



ENVIRONMENTAL, SOCIAL and
GOVERNANCE REPORT
環境、社會及管治報告 2019/2020

Milestone Builder Holdings Limited

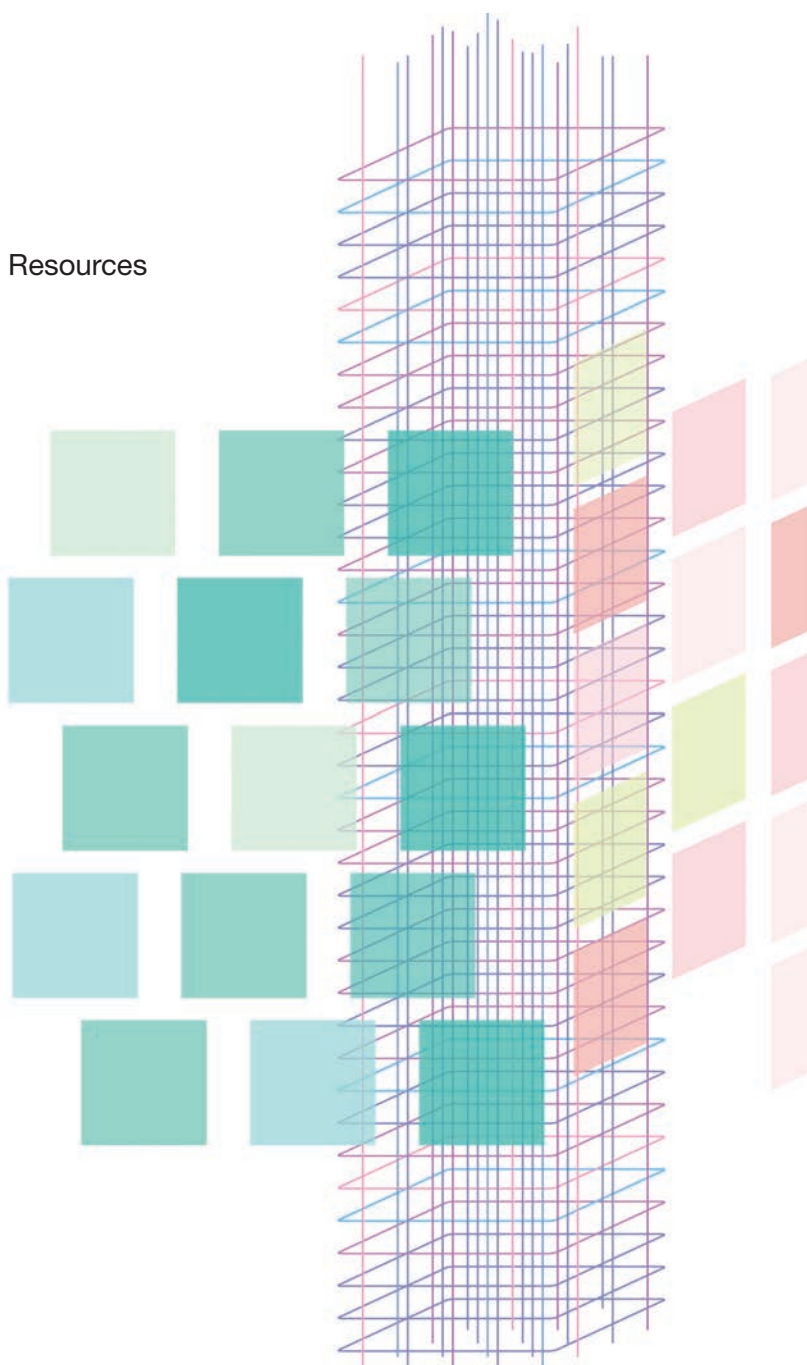
進階發展集團有限公司

(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



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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About this Report

Milestone Builder Holdings Limited (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**”) is pleased to present this Environmental, Social and Governance (“**ESG**”) Report for the year ended 31 March 2020 to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance (“**ESG**”) issues.

