



WALNUT CAPITAL LIMITED 胡桃資本有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 905)



2025

Environmental, Social and Governance Report

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ABOUT THIS REPORT

Walnut Capital Limited (the “**Company**”), together with its subsidiaries (collectively, the “**Group**”), is pleased to present this Environmental, Social and Governance (the “**ESG**”) Report (the “**Report**”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance issues.

The objective of this Report is to highlight the Group’s ESG performance for the purpose of assisting all stakeholders in understanding the Group’s ESG concepts and practices in achieving sustainable development for the future.

The Group is principally engaged in investment in listed and unlisted equity and debt securities, unlisted investment funds and cryptocurrencies. The board of directors (the “**Board**”) of the Company acknowledged the responsibility for monitoring and managing ESG-related risks and the effectiveness of the ESG management system. The Board reviews and discusses the goals and targets under the ESG initiatives to optimise efficient use of resources and to minimise impact on the environment and natural resources from the Group’s operation on an annual basis.

BOARD STATEMENT

Sustainable development is an integral part of the Group’s business strategy in order to achieve business excellence and enhance capabilities for long-term competitiveness. The Group is committed to operating in a manner that is economically, socially, and environmentally sustainable while balancing the interests of our various stakeholders and fostering a positive impact on the society. The Group’s sustainability strategy is based on the compliance with the applicable legal requirements, principle of sustainability and opinions from stakeholders. The Group has established and implemented various policies to manage and monitor the risks related to the environment, employment, operating practices, and community.

The Board bears ultimate responsibility for the ESG management of the Group and supervises the ESG work of the Group. The Board of Directors has fully implemented the Group’s ESG governance in accordance with the ESG Code, reviewed the establishment and implementation of ESG objectives, and the effectiveness of the ESG risk management and internal control systems.

The Board believes that a sound environmental, social and governance structure is vital for continued sustainability and development of the Group’s activities. The Group will continue to strengthen the efforts in information collection for better performance in the ESG areas and broader disclosure of related information in sustainable development.

ESG GOVERNANCE STRUCTURE

The Group has established a three-tier structure conducts a top-down management approach concerning its ESG issues. The ESG governance structure is comprised of the Board, the senior management and the ESG Committee consisting of major departments of the Group, with their respective functions clearly defined, to achieve top-down ESG supervision and ensure the effectiveness of the Group's ESG work.

The Board assumes full responsibility for the Group's ESG strategy and reporting. The Board is responsible for formulating ESG management strategies, priorities and objectives; reviewing and approving the ESG risks and opportunities evaluated by senior management, as well as the ESG management policies; ensuring appropriate and effective ESG risk management and internal control systems to fit the actual business situation; regularly reviewing the Group's ESG performance against objectives; and approving the disclosures in this Report.

The senior management is responsible for evaluating and identifying the ESG risks of the Group, formulating ESG management policies of the Group, ensuring the effectiveness of the ESG risk management and internal control system of the Group, and reporting these to the Board.

The ESG Committee is responsible for implementing ESG management policies approved by senior management, carrying out the ESG management and reporting work, and presenting the working progress of ESG management and reporting to senior management. The ESG Committee also reviews the Group's ESG performance through key performance indicators ("KPIs") from various ESG aspects, including environmental, labour practices, in order to review progress made against ESG-related goals and targets. By conducting regular materiality assessment, it assists the Board to evaluate, prioritise and manage material ESG-related issues. For further details, please refer to the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT". During the reporting period, the senior management had a meeting with the ESG working group to discuss the Group's ESG management plan and progress. This Report is endorsed by the ESG Committee and approved by the Board.



REPORTING STANDARD & PRINCIPLES

This Report is prepared in accordance with Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) – “Environmental, Social and Governance Reporting Code” and has complied with “comply or explain” provision in the Listing Rules.

The Group has prepared this Report in accordance with the following reporting principles:

- **Materiality:** Important and relevant information to stakeholders on different ESG aspects is covered in the Report. A materiality assessment was conducted to determine material ESG issues with results approved by the Board.
- **Quantitative:** The relevant standards, methodologies and assumptions used to prepare the quantitative information is disclosed, as appropriate. Quantitative information is provided with narrative and comparative figures, where possible.
- **Consistency:** Consistent methodologies are used to prepare and present ESG data in the Report, unless otherwise specified, to allow for meaningful comparisons.
- **Balance:** The information is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.

REPORTING PERIOD AND BOUNDARY

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2025 to 31 December 2025. There was no material change to the methods or KPIs used by the Group in the years ended 31 December 2025 and 2024. The reporting boundary covers the Group’s principal business of investing in listed and unlisted equity and debt securities, unlisted investment funds and cryptocurrencies and the scope of reporting covers the Group’s ESG performance with environmental and social data of the Group’s operation site in Hong Kong. The total number of employee used in this Report excluding non-executive director and independent non-executive directors, which this number applied to all employee data and is also being used for intensity calculations.

