



Milestone Builder Holdings Limited

進階發展集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限責任公司)

Stock code 股份代號: 1667



2021/2022 環境、社會及管治報告
Environmental, Social and Governance Report

CONTENTS

2	I. About the Report
4	II. Sustainability Management
6	III. Letter from the Board
7	IV. Stakeholder Engagement
11	V. Environmental Sustainability
21	VI. Social Sustainability
34	VII. Appendix I – Performance Table
39	VIII. Appendix II – HKEX ESG Reporting Guide Index

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. About the Report

Milestone Builder Holdings Limited (the “Company” together with its subsidiaries, hereinafter referred to as the “Group”) is pleased to present its Environmental, Social and Governance (“ESG”) Report for the financial year ended 31 March 2022 (“FY2021/2022”) in strict compliance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in the Appendix 27 of the Listing Rules of the Stock Exchange of Hong Kong Limited (“Stock Exchange”) and all provisions of “comply or explain”.

Reporting Boundary

This ESG Report covers the Group’s major business activities in Hong Kong, including (i) building construction services; (ii) alteration, addition and fitting-out building services; and (iii) repairing and restoration of historic buildings. The reporting period of this ESG Report is the financial year from 1 April 2021 to 31 March 2022, unless otherwise specified. For the Group’s corporate governance practices, please refer to the “Corporate Governance Report” in pages 20 to 29 of the Annual Report 2021/2022.

Reporting Principles

In line with the reporting principles that underpin the preparation of ESG report, the content of this ESG report has been determined and summarised by the principles of Materiality, Quantitative, Balance and Consistency.

Materiality

The Group applied the principle of Materiality when selecting the disclosure content in the ESG Report, which was guided by the viewpoints of its internal and external stakeholders through communications and surveys by conducting an annual materiality assessment. Significant ESG issues that may exert a great impact on the Group’s business in the long run is represented in a Materiality Matrix. Detailed information can be found in the section of **Stakeholder Engagement** and **Materiality Assessment**.

Quantitative

The principle of Quantitative was demonstrated by the disclosure of the environmental and social performance against clear key performance indicators (“KPIs”) in the ESG Report. Calculation methods, assumptions and conversion factors used are specified clearly in the footnote of the corresponding performance tables.

Balance

The Group is fully transparent in portraying a complete picture of its sustainability performance including both its sustainability achievements and rooms for improvement.

Consistency

To facilitate year-on-year comparisons and enable meaningful peer benchmarking, this ESG Report was prepared with reference to internationally and domestically recognised standards and frameworks that were in alignment with the Group’s previous ESG Reports. Clear explanation will be made correspondingly if there are significant changes in methods or KPIs used in this ESG Report.

Information Disclosure

The information in this ESG report was gathered from official documents and statistics of the Group, the integrated information of supervision, management approach and operating process in accordance with relevant policies, the internal quantitative and qualitative data through online questionnaires, and the sustainability practices of different business divisions of the Group. A complete content index is available at the end of the ESG report for readers' convenience to check its integrity.

Access to this Report

This ESG Report is released online only, which is available at the Group's website (www.milestone.hk) and the Stock Exchange's website (www.hkexnews.hk). This Report has been prepared in both English and Chinese. Should there be any discrepancies between the two versions, the English version shall prevail.

Opinions and Feedback

As the Group strives for excellence, all opinions and feedback from readers and stakeholder are welcomed and valued. If you are in doubt or have any recommendation about the Report, especially on topics listed as highly material issues to the Group, please share your views with the Group via:

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Fax: (852) 3428 5093

Email: general.hldgs@milestone.hk

II. Sustainability Management

Governance structure

The Board of Directors (the “Board”) oversees and bears ultimate responsibility towards the Group’s ESG matters as the highest governance body. The Board has been actively engaging in identifying, assessing and managing ESG-related risks and opportunities through supervising and reviewing the progresses and effectiveness of the Group’s ESG policies. Moreover, the Board is responsible for ensuring the appropriateness and effectiveness of the ESG risk management and internal control systems.

To achieve ESG targets more efficiently, an ESG working group formed by professionals is in charge of coordinating management approaches to various environmental and social issues regarding the Group’s operations.

ESG Management Approach and Strategy

Risk management

Risk Management Plan (“RMP”) is essential in assisting the Group to formulate suitable business decisions in a world of uncertainties. The Group believes that a robust risk management system provides the Group with competitive advantages and opportunities for value creation, thereby proactively focusing on the control of its sustainability risks including climate-related risks by implementing the RMP.

The Board is responsible for identifying and assessing the risks based on economic, social, political and regulatory changes, along with expectations from investors and the operating markets. Mitigations will be made when necessary for the Group to continue with its commitment to performing sustainably and responsibly.

Risk Management Plan

Identification	Identify potential risks arising from operational processes
Analysis	Analyse the magnitude, significance and probability of risks
Plan	The manager in-charge determines whether potential risks can be tolerated, eliminated, mitigated, transferred or treated by other acceptable means
Control	Set up mitigation measures when risks cannot be eliminated or transferred completely from the operations to minimise the negative impacts
Track	Follow the record system and the manager in-charge reports the risk management progress regularly
Communication and Documentation	Document the risks in the Risk Assessment Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The Audit Committee accredited by the Board assists in continuously overseeing the Group's risk management and internal control systems and reviews the effectiveness of the systems at least twice a year. The management also regularly reports to the Board and the Audit Committee on the risks and changes that the Group faces, and establishes internal control measures to control risks.

Material ESG-related issues

To evaluate, prioritise and manage the Group's material ESG-related issues accurately, in addition to the internal review of risk management approaches and internal control systems by the Audit Committee, the Board also receive information from engaging with both internal and external stakeholders via annual stakeholder engagement and materiality assessment processes. More details regarding the Board's evaluation and prioritisation on the material ESG-related issues can be found in the section **Stakeholder Engagement** and **Materiality Assessment**.

ESG-related goals and targets

The Board believes that the Group's major ESG issues are related to the construction projects, thus a series of environmental goals and targets are developed based on its past environmental performance and characteristics of its business operations. To monitor the progress of such targets, environmental performance and corresponding analysis is summarised by external consultants every year and submitted to the Board for review.

III. Letter from the Board

Dear valued stakeholders,

2021 had been another challenging year with uncertainties and challenges brought by the COVID-19 Pandemic (the “Pandemic”). Throughout the year, the Group has been strengthening its resilience towards health and safety risk when the pandemic was gradually getting relieved. Under the government’s anti-pandemic controls, the Group continues to strive for excellence in providing building and construction services to the public.

The Group understands that a safe working environment is essential in the industry, and it always places the safety of its employees as its top priority. To minimise the number of work-related injuries, the Group provides sufficient personal protective equipment and regular occupational health and safety trainings for all staff members. Moreover, the Group truly values its employees as its most important assets, thus internal trainings are provided to all staff members who are encouraged to join external training programmes as well.

Over the years, the Group has built a sound relationship with both its internal and external stakeholders. Internally, a barrier-free communication channel is available for employees and the management team to share their ideas and exchange views towards the possibilities in improvements of the Group. Meanwhile, external consultants are engaged to initiate a materiality assessment for all stakeholders to voice out their ideas and concerns regarding the Group’s sustainability performance. The Group values their participation in ESG surveys which facilitates the Group in monitoring risks and opportunities. Such assessment enhances the objectivity of the evaluation as it facilitates the Group’s development on its actions plans for better ESG management.

Sustainability is increasingly important in improving the Group’s business operations, and the Group will further its commitment in paying effort on operating from the ESG pillars. The Board is highly aware of the significant impacts that the Group would bring to the environment as a building service provider, and is always welcome to have an explicit understanding on the Group’s current context in favouring the Board to have a full consideration and make informed decisions. The Board will continue to review the Group’s performance and improve its sustainability efforts and practices by updating the Group’s ESG goals and targets when necessary.

Last but not least, on behalf of the Board, I would like to express my deepest gratitude to the members of the Group, business partners and all stakeholders for their continued support and valuable contributions. The Group will continue its journey in developing sustainably to pursue a long-term and better future.