The Board has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

Report Compilation Basis

This report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”). The disclosure in the report complies with the ESG disclosure requirements of the “comply or explain” as set out in the Environmental, Social and Governance Reporting Guide. The information disclosed in this report was derived from the results of internal statistics and analysis of the Group’s internal management systems. The ESG issues which were the most pertinent to the Group’s operations and key stakeholders were identified.

The report is prepared according to four reporting principles:

- (i) Materiality: report content is guided by the result of our stakeholder engagement;
- (ii) Quantitative: ESG performance is reported in quantitative figures;
- (iii) Consistency: reporting methodology and calculation basis are compatible across reporting periods; and
- (iv) Balance: unbiased information is transparently disclosed in this report.

The following table is a summary of the Group’s material ESG issues.

Environmental issues

- Exhaust Gas Emissions
- Greenhouse Gas Emissions
- Sewage Discharge
- Waste Management
- Hazardous Waste
- Non-hazardous Waste
- Energy Consumption
- Water Consumption
- Use of Paper
- Noise Management

Social issues

- Employment
- Health and Safety
- Development and Training
- Labour Standard
- Supply Chain Management
- Product Responsibility
- Anti-corruption
- Community Investment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The defined terms used in this report have the same meaning as those set out in the Group's Annual Report 2019/2020 published on 30 Jul 2020 (the "**Annual Report 2019/20**"), unless otherwise stated.

Scope of Report

This ESG report discloses all subsidiaries of the Group in Hong Kong with core business of "Construction and Engineering Services", which represents the Group's major sources of revenue. Based on their significant contributions to the Group, the head office and the construction sites of the following segments were selected to be included in this report.

- (i) building construction services;
- (ii) alteration, addition and fitting-out building services; and
- (iii) repairing and restoration of historic buildings.

Reporting Period

The information published in this ESG Report covers the period from 1 April 2019 to 31 March 2020 (the "Year"), unless otherwise stated, which is the same as the financial year covered in the Group's Annual Report 2019/2020.

Access to this Report

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

Opinions and Feedback from Stakeholders

The Group attaches great importance to valuable opinions from all stakeholders. If you are in any doubt or have any opinion or recommendation about the content or form of reporting of this Report, you are welcome to contact the Group by the following means:

Address: 14/F., 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong
Telephone: (852) 3906 1667
Fax: (852) 3428 5093
Email: msholdings@milestone.hk

Chairman Statement

Dear Valued Stakeholders,

We strive to offer our customers a high degree of service, quality control and site management in all our construction work. We are also committed to fulfill our corporate social responsibility through working with the key stakeholders including our employees, suppliers and subcontractors. We believe that the stakeholders' interest must be taken into account in order to enhance our relationship with the society and other stakeholders. We have integrated Environmental, Social and Governance considerations into daily operations and we believe that our existing businesses are not expected to pose a material impact on the environment.

Climate change is definitely one of the most influencing hazards that will endanger human species in the forthcoming decades. It affects each and every one of us. It is very essential for us to change by making our governance system more responsive and sustainable. As such, we commit to develop our businesses, from various engineering, building construction and development practices in an environmentally sustainable, feasible and responsible manner. We shall adhere and direct to the path of best practices in the industry from the perspective of ESG investment and management.

We believe that a barrier-free communication channel within the Group can effectively allow the Board to identify the key ESG issues. Therefore, our ESG responsible personnel is highly encouraged to commune with the stakeholders by various means, such as presentations, meetings, interviews, and to advise the Board regularly so that we can timely review and update our ESG to face the latest situation.

Leung Kam Fai

Chairman



Risk Management Plan

We evaluate ESG risks by setting up a Risk Management Plan from which those potential hazards are being continuously maintained, monitored and reviewed. In order to strengthen the effectiveness of the ESG objectives, competent personnel are being deployed in forming an ESG working group for the purpose of coordinating management approaches to various environmental and social issues in relation to the Group's operations.

This Risk Management Plan indicates any of the Group's risk management process, which includes identification, analyzing, planning, tracking, controlling, communicating and documenting.

