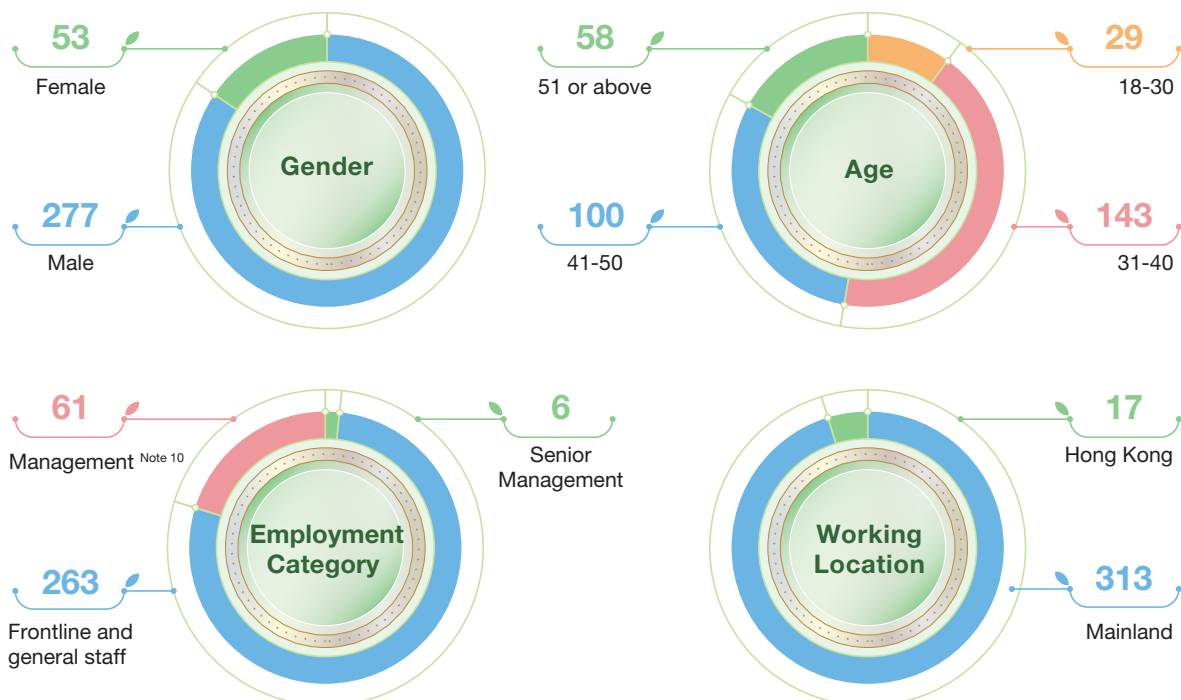
The Group is dedicated to fostering a harmonious and supportive working environment for its employees. In line with local government requirements, D&G ensures that all employees receive appropriate benefits, competitive remuneration packages, and comprehensive protections. Given that the Group's primary operations are based in China, the HR management system is tailored to meet the needs and regulations of these locations, ensuring that employees are well-supported in both their professional and personal well-being.

The Group provides the following benefits to the employees:



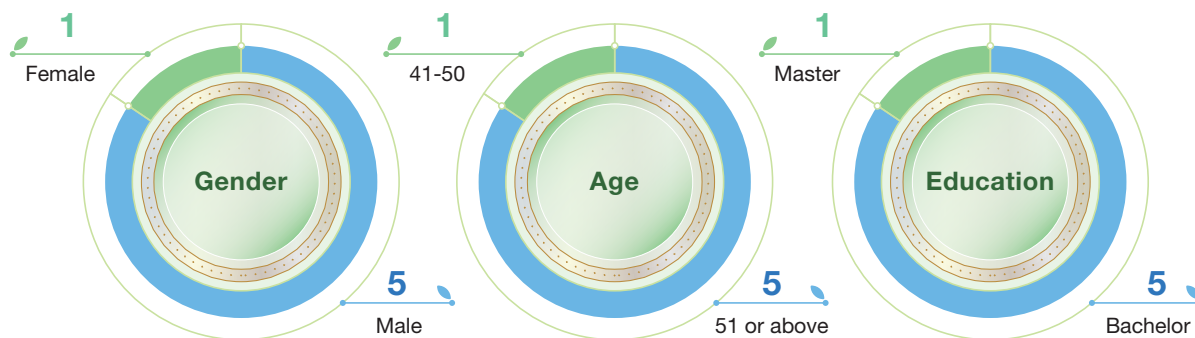
D&G offers competitive and fair remuneration based on job responsibilities, qualifications, skills, and market factors, adhering to principles of economy, legitimacy, comparability, and competitiveness. The Group's policies include overtime pay, requiring prior managerial approval, and an annual bonus for employees with over a year of service. Recruitment, transfer, resignation, and internal communication emphasize mutual respect and employee rights, while the HR Department monitors turnover data to ensure efficient management. During the Reporting Year, all employees were full-time and permanent.

Employee details



## 9 Community Health and Well-being

Senior Management <sup>Note 11</sup>:



Note 10: Management refers to employees ranked "Manager" apart from the Group's Senior Management.

