

**BOSA TECHNOLOGY HOLDINGS LIMITED**

**人和科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8140)**

**Environmental, Social and  
Governance Report 2018**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPROACH

BOSA Technology Holdings Limited (hereafter called as “the Company”) and its subsidiaries (collectively, “the Group”) are committed to providing high quality mechanical splicing services. Positioning as the second largest provider of mechanical splicing service to the reinforced concrete construction industry in Hong Kong in terms of overall sales revenue in 2017, we continue to strive for creating positive long-term value for our shareholders and the environment.

The Group recognizes its responsibility to be accountable to all its stakeholders, including its clients, potential investors and shareholders, employees, non-governmental organizations (NGOs) and local community. Understanding the needs and expectations of the stakeholders is the key to the Group’s success. As each stakeholder requires a different engagement approach at the Company, we have established a tailor-made communication method, in order to better meet each stakeholder’s expectations.

Within the Group, we place a huge emphasis on monitoring the risks and exploring potential opportunities. For the sake of striking a balance among business needs, social demands and environmental impacts, we are committed to continuously monitoring the risks and opportunities existed in our daily operation, and embracing transparent corporate culture to ensure our sustainability strategies are well communicated to our employees, clients, the communities and other stakeholders.

To implement sustainability strategies to all levels of the Group, the top-down approach is adopted for the following sustainability strategies:

1. To achieve environmental sustainability
2. To respect human rights and social culture
3. To engage with stakeholders
4. To support our employees
5. To sustain local communities

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

The Group is pleased to present our Environmental, Social and Governance (“ESG”) Report. The content contained herein focuses on providing an overview of the environmental, social and governance performance of our major operations in Hong Kong for the year ended 30 June 2018 (the “Year”). It helps us to keep a close eye into our current performance as well as the opportunities to escalate. The Year is consistent with our financial year.

### Scope of the Report

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” in Appendix 20 to the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The two ESG subject areas, namely Environmental and Social, are disclosed separately, highlighting the impacts of the operations of the Group in Hong Kong for the Year.

For the Year, the material ESG issues are those which have or may have a significant impact on:

- The Hong Kong reinforced concrete construction industry;
- The Hong Kong mechanical splicing service market;
- The environment or society now or in the future;
- Our financial performance or operations; and/or
- Our stakeholders’ assessments, decisions and actions.

The data and information used in this report are referenced from our archived documents, records, statistics and research.

### Feedback

For details in relation to our financial performance and corporate governance, please visit our website on <http://www.bosa-tech.com> and our Annual Report. We also treasure your feedback and comments on our sustainability performance, please send your feedback and other sustainability enquiries to us at [holding@bosa-tech.com](mailto:holding@bosa-tech.com).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT BOSA TECHNOLOGY HOLDINGS LIMITED

### Our Business

The Company made a successful listing on GEM of the Hong Kong Stock Exchange Limited with stock code 8140 in 2018. The principal activity of the Company is investment holding. The principal activities of the Group are the provision of mechanical splicing services to the reinforced concrete construction industry in Hong Kong. The Group currently offers mechanical splicing services, comprising two elements — processing reinforcing bars and connecting reinforcing bars by couplers. We proceed our services either in our workshops or in customers' site. With the core strengths of unique innovative technologies, self-developed machines, rigorous quality control and experienced project management team, the Group maintains as one of the leading companies in the market.

### Our Vision

To capture more market share in the mechanical splicing service industry in Hong Kong

### Our Mission

To provide best-quality mechanical splicing services based on our experienced and reliable project management team with extensive knowledge of the reinforced concrete construction industry.

### Board of Directors

As at the date of this announcement, the Board consists of:

#### Executive Directors

Mr. Lim Su I  
Mr. Paulino Lim

#### Non-Executive Director

Mr. Kwan Tek Sian

#### Independent Non-Executive Directors

Mr. Chan Chi Keung, Alan  
Ms. Chu Wei Ning  
Mr. Ng Ming Hon

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR STAKEHOLDERS

The Company actively strives to better understand our stakeholders and engage them to ensure that improvements are implemented to our products and services. We strongly believe that our stakeholders would play a crucial role for sustaining the success of our business in the challenging market.