Risk management process	Measures
Identifying risks	Identify the risks from the operation processes.
Analyzing risks	Risks to be assessed from their happening probabilities and seriousness.
Planning risks	Manager in-charge determines if the risk can be tolerated, eliminated, mitigated, transferred or treated by other acceptable means.
Controlling risks	When the risks cannot be eliminated or transferred totally from the operations, mitigation measures have to be set up.
Tracking risks	Manager in-charge sets up the system of record and report the risk status in regular manner.
Communicating & documenting risk	Risks to be documented in the Risk Assessment Report.

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 mitigate risks.

Stakeholder Engagement

The Group recognizes the importance of the continuous communication with its stakeholders and in responding to their feedback and addressing their areas of concern. To understand stakeholders' concerns and opinions, the Group has established diverse and regular communication channels to facilitate engagement with both internal and external stakeholders. Ensuring effective communication with stakeholders, the Group reviews the effectiveness of the communication process and continuously strives to improve the engagement channels on an ongoing basis.

Stakeholders	Probable issues of concern	Communication and responses
Government and Regulators	<ul style="list-style-type: none"> — Compliance with laws and regulations — Prevention of tax evasion — Support for local economic growth and social welfare — Construction safety — Anti-corruption 	<ul style="list-style-type: none"> — Regular information reporting — On-site inspections and checks by government bureaux — Submission for tax returns
Shareholders and Investors	<ul style="list-style-type: none"> — Operational compliance — Information transparency and effective communication 	<ul style="list-style-type: none"> — General meetings — Announcements — Email, telephone communication and company website
Suppliers and business partners	<ul style="list-style-type: none"> — Perform contracts according to agreements — Proactively build a socially responsible chain by setting out our business ethics and stringent standards for assessing suppliers 	<ul style="list-style-type: none"> — Business meetings, supplier conferences, phone calls and interviews — Regular meetings and safety workshops — Review and assessment through site visits and onsite audits — 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"> — Meet with customers regularly — Identify clients' needs and formulate plans effectively — Perform contract assessment and progress control
Communities and the Public	<ul style="list-style-type: none"> — Minimize pollution emission — Establish good public relationship — Support education and public health 	<ul style="list-style-type: none"> — Adopt green and low-carbon office — Endeavour to minimize the impact on the environment and community — Participate in public welfare
Employees	<ul style="list-style-type: none"> — Protection of rights and interests — Occupational health and safety — Remunerations and benefits — Career development — Care for employees 	<ul style="list-style-type: none"> — Employee mailbox — Provide training and workshops — Arrange team building activities — Improve promotion mechanism and remuneration distribution system

SECTION A: ENVIRONMENTAL

Since the topic of environmental protection has always come under the spotlight, striking a balance between economic development and environmental protection is a challenging and delicate task. The Group recognises the importance of environmental protection and is committed to embedding corporate responsibility into its business operation.

During the Year, the Group did not identify any material non-compliance with relevant laws and regulations related to the environment. The Group will continue to contribute to future sustainable development and be alert to any non-compliance behavior relating to critical environmental problems.

A1. Emissions

Striving to achieve sustainable development of business operations, the Group is committed to minimising the environmental impacts of its operations by reducing emissions and waste generation. The Group's environmental management system is certified with ISO 14001:2015 standard. The Group monitors environmental performance of its business operations and reviews its environmental protection measures regularly.

The non-hazardous waste from the office operation of the Group is mainly general refuse, while the hazardous waste is mainly waste toner cartridges. In general, recyclable materials are sorted and transferred to recycling companies regularly, while hazardous waste is gathered centrally and collected by authorised parties.

In respect of site operation, as a way to identify and properly handle waste generation, a Waste Management Plan will be compiled before the commencement of designated projects, which sets out the approach and procedures in the management of waste generated from the various construction works, as well as the arrangements for storage and reduction of waste in accordance with the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). A monthly waste audit will also be carried out to monitor the amount of various waste produced and supervise the compliance of sub-contractors.