This Report contains forward-looking statements which are based on the current expectations, estimations, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it operates. These forward-looking statements are not guarantees of future performance and are subject to market risks, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes may differ from the assumptions made and the statements contained in this ESG Report.

STAKEHOLDER ENGAGEMENT

The Group understands the success of the Group’s business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group’s activities, products, services and relationships. It allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group’s roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment.

The Group acknowledges the importance of intelligence gained from the stakeholders’ insights, inquiries and continuous interest in the Group’s business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group’s key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

Key stakeholders	Expectations	Engagement channels
Government and Regulatory Authorities	– Compliance with applicable laws and regulations	– On-site inspections and checks by regulatory body
	– Proper tax payment	– Research and discussion through work conferences, work reports preparation and submission for approval with relevant government departments
	– Community participation	– Publish necessary documents on the websites of the Stock Exchange and the Company according to Securities and Futures Ordinance (the “SFO”) and Listing Rules

STAKEHOLDER ENGAGEMENT

Key stakeholders	Expectations	Engagement channels
Shareholders and Investors	<ul style="list-style-type: none"> - Return on the investment - Information disclosure and transparency - Protection of interests and fair treatment of shareholders 	<ul style="list-style-type: none"> - Convene annual general meeting and other shareholder meetings if necessary - Publish interim and annual reports, circular and announcements and other necessary documents in accordance with SFO and Listing Rules - Meeting with investors and analysts if necessary
Employees	<ul style="list-style-type: none"> - Protection of the rights and interests - Career development opportunities - Self-actualization - Health and safety 	<ul style="list-style-type: none"> - Regular Staff Meeting - Encourage employees to participate training and seminars to reinforce knowledge and skills, and update on the latest development of rules and regulations - Employees Compensation Insurance and Medical Insurance - 5-days Work - Mandatory Provident Fund and Share Option Scheme
Financial Institution	<ul style="list-style-type: none"> - Compliance with the laws and regulations - Information disclosure 	<ul style="list-style-type: none"> - Consulting with Professional Parties - Reports to regulatory parties and disclosure of necessary information according to legal requirements

STAKEHOLDER ENGAGEMENT

Key stakeholders	Expectations	Engagement channels
Public and Communities	– Career opportunities	– Encourage directors and staff participate in volunteering, charity and social investment
	– Community involvement	
	– Environmental responsibilities	– Publish relevant reports in compliance with SFO and Listing Rules
	– Social responsibilities	

Through general communication with stakeholders, the Group understands the expectations and concerns from stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

MATERIALITY ASSESSMENT

The Group believes that sound ESG performance is important to the Group’s sustainable development and community. The Group is committed to protecting and improving the ecological environment and society and minimizing the impact of its activities on the environment. Throughout the materiality assessment exercise, the ESG Committee has assisted the Board to review its operations, identify key ESG issues and assess the importance of these issues to its businesses and stakeholders. It is the Group’s policy to promote green operations, thereby gradually achieving the coordinated development of the Group, the environment and the society.

Identifying the material ESG issues that matter the most to the Group is a prerequisite for setting the framework for the Report and formulation of ESG management strategies. To identify potential material topics for disclosure in the Report, the Group took reference to the Stock Exchange’s ESG Reporting Code and set possible topics for assessment. All material ESG issues listed below have been disclosed in the section headed “B. SOCIAL ASPECTS”.

The ESG Reporting Code	Material ESG aspects of the Group
B1. Employment	Employment and Labour Diversity and Equal Opportunities
B2. Health and Safety	Workplace Safety
B3. Development and Training	Employee Development and Training
B4. Labour Standards	Prevention of Child and Forced Labour
B7. Anti-corruption	Corporate Governance

STAKEHOLDER FEEDBACK

The Group welcomes stakeholders’ feedback on this Report for our sustainability initiatives. Please contact us by email to info905@walnutcapital.io.



RESPOND TO CLIMATE CHANGE

Climate change is one of the most severe challenges facing the global economy today. As a responsible investment holding company, the Group deeply understands the profound impact of climate risks on our long-term business resilience and the financial stability of our investment portfolios. Therefore, we are dedicated to continuously enhancing our climate risk management system and actively supporting global decarbonisation initiatives and the national dual-carbon targets.

To further elevate the transparency and quality of our climate reporting, the Group has comprehensively outlined our latest progress in climate risk management and strategic responses in this section. These disclosures are prepared with reference to the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB) and the latest climate disclosure requirements set forth by the Hong Kong Exchanges and Clearing Limited (the “HKEX”).

