

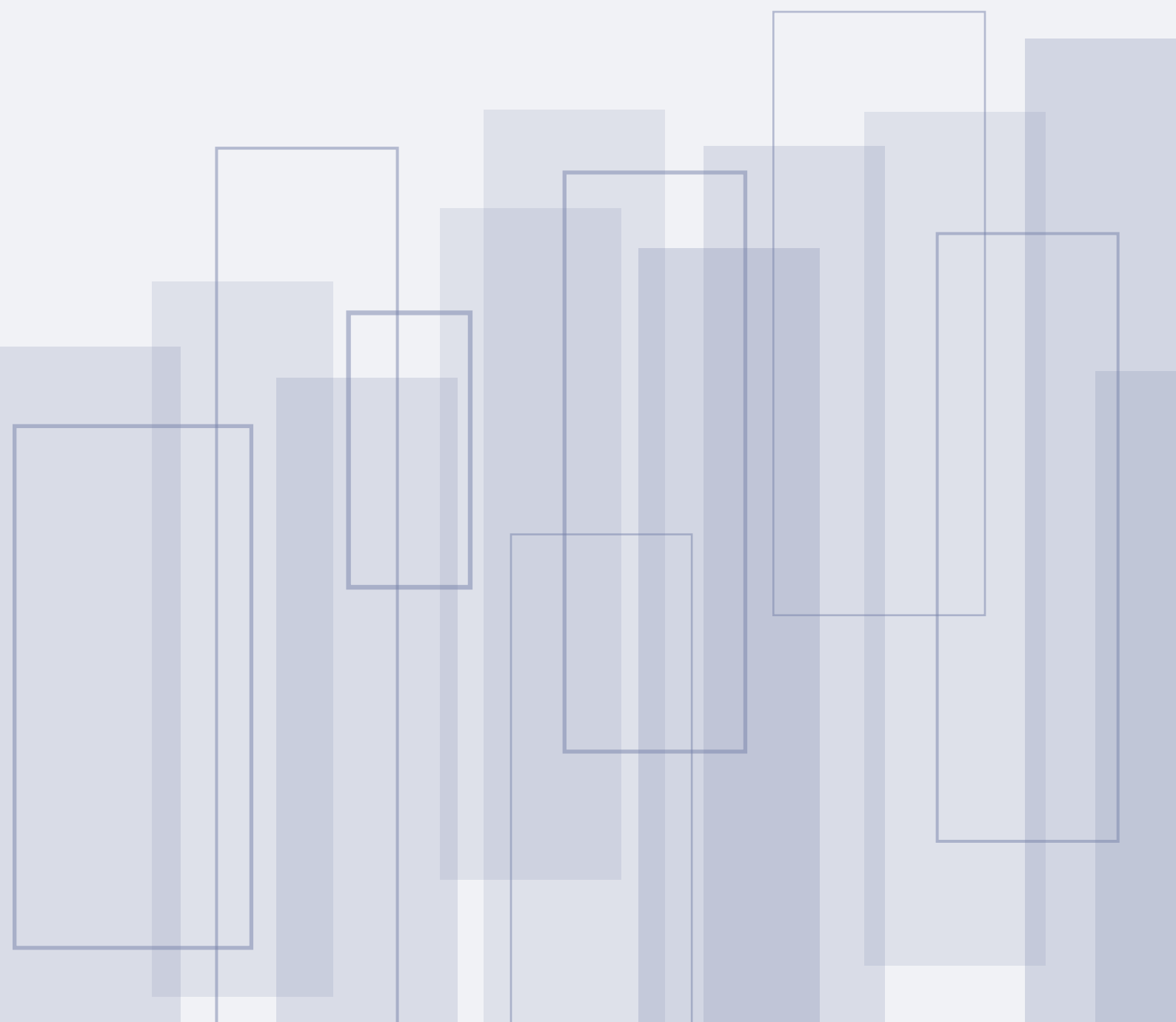
# 智城發展控股有限公司

SMART CITY DEVELOPMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8268

## Environmental, Social and Governance Report 2021





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## About The Report

Smart City Development Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**” or “**We**”) are pleased to present the Environmental, Social and Governance (“**ESG**”) Report, which summarises the efforts and achievements made by the Group in corporate social responsibility and sustainable development. For the details of corporate governance, please refer to the Corporate Governance Report of the Group’s Annual Report 2021.