During the year, 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 greenhouse gases emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Exhaust Gas Emissions

The Group's exhaust gas generated by the business is mainly from routine use of motor vehicles. To effectively control and reduce emissions from the use of motor vehicles, the Group takes the following emission-reduction measures:

- Prohibit idling vehicles so as to reduce energy;
- Monitor for spillages caused by leakage of fuel of vehicles used on site;
- Provide maintenance and inspection of vehicles on a regular basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The Group's performance of vehicle exhaust gas emissions is summarized as follows:

Air Pollutants	Emission (kg)
Nitrogen oxides	62.99
Sulphur oxides	0.46
Respirable suspended particulates	5.47

Greenhouse Gas Emissions

Greenhouse gas ("GHG") emissions from our business operations include direct emissions from fuel consumption (Scope 1), indirect emissions from the use of electricity (Scope 2) and other indirect emissions from paper disposal at landfills and freshwater processing and sewage treatment (Scope 3). During the year, the Group's total GHG emissions were 166.90 tonnes of carbon dioxide equivalent, with an emission intensity of 0.64 tonnes per million HK\$ revenue. The GHG emissions were mainly contributed by direct emissions from combustion of fuels in company-owned mobile combustion sources (i.e. vehicles), which constituted around 66% of total GHG emissions.

Scope	Equivalent CO₂ emission (tonnes)
Scope 1 — Direct emissions from sources	109.40
Scope 2 — Energy indirect emissions	43.78
Scope 3 — Other indirect emissions	13.72
Total	166.90
Intensity per million HK\$ revenue	0.64

Note: The classification of scope of GHG Emissions follows the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)" issued by Electrical and Mechanical Services Department and Environmental Protection Department.

Sewage Discharge

Even though the Group does not consume significant volume of water through our business activities, we have established a set of procedures to prevent pollution of surface water and public sewer. Chemical wastes are stored in secured containers, undercover to prevent ingress of rainwater and where liquids are involved. Storage areas are protected with proper embankment of sufficient capacity to contain projected spill quantities. During periods of wet and muddy conditions, trucks and heavy vehicles shall not leave site unless effective wheel washing is carried out. The washing bay is maintained regularly, and the accumulation of silt is disposed of to the approved disposal sites periodically. Licensed sanitary plumber is employed at all our construction sites to design the temporary sanitary and water supply requirements. In addition, we strictly forbid to place pollution sources such as chemicals, oils, solid wastes, etc. at the rainwater pipe network port and separate the rainwater pipes from other sewage ones so that the rainwater can be directly discharged.

Waste Management

Waste reduction is the focus of our emission control efforts. The Group, through the following measures and objectives, strives to achieve the target of reducing the amount of waste generated and aims at waste management from the source:

- We encourage all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents. Employees can only copy or print with authentication cards;
- We encourage increased use of reusable product, such as envelopes, and better separation of waste streams for recycling;
- We maintain 100% recycling of used toner cartridges by collecting and returning all used cartridge to recycling agents;
- We encourage minimal consumption of paper towels; and
- We closely keep up with the latest government's initiatives and policies in relation to waste management, waste reduction and recycle campaigns in order to allocate resources and formulate strategy in a timely manner.

Hazardous Waste

The Group did not generate significant amount of hazardous wastes from the operation process during the Year.

Non-hazardous Waste

Our construction business would inevitably generate construction wastes in the course of operation. Yet the Group has strict waste handling procedures and does not accept illegal dumping of construction waste. Non-hazardous unrecyclable construction wastes are collected by waste collectors and then disposed at the designated landfill. Pursuant to the Construction Waste Disposal Charging Scheme established by the government, the Group has billing accounts with the Environmental Protection Department to pay for the disposal of construction waste. During the Year, 2,796.40 tonnes of non-hazardous inert construction waste were taken to the public fill.

A2. Use of Resources

The Group advocates the efficient use of resources. The major resources used by the Group are electricity, water, and paper. The Group spurs to improve the efficient use of natural resources, such as minimising waste/emissions and implementing effective recycling program. Practical measures are implemented as follows:

Energy Consumption

The Group acknowledges the importance of electricity and energy saving and the fact that reducing electricity consumption will indirectly reduce greenhouse gas emissions. Therefore, the Group encourages various energy saving measures, including:

- switching off lights, computers, fans and other electronic appliances when they are not in use;
- replacing lighting tools of low energy-efficiency with LED and energy-saving lights; and
- maintaining indoor temperature at an energy-efficient level 24–26 degree Celsius for comfort.