Note 11: Senior Management refers to the Group's Executive Directors and Chief Financial Officer.

In addition, D&G places great importance on the feedback and ideas of its employees. The Group conducts annual employee satisfaction surveys to gather insights into employees' perspectives on various aspects of the company and work environment. These areas include performance assessments and salary adjustments, division of labour and team coordination, training and professional development, internal communication and team spirit, as well as the working environment and supporting facilities. As employees are key stakeholders with an in-depth understanding of the Group's operations, their valuable input plays a crucial role in driving D&G forward. Upon collecting the survey results, the HR Department consolidates and analyses the data, making recommendations to the management for thoughtful consideration. If needed, the Group informs each department of the relevant policy implementations and works closely with them to ensure timely execution of the necessary actions.

### Employee Cohesion

D&G is committed to fostering a supportive and inclusive workplace that promotes both the physical and mental well-being of its employees. By cultivating a positive work environment, the Group strengthens team cohesion and enhances employees' sense of belonging. Additionally, D&G prioritizes employee health by offering nutritious, well-balanced meals at the factory's staff canteen, ensuring that workers have access to quality food that supports their overall well-being and job satisfaction.

To further promote healthy living, the Group's Corporate Culture Team organized several employee activities during the Reporting Year, aiming to engage employees in wellness initiatives and cultivate a supportive work culture. These efforts highlight D&G's commitment to not only professional development but also the holistic well-being of its workforce:

Activities	Description	Photos
Employee Team Building Activity	On June 1, 2024, D&G organized a team-building activity in the hall of the company's complex building as part of the employment development program to strengthen team cohesion.	
"Safe Production Month" Activities	D&G's "Safety Production Month" was held in 2024. During that month, D&G has organised a series of safety-related activities to raise employee's occupational health and safety awareness in the workplace.	



## 9 Community Health and Well-being

### Training and Development

D&G is dedicated to nurturing a culture of continuous learning, empowering employees to expand their knowledge and adapt to evolving industry trends. By providing diverse and targeted training programs, the Group aims to strengthen employees' skill sets, drive business growth, and reinforce a sustainable corporate culture. To ensure effective implementation, the HR Department is responsible for developing, coordinating, and executing training initiatives, aligning them with both organizational objectives and employees' professional development needs. Additionally, the Group conducts an annual survey to assess employees' training needs, guided by the "Employee Training Management Guidebook," and evaluates the training provided by various departments. This information is then used to develop targeted training strategies. To ensure the success of these training initiatives, the HR Department assesses the outcomes using methods such as written tests or live demonstrations and collects feedback through post-training questionnaires, utilizing the responses to improve future programs.

In line with the training needs of employees and their roles, the Group offers a variety of training programs tailored to enhance their professional growth and competence:

Value training:	Professional knowledge training:
Convey the Company's strategy, behavioural norms, occupational ethics and values, and increase employees' working motivation	Enhance professional knowledge and skills training related to employees' positions
Job skills training:	Management training:
Provide standardised training corresponding to job duties and improve employees' skills in process and operation	Provide management knowledge and idea training for the employees with management potential, enabling them to understand the Company's development goals and business strategies

In order to provide comprehensive training resources, the Group has formulated training strategies based on the following principles:

Focused:	Systematic:	Participative:	Applicable:
Focus on meeting the needs of the Group's long-term development strategy and improving employees' business skills and comprehensive quality	Provide comprehensive and systematic training in line with the Company's overall development direction and employees' personal career development	Encourage employees to participate in trainings	Emphasise the practicality of training and its added value to employees to ensure the effectiveness of training

D&G's training plan is mainly classified into four categories, namely occupational health and safety, management and operation, professional knowledge, and environmental awareness. During the Reporting Year, D&G has arranged a series of training programmes covering these areas:





## 9 Community Health and Well-being

### Average Training Hours of Employee & Percentage

	Average Training hour (hr) <sup>Note 14</sup>	Percentage <sup>Note 15</sup>
	2024	2024
All employees	32.12	96%
<b>By Gender</b>		
Male	35.12	85%
Female	16.43	15%
<b>By Employment Category</b>		
Senior management <sup>Note 12</sup>	59.33	1%
Management <sup>Note 13</sup>	26.90	18%
Frontline and general staff	32.71	81%

Note 12: Senior Management refers to the Group's Executive Directors and Chief Financial Officer.

Note 13: Management refers to employees ranked "Manager" apart from the Group's Senior Management.

Note 14: The average number of training hours = the total annual training hours of this group of employee/the number of that group of employees.

Note 15: Percentage = total annual training hours for this group of employee/total annual training hours.

### 9.2 Our Community

D&G's production activities are closely linked to community development. As part of its commitment to corporate social responsibility, the Group extends its care beyond the supply chain and workplace to actively support community initiatives. In addition to environmental protection efforts, the Group focuses its resources on supporting youth and underprivileged groups. During the Reporting Year, D&G donated HKD 13,000 to support environmental initiatives such as "Hong Kong Green Day 2024" and sponsored HKD 36,000 for a charity event organized by the non-profit organization Learning Bridge Association. The Group also contributed RMB 10,000 to Yongqing Special Education School and donated RMB 200,000 to establish a scholarship fund at Chang'an University for 2024-2028. D&G remains committed to community development and leverages its network and influence to promote community investment projects.