Ms. Hou Lingling

Chairman

Hong Kong, 31 August 2022

IV. Stakeholder Engagement

Stakeholders' opinions are always motivating the transformation of the Group's business. To ensure stakeholders' needs and concerns are heard and met, and to respond actively with concrete actions, the Group has been maintaining effective dialogues through a diverse group of communication channels with both its internal and external stakeholders as shown below.

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulators	<ul style="list-style-type: none"> • Compliance with laws and regulations • Prevention of tax evasion • Support local social and economic development • Construction safety • Anti-corruption 	<ul style="list-style-type: none"> • Supervision on the compliance • Routine reports and tax payments • On-site inspections by government bureaux
Shareholders and investors	<ul style="list-style-type: none"> • Investment returns • Corporate compliance • Information transparency and effective communication 	<ul style="list-style-type: none"> • Publication of financial reports, announcements and circulars • General meetings • Email, telephone communication and corporate website
Suppliers and business partners	<ul style="list-style-type: none"> • Fair and open procurement • Sustainable supply chain 	<ul style="list-style-type: none"> • Open tenders • Business meetings, supplier conferences, phone calls and on-site visits • Industry seminars and safety workshops • Email and circulars
Customers	<ul style="list-style-type: none"> • High-quality construction projects and services • Performance of contracts • Operation with integrity 	<ul style="list-style-type: none"> • Face-to-face communication with clients regularly • Perform contract assessment and progress control
Employees	<ul style="list-style-type: none"> • Employees' compensation and benefits • Career development • Occupational health and safety 	<ul style="list-style-type: none"> • Training, workshops and team building activities • Regular performance reviews • Employee mailbox
Communities and the public	<ul style="list-style-type: none"> • Involvement in the communities • Compliance with laws and regulations • Environmental protection awareness • Transparency and reliability 	<ul style="list-style-type: none"> • Public welfare activities • Transparent disclosure in ESG Report and corporate website

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Materiality Assessment

ESG risks and opportunities vary across industries based on their backgrounds and concerns. To prioritise the main concerns and material ESG issues for the ESG report, the Group takes a stepwise approach and performed an annual materiality assessment in identifying matters that may impact both the stakeholders and the Group's standing and operation performance.

The Group engaged its stakeholders to participate in a materiality assessment initiated by a third-party agency to facilitate the Group to monitor risks and opportunities, which enhance the objectivity of the evaluation as it facilitates the Group's development on its actions plans for better ESG management.

Step 1: Stakeholder identification

Key stakeholders were identified based on the degree to which they were affected by the Group's activities and their ability to influence the Group's business objectives. Specifically, internal and external stakeholders including suppliers, Board members and employees from various business units of the Group were selected and invited to express their views on the Group's ESG issues regarding the Group's business development and strategies.

Step 2: Internal impact assessment

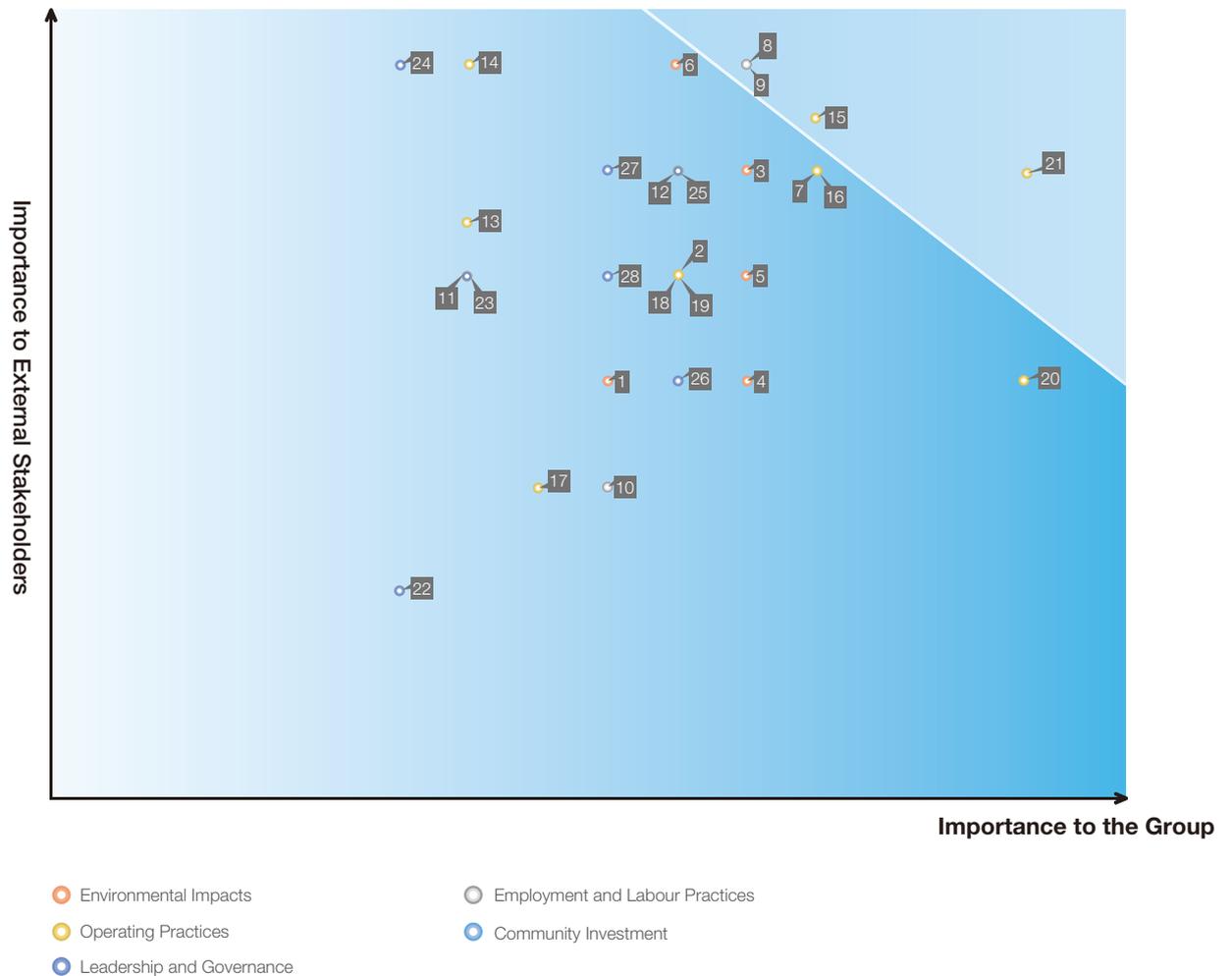
An internal impact assessment was performed to develop a list of 28 priority issues relevant to the Group's development strategy, industry development trend, regulatory market requirements, as well as social responsibility disclosures standards and other factors.

Environmental Impacts	1	GHG Emissions	2	Energy Management	3	Water and Wastewater Management
	4	Solid Waste Stewardship	5	Climate Change Mitigation and Adaptation	6	Renewable and Clean Energy
Employment and Labour Practices	7	Labour Practices	8	Employee Remuneration and Benefits	9	Occupational Health and Safety
	10	Employee Development and Training				
Operating Practices	11	Green Procurement	12	Engagement with Suppliers	13	Environmental and Social Risk Management of Supply Chain
	14	Supply Chain Resilience	15	Product/Service Quality and Safety	16	Customer Privacy and Data Security
	17	Marketing and Promotion	18	Intellectual Property Rights	19	Labelling Relating to Products/Services
	20	Business Ethics and Anti-corruption	21	Internal Grievance Mechanism		
Community Investment	22	Participation in Philanthropy	23	Cultivation of Local Employment	24	Support of Local Economic Development
Leadership and Governance	25	Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities	26	Management of the Legal and Regulatory Environment (Regulation-Compliance Management)	27	Critical Incident Risk Responsiveness
	28	Systemic Risk Management (e.g. Financial Crisis)				

Step 3: Significance investigation and prioritisation

Selected key internal and external stakeholders were invited to participate in an online survey to express their views on the above list of ESG issues. The scores of the issues were analysed, prioritised and formulated into a materiality matrix as shown below.