### SCOPE OF THE REPORT

The ESG Report focuses on the environmental and social performance of the businesses of the Group mainly in Hong Kong, the People’s Republic of China (the “**PRC**”) and Macau during the period from 1 April 2020 to 31 March 2021 (the “**Year**”); while environmental Key Performance Indicators (“**KPIs**”) cover the Group’s business as a contractor in the building industry providing building construction works, electrical and mechanical engineering works, and alterations, addition, renovation, refurbishment and fitting out works. The Group will continue to develop strategies to enhance its performance in the environmental realm and to disclose relevant information in sustainable development.

### REPORTING FRAMEWORK

The ESG Report was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**HKEX**”).

### REPORTING PRINCIPLES

The content of the ESG Report is determined through stakeholder engagement processes, which includes identifying ESG-related issues, collecting and reviewing the management and stakeholders’ opinions, assessing the relevance of the issues and preparing and validating the information reported. The ESG Report covers the key issues concerned by different stakeholders.

Quantitative environmental and social KPIs are disclosed in the ESG Report so that stakeholders are able to have a comprehensive understanding of the Group’s ESG performance. Information of the standards, methodologies, references and source of key emission and conversion factors used on these KPIs are stated wherever appropriate. In order to enhance and maintain comparability of ESG performances between years, the Group has strived to adopt consistent reporting and calculation methodologies as far as reasonably practicable. For any changes in methodologies and specific standards, the Group has presented and explained in detail in corresponding sections. The Group will continue to adopt consistent methodologies as far as reasonably practicable in the future, in case of any changes that could affect a meaningful comparison of the KPIs between years.

### ESG GOVERNANCE

The Group considers good ESG governance as an integral part of the sustainable growth of enterprises. The board of Directors (the “**Board**”) of the Company thereby bears the primary responsibilities for formulating the Group’s short-term and long-term ESG strategies, and continually oversees and reviews the implementation of ESG policies, so as to strengthen the Group’s ESG system and minimise related risks. The Board has delegated an authority to carry out sustainable development measures and ensure compliance with relevant laws and regulations.

### INFORMATION AND FEEDBACK

Your opinions on the Group’s ESG performance are highly valued. Should you have any advice or suggestions, please feel free to contact the Company through [info@smartcity-d.com](mailto:info@smartcity-d.com).

# ESG Responsibility Management

## STAKEHOLDER ENGAGEMENT

The Group deeply understands the importance of close communication with stakeholders. The preparation of the ESG Report, which included the participation of different stakeholders, has helped us to review our current management on the environmental and social performance, and has also served as a basis for the formulation of our sustainability strategies. In order to understand the stakeholders' expectations and requirements, the Group has established various channels to collect opinions regarding our ESG performance and to address their reasonable expectations.

Stakeholders	Expectations and Requirements	Means of Communication and Response
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Compliance with national policies, laws and regulations</li> <li>• Support for local economic growth</li> <li>• Drive local employment</li> <li>• Tax payment in full and on time</li> <li>• Construction safety</li> </ul>	<ul style="list-style-type: none"> <li>• Regular information reporting</li> <li>• Regular meetings with regulators</li> <li>• Dedicated reports</li> <li>• Examination and inspection</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Returns</li> <li>• Compliant operation</li> <li>• Growth in corporate value</li> <li>• Information transparency and effective communication</li> </ul>	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Announcements</li> <li>• Email, telephone communication and company website</li> <li>• Dedicated reports</li> <li>• Site visits</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>• Operation with integrity</li> <li>• Equal Rivalry</li> <li>• Performance of contracts</li> <li>• Mutual benefit and win-win result</li> </ul>	<ul style="list-style-type: none"> <li>• Review and appraisal meetings</li> <li>• Business communication</li> <li>• Exchange and discussion</li> <li>• Engagement and cooperation</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• High-quality construction projects and services</li> <li>• Health and safety</li> <li>• Performance of contracts</li> <li>• Operation with integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service center and hotlines</li> <li>• Customer feedback surveys</li> <li>• Customer communication meetings</li> <li>• Social Media Platforms</li> <li>• Calling for feedback</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Compliant emissions</li> <li>• Energy conservation and emission reduction</li> <li>• Ecosystem protection</li> </ul>	<ul style="list-style-type: none"> <li>• Communication with local environmental departments</li> <li>• Communication with the locals</li> <li>• ESG Reporting</li> <li>• Investigations and inspections</li> </ul>