The Group has renewed its five-year "D&G Machinery Teaching and Scholarship Program" with Chang'an University, aimed at recognizing outstanding teachers and students. Additionally, D&G supports the university by providing an off-campus training base and jointly developing an industry-academia-research demonstration center.

## 10 Looking Forward

Amidst challenges such as post-pandemic recovery, geopolitical and economic uncertainties, and the escalating climate crisis, D&G remains steadfast in its commitment to proactive risk management and strategic business planning. By continuously assessing risks and refining its strategies, the Group enhances its adaptability and resilience in an evolving market landscape. Strengthening corporate governance remains a priority, with ongoing reviews of policies and management frameworks to maintain operational efficiency and integrity.

In managing environmental and social risks along the supply chain, D&G upholds rigorous supplier evaluations, closely tracking emissions and operational practices to minimize its environmental footprint. Aligned with circular economy principles, the Group is dedicated to improving workplace and community well-being while fostering a sustainable and responsible supply chain. Through these efforts, D&G actively contributes to the realization of the SDGs.

# 11 Performance Table

## Environmental Performance

Indicator	Unit	2024	2023	2022
<b>Materials</b> <sup>Note 1</sup>				
Total weight of material consumption	tonnes	842	640	1,473
Use of non-renewable materials (Steel)	tonnes	794	606	1,437
Use of renewable materials (Wood and cartons)	tonnes	48	35	36
<b>Air Emissions</b> <sup>Note 2</sup>				
PM	tonnes	1.11	0.77	1.84
SO <sub>x</sub>	tonnes	0.00	0.00	0.00
NO <sub>x</sub>	tonnes	0.08	0.15	0.23
<b>GHG Emissions</b> <sup>Note 3</sup>				
Scope 1: Direct GHG emission <sup>Note 4</sup>	tCO <sub>2</sub> e	503	666	499
Scope 2: Indirect GHG emission	tCO <sub>2</sub> e	1,571	1,699	2,413
Total GHG emissions	tCO <sub>2</sub> e	2,074	2,365	2,912
Total GHG emissions intensity	tCO <sub>2</sub> e/RMB'M Revenue	5.60	8.51	8.43
<b>Energy Consumption</b>				
Electricity consumption	MWh	2,514	2,634	2,569
	GJ	9,052	9,484	9,250
Natural gas consumption	MWh	2,422	3,325	2,514
	GJ	8,720	11,971	8,980
Fuel consumption	MWh	68	—	—
	GJ	310	—	—
Total energy consumption	MWh	5,004	5,959	5,083
	GJ	18,082	21,455	18,230
Energy intensity	MWh/RMB'M Revenue	13.50	21.45	14.72
<b>Water Consumption</b>				
Total water consumption	m <sup>3</sup>	14,076	12,941	18,009
Water intensity	m <sup>3</sup> /employee	42.7	40.1	46.9
<b>Hazardous Waste</b>				
Total hazardous waste	tonnes	51	60	41 <sup>Note 5</sup>
<b>Non-hazardous Waste</b> <sup>Note 7</sup>				
Total recycled materials	tonnes	244	88	154
Recycled steel	tonnes	201	58	112
Recycled paper	tonnes	5	7	10
Recycled wood	tonnes	38	22	32
Total scrap non-hazardous waste	tonnes	0	0	0
Recycled non-hazardous waste	%	100	100	100

Note 1: The Group did not use any recycled input materials, so the relevant data was not disclosed. During the Reporting Year, the amount of material consumption was reduced because the production of the plant was reduced under the unstable political and economic environment.

Note 2: Air emissions were calculated based on monitored concentrations and emission rates and were calculated using dry gas flow and annual operating hours, respectively. The Group's air emissions did not include emissions of persistent organic pollutants, VOC and hazardous air pollutants, as their impact on the Group's operations is minimal.

Note 3: The Group reported in accordance with the principles and methods of local and international carbon accounting standards. The direct GHG emissions (Scope 1) include GHG emissions from natural gas combustion owned or managed by the Group and were calculated in accordance with the GHG Protocol Tool for Energy Consumption in China (Version 2.1). The indirect GHG emissions (Scope 2) include the electricity purchased by the Group, the emission factors for electricity used in China was referenced to the 2021 China Regional Grid Baseline Emission Factor; for Hong Kong was referenced to the Hong Kong Electric Power 2023 annual report; The energy conversion factor for natural gas was calculated in accordance with China's CO<sub>2</sub> emissions accounting and reporting guidelines. The Group's total GHG emissions did not include other indirect GHG emissions (Scope 3). However, the Group will incorporate Scope 3 emissions data in 2025 to ensure compliance with HKEX disclosure requirements.

Note 4: Starting from this Reporting Year, the Group's greenhouse gas emissions include emissions from its vehicles.

Note 5: The total amount of hazardous waste treated in 2022 was restated.