Stakeholder Engagement Materiality Matrix



Step 4: Validation and outcomes

According to the matrix above, the Group identified “Employee Remuneration and Benefits”, “Occupational Health and Safety”, “Product/Service Quality and Safety” and “Internal Grievance Mechanism” as the key ESG issues with the greatest significance to the Group’s business operations. The results were delivered to the Board for deliberation, with suggestions and expectations classified, documented and validated. The final results will be used continuously to monitor and improve the Group’s progress in these areas and a regular review with updates will be performed in the ESG Report.

Supporting the SDGs

Sustainable Development Goals (SDGs) are a set of 17 goals set up by the United Nations to be achieved by all agreeing countries to bring about a sustainable world by 2030. The Group is committed to being part of this development and ensuring its potential impacts are minimised to better prepare its business as well as the world for a sustainable future in line with the emerging policies and societal changes with reference to the UN SDGs.

The Group understands that all 17 SDGs are equally important, and it has taken a step further to identify the aspects where its contribution can be maximised with reference to the SDG Compass.

SDG 3: Good Health and Well-being

It is crucial for the Group to secure the health and safety of its employees as a construction and engineering service provider in Hong Kong. In strict compliance with relevant laws and regulations, the Group has implemented effective measures such as the Health and Safety Plan, and regular safety trainings to raise the awareness of site safety among all staff. The Group respects and is aware of the wellbeing of its employees. Apart from maintaining decent working conditions such as providing cool resting place and adequate drinking water, insurance and specific measures in preventing industrial accidents, occupational or communicable diseases are also in place to safeguard its employees.

Details regarding the respective measures can be found in **B.2. Health and Safety**.

V. Environmental Sustainability

Environmental protection has been the world's spotlight, and the Group recognises the task of striking a balance between economic development and environmental protection is challenging. In pursuit of the harmony between human development and nature, the Group is committed to developing green operating practices and respecting the ecological red lines.

In FY2021/2022, the Group complied with the material applicable environmental laws and regulations. The Group will continue to integrate environmental considerations in its business decisions to minimise its environmental footprint and contribute to the effort to overcome challenges in sustainable development.

A.1. Emissions

During the year under review, the Group abided by the relevant environmental laws and regulations in Hong Kong, including but not limited to:

- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong);
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong); and
- Environmental Impact Assessment Ordinance (Cap. 499 of the Laws of Hong Kong).

This section primarily discloses the Group's policies and practices on emissions, use of resources, the environment and natural resources, as well as climate change in FY2021/2022. For more information on the quantitative data of different categories of emissions, please refer to Table E1 of **Appendix I**.

Air Emissions

Given its business nature, the daily operations of onsite machinery and vehicles for business affairs and transportation mainly contributed to the Group's air emission in FY2021/2022. To effectively control and reduce emissions from the use of motor vehicles, the Group has enacted and implemented the following emission-reduction measures:

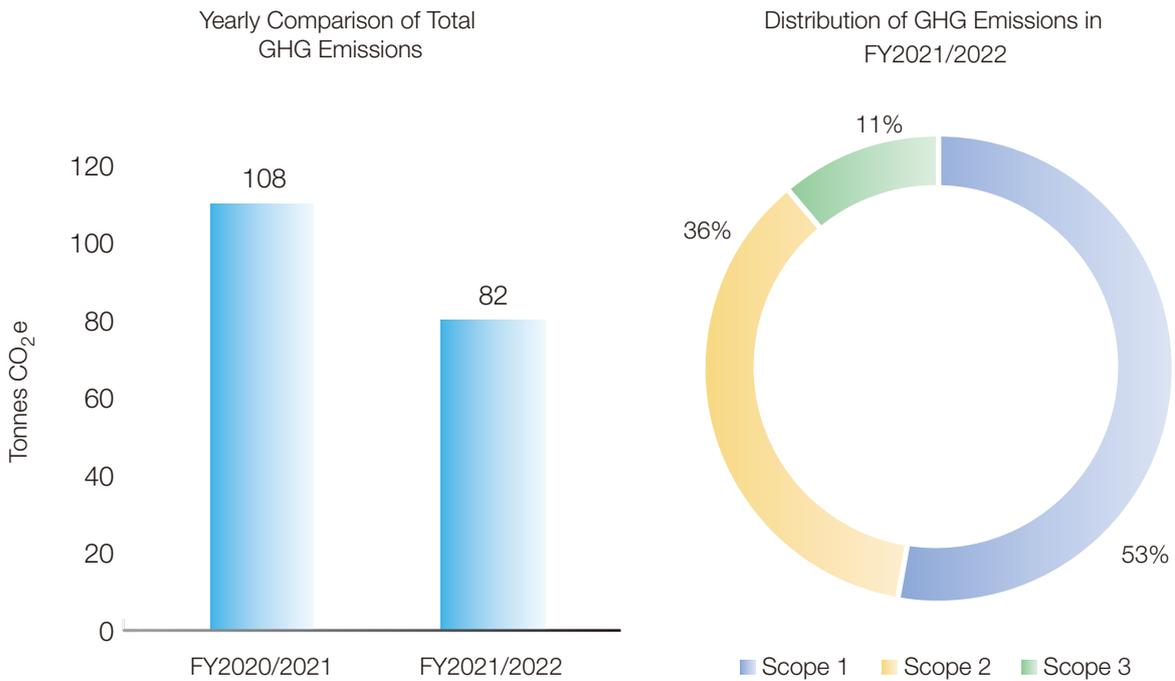
- Turn off idling vehicles to prevent excess air emissions from idling engines;
- Maintain and repair on-site vehicles on a regular basis if necessary; and
- Reduce unnecessary travelling by making use of the advanced online technologies for remote communication.

The Group has also been committed to enhancing its employee's awareness of air emission control through educational seminars and the implementation of internal policies.

GHG Emissions

As a building service provider, the consumptions of fossil fuels and electricity are inevitable in supporting the Group’s daily operations. Despite a limited impact on the environment, the Group is aware of its crucial role in GHGs mitigation given its scope and influence.

In FY2021/2022, although the Group’s Scope 2 (Energy Indirect Emissions) show a slight increase of 12%, its total GHG emissions decreased for around 26 tonnes when compared to FY2020/2021. Scope 1 (Direct Emissions) is the major type of GHG emissions which account for about 52% of the corporate GHG profile. The Group has been committed to energy conservation and carbon emissions reduction through effective policies and actions, which will be further described in **A.2. Use of Resources**.



Waste Management

In FY2021/2022, the Group did not generate any hazardous wastes given its business nature. In strict compliance with the relevant laws and regulations, the Group has set up guidelines to supervise and manage the disposal of solid waste and sewage in an environmentally friendly manner.

Solid Waste

Construction waste is inevitable during the Group's operations. In order to handle the construction waste properly, a comprehensive Waste Management Plan, which sets out the approaches and procedures in the management of various types of waste from construction works, is normally compiled before the commencement of any designated projects. Arrangements for storage and reduction of waste are also established in accordance with the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). A monthly waste audit is performed to monitor the amount of various waste produced and supervise the compliance of sub-contractors.

In accordance with the relevant laws and standards, the Group scientifically treated and disposed the construction wastes in line with the recommended practices according to industry standards in the reporting year. The construction wastes (e.g., gravels) will be transported to designated landfills for disposal by qualified waste collectors. Pursuant to the Construction Waste Disposal Charging Scheme, the Group has billing accounts with the Environmental Protection Department to pay for the disposal of construction waste.

Meanwhile, the solid waste generated from the Group's offices was mainly domestic and commercial waste in FY2021/2022. The Group strives to achieve the target of lowering the total amount of solid waste generated at source by following the practices below:

- Embed the "3R principle – Reduce, Reuse and Recycle" in operations by encouraging the reuse of office stationeries and the better classification of waste streams for recycling;
- Raise employees' awareness of resource conservation and waste reduction through education;
- Maintain 100% recycling rate of used toner cartridges by collecting and returning all used ones to recycling agents; and
- Be aware of the latest government's initiatives and policies in relation to waste management, waste reduction and recycling campaigns in order to allocate resources and formulate strategy in a timely manner.