# ESG Responsibility Management

Stakeholders	Expectations and Requirements	Means of Communication and Response
<b>Industry</b>	<ul style="list-style-type: none"> <li>• Establishment of industry standards</li> <li>• Driving industry development</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in industry forums</li> <li>• Visits and inspections</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Protection of rights</li> <li>• Occupational health and safety</li> <li>• Remunerations and benefits</li> <li>• Career development</li> <li>• Humanity care</li> </ul>	<ul style="list-style-type: none"> <li>• Employee communication meetings</li> <li>• House journal and intranet</li> <li>• Employee mailbox</li> <li>• Training and workshops</li> <li>• Employee activities</li> </ul>
<b>Communities and the Public</b>	<ul style="list-style-type: none"> <li>• Improvement in community environment</li> <li>• Participation in charity</li> <li>• Information transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company announcements</li> <li>• Interview with media</li> <li>• Social media platforms</li> </ul>

## MATERIALITY ASSESSMENT

With the opinions and information collected from stakeholders through various channels, the Group has a better understanding on the ESG-related issues concerned by the stakeholders. The Group has also gathered the management's view on ESG-related issues through questionnaires. The information gathered, after being analysed along with materiality maps provided by well-known external institutions<sup>1</sup> and professional opinions from third-party professionals, helped the Group identify and prioritize ESG issues which are concerned by stakeholders and are highly related to the Group's business.

Aspects	Material Issues
Environment	Environmental Impacts Opportunities in Green Building
Labour Practices	Employee Health & Safety
Operating Practices	Product Quality & Safety Privacy & Data Security Anti-corruption

<sup>1</sup> The materiality maps referenced in the materiality assessment include the ESG Industry Materiality Map and the SASB Materiality Map produced respectively by MSCI and the Sustainability Accounting Standards Board (SASB).



# Protecting Our Environment

## ENVIRONMENTAL PRINCIPLE

The Group recognises the importance of environmental protection and is committed to embedding corporate responsibility into its business operation. A Safety and Environmental Department, which is responsible for ensuring environmental compliance and proper implementation of environmental protection measures in the projects, has been established by the Group. As a contractor in the building industry, we have been operating in strict compliance with the environment-related laws and regulations applicable to building industry, so as to minimise the environmental impacts. Looking forward, the Group looks to maintain its compliance with relevant environmental laws and regulations, as well as making sure there are no occurrences of major environmental incidents.

The Group has always put a high priority on environmental protection. With that in mind, regular on-site environmental management meetings are held by the Group's Environmental Committee, which includes representatives from sub-contractors. Environmental and site hygiene issues regarding the management system as well as on-site performance will be discussed and reviewed in order to effectively control the environmental impacts caused by construction work during the meetings. In one of such meetings for one of the Group's construction sites, the Group has confirmed that the site and construction should comply with BEAM Plus certification, an assessment based certification system which aims to reduce the environmental impacts of buildings. Furthermore, the Group's subsidiary in Beijing, the PRC has obtained the ISO14001:2015 certification regarding its environmental management system.

During the Year, the Group was not aware of any non-compliance with environmental-related laws and regulations.