The performance of the Group on energy consumption were as follows:

Type of energy	Energy consumed (MWh)
Unleaded petrol	245.57
Diesel	135.62
Electricity	85.84
Total	467.03
Intensity per million HK\$ revenue	1.79

Water Consumption

The Group takes a cautious approach to water stewardship, seeking to maximize efficiency and reduce water consumption. We strive to engage all employees to develop a habit of conserving water consciously. Pantry and washrooms are posted with environmental messages to remind employee the importance and urgency of water conservation. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis.

During the Year, the impact of freshwater use was relatively insignificant for the Group. The Group did not encounter any problems in sourcing water that was fit for purpose.

Use of Paper

Reduction in paper use indirectly reduces the overall GHG emission. The Group has been taking the steps to reduce paper consumption which are set out in "Waste Management".

During the Year, the consumption of paper was 2,835kg.

A3. The Environment and Natural Resources

Recognising that environmental protection is an important obligation of global enterprises, the Group complies with all applicable environmental laws and regulations and makes great efforts to reduce consumption of resources and energy. The Group regularly assesses its environmental risks incurred from operations, review its environmental practices and adopt necessary preventive or improvement measures. The Group communicates with its suppliers and business partners to better understand their environmental policies and procures and purchase more environmental equipment. Leveraging on the policies mentioned in the sections headed "Emissions" and "Use of Resources" above, the Group will continue to implement environment-friendly practices in the Group's operation in order to enhance environmental sustainability.

Noise Management

The Group and the employed subcontractors strictly adhere to the laws stipulated by Environmental Protection Department by carrying out all construction works only during the permitted days and hours. Well plan and improve construction processes reduce unnecessary knocking and cutting works. Inspection and maintenance of all equipment before use are carried out for compliance of permitted noise level. Our site staff and safety officers implement immediate corrective actions to rectify the situation whenever any environmental noncompliance is noted on site.



SECTION B. SOCIAL

B1. Employment

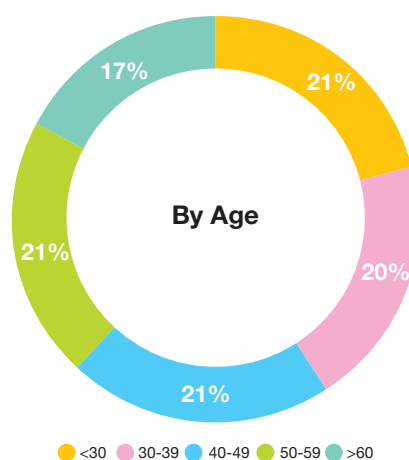
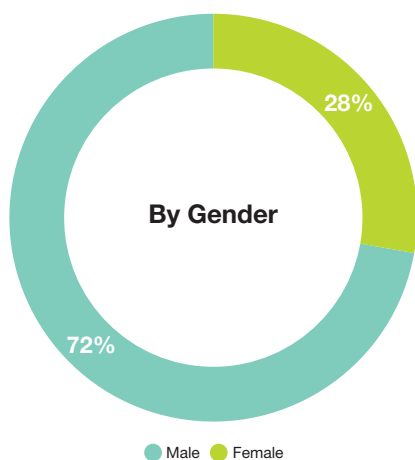
Employees are our most valuable assets. Their on-going contributions and efforts are the reasons for the sustainable growth of the Group. In view of this, we provide comprehensive remuneration package to attract, motivate and retain appropriate and suitable employees to serve the Group. The remuneration package our Group offered to our employees includes salary, discretionary bonuses, other cash allowances or subsidies and Mandatory Provident Fund (MPF). In general, our Group determines employee salaries based on each employee’s qualifications, position and seniority. Besides, internal promotion is offered to existing staff, and we offer adequate on-the-job and professional trainings to help them qualify for senior positions. The remuneration policy and packages are periodically reviewed by making reference to the prevailing market conditions.