Wastewater

In FY2021/2022, construction sewage was mainly generated from the Group's building business. Although the Group did not consume or discharge a significant volume of water, the Group has still established a series of procedures to prevent pollution of the water table and public sewer. Wastewater treatment facilities have been deployed onsite for sewage treatment to meet the requirements of the Water Pollution Control Ordinance (WPCO) license prior to the discharging process. In addition, the storage of polluting sources such as chemicals, oils, solid wastes, etc. at the rainwater pipe network port is strictly forbidden, while the rainwater pipes are separated from sewage pipes such that the rainwater can be directly discharged.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Furthermore, to better handle the onsite sewage, chemical wastes are stored in secured containers with undercover to prevent the ingress of rainwater and other liquids. The storage areas are protected with proper embankment of sufficient capacity to contain projected spill quantities. Also, trucks and heavy vehicles in wet and muddy conditions are not allowed to leave the site unless effective wheel washing is carried out in the washing bay. The washing bay is maintained regularly and the silt is disposed at approved disposal sites on a regular basis.

Besides, the domestic wastewater generated from the Group's offices was directly discharged into the buildings' sewage network and flushed through the municipal drainage systems. Licensed sanitary plumbers are also employed at all construction sites to manage the domestic sewage in order to meet the requirements of temporary sanitary and water supply. Since the amount of wastewater discharged highly depends on the amount of water used, the Group has adopted water-saving measures to improve its water usage. The practices will be further described in **A.2. Use of Resources**.

Noise Management

Noise emissions from the Group mainly came from the operations of machinery and equipment during the construction process in FY2021/2022. The Group was in strict compliance with the Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong) and only used specific equipment within permitted periods. The Group has installed myriads of noise-reducing facilities in mitigating the effect of noise on the surroundings. Meanwhile, construction processes have also been optimised and improved to reduce unnecessary knocking and cutting works. Prior to the use of equipment, inspection and maintenance are carried out with reference to the permitted noise level. Site staff and safety officers will implement immediate corrective actions to rectify the situation whenever any violation is identified.

Progress

In FY2021/2022, all types of air pollutants of the Group declined significantly due to the reduction in diesel and petrol used for road transport. Meanwhile, the total GHG emissions of the Group during the reporting period decreased by 24% with Scope 1 emission showing the greatest drop of 39%. These reductions are primarily induced by the suspension of work under the pandemic. Nevertheless, the Group will keep on strengthening its monitoring and management measures on the use of site machinery and equipment.

The temporary suspension of work also caused a decline in the amount of construction waste by 64%. Still, the Group will continue to optimise and monitor its waste treatment procedures to minimise its environmental impacts, while striving to improve its resource efficiency so as to reduce its emissions at source.

During the year under review, the Group was not aware of any non-compliance of laws and regulations that have a significant impact on the Group relating to climate change, air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

A.2. Use of Resources

During the operations, the Group mainly consumed electricity, diesel, petrol, water, paper and various types of construction raw materials in FY2021/2022. The Group did not consume packaging materials during the year under review. Details regarding the Group's use of resources during the year under review can be found in Table E2 of **Appendix I**.

Energy

It is of paramount importance to improve energy efficiency in achieving a zero-carbon economy by reducing energy-related emissions and demand for resources. To improve the performance in energy consumption, the Group has formulated and implemented the following practices during its operations:

Electricity

- Switch off electrical appliances when not in use;
- Opt for electric appliances and models with the Grade 1 energy efficiency label;
- Replace energy-intensive equipment with energy-efficient ones such as LED bulbs and energy-saving equipment;
- Maintain indoor temperature at an energy-efficient level 24–26 degree Celsius; and
- Carry out regular maintenance on facilities and machinery to ensure optimal functioning.

Other liquid fuels – Diesel and Petrol

- Encourage employees to take public transport instead of driving to work;
- Make use of electronic devices for online meetings to avoid unnecessary travelling;
- Gradual replacement of vehicles with electric powered ones;
- Prioritise energy-efficient machinery onsite during procurement; and
- Stick to the requirements set out in relevant environmental regulations and standards released by the Environmental Protection Department, such as controls and requirements of the Non-Road Mobile Machinery (NRMM) Regulation.

Water

Fresh water plays an important role in sustaining healthy communities and natural ecosystems. It is also essential for cleaning and suppressing dust in the Group's construction sites. In FY2021/2022, the Group did not face any issue in sourcing water that is fit for purpose. To promote responsible water use, the Group has strongly encouraged its construction sites to reuse wastewater and implemented various measures to improve the overall water efficiency:

- Place "Saving Water Resource" posters in prominent places to encourage water conservation;
- Fix dripping taps immediately to prevent further leakage;
- Conduct regular inspection and maintenance on water taps, water pipelines and water storage tanks; and
- Prioritise water-efficient equipment with Water Efficiency Labels.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Paper

Paper is primarily used for administrative purpose in the Group's office in FY2021/2022. The Group has put great effort in adopting eco-friendly approaches highlighted below:

- Encourage employees to reduce paper usage through duplex printing and reuse wastepaper;
- Embrace the concept of "paperless office" by adopting the use of electronic means for material sharing or internal administrative documents;
- Set quota and password for printers to limit unnecessary printing or copying from staff;
- Promote the reuse of stationeries including envelopes; and
- Encourage minimal use of paper towels.

Construction raw materials

The consumption of construction raw materials is unavoidable for the Group's business nature while the amount of consumption also highly depends on the scale of the project and the preference of its clients. Nonetheless, the Group will continue to actively manage its materials use and improve its operational efficiency of the construction process. Meanwhile, the Group has been introducing alternative materials that are more environmentally friendly and persuading its clients to prioritise green materials.

Progress

In FY2021/2022, the Group continued its focus on energy efficiency and resources conservation. As compared with the data from the previous financial year, the total energy consumption of the Group fell by 28%, with diesel and petrol consumption declining by 24% and 43% respectively. The Group will continue to improve its operational energy efficiency and further optimising its resource management system to maintain its good progress in entering the post-pandemic era.

A.3. The Environment and Natural Resources



As a service provider in the construction industry, the Group endeavours to minimise and eliminate its potentially negative environmental impacts. In line with local environmental requirements, the Group has carefully evaluated its impacts on the environmental and natural resources, and is pleased to report its continuous excellence in environmental compliance in FY2021/2022.

Based on the annual review, the generation and discharge of construction waste, noise emissions, and the use of raw materials are relatively material to the Group’s environmental performance. In light of this, the Group has applied innovative and effective environmental measures in its daily operations to further mitigate its potential impacts on the environment. For instance, the Group has established environmental management systems (EMS) at its operating sites with reference to the recommendations of the ISO 14001:2015, with which the Group has been certified since 2016.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Under the global transition to a net-zero society, the Group understands its responsibility in contributing to a better future. While the Group's operations do not cause significant impacts on the environment during the year under review, the Group is committed to setting up specific environmental targets in fulfilling the increasing demand and expectations from regulatory authorities and various stakeholders, as well as supporting the Government's Climate Action Plan 2030+. The Group's future targets and actions are summarised in the table below:

Areas	Targets	Actions
Air and GHG Emissions	Taking FY2021/2022 as the baseline year, the Group targets to maintain the intensity of air and GHG emissions in FY2022/2023 within the same scope at the same level.	The Group will continue to monitor and review the emissions based on its scientific and standardised system. Also, the Group will conduct regular maintenance on the machineries and replace if necessary by following local regulations.
Solid Waste	Taking FY2021/2022 as the baseline year, the Group targets to maintain the intensity of non-hazardous solid waste generated in FY2022/2023 within the same scope at the same level.	The Group will continue its commitment in following the "3R principles" and search for more environmentally friendly construction materials.
Electricity	Taking FY2021/2022 as the baseline year, the Group targets to maintain the intensity of electricity consumption in FY2022/2023 within the same scope at the same level.	Other than electricity saving measures, the Group will raise the awareness of energy conservation among its employees.
Other Energy Resources	Taking FY2021/2022 as the baseline year, the Group targets to maintain the intensity of diesel and petrol in FY2022/2023 within the same scope at the same level.	The Group will prioritise machines that are energy efficient during procurement and explore electric powered alternatives to control the consumption of fuels.
Water and Wastewater	Taking FY2021/2022 as the baseline year, the Group targets to maintain the intensity of water consumption in FY2022/2023 within the same scope at the same level.	Besides reusing wastewater at construction sites, the Group will continue with its current water-saving practices.