Stakeholders	Possible concerned issues	Communication and responses
<b>HKEx</b>	Compliance of listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
<b>Government</b>	Compliance of laws and regulations, preventing tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
<b>Suppliers</b>	Payment schedule, stable demand.	Site visits.
<b>Shareholders/ Investors</b>	Corporate governance system, business strategies and performance, investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, financial reports or operation reports for investors, media and analysts.
<b>Media &amp; Public</b>	Corporate governance, environmental protection, human rights.	Issue of newsletters on the Group's website.
<b>Customers</b>	Quality of mechanical splicing works, completion schedule, reasonable prices and service value.	Sales follow-up services.
<b>Employees</b>	Rights and benefits, employee compensation, training and development, work hours, working environment, labour protection and work safety.	Conducting union activities, trainings, interviews for employees, issuing employee handbooks, internal memos, employee suggestion boxes and complain channels.
<b>Community</b>	Community environment, employment and community development, social welfare.	Developing community activities, employee voluntary activities and community welfare subsidies and donations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Section A: Environmental

The Group places high importance to maintain and even enhance our product and service quality standards to cater our customers' needs, while being responsible to the community and the environment. As we believe it is not just an ethical obligation, but a gateway to business success. Therefore, we make every effort to integrate sustainability into the core of our business by the implementation of eco-friendly measures to reduce carbon and emission footprints, as well as the related intensity<sup>1</sup>.

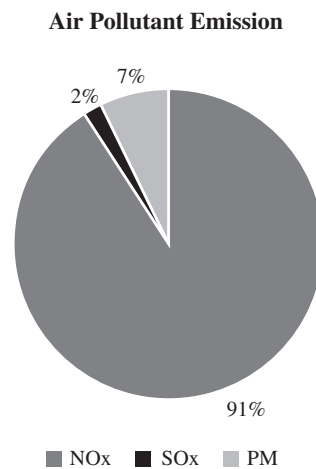
For the Year, there was no material non-compliance issue with relevant laws and regulations related to the environment. The Group will continue to contribute to future sustainable development.

### Emissions

#### *Air Emission*

As the Group's core business activity is the provision of mechanical splicing services, there is no gaseous fuel consumption, neither town gas nor liquefied petroleum gas ("LPG"). The material air pollutants are emitted from the usage of 4 motor vehicles for transporting our Directors, senior management and employees between our workshops, office and customers' sites. The air pollutants are mainly constituted of sulphur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter ("PM"). During the Year, the total petrol consumption from our 4 automobiles was 10,680L, which produced approximately 6.84 kg of air pollutants with an intensity of approximately 0.18 kg per employee.

Nonetheless, the Group has implemented an environmental policy to reduce the emissions of the relevant air pollutants. All motor vehicles are under frequent and regular checks and maintenance to ensure no energy inefficiency occurs.



<sup>1</sup> The different intensity figures in this report are calculated per employee, in which there were 39 employees as at 30 June 2018.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Greenhouse Gases Emission

During the Year, the total greenhouse gases (“GHG”) emission by the Group weighted approximately 227 tons. The key components of the GHG emissions by the Group are the direct consumption of electricity and the operation of motor vehicles. Alongside the aforementioned sources, there are also several indirect emission sources noted as the electricity used in fresh water and sewage processing, paper waste disposal at landfills and business air travels by our employees. As of our 39 employees, the GHG emission intensity was approximately 5.83 tons per employee.

With our determination of environmental sustainability, several measures to reduce our GHG emissions have been implemented accordingly. Those measures include promoting paperless office by reusing single-side-printed paper, encouraging employees to switch off all idle appliances and using energy-efficient and environmental-friendly appliances.



Refrigerator with Green-Life label at office

GHG emission sources	GHG produced (in ton)	%
Scope 1 — Direct emission from sources		
— Automobiles	28.92	12.72%
Scope 2 — Emissions from electricity consumption		
— Electricity consumption	191.75	84.37%
Scope 3 — Other indirect emission sources		
— Paper waste disposal in landfills	2.75	1.21%
— Electricity used for processing fresh water <sup>2</sup>	0.50	0.22%
— Electricity used for processing sewage	0.25	0.11%
— Business air travel by employees	3.11	1.37%
<b>Grand total</b>	<b>227.28</b>	<b>100%</b>

<sup>2</sup> Due to the limitation of data collection, the water consumption data only represents Pingche Workshop's, which was the most material one.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Waste Management*

There is no hazardous waste involved in the Group's operation.

The non-hazardous waste produced by the Group was mainly the inert waste, which was the remaining iron portion after processing reinforcing bars, and paper waste. Most of the time, the remaining iron portion was re-sold to third parties as raw materials for further production. Hence, there was only paper waste to be disposed to the landfills. The total weight of paper waste disposed by the Group during the Year amounted to approximately 570 kg, with an intensity of approximately 14.68 kg per employee.

