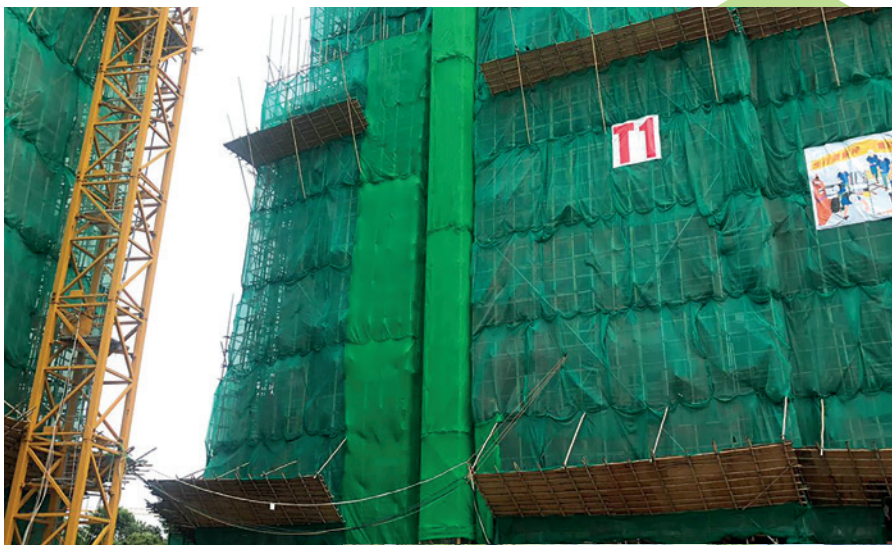


# WLS Holdings Limited

## Environmental, Social and Governance Report 2018/2019



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# ABOUT WLS HOLDINGS LIMITED

## OUR BUSINESS

WLS Holdings Limited (the “Company” or the “WLS”, together with its subsidiaries, the “Group”) are listed on GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activities of the Group are as followings:

- i) provision of scaffolding services for construction and buildings work; and
- ii) provision of fitting out services for construction and buildings work; and
- iii) provision of management contracting services for construction and building work; and
- iv) gondolas, parapet railings and access equipment installation and maintenance services; and
- v) money lending business; and
- vi) securities brokerage and margin financing; and
- vii) securities investment business; and
- viii) assets management business.

With the competitive advantage of service excellence, the Company maintains a leading position in the market.

## VISION

To be innovation and safety-oriented leading corporate conglomerate whose trademark is a guarantee of excellence.

## MISSION

To satisfy customer’s need through motivated employees and to promote continuous improvement and after-sales services thereby obtaining attractive reward and reputation in the market.

## BOARD OF DIRECTORS

As of the date of this report, the Board consists of:

### Executive Directors

Dr. So Yu Shing (Chairman)  
Mr. Kong Kam Wang (Chief Executive Officer)  
Ms. Lai Yuen Mei, Rebecca  
Mr. So Wang Chun, Edmond  
Mr. Yuen Chun Fai

### Independent Non-Executive Directors

Mr. Law Man Sang  
Ms. Lam Wai Yu  
Mr. Lo Ka Ki

# ABOUT THIS REPORT

## About this report

This report communicates WLS's effort and achievement in social responsibility and sustainable development from the reporting year, 1 May 2018 to 30 April 2019 (the "Reporting Year"). For comparison purpose, the ESG data of the year from 1 May 2017 to 30 April 2018 (the "Last Year") is also included in this ESG Report. The report is divided into two parts, the first part highlights the environmental initiatives carried out by the Company. The latter part elaborates on the social impact brought. It presents WLS's progress in its way towards creating sustainable value for its shareholders and other stakeholders. It allows us to conduct thorough performance review and evaluation for enhancing results in future.

## 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 ("GEM Listing Rules") on the Stock Exchange. This report describes in detail the sustainable development vision, strategy and core competency of the Company. Apart from that, it evaluates WLS's ESG performance in its daily operations in Hong Kong as well as the business activities conducted by its representatives and warehouses.

To facilitate strategy formulation, the Company communicates with its stakeholders regularly to identify associated sustainability issues. Based on the feedback given, the material ESG issues identified are those which have or may have a significant impact on:

- Hong Kong construction industry;
- The current or future environment or society;
- Our financial performance or operations; or
- Our stakeholders' assessments, decisions and actions.

Amidst all the uncertainties the Company may face, it will continue to strengthen existing monitoring and reporting system to reinforce our commitment to sustainable development.

## Feedback

Comments and suggestions regarding the ESG performance of WLS are always welcome and can be sent to WLS's Company Website.

## APPROACH

With integrity and purpose, WLS is committed to improving business performance to maximize stakeholder's value without compromising the environmental and social aspect, in the hope that it can bring positive impact on both the Company and the community.

WLS looks at issues that may post reputational impact or risk to the Company in the short, medium or long term. Issues that are important to the stakeholders, such as environmental conservation, product responsibility and supply chain management which are also crucial to WLS. The Company actively explore opportunities with a focus on comprehensive work ethic to ensure the continued success and growth that will benefit suppliers, consumers and the environment of the Company.

The ESG report emphasizes the balance between business needs, social demand and environmental concerns. The integration of sustainability into the Company's business strategy as well as daily operations is a must. To deal with issues effectively, understanding and interaction with its employees, consumers and stakeholders are of the highest priority. WLS believes that the thoughtful management of ESG issues is an essential part of long-term success in a rapidly changing world. With careful and better understanding of ESG risks and opportunity, WLS can leverage on its resources and capability to drive business success. In addition, WLS believes that its expertise, capital, capabilities, and ownership model can be part of the solution to some of the challenges that communities around the world are already facing, such as the waste management and human resources management. WLS believes the key to success is to make informed decisions by thoroughly and carefully considering ESG issues.

Finally, the sustainability strategy approaches help the company to achieve the following goals:

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

## OUR STAKEHOLDERS

WLS always thrive to meet the expectation of our stakeholders and believe that stakeholders play a crucial role for sustaining the success. In order to promote mutual understanding, the Company has established a sophisticated communication system to engage with different stakeholders.

Building on the insight gained from the stakeholders, the Company formulates policies and business strategies accordingly to maximize stakeholder's value.

