



# **WT** GROUP HOLDINGS LIMITED **WT** 集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**Stock Code : 8422**

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2020/2021**

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## ABOUT THIS REPORT

WT Group Holdings Limited (“**WT Group**” or the “**Group**”) is pleased to present the Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”). The scope of the ESG Report covers the environmental and social performances of the principal operating activities of the Group with the reporting period from 1 July 2020 to 30 June 2021 (the “**Reporting Period**”).

This ESG Report is prepared in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) contained in Appendix 20 to the GEM Listing Rules. Except for provisions that the Group considers are inapplicable to its operation, this ESG Report is compliant with all the “comply or explain” provisions set out in the ESG Reporting Guide.

All business departments of the Group have participated in preparing the ESG Report in order to identify the impacts of the Group on the environment and society and to evaluate its importance to the Group’s business and each stakeholder. This ESG Report covers the policies of the Group on material ESG issues in relation to the Group’s business and compliance.

### Reporting Principles

The ESG Report has been prepared based on four reporting principles: materiality, quantitative, balance, and consistency.

1. **Materiality:** The Group reviews and defines the reporting scope based on the significance of different operations. Business units and operations with significant ESG impacts are disclosed in the report.
2. **Quantitative:** The Group presents quantitative environmental and social key performance indicators (“KPIs”) as well as historical data in the report for comparison where applicable.
3. **Balance:** The Group appoints external sustainability consultants in the preparation of the report to present an unbiased picture of our achievements and performances.
4. **Consistency:** The Group adopts consistent methodologies when preparing the report and the environmental and social KPIs to allow for meaningful comparisons over time.

### Confirmation

As at the year ended 30 June 2021, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

### Feedback

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or the Group’s performances in sustainable development at [info@waitat-hk.com](mailto:info@waitat-hk.com).



## ABOUT THE GROUP

WT Group has principally engaged in the provision of specialised works and general building works as a main contractor in Hong Kong, through Wai Tat Foundation & Engineering Limited, the key operating subsidiary. The Group undertakes specialised works which include (i) foundation and site formation; (ii) demolition; and (iii) ground investigation field works. The Group also undertakes general building works, including superstructure building, slope maintenance, hoarding, alteration and addition, and other miscellaneous construction works. The Group contributes to sustainable development by delivering environmental, social and economic benefits to all stakeholders in a balanced way.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGIES

The Group has established a sustainable corporate governance structure to ensure that the visions and missions of sustainable development are integrated into the operations. The Group's corporate governance structure stipulates the responsibilities of the departments and subsidiaries, under the supervision of the Board of Directors (the "Board"), which has the overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

The Board and the senior management review issues and policies related to the Group's sustainable development annually, make amendments to the policies in a timely manner and review and approve the ESG Report.

## STAKEHOLDER ENGAGEMENT

The Group values the stakeholders and their feedback regarding the businesses and ESG aspects. To understand and address their key concerns, the Group has maintained close communication with key stakeholders, including but not limited to shareholders and investors, customers and business partners, employees, suppliers and sub-contractors, as well as the public. The Group takes stakeholders' expectations into consideration in formulating the businesses and ESG strategies by utilising diversified engagement methods and communication channels, as shown below.

### Major Stakeholders

### Communication Channels

Shareholders and Investors

- General meeting and shareholders' meetings
- Annual reports, interim reports and quarterly reports
- Announcements and circulars
- Company website

Customers and Business Partners

- Company hotline and email
- Liaison with the Group's Directors and Project Managers
- Progress meetings with customers

Employees

- Training and meetings with employees

Suppliers and Sub-Contractors

- Meetings with suppliers and sub-contractors
- Liaison with the Group's Directors and Project Managers

The Public

- ESG Report
- Company hotline and email

## MATERIALITY ASSESSMENT

The management and staff of the Group have participated in the preparation of the ESG Report to assist the Group in reviewing the operations and identifying relevant ESG issues. Materiality assessment has been conducted to assess the importance of related matters to the businesses and stakeholders. To identify potential material topics for disclosure in the Report, we adopted the disclosure topics of the ESG Reporting Guide. Based on the assessed significant ESG issues, information was collected from relevant departments of the Group and approved by the Board.

