



廣駿
集團

Grand Talents Group Holdings Limited

廣駿集團控股有限公司

(Incorporated In The Cayman Islands With Limited Liability)

Stock Code: 8516

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019



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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Grand Talents Group Holdings Limited (hereafter the “**Company**” or “**Grand Talents**”) and its subsidiaries (collectively the “**Group**” or “**We**”) are an established subcontractor engaged in civil engineering works in Hong Kong for over nine years, undertaking:

- (i) Repair and maintenance projects for roads and highways and other infrastructures; and
- (ii) Civil engineering construction projects.

We are pleased to publish the first environmental, social and governance (“**ESG**”) report (the “**Report**”) to present our policies and measures in managing the ESG issues in our business operations.

SCOPE OF REPORT

The Report presents the ESG management approaches and performance of the Group between 1 April 2018 to 31 March 2019 (“**FY2019**” or the “**Reporting Period**”) with the reporting scope of our core business in civil engineering works, which includes our subsidiaries, Talent Mark Development Limited and Talent Mart Construction Co. Ltd. Unless otherwise specified, the information and data covers the offices of the subsidiaries and one construction project for the Reporting Period.

REPORTING STANDARD

The Report has been prepared in accordance with the “Comply or Explain” provisions as well as the selected social key performance indicators (“**KPIs**”) under the “Recommended Disclosures” in the ESG Reporting Guide under Appendix 20 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**HKEx ESG Reporting Guide**”). The Report has been reviewed and approved by the board of directors (the “**Board**”) of the Company.

REPORTING PRINCIPLES

During the preparation process, the Group adheres to the fundamental reporting principles, namely materiality, quantitative, balance and consistency, outlined in the HKEx ESG Reporting Guide.

| Materiality | Quantitative |
|---|--|
| We performed a materiality review based on peer review and stakeholder engagement process that determined the material ESG aspects to us and guided the focus of this Report. | All of the disclosed information, statistics of environmental and social KPIs in particular, were organised and calculated according to a series of standardised methodologies which are illustrated in the relevant sessions. |
| Balance | Consistency |
| The Board had reviewed the Report and confirmed that the ESG Report had not omitted any information related to material ESG topics. This Report had been prepared without bias. | We adopted consistent environmental and social data treatment approach to allow a fair comparison of our environmental and social performance over time. |



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

CONTACT AND FEEDBACK

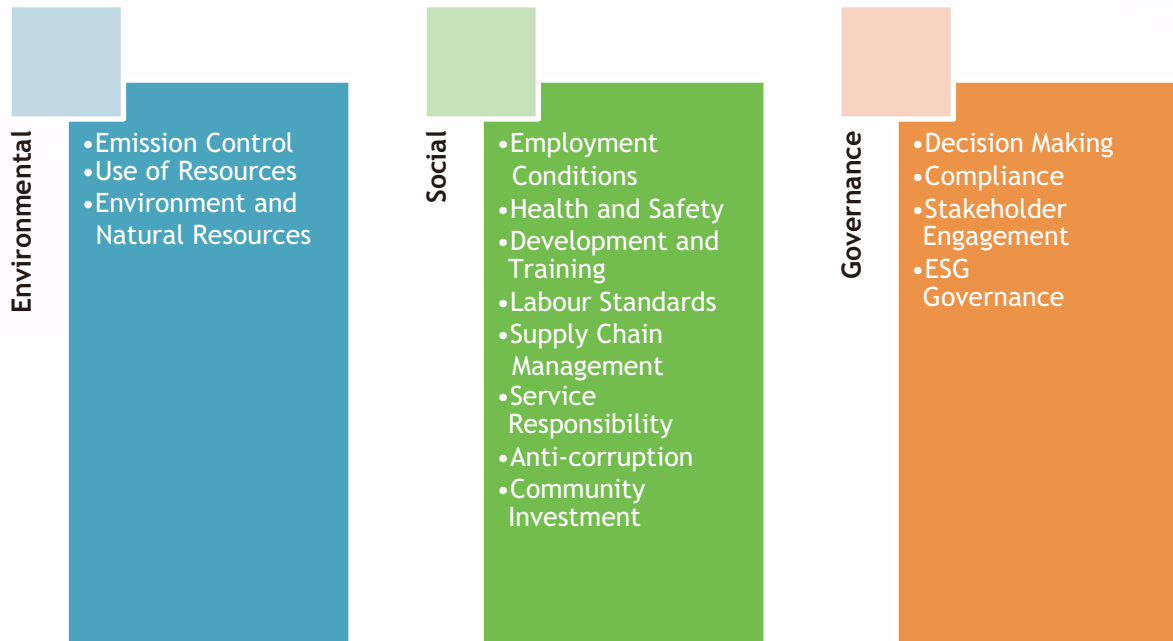
To drive continuous improvement, the Group relies on your valuable comments and feedback to our Report content and format. If you have any comments or suggestions, please feel free to contact us via info@grandtalentsgroup.com.hk.