The management undertakes to ensure that all human resources management practices, including the employee’s recruitment and dismissal, are in compliance with applicable laws and regulations in all material aspects. All newcomers will be given a staff handbook which lists out 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 work ethics. The Group enters into separate labour contracts with each of our employees in accordance with the applicable labour laws of Hong Kong.

The Group is committed to build a working environment free from discrimination of gender, race, religion, age, marital and family status, pregnancy or any other reasons.

During the Year, there were no material noncompliance regarding employment brought against the Group or its employees.

As at 31 March 2020, the Group had 127 employees including 86 staff and 41 workers. All our employees were based in Hong Kong. During the Year, the staff turnover rate and new hire rate were 17% and 6% respectively. The detailed breakdown is set for the below:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Function	By Function	Number of staff
Chief Executive level management		2
Senior managerial level		4
Middle managerial level		17
General employees		104
Total		127

B2. Health and Safety

We place emphasis on occupational health and work safety during the delivery of our services as it is our concern not to put our employees, our subcontractors and the general public in hazards. Insurance policies purchased can cover and protect our employees in the office and construction site. Occupational health and safety management system has been implemented in our business and was certified to be in compliance with the requirements of OHSAS 18001: 2007.

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. We also provide appropriate and adequate protective equipments (such as safety helmets, goggles, safety shoes, ear plugs, dusk masks) to our construction site workers. Our safety officers are responsible for the entire safety matters of the construction sites. They station in construction sites to supervise the observance of the safety standards by the site workers (including the Group's and the subcontractors' employees), and promote the safe execution of work in the construction sites. Besides, site safety meetings of each individual construction project are held regularly where our project team review and monitor the execution and compliance of the safety standards in the workplace together with the subcontractors' representatives. As a reward for the pursuit of safety, we award a discretionary bonus to our site staff and workers of the construction project if no summons is issued from government authorities for breach of laws, rules and regulation in relation to safety for that particular project.

In compliance with the Factories and Industrial Undertakings (Safety Management) Regulations (Chapter 59AF of the Laws of Hong Kong), the Group engages an external expert to perform an external safety audit and perform an inspection of required project sites semi-annually. The safety audit will evaluate the effectiveness, efficiency and reliability of our safety management system, and identify the strengths and weaknesses of the existing system and provide recommendations for improvement.

The Group abides by laws and regulations related to health and safety, including but not limited to the Occupational Safety and Health Ordinance and Building Ordinance. During the Year, the Group was not convicted in any noncompliance cases relating to health and safety.

We also support employees' work-family balance by encouraging employees to efficiently complete their works within working time, and overtime is generally not encouraged.

B3. Development and Training

We regard staff development as one of the most important drivers for the Group's development. We provide various types of trainings to our employees, including those on occupational health and safety in relation to our work as mentioned in aspect "Health and Safety" in this Report. Such trainings include our internal training as well as courses organised by external parties such as the Construction Industry Council in Hong Kong and the Occupational Safety and Health Council in Hong Kong. Also, staff are entitled for examination leave for developing their professionalism. We believe it is a win-win approach for achieving both employee and corporate goals as a whole.

During the Year, the Group provided 1,852 training hours in total. 105 employees were trained, covering 83% of the total workforce.

B4. Labour Standard

The Group strictly adheres to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) in all respects of employment. Accordingly, engagement of child labour, illegal labour and forced labour are strictly prohibited by the Group. Employment contracts and other records, documenting all relevant details of the employees (including age) are maintained properly for verification by relevant statutory body upon request. Besides, 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 upon giving prior notice as stipulated in their employment contracts.

The Company clearly sets out the code of conduct for employees in the staff handbook. Employees are encouraged to report any malpractice to their supervisor.

During the Year, the Group was not aware of any noncompliance with the relevant laws and regulations that have significant impact on the Group relating to prevention of child and forced labour.