Stakeholders	Possible concerned issues	Communication and responses
<b>HKEx</b>	Compliance with listing rules and to provide timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
<b>Government</b>	Compliance with laws and Regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, submission of tax returns and other information.
<b>Sub-contractors/Suppliers</b>	Payment schedule, stable demand.	Site visits, suppliers assessment.
<b>Investors</b>	Corporate governance system, business strategies and performance, and investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, issuing of financial reports and/or operation reports for investors, media and analysts.
<b>Media &amp; Public</b>	Corporate governance, environmental protection, and human rights.	Issue of newsletters on the Company's website.
<b>Customers</b>	Product quality, delivery times, reasonable prices, service value, labor protection and work safety.	Site visits, and after-sales services.
<b>Employees</b>	Rights and benefits, employee compensation, training and development, work hours, and work environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, and employee suggestion boxes.
<b>Community</b>	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

## SECTION A: ENVIRONMENTAL

WLS focuses on upholding high service quality standards, while being responsible to its people, the community and the environment. As WLS believes that it is not just an ethical obligation, it is also a gateway to business success. Therefore, WLS makes every effort to integrate sustainability into the core of its business. Beyond regulatory compliance, WLS has adopted the principal of “Avoidance, Reduction and Reuse” to manage and minimize the environmental impacts. A series of green initiatives have been rolled out in both the office and the site projects to lower carbon footprint.

For the year ended 30 April 2019, there was no material non-compliance issue with relevant laws and regulations related to the environment.

### A.1 EMISSIONS

WLS has implemented eco-friendly measures to reduce the carbon footprint during the business operations, and optimised the use of resources whenever possible.

During the Reporting Year, WLS had 2 warehouses in Yuen Long and 1 office in Wong Chuk Hang. In the warehouse, the 3 trucks of the Company caused most of the air emission and greenhouse gas emission while transporting construction materials to each of the project sites which were manpower-based. Meanwhile, the use of electricity and water consumed by its employees in both warehouses and the office constituted the composition of scope 2 and scope 3 greenhouse gas emissions. To unify the factor of labor in air emissions as well as the scopes 1, 2 and 3 of greenhouse gas emissions, the emission intensity of both emissions during the Reporting Year and Last Year were calculated based on the number of employees, which were 93 and 86 respectively.

#### Air Emissions

The emission data indicates both the emissions of air pollutants and greenhouse gases. The emissions of air pollutants, which included Nitrogen Oxides (“NOx”), Sulphur Oxides (“SOx”) and Respiratory Suspended Particles (“RSP”) were mainly generated by trucks for the transportation of construction materials.

The emissions of air pollutants for the Reporting Year and the Last Year were illustrated below:

Air Emission	Year ended 30 April 2019	Year ended 30 April 2018	Variance
NOx (g)	529,947	555,426	-5%
SOx (g)	760	755	+1%
RSP (g)	38,105	39,938	-5%
Total (g)	568,812	596,119	-5%

## **SECTION A: ENVIRONMENTAL (Continued)**

Due to the continuous efforts in improving transportation routes and collecting actual operational data, the overall air emission was experienced a meaningful reduction of approximately 5% compared to the Last Year. During the Reporting Year, the total air emissions produced by the Group amounted to approximately 568,812 grams. In future, the Company will closely monitor the efficiency and the impact arise from the transportation on regular basis.

The emission intensity of air emission for the Reporting Year and the Last Year were 6,116 grams per employee and 6,932 grams per employee respectively, which represented a 12% decrease per employee during the Reporting Year.

Building on the successful reduction achieved, WLS will continue to strategize environmental-friendly policies such as using cleaner source of fuel to alleviate environmental impact.

### **Greenhouse Gas Emissions**

The greenhouse gas emissions of the Company were mainly produced from fuel consumption, electricity consumption, electricity used for fresh water and sewage processing by the Water Services Department and Drainage Services Department. WLS had produced 183 tonnes of carbon dioxide equivalent emissions in the Reporting Year.

Although WLS experienced a slight increase of less than 1% in the total carbon emissions compared to the Last Year, the energy-saving and environmental sustainability initiatives still played an important role in further curbing the greenhouse effect.

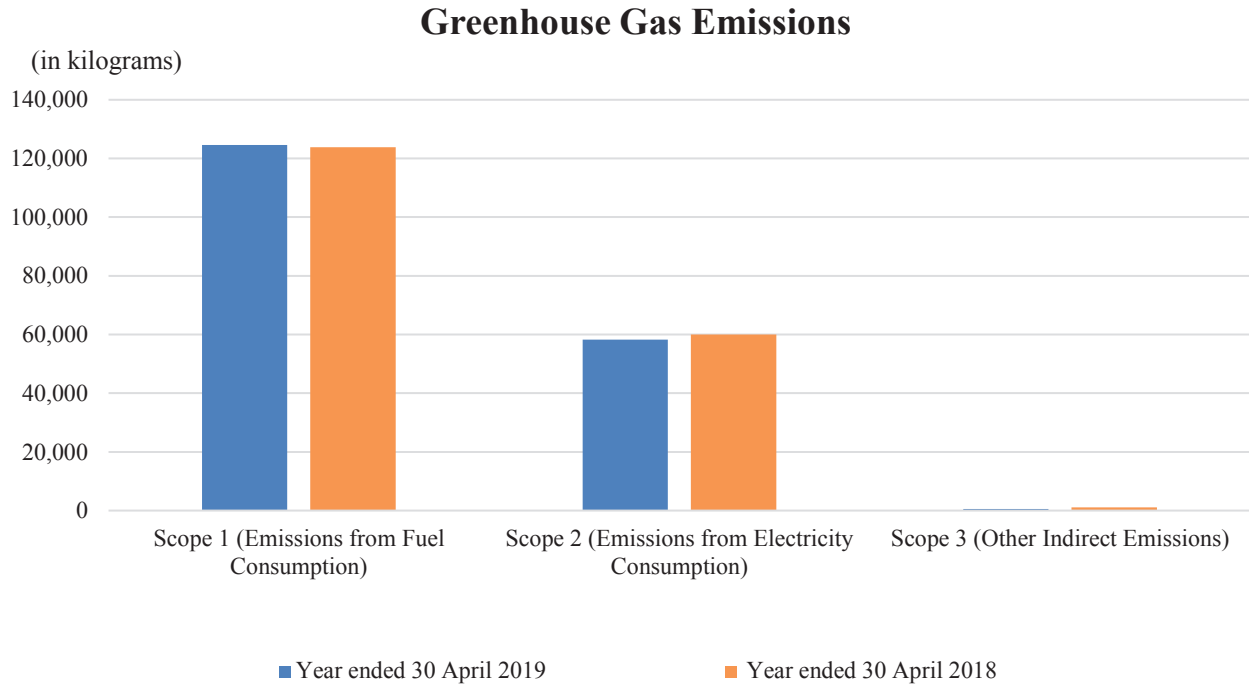
Given to the nature of WLS, which was principally engaged in construction and building works, the largest contributor of the Group's carbon emission was fuel usage by trucks for transporting the construction materials. As the total number of construction works during the Reporting Year was similar to the Last Year, the fuel consumption level was constantly maintained. Besides, through promotion and education on energy saving, employees' awareness was strengthened to lower the unnecessary electricity consumption. The consumption level of electricity was also maintained in the similar level compared with the Last Year. Due to the business activities of WLS, no material discharge of water was resulted. The emission intensity of greenhouse gas emission in the Reporting Year and the Last Year<sup>1</sup> were 1,972 kg per employee and 2,150 kg per employee, which was an approximately 8% decrease per employee.

