

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 2019**

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 one of the largest providers of mechanical splicing service to the reinforced concrete construction industry in Hong Kong, it continues to strive for creating positive long-term value for its 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 Group, it has 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 that our sustainability strategies are well communicated to our employees, clients, the communities and other stakeholders.

To implement sustainability strategies which apply 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 its Environmental, Social and Governance (“ESG”) Report. The content contained herein focuses on providing an overview of the environmental, social and governance performance of its major operations in Hong Kong for the year ended 30 June 2019 (the “Reporting Year”). It helps the Group to keep a close eye into its current performance as well as the opportunities to escalate. The Reporting Year is consistent with its 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 Reporting Year.

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

- The Hong Kong reinforced concrete construction industry;
- The global 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. Financial data is extracted from or calculated based on the Group’s audited annual financial statements for the year ended 30 June 2019.

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 Reports. 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.

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ABOUT BOSA TECHNOLOGY HOLDINGS LIMITED

Our Business

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, we maintain 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 (the “Board”)

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

Executive Directors	Non-Executive Director	Independent Non-Executive Directors
Mr. Lim Su I Mr. Paulino Lim	Mr. Kwan Tek Sian (<i>Chairman</i>)	Mr. Chan Chi Keung Alan Ms. Chu Wei Ning Mr. Ng Ming Hon

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OUR STAKEHOLDERS

The Group actively strives to better understand and engage its stakeholders to ensure continuous improvements. We strongly believe that our stakeholders play a crucial role in sustaining the success of our business in the challenging market.

Stakeholders	Point(s) of concern	Communication and responses
HKEx	Compliance with listing rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
Government	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule, stable demand.	Site visits.
Shareholders/ Investors	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.
Media & Public	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
Customers	Product quality, delivery times, reasonable prices, service value, labour protection and work safety.	Site visits, and after-sales services.
Employees	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, employee suggestion boxes.
Community	Community environment, employment and community development, and social welfare.	Community activities, employee voluntary activities, community welfare subsidies and charitable donations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SECTION A: ENVIRONMENTAL

The Group places high importance to maintain and even enhance its product and service quality standards to cater its customers' needs, while upholding the social responsibilities towards the community and environment at the same time. As we believe that it represents not just an ethical obligation, but also a gateway to the 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 intensity¹. To present a comprehensive emission overview, we compared the emission figures and relevant intensities of the Reporting Year to the year ended 30 June 2018 ("Last Year")².

During the Reporting 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 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. However, the Group considered that the automobile usage was insignificant during the Reporting Year. Hence, no actual data was collected during the Reporting Year due to the remote effect on air emission compared to Last Year.

To further reduce the negative impact on the environment, 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 that no energy inefficiency occurs. All travelling routes are planned ahead with the shortest distance.

¹ The different intensity figures in this Report are calculated per employee, in which there were 39 employees as at 30 June 2018 and 38 employees as at 30 June 2019.

² 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, electricity used during fresh water and sewage processing were updated based on the respective latest Annual Report or Sustainability Report 2017/18 issued by CLP Holdings Limited, HK Water Supply Department and HK Drainage Services Department.

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Greenhouse Gases Emission

During the Reporting Year, the total greenhouse gas (“GHG”) emissions by the Group weighted approximately 161.58 tons. The key components of the GHG emissions by the Group were the direct consumption of electricity³. Alongside the aforementioned sources, there were also several indirect emission sources noted as the electricity used in fresh water and sewage processing⁴, paper waste disposal at landfills and business air travels by our employees. As explained above, there was no data of GHG emissions from automobile usage included during the Reporting Year. With regard to our 38 employees, the GHG emission intensity was approximately 4.25 tons per employee. Compared to Last Year⁵, the total weight of GHG emissions reduced by approximately 0.28 tons, which was approximately a 0.2% decline. It indicated that the emission level of the Group remained stable.