The ESG Report is available for viewing on the GEM website at www.hkgem.com and the Company's website at www.grandtalentsgroup.com.hk under the "What's new" section and printed version of the ESG Report is available to the shareholders of the Company upon request.



ESG GOVERNANCE

The Group strives to achieve a better governance approach in addressing concerns and needs of our key stakeholders. An ESG Reporting Policy is established to guide the Group in gradually achieving our objectives and commitments in the following aspects.



In our business development, the Group considers ESG issues to minimize its impact on the environmental and social aspects, as well as eliminating risks that may bring to the business operation. The Board is the highest decision-making and management authority of the Company, who is committed to oversee the ESG development and the risk management process. Chief Executive Officer is authorised to handle the day-to-day operation, including implementation, monitoring and formulation of the strategies, plans and practices, with the support from representatives of different departments. Report to the Board is conducted annually to determine the risks and evaluate effectiveness of the risk management and internal control system. In order to improve the ESG governance structure, the Board also reviews the policy and ESG practices regularly so as to ensure the Group's ESG standards are met.



COMMUNICATION WITH OUR KEY STAKEHOLDERS

To better understand and address the needs and concerns of our stakeholders in relevance to our business operation, the Group has been maintaining regular communications with our key stakeholders through various channels, which are illustrated in the table below:

| Key stakeholder group | Communication channels |
|-----------------------|--|
| Shareholders | <ul style="list-style-type: none">• Company website• Company's announcements• Annual general meeting• Annual, interim and quarterly reports |
| Customers | <ul style="list-style-type: none">• Company website• Direct communication• Document submissions• Feedback and complaints |
| Employees | <ul style="list-style-type: none">• Training and orientation• Emails• Regular meetings• Employee performance evaluation |
| Suppliers | <ul style="list-style-type: none">• Selection assessment• Performance assessment• Regular communication (e.g. emails, meetings, on-site visit etc.) |



MATERIALITY ASSESSMENT

With an aim to identify material ESG issues to our Group and the stakeholders, the Group undergoes an internal discussion process with the guidance and supervision of Top management and the Board. Different ESG issues are prioritized according to the relevance and importance to the Group and stakeholders.



Four key ESG topics are considered material, including energy efficiency, environmental compliance, occupational health and safety and customer satisfaction and service quality, which are summarized below. In response to these topics, the Group will continue to review the Company's strategies, formulate appropriate response measures and control processes.

| Aspects | Topics | Description | Sections |
|-------------|---|---|---|
| Environment | Energy efficiency | Energy is the major resource use in our construction activities. To reduce the environmental footprint at the construction sites and save cost, we strive to reduce our energy consumption. | Environmental Footprint — Resource Use |
| | Environmental compliance | It is essential to ensure no breach of environmental laws and regulations in Hong Kong occurs in the construction sites, which can induce regulatory risk. | Environmental Footprint — Emission Prevention |
| Social | Occupational health and safety | Safety performance can highly affect the business operation and our employees. We put a top priority in providing a safe working environment. | Employment and Labour Practices — Health and Safety |
| | Customer satisfaction and service quality | The quality of our services and customer satisfaction can directly affect the future business opportunities of the Group. | Operating Practices — Service Responsibility |

ENVIRONMENTAL FOOTPRINT

Emission Control

The Group adheres to good environmental management, striving to protect the environment to fulfil its corporate social responsibility. The Group understands the environmental impacts that may bring by the business operation. To mitigate the risks and impacts from the construction activities to the public, our Group's policy strictly follows the construction methods and procedures of the main contractor in implementing appropriate control and mitigation measures and ensuring all the emissions comply with the environmental laws and regulations in Hong Kong, including Air Pollution Control Ordinance, Noise Control Ordinance and Water Pollution Control Ordinance. Therefore, environmental problems including fugitive dust, wastewater and noise generation from the construction activities can be minimized and controlled in a proper manner.