Paper usage is always one of the alerting concerns in consumption of natural resources. Logging is involved, which will provoke negative impacts on the environment both directly and indirectly, during the paper production process. Amid the daily operations of the office and workshops, the Group encourages the use of electronic documents. We have replaced printed documents with computer-based documents, and endeavored to realize paperless office and resource sharing, thereby reducing the use of printed documents. The Group also requires employees to opt for double-sided printing, and reuse the discarded single-sided printed paper, so as to save paper.

## **Use of Resources**

The Group undertakes to become a resource-saving and environmental-friendly enterprise to promote environmental protection. To reduce carbon emissions, we have taken the initiatives to reduce our usage of resources in our business operations.

## *Energy Consumption*

The electricity consumed by the Group's workshops was the largest contributor to the GHG footprint. The main culprits of the electricity consumption were some of the Group's machines in workshops for mechanical splicing services, namely cutting machine, CNC crimping machine and CNC threading machine, which were driven by electricity.

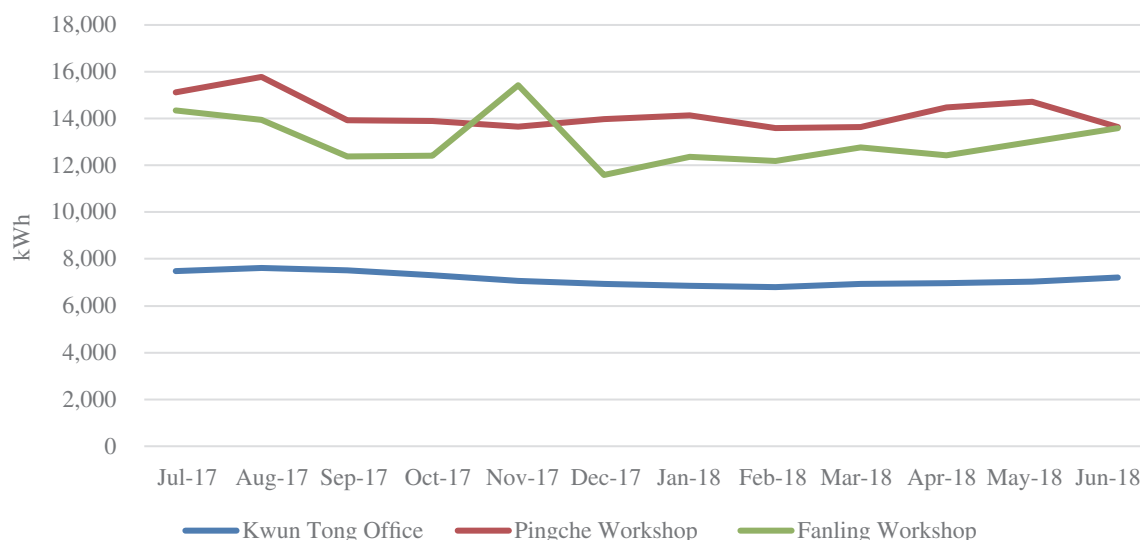


*Three types of mechanical splicing machines located at workshops*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Year, the total electricity consumption amounted to approximately 300 MWh, in which the Pingche workshop and Fanling workshop constituted approximately 51.7% and 43.9% respectively, with an intensity of approximately 7.80 MWh per employee.

## Electricity Consumption



To reduce overall energy consumption, the Group has adopted an Energy Conservation Policy with the following measures in office:

1. Prioritizing the use of more energy-efficient products, so as to reduce overall energy consumption;
2. Setting the temperature of air conditioners at 22–25 degree centigrade;
3. Switching computers that stand idle for at least 20 minutes to power-saving mode;
4. Switching off air conditioners, lights, computers, printers, photocopiers and any other electrical appliances if they are not in use or when the last employee leaves the office/workshops; and
5. Switching off all plants, machineries and vehicles when not in use.

The Group has emphasized the essentialness of energy conservation. The Group spurs every employee to participate in the initiative of energy conservation and emission reduction. They are also encouraged to switch off equipment that are not in use, and check whether all equipment is turned off before leaving work. In addition, the Group has carried out activities of promoting the knowledge about energy conservation and emission reduction, so as to prompt employees to develop habits of saving energy and protecting environment.