## EMISSION TREATMENT

### Waste

The non-hazardous waste from the office operation of the Group is mainly general refuse, while the hazardous waste is mainly waste toner cartridges and waste light tubes. In general, recyclable materials are sorted and transferred to recycling companies regularly, while hazardous waste is gathered centrally and collected by authorised parties or property management companies. To reduce paper waste, the Group sets the printers and computers to default duplex and reminds employees to reduce the number of photocopies whenever possible. In addition, we encourage our employees to use reusable dishware and cutlery instead of disposable ones by displaying notice and posters in offices, so as to raise the awareness of waste reduction among employees.

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

In the construction phase, sub-contractors are required to handle hazardous waste and non-hazardous waste separately to avoid land contamination. The hazardous waste, such as chemical waste, shall be properly packaged, labelled and stored at designated areas and transferred to qualified parties for handling pursuant to the requirements of relevant laws and regulations. Apart from hazardous waste, construction and demolition ("C&D") waste is the major non-hazardous waste arising from construction works, which is sorted and segregated into different containers. The sub-contractors are advised to recycle and reuse the C&D waste to the greatest extent possible before the transportation to designated disposal sites by authorised companies.



# Protecting Our Environment

## **Air Emission**

The major air emissions caused by the Group's operation stem from vehicle exhausts. To reduce emissions from our vehicle fleet, we have purchased vehicles with small engine displacements, and performed regular checks and maintenance on our vehicles. In office operations, we encourage our staff to take public transport instead of driving during transit to reduce the carbon footprint and subsequently reduce air pollutant emissions. For site operation, construction dust is the main air pollutant that may affect the air quality of the surrounding environment. Thus, we require sub-contractors to comply with relevant laws and regulations such as the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong) and the Law of the PRC on Prevention and Control of Atmospheric Pollution, so as to alleviate the air quality impact. For example, the Group requires dusty materials to be covered or sheltered, while water is sprayed on dusty materials before loading and unloading to avoid the emission of fugitive dust.

## **Wastewater**

The water consumption of the Group is mainly attributed to general office use and site operation. Domestic sewage is the major type of wastewater in the office and is discharged directly to municipal drainage system.

For site operation, sub-contractors are required to comply with the requirements stipulated in the relevant laws and regulations, such as the Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) and the Law of the PRC on Prevention and Control of Water Pollution. The daily effluent shall be complied with the requirements in the water discharge license granted to the Group. Wastewater at construction sites is well-treated before discharge. For example, sand trap filters are installed to avoid the discharge of sand and large particles to the drain when significant water pollution problem is anticipated.

Looking ahead, the Group will continue to put efforts in controlling the emissions in order to reduce the environmental impact caused by its operation.

## **RESOURCES CONSERVATION**

The main resources consumed during the Group's operation are energy and water. Our employees are reminded of the importance of water conservation and encouraged to adopt water-saving measures, such as turning off faucets tightly after use to avoid water wastage. In respect of energy saving, the Group has selected energy-efficient printer models and encouraged employees to switch off the lighting and air-conditioning when not in use, so as to reduce the energy consumption and carbon emissions. The Group will keep on improving the efficiency of energy and water usage, and hence to consume resources in a reasonable manner.

Due to the nature of the construction industry, no packaging materials are used during our operation.

## **RESPONDING TO CLIMATE CHANGE**

Climate change has become one of the most concerning topics to society and is indispensable to the Group. The Group has taken the initiative to identify the potential risks and impacts that may be brought to the Group. The potential risk of more frequent extreme weather events not only influence the accessibility of construction site, but also pose threat to the safety of site workers at construction sites, such as scaffolding and other temporary constructions collapsing due to strong wind. These extreme weather events may lead to projects delay, causing additional expenditure of the Group.

# Protecting Our Environment

In the light of such potential risks and impacts, the Group has dedicated to strengthening the climate resilience and lowering the impact towards climate. The Group has set out a contingency plan for tackling climate change risk in the site operations, as shown below.