With our determination of environmental sustainability, several measures to reduce our GHG emissions had been implemented accordingly. Those measures included 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.

GHG Emission Sources	GHG Produced (ton)	GHG Produced (ton)	% change
	2018/19	2017/18	
Emission from energy consumption			
— Electricity consumption	153.19	155.23	–2%
Other indirect emission sources			
— Paper waste disposal	3.01	2.75	+9%
— Fresh water processing	1.54	0.50	+208%
— Sewage processing	0.83	0.27	+207%
— Business air travel	3.01	3.11	–3%
Grand Total	161.58	161.86	–0.2%

³ The latest carbon emission factor of unit electricity consumption announced by CLP Holdings Limited was 0.51 kgCO₂e/kWh.

⁴ The latest unit electricity consumption factors during fresh water and sewage processing announced by Hong Kong Water Supply Department and Hong Kong Drainage Services Department were 0.577 kWh/m³ and 0.31 kWh/m³ respectively.

⁵ For comparison purpose, the data of GHG emission from automobile usage of 28.92 tons during Last Year was excluded.

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Waste Management

There was no hazardous waste involved in the Group's operations.

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 Reporting Year amounted to approximately 626.09 kg, with an intensity of approximately 16.48 kg per employee. Compared to Last Year, the total weight of non-hazardous waste disposed increased by approximately 53.63 kg, which was approximately a 9.37% increase.

Paper usage is always one of the alerting concerns in consumption of natural resources. 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. Moreover, the printing system is set for double-sided printing in default, and our staff are encouraged to reuse the discarded single-sided printed 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

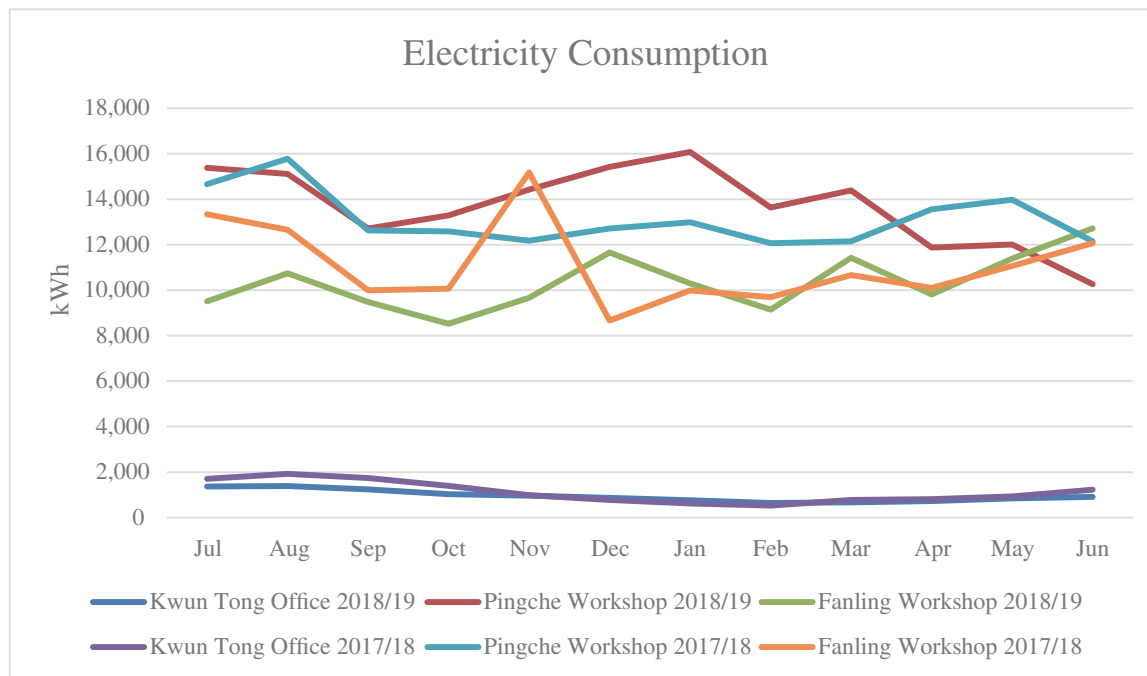
The electricity consumption of the Group's workshops was the largest contributor to the GHG footprint. The culprit of the substantial electricity consumption was the operations of the machines in workshops for mechanical splicing services, namely cutting machine, CNC crimping machine and CNC threading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