Besides, for the electrical-driven machines in our workshops, we have consistent repair and maintenance to avoid any malfunction and machinery inefficiency for extra energy consumption. During the Year, the repair and maintenance cost was around HK\$20,000. Looking ahead, we would continue to keep up the pace of energy-saving and energy conservation in our business.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Water Consumption*

Since water is one of the most precious natural resources in the world, cherishing water resource is the fundamental target of the Group. Being the most material water consumption point, our Pingche workshop consumed approximately 1,200 cubic metres<sup>3</sup> of water during the Year, which is 31.70 cubic metres per employee. Since our water sources are from Water Supply Department, there is no water supply issue identified.

Effective use of water can significantly whittle down the indirect consumption of electricity during water processing, and thus the greenhouse gases emissions as well. The Group has also encouraged our staff to save and use less water when unnecessary.

## *Packaging Materials*

The Group's principal activities are offering the mechanical splicing services to the reinforced concrete construction industry. Thus, there is no significant usage of packaging materials to be identified.

## **The Environmental and Natural Resources**

The Group is committed to the minimization of any adverse impact on the environment resulting from our business operations. The Group believes that the natural environment should not be used to compensate our business activities. Therefore, alongside the aforementioned aspects, we have also implemented and monitored closely for further environmental protection.

## *Noise Control*

The Group highlights the significance on the noise control management resulting from the use of powered mechanical equipment. The Group abides strictly with the Noise Control Ordinance in which no mechanical splicing work is permitted between 7 p.m. and 7 a.m. on normal weekdays and any time on general holidays without any prior approval. Our directors monitor intently on our workshops to comply with environmental laws and regulations.

During the Year, the Group did not record and aware of any non-compliance issue with applicable environmental requirements. By integrating environmental consideration into our business strategies, we aim to be an environmentally sustainable business. In the coming years, we would continue promoting greenhouse gas emission reduction, energy and paper resource conservation and efficient use of natural resources. We believe that raising environmental awareness and reinforcing the positive behavioral changes not only can bring benefits to our financial situation, but also to the future generations. The Group will go forward to achieve better environmental protection results to be responsible for our cherishable nature.

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<sup>3</sup> The yearly figure was estimated from the actual usage of water during the season September 2017 to January 2018, which was 309 cubic metres.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Section B: Social — Employment and Labor Practices

### Employment

Employees are always one of the most treasurable assets for the Group. The Group places significant importance to the dedication and the effort by our employees and hence we address the essence of the common interests for both. Thus, we aim to grow with our employees for the future boom of the Group.

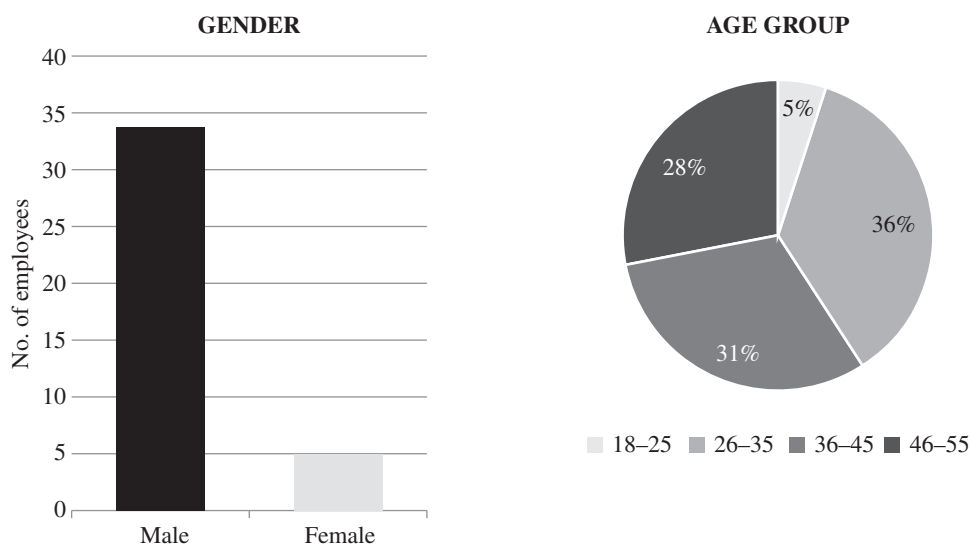
#### *Employees Benefits*

The Group has established a long term favorable relationship with our employees. We offer competitive and attractive remuneration package, including on-the-job training, year-end bonus, performance-based incentive bonus and travelling accommodation, to our employees. The Group also provides Mandatory Provident Fund to all our qualified employees. All of our employees are covered and protected by the employees' compensation insurance. We continuously assess our employees based on their performance to decide the salary increase, bonus amount and promotion chance, in order to keep them up to the Group's standard as well as reward them for their contributions. Since June 19, 2018, the Group has conditionally adopted the Share Option Scheme to grant options to certain eligible participants to acquire shares.