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Air Pollution Control Ordinance and the Noise Control Ordinance. During the Reporting Period, the Group was not aware of any material non-compliance of environmental laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

The non-hazardous waste produced by the Group was mainly the construction waste, including both inert and non-inert waste and office waste. Waste generation from our construction sites is collected, handled and disposed in accordance with the Waste Disposal Ordinance. Trip ticket system is implemented to track the disposal location of the construction waste. Strict compliance with the main contractor's waste management plan and procedures are exercised in disposing of the waste in appropriate collection points. There was no hazardous waste generated from the construction site in the Reporting Period.

| Waste ³ | Units | FY2019 |
|------------------------------------|--|---------|
| Construction Waste | Tonnes | 4,678.8 |
| — Non-inert | Tonnes | 263.2 |
| — Inert | Tonnes | 4,415.6 |
| Total construction waste intensity | Tonnes per floor area (square meter ("m ² ")) | 4.68 |

Greenhouse gas ("GHG") emissions of the Group are mainly generated from the use of purchased electricity, combustion of fuels by motor vehicles and powered mechanical equipment. In the reporting period, the total carbon dioxide ("CO₂") equivalent emission intensity is 0.22 tCO₂e per floor area (m²).

| GHG Emissions ^{4,7} | Units | FY2019 |
|------------------------------|---|--------|
| Scope 1 ⁵ | tCO ₂ e | 207.26 |
| Scope 2 ⁶ | tCO ₂ e | 24.97 |
| Total GHG Emission | tCO ₂ e | 232.22 |
| Intensity | tCO ₂ e per floor area (m ²) | 0.22 |

³ Non-hazardous waste produced from the office is collected by the property management company and hence the data is not available.

⁴ The GHG emission is calculated based on the "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx and international standards such as ISO 14064 and GHG Protocol.

⁵ Direct emission (Scope 1) covers the emission from the mobile and statutory sources combustion.

⁶ Indirect emission (Scope 2) covers the emission from the purchased electricity. The calculation is based on the published emission factors of the 2018 Sustainability Report of CLP.

⁷ Air emission from the Group is mainly generated from the use of motor vehicles. Collection of relevant data is not available and hence no data is available.



ENVIRONMENTAL FOOTPRINT (continued)

Measures adopted by the Group to mitigate the direct GHG emissions in our operations include (i) maintaining vehicles and equipment to prevent inefficient fuel consumption or abnormal operations; and (ii) encouraging staff to switch off electrical appliances when not in use to save electricity.

We do not consume significant volume of water through our business activities and therefore our business activities did not generate material portion of discharge into water.

Resource Use

The Group continues with initiatives to introduce resource efficiency and eco-friendly measures to the Group's operations, and is committed to optimising the use of resources in all of our business operations.

In our operational activities, we consume various types of resources such as energy, water and paper. Therefore, to control the resources consumption in our Group, we adopt green practices including procuring equipment with energy labels as far as practicable, reminding our employees to switch off any unattended electrical appliance and using recycled paper. In FY2019, total energy consumed is 2,868.46 GJ. Total paper and water consumption are 998.85 m³ and 593.45 kg respectively. Looking ahead, we would continue making efforts in reducing our energy consumption and keep up the pace of energy conservation.