Governance

The Group has established a robust three-tier governance structure to ensure the effective top-down management of ESG and climate-related issues. Given our nature as an investment holding company, this structure is deeply integrated into our responsible investment strategies. At the highest level, the Board holds the ultimate responsibility for the Group’s ESG strategies, climate-related disclosures, and reporting. The Board actively formulates long-term sustainability objectives, reviews material climate risks, and ensures the effectiveness of our ESG risk management systems.

Acting as the bridge between strategy and execution, the senior management is responsible for identifying ESG and climate risks within our investment portfolios, formulating management policies, and reporting progress directly to the Board. At the operational level, the ESG Committee, comprising representatives from key departments, is dedicated to implementing these policies. The Committee systematically tracks environmental and social key performance indicators (KPIs), conducts materiality assessments, and prepares the annual ESG Report. During the reporting period, senior management held regular meetings with the ESG Committee to review the Group’s sustainability execution and climate transition progress, culminating in the Board’s final endorsement of this Report.

Strategy

Our climate strategy aims to comprehensively enhance the climate resilience of the Group’s operations and seize the massive potential opportunities arising from the global transition to a low-carbon economy. Given the increasing frequency of extreme weather events and the tightening of global carbon regulations, climate change poses substantial financial risks to the valuation and stability of our investment portfolios.

To actively respond, we conduct regular climate risk assessments to deeply analyse the potential impacts of climate change on our business and investee companies. The Group categorizes the assessment time horizons for climate risks into short-term (1-5 years), medium-term (6-10 years), and long-term (over 10 years). Guided by this framework, we are developing comprehensive measures to systematically identify and assess both physical and transition risks across our asset holdings, enabling us to formulate effective mitigation strategies and optimize our capital allocation.

RESPOND TO CLIMATE CHANGE

Risk Management

The major climate risks identified by the Group and our corresponding response measures are as follows:

Risk Type	Risk Description	Time Horizon	Financial Impact	Risk Responses & Mitigations
Physical Risk				
Acute	<ul style="list-style-type: none"> More frequent extreme weather such as typhoons, black rainstorms in Hong Kong 	Short term	<ul style="list-style-type: none"> Temporary office closure Potential damage to office equipment 	<ul style="list-style-type: none"> Release employees early during severe weather warnings Conduct regular window inspections Elevate crucial documents to prevent water damage
Chronic	<ul style="list-style-type: none"> Sustained temperature rise Prolonged heatwaves 	Medium to Long term	<ul style="list-style-type: none"> Increased air conditioning usage Higher electricity costs 	<ul style="list-style-type: none"> Implement office energy saving measures Optimize A/C temperature settings
Transition Risk				
Policy & Legal	<ul style="list-style-type: none"> Stricter ESG disclosure requirements by HKEX Tighter carbon regulations 	Short to Medium term	<ul style="list-style-type: none"> Higher compliance and administrative costs Reputational risk if non-compliant 	<ul style="list-style-type: none"> Engage external ESG consultants Closely monitor regulatory updates Upgrade internal data systems
Market & Financial	<ul style="list-style-type: none"> Market shift towards green investments Higher climate standards for investee companies 	Medium to Long term	<ul style="list-style-type: none"> Decreased valuation of carbon-heavy assets Risk of stranded assets in portfolio 	<ul style="list-style-type: none"> Integrate ESG criteria into investment screening Monitor climate exposure of the portfolio
Opportunity				
Market	<ul style="list-style-type: none"> Rising demand for green finance and sustainable businesses 	Short to Long term	<ul style="list-style-type: none"> New revenue streams Enhanced investment returns 	<ul style="list-style-type: none"> Actively seek sustainable investment targets Allocate capital to green technologies

Metrics And Targets

As an investment holding company, the Group’s greenhouse gas (GHG) footprint is distinctly characterized by our investment portfolio. While our Scope 1 and Scope 2 emissions—stemming from office energy consumption and operational logistics—remain minimal, our Scope 3 indirect emissions account for the vast majority of our total carbon footprint, primarily driven by financed emissions from our investments.

To provide comprehensive and transparent climate disclosures, we have expanded our Scope 3 reporting boundary to include waste generated in operations, business travel, employee commuting, and most importantly, Category 15 (Investments). Moving forward, the Group is committed to not only reducing our operational energy consumption but also actively integrating climate considerations into our investment screening processes to manage our financed emissions.