The Group strictly abides with the Employment, the Mandatory Provident Fund Schemes Ordinance, the Employees' Compensation Ordinance and other relevant laws and regulations which cover all employment protection and benefits.

#### *Harmonious Workplace*

In order to diversify the background exposure of the Group, we hire people based on experience, expertise and values, regardless of race, color, creed, national origin, ancestry, sex, marital status, disability, religious or political affiliation, age or sexual orientation. We formulate equal opportunities and diversity policies for all employees. As at 30 June 2018, our employee male-to-female ratio is 34:5, and age group ranges from 18 to 55 years old, for 39 employees in total. We make efforts to build a harmonious workplace without discrimination for our employees.

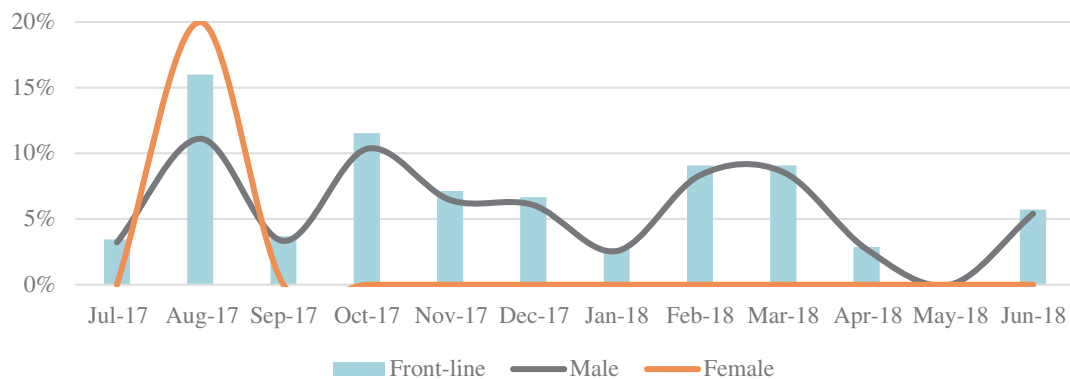


# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Employees Work-life Balance

The Group provides competitive employment package to our employees with attractive number of leaves to ensure that our employees can enjoy work-life balance. The employee benefits and harmonious working environment help keep the monthly average turnover rate as low as approximately 5.43%. There is no turnover case for both middle-management and top-management level during the Year.

### Turnover Rate by Gender and Level



## Occupational Health and Safety

The Group is committed to safeguard the safety, health and welfare of all employees, workers, and general public likely to be affected by the normal operations. To redeem our commitment, we have established certain safety policies. The policies include effective promotion and communication of safety procedures with preparation of safety reports; strict requirements for our employees to follow the safety rules and indispensable safety induction briefing sessions and trainings covering prevention, handling and reporting of accidents. We also have our own occupational health and safety officer, who is certified in a safety supervision training course organized by an external trainer, to prepare safety plans, manage the occupational health and safety management system and help with any accidents occurred.

Alongside the safety measures in workshops and customers' sites, the Group maintains a healthy and safe environment in the office as well. We notice the preparedness for the potential accidents. Thus, there is a first aid box placed at the office in case any injury happens.



First-aid-box placed at office

The Group abides strictly to the Section 15 of the Employees' Compensation Ordinance to report any accident to the Commissioner for Labour. During the Year, there was only 1 case of injury and no fatal cases reported within the Group. In this case, 608 hours of working hour were lost because we promise to provide sufficient days of sick leave due to work injury for our employees. We will continue to strive for a safe and healthy work environment for our employees and front-line workers.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Development and Training

The Group underlines the indispensableness of employee improvement. The Group promises to provide sufficient and efficient training to our employees. We also focus on the ability requirements of each level of employee to ensure our employees are grooming with the Company at the same time. We offer different internal training and development to our employees to enhance their performance. If any of the employees lag behind, additional training with assessments will be provided to keep our employees on track to maintain the work quality.

As mentioned above in Occupational Health and Safety section, all employees are required to receive safety induction briefing sessions and trainings before the commencement of work and during the course of employment. The safety trainings focus on the prevention of accident, safety procedures for using of the mechanical machineries, emergency dealing and reporting procedures. These training sessions are to ensure our employees fully understand our safety policies and requirements, as well as protect them from getting any injuries.