<sup>1</sup> Adjustments had been made on the emissions data for last year when compared with our last ESG Report because the emission factors of the electricity consumption and the water consumption were updated based on the respective latest Annual Report or Sustainability Report 2017/18 issued by CLP Holdings Limited, HK Electric Investments Limited, HK Water Supply Department and HK Drainage Services Department.



## SECTION A: ENVIRONMENTAL (Continued)

In the coming years, WLS will continue to explore strategies to support environmental conservation in innovative ways. The following graph indicates the total greenhouse gas emission of WLS for the Reporting Year and the Last Year:



### Scope 1 Emission

Scope 1 emission was positively correlated to the usage of fuel by transportation. With the Company's planning and determination in execution, the greenhouse gas emissions including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) has successfully maintained at the similar level, in which it had only a slight increase of approximately 1% compared to the Last Year. Aforementioned, the route-planning was similar, and thus the usage of oil and emission level. The table below indicates the type of scope 1 greenhouse gas emissions produced by the Company:

Scope 1	Year ended 30 April 2019	Year ended 30 April 2018	Variance
CO <sub>2</sub> (kg)	123,380	122,623	+1%
CH <sub>4</sub> (kg)	144	143	+1%
N <sub>2</sub> O (kg)	1,053	1,047	+1%
Total (kg)	124,577	123,813	+1%

The emission intensities of scope 1 emission in the Reporting Year and the Last Year were 1,340 kg per employee and 1,440 kg per employee, which was approximately 7% of decrease.

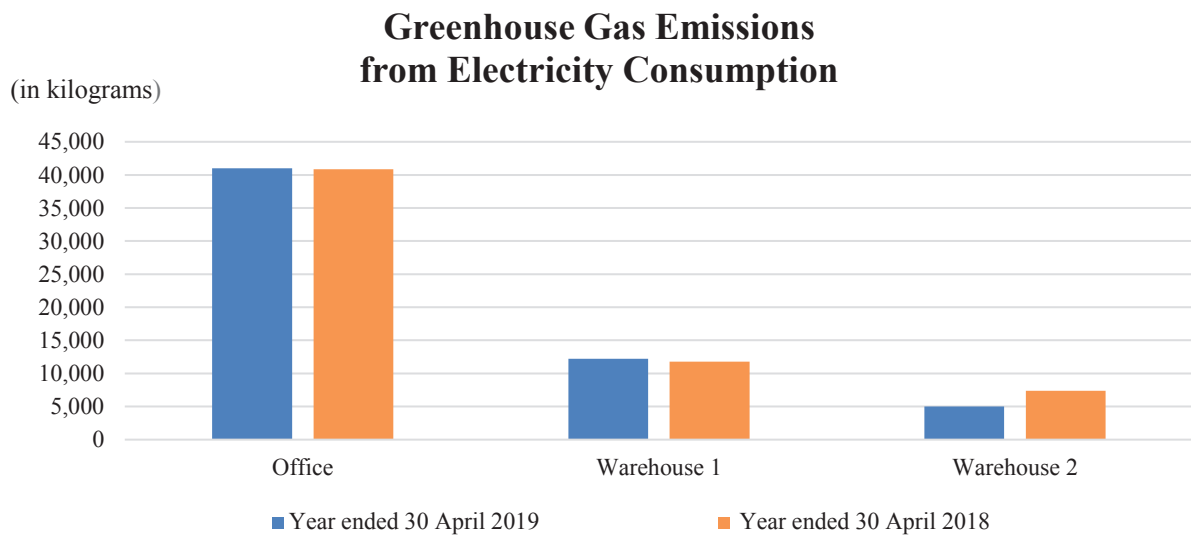
## SECTION A: ENVIRONMENTAL (Continued)

### Scope 2 Emission

Scope 2 emission was directly associated with the electricity consumption. WLS comprised of the greater proportion in electricity consumption. In light of that, a series of initiatives had been carried out in the office to alleviate the impact brought.

The environmental policies stated that:

1. Employees were required to switch off lights when out for work and finished meeting
2. Switching off the computer after work
3. Energy saving mode is also auto set for all computers/photocopiers
4. Installing energy-efficient electronic appliances and light bulbs progressively



## SECTION A: ENVIRONMENTAL (Continued)

All the tiny efforts added up to the success of energy conservation. The Company cultivated green mind set to our employees, and promoted energy conservation in the office and warehouses. During the Reporting Year, the total greenhouse gas emissions from electricity consumption for the office and the 2 warehouses amounted to approximately 58,223 kg<sup>2</sup>. The Company has successfully achieved energy reduction compared with Last Year<sup>3</sup>, representing decrease for approximately 3%.

The emission intensities of scope 2 emission in the Reporting Year and the Last Year were 626 kg per employee and 697 kg per employee, which represented an approximately 10% reduction<sup>4</sup>.

Besides, the 2 warehouses in Yuen Long were used to store the construction materials, with only a few employees. Therefore, the needs for lighting and air-conditioning were less consumed, compared with the needs in the office. Nevertheless, WLS always concerned for reducing the usage of electricity in the warehouses and office.

Reducing the electricity consumption played an important role in further curbing the greenhouse effect. In the coming years, WLS will continue to explore possible ways to conserve energy in both the office and warehouses.

### *Scope 3 Emission*

Scope 3 emission, generated indirectly due to the waste water treatment, comprised the least contribution to the total greenhouse gas emission due to the business nature of the Company.

	Scope 3 Emission
Year ended 30 April 2019	562 kg
Year ended 30 April 2018 <sup>5</sup>	1,085 kg
Variance	-48%

<sup>2</sup> The latest carbon emission factors announced by CLP Holdings Limited and HK Electric Investments Limited were 0.51 kg CO<sub>2</sub>e/kWh and 0.80 kg CO<sub>2</sub>e/kWh respectively.

<sup>3</sup> Adjustments had been made on the emissions data for last year when compared with our last ESG Report because the emission factors of the electricity consumption was updated based on the respective latest Sustainability Reports 2017/18 issued by CLP Holdings Limited and HK Electric Investments Limited.

<sup>4</sup> Adjustments had been made on the emissions data for last year when compared with our last ESG Report because the emission factors of the electricity consumption were updated based on the respective latest Sustainability Reports 2017/18 issued by CLP Holdings Limited and HK Electric Investments Limited.

<sup>5</sup> Adjustments had been made on the emissions data for last year when compared with our last ESG Report because the emission factors of the water consumption were updated based on the respective latest Annual Report and Sustainability Report issued by HK Water Supply Department and HK Drainage Services Department.

## **SECTION A: ENVIRONMENTAL (Continued)**

For the Reporting Year, the water consumption level has reduced by approximately 48%. The high water consumption level in the Last Year was mainly due to the water pipe leakage accident. In the Reporting Year, the Company conducted close monitoring and regular checks on the water pipes, which in result led to reduction on water consumption in the Reporting Year. In the upcoming future, the management of the Company targeted to achieve an outstanding result in reducing emission.