<b>Climate Risks</b>	<b>Possible Impact to the Group</b>	<b>Remedial Actions</b>
More frequent extreme weather conditions (e.g. rainstorms and typhoons)	Frequent rainfalls causing flooding on site, increases the difficulty of construction works.	A Contingency Response Unit is set up to keep abreast of latest weather reports and take action.
	Scaffolding and other temporary structures may collapse in strong wind.	Safety measures are comprehensively enforced. For example, silt removal facilities, channels and manholes are properly maintained to prevent flooding, while open stockpiles of construction materials on site will be covered and secured.
	Typhoon may damage building structure and materials.	
	Health and safety of site workers may be threatened.	The Group has developed a set of typhoon and rainstorms operational guidelines to protect the safety of workers.





# Caring About Our Employees

## EMPLOYMENT AND WELFARE

The Group believes that employees are the most valuable assets and indispensable to its success. To protect employees' rights and interests, we strictly abide by relevant laws and regulations, such as the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), the Labour Law of the PRC, and the Labour Contract Law of the PRC.

We have established a sound recruitment system, under which all recruitment processes are carried out according to the work requirements set by each department. Regardless of their nationality, gender, age, race, religious belief or disability, candidates with relevant professional qualifications and working experience would receive equal consideration for employment. We also strictly comply with the Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong) and the Provisions on the Prohibition of Using Child Labour of the PRC, by closely examining the identification documents of candidates to ensure no child labour is employed. In order to prevent forced labour, duties and responsibilities of the positions are clearly stated on the employment contract to protect the rights of employees. To ensure that our employees have sufficient time to rest, the policies of working hours and rest periods are in line with relevant employment laws and regulations, and clearly stated on the employment contract and staff manual.

On the other hand, the Group offers employees a competitive remuneration package, which is reviewed and determined with reference to the performances of employees and market practice. Also, promotion opportunities will be given to employees with outstanding performance in their appraisal, which enable a long-term development of employees together with the Group.

For employees who are required to go on business trips, the Group provides accommodation for employees who travel to locations where company accommodation is set up. Otherwise, the Group provides travel allowance to staff that is required to go on business trips, which includes the expense for accommodation, travel and meals.

In terms of employee benefits, in addition to the statutory requirements of monthly contributions to the Mandatory Provident Fund Scheme under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) and occupational retirement schemes under the Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong) for employees working in Hong Kong, and the Five Social Insurances and One Housing Fund for employees in the PRC, we also provide employees with medical insurance, employee's compensation insurance and personal accident insurance. Besides, employees are entitled to annual leave, wedding leave, compassionate leave, maternity leave, paternity leave as well as statutory holidays. As for resigned employees, outstanding wages are paid pursuant to the requirements of the relevant laws and regulations.

Great importance is attached to the work-life balance of our employees. During the Year, due to the Coronavirus Disease 2019 (“**COVID-19**”) pandemic we only organised limited leisure activities for our employees, including Christmas party, so as to maintain their physical and mental well-being, and foster a sense of belonging to the Group.



# Caring About Our Employees

## HEALTH AND SAFETY

In face of the global pandemic that is COVID-19, different business sectors have been devoting much effort to control the disease and its spread. The Group is no exception, and has implemented various measures to control and prevent COVID-19. Anti-pandemic posters are put up in workplace to foster hygiene awareness of employees. The Group has invited third-party cleaning companies to regularly disinfect office premises by applying Medical Grade Natural Disinfection. In order to prevent the spread of COVID-19 on site area, the Group has also abided by the recommendation of Construction Industry Council to inspect whether measures are well implemented and adopted with the assistance of sub-contractors. Site workers are required to wear medical masks and shall present a valid negative COVID-19 test result within the past 14 day while entry.

In addition to COVID-19, dengue fever and Japanese encephalitis cannot be ignored as well. The Group has taken precaution against mosquito-borne tropical diseases at different levels with reference to Gravidtrap Index.

Furthermore, the Group adheres to the people-oriented approach and has actively pushed forward safety measures in the workplace. In order to raise the awareness of our employees on occupational health and safety in office, posters issued by the Occupational Safety & Health Council of Hong Kong, regarding tips for stress management at work, proper use of computer and stretching exercise, are put up at prominent locations within the office area in Hong Kong.