A.4. Climate Change

With the world’s growing concern on climate change, it is essential for businesses to take appropriate actions and be transparent. The Group has been supporting the government’s Climate Action Plan and the Task Force on Climate-related Financial Disclosures (“TCFD”) framework, and is committed to building climate resilience and systematically demonstrating how it is addressing the climate crisis ahead. Although the Group is still at its preliminary stage in identifying climate risk, the Group still identified the following paths in addressing climate-related risks and opportunities, and will continue its progress in setting up suitable environmental targets in the future.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Risk		Potential Impact
Acute Physical Risk	Increase in frequency of extreme weather events such as typhoons, storms and flood	<ul style="list-style-type: none"> – Threatens the stable operations in the construction sites and the safety of workers – Suspension of work and electricity due to extreme weather events leads to the delay in project completion may cause the Group extra operating costs
Chronic Physical Risk	Sea level rise and global warming	<ul style="list-style-type: none"> – Imposing instability to the supply of raw materials and induce the risk of delay to the Group's project, harming the Group's reputation, weaken clients' confidence, and cause deterioration in its financial performance – The rising temperature may affect the working conditions of the Group's workplace and lead to higher operating costs for maintaining optimal temperature to protect workers' health
Transition Risk	Updates of policies and regulations has further increased the environmental requirements especially for the construction and the property development business	<ul style="list-style-type: none"> – Operating costs is expected to rise in response to stringent regulations

Although climate change is not going to impose direct significant impacts on the Group's operations, the Group is fully aware of and keep adapting to the consequences of climate change through optimising its daily operations. Actions taken to manage the aforementioned risks will be developed in the near future.

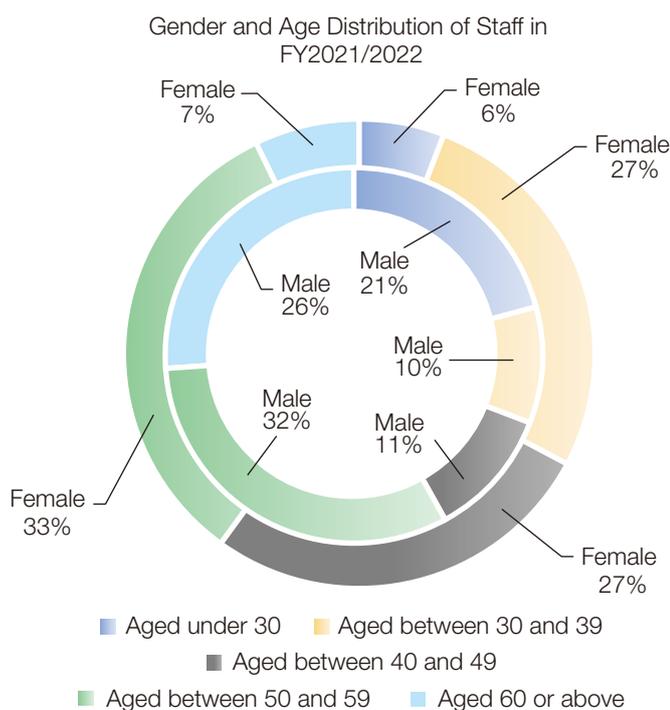
VI. Social Sustainability

Employment and Labour Practices

Employees are the Group's most valuable assets, and the health and wellbeing of its staff are particularly critical for the construction industry. The Group is committed to maintaining an equal, supportive and inclusive environment for all employees where they can feel a sense of belonging and unity.

B.1. Employment

The Group treats its employees fairly, respects their opinions and responds to their needs. As of the end of FY2021/2022, there were a total of 53 full-time employees working for the Group with a gender ratio of 72% Male to 28% Female. More information about the employees' age distribution and position type can be found in Table S3 in **Appendix I**.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Law Compliance

The Human Resources Department of the Group is responsible for reviewing and updating the relevant company policies on a regular basis in accordance with the latest laws and regulations. It is also responsible for supervising and ensuring that all human resources management practices, including the employee's recruitment and dismissal, strictly adhere to the applicable employment laws and regulations in Hong Kong. In FY2021/2022, the Group complied with applicable laws and regulations in relevant material aspects, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);
- Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong); and
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong).

All newcomers are provided with the Staff Handbook listing all information and entitlement regarding probation period, remuneration, welfare, rest days and public holidays, rules and conditions on leave application, termination and dismissal as well as business ethics. The Group enters into the labour contracts with each of its employees in accordance with the applicable labour laws of Hong Kong.

Recruitment and Promotion

The Group's remuneration policies have been reviewed regularly to cater for market changes. To attract, motivate and retain talents, a sound remuneration package is provided to all employees covering salary, discretionary bonuses, other cash allowances or subsidies and Mandatory Provident Fund (MPF). The employees' salaries are determined based on their qualification, position and seniority. Besides, internal promotion opportunities are offered to current staff with due consideration by the Human Resources Department and approved by respective supervisors.

Compensation and Dismissal

Any appointment, promotion or termination of recruitment contract should be based on reasonable and lawful grounds. The Group strictly prohibits any kind of unfair or illegitimate dismissals. For employees whose working performance is unsatisfactory, the Group would warn verbally before issuing a warning letter. For those whose behaviour is considered a serious violation of the Group's regulations or serious dereliction and malpractices that have caused significant damages to the Group, the Group will terminate the employment relationship with the corresponding employee after investigation and verification according to relevant laws and regulations. During the year under review, the turnover rate of the Group was approximately 91%. More information can be found in Table S4 in **Appendix I**.

Working Hours and Rest Periods

The Group has formulated its policy based on local employment laws for determining proper working hours and rest time for its employees. In particular, the Group constantly monitors all employees' working hours and compensates those who work overtime with additional days off after the approval of their supervisors, although overtime working is generally not encouraged. In addition to the basic paid annual leave and statutory holidays, employees are also entitled to additional leave benefits such as marriage leave, maternity leave and compassionate leave.

Equal Opportunity and Anti-discrimination

The Group is committed to providing a harmonious and inclusive working environment and has zero tolerance to any workplace discrimination, harassment, or vilification. In compliance with the Equal Opportunities Commission's Code of Practice and relevant law and regulations, all training and promotion opportunities, dismissals and retirement policies are all based on factors irrespective of the employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job related elements.

Other Benefits and Welfare

In addition to the MPF, injury insurance and medical benefits, the Group also provides other welfare packages to its employees to enhance their sense of belonging and boost the team spirit. The Group has set up various channels for employees to voice their worries, concerns and opinions to the Group's management directly, or by filling in and send the "Staff Opinion Form" to the Administrative Department. Also, the Group organises annual dinners, regular gatherings and festival parties for employees to relax from the intense work and socialise with each other including suppliers and subcontractors that have been invited. Yet, in FY2021/2022, due to the social distancing rules amid the pandemic, the Group was not able to hold any group-level entertaining activities.

In FY2021/2022, the Group was in compliance with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2. Health and Safety

Understanding that the construction industry is highly prone to potential safety-related risks and hazards, the Group has always been placing the workers' health and safety at its top priority. The Group is committed to integrating the principle of safety and wellness into operations, and moving towards its ambition of zero harm. Therefore, a series of occupational health and safety policies have been formulated by the Group to provide guidance on preventing work-related hazards and associated risks.

Law Compliance

To provide and maintain a safe, clean and environmentally friendly working condition for all employees, the Group has established strict health and safety procedures as listed in the "Health and Safety Plan", which are in line with relevant laws and regulations, including but not limited to:

- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);
- Buildings Ordinance (Cap. 123 of the Laws of Hong Kong);
- Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong); and
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong).