Note 6: Non-hazardous waste includes scrap steel, wood and cartons. Since 2018, D&G has recycled all non-hazardous waste from the production process, so there is no data regarding the amount of non-hazardous waste disposal. Currently, the Group only discloses the amount of non-hazardous waste that is relatively material to its production. The Group is progressively upgrading the waste collection and data management system to enhance the disclosure of non-hazardous waste in the future.

# 11 Performance Table

## Social Performance

	Indicator	Unit	2024	2023	2022
<b>Workforce</b>					
	Total	No. of people	330	323	384
<b>By Gender</b>					
	Male	No. of people	277	273	318
	Female	No. of people	53	50	66
<b>By Employment Category</b>					
	Senior management <sup>Note 7</sup>	No. of people	6	6	6
	Management <sup>Note 8</sup>	No. of people	61	65	75
	Frontline and general staff	No. of people	263	252	303
<b>By Age</b>					
	18-30	No. of people	29	33	47
	31-40	No. of people	143	138	168
	41-50	No. of people	100	98	93
	51 or above	No. of people	58	54	76
<b>By Working Location</b>					
	Hong Kong	No. of people	17	15	14
	Langfang	No. of people	243	239	298
	Beijing	No. of people	25	24	27
	Shanghai	No. of people	18	17	16
	Guangzhou	No. of people	21	21	23
	Chengdu	No. of people	5	5	5
	Others <sup>Note 9</sup>	No. of people	1	2	1
<b>Senior Management Breakdown</b>					
<b>By Gender</b>					
	Male	No. of people	5	5	5
	Female	No. of people	1	1	1
<b>By Age</b>					
	31-40	No. of people	0	0	0
	41-50	No. of people	1	1	1
	51 or above	No. of people	5	5	5
<b>By Academic Qualification</b>					
	Bachelor	No. of people	5	5	5
	Master	No. of people	1	1	1

# 11 Performance Table

	Indicator	Unit	2024	2023	2022
New Employee Hire Breakdown					
Total		No. of people	23	13	26
By Gender					
Male		No. of people	21	10	23
Female		No. of people	2	3	3
By Age					
18-30		No. of people	6	0	6
31-40		No. of people	13	6	16
41-50		No. of people	4	5	4
51 or above		No. of people	0	2	0
By Working Location					
Hong Kong		No. of people	3	2	0
Langfang		No. of people	15	6	23
Beijing		No. of people	2	2	0
Shanghai		No. of people	1	1	0
Guangzhou		No. of people	2	0	3
Chengdu		No. of people	0	1	0
Others <sup>Note 9</sup>		No. of people	0	1	N/A
Employees Turnover Rate <sup>Note 10</sup>					
Overall		No. of people	16	74	23
		%	5.0%	20.9%	6.0%
By Gender					
Male		No. of people	12	55	20
		%	4.4%	18.6%	6.3%
Female		No. of people	4	19	3
		%	7.8%	32.8%	4.5%
By Age					
18-30		No. of people	3	6	6
		%	9.7%	15.0%	12.0%
31-40		No. of people	7	26	12
		%	5.0%	17.0%	7.3%
41-50		No. of people	3	13	3
		%	3.0%	13.6%	3.3%
51 or above		No. of people	3	29	2
		%	5.4%	44.6%	3.2%

# 11 Performance Table

	Indicator	Unit	2024	2023	2022
By Working Location					
Hong Kong	No. of people	1	1	0	
	%	6.3%	6.9%	0%	
Langfang	No. of people	12	64	20	
	%	5.0%	23.8%	6.7%	
Beijing	No. of people	1	6	0	
	%	4.1%	23.5%	0%	
Shanghai	No. of people	0	0	0	
	%	0.0%	36.4%	0%	
Guangzhou	No. of people	1	2	2	
	%	4.8%	27.3%	8.9%	
Chendu	No. of people	0	1	0	
	%	0%	120%	0%	
Others <sup>Note 9</sup>	No. of people	1	0	1	
	%	66.7%	0%	50.0%	
Occupational Health and Safety					
Total number of work-related fatalities		No. of incident(s)	0	0	0
Total number of injuries		No. of incident(s)	2	2	3
Injury rate per 1,000 employees		—	6.1	6.2	7.8
Lost day(s)		Day(s)	82	55	213
Lost time incident rate (LTIR) <sup>Note 11</sup>		—	0.6	0.6	0.8
Training and Education					
Topics		No.	157	139	142
By Types of Topics					
Occupational health and safety		Hours	57.5	59	52
Management and operation		Hours	153.5	199.5	56.5
Professional knowledge		Hours	236.5	178.8	176.2
All types		Hours	476.5	437.3	284.7



# 11 Performance Table

	Indicator	Unit	2024	2023	2022
<b>Average Training Hours and Percentage of Employees</b>					
<b>By Gender</b>					
Male	Hours		35.1	31.4	28.6
	%		85%	85%	84%
Female	Hours		16.4	18.9	13.6
	%		15%	15%	16%
<b>By Employment Category</b>					
Senior management	Hours		59.3	20.5	46.2
	%		1%	1%	2%
Management	Hours		26.9	16.6	22.8
	%		18%	20%	19%
Frontline and general staff	Hours		32.7	33.0	26.4
	%		81%	79%	79%
<b>Geographical Location of Suppliers</b>					
China	No.		145	150	149
	%		98.0%	97.4%	97.4%
Overseas (Outside China)	No.		3	4	4
	%		2.0%	2.6%	2.6%
<b>Community investment</b>					
	Donations and sponsorships	RMB	261,672	46,900	113,333

Note 7: Senior Management refers to the Group's Directors and Chief Financial Officer.