| Resource Use | Units | FY2019 |
|-----------------------------|---|---------------------|
| Total energy consumption | GJ | 2,868.46 |
| Total energy intensity | GJ per floor area (m ²) | 2.73 |
| Direct energy consumption | | |
| — Diesel | GJ | 1,466.69 |
| — Gasoline | GJ | 1,225.54 |
| Indirect energy consumption | | |
| — Purchased electricity | GJ | 176.23 |
| Electricity | MWh | 48.95 |
| Intensity | MWh per floor area (m ²) | 0.05 |
| Water | m ³ | 998.85 ⁸ |
| Intensity | m ³ per floor area (m ²) | 1.00 |
| Paper ⁹ | kg | 593.45 |
| Intensity | kg per floor area (m ²) | 11.87 |

The Group's water was sourced from the Water Supplies Department of the Government and there was no water sourcing issue identified during the Reporting Period. The Group encourages our staff to preserve water usage by switching off water taps when not in use. As the Group's operations mainly focus on providing construction work services to customers, no packaging material is used by the Group during the Reporting Period.

⁸ Water charge of the office was included in the property management fee which the data was not available and hence the water consumption included the consumption in construction site only.

⁹ Paper consumption in the office is included.



ENVIRONMENTAL FOOTPRINT (continued)

The Environment and Natural Resources

The Group believes that corporate development should not come at the expense of the environment. Alongside the implementation of the environmental friendly approaches in various aspects as mentioned in the previous sections, the Group also undertakes the following measures if necessary to ensure proper management of environmental protection and minimize the adverse environmental impacts:

- installation of sound insulation material on our machines such as excavator and breaker to eliminate noise;
- regular spraying of water to control dust;
- collection of polluted water in sedimentary tanks for discharge at approved locations; and
- sorting of construction wastes and disposal at approved locations.

The Group pursues the best practices in environment protection and focuses on the impact of the Group's businesses to the environment and natural resources. In addition to complying with relevant environmental laws and regulations as well as preserving the natural environment, the Group has integrated the concept of environmental protection into its internal management and daily operations, with the aim of achieving environmental sustainability. The Group strives to promote environmental protection and minimise adverse and collaborate with our business partners and main contractors to reduce the environmental impact to the environment through promoting green practices by our staff at work so as to protect our natural resources and collaborate with our business partners and main contractors to reduce the environmental impact. By integrating environmental consideration into our business operation, we aim to be an environmentally sustainable enterprise. In the coming years, we would continue to promote energy and water resource conservation and efficient use of natural resources. We believe that not only can raising environmental awareness and reinforcing the positive behavioural changes bring benefits to our financial situation, but also to the future generations.



EMPLOYMENT AND LABOUR PRACTICES

Employment Conditions

The Group endeavours to provide a fair and inclusive working environment for our employees. As stipulated in the employment policy, we hold on the principles of fairness and treat our employees equally regardless of marital status, pregnancy, disability, race or family status. Discrimination and harassment are not tolerated in our Group.

The Group strictly abides with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485) and other relevant laws and regulations which cover compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The employment system is established with clear stipulation of the company standards in recruitment and promotion, dismissal, compensation, working hours and rest periods in the employee handbook. Competitive remuneration package can motivate our employees to strive for better performance and retain the talent within our Group. The salary will be reviewed annually with reference to the peer standards as well as the employees' job performance, experience and qualification. Employment benefits are provided according to the laws and regulations such as the Employment Ordinance, and the Mandatory Provident Fund Scheme Ordinance which include mandatory provisional fund, sick leave, maternity leave, paternity leave and compassionate leave. Overtime allowance will also be provided to the eligible employees.

In the Reporting Period, the total number of employees in our Group is 89 in FY2019. We believe diversity of the workforce can drive innovative ideas, bring new perspectives and improve the work performance of the Group.

FY2019

Staff Information

Total number¹ and percentage (%)

89

By employment type

| | |
|-----------|-----------|
| Permanent | 89 (100%) |
| Part-time | 0 (0%) |

By employment category

| | |
|-----------------------|----------|
| General Staff | 68 (77%) |
| Management/Supervisor | 10 (11%) |
| Senior Management | 11 (12%) |

By age group

| | |
|-------------------|----------|
| Under 30 years | 7 (8%) |
| 30–50 years old | 38 (43%) |
| Over 50 years old | 44 (49%) |

By gender

| | |
|--------|----------|
| Male | 81 (91%) |
| Female | 8 (9%) |

By geographical region

| | |
|-----------|-----------|
| Hong Kong | 89 (100%) |
|-----------|-----------|

¹ The number of staff information is presented in headcount as of 31 March 2019.