In FY2021/2022, the Group was in compliance with the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

Safety Policies

The Group has implemented the occupational health and safety management system according to the requirements of ISO 45001:2018, which the Group has been certified since 2016, to protect its workers in offices and construction sites effectively.



Appropriate and adequate personal protective equipment (“PPE”) (including safety helmets, goggles, safety shoes, ear plugs, dusk masks) are provided to all on-site workers. All PPE are checked and ensured to be up to standard as stated in the “Health and Safety Plan”. Safety officers are responsible for overseeing and managing the safety matters of the construction sites, supervising the observance of the safety standards by on-site workers (including the Group’s and the subcontractors’ employees), and promoting the implementation of safe operating procedures in the construction sites. For each construction project, on-site safety meetings are held regularly where the project team reviews and monitors the execution of policies and the compliance with the safety standards. Moreover, to encourage employees to follow the safety principles, discretionary bonus is awarded to on-site staff and workers if no summons are issued from government authorities for any breach of laws, rules and regulation in relation to safety in the construction project.



Besides, to prevent infectious diseases, posters and banners are posted at prominent places in all construction sites to remind workers of proper working procedures and maintaining a hygienic workplace.

The Group has engaged external experts to perform external safety audits and inspections of required project sites semi-annually to comply with the Factories and Industrial Undertakings (Safety Management) Regulations (Chapter 59AF of the Laws of Hong Kong). The safety audits evaluate the effectiveness, efficiency, and reliability of the Group’s safety management system, and aim to identify the strengths and weaknesses of the existing system, thereby providing recommendations for improvement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In order to ensure that subcontractors comply with the contractual requirements and the relevant laws and regulations, the Group requires its subcontractors to follow all internal control measures in relation to quality control, safety and environmental compliance. A safety committee has been established and works with the project team to perform regular on-site inspections and hold meetings to facilitate the compliance of all workers with relevant quality, safety and environmental requirements.

Occupational Health and Safety Training

To further safeguard the site workers, safety induction training is provided to all construction workers prior to commencement of work on-site. Seminars which focus on safety for specific works types are organised and conducted on a regular basis to enhance the safety awareness amongst employees.



Safety Targets

During the past three years including the reporting year, the Group has put tremendous efforts in protecting its workers and has achieved zero work-related fatalities for three consecutive years. There was one staff suffering from work-related injuries with 5 lost days being recorded during the year under review, resulting an injury rate of 18.87 per thousand employees.

Response to the Pandemic

In response to the pandemic, the Group has taken immediate measures to support its employees and safeguarding the public health from the beginning of the crisis. Specific precautionary measures have also been implemented at the Group's construction sites to ensure a cleaner and secure working environment for all.

- Face masks are mandatory in all working sites to reduce the risks of aerosol transmission;
- Thermal screening is performed at all entrances with body temperatures of visitors being registered;
- Alcoholic sanitisers and cleaning facilities are in place at construction sites;
- Disinfect the construction sites regularly; and
- Follow the government's Compulsory Testing Direction and perform nucleic acid testing regularly.



B.3. Development and Training

The Group values and believes that employee development is the core to enabling the long-term success of business. The Group is committed to fostering a culture of continuous development for its staff so as to attract and retain the best talents in the competitive job market.

The Group provides various kinds of internal and external training courses for its employees including its internal occupational health and safety programmes, as well as the training courses held by external parties such as the Construction Industry Council and the Occupational Safety and Health Council. Besides, employees are encouraged to attend external training courses to develop their skills, while eligible staff are granted for examination leave and training fee subsidies.

During the reporting year, the Group provided a total of 295 hours of training to 35 employees, covering 66% of the total workforce. Details of the number of employees trained and average training hours can be found in Tables S5 and S6 in **Appendix I**.

B.4. Labour Standards

It is of paramount importance for the Group to care for the labours rights of all workers in such a labour-intensive industry. The Group strictly adheres to the requirements of the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) in all respects of employment.

To prohibit forced, compulsory and child labour in all forms including modern slavery, the Group's Human Resources Department requires all job applicants to provide valid identity documents including Hong Kong Identity Card and Construction Industry Safety Training Certificate (Green Card) to ensure that they are lawfully employable prior to the confirmation of any employment. The employment contracts and records with relevant details of the employees' eligibility (including age) are maintained properly for verification by relevant statutory body upon request. If any case against the labour standards has been found, the employment contract will be terminated immediately and the responsible staff for the employment procedures are subject to disciplinary actions when the management team deems necessary.

Meanwhile, the Group does not use unlawful or unfair means to restrict the employment relationship between the employees and the Group. Employees are free to terminate their employment with the Group by giving prior notice as stipulated in their employment contracts.

In FY2021/2022, the Group found no cases of forced or compulsory labour and no employees under legal age working at any location under the Group's business. The Group complied with relevant laws and regulations, in relation to the prevention of child and forced labour that have a significant impact on the Group.

Operating Practices

B.5. Supply Chain Management

To seek responsible business practices, the Group is committed to working and strengthening communication with multiple partners, including its suppliers and subcontractors, based on transparent and solid partnerships.

Supplier Engagement and Risk Management

The Group selects qualified suppliers and subcontractors by carefully evaluating their performance based on a wide range of aspects and standards, including but not limited to professional qualification, service/product quality, financial status and integrity. The Group has also laid emphasis on the legal compliance of their operations on top of cost consideration to minimise environmental and social risks along its value chain. The Group's procurement team performs background checks on its suppliers and subcontractors, who are required to uphold the law as well as the Group's standards, with reference to the specified standards and expectations in respect of environmental compliance and labour practices. The Group maintains the partnership with a list of approved subcontractors and suppliers, which is reviewed and updated by the Group's management team according to their performance assessment outcome on a regular basis.

To facilitate the smooth collaboration with its suppliers and subcontractors, the Group frequently communicates with its suppliers through telephone calls, WhatsApp messages and emails to collect their opinions and share thoughts. In FY2021/2022, the Group did not face any delays or issues regarding the timely supplies of construction materials or services, with 100% of its suppliers and subcontractors being stably engaged with the Group.

Local and Green Procurement

Prioritising local procurement could contribute to the local economy while lessening the environmental impacts during transportation. During the reporting year, the Group has more 99% of its material suppliers being local Hong Kong suppliers. Moreover, to further minimise its environmental footprint during operations, the Group has been actively practising the concept of green procurement by searching for alternative materials produced in a more environmentally friendly way and persuading its clients to adopt "greener" materials.

In FY2021/2022, the Group had a total of 170 materials suppliers with 1 located in Mainland China and 169 located in Hong Kong. The Group's procurement team is responsible for implementing and monitoring the effectiveness of the aforementioned supplier engagement and supply chain risk management practices which are 100% applied to its key suppliers. Meanwhile, approximately 4% of the Group's key suppliers were covered by the Group's green procurement consideration.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

B.6. Product Responsibility

Law Compliance

In FY2021/2022, the Group was in compliance with the material and relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products and services that have a significant impact on the Group, including but not limited to:

- Buildings Ordinance (Cap. 123 of the laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong)
- Construction Workers Registration Ordinance (Cap. 583 of the laws of Hong Kong)

Due to the Group's business nature and under the principle of Materiality, issues regarding recall procedures, advertising, labelling and intellectual properties are considered not material or applicable to the Group's operation, and therefore will not be discussed in the ESG Report.

Quality Management and Control of Projects

The Group is liable for all the work carried out by itself and its subcontractors. Striving for timely completion and delivery in accordance with the specifications set out from the outset of the project, project managers are responsible for monitoring the progress of each project closely to ensure that the Group's services (i) meet customer's requirements; (ii) are completed within the time stipulated in the contract and the budget allocated for the project; and (iii) are complied with relevant rules and regulations. Project managers are also responsible for overseeing on-site inspections and supervising regularly with reference to the requirements of the Quality Management Systems Standard (ISO 9001:2015), which the Group has been certified since 2014.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

In addition, the Group has established efficient communication channels with its clients and their representatives. For middle to large size projects, the architects representing the clients will be engaged in regular meetings at early stages to ensure the quality of the Group's services and products meets their requirements.