Even though site workers do not work under our employment, considerable attention is paid to their health and safety. Our sub-contractors are required to strictly comply with the laws and regulations associated with health and safety, such as the Construction Workers Registration Ordinance (Cap. 583 of the Laws of Hong Kong), the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), the Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong), the Law of the PRC on the Prevention and Control of Occupational Diseases, and the Production Safety Law of the PRC. Due to the high risk nature of work at construction sites, the Group has set out a clear health and safety policy and statement, safety manual, safety plan and in-house safety rules so as to ensure that all aspects of health and safety are covered. The Group has set targets regarding the number of fatalities and injuries at construction sites, and strives to achieve the goals as well as continuous improvement. To ensure the compliance of sub-contractors, the Group holds regular safety meetings with the Site Safety Committee to discuss any non-conformity identified at site inspection, work-related injuries, updates of safety measures, etc. It is compulsory for sub-contractors to attend the safety meetings and make improvements as required by the Group.

In order to promptly and effectively deal with dangerous incidents, injuries and other emergencies, the Group has set detailed emergency incident management procedures to ensure that each incident is dealt with and recorded accordingly. The records can also act as future examples for precaution measures.



# Caring About Our Employees

## TRAINING AND DEVELOPMENT

Driven by our firm belief in the profound importance of continuing education to enhance service quality, we provide education subsidies to motivate our employees to pursue further education. We also encourage our employees to attend training courses to keep up to date with the latest practices and the development of the industry, or to develop their management and decision-making abilities to enhance their work performance.

Safety is always the highest priority on site. Therefore, we provide safety trainings such as induction training and toolbox talks regarding various safety topics to site workers on a regular basis, ensuring that site workers are aware of the health and safety risks at sites, as well as the appropriate ways to use different equipment and machinery. In the course of training, site workers will be acquainted with relevant legal requirements as well as health and safety practices on construction sites, so as to maintain a high standard of safety awareness at all times. The safety training mainly covers the use of personal protective equipment, fire safety, proper manual handling procedure, safe operation of machineries and correct posture for lifting and other tasks. The Group also encourages employees to attend different training workshops that enhances different aspects of our employees, for example, our employee has attended a mental health first aid course, in order to provide support to other employees' mental health.

### SUPPLY CHAIN MANAGEMENT

In our construction projects, sub-contractors are our major suppliers. To maintain the quality of services, the Group is careful about choosing experienced and qualified sub-contractors. Selection criteria for sub-contractors include safety performance, quality of workmanship, product availability, and on-time delivery. A list of approved sub-contractors is maintained and reviewed at least once a year, where the review includes a scoring system which bases on different aspects of the sub-contractors' performance, including product and service quality, work completion timeliness, product material control, on-site monitoring ability and progress maintenance. Besides, the Group also takes into consideration the potential environmental and social risks brought by suppliers, such as the health and safety related performances by sub-contractors. Sub-contractors with poor quality of work or unsatisfactory job performance will be removed from the list and replaced by other sub-contractors. We endeavour to lower the risks from supply chain and minimise the impacts towards the quality of our services.

### QUALITY ASSURANCE

The Group understands the importance of quality control. Therefore, the Group has established and implemented a quality management system in our operations, which conforms to the internationally recognised ISO 9001:2015 Quality Management System Standard. A set of Quality Manual is in place as a guidance and standard operation procedure to ensure the compliance with the requirement of ISO 9001 and relevant laws and regulations related to quality management, such as the Buildings Ordinance (Cap. 123 of the Laws of Hong Kong) and the Construction Law of the PRC.

During the stage of project implementation, we perform regular inspections to monitor the progress of the project and ensure compliance with our guidelines. Regular meetings with our sub-contractors are held to address material quality issues in a prompt manner and to ensure that sufficient resources are allocated for timely completion of the project. With regard to the procurement of materials required by the contract, a list of materials will be submitted to project architects for approval to ensure the quality of materials. The Group has also a clear record for the origins of material and where the materials are used specifically. In cases where the supplied material or the finished product is not satisfactory, the Group can investigate through the material origin and use records to identify the unsatisfactory material and its origin. As a way to enhance the satisfaction of customers towards our services, we maintain a close contact with customers on an on-going basis to keep them informed of the status of the project and to collect their feedback. Follow-up actions such as remedial and preventive actions will be taken accordingly after receiving customers' comments, which also act as a reference for our future improvement.