RESPOND TO CLIMATE CHANGE

The GHG emissions of the Group during the reporting period were as follows:

Indicators	Unit	2025	2024
Scope 1 ¹	tonnes of CO ₂ -e	–	–
Scope 2 ²	tonnes of CO ₂ -e	7.02	11.63
Scope 3 ³			
– Waste Generated in Operations	tonnes of CO ₂ -e	0.12	0.78
– Business Travel	tonnes of CO ₂ -e	8.32	–
– Employee Commuting	tonnes of CO ₂ -e	3.51	–
– Investments	tonnes of CO ₂ -e	2,984,834.33	–
Total GHG emissions	tonnes of CO₂-e	2,984,853.30	12.41
GHG Intensity ⁴	tonnes of CO ₂ -e/employee	248,737.77	1.03

Note(s):

1. Scope 1: Direct emissions from sources that are owned or controlled by the Group. During the year, the Group exclusively utilized an electric vehicle for corporate logistics. As electric vehicles produce zero tailpipe emissions, our Scope 1 emissions were nil.
2. Scope 2: Energy indirect emissions from purchased electricity consumed by the Group. Emission factors were applied with reference to the Sustainability Report 2024 published by HK Electric Investments Limited.
3. Scope 3: Other indirect emissions covering operational waste, business travel, employee commuting, and investments. The calculations are based on the GHG Protocol, utilizing emission factors from Appendix 2 of the HKEX ESG Reporting Code, the ICAO Carbon Emissions Calculator, and the UK DEFRA databases.
4. Intensity: Calculated based on the total number of employees at the end of the reporting period. The total number of employees is 12 (2024: 12 employees). The data is also used for calculating other intensity data.

To support global efforts to address climate change and facilitate the assessment of our strategic resilience, the Group has established clear environmental targets. Given that our business primarily involves office-based investment operations, our direct impact on the environment and natural resources is relatively limited. Nevertheless, we remain committed to sustainability.

RESPOND TO CLIMATE CHANGE

In 2024, using the year 2024 as our baseline, the Board established strategic targets aiming to reduce or maintain our environmental consumption and emission intensities over a three-year horizon (by 2027). The progress against these environmental objectives during the reporting period is detailed below:

Environmental Aspect	Target for 2027 (Baseline: 2024)	Progress & Management Responses
Greenhouse Gas Emissions	Reduce or maintain GHG emission intensity	In Progress Total emissions increased due to the new inclusion of Scope 3 (Investments). We are developing ESG screening strategies to manage these financed emissions.
Non-hazardous Waste Generation	Reduce or maintain non-hazardous waste intensity	Under Review A slight increase was recorded. We will enhance our paperless office and waste reduction initiatives.
Energy Consumption	Reduce or maintain energy consumption intensity	Achieved Intensity was successfully reduced through effective office energy-saving measures.

Future Development of Climate Metrics

The Group currently adopts a phased approach to advancing our climate disclosures. At this stage, our decision-making mechanisms do not yet encompass internal carbon pricing, climate-linked remuneration assessments for management, or specific industry metrics. We plan to gradually introduce climate scenario analysis in our future annual reports to evaluate the strategic resilience of our investment portfolio. Moving forward, we will continuously review the maturity of our internal data systems and aim to disclose these advanced climate key performance indicators at the appropriate time.



A. ENVIRONMENTAL ASPECTS

The Group is mainly involved in office operations and its business activities do not have significant impact on the environment or natural resources. In spite of this, we are committed to continuously improving the environmental sustainability of our business and ensuring that environmental consideration remains one of the key focuses in fulfilling our obligations to both the environment and community. To demonstrate our commitment to sustainable development, we have established relevant emission reduction and energy saving initiatives to manage the emission and maintain green operations.

Throughout the year, the Group fully complied with all of the relevant environmental laws and regulations in Hong Kong, such as the Air Pollution Control Ordinance (Chapter 311), the Sewage Services Ordinance (Chapter 463) and the Waste Disposal Ordinance (Chapter 354). Besides, during the reporting period, we were not aware of any non-compliance with relevant laws and regulations that had significant impact on the Group related to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste. We also regularly update with the latest development of the applicable laws and regulations on environmental protection.

A. ENVIRONMENTAL ASPECTS

A1. EMISSIONS

Air Emissions

Air emission control is essential to mitigate environmental impacts and to protect employees' health. As the Group is mainly involved in general office activities, the amount of air emissions is insignificant. Our air emissions are mainly generated from the motor vehicles owned by the Group. The motor vehicles were used by the senior management to visit the operating venues and attend the conferences with the business partners locally in Hong Kong. The significant decrease in air emissions in 2025 was mainly due to the disposal of petrol and diesel cars during the year. During the year, the Group uses only electric car. The Group imposed a immaterial impact on the overall air pollution in Hong Kong. The details of air emissions of the Group during the reporting period was as follows:

Type of air pollutants	Unit	2025	2024
Nitrogen oxides (NO _x)	kg	0.29	0.17
Sulphur dioxide (SO ₂)	kg	–	–
Particulate matter (PM)	kg	0.02	0.01

Sewage Discharge

The Group does not consume a significant volume of water in its daily operation due to its office-based nature, therefore its business activities did not generate a material portion of discharge into water. Since the sewage discharged by the Group is discharged into the municipal sewage pipe network to the regional water purification plant, water consumed by the Group is considered as sewage discharged.