Once any complaint is received, the Group will immediately start investigating and assessing the complaint nature and associated issues. Follow-up actions will be taken accordingly once the complaint is substantiated. The Group will take the feedback or any complaint as a reference for its future improvement. During the year under review, the Group did not receive any substantial complaints regarding its projects. Meanwhile, there were zero recalls for safety and health reason as well in the reporting period.

Materials and Consumables

The Group has been following its strict procedures to monitor the quality of incoming materials and consumables that are used in various projects. The procurement staff ensures that all construction materials are sourced from the list of approved suppliers, and the list of materials is submitted to project architects for approval. On-site supervisors are responsible for performing inspections and sampling tests, which ensure that the right quantities, types, grades, and sizes of materials (as the case may be) can be received and the defects can be identified timely if any.

To enhance the traceability of its supply chain, the Group keeps a clear record of the origins of materials and the areas where materials will be used. If the supplied materials or finished products are not satisfactory, the traceable records enable the Group to better identify the root causes thereby making corresponding moves.

In FY2021/2022, the Group complied with relevant material laws and regulations, and did not receive any fines or penalties that had a significant and adverse impact on its business operations with regard to product responsibility.

Privacy Protection

The Group lays great emphasis on the protection of its customers' privacy and ensures that all customers' rights are protected in accordance with the Group's code of practice and relevant regulations including the Personal Data (Privacy) Ordinance (Cap. 486 of The Laws of Hong Kong).

Internal measures such as the Confidentiality Guideline are in place to manage the output, dissemination, use and handling of sensitive or identifiable personal information so as to effectively safeguard the privacy of the Group's clients, internal employees, external business partners and suppliers. The sensitive and personal information should only be used for its original business purposes and not be revealed to any third parties without prior authorisation. Any violation of the Confidentiality Guideline could result in disciplinary punishment, up to and including termination of employment.

During the year under review, to ensure effective implementation and monitoring of the Group's internal policy, the Group engaged an external professional information technology agency to handle confidential and privacy-related issues. In FY2021/2022, the Group did not receive any substantial complaints regarding data leakage or personal privacy breaches.

B.7. Anti-corruption

It is crucial for the Group to maintain good business conduct and ethical business behaviour. The Group's internal policies on anti-corruption management are clearly stated in the Staff Handbook. All staff members are expected to understand and comply with its internal anti-corruption policies. In FY2021/2022, the Group abided by the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group, including but not limited to:

- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong); and
- Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615 of the laws of Hong Kong)

In FY2021/2022, the Group did not hold any physical seminars or trainings related to anti-corruption due to the social distancing rules under the pandemic prevention and control requirements.

Operating with Integrity

The Group is committed in achieving and promoting integrity in business with zero tolerance to any forms of corruption, bribery, extortion, money-laundering or other fraudulent activities in the tendering process, procurement and sub-contracting of any construction project. The "Notice of Prevention of Bribery" has been set up and incorporated into the Staff Handbook in ensuring all employees are aware of the importance of upholding the values and delivering service with honesty. The Human Resources Department also regularly send reminders to all workers on how to deal with conflict of interests, treats of parties and gifts during festivals.

The Group forbids its employees from soliciting or accepting any advantage including money, gifts, loans, commissions, offices, contracts, services or favours, in connection with their duties, without the Group's permission. In order to deter corruption, employees are highly encouraged to report to the management if they have received any gifts from customers, suppliers or any parties conducting business with the Group.

Under no circumstances should the Group's staff offer bribes or similar advantages to any person or company in order to obtain or retain business, or to acquire confidential business information, or to seek for any other return of personal advantages. The Group's anti-corruption mechanism also covers parties along its supply chain with clear requirements for its major business partners.

Whistle-blowing Policy

The Group possesses zero tolerance against all forms of corruption and illegal practices. Employees, clients, and subcontractors are allowed to express any good faith concerns, and report inappropriate or illegal behaviour to the Administrative Department or the Management of the Group with protection against retaliation and reprisals. All reports will be handled in confidential with appropriate actions taken based on investigation findings. The suspected workers will be required to take at most 14 days of unpaid suspension during investigation, while disciplinary procedures will be invoked in the case of the substantiated breach of the Group's policies or any rule of law. Where criminality is suspected, a report will be made to the relevant regulators or law enforcement authorities when the Group's management deems necessary, and the Group will terminate the corresponding employment contract with the employee for his/her criminal practice.

During the year under review, there was zero concluded legal cases filed against the Group or its staff members regarding bribery, extortion, fraud, and money laundering.

Community

B.8. Community Investment

The Group is pledged for community development and understands its social responsibilities as a corporate citizen. Although the Group did not make any charitable or other donations during the year under review, it has always been committed to bring positive value to the society it roots in. As such, to bring positive impacts to the society as well as exerting its influence, the Group is keen on supporting the "Organ Donation Promotion Charter" through being a signatory and participating in promotional activities on organ donation.



Moreover, the Group has also been actively participating in cultural preservation and heritage conservation. Being a member of the building and construction sector, the Group always upholds the importance of protecting historical value for the society. Its specific team on repairing and restoring historical buildings has been taking part in various heritage conservation projects, such as the Blue House Cluster and St. Paul's Primary Catholic School. The Group has devoted efforts in contributing to the protection of local culture and complying with all requirements from the Government, while collaborating with community groups in providing necessary support for heritage conservation.

VII. Appendix I – Performance Table

 Table E1. The Group's Total Emissions by Category in FY2021/2022 and FY2020/2021¹¹

Emission Category	Key Performance Indicator (KPI)	Unit	FY2021/2022		FY2020/2021		Variation
			Amount	Intensity ¹ (Unit/ HK\$ million)	Amount ²	Intensity ² (Unit/ HK\$ million)	
Air Emissions ³	SO _x	Kg	0.24	2.02 x 10 ⁻³	0.40	3.26 x 10 ⁻³	↓
	NO _x	Kg	49.64	0.41	68.55	0.56	↓
	PM	Kg	4.47	0.04	6.34	0.05	↓
GHG Emissions	Scope 1 (Direct Emissions) ⁴	Tonnes of CO ₂ e	42.91	0.36	70.88	0.58	↓
	Scope 2 (Energy Indirect Emissions) ⁵	Tonnes of CO ₂ e	29.54	0.25	26.46	0.22	↑
	Scope 3 (Other Indirect Emissions) ⁶	Tonnes of CO ₂ e	9.29	0.08	10.89	0.09	↓
	Total (Scope 1, 2 & 3)	Tonnes of CO ₂ e	81.74	0.68	108.23	0.88	↓
Non-hazardous Waste	Domestic & Commercial Waste ⁷	Tonnes	1.16	9.63 x 10 ⁻³	1.21 ¹⁰	0.01 ¹⁰	↓
	Construction Waste ⁸	Tonnes	2,157.80	17.90	6,025.80	49.05	↓
	Wastewater ⁹	m ³	88.00	0.73	164.00	1.33	↓

- Intensity for FY2021/2022 was calculated by dividing the amount of air, GHG and other emissions respectively by the Group's revenue of HK\$120.52 million in FY2021/2022;
- The amount and intensity in FY2020/2021 were extracted from the data in the ESG Report FY2020/2021 of the Group;
- The Group's air emissions only included the air pollutants from fuel consumption of motor vehicles;
- The Group's Scope 1 (Direct Emissions) included only the emissions arose from the consumption of liquid fuels in motor vehicles during operations;
- The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from electricity consumption;
- The Group's Scope 3 (Other Indirect Emissions) included the emissions arose from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments;
- The amount of domestic and commercial waste for FY2021/2022 was recorded, measured and estimated in a more comprehensive way that incorporated all office operations of the Group in Hong Kong;
- The construction wastes included all solid waste from all construction sites of the Group's projects in Hong Kong during the year under review;
- The total amount of wastewater generated by the Group was primarily based on the direct measurement as well as appropriate estimations assuming 100% of the fresh water consumed by the Group will enter the sewage system in areas where an accurate recording of the amount of wastewater was hard to obtain. Meanwhile, since the water consumption and wastewater from the construction sites of the Group was mainly handled by external parties without clear record, the amount of sewage of the Group in FY2021/2022 only covered office operations;
- The value has been modified to unify the units used for this report; and
- The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, The GHG Protocol Corporate Accounting and Reporting Standard and the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Table E2. Total Resource Consumption in FY2021/2022 and FY2020/2021⁵