Besides the induction training sessions, our management will also attend courses to enhance the necessary skills and knowledge to better manage the Group's operation. During the Year, our management received a total of 18 hours of training, with an average of 3 hours per personnel.

## Labor Standards

The Group strictly abides with the relevant laws and regulations with regards of child labor, minimum wage specified by the government and monthly salary payments and mandatory provident fund scheme. We are delighted to announce that we have not encountered major risks in human rights matters so far. The Group guarantees that no employee is made to work against his/her will, or work as forced labor, or subject to coercion related to work. Recruitment of child labor is strictly prohibited. There is no employees recruited for under age 18. Through the whistle-blowing mechanism, employees are able to voice out injustice they face.

## Section B: Social — Operating Practices

### Supply Chain Management

As a group to process reinforcing bars, we recognize the essentialness of the supply chain management of our sole and principal inventory — couplers. During the supplier selection process, we considered the qualification, reputation and product quality and consistency of the suppliers. As at 30 June 2018, we have contracted with an original equipment manufacturer factory ("the OEM factory") in Taiwan for a long-term non-exclusive framework agreement till November 2026. The OEM factory will supply all the necessary couplers with required specification and quality standards to the Group in a timely manner. As at 30 June 2018, the OEM factory is the sole supplier of our Group's inventory and we have established a good business relationship with the supplier.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As a mechanical splicing service provider, the Group recognizes the importance of delivering high quality services on time. Hence, the inventories delivered from the OEM factory play a very significant role in our supply chain. To prevent any risk of inventory shortage due to the not-on-time delivery by the OEM factory, we have obtained quotations from two other alternative suppliers. We have placed sample orders of couplers from one of the alternatives to conduct quality testing to check if the new supplier can supply inventories up to our Group's quality standards. During the selection of back-up alternative suppliers, we underline the importance of inventory quality, required skills for the supplier to produce our customized couplers, price and the timely delivery. Also, all of our business transactions with supplier should maintain a high standard of ethics in which bribes or other improper interests cannot be provided or accepted. According to applicable laws and regulations, information about the business activities, structure, financial status, and performance should also be regularly disclosed.

## **Product Responsibility**

Since the Group specializes on the provision of the mechanical splicing services to the reinforced concrete construction industry, we are committed to complying with and even exceeding applicable industrial and safety standards and quality control for the sake of safeguarding both the company reputation and the public interests.

### *Quality Standards*

The Group has set up a Quality Policy to commit ourselves for providing satisfactory services to settle customers' desire. We have implemented and maintained our Quality Management System ("QMS") at all cost in which we have been certified to comply with the requirements of ISO 9001:2008 quality management system standard, which is applicable to the "Scope of Design, Production and Supply of Mechanical Splices". Also, our QMS in Taiwan has also been certified for in compliance with ISO 9001:2015 quality management system standard for the approved scope as "The Manufacture, Trade and Sales of Building Material Including Steel Coupler".

### *Annual Internal Inspection*

The Group will conduct an internal inspection, covering both the Hong Kong office and two Hong Kong workshops in Fanling and Ping Che, regarding the QMS in compliance with ISO 9001:2008 and ISO 9001:2015 quality management system standards on an annual basis. The inspection is carried out and monitored by our Account and Administrative Manager and Quality Management Consultant. An internal inspection report will be prepared to conclude the inspection coverage and criteria and summarize the findings and improvement recommendations. We will continue to ensure the implementation of the QMS are up to required standards.

### *Quality Control*

The Group has implemented a mature inspection system to ensure that all of the services provided are of satisfactory quality.

For processing reinforcing bars, all of the pre-processed reinforcing bars must be delivered to our Group with mill certificate stating clearly the heat number. For connecting reinforcing bars by couplers, the Group closely monitors the production process of the couplers by the OEM factory. Only those raw materials with effective mill certificate and passing mechanical test and chemical test will be used for the production.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

After processing and coupling the reinforcing bar, all tags on the processed products must also include the heat number. Then, our Level 3 Technician of Technically Competent Persons under Registered Structural Engineer's stream ("RSE's TCP (T3)") will randomly select samples from the processed reinforcing bars and inspect with the control bars with the same heat number. The Group will also invite a registered laboratory under the Hong Kong Laboratory Accreditation Scheme ("the HOKLAS laboratory") to inspect the samples with the supervision of the RSE's TCP (T3). The inspection will be conducted under the requirements of Code of Practice for Structural Use of Concrete (2013), conforming the Clause 3.2.8.3 for Type 1 mechanical couplers and Clause 3.2.8.4 for Type 2 mechanical couplers. The processed reinforcing bars will only be sent to the customers after the test reports are issued with a "Pass" or "Without Failure" result by the HOKLAS laboratory. The Assistant Quality Supervisor will also prepare a thread preparation check record to keep track on whether the samples are satisfactory for the thread length check as well as the thread profile check. We aims at reaching 97% passing rate for product sampling inspection, as well as 100% passing rate for all products inspection before delivery, in 2019.