A. ENVIRONMENTAL ASPECTS

Hazardous and Non-hazardous Wastes

The Group recognises the importance of waste reduction. Waste management measures have been introduced to minimise the amount of waste generated and reduce the impact of our operation on the environment. Due to our business operation's nature, no hazardous waste was generated during the reporting period.

Due to the nature of office operation, the non-hazardous waste can be classified into two categories, including domestic waste generated from daily operation and recyclable waste. The Group strives to reduce the amount of non-hazardous waste generated and strengthen the environmental awareness of employees by introducing various waste reduction measures and education as follows:

- Recycling bins are available in the office for effective recycling of used paper, letter, and envelope to minimise the paper waste.
- By printing or photocopying on both sides of paper, where applicable, to minimise paper consumption.
- Electronic communication is promoted, such as using emails instead of letters or faxes.
- Excessive packing materials and decorations are avoided.
- Employees are encouraged to participate in training and workshops related to environmental issues, including food waste problems and air pollution.
- Employees are encouraged to participate in waste reduction and recycling events such as No Plastic Bottle Day.

The non-hazardous waste generated by the Group during the reporting period was as follows:

Type of waste ⁵	Units	2025	2024
General waste	tonnes	0.20	0.28
Paper	tonnes	0.02	0.16
Others	tonnes	1.00	–
Total Non-hazardous waste	tonnes	1.22	0.44
Non-hazardous waste intensity	tonnes/employee	0.10	0.04

⁵ Following enhancements to our non-hazardous waste data collection methodology, paper consumption is now included within this category. The comparative data for 2024 has been restated to ensure consistency and comparability.

A. ENVIRONMENTAL ASPECTS

A2. USE OF RESOURCES

The Group considers environmental protection as an essential component of a sustainable and responsible business. We have an in-depth understanding of the importance of safeguarding sustainable development of the environment and attach importance to efficient utilization of resources by introducing various measures in daily business operations. We understand that staff participation is the key to achieving such goals. We have adopted energy and water efficiency initiatives policies to motivate our employees to participate in resource conservation activities.

Energy consumption

With aims of resource saving and implementation of energy saving measures, we actively promote the concept of energy saving and emission reduction into its business development and operation. We have advocated various energy conservation strategies as follows:

- Use of natural lighting is encouraged.
- Energy-saving lightings are installed.
- Unnecessary lighting and electrical appliances are switched off when they are not in use.
- Temperature of air-conditioners is maintained at an energy-efficient level of 24 degrees Celsius to 26 degrees Celsius.

The significant decrease in total energy consumption in 2025 was mainly due to the relocation of office and encouragement of staff work from home arrangement adopted during the year. The energy consumption of the Group during the reporting period was as follows:

Type of energy	Units	2025	2024
Purchased electricity	MWh	11.70	17.62
Petrol	MWh	-	-
Diesel	MWh	-	-
Total energy consumption	MWh	11.70	17.62
Energy intensity	MWh/employee	0.98	1.47



A. ENVIRONMENTAL ASPECTS

Water consumption

Water is an important natural resource. The business of the Group is operated in leased office premises where the water supply is solely controlled and centrally managed by the building management company. In this case, it is not feasible for us to provide water consumption data as there is no separate meter for each individual office unit to record water usage data. In spite of this, we still actively seek ways to reduce water consumption in daily operation by encouraging employees to turn taps off tightly to prevent dripping of water and giving priority to effective water-saving products. As said, due to the Group's office-based business nature, there is no issue in water sourcing.

Use of Packaging Materials

Due to the Group's business nature, no packaging material is needed in its operation and is not considered to be a material ESG aspect of the Group.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group understands that implementing environmental protection can reduce operational risk and increase business opportunities. Regarding the business nature of the Group, we do not aware of any significant impact of our business activities on the environment and natural resources. Despite this, we endeavour to consistently improve our environmental performance by implementing aforementioned waste reduction measures and resources saving initiatives. We will continue to seek opportunities to further reduce emission and resources consumption with the aim to reduce the impacts on environment and natural resources to minimal.

B. SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

B1. EMPLOYMENT

The Group believes people are important assets and the keys to maintaining its competitiveness. We aim to attract and retain talents, maintain a safe and equal working environment for our employees, provide development opportunities and promote employee health and well-being. The commitments are incorporated into staff handbook. The staff handbook covers the Group's standard in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods and other benefits and welfare.

Equal Opportunities, Diversity and Anti-discrimination

The Group strives to create a diverse and inclusive workplace where all our employees are treated with dignity and respect. We are dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination or harassment against any individual on the basis of seniority, nationality, gender, age, marital status, disability, race, color, religion or sexual preference.

The Group is in strict compliance with the Hong Kong Bill of Rights Ordinance (Chapter 383 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong) and other applicable laws and regulations in Hong Kong relating to equal opportunities, diversity and anti-discrimination.