Note 8: Management refers to employees ranked "Manager" apart from the Group's Senior Management.

Note 9: Others refers to other cities in China.

Note 10: The number of employee turnover and employee turnover rate are only applicable to full-time employees. The turnover rate is calculated as follows:

Turnover rate =  $L/E \times 100\%$

L = Number of employee turnover in the Reporting Year

E = (Number of employee at the beginning of the year + number of employee at the end of the year)/2

Note 11: Lost Time Injury Rate (LTIR) - the ratio is the number of all fatal and lost working hours incidents multiplied by 200,000 working hours (equivalent to approximately 100 working hours per year) divided by working total hours.

# 12 Content Index

## 12.1 HKEX ESG Guide Content Index

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operation
KPI A1.1	The types of emissions and respective emissions data	Air Emissions; Performance Table
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)	Climate Change; Energy Consumption; Performance Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management; Performance Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management; Performance Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Targets; Air Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Targets; Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate Change; Energy Consumption; Water Consumption and Wastewater Management
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).	Performance Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets
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.	Environmental Targets; Water Consumption and Wastewater Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group does not directly use any packaging materials; therefore, related data is not disclosed.

## 12 Content Index

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Climate Change; Energy Consumption
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Water Consumption and Wastewater Management; Air Emission
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Risk Management; Climate Change
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (a) 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.	Our Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Our Employees; Performance Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our Employees; Performance Table
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (b) the policies; and (c) 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.	Our Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Performance Table
KPI B2.2	Lost days due to work injury.	Performance Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Performance Table

## 12 Content Index

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Table
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our Employees
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Procurement
KPI B5.1	Number of suppliers by geographical region.	Sustainable Procurement; Performance Table
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.	Sustainable Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Procurement

## 12 Content Index

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Assurance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Assurance; Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting Data Privacy and Intellectual
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Data Privacy and Intellectual
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption

## 12 Content Index

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community

### 12.2 GRI Standards Content Index

#### Statement of use

D&G Technology Holding Company Limited has reported in accordance with the GRI Standards for the period 1 January 2024 – 31 December 2024

#### GRI 1 used

GRI 1: Foundation 2021

#### Applicable

N/A

#### GRI Sector Standard(s)

GRI Standard	Disclosure	General Disclosure ("GD") and Key Performance Indicator ("KPI") of the HKEX ESG Guide	Section/Statement
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	1. Organisational Profile		
	2-1	Organisational details	Reporting Period and Scope; Business Review
	2-2	Entities included in the organisation's sustainability reporting	Board's Statement; Reporting Framework; Reporting Principles
	2-3	Reporting period, frequency and contact point	Reporting Period and Scope; Contact Details
	2-4	Restatements of information	There were no restatements of information made from reporting period FY2024.
	2-5	External assurance	Verification Statement
	2. Activities and workers		
	2-6	Activities, value chain and other business relationships	KPI B5.1 KPI B5.2 KPI B5.3 KPI B5.4 Business Review; Sustainable Procurement
	2-7	Employee	KPI B1.1 Our Employees; Performance Table
	2-8	Workers who are not employees	All employees in the Reporting Year were full-time and permanent. For detailed information about employees, please refer to the Performance Table.



## 12 Content Index

GRI Standard	Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
General Disclosures			
GRI 2:General Disclosures 2021	3. Governance		
	2-9	Governance structure and composition	Sustainability Corporate Management and Robust Governance
	2-10	Nomination and selection of the highest governance bod	Please refer to the Group’s 2024 Annual Report
	2-11	Chair of the highest governance body	Please refer to the Group’s 2024 Annual Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to the Group’s 2024 Annual Report
	2-13	Delegation of responsibility for managing impacts	Please refer to the Group’s 2024 Annual Report
	2-14	Role of the highest governance body in sustainability reporting	Please refer to the Group’s 2024 Annual Report
	2-15	Conflicts of interest	Please refer to the Group’s 2024 Annual Report
	2-16	Communication of critical concerns	Please refer to the Group’s 2024 Annual Report
	2-17	Collective knowledge of the highest governance body	Please refer to the Group’s 2024 Annual Report
	2-18	Evaluation of the performance of the highest governance body	Please refer to the Group’s 2024 Annual Report
	2-19	Remuneration policies	Please refer to the Group’s 2024 Annual Report
	2-20	Process to determine remuneration	Please refer to the Group’s 2024 Annual Report
	2-21	Annual total compensation ratio	Please refer to the Group’s 2024 Annual Report