### *Customers' Response*

The Group always treasures the customer relationship as an invaluable asset. We will invite our customers to evaluate our services upon completion. Most of our evaluation results are of 80% or above in terms of customer satisfaction. During the Year, there is no complaints regarding service quality reported. We will continue to keep the well-established relationships with our customers and aims at achieving 85% or above customer satisfaction in 2019.

### *Relevant Laws and Regulations*

Actively notifying the compliance issues and inspecting among any deficiencies can prevent problems from escalating. Therefore, the Group keeps a close eye on the updates of Buildings Ordinance, Code of Practice for Structural Use of Concrete and other relevant regulations and codes to revise our policies and operations accordingly to prevent any malpractice. Due to our preventive measures and stringent quality control system, there was no complaints or non-compliance issue reported during the Year. We will continue to strive for providing high service quality to our precious customers.

### **Anti-corruption**

For the Group to maintain a fraudless environment, it is importance for us to highlight the prevention of any bribery, extortion, fraud and money laundering. Corruption and bribery are not entirely the question of morals and ethics, but also questions of legal litigation and the Group's reputation damage. Therefore, the Group has set up an "Anti-Bribery & Anti-Corruption-Statement" to state clearly the definition of bribery and corruption, the Group's stance and the responsibilities of our employees. The Group severely prohibited our employees to accept any forms of gifts and benefits beyond proper permission. Our employees should always perform duties with integrity in which no bribe, fraud or money laundering should be involved for their own benefits by harming the Group.

During the Year, there was no concluded legal case regarding any forms of fraud brought against the Group or our employees.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Whistleblowing Procedures*

The Group has set up a “Whistleblowing Policy” to encourage our employees to report alleged malpractices or misconduct. The Group values and welcomes our employees to report any suspected malpractices through various channels, i.e. emails, website, in person. The management will take immediate action to investigate on the issue. The Group promises to fully support the whistleblower and the identity of the whistleblower will also be well protected.

## **Section B: Social — Community Investment**

The Group has demonstrated a strong sense of community investment by providing high quality mechanical splicing services to preserve and strengthen the structural integrity of the reinforcing bars not only used in private sector but also in public construction. With our trustworthy techniques and products, we intend to invest more resources in serving the public sector to contribute our efforts as part of the community.

Alongside the services and products provided, the Group also imitates to invest more resources into the voluntary section for the sake of positively contributing to the society.

## **REGULATORY COMPLIANCE**

The Group was not aware of any non-compliance with laws and regulations that has a significant impact on the Group relating to emissions, employment, health and safety, labor standards, product responsibility and anti-corruption during the Year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL DATA

	Year ended 30 June 2018
<b>Emissions Indicators</b>	
<b>Air Emissions</b>	
Total air emissions	6.84 kg
Air emission intensity	0.18 kg per employee
NOx emission	
Private car using petrol	6.22 kg
SOx emission	
Private car using petrol	0.16 kg
PM emission	
Private car using petrol	0.46 kg
<b>Greenhouse Gas Emissions</b>	
Total greenhouse gas emissions	227.28 tons
Greenhouse gas emission intensity	5.83 tons per employee
CO <sub>2</sub> emission	
Mobile combustion sources (vehicles)	25.21 tons
Electricity consumption	191.75 tons
Electricity used for processing fresh water	0.50 tons
Electricity used for processing sewage	0.25 tons
Paper waste disposal at landfills	2.75 tons
Business air travel by employees	3.11 tons
CH <sub>4</sub> emission	
Mobile combustion sources (vehicles)	0.057 tons
N <sub>2</sub> O emission	
Mobile combustion sources (vehicles)	3.66 tons
<b>Non-hazardous waste produced</b>	
Total non-hazardous waste produced (paper waste)	572.46 kg
Non-hazardous waste produced intensity	14.68 kg per employee
	Year ended 30 June 2018
<b>Use of Resources Indicators</b>	
<b>Electricity consumption</b>	
Total electricity consumption	304.37 MWh
Electricity consumption intensity	7.80 MWh per employee
<b>Water Consumption</b>	
Total water consumption	1,236.40 m <sup>3</sup>
Water consumption intensity	31.70 m <sup>3</sup> per employee