The emission intensities of scope 3 emission in the Reporting Year and the Last Year were 6 kg per employee and 13 kg per employee, respectively.

### **Waste management**

For the waste management, the Company actively promoted material conservation and has implemented policies to reduce wastes at source throughout its business activities. WLS encouraged its employees to minimise waste by evaluating operations and ensure that they were as efficient as possible.

### **Construction Material**

Following good planning and practices to reduce waste production at source, WLS reviewed and kept track of its non-hazardous waste disposal to ensure that the waste production level was kept to the minimal. During the Reporting Year, 868 tonnes of non-hazardous waste was disposed. Compared with Last Year, the non-hazardous waste disposal level has increased by 50%. The disposal intensity of construction materials during the Reporting Year was 9.3 tonnes per employee, representing a 39% increase compared to that of the Last Year.

The management was aware of the rise in waste disposal level because of the clearance of obsolescent construction materials in the warehouses in April 2019, leading to an increase of waste disposal level compared to the Last Year.

The construction materials used in the construction sites were usually metal tubes and bamboo. WLS has introduced the Metal-Bamboo Matrix System Scaffold (MBMSS) since 1999. MBMSS has many advantages compared to bamboo or metal scaffolding. As the mixed metal and bamboo tubes are much more stable, durable and not easily damaged by construction-site workers, it can produce less construction waste to protect the environment. Meanwhile, the disposal of bamboo will still be considered as non-hazardous waste in the foreseeable future. Yet, due to the difficulties of obtaining the recycling rate of metal tubes and bamboo, no statistics were shown on the disposal rate.

### **Waste water**

Other than the waste water generated from fresh water treatment by Water Supplies Department, no other sewage was produced from the warehouses and office.

## SECTION A: ENVIRONMENTAL (Continued)

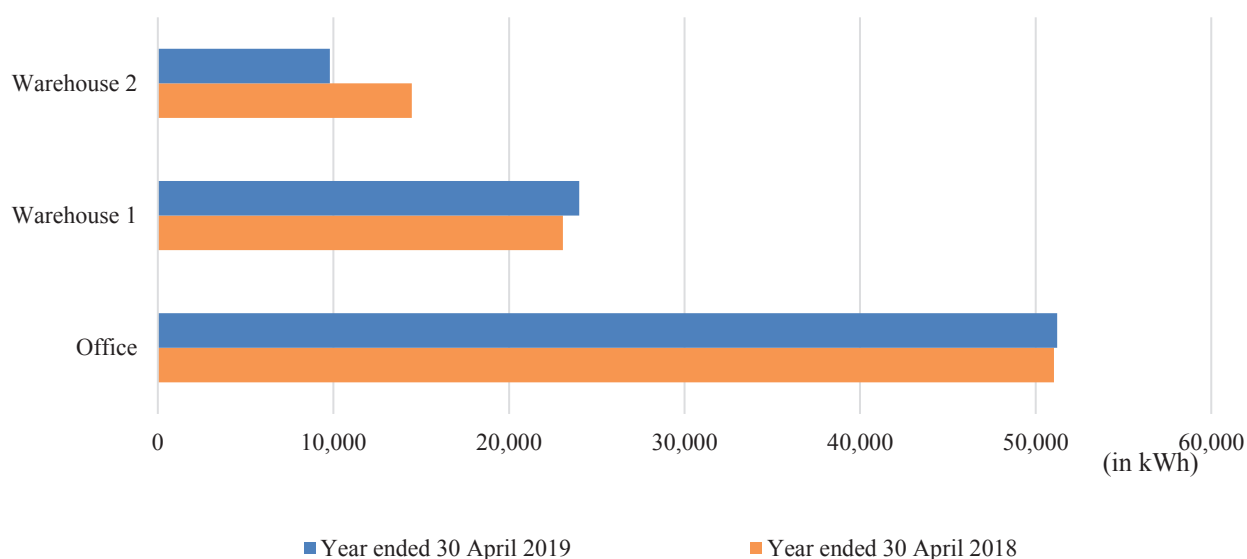
### A.2 USE OF RESOURCES

Green and low-carbon production is the only way of sustainable development of our society. The Company had committed to becoming a resource-saving and environment-friendly enterprise to promote environmental protection. WLS had actively strengthened the energy-saving procedures in order to reduce emissions, and adhered to reduce energy consumption as a green construction company.

#### Electricity Consumption

WLS placed great emphasis on reducing energy consumption and building a green and low carbon image. The Company required employees to switch off office electronic facilities such as lighting, business and computer equipment during unattended hours in the relevant office or work areas. Furthermore, it encouraged employees to set the temperature of the air-conditioning systems at an optimal temperature level or turned off all the lights when leaving the work areas or the office at night.

#### Electricity Consumption



The total energy consumption for the office and the 2 warehouses in the Reporting Year was approximately 85,032 kWh. When compared to 88,587 kWh in the Last Year, which had maintained similar level of electricity consumption, representing approximately a 4% drop. The electricity consumption in the office was the most because most of the staff work in the office. The management of the Company was pleased that the success laid in the improved environmental mind-set of employees to conserve energy and the energy-efficient machines.

The electricity consumption intensity in the Reporting Year was 914 kWh per employee while it was 1,030 kWh per employee in Last Year.

## SECTION A: ENVIRONMENTAL (Continued)

### Water Consumption

The construction and building works for scaffolding, fitting out and gondola services were not particularly water-intensive due to the nature of the business and no water was consumed on the construction sites.

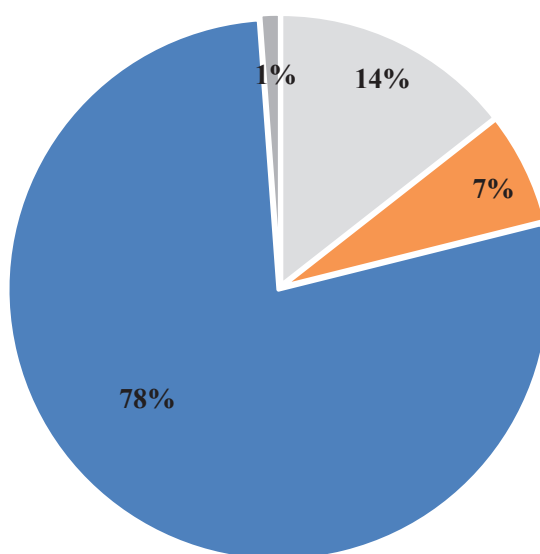
The water consumption during the Reporting Year was 905 m<sup>3</sup> and the water consumption intensity per employee was 10 m<sup>3</sup>. A significant decrease of 48% of water consumption per employee had been recorded, which was due to the water pipes being closely monitored and checked to prevent leakage accident occurred again in the Reporting Year. With the forward-looking plans to use water efficiently, WLS was still optimistic and committed to further bring down the water consumption level.