B5. Supply Chain Management

We generally maintain multiple construction materials suppliers and subcontractors for products and services to avoid overreliance on a single or a few suppliers and subcontractors. We evaluate and select suppliers and sub-contractors based on a wide range of aspects and standards, including but not limited to the professional qualification, services/products quality, financial status and integrity. We also put much emphasis on the legal compliance of their operations in addition to cost consideration. We advocate the standards and expectations in respect of environment issues and labour practices to suppliers and sub-contractors, with the expectation that they will uphold standards that are similar to that of the Group. We maintain a list of approved subcontractors and suppliers which is updated according to our assessment of their performance on a continuous basis.

Thus, we believe there are no significant environmental and social risks for our management decision on supply chain management.

During the Year, the Group had 219 suppliers and 208 subcontractors from Hong Kong.

B6. Product Responsibility

Quality control on projects

The Group is liable for the works carried out by us and our subcontractors. We ensure that each project is completed in accordance with the specifications set out for the project. Our project managers closely monitor the progress of each project to ensure that our services (i) meet our customer's requirements; (ii) are completed within the time stipulated in the contract and the budget allocated for the project; and (iii) comply with all relevant rules and regulations. Our project managers will monitor overall work quality and the progress by on-site inspections and supervision regularly. Besides, the Group has established good communication channels and regular meetings and communications with our customers in order to have a sufficient understanding of their needs, and reflect their needs in the daily project management so as to improve the quality of services.

If a complaint arises, the Group will immediately assess the complaint and conduct an internal investigation into the matter to identify the source of the issue. Follow-up actions will be taken accordingly once the complaint is valid, which also act as a reference for our future improvement.

The Group also recognises the importance of the intellectual property right. The management and relevant department review the contracts entered into with customers and suppliers to ensure the intellectual property rights are properly accounted for.

Materials and consumables

We closely monitor the quality of materials and consumables used in various projects. Our procurement staff will ensure that they are sourced from our approved list of suppliers. With regard to the procurement of materials required by the contract, a list of materials is submitted to project architects for approval to ensure the quality of materials. For incoming purchases, our site supervisors conduct visual inspections and sample tests to ensure right quantities, types, grades and sizes of materials (as the case may be) and collect evidence of defects.

The Group has also a clear record for the origins of material and where the materials are used specifically. In cases where the supplied material or the finished product is not satisfactory, the Group can investigate through the material origin and use records to identify the unsatisfactory material and its origin.

Privacy Protection

The Group takes privacy issues of our customers, internal employees, data, and external partners and suppliers very seriously. We have established confidentiality guidelines in order to demonstrate our firm commitment to privacy issue. The customers' information should not be revealed to anyone other than staff who are in the normal course of conducting duties and responsibilities. Disclosure of customers' confidential information to unauthorised personnel is prohibited and could result in disciplinary action, up to and including termination of employment.

During the Year, the Group did not receive any material complaint in relation to the quality of the contractor works of our construction projects. The Group had been in compliance with relevant laws and regulations in all material aspects, and had not been assessed any fines or penalties that had a material and adverse impact on our business operation with regard to product responsibility.

B7. Anti-corruption

Subcontractors and workers

We may be liable to our customers for the performance of our subcontractors and we may also be liable to any potential employee compensation claims and personal injuries claims made by our employees or our subcontractors arising from work injuries that may happen from time to time. In order to ensure that our subcontractors comply with the contractual requirements and the relevant laws and regulations, we require our subcontractors to follow our internal control measures in relation to quality control, safety and environmental compliance. Safety committee is established and works with project team conduct regular site inspections and meetings to ensure general compliance by our own workers as well as our subcontractors in quality, safety and environmental requirements.

The Group is committed in achieving and maintaining the integrity in business. Any forms of corruption, bribery, extortion, money-laundering and other fraudulent activities in the construction projects tendering process, procurement, sub-contracting are strictly prohibited pursuant to the Group's policy and will be reported to the relevant authority. We clearly state the anticorruption policies in our staff handbook.

The Group forbids employees to solicit or accept 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 us.

On the other hand, under no circumstances should 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 abides by laws and regulations related to anti-corruption, including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong). During the Year, the Group was not aware of any incidents of non-compliance with the Prevention of Bribery Ordinance or with any other relevant laws and regulations regarding bribery, extortion, fraud and money laundering.