Three types of mechanical splicing machines located at workshops

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During the Reporting Year, the total electricity consumption amounted to approximately 300.38 MWh⁶, in which the Kwun Tong Office, Pingche workshop and Fanling workshop constituted approximately 3.81%, 54.79% and 41.40%, with an intensity of approximately 7.90 MWh per employee with regard to 38 employees. Compared to Last Year with total electricity consumption of 304.37 MWh, there was a slightly decline of 1.31% during the Reporting Year.



To further extend our achievement in the future, we have 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 Celsius;
3. Switching computers that stand idle for at least 20 minutes to power-saving mode;
4. Using natural lighting instead of electrical illumination;
5. 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
6. 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. In addition, the Group has carried out activities of promoting the knowledge about energy conservation and emission reduction, so as to raise the awareness of its employees regarding the environmental issues through the above means.

⁶ Due to the difficulties of collecting data in the Pingche workshop, the electricity consumption data was estimated based on the actual daily consumption with supporting documents verified.

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Water Consumption

Since water is one of the most precious natural resources in the world, cherishing water resource is one of the fundamental targets of the Group. Being the most material water consumption point, our Pingche workshop consumed approximately 3,818.98 cubic metres⁷ of water during the Reporting Year, which was 100.50 cubic metres per employee. Compared to the Last Year's water consumption of 1,236.40 cubic metres, there was a significant increase of approximately 208.88% due to the estimation during the Reporting Year. The Group believed that the water consumption level will be reduced in the future based on the promotion of the importance about water-saving at the workshop as well as the proper collection of actual consumption figure to reduce estimation variance. Since our water sources are from the local government department, there was no water supply issue identified during the Reporting Year.

Effective use of water can significantly whittle down the indirect consumption of electricity during fresh water and sewage processing, and thus the GHG emissions as well. The Group has encouraged its 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, no significant usage of packaging materials is identified during the Reporting Year.

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 several ways to and monitored closely for further reduction on adverse impact on the environment.

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. Its directors monitor intently on its workshops to comply with the environmental laws and regulations.

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

⁷ Due to the difficulties of collecting data in the Pingche workshop, the water consumption data was estimated based on the actual daily consumption with supporting documents verified.

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SECTION B: SOCIAL

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 its employees and hence it addresses the essence of the common interests for both. Thus, the Group aims to grow with its employees for the future boom.

Employee Benefits

The Group has established a long term favorable relationship with its 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 offers its employees with 5-day work and 8 hours per day, to ensure that the employees are provided sufficient rest periods. We also provide 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 our required standards as well as reward them for their contributions. For any employees with performance not up to the Group's standards, targeted training will be provided to enhance their fundamental skills and knowledge.

The Group strictly abides with the Employment Ordinance, the Mandatory Provident Fund Schemes Ordinance, the Employees' Compensation Ordinance and other relevant laws and regulations which are related to employee 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 our employees. Equal promotion opportunities were provided to our employees as long as they can perform satisfactory quality of work. As at 30 June 2019, there were 38 full-time employees based in Hong Kong. We make significant efforts to build a harmonious workplace without discrimination for our employees.