EMPLOYMENT AND LABOUR PRACTICES (continued)

To retain the talent within our Group, we consider an internal transfer of job position when the employees meet with the job requirements in order to fulfill their job aspiration and development. Various job position and tasks are offered to eligible employees to obtain comprehensive work opportunities and experience so as to extend their potential. Internal and external training are also provided to the employees to enhance their technical skills.

Health and Safety

In the construction sites, we put safety of employees as our first responsibility and priority. We work closely with the main contractor of the construction project to carry out all the safety protocols, guidelines and practices to create a safe working environment. Employees are requested to strictly follow all the safety precaution measures and standards, including wearing personal protection equipment such as safety helmet and earplug as considered necessary to the work processes. No work-related fatalities occurred in FY2019.

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Occupational Safety and Health Ordinance. During the Reporting Period, the Group was not aware of any material non-compliance with health and safety related laws and regulations that would have a significant impact on the Group.

Health and Safety

FY2019

Number of lost-time injuries (days)

365

To ensure the employees are equipped with necessary safety knowledge, qualifications of the employees are checked such as the construction workers registration card and construction industry safety training certification before commencement of work. Induction safety training is also provided to the new recruits by the main contractor to ensure they are aware of the potential safety hazards and protection measures. General safety check on areas such as working at height, earthwork and lifting gear is performed regularly to ensure sufficient precaution measures are provided.

Development and Training

To provide a better career prospect and job position that best suits the candidates, the Group will assign different tasks and positions as far as practicable to expose them to various work opportunities and enrich their development potential. Any promotion or transfer will consider the internal staff to maximize their capability and retain the talents in the Group. Internal and external training are provided to the appropriate employees to enhance their technical competence.

Regular training is conducted by the main contractor to enhance safety awareness of our employees by refreshing their knowledge and alertness to the risks associated with the working environment.

Labour standards

Child and forced labour is strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and conducts recruitment based on the Hong Kong Employment Ordinance. Personal data are collected during the recruitment process to assist in the selection of suitable candidates and to verify candidates' personal data. The Human Resources Department also ensures identity documents are carefully checked. If violation is involved, it will be dealt with in the light of the circumstances as clearly stated in the Group's Staff Handbook.

During the Reporting Period, the Group strictly complies with child and forced labour related laws and regulations in Hong Kong, including but not limited to the Employment of Children Regulations and Employment Ordinance. The Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group.



OPERATING PRACTICES

Supply Chain Management

As a socially responsible enterprise, we do not only require the products and services we deliver to be sustainable in terms of business, we also manage our supply chain to ensure its reliability which is consistent with the Group's policy on sustainability. We understand the importance of supply chain management in mitigating the indirect environmental and social risks. We are aware of the environmental and social practices of the suppliers, and try to engage suppliers with responsible acts to society in view of green supply chain management.

Our project department assesses new suppliers with the consideration of the quality of services rendered or products supplied, reputation in the industry, past experience, licenses and certifications. Suppliers fulfilling our requirements are included in our approved supplier list. If the products and services are related to the construction works, our project department will also check and ensure the qualification of the suppliers can meet with the construction project needs, project specifications and/or clients' requirements. Close monitoring of existing suppliers' performance is carried out with the annual performance review procedures in place to evaluate their capacity, delivery time, quality control standards, defect rates etc., in order to achieve higher service quality. Suppliers with unsatisfied performance will be removed from our approved list. Supplier relationship may also be terminated when there is substantial violation of environmental and labour laws and regulations.

Local sourcing can reduce the associated environmental impact and support the local economy. The Group, therefore, endeavours to procure from local suppliers or vendors. In FY2019, over 94% of the suppliers are from Hong Kong.

Suppliers Information²

FY2019

| | |
|------------------------|-----|
| Total number | 101 |
| By geographical region | |
| Hong Kong | 95 |
| Mainland China | 6 |

² Suppliers from Talent Mark Development Limited and Talent Mart Construction Co., Ltd are included.