Whistle-Blowing procedures

The Group sets up report channel to encourage employees to raise concerns about suspected misconduct, malpractice or irregularities in confidence. All reported cases are promptly and thoroughly investigated by the audit committee and the Board while the confidentiality is respected in order to protect individuals. If there is sufficient evidence to suggest that a case of possible corruption exists, the case will be reported to the relevant local authorities.



B8. Community Investment

We recognise the need to participate in the community and therefore we both encourage and motivate our employees to better serve our community at work and during their personal time.

We are a signatory of the “Organ Donation Promotion Charter” and signify the support towards the promotional activities on organ donation.

We takes the social responsible in heritage conservation in Hong Kong by playing an active role in repair and restoration of historic buildings, such as conservation of St. Paul’s Primary Catholic School.

We incur extra costs and time for complying with all the requirements imposed by the Government Departments, working along with conservation and heritage consultant and providing all necessary protective and precautionary measures to the heritage buildings.

PERFORMANCE DATA SUMMARY

Environmental Performance

	Unit	2020
Exhaust gas emissions		
Nitrogen oxides	kg	62.99
Sulphur oxides	kg	0.46
Respirable suspended particulars	kg	5.47
Greenhouse Gas Emissions		
Total emissions	tonnes	166.90
Scope 1 – Direct emissions from sources	tonnes	109.40
Scope 2 – Energy indirect emissions	tonnes	43.78
Scope 3 – Other indirect emissions	tonnes	13.72
GHG Intensity	tonnes/million HK\$ revenue	0.64
Waste Production		
Non-hazardous waste	tonnes	2,796.40
Non-hazardous waste intensity	tonnes/million HK\$ revenue	0.01
Resources Consumption		
Total energy consumption	MWh	467.03
Energy intensity	MWh/million HK\$ revenue	1.79
Petrol	MWh	245.50
Diesel	MWh	135.62
Electricity	MWh	85.84

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Social Performance

Total workforce by gender, age group, employee category and region

Region	Gender	Employee category	Age <30	Age 30-39	Age 40-49	Age 50-59	Age >60	Total (by gender)	Total
Hong Kong	Male	Chief Executive level management	0	0	0	2	0	92	127
		Senior managerial level	0	0	1	1	1		
		Middle managerial level	0	1	4	2	2		
		General employees	22	15	13	14	14		
	Female	Chief Executive level management	0	0	0	0	0	35	
		Senior managerial level	0	0	1	0	0		
		Middle managerial level	0	3	3	1	1		
		General employees	4	7	4	7	4		

New hire rate by region, age group and gender

Region	By age group	By gender		Total number of new employees	New hire rate
		Male	Female		
Hong Kong	<30	3	0	8	6%
	30-39	2	1		
	40-49	0	0		
	50-59	1	0		
	>60	1	0		

Employee turnover rate by region, age group and gender

Region	By age group	By gender		Total number	Employee turnover rate
		Male	Female		
Hong Kong	<30	2	1	21	17%
	30-39	4	0		
	40-49	5	1		
	50-59	2	0		
	>60	6	0		

Work related fatality and injury

Gender	Number and rate of work-related fatalities	Number of worked-related injuries	Number of days lost due to work injury	Rate of worked-related injuries (per thousand employees)
Male	0, 0%	8	420	62.99
Female	0, 0%	0	0	
Total	0, 0%	8	420	

Percentage of trained employees by gender and function

Function	Male (Person)	Female (Person)
Chief Executive level management	1	0
Senior managerial level	3	0
Middle managerial level	8	3
General employees	76	14
Percentage of trained employees (by gender)	96%	49%

Average training hours by gender and function

Employee category	Male (Hours)	Female (Hours)	Average training hours per employee (By function)
Chief Executive level management	8	0	4.00
Senior managerial level	24	0	6.00
Middle managerial level	64	24	5.18
General employees	1,498	234	16.65

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Milestone Builder Holdings Limited

進階發展集團有限公司