Use of Resources	Key Performance Indicator (KPI)	Unit	FY2021/2022		FY2020/2021		Variation
			Amount	Intensity ¹ (Unit/ HK\$ million)	Amount ²	Intensity ² (Unit/ HK\$ million)	
Energy	Electricity	kWh'000	79.84	0.66	71.52	0.58	↑
	Diesel	kWh'000	42.89	0.36	56.30	0.46	↓
	Gasoline	kWh'000	117.83	0.98	207.72	1.69	↓
	Total	kWh'000	240.56	2.00	335.53	2.73	↓
Water³		m ³	88.00	0.73	164.00	1.33	↓
Paper		Kg	1,925.00	15.97	2,247.50	18.29	↓
Construction materials⁴	Plastic	HK\$	1,519.00	-	2,281.25	-	-
	Wood	HK\$	99,688.00	-	77,060.00	-	-
	Steel	HK\$	132,136.20	-	504,549.34	-	-
	Stainless steel	HK\$	46,138.73	-	177,290.81	-	-
	Lead	HK\$	-	-	3,663.97	-	-
	Concrete	m ³	773.50	-	457.88	-	-

1. Intensity for FY2021/2022 was calculated by dividing the amount of resources that the Group consumed in FY2021/2022 by the Group's revenue of HK\$120.52 million in FY2021/2022;
2. The amount and intensity in FY2020/2021 were extracted from the data in the ESG Report FY2020/2021 of the Group;
3. The water consumption from the construction sites of the Group was mainly handled by external parties without clear record, as such the amount of water usage of the Group in FY2021/2022 only covered office operations;
4. The amount of construction materials consumed in FY2021/2022 was mainly consolidated in terms of monetary unit due to their diversified nature; and
5. The environmental data disclosed included the operations of offices and construction sites in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Table S3. Number of Employees by Age Group, Gender, Employment Type, Position Type, Geographical Locations of The Group in FY2021/2022¹

Unit: Number of employees						
Gender	Age group					Total
	Aged under 30	Aged between 30 and 39	Aged between 40 and 49	Aged between 50 and 59	Aged 60 or above	
Male	8	4	4	12	10	38
Female	1	4	4	5	1	15
Total	9	8	8	17	11	53

Unit: Number of employees				
Gender	Position Type			Total
	General staff	Middle managerial level	Senior managerial level and directors	
Male	31	6	1	38
Female	9	6	0	15
Total	40	12	1	53

Employment type		
Full time	Part time	Total
53	0	53

Geographical location	
Locations	Number of employees
Hong Kong	53
Total	53

- The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table S4. Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2021/2022¹

Gender	Age group					Total
	Aged under 30	Aged between 30 to 39	Aged between 40 and 49	Aged between 50 and 59	Aged 60 or above	
Male	12	7	10	6	5	40
Employee turnover rate	150%	175%	250%	50%	50%	105%
Female	1	4	0	2	1	8
Employee turnover rate	100%	100%	0%	40%	100%	53%
Total	13	11	10	8	6	48
Total employee turnover rate	144%	138%	125%	47%	55%	91%

Locations	Geographical locations Employee turnover	Employee turnover rate
Hong Kong	48	91%

1. The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who resigned in FY2021/2022 by the number of employees in FY2021/2022. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table S5. Number and Percentage of Employees Trained in the Group by Gender and Position Type in FY2021/2022¹

Total number of employees trained	35
Total number of employees in FY2022	53
% of employees trained³	66%

Unit: Number of employees

Gender	General staff	Position Type		Total
		Middle managerial level	Senior managerial level and directors	
Male	26	5	0	31
% of employees trained	74%	14%	0%	89%
Female	2	2	0	4
% of employees trained	6%	6%	0%	11%
Total	28	7	0	
% of employees trained	80%	20%	0%	

1. The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2021/2022. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table S6. Training Hours Received by the Employees of the Group by Gender and Position Type in FY2021/2022¹

Unit: Training Hours

Gender	General staff	Employee Category		Total
		Middle managerial level	Senior managerial level and directors	
Male	218	40	0	258
Average training hours	7.03	6.67	0	6.79
Female	21	16	0	37
Average training hours	2.33	2.67	0	2.47
Total	239	56	0	295
Average training hours	5.98	4.67	0	5.57

1. The training information was obtained from the Group's Human Resources Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

VIII. APPENDIX II – HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide Index

Aspects	ESG Indicators	Description	Section	Page
A. Environmental				
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Environmental Sustainability – Emissions	11–14
	KPI A1.1	The types of emissions and respective emissions data.	Appendix I – Performance Table	34
	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).	Appendix I – Performance Table	34
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Sustainability – Emissions – Waste Management	12

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Aspects	ESG Indicators	Description	Section	Page
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I – Performance Table	34
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Sustainability – The Environment and Natural Resources	18
	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 Sustainability – Emissions – Waste Management; The Environment and Natural Resources	13, 18
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Environmental Sustainability – Use of Resources	15–16
	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).	Appendix I – Performance Table	35
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I – Performance Table	35
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Sustainability – The Environment and Natural Resources	18

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Aspects	ESG Indicators	Description	Section	Page
	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 Sustainability – Use of Resources – Water; The Environment and Natural Resources	15, 18
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Sustainability – Use of Resources	15
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Sustainability – The Environment and Natural Resources	18
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Sustainability – The Environment and Natural Resources	18
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Sustainability – Climate Change	19
	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.	Environmental Sustainability – Climate Change	20

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Aspects	ESG Indicators	Description	Section	Page
B. Social				
Employment and Labour Practices				
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social Sustainability – Employment	22–23
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix I – Performance Table	36
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I – Performance Table	37
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social Sustainability – Health and Safety	24–27
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Sustainability – Health and Safety – Safety Targets	26

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Aspects	ESG Indicators	Description	Section	Page
	KPI B2.2	Lost days due to work injury.	Social Sustainability – Health and Safety – Safety Targets	26
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social Sustainability – Health and Safety	24–27
B3: Development and Training	General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Social Sustainability – Development and Training	28
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I – Performance Table	38
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix I – Performance Table	38
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social Sustainability – Labour Standards	28
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Sustainability – Labour Standards	28
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social Sustainability – Labour Standards	28

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Aspects	ESG Indicators	Description	Section	Page
Operating Practices				
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social Sustainability – Supply Chain Management	29
	KPI B5.1	Number of suppliers by geographical region.	Social Sustainability – Supply Chain Management	29
	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.	Social Sustainability – Supply Chain Management – Supplier Engagement and Risk Management	29
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social Sustainability – Supply Chain Management – Supplier Engagement and Risk Management	29
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social Sustainability – Supply Chain Management – Local and Green Procurement	29

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Aspects	ESG Indicators	Description	Section	Page
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social Sustainability – Product Responsibility	30–31
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Sustainability – Product Responsibility	31
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social Sustainability – Product Responsibility – Quality Management and Control of Projects	31
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social Sustainability – Product Responsibility	31
	KPI B6.4	Description of quality assurance process and recall procedures.	Social Sustainability – Product Responsibility – Quality Management and Control of Projects	30
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social Sustainability – Product Responsibility – Privacy Protection	31

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Aspects	ESG Indicators	Description	Section	Page
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Social Sustainability – Anti-corruption	32–33
	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	Social Sustainability – Anti-corruption	33
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Social Sustainability – Anti-corruption	32–33
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social Sustainability – Anti-corruption	32
Community				
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Sustainability – Community Investment	33
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Sustainability – Community Investment	33
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Sustainability – Community Investment	33