### CUSTOMERS' INFORMATION PROTECTION

With integrity being our intrinsic business value, we comply strictly with relevant laws and regulations, such as the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) to protect the personal information of our customers. The personal information of our customers is collected and used in a responsible and non-discriminatory manner, where the use of information is restricted to the purposes stated in the contract. The confidential information of our customers is stored properly in the office and not allowed to be taken away from the office without the permission of the senior management.



# Operating Practices

## ANTI-CORRUPTION

Unethical behaviour is a potential source of risk that not only can tarnish the image of an enterprise, but also weaken its stability. Therefore, the Group acts in strict compliance with relevant laws and regulations regarding corruption and bribery, including the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), the Anti-Unfair Competition Law of the PRC and the Criminal Law of the PRC. The Group forbids employees to solicit or accept any advantage, including money, gifts, loans, commissions, offices, contracts, services or favours, in connection with their duties, without the Group's permission. In order to deter corruption, employees are highly encouraged to report to us if they have received any gifts from our customers, suppliers or any parties conducting business with us.

There was no case of corruption occurred within the Group during the Year.

## Contributing to Our Community

Apart from the pursuit of business development, the Group also spares no effort in making charitable commitments which can be reflected by its active participation in various charitable activities.

During the Year, we have participated in various charitable activities in Hong Kong as follows:

<b>Name of Charitable Activities</b>	<b>Purpose of Charitable Activities</b>
Promenade Flash 10K Charity Run	<ul style="list-style-type: none"><li>To raise operating funds for K-Farm that is the first urban farm in Hong Kong incorporating hydroponics, aquaponics and organic farming systems.</li></ul>
HUNGER RUN 2020	<ul style="list-style-type: none"><li>To support the homeless through ImpactHK and FOODSPORT to sustain and expand its community calorie drive programs in Hong Kong.</li></ul>
RUN INTO 2021 virtual run	<ul style="list-style-type: none"><li>To raise funds for Early Psychosis Foundation which is an organisation fostering destigmatisation of psychosis and related disorders.</li></ul>
Green Sense Charity Hike 2021 — Yuen Tsuen Ancient Trail	<ul style="list-style-type: none"><li>To raise funds and arise the public interest and concern for the natural environment. The funding will be used for promoting environmental education.</li></ul>
HKFYG Run for Wellness 2021	<ul style="list-style-type: none"><li>To raise funds for the Hong Kong Federation of Youth Group subsidised psychiatric service programme for youth to support early diagnosis and treatment of teenagers.</li></ul>

## Appendix 1: Key Performance Indicators

During the Year, the details of environmental key performance indicators (“KPIs”) are as follows:

Environmental KPIs	2020/21	2019/20
<b>Emission from Vehicles<sup>1</sup></b>		
Nitrogen Oxides (kg)	<b>2.12</b>	3.07
Sulphur Oxides (kg)	<b>0.08</b>	0.08
Particulate Matter (kg)	<b>0.16</b>	0.23
<b>Greenhouse Gases<sup>2</sup></b>		
Total Greenhouse Gas Emissions (tonnes CO <sub>2</sub> e)	<b>205</b>	208
Direct Emissions (Scope 1) (tonnes CO <sub>2</sub> e) <sup>3</sup>	<b>15</b>	15
Energy Indirect Emissions (Scope 2) (tonnes CO <sub>2</sub> e) <sup>4</sup>	<b>180</b>	175
Other Indirect Emissions (Scope 3) (tonnes CO <sub>2</sub> e) <sup>5</sup>	<b>10</b>	18
Greenhouse Gas Emissions Intensity (tonnes CO <sub>2</sub> e/employee)	<b>2.09</b>	2.39
<b>Waste<sup>6</sup></b>		
Total Non-hazardous Waste (tonnes) <sup>7</sup>	<b>831</b>	7,243
Non-hazardous Waste Intensity (tonnes/million HKD revenue)	<b>1.35</b>	11.54
Total Hazardous Waste (kg)	<b>36</b>	20
Hazardous Waste Intensity (kg/employee)	<b>0.51</b>	0.33
<b>Use of Resources<sup>8</sup></b>		
Total Energy Consumption (MWh)	<b>320</b>	290
Energy Consumption from Purchased Electricity (MWh)	<b>265</b>	234
Energy Consumption from Fossil Fuel (MWh)	<b>55</b>	56
Energy Consumption Intensity (MWh/employee)	<b>3.27</b>	3.34
Total Water Consumption (m <sup>3</sup> )	<b>4,644</b>	11,575
Water Consumption Intensity (m <sup>3</sup> /million HKD revenue)	<b>7.52</b>	18.44