OPERATING PRACTICES (continued)

Service Responsibility

The Group believes that products and services quality can build a long-term relationship with our customers and gain their trust and support. In undertaking the construction works, we work along with the main contractors in implementing various quality control measures. The Group has established a quality control system in accordance with the requirements of ISO 9001:2015 to develop a sustainable performance-oriented culture with an emphasis on pursuing continuous improvement and long-term development. Process control procedures have been also been established to ensure that the works meet the contractual specification and the environment, health and safety requirements, details of which are shown below:

- Review and follow all the contract requirements, specifications, drawings and construction programme;
- Assign an experienced project manager, site agent etc. to monitor the performance and progress of the construction works; and
- Regular inspection on the construction site to check the work standards, procedures, methodologies are fulfilled.

The Group strictly complies with related laws and regulations in Hong Kong, including but not limited to the Building Ordinance and Construction Industry Council Ordinance of Hong Kong. During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services provided that would have a significant impact on the Group.

Most of our contracts contain a defects liability period, during which we are responsible to rectify any works defects. In addition, there is usually a contract term for the customers to withhold retention money from us. In general, our customers may retain 3% to 10% of the interim payment for repair and maintenance projects and up to 5% of the contract sum for civil engineering construction works projects as retention money for a project. The terms and conditions in relation to the release of retention monies vary from contract to contract. Depending on the terms of the contracts, the retention money will be released to us upon a pre-agreed period, which is generally 12 months after completion of works or upon the expiration of the defects liability period. During the Reporting Period, the Group did not experience any material claim from the customers in respect works defects.

We highly respect intelligence property rights and prohibit unauthorised use of patented products, technologies and concepts. Confidential information should not be disclosed under any circumstance. All the customer's information such as business secrets and construction information is kept in high confidentiality to prevent data or information leakage. In respect of customer personal data and confidential documents, the Group preserves them properly and strictly complies with the Hong Kong Personal Data (Privacy) Ordinance. During the Reporting Period, the Group did not receive any significant complaint regarding the breach of customer's privacy or loss of customer's information.



OPERATING PRACTICES (continued)

Anti-corruption

To safeguard the corporate reputation and interest of our stakeholders, the Group believes fairness, honesty and integrity are the key and core values of our business operation. As stipulated in our staff handbook, all employees must comply with all the laws and regulations such as the Prevention of Bribery Ordinance and abide by business ethics when conducting business activities. A zero tolerance approach to corruption, bribery, fraud and money laundering is adopted. In addition, we prohibit our people to solicit or receive any kind of advantages such as money, gifts, loans or offers from our customers, suppliers or any interested parties, unless prior approval is obtained. Any conflict of interest should be avoided and immediately reported to the directors and general manager. Employees will be subject to disciplinary action, which includes dismissal if violation of the rules is found.

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Prevention of Bribery Ordinance of Hong Kong. During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group. There were no concluded legal cases against the Group or its employees during the Reporting Period.

We always value the opinions and suggestions of our employees. By establishing an opinions box in both office and construction site, our employee can send their opinions or report any suspected malpractices through leaving an anonymous mail. The management will take immediate action to investigate and take follow-up actions if necessary.



Community Investment

As a socially responsible company, we care about our community. We are committed to exerting our competence and allocate resources to support the community. We actively seek opportunities to repay the society in hope of creating a better living environment for local community. We encourage our staff to participate in charitable events and activities.

In future, we are looking to set aside an agreed amount allocated to donations charity and support for good causes depending on the profitability of our Group. We are also looking into planning a series of charitable events in the upcoming year to foster the culture of participating in community work and giving back to the society.