## 12 Content Index

GRI Standard	Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
General Disclosures			
GRI 2:General Disclosures 2021	4. Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	Board’s Statement; Sustainability Goals and Highlights
	2-23	Policy commitments	Sustainability Corporate Management and Robust Governance; Risk Management; Ethics and Integrity Regarding human rights, the Group has a “Statement on the Prevention of Modern Slavery” (for forced labour). In addition, the labour contract signed by the Group and its employees clearly states that “according to the relevant laws and regulations of the “Labor Law”, “Labor Contract Law” and “Regulations on the Implementation of the Labor Contract Law”, Party A and Party B follow the principles of legality, fairness, equality, voluntariness, consensus and integrity to develop the labour contract.” There are also relevant employee management systems, including protection for female labours and child labours management systems.
	2-24	Embedding policy commitments	Please refer to the Group’s 2024 Annual Report
	2-25	Processes to remediate negative impacts	The Group has relevant policies and procedures to clarify the remedial and whistleblowing processes for dealing with negative impacts, including the “Code of Conduct for D&G Machinery Employee” to regulate employee behaviour. There is another whistleblowing policy (“Employee Reward and Punishment System”) and anti-bribery/corruption prevention policy (“D&G Employee Integrity and Self-discipline Commitment”), as well as documents such as “Employee Satisfaction Management Measures” and “Customer Complaint Handling Process”.
	2-26	Mechanisms for seeking advice and raising concerns	Please refer to the Group’s 2024 Annual Report
	2-27	Compliance with laws and regulations	Operational Compliance Please refer to the Group’s 2024 Annual Report
	2-28	Membership associations	Industrial Partnership; Our Community

## 12 Content Index

GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
GRI 2:General Disclosures 2021				
GRI 2:General Disclosures 2021	5. Stakeholder engagement			
	2-29	Approach to stakeholder engagement	KPI B6.2	Communication Channels; Materiality Assessment
	2-30	Collective bargaining agreements		Percentage of total employees covered by collective bargaining agreements (that is union) was 95% in the Reporting Year.
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics		Reporting Framework; Reporting Principles
	3-2	List of material topics		Reporting Framework; Reporting Principles; Materiality Assessment
Economic Performance				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD A4 KPI A4.1	Risk Management; Climate Change
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed		Please refer to the Group’s 2024 Annual Report
	201-2	Financial implications and other risks and opportunities due to climate change		Risk Management; Climate Change
	201-3	Defined benefit plan obligations and other retirement plans		Please refer to the Group’s 2024 Annual Report
	201-4	Financial assistance received from government		Please refer to the Group’s 2024 Annual Report

## 12 Content Index

GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Indirect Economic Impacts				
GRI 3: Material Topics 2021	3-3	The management approach and its components		Sustainability Corporate Management and Robust Governance
GRI 203: Indirect Economic Impacts 2016	203-1	203-1		Infrastructure investments and services supported
	203-2	203-2		Significant indirect economic impacts
Procurement Practices				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B5 KPI B5.2 KPI B5.3 KPI B5.4	Sustainable Procurement
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	KPI B5.1	Sustainable Procurement; Performance Table
Anti-corruption				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B7 KPI B7.2 KPI B7.3	Ethics and Integrity
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		The percentage of operations assessed for risks related to corruption: 100% There were no significant risks related to corruption identified through the risk assessment in the reporting period.
	205-2	Communication and training about anti-corruption policies and procedures	KPI B7.3	Anti-corruption
	205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	Anti-corruption
Anti-competitive Behaviour				
GRI 3: Material Topics 2021	3-3	The management approach and its components		Ethics and Integrity
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		Ethics and Integrity

## 12 Content Index

GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Tax				
GRI 3: Material Topics 2021	3-3	The management approach and its components		Please refer to the Group’s 2024 Annual Report
GRI 207: Tax 2019	207-1	Approach to tax		Please refer to the Group’s 2024 Annual Report
	207-2	Tax governance, control, and risk management		Please refer to the Group’s 2024 Annual Report
	207-3	Stakeholder engagement and management of concerns related to tax		Please refer to the Group’s 2024 Annual Report
	207-4	Country-by-country reporting		Please refer to the Group’s 2024 Annual Report
Materials				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD A2 GD A3	Material Use; Performance Table
GRI 301: Materials 2016	301-1	Materials used by weight or volume	KPI A2.5	Material Use; Performance Table The Group did not have any direct consumption of packaging material and thus, the relevant data were not disclosed and not applicable.
	301-2	Recycled input materials used		The Group did not have any recycled input material due to the nature of business and thus, the relevant data were not disclosed and not applicable.
	301-3	Reclaimed products and their packaging materials		The Group did not have any direct consumption of packaging material and thus, the relevant data were not disclosed and not applicable.
Energy				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD A2 GD A3	Energy Consumption
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	KPI A2.1	Energy Consumption; Performance Table
	302-2	Energy consumption outside the organisation	KPI A2.1	Not applicable. The energy consumption of the Reporting Year was not included the energy consumption outside the organisation due to it was not material to the Group’s operation.
	302-3	Energy intensity	KPI A2.1	Energy Consumption; Performance Table
	302-4	Reduction of energy consumption	KPI A2.3	Energy Consumption
	302-5	Reductions in energy requirements of products and services	KPI A2.3	Energy Consumption