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Occupational Health and Safety

The Group is committed to safeguard the safety, health and welfare of all employees, workers, and the general public who is likely to be affected by its normal business 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 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. In addition, a manual of “Occupational Safety — Equipment”, “Work Safety — Electrical Safety and You” and “Safety Handbook for Construction Site Workers” have been adopted and announced within the Group for reminding its staff and construction site workers about the safety precaution and the potential accident during the usage of electrical appliances, mechanical machines and work in the construction sites. Moreover, for specific machines such as Gantry Crane, only those workers with effective certificate are allowed to operate.

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. A safety manual of office operation is also in place to advocate the office safety, such as the correct pose to transfer heavy items.

The Group abides strictly to the Section 15 of the Employees’ Compensation Ordinance to report any accident to the Commissioner for Labour. During the Reporting Year, there were 6 cases of work injury and no fatal cases reported within the Group. In these 6 cases, a total of 35 working days were lost because we promised to provide sufficient days of sick leave due to work injury to our employees. Whenever a case of work injury happens, the Group will promptly handle the injured staff and investigate the situation and reason of the work injury. Immediate report will be prepared to notice the Commissioner of the Labor Department as well as the Insurance Company following the respective regulations and requirements. We will continue to strive for a safe and healthy work environment for our employees and front-line workers to reduce the work injury rate.

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Development and Training

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

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 the mechanical machineries, emergency dealing and reporting procedures. These training sessions are provided to ensure that our employees fully understand our safety policies and requirements, as well as protect them from getting injured. In addition, we encourage our workers to participate in external training sessions for being equipped with updated and essential skills and knowledge.

Labor Standards

The Group strictly abides with the relevant laws and regulations with regards of child labor, minimum wage specified by the government, 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. During the recruitment process, our recruiters will obtain the identification documents from the applicants to confirm that there is no employees recruited for under age 18. Through the whistle-blowing mechanism, our employees are able to voice out injustice they face or the misconduct and malpractice they suspect. The identity of the whistleblower will be seriously protected. The reported cases will be investigated by Management seriously and follow-up actions will be taken if necessary.

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, product quality and consistency of the suppliers. 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 2019, the OEM factory is the sole supplier of our Group’s inventory and we have established a good business relationship with the supplier.

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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 in Last Year. 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 quality standards. During the selection of back-up alternative suppliers, we underlined 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 the suppliers should maintain a high standard of ethics in which bribes or other improper interests cannot be provided or accepted. According to the 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 the applicable industrial, safety and quality standards for the sake of safeguarding both the Company's reputation and the public interests.

Quality Standards

The Group has set up a Quality Policy to commit itself 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 been certified for 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 Quality Management Consultant. An internal inspection report will be prepared to conclude the inspection coverage and criteria and summarize the findings and improvement recommendations. The Management will hold meeting to discuss the internal inspection report and review the QMS to ensure that the Group complies with the requirements of ISO 9001:2008 and ISO 9001:2015 quality management system standards. We will continue to ensure that the implementation of the QMS are up to our 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 the Group with mill certificates stating clearly the corresponding heat number of the bars. 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 certificates and passing mechanical test and chemical test will be used for the production.

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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.

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 Reporting Year, there was 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 2020.

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 Reporting 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 important for us to highlight the prevention of any cases of bribery, extortion, fraud and money laundering. Corruption and bribery are not limited to the questions of morals and ethics, but also the questions of legal litigation and the damage on the Group's reputation. 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 its employees. The Group severely prohibits its 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's interests.

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

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Whistleblowing Procedures

The Group has set up a “Whistleblowing Policy” to encourage its employees to report alleged malpractices or misconduct. The Group values and welcomes its 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.

Community Investment

During the Reporting Year, the Group has made HK\$35,000 charitable donations and sponsorships to different engineering parties to support the construction and engineering industries. The Group 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 Reporting Year.