HKEx ESG REPORTING GUIDE INDEX

| HKEx ESG Reporting Guide General Disclosures & KPIs | | Explanation/Reference Section |
|---|---|--|
| Aspect A: Environment | | |
| A1 Emissions | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note:</i> <i>Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i> | Environmental Footprint — Emission Control |
| KPI A1.1 | The types of emissions and respective emissions data. | Environmental Footprint — Emission Control |
| KPI A1.2 | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Environmental Footprint — Emission Control |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | No hazardous waste is generated in the Reporting Period. |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility). | Environmental Footprint — Emission Control Non-hazardous waste from the office is collected by the property management company. Therefore, relevant information is not available. |
| KPI A1.5 | Description of measures to mitigate emissions and results achieved. | Environmental Footprint — Emission Control |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | Environmental Footprint — Emission Control |
| A2 Use of Resources | Policies on efficient use of resources including energy, water and other raw materials. <i>Note:</i> <i>Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i> | Environmental Footprint — Resource Use |
| 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). | Environmental Footprint — Resource Use |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Environmental Footprint — Resource Use |
| KPI A2.3 | Description of energy use efficiency initiatives and results achieved. | Environmental Footprint — Resource Use |



HKEx ESG REPORTING GUIDE INDEX (continued)

| HKEx ESG Reporting Guide General Disclosures & KPIs | | Explanation/Reference Section |
|---|---|---|
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. | Environmental Footprint — Resource Use No issues in sourcing water is identified in the Reporting Period. |
| KPI A2.5 | Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced. | No packaging materials is used in our business operation. |
| A3 The Environment and Natural Resources | Policies on minimising the issuer's significant impact on the environment and natural resources. | Environmental Footprint — The Environment and Natural Resources No significant impact on the environmental and natural resources is identified by the Group in the Reporting Period. |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Environmental Footprint — The Environment and Natural Resources No significant impact on the environmental and natural resources is identified by the Group in the Reporting Period. |
| Aspect B: Social | | |
| B1 Employment | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Employment and Labour Practices — Employment Conditions |
| KPI B1.1 | Total workforce by gender, employment type, age group and geographical region. | Employment and Labour Practices — Employment Conditions |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | Not disclosed. The Group will refine the data collection approach for reporting this KPI in the future. |
| B2 Health and Safety | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Employment and Labour Practices — Health and Safety |
| KPI B2.1 | Number and rate of work-related fatalities. | Employment and Labour Practices — Health and Safety |
| KPI B2.2 | Lost days due to work injury. | Employment and Labour Practices — Health and Safety |



HKEx ESG REPORTING GUIDE INDEX (continued)

| HKEx ESG Reporting Guide General Disclosures & KPIs | | Explanation/Reference Section |
|---|---|--|
| KPI B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Employment and Labour Practices — Health and Safety |
| B3 Development and Training | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i> | Employment and Labour Practices — Development and Training |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | The training is directly provided by the main contractor, where the actual data is not available. |
| KPI B3.2 | The average training hours completed per employee by gender and employee category. | The training is directly provided by the main contractor, where the actual data is not available. |
| B4 Labour Standards | Information on: | Employment and Labour Practices — Labour Standards |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Employment and Labour Practices — Labour Standards |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | Employment and Labour Practices — Labour Standards |
| B5 Supply Chain Management | Policies on managing environmental and social risks of the supply chain. | Operating Practices — Supply Chain Management |
| KPI B5.1 | Number of suppliers by geographical region. | Operating Practices — Supply Chain Management |
| 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. | Operating Practices — Supply Chain Management |
| B6 Product Responsibility | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Operating Practices — Service Responsibility |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | The Group primarily engages in the construction activities where products sold or shipped are not relevant to the Group. |



HKEx ESG REPORTING GUIDE INDEX (continued)

| HKEx ESG Reporting Guide General Disclosures & KPIs | | Explanation/Reference Section |
|---|---|---|
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | Operating Practices — Service Responsibility |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Operating Practices — Service Responsibility |
| KPI B6.4 | Description of quality assurance process and recall procedures. | Operating Practices — Service Responsibility. |
| KPI B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | Operating Practices — Service Responsibility |
| B7 Anti-corruption | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering | Operating Practices — Anti-corruption |
| 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. | Operating Practices — Anti-corruption |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | Operating Practices — Anti-corruption |
| B8 Community Investment | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community — Community Investment |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Not disclosed. The Group will review and develop methods to demonstrate the corporate responsibility. |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Not disclosed. The Group will review and develop methods to demonstrate the corporate responsibility. |