## 12 Content Index

GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Water and Effluents				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD A2 GD A3	Water Consumption and Wastewater Management
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	KPI A2.4 KPI B5.3	Water Consumption and Wastewater Management There is no significant risk on sourcing water in the factory of D&G.
	303-2	Management of water discharge-related impacts	GD A3 KPI A3.1	Water Consumption and Wastewater Management
	303-3	Water withdrawal	KPI A2.4	All our withdrawn water is freshwater, in which the total dissolved solids is equal to or lower than 1,000 mg/L.
	303-4	Water discharge		Water Consumption and Wastewater Management
	303-5	Water consumption	KPI A2.2	Water Consumption and Wastewater Management
Emissions				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD A1 GD A3 KPI A3.1	Energy Consumption; Climate Change; Performance Table
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	KPI A1.1 KPI A1.2	Energy Consumption; Climate Change; Performance Table
	305-2	Energy indirect (Scope 2) GHG emissions	KPI A1.1 KPI A1.2	Energy Consumption; Climate Change; Performance Table
	305-3	Other indirect (Scope 3) GHG emissions	KPI A1.1	Not applicable. The Group’s total GHG emissions did not include other indirect GHG emissions (Scope 3) because they are insignificant to the Group’s operations.



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GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Emissions				
GRI 305: Emissions 2016	305-4	GHG emissions intensity	KPI A1.2	Energy Consumption; Climate Change; Performance Table
	305-5	Reduction of GHG emissions	KPI A1.5	Performance Table
	305-6	Emissions of ozone-depleting substances (ODS)		The Group’s operations did not have any emissions of ODS and thus, the relevant data were not disclosed and not applicable.
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	KPI A1.1	Air Emissions; Performance Table
Waste				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD A1	Waste Management
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts		Waste Management
	306-2	Management of significant waste-related impacts	KPI A1.3 KPI A1.4 KPI A1.6	Waste Management
	306-3	Waste generated		Waste Management; Performance Table
	306-4	Waste diverted from disposal	KPI A1.3	Waste Management
	306-5	Waste directed to disposal		Waste Management

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GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Supplier Environmental Assessment				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B5 KPI B5.3 KPI B5.4	Sustainable Procurement
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	KPI B5.2 KPI B5.3	Sustainable Procurement
	308-2	Negative environmental impacts in the supply chain and actions taken	KPI B5.2 KPI B5.3	Sustainable Procurement
Employment				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B1	Our Employees
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	KPI B1.2	Our Employees; Performance Table
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Our Employees
	401-3	Parental leave		a) Total number of employees that were entitled to parental leave, by gender: Male:277 Female: 48 b) Total number of employees that took parental leave, by gender: Male: 9 Female: 2 c) Total number of employees that returned to work in the Reporting Year after parental leave ended, by gender: Male: 9 Female: 0 d) Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender: Male: 6 Female: 1 e) Return to work and retention rates of employees that took parental leave, by gender: Return to work rate: Male: 100% Female: 0%; Retention rate: Male: 100% Female: 33.3%

## 12 Content Index

GRI Standard	Disclosure		General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Labor/Management Relations				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B1	Our Employees
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes		Minimum notice periods regarding operational changes are normally 1 month.
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B2 KPI B2.3	Our Employees
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	GD B2 KPI B2.3	Our Employees
	403-2	Hazard identification, risk assessment, and incident investigation	GD B2 KPI B2.3	Our Employees
	403-3	Occupational health services	GD B2 KPI B2.3	Our Employees
	403-4	Worker participation, consultation, and communication on occupational health and safety	GD B2	Our Employees
	403-5	Worker training on occupational health and safety	GD B2 KPI B2.3	Our Employees; Performance Table

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GRI Standard	Disclosure		General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Occupational Health and Safety				
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	GD B2	Our Employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GD B2 KPI B2.3	Our Employees
	403-8	Workers covered by an occupational health and safety management system	GD B2 KPI B2.3	Our Employees
	403-9	Work-related injuries	KPI B2.1 KPI B2.2	Performance Table
	403-10	Work-related ill health	KPI B2.3	Our Employees
Training and Education				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B3	Our Employees
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	KPI B3.1 KPI B3.2	Our Employees; Performance Table
	404-2	Programs for upgrading employee skills and transition assistance programs		Our Employees
	404-3	Percentage of employees receiving regular performance and career development reviews		All employees in China (excluding Hong Kong) have quarterly and annual performance appraisals and career development appraisals. Percentage of employees receiving regular performance and career development reviews during the reporting period: 100%

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GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Diversity and Equal Opportunity				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B1	Our Employees
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	KPI B1.1	Our Employees; Performance Table
	405-2	Ratio of basic salary and remuneration of women to men		The company’s primary locations for salary disbursement are Hong Kong, Langfang, Beijing, and Guangzhou. Based on the salary payment locations: Hong Kong basic salary and compensation ratio: Male: Female = 1.26: 1 Beijing basic salary and compensation ratio: Male: Female = 2.16: 1 Langfang basic salary and compensation ratio: Male: Female = 5.21: 1 Guangzhou basic salary and compensation ratio: Male: Female = 2.67: 1
Non-discrimination				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B1	Our Employees
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	GD B1	Our Employees During the Reporting Year, D&G was not aware of any discrimination, child labour or forced labour cases.
Child Labor				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B4	Our Employees
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	KPI B4.1 KPI B4.2	Our Employees