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ENVIRONMENTAL DATA

Emissions Indicators	Year ended 30 June 2019	Year ended 30 June 2018
Air Emissions		
Total air emissions	N/A	6.84 kg
Air emission intensity	N/A	0.18 kg per employee
NOx emission		
Private car using petrol	N/A	6.22 kg
SOx emission		
Private car using petrol	N/A	0.16 kg
PM emission		
Private car using petrol	N/A	0.46 kg
Greenhouse Gas Emissions		
Total greenhouse gas emissions	161.58 tons	190.78 tons (included automobile usage)
Greenhouse gas emission intensity	4.25 tons per employee	4.89 tons per employee
CO ₂ emission		
Mobile combustion sources (vehicles)	N/A	25.20 tons
Electricity consumption	153.19 tons	155.23 tons
Electricity used for processing fresh water	1.54 tons	0.50 tons
Electricity used for processing sewage	0.83 tons	0.27 tons
Paper waste disposal at landfills	3.01 tons	2.75 tons
Business air travel by employees	3.01 tons	3.11 tons
CH ₄ emission		
Mobile combustion sources (vehicles)	N/A	0.06 tons
N ₂ O emission		
Mobile combustion sources (vehicles)	N/A	3.66 tons
Non-hazardous waste produced		
Total non-hazardous waste produced (paper waste)	626.09 kg	572.46 kg
Non-hazardous waste produced intensity	16.48 kg per employee	14.68 kg per employee
Electricity consumption		
Total electricity consumption	300.38 MWh	304.37 MWh
Electricity consumption intensity	7.90 MWh per employee	7.80 MWh per employee
Water Consumption		
Total water consumption	3,818.98 m ³	1,236.40 m ³
Water consumption intensity	100.50 m ³ per employee	31.70 m ³ per employee

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SOCIAL DATA

Employment Indicators	Year ended 30 June 2019	Year ended 30 June 2018
Employment		
Total number of employees	38	39
By Gender		
Male	Not disclosed	34
Female	Not disclosed	5
By Age Group		
18–25	Not disclosed	2
26–35	Not disclosed	14
36–45	Not disclosed	12
46–55	Not disclosed	11
By Job Level		
Front-line	Not disclosed	32
Middle management	Not disclosed	3
Top management	Not disclosed	4
Employment turnover		
Total number of employee turnover	Not disclosed	23
% of employee turnover (monthly average)	Not disclosed	5.43%
By Gender (monthly average)		
Male	Not disclosed	5.92%
Female	Not disclosed	1.67%
By Job Level		
Front-line	Not disclosed	6.78%
Middle management	Not disclosed	–
Top management	Not disclosed	–
Health and Safety Indicators		
Number of reported injuries	6	1
Number of lost hours	35 days	608 hours

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Employment Indicators	Year ended 30 June 2019	Year ended 30 June 2018
Development and Training Indicators		
Total number of hours of internal staff training	Not disclosed	18 hours
% of trained employees	Not disclosed	15%
Average hours per trained employee	Not disclosed	3 hours
Total training hours by Job Level		
Front-line	Not disclosed	—
Middle management	Not disclosed	—
Top management	Not disclosed	18 hours
% of training by Job Level		
Front-line	Not disclosed	—
Middle management	Not disclosed	—
Top management	Not disclosed	100%
Supply Chain Indicators		
Total number of approved suppliers	1 existing; 2 backup	1 existing; 2 backup
Product Responsibility Indicators		
Total number of complaints received	—	—
Total number of legal dispute cases	—	—
Anti-corruption Indicators		
Number of conducted legal cases regarding corruption	—	—
Community Indicators		
Community Investment		
Corporate charitable donation	HK\$35,000	—
Employee volunteering		
Number of employee volunteers	—	—
Total number of service hours	—	—

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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.	6–8
KPI A1.1 The types of emissions and respective emission data.	N/A
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).	8–9
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.	10
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	10

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

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B6. Product responsibility	Page #
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.	15
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.	15
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.	14–15
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A
B7. Anti-corruption	Page #
Policies and compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.	15–16
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Year and the outcomes of the cases.	15
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	16
B8. Community investment	Page #
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.	16
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	16
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	16