### Bamboo Consumption

For the scaffolding business, there were four categories of bamboo that WLS used in the Reporting Year, which were: Short bamboo in 3-7 feet, Short bamboo in 8-18 feet<sup>6</sup>, Long bamboo and Mao bamboo.

#### Bamboo Composition (by types)

■ Short bamboo in 3-7 feet ■ Short bamboo in 8-18 feet ■ Long bamboo ■ Mao bamboo



During the Reporting Year, because of the nature of the construction of the Company, approximately 78% of bamboo consumed was long bamboo, 14% of bamboo consumed was short bamboo in 3-7 feet, the 7% of bamboo consumed was short bamboo in 8-18 feet, and only 1% mao bamboo was consumed.

<sup>6</sup> During the Reporting Year, there were Short bamboo in 16 feet and 18 feet used in the construction site. Therefore, this category was extended to 8-18 feet, different from the short bamboo 8-15 feet disclosed in our last ESG report.

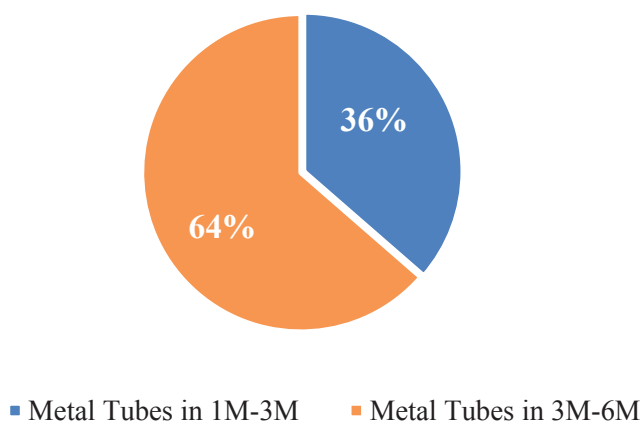
## SECTION A: ENVIRONMENTAL (Continued)

During the Reporting Year, the average monthly bamboo used in construction sites was around 37,505, increased by 22% in consumption compared to the Last Year. In the view of the management, the main reason of considerable increase in bamboo consumption was mainly due to increasing number of construction projects awarded to the Company. As a result, substantial increase in materials volume, especially bamboo, was required by those construction projects contributing to the increasing bamboo consumption in the Reporting Year.

### Metal Tubes Consumption

For the scaffolding business, there were two categories of metal tubes that WLS used in the Reporting Year, which were: Metal tubes in 1M-3M and Metal tubes in 3M-6M.

### Metal Tubes Composition (by types)



During the Reporting Year, due to the frequent usage and high demand in the construction sites, the consumption of these two categories of metal tubes were accounted for 36% and 64% for Metal Tubes in 1M-3M and Metal Tubes in 3M-6M respectively.

The average monthly usage of metal tubes in the Reporting Year was 16,112, with decrease of 39% compared with the Last Year. According to management, decreasing consumption in metal pipes was mainly due to the fact that reduction in usage of mixed metal and bamboo tubes in construction projects compared with Last Year.

With the burden usage of construction materials, the effort of reusing materials was highly encouraged by the Company. In future, the Company will closely monitor the efficiency of material usage and making meaningful improvement on the reuse of construction materials.

## **SECTION A: ENVIRONMENTAL (Continued)**

### **Reuse of Material**

Waste generation can also be reduced by reusing useful materials. For the gondola business, the unused gondolas which still had residual value, their motors would be resold for environmental purpose. Other than that, for the scaffolding business, when projects were completed, bamboo and metal tubes from different construction sites were sent back to the warehouses for reuse after quality checks.

### **A.3 THE ENVIRONMENTAL AND NATURAL RESOURCES**

The Company believed that the organization should strike a balance between economic development and social and environmental development. To achieve sustainability, all the aspects should be considered thoroughly without compromising each other. To conclude, all parties, including suppliers, customers, and different stakeholders should work hand in hand towards this long-term goal.

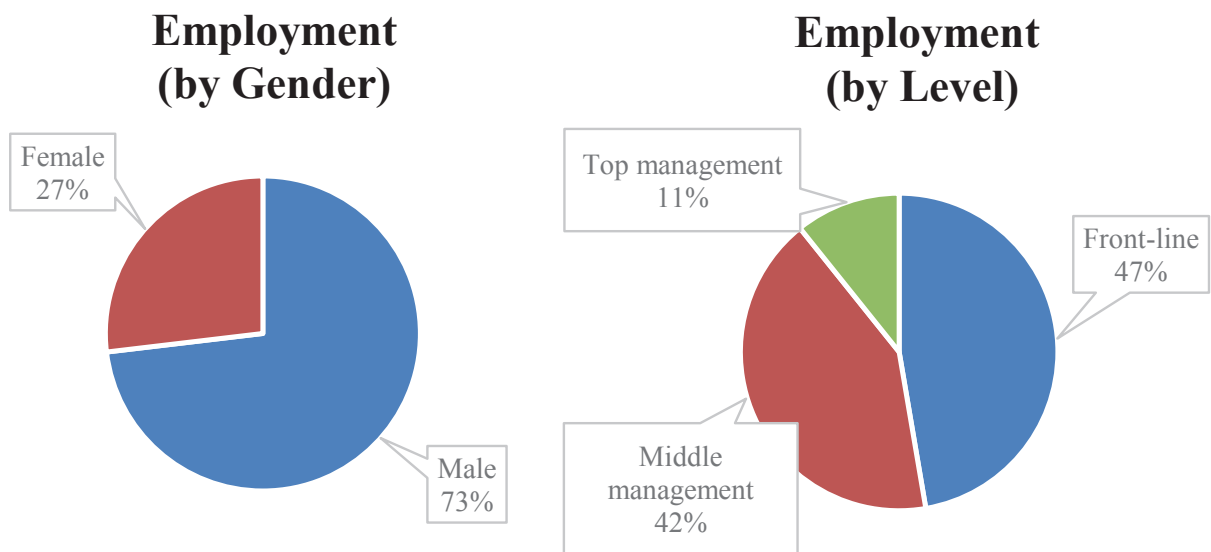


## SECTION B: SOCIAL

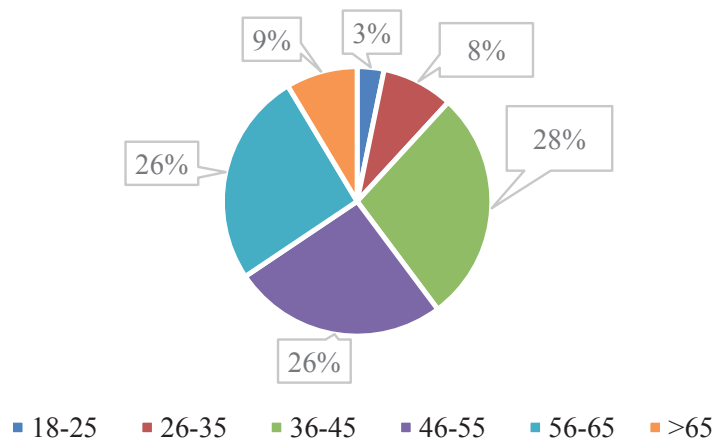
### EMPLOYMENT

WLS believed that continued business success relies on the full contribution and support of its employees. The Company is dedicated to promoting equal opportunities. All employees are hired on the basis of experience, training, and potential for growth. There shall be no discrimination based on religion, age, gender, race or national origin. It is the express intent of WLS to ensure that equal treatment is provided to its employees in all promotions and determination of wages, benefits, terms and conditions of employment.