Remuneration and Promotion

Remuneration and promotion opportunities are important to attract, retain and motivate talents in achieving key goals of the Group. The Group provides remuneration for our employees according to their qualifications, experience and work performance. Taken into considerations the individual performance, inflation and salary movement in the market, the salary structure is reviewed annually to ensure that it is fair and competitive.

The Group offers fair promotion opportunities based on conditions such as qualifications and work performance, which serve as motivations for employees to continue learning and improving work performance.

The Group is in strict compliance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the “**Employment Ordinance**”), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and other applicable laws and regulations in Hong Kong relating to employees' remuneration and promotion.

B. SOCIAL ASPECTS

Benefits and Welfare

The Group strives to create a comprehensive welfare and benefit system for employees by offering an all-encompassing package of benefits and insurance to uphold adequate living standards for employees. Most of the employees enjoy the benefits including five-day work per week, medical insurance, mandatory provident fund and share option scheme. Employees are also entitled to annual leave, maternal leave, compassionate leave as well as statutory holidays.

The Group is in strict compliance with the Employment Ordinance, the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) (the “**MPF Schemes Ordinance**”), the Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and other applicable laws and regulations in Hong Kong relating to employees’ benefits and welfare.

Dismissal

Whenever an employee resigns or gets laid off, an exit interview is conducted by department head to find out the reason of departure or dismissal, so that the Group can further improve its business operations. The final salary payment, severance payment and long service payment (if any) are calculated and paid in accordance to the Employment Ordinance, the form 56F to Inland Revenue Department is filled in accordance to section 52(5) of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) and the mandatory provident fund trustee is notified with the termination of employment in accordance to the MPF Schemes Ordinance.

As at 31 December 2025, the employee compositions (in numbers of employees, excluding non-executive directors and independent non-executive directors) by gender, age group, employee category and geographical region were as follows:

Employee Structure		2025	2024
Total number of employees		12	12
By Gender	Male	6	7
	Female	6	5
By Age Group	Aged 30 or below	–	–
	Aged 31-40	3	3
	Aged 41-50	4	3
	Aged 51 or above	5	6
By Employment Category	General	7	9
	Middle management	2	–
	Senior management	3	3
By Geographical Region	Hong Kong	12	12

B. SOCIAL ASPECTS

During the Reporting Period, the overall turnover rate of the Group is 41.67%⁶. The breakdown of the turnover was as below:

Employment	Units	2025 [#]	2024
By Gender			
– Male	%	46.15	–
– Female	%	36.36	22.20
By Age Group			
– 30 or below	%	–	–
– 31-40	%	33.33	–
– 41-50	%	28.57	–
– 51 or above	%	54.55	–
Overall	%	41.67	9.09

During the reporting period, the Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

⁶ Overall turnover rate is calculated based on the no. of employees that left during the reporting period, divided by the average of the employee numbers at the beginning and end of year.

[#] Turnover rate by each specific category is calculated based on the no. of employees in the specific category that is left during the reporting period, divided by the average of the employee numbers at the beginning and end of year. However, due to the way data is categorised or collected, we do not have a turnover rate specifically by age group.



B. SOCIAL ASPECTS

B2. HEALTH AND SAFETY

Regarding the business nature of the Group, employees are mainly engaged in office work. The Group is committed to providing a safe and comfortable working environment for its employees. We comply with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and other applicable laws and regulations in Hong Kong to ensure occupational health and safety of our employees. We spare no effort to provide and maintain a safe and healthy working environment for employees to protect them from work-related injuries by adopting the following key measures:

- Smoking is prohibited in all enclosed areas within the office.
- Unsafe conditions are fixed immediately.
- Medical and employment injury insurance is provided to eligible employees.
- Work arrangement for typhoon and rainstorm warning is established.

With the above measures implemented, there was no work-related fatal for the past three years and no lost days due to work injury during the reporting period. The Group was not aware of any noncompliance with relevant laws and regulations that had significant impact on the Group in providing a safe and healthy working environment during the reporting period.

B. SOCIAL ASPECTS

B3. DEVELOPMENT AND TRAINING

The Group considers the skills and knowledge of our employees as the key elements of sustainable development of the Group. We provide training opportunities for our employees to enhance their working capabilities. Employees are provided with on-the-job training by their respective department heads to enable prompt fulfillment of job responsibilities and enhance their skills in discharging their duties. Employees are also encouraged to enroll in relevant courses and examinations to enhance personal performance.