The following table is a summary of the Group's ESG issues with high materiality based on their importance to the business operation:

Aspects	ESG Issues
<b>A. Environmental</b>	
A1. Emissions	<ul style="list-style-type: none"> <li>• Water pollution</li> <li>• Waste management</li> </ul>
A2. Use of Resources	<ul style="list-style-type: none"> <li>• Water consumption</li> </ul>
A3. The Environment and Natural Resources	<ul style="list-style-type: none"> <li>• Environmental protection measures</li> </ul>
A4. Climate Change	<ul style="list-style-type: none"> <li>• Climate-related risks and opportunities</li> </ul>
<b>B. Social</b>	
B1. Employment	<ul style="list-style-type: none"> <li>• Employee welfare</li> <li>• Diversity and equal opportunities</li> <li>• Recruitment, remuneration and promotion</li> </ul>
B2. Health and Safety	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Safe working environment</li> </ul>
B3. Development and Training	<ul style="list-style-type: none"> <li>• Development and training management</li> </ul>
B4. Labour Standards	<ul style="list-style-type: none"> <li>• Prevention of child and forced labour</li> </ul>
B5. Supply Chain Management	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Fair and open procurement</li> <li>• Labour standards in supply chain</li> </ul>
B6. Product Responsibility	<ul style="list-style-type: none"> <li>• Project quality control</li> <li>• Protection of intellectual property rights</li> <li>• Customer privacy</li> </ul>
B7. Anti-corruption	<ul style="list-style-type: none"> <li>• Code of conduct</li> <li>• Anti-corruption and whistle-blowing policy</li> </ul>

## A. ENVIRONMENTAL ASPECTS

The Group endeavours to minimise any adverse impact on the environment resulting from its business activities. The Group's on-site operations are subject to certain environmental requirements pursuant to the laws and regulations in Hong Kong including but not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) and Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong). The Group also endeavours to meet the requirements of certain industry's codes of practice, such as the BEAM Plus New Buildings issued by the Hong Kong Green Building Council and the BEAM Society.

Apart from following the environmental protection policies required by the customers, the Group has also established the environmental management policy to ensure proper management of environmental protection and compliance of environmental laws and regulations by both the employees and workers of the subcontractors on, among others, air pollution, noise control and waste disposal. Specifically, the Group adopts the following measures to ensure proper management of environmental protection and compliance of environmental laws and regulations during the project execution:

- The Group prepares an environmental management plan for the construction projects. An environmental management plan typically sets out the environmental protection measures, such as noise reduction, air pollution control, water pollution control and waste management;
- The environmental officer of the Group is responsible for monitoring the ongoing compliance with the environmental management plan and providing advice to the Executive Directors of the Group on mitigating the impacts from the environmental protection issues, including noise abatement, air pollution control, water pollution control and waste management that are identified during daily inspection. The environmental officer is also responsible for providing environmental training for on-site workers and sub-contractors which they are also required to strictly comply with the environmental management plan; and
- The Group is required to report to the customers on the effectiveness of the implementation of the environmental management plan on a monthly basis. The environmental officer assists the environmental manager to compile monthly environmental reports for submission to customers.

The Group also endeavours to efficiently use resources, including energy and water, and minimise its operation impacts on the environment and natural resources. Policies encouraging the efficient use of resources and adopting an eco-friendly approach are emphasized in the Group. The Group also requires sub-contractors to uphold the eco-friendly approach.

During the Reporting Period, the Group has not identified any non-compliance or breach of laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

## A1. Emissions

The Group has identified the following types of emissions in the ordinary course of the business.

### Air and Greenhouse Gas Emissions

The major air pollutants generated from the construction work are the dust, diesel oil and electricity purchased from the machinery used in the construction sites. The Group applies water sprays and uses canvas in its construction sites to reduce air pollution from dust emissions.

To reduce air pollution from the machinery used in the construction sites, the site project managers of the Group are required to

- Ensure switching off the engine of the machinery whenever they are in the idle position;
- Recommend the sub-contractors to select the most energy-efficient equipment and machinery for production; and
- Check with the subcontractors that regular and proper maintenance services have been performed on the machinery for their environmental performance and efficient use of diesel oil and electricity.