The Company had 93 employees as at 30 April 2019, in which female comprised of 27% while male comprised of 73% of the total number of employees. Considering the nature of the construction industry, it is normal to have a higher male-to-female employee ratio. In addition, among our employees, we maintained 44 of front-line staff including site workers, 39 of middle management and 10 of top management which provided a healthy management hierarchy. The age distribution of our 93 employees was concentrated between age 36 to 45, 46 to 55 and 56 to 65 where each of the age group was consisted of approximately one-fourth of the total employee number. The Company is considered to maintain a harmonious workplace with no discrimination.



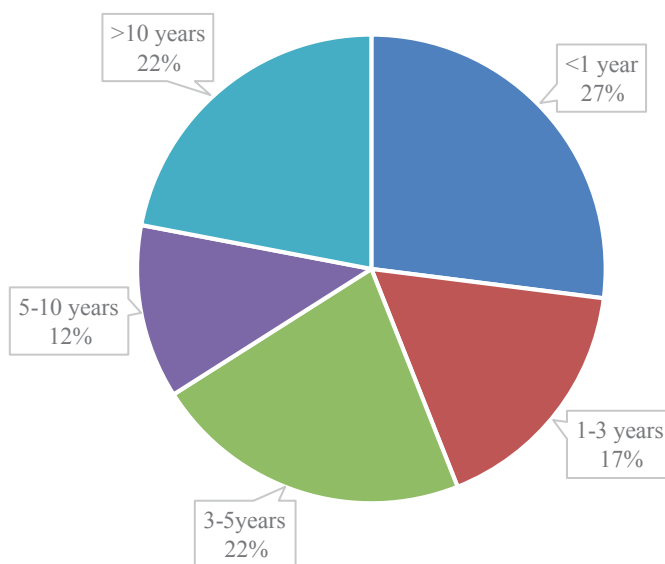
### Employment (by Age Group)



## SECTION B: SOCIAL (Continued)

In the highly mobile industry, WLS maintained a healthy and stable monthly employee turnover rate of 2% during the Reporting Year, whilst the monthly employee turnover rate in Last Year was about 3%. Furthermore, during the Report Year, the number of turnover of our front-line staff, middle management and the top management were 14, 16 and 1 respectively, which had indicated that the stable management hierarchy was able to ensure effective operation and loyalty of the Company. Considering turnover situation by gender, the recorded healthy number of turnover for male and female employees were 22 and 9 respectively. Moreover, 56% of the total employees had worked for the Company for more than 3 years, of which 22% of the total workforce had worked 10 years or more. Maintaining stable employment structure enabled sustainable development of the Company with our friendly HR policies and happy work environment. In the upcoming future, WLS will take all the measures to combat the challenge of attracting and retaining a talented workforce.

**Employment  
(by Years of Service)**



To strengthen the bonding with employees, WLS often organized gathering events such as Christmas Party, Lunar New Year's Party and Lunar New Year Tour, in order to have a good bonding and connection to the employees and the management.



## SECTION B: SOCIAL (Continued)

### Diversity & Inclusion

The Company was dedicated to promoting equal opportunities. All employees were hired on the basis of experience and skill sets. There shall be no discrimination based on religion, age, sex, race or national origin. It is the express intent of the WLS to ensure that equal opportunities were provided to employees in all promotions, wages, benefits, terms and conditions of employment.

As at 30 April 2019, approximately 23% of WLS's employees came from different regions other than Hong Kong:

Region	Number of Staff
Africa	1
Hong Kong	72
India	1
Mainland China	3
Nepal	12
Pakistan	2
Philippines	2
<b>Total Number of Staff</b>	93

### Benefits and Welfare

WLS considers its employees as the key to sustainable business growth and hence it offers competitive remuneration package to employees, including mandatory retirement funds, employee compensation insurance, medical allowance and annual leaves. Moreover, discretionary bonus maybe granted to eligible employees based on the Company's and employees' individual performance. The promotion of the Group's employees is subject to regular review. The Group has established objective performance indicators for annual performance evaluation. Based on the evaluation result, it offers rewards to employees in encouraging continuous improvement.

The Group strictly complies with the Employment Ordinance (Chapter 57, Laws of Hong Kong) and other labor legislations in Hong Kong and adopts the respective standards as its minimum standards for labor protection and welfare. Based on such rules and regulations, the issues relating to employees' personal information, compensation and dismissal, recruitment, working hours, rest periods and other benefits are all stated in the Company Staff Handbook.

To avoid non-compliance with Mandatory Provident Fund Schemes Ordinance (Chapter 485) and law by Inland Revenue Department, enrolments were filed to the MPF trustee and Inland Revenue Department on a timely basis. The Company was also dedicated to comply with the Companies Ordinance, Inland Revenue Ordinance, Minimum Wages Ordinance, the Personal Data Privacy Ordinance and other relevant rules and regulations.

## **SECTION B: SOCIAL (Continued)**

### **HEALTH AND SAFETY**

The Group strives to provide a healthy and safe work environment for its employees. As such, WLS pledges full compliance with all applicable occupational health and safety legislations and has implemented an effective and safe work environment. At the construction sites, safety warnings, banners and slogans were put up. First-aid boxes were placed in all office, warehouses and construction sites. The Company employed 4 Site Agents, 3 Site Supervisors, 1 Safety/Site Supervisor and 1 Safety Officer to oversee the safety matters of construction sites. They were required to draft the safety plan and follow the safety instruction stated in the Method Statement for each construction site.

All employees are required to comply with Company Safety Manual. Before the commencement of the construction works, workers were required to attend the safety induction session, to ensure they were familiar with the required knowledge and skills of the safety procedures. Safety Officer performed regular site visit and prepared Safety Inspection Report for recording potential safety issues. If any deficiencies were spotted, follow-up actions would be taken and results were noted in the report for future alert. Safety meetings were held internally in the Company to discuss the major safety issues and remediation results.

Besides, WLS put high emphasis on site workers recruitment procedures. Personal Health Record with assessment performed by the Safety Officer was required from every site worker to ensure that they were able to work in the construction environment. Safety Training Certificate and Construction Worker Registration Card were required from the applicants during the recruitment process to ensure that they were qualified to work in the construction field.