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GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Forced or Compulsory Labor				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B4	Our Employees
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	KPI B4.1 KPI B4.2	Our Employees
Local Communities				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B8	Our Community
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	KPI B8.1 KPI B8.2	Our Community
	413-2	Operations with significant actual and potential negative impacts on local communities		The only operation site involved in production and storage and transportation is Langfang, so there is only the Langfang operation site with potential major negative impact on the local community, and the rest of the operation sites are only offices, and there will be no potential major negative impact on the local community.
Supplier Social Assessment				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B5	Sustainable Procurement
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	KPI B5.2 KPI B5.3	Sustainable Procurement
	414-2	Negative social impacts in the supply chain and actions taken	KPI B5.2 KPI B5.3	Among D&G’s 153 suppliers, 149 are local suppliers. A small number of local suppliers may have a certain negative impact on the welding processing business. Due to the nature of the business, the remaining suppliers are not involved in negative impacts.



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GRI Standard		Disclosure	General Disclosure (“GD”) and Key Performance Indicator (“KPI”) of the HKEX ESG Guide	Section/Statement
Customer Health and Safety				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B6	Quality Assurance
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	GD B6	Quality Assurance
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	KPI B6.1 KPI B6.4	Quality Assurance
Marketing and Labeling				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B6	Quality Assurance
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	KPI B6.3	Operational Compliance; Quality Assurance
	417-2	Incidents of non-compliance concerning product and service information and labeling	KPI B6.2 KPI B6.3	6.4 Operational Compliance
	417-3	Incidents of non-compliance concerning marketing communications		During the Reporting Year, the Group did not violate the regulations regarding health and safety, information, and logos and marketing of product and service.
Customer Privacy				
GRI 3: Material Topics 2021	3-3	The management approach and its components	GD B6	Quality Assurance
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	Quality Assurance; Protecting Data Privacy and Intellectual

## 13 Verification Statement



### Verification Scope

Allied Environmental Consultants Limited (“AEC”) was commissioned to undertake an independent verification of D&G 2024 sustainability report (“report”). The scope of verification covers the data and contents relating to D&G’s sustainability performance at offices in Hong Kong, Beijing, Shanghai, Guangzhou, Chengdu and main manufacturing plant and adjacent employees’ dormitory located in Langfang, Hebei from 1 January 2024 to 31 December 2024 (“Reporting Year”).

### Verification Standards and Methodology

The report was verified with reference to the International Standard on Assurance Engagement (ISAE) 3000 (Revised) (Assurance Engagements Other Than Audits or Reviews of Historical Financial Information). The verification included an evaluation of the report’s alignment with the Global Reporting Initiative (“GRI”) Standards 2021, and Appendix 27 Environmental, Social and Governance Reporting Guide (“HKEX ESG Reporting Guide”) set out in The Stock Exchange of Hong Kong.

In order to ensure that the report adheres to the reporting principles and standards, AEC had designed and undertaken the following activities to gather evidence before drawing the conclusion:

- Conduct review of material issues and assess the relevance of those to D&G’s business;
- Conduct meetings with staff that are involved in sustainability management, report preparation and provision of report information;
- Provide advice on stakeholder engagement activities with no direct contact with the external stakeholders;
- Conduct review of supporting evidence for claims made in the Report; and
- Verify all calculated and disclosed data in the Report.

### Level of Assurance

As set out in ISAE 3000, AEC provided limited assurance in the review that is defined by the scope and methodology described in this statement.

### Conclusion

Based on the scope of work and assurance procedures performed, all material aspects, data and information in the report were prepared in accordance with the GRI Standards 2021, and in compliance with the HKEX ESG Reporting Guide.

Regarding the work undertaken during the assurance process, we are of the opinion that the information stated in the report provides a structured, balanced and reliable disclosure of D&G’s sustainability performance during the Reporting Year. In addition, the report demonstrates the quality of accuracy, timeliness, comparability, clarity and reliability.

In conclusion, the report provides a comprehensive account of D&G’s management approach and sustainability performance in a proactive, consistent, fair and truthful manner.

### Competency and Independence

AEC is composed of sustainability and environmental consultants that are experienced in the industrial sector and are trained and competent in a range of related standards and skills including but not limited to GRI Standards, Global Real Estate Sustainability Benchmark (“GRESB”), AA1000AS, the HKEX ESG Reporting Guide, Carbon Audit, ISO 9001 and ISO 14001.

In addition, AEC conducted the verification and assurance of sustainability data and reporting as an independent consultant. Upholding high ethical standards, it is claimed to have been no conflict of interest with D&G while performing the verification. Throughout the process, AEC has verified all disclosed data, content and compliance with the stated reporting standards.

#### **Ms. Kwok May Han Grace**

Chairman and Managing Director of Allied Environmental Consultants Limited  
Hong Kong  
28 March 2025