During the Reporting Period, the overall training rate of the Group is 33.33% and the total training hours of the Group was 62 hours. The training detail was illustrated below:

The percentage of employees trained by gender	2025	2024
Male	33.33%	42.86%
Female	33.33%	20.00%
The percentage of employees trained by employment category		
Senior management	100.00%	100.00%
Middle management	–	–
General	14.29%	11.11%
Average training hours for employees by gender		
Male	5.67	4.07
Female	4.67	0.20
Average training hours for employees by employment category		
General	0.57	0.11
Middle management	–	–
Senior management	19.33	9.50

B4. LABOUR STANDARDS

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and prohibits any child and forced labour employment. The Group’s human resources and administration department is responsible for monitoring and ensuring compliance with the latest and relevant laws and regulations that prohibit child labour and forced labour. Also, ensure identity documents are carefully checked. If the violation is involved, it will be dealt with in the light of circumstances.

During the reporting period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Employment Ordinance and other related labour laws and regulations.



B. SOCIAL ASPECTS

OPERATING PRACTICES

B5. SUPPLY CHAIN MANAGEMENT

Due to the Group's business nature, the Group maintains business relationships with general office supplies suppliers. All sourcing of office supplies is performed locally. During the reporting period, the Group had a total of 1 supplier in Hong Kong. In selecting suppliers, we take considerations into their scale of business and reputation. Our suppliers are required to comply with all relevant local and national laws and regulations in relation to unethical behavior, bribery, corruption and other prohibited business practices. When suppliers are found to be non-compliance with our policy or contractual requirements, partnership will be terminated to uphold our stringent standards.

Green Sourcing

The Group integrates sustainability into supply chain by procuring products that cause minimal impacts on the environment, including eco-friendly stationery, reusable items and energy efficient appliances with energy labels.

B6. CUSTOMER DATA PROTECTION AND PRIVACY

The Group regards data privacy and security as a key operating principle. We are in strict compliance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and committed to protecting confidentiality of the personal data of our employees, business partners and other identifiable individuals.

The Group instructs its employees to exercise strict standards of care in handling the personal information of customers and remind them of their obligations with regard to the confidentiality of customer information. The use of the information is restricted for the purpose consistent with those identified in the contracts to ensure the information is used in a responsible and non-discriminatory manner.

Due to the Group's business nature, no products or services subject to recalls for safety and health reasons have been recorded during the reporting period. No products and services related complaints have been received during the reporting period.

During the reporting period, the Group was not aware of any material non-compliance with laws and regulations concerning advertising, labelling and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group.

B. SOCIAL ASPECTS

B7. ANTI-CORRUPTION

The Group strictly complies with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) enforced by the Independent Commission Against Corruption to prevent unethical pursuit. We place great importance in maintaining the highest standards of integrity and honesty and have no tolerance for any misconduct case. Once a misconduct case is discovered and confirmed, the employee will be subject to disciplinary action and the case will be reported to related governing body when necessary.

As part of an ongoing process of directors' training, the directors are updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements from time to time to ensure compliance by all directors. All directors are encouraged to attend external forums or training courses on relevant topics which may count towards continuous professional development training. During the year, all directors participated in appropriate continuous professional development activities by attending training courses on topics related to corporate governance and regulations or by reading materials relevant to the Company's business or their duties and responsibilities. The Group will provide training to our directors and employees on anti-corruption practices in the ensuing fiscal years.

During the reporting period, the Group was not aware of any non-compliance with the relevant laws and regulations that had significant impact on the Group relating to bribery, extortion, fraud and money laundering. No concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period.

Whistle-blowing Mechanism

The Group's have formulated Fraud Detection and Whistleblowing Policy that provides a dedicated confidential reporting channel for all staff members to report both observed and suspected noncompliance and questionable practices. No matter the allegations are being proven, employee will not be at risk of suffering from any form of retaliation.

COMMUNITY

B8. COMMUNITY INVESTMENT

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. We encourage our employees to pursue their personal passions and dedicate their time and skills to supporting local communities. We strive to develop long-term relationships with our stakeholders and bring a positive impact on community development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
A. Environmental			
A1: Emissions			
General Disclosure		“Emissions”	13-14
KPI A1.1	The types of emissions and respective emissions data	“Emissions – Air Emissions”	13
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	Not applicable – The Group generates no hazardous waste.	14
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	“Emissions – Hazardous and Non-hazardous Wastes”	14
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	“Metrics and Targets” & “Emissions – Air Emissions”	11,13
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	“Metrics and Targets” & “Emissions – Hazardous and Non-hazardous Wastes”	11,14
A2: Use of Resources			
General Disclosure		“Use of Resources”	15-16
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	“Use of Resources – Energy Consumption”	15
KPI A2.2	Water consumption in total and intensity	Not feasible for the Group to obtain water consumption data.	16
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	“Metrics and Targets” & “Use of Resources – Energy Consumption”	11,15
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	“Metrics and Targets” & “Use of Resources – Water Consumption”	11, 16
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not applicable to the Group’s business.	16