Notes:

1. The calculation of air pollutants takes reference from emission factors in “Reporting Guidance on Environmental KPIs” issued by HKEX.
2. The Group’s greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide. For the ease of reading and understanding, the Greenhouse Gases emissions data is presented in carbon dioxide equivalent (“CO<sub>2</sub>e”).
3. The data includes greenhouse gas emissions from the combustion of fuels in vehicles, and is calculated based on the emission factors in the “Reporting Guidance on Environmental KPIs” issued by HKEX and the “Land Transport Enterprises — Guidelines for Accounting and Reporting of Greenhouse Gas Emissions (Trial)” issued by the National Development and Reform Commission (“NDRC”) of the PRC.
4. The data includes greenhouse gas emissions from the use of purchased electricity and is calculated based on the emission factors provided by the NDRC of the PRC and local utilities companies in Hong Kong.



## Appendix 1: Key Performance Indicators

5. The data includes greenhouse gas emissions from the electricity used for water and sewage treatment, business trips by employees and disposal of waste paper to landfills, and is calculated based on the International Civil Aviation Organization Carbon Emissions Calculator and emission factors in the “Reporting Guidance on Environmental KPIs” issued by HKEX and the emission factor provided by local utilities companies in Hong Kong.
6. The calculation of waste generation covered only the data from the operation in Hong Kong, including the amount of waste generated, as well as the number of employees used for intensity calculation.
7. Non-hazardous waste data is based on the daily estimated volume of general waste in offices and the volume-to-weight conversion factors provided by the U.S. Environmental Protection Agency.
8. Energy consumption from fossil fuels in the use of stationary combustion sources and vehicles is calculated with reference to the “Reporting Guidance on Environmental KPIs” issued by HKEX.



## Appendix 2: Content Index of Environmental, Social and Governance Reporting Guide

Aspects	Summaries	Reporting Chapters	Page No.
<b>A. Environment</b>			
A1: Emissions	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	Environmental Principle; Emission Treatment; Resources Conservation	5–6
A2: Use of Resources	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Resources Conservation	6
A3: The Environment and Natural Resources	<p>General Disclosure</p> <p>Policies on minimising the issuer’s significant impact on the environment and natural resources.</p>	Environmental Principle; Emission Treatment; Resources Conservation	5–6
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
B1: Employment	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	Employment and Welfare	8
B2: Health and Safety	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Health and Safety	9

## Appendix 2: Content Index of Environmental, Social and Governance Reporting Guide

Aspects	Summaries	Reporting Chapters	Page No.
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development	10
B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment and Welfare	8
<b>Operating Practices</b>			
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	11
B6: Product Responsibility	General Disclosure 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, labeling and privacy matters relating to products and services provided and methods of redress.	Quality Assurance; Customers' Information Protection	11
B7: Anti-corruption	General Disclosure 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.	Anti-corruption	12
<b>Community</b>			
B8: Community Investment	General Disclosure 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.	Contributing to Our Community	13

**智城發展控股有限公司**  
**SMART CITY DEVELOPMENT HOLDINGS LIMITED**