Moreover, a Safety and Health Policy had been posted in the office to alert all employees about their responsibilities of upholding the safety and health of themselves and of others whom may be adversely affected by their misconduct or negligence at work.

The Company maintained a record of zero fatality or permanent disablement cases during the Reporting Year. During the Report Year, there were 3 cases of work injury occurred with a number of 3,465 lost labor hours reported. In future, the Company will be more focus to ensure the health and safety of its employees. The Company's ultimate objective is targeted at zero accident and zero injury rates, so as to emulate the Company as the symbol of quality, safety and efficiency.

## **SECTION B: SOCIAL (Continued)**

### **DEVELOPMENT AND TRAINING**

In the competitive environment, continuing staff development and training are crucial to enhance employees' capability. The Company has committed to providing on-the-job education and training to its employees, such as safety courses and education seminar, in order to enhance their skills and knowledge. Furthermore, WLS continues to encourage its staff to pursue continuing education to enhance and maintain their proficiency by obtaining appropriate certification for their professional skills or qualifications.

In particular, training courses were provided to the employees to promote safety awareness and technical skills in the operation of scaffolding and gondola businesses. WLS encouraged and supported staff to take up external trainings or professional qualification courses to further improve their capability and skills.

During the Reporting Year, the total number of trained employees was 29, of which 9 front-line workers from construction sites and 15 middle-management employees and 5 top-management employees from office. The percentages of number of employees trained over the total number of that particular employment category were 20%, 38% and 50% for front-line workers, middle-management employees and top-management employees respectively. In addition, among the trained 29 employees, there were 23 males and 6 females, constituted of 34% and 24% of the whole population of male and female employees.

During the Reporting Year, the total training hours of the aforementioned was 221 hours, including 158 hours and 63 hours for male and female employees respectively. The average numbers of training hours per male and female employees were 7 hours and 11 hours respectively. With respect to employee category, the total training hours comprised of 115 hours, 88 hours and 18 hours for front-line, middle-management and top-management employees respectively. Furthermore, the average numbers of training hours per the three categories were 13 hours, 6 hours and 4 hours respectively.

### **LABOR STANDARD**

WLS fully complies with labor laws and relevant legislations that prohibits child labor and forced labor. We are delighted to announce that we have not encountered major risks in human rights and employment matters so far. The Company guarantees that no employee is made to work against his/her will, or work under forced labor, or subject to coercion related to work. Recruitment of child labor is strictly prohibited. Before joining the Company, candidates are required to present their identity documents to prove they have already reached the legal working age. Through the whistle-blowing mechanism, employees are able to voice out any injustice they faced. The Management will investigate into the reported cases and take follow-up actions if necessary.

## **SECTION B: SOCIAL (Continued)**

### **SUPPLY CHAIN MANAGEMENT**

The responsibility of the Company extends to all parties who contributed to the success of the Company, which included sub-contractors and suppliers. To express the vision on sustainability of WLS, it is dedicated to build a long-term relationship with existing business partners. WLS has developed comprehensive system to conduct procedures to select and evaluate suppliers and sub-contractors in the view of pursuing sustainability goal.

To reduce operational risk, the Company has avoided excessive reliance on small number of suppliers and sub-contractors. WLS maintains and updates its own suppliers and sub-contractors list regularly in order to ensure sustainable procurement. By this means, it conducts selection and evaluation procedures annually to assess suppliers and sub-contractors based on certain criteria including but not limited to quality, sale return arrangement, safety requirement and delivery condition. Priorities are given to the suppliers and sub-contractors who embraced quality and fulfilled satisfying safety requirements. For those suppliers who could not meet the standards, the Company would remove them from the approved list.

During the Reporting Year, the Company maintained an approved suppliers and sub-contractors list with 70 suppliers and sub-contractors in total, of which 60 were based in Hong Kong, 9 were based in Mainland and 1 was based in Korea. For certain major raw materials and products, such as bamboo and gondolas, WLS continuously developed long term relationships with several esteemed suppliers and sub-contractors. In future, the Company will always look for potential good suppliers and sub-contractors and maintain long term relationship with the existing ones.

### **PRODUCT AND SERVICE RESPONSIBILITY**

The Company has set up internal procedures and manuals to ensure the high level of product and service quality. All material licences, certificates and approvals are obtained for carrying on its business activities.

The Company placed significant emphasis on the customers' responses and feedbacks, for the sake of the corporate sustainable development. The Company has been committed to building a good product recall system and several customer feedback channels in order to protect the rights and interests of the customers and to ensure that customers' feedbacks are received properly by the relevant departments. WLS believes that customer loyalty comes from customer appreciation and recognition.

During the Reporting Year, there were 48 cases of customer complaint reported. The complaint cases were addressed and handled by the Company case by case within one month period.

## **SECTION B: SOCIAL (Continued)**

### **Quality Assurance**

WLS is committed to delivering high-quality services to its customers and thus WLS is proud to announce that it maintained a zero record of major accident.

Customers could expressed their complaints to the site managers and even senior management. Once complaint has been received, site managers would investigate into the scenario and carry out rectification work if necessary. CEO of the Company would also follow up the case in person, to strengthen the quality control procedures.

Moreover, WLS has complied and been qualified for ISO 9001:2015 quality management system standard which is applicable to “Installation and removal of bamboo scaffolding works”. During the Reporting Year, the Group was awarded the “Best Scaffolding Work Brand Award” by Yellow Pages HK.

As mentioned in the section Health and Safety, regular safety inspection has been carried out to guarantee a promising quality of our service outcome.

### **Customer Privacy Protection**

The Company has standard management approach on handling important and confidential information, including financial data, suppliers’, customers’ and employees’ personal information, by authorised personnel only.

Protecting customers’ data was of the top priority. All of the documents related to customer data were encrypted and only specific personnel who knew the password can access to the information. As for the money lending business, application forms were handled by the Compliance Officer directly. Without acknowledgement of the Compliance Officer, no one was allowed to access to the file. On the other hand, tender documents for the scaffolding, fitting art and gondola business were stored in the file cabinets of the Executive Director’s room. The above measures were effective in preventing customer privacy leakage.

### **Intellectual Property Right**

WLS takes pride in innovative invention on the scaffolding system. With the Company’s constant effort, it has successfully certified for several standard patents of scaffolding works in different countries including United Kingdom, China and Hong Kong since 2000. The Company has outsourced the patents management to external legal counsel to ensure on the expiry date of the patents and monitored if anyone infringed our copyrights.

## **SECTION B: SOCIAL (Continued)**

### **ANTI-CORRUPTION**

The Company was highly cautious about the misconduct related to bribery and conflict of interest. WLS prohibits corruption practices by all means. All employees including the Directors must follow policy on the acceptance of benefits stipulated, which employees must not request any advantage from and/or offer any advantage to people who have a stake in our business such as customers, suppliers, contractors, authorities, or any other stakeholders.