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Section	Pages
A3: The Environment and Natural Resources				
General Disclosure			“The Environment and Natural Resources”	16
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them		No significant impact of activities on the environment and natural resources was noted.	N/A
B. Social				
Employment and Labour Practices				
B1: Employment				
General Disclosure			“Employment”	17-19
KPI B1.1	Total workforce by gender, employment type, age group and geographical region		“Employment”	18
KPI B1.2	Employee turnover rate by gender, age group and geographical region		“Employment”	19
B2: Health and safety				
General Disclosure			“Health and Safety”	20
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year		No case of work-related fatality was noted.	20
KPI B2.2	Lost days due to work injury		No case of lost days due to work injury was noted.	20
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored		“Health and Safety”	20

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
B3: Development and Training			
General Disclosure		“Development and Training”	21
KPI B3.1	The percentage of employee trained by gender and employee category	“Development and Training”	21
KPI B3.2	The average training hours completed per employee by gender and employee category	“Development and Training”	21
B4: Labour Standards			
General Disclosure		“Labour Standards”	21
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	“Labour Standards”	21
KPI B4.2	Description of steps taken to eliminate such practices when discovered	No non-compliance with relevant laws and regulations related to recruitment of child labour or forced labour practices was noted.	21
Operating Practices			
B5: Supply Chain Management			
General Disclosure		“Supply Chain Management”	22
KPI B5.1	Number of suppliers by geographical region	“Supply Chain Management”	22
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	“Supply Chain Management”	22
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	“Supply Chain Management”	22
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	“Supply Chain Management”	22

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
B6: Product Responsibility			
General Disclosure		“Customer Data Protection and Privacy”	22
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	No product sold or shipped subject to recalls for safety and healthy reasons.	22
KPI B6.2	Number of products and services related complaints received and how they are dealt with	No products and services related complaints received.	22
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	“Customer Data Protection and Privacy”	22
KPI B6.4	Description of quality assurance process and recall procedures	Not applicable to the Group’s business.	22
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	“Customer Data Protection and Privacy”	22
B7: Anti-corruption			
General Disclosure		“Anti-corruption”	23
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 case	No concluded legal case regarding corrupt practices was noted.	23
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	“Anti-corruption”	23
KPI B7.3	Description of anti-corruption training provided to directors and staff	“Anti-corruption”	23
Community			
B8: Community Investment			
General Disclosure		“Community Investment”	23
KPI B8.1	Focus areas of contribution	“Community Investment”	23
KPI B8.2	Resources contributed to the focus area	–	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and
Key Performance Indicators (KPIs)

Section

Pages

Part D: Climate-related Disclosures

(I) Governance	(a) the governance body(s) or individual(s) responsible for oversight of climate related risks and opportunities; and	“RESPONSE TO CLIMATE CHANGE”	8
	(b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.		
(II) Strategy	Climate-related risks and opportunities	“RESPONSE TO CLIMATE CHANGE – Strategy”	8
	Business model and value chain	“RESPONSE TO CLIMATE CHANGE – Strategy”	8
	Strategy and decision-making	“RESPONSE TO CLIMATE CHANGE – Strategy”	8
	Financial position, financial performance and cash flows		
	Current financial effect	“RESPONSE TO CLIMATE CHANGE – Strategy”	8
	Anticipated financial effect	“RESPONSE TO CLIMATE CHANGE – Strategy”	8
	Climate resilience	In future reports, we will conduct climate-related scenario analysis and disclose the relevant findings.	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
(III) Risk Management	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;	“RESPONSE TO CLIMATE CHANGE – Risk Management”	9
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	“RESPONSE TO CLIMATE CHANGE – Risk Management”	9
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	“RESPONSE TO CLIMATE CHANGE – Risk Management”	9

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Pages
(IV) Metrics and Targets	Greenhouse gas emissions	“RESPONSE TO CLIMATE CHANGE – Metrics and Targets”	10
	Climate-related transition risks	“RESPONSE TO CLIMATE CHANGE – Risk Management”	9
	Climate-related physical risks	“RESPONSE TO CLIMATE CHANGE – Risk Management”	9
	Climate-related opportunities	“RESPONSE TO CLIMATE CHANGE – Risk Management”	9
	Capital deployment	“RESPONSE TO CLIMATE CHANGE”	9
	Internal carbon prices	We currently do not incorporate internal carbon prices into our decision making process. We will explore the use of internal carbon prices in the future.	N/A
	Remuneration	We will explore the feasibility of enhancing our remuneration policies by incorporating climate related metrics into senior management remuneration.	N/A
	Industry-based metrics	We will review the internal information and disclose the KPIs as appropriate to ensure transparency and compliance.	N/A
	Climate-related targets	“RESPONSE TO CLIMATE CHANGE – Metrics and Targets”	11
	Applicability of cross-industry metrics and industry-based metrics	Not applicable	N/A



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胡桃資本有限公司