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL DATA

	Year ended 30 June 2018
<b>Employment Indicators</b>	
<b>Employment</b>	
Total number of employees	39
By Gender	
Male	34
Female	5
By Age Group	
18–25	2
26–35	14
36–45	12
46–55	11
By Job Level	
Front-line	32
Middle management	3
Top management	4
<b>Employment turnover</b>	
Total number of employee turnover	23
% of employee turnover (monthly average)	5.43%
By Gender (monthly average)	
Male	5.92%
Female	1.67%
By Job Level	
Front-line	6.78%
Middle management	–
Top management	–
<b>Health and Safety Indicators</b>	
Number of reported injuries	1
Number of lost hours	608 hours
Total number of hours of internal staff training	18 hours
% of trained employees	15%
Average hours per trained employee	3 hours
Total training hours by Job Level	
Front-line	–
Middle management	–
Top management	18 hours

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	Year ended 30 June 2018
<b>Employment Indicators</b>	
% of training by Job Level	
Front-line	—
Middle management	—
Top management	100%
<b>Supply Chain Indicators</b>	
Total number of approved suppliers (if any)	1 existing; 2 backup
<b>Product Responsibility Indicators</b>	
Total number of complaints received	—
Total number of legal dispute cases	—
<b>Anti-corruption Indicators</b>	
Number of conducted legal cases regarding corruption	—
<b>Community Indicators</b>	
<b>Community Investment</b>	
Corporate charitable donation	—
<b>Employee volunteering</b>	
Number of employee volunteers	—
Total number of service hours	—

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ESG REPORTING GUIDE & REFERENCE

### A. Environmental

### Reference in this report

#### A1. Emissions

#### Page #

Policies and 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.	6–7
KPI A1.1 The types of emissions and respective emission data.	6
KPI A1.2 Greenhouse gas emission in total (in tonnes) and where appropriate, intensity (e.g per unit of production volume, per facility).	7
KPI A1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g per unit of production volume, per facility).	N/A
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g per unit of production volume, per facility).	8
KPI A1.5 Description of measures to mitigate emissions and results achieved.	6–8
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	8

#### A2. Use of Resources

#### Page #

Policies on the efficient use of resources, including energy, water and other raw materials.	8–10
KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility).	8
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	10
KPI A2.3 Description of energy use efficiency initiatives and results achieved.	8–10
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	10
KPI KA2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	10

#### A3. The Environment and Natural Resources

#### Page #

Policies on minimizing the issuer's significant impact on the environment and natural resources.	6–10
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6–10

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>B. Social</b>	<b>Reference in this report</b>
<b>B1. Employment</b>	<b>Page #</b>
Policies and compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	11–12
KPI B1.1 Total workforce by gender, employment type, age Group and geographical region.	12
KPI B1.2 Employment turnover rate by gender, age Group and geographical region.	12
<b>B2. Health and Safety</b>	<b>Page #</b>
Policies and compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.	13
KPI B2.1 Fatality number and rate.	13
KPI B2.2 Lost days due to work injury.	13
KPI B2.3 Description of occupational health and safety measures adopted how they are implemented and monitored.	13
<b>B3. Development and training</b>	<b>Page #</b>
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	14
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	14
KPI B3.2 The average training hours completed per employee by gender and employee category.	14
<b>B4. Labour standards</b>	<b>Page #</b>
Policies and compliance with laws and regulations relating to preventing child and forced labour.	14
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	14
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	14
<b>B5. Supply chain management</b>	<b>Page #</b>
Policies on managing environmental and social risks of the supply chain.	15
KPI B5.1 Number of suppliers by geographical region.	15
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	15

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<b>B6. Product responsibility</b>	<b>Page #</b>
Policies; and compliance with laws and regulations relating to health and safety. Advertising, labeling and privacy matters relating to products and services provided and method of redress.	16–17
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2 Number of products and service related complaints received and how they are dealt with.	N/A
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	N/A
KPI B6.4 Description of quality assurance process and recall procedures.	16–17
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A
<b>B7. Anti-corruption</b>	<b>Page #</b>
Policies and compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.	18
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Year and the outcomes of the cases.	18
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	18
<b>B8. Community investment</b>	<b>Page #</b>
Policies on community engagement to understand the needs of the communities where we operate and to ensure that our activities take into consideration the communities' interests.	18
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	18
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	18