For the money lending business, the Company adopts rigorous borrowing requirements in order to comply with the anti-money laundering regulations in Hong Kong. For each case, during the screening section, assets verification and legal search are performed. The Compliance Officer would handle all the loan application documents.

The Company values and welcomes our employees to report any suspected malpractices through various channels, i.e. emails, website or in person. The management will take immediate actions to investigate on the issue and take follow-up actions if necessary.

During the Reporting Year, no concluded legal cases regarding corrupt practices were reported within the Company.

### **COMMUNITY INVESTMENT**

As a socially-responsible enterprise, WLS engages in ongoing community work to contribute to the wellbeing of our community. During the Reporting Year, the Company had made a considerable contribution to the community in different aspects through different ways such as organising community activities, employees' voluntary works and making donations. Through these activities, the Group gets to understand more about the needs of the community.

During the Reporting Year, WLS had donated HK\$250,000 (the Last Year: HK\$199,000) to four charity organizations, namely HKCPPCC (Provincial) Members Association Foundation Limited, Leo Tung-Hai Lee and Vincent Lee Foundation Limited, Rainbow Foundation Limited and Hong Kong St. John Ambulance, aiming to improve the livelihood of the community.

In future, WLS will continue to devote more resources to the community.



## ENVIRONMENTAL DATA

<b>A1.Emissions</b>		<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>	<b>Unit</b>
<b>Air Emissions (Total)</b>		568,812	596,119	g
Nitrogen Oxides (“NOx”)		529,947	555,426	g
Sulphur Oxides (“SOx”)		760	755	g
Respiratory Suspended Particles (“RSP”)		38,105	39,938	g
<b>Greenhouse Gas Emissions (Total)</b>		183,362	184,881	kg
Scope 1	Emissions from Fuel Consumption (sub-total)	124,577	123,813	kg
	CO <sub>2</sub>	123,380	122,623	kg
	CH <sub>4</sub>	144	143	kg
	N <sub>2</sub> O	1,053	1,047	kg
Scope 2	Emissions from Electricity Consumption (sub-total)	58,223	59,983	kg
Scope 3	Emissions from Water and Sewage Processing (sub-total)	562	1,085	kg
<b>Waste Management</b>				
Construction Material		868	578	tonnes

<b>A2.Use of Resources</b>		<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>	<b>Unit</b>
Energy consumption		85,032	88,587	kWh
Water consumption		905	1,747	m <sup>3</sup>

## SOCIAL DATA

<b>Employment Indicators</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
<b>Number of employees (Total)</b>	<b>93</b>	<b>86</b>
<b>By Gender</b>		
Male	68	61
Female	25	25
<b>By Age Group</b>		
Under 18	–	–
18 to 25	3	3
26 to 35	8	9
36 to 45	26	30
46 to 55	24	19
56 to 65	24	19
65 or above	8	6
<b>By Level</b>		
Front-line staff	44	Not disclosed
Middle management	39	Not disclosed
Top management	10	Not disclosed
<b>By Years of Service</b>		
less than 1 year	25	19
1 – 3 years	16	28
3 – 5 years	21	10
5 – 10 years	11	9
More than 10 years	20	20

## SOCIAL DATA (Continued)

<b>Employment turnover</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
% of monthly employee turnover (Total)	2%	3%
<b>By Gender</b>		
Male	22	Not disclosed
Female	9	Not disclosed
<b>By Level</b>		
Front-line staff	14	15
Middle management	16	13
Top management	1	1

<b>Health and Safety Indicators</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
Number of reported injuries	3	4
Number of lost hours	3,465	3,321
Number of fatalities	–	–

<b>Development and Training Indicators</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
Number of hours of internal training received by employees (Total)	221	86
Number of trained employees (Total)	29	86
Average hours of training per trained employee	8	1
<b>Trained employees by Level (Total)</b>	29	86
Front-line staff	9	65
Middle management	15	16
Top management	5	5
<b>Trained employees by Gender (Total)</b>	29	86
Male	23	55
Female	6	31
<b>Training hours by Level (Total)</b>	221	86
Front-line staff	115	65
Middle management	88	16
Top management	18	5
<b>Training hours by Gender (Total)</b>	221	86
Male	158	55
Female	63	31

## SOCIAL DATA (Continued)

<b>Supply Chain Indicators</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
Total number of suppliers	70	63

<b>Product Responsibility</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
Total number of compliant received	48	36
Total number of legal dispute case	–	–

<b>Anti-corruption Indicators</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
Number of concluded legal cases regarding corrupt practices	–	–

<b>Community Indicators</b>	<b>Year ended 30 April 2019</b>	<b>Year ended 30 April 2018</b>
Community investment (HKD)	250,000	199,000

# ESG REPORTING GUIDE & REFERENCE

A. Environmental	Reference in this report
<b>A1. Emissions</b>	
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.	6-11
KPI A1.1 The types of emissions and respective emission data.	6-11
KPI A1.2 Greenhouse gas emission in total (in tonnes) and where appropriate, intensity (e.g per unit of production volume, per facility).	7-11
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).	11
KPI A1.5 Description of measures to mitigate emissions and results achieved.	6-11
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	11
<b>A2. Use of Resources</b>	
Policies on the efficient use of resources, including energy, water and other raw materials.	12-15
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).	12
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	13
KPI A2.3 Description of energy use efficiency initiatives and results achieved.	12-15
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	N/A
KPI KA2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
<b>A3. The Environment and Natural Resources</b>	
Policies on minimizing the issuer's significant impact on the environment and natural resources.	6-15
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6-15

## ESG REPORTING GUIDE & REFERENCE (Continued)

<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.	16-18
KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	16-18
KPI B1.2 Employment turnover rate by gender, age group and geographical region.	16-18
<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.	19
KPI B2.1 Fatality number and rate.	N/A
KPI B2.2 Lost days due to work injury.	19
KPI B2.3 Description of occupational health and safety measures adopted how they are implemented and monitored.	19
<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.	20
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	20
KPI B3.2 The average training hours completed per employee by gender and employee category.	20
<b>B4. Labor standards</b>	
	<b>Page #</b>
Policies and compliance with laws and regulations relating to preventing child and forced labor.	20
KPI B4.1 Description of measures to review employment practices to avoid child and forced labor.	20
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	20
<b>B5. Supply chain management</b>	
	<b>Page #</b>
Policies on managing environmental and social risks of the supply chain.	21
KPI B5.1 Number of suppliers by geographical region.	21
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.	21

## ESG REPORTING GUIDE & REFERENCE (Continued)

<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.	21-22
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.	21-22
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	22
KPI B6.4 Description of quality assurance process and recall procedures.	22
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	22

<b>B7. Anti-corruption</b>	<b>Page #</b>
Policies and compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.	23
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	23
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	23

<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.	23
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	23
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	23