The Group ensures compliance with the emission standard prescribed under Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong).

The greenhouse gas emissions are mainly contributed from the consumption of diesel oil for powering the generator directly and the use of electricity indirectly. The summary of greenhouse gas emissions and their intensity are as follows:

<b>Greenhouse gas emissions</b>	<b>2020/21</b>	<b>Unit</b>
Scope 1 emissions	90.0	tonnes CO <sub>2</sub> -e
Scope 2 emissions	14.8	tonnes CO <sub>2</sub> -e
Scope 3 emissions		
• Paper waste disposal	1.4	tonnes CO <sub>2</sub> -e
• Water and sewage processing	1.7	tonnes CO <sub>2</sub> -e
Total greenhouse gas emissions	107.9	tonnes CO <sub>2</sub> -e
Intensity (by no. of employees)	5.1	tonnes CO <sub>2</sub> -e/employee

### Hazardous and Non-hazardous Wastes

The Group believes that its business does not generate any material amount of hazardous waste during the construction processes. In case if there are hazardous wastes or harmful chemicals produced during the operation, we will outsource the specialist to handle the chemical waste and fence out for careful handling.

Due to the business nature of the Group, certain construction waste is generated in the construction process. The construction waste is disposed of at landfills regularly to avoid excessive accumulation causing a nuisance to the neighbourhood.



Apart from the construction wastes, the Group's non-hazardous wastes also come from the office operation, such as paper. To minimise waste generation, the Group encourages using double-sided printing or photocopying wherever possible and utilising electronic media for communication. The Group also promotes waste recycling by putting adequate facilities in place to facilitate the collection and segregation of wastes.

The Group aims to have a 10% reduction in non-hazardous waste production over five years. The baseline year was set in 2019/20 and the amount and intensity of non-hazardous waste were 3,561 tonnes and 197.84 tonnes per employee respectively. The summary of non-hazardous wastes produced and their intensity are as follows:

<b>Non-hazardous waste</b>	<b>2020/21</b>	<b>Unit</b>
Total non-hazardous waste produced	571.0	tonnes
Intensity (by no. of employees)	27.2	tonnes/employee

#### **Water Pollution**

In order to effectively manage water pollution, prior to the commencement of construction works, the project managers need to identify wastewater discharge points in advance. Adequate discharge pipelines and sedimentation tanks will be installed to allow discharging sewage properly. The Group put emphasis on treating wastewater properly before discharge and Clarifloc, which is a type of wastewater treatment chemical, was applied to reduce the environmental impacts of the wastewater.

## **A2. Use of Resources**

The main resources used by the Group in the construction process are electricity, water and diesel oil. In order to be an environmentally responsible corporation, the Group has implemented environmental management policy and internal principles to minimise wastage and avoid excessive usage of the resources.

The Group carries out the construction works in an environmentally friendly manner in which construction methodologies with less energy and material consumption would be adopted. Renewable and recyclable materials would also be used when applicable.

The major resources consumed in the office operation, including electricity and paper. Following measures were adopted for the efficient use of resources:

- Office power saving: turning off lights, air-conditioners and computers when not in use.
- Paper saving: using email and computers for document review purposes instead of printing hard copies, using double-sided printing or photocopying wherever possible, reduction in printing and encouraging the use of recycled paper.
- Environmental protection training: providing environmental protection training for every new and existing employee to understand the industry standards and the requirements of the Group on environmental protection.



### Water Consumption

We strictly comply with the Water Pollution Control Ordinance and its subsidiary regulations to minimize water usage. The Project Managers are required to set accurate measures to reduce water consumption and water quality impacts from various construction activities, such as construction site runoff, sewage from the workforce, accidental spillage of chemicals and wastewater. The water consumption heavily depends on the number of construction projects and the condition of each site during the Reporting Period. Since site-specific data is

Apart from the abovementioned measures in the section headed "A1. Emissions", the Group would reuse the construction wastewater for equipment cleaning after being treated by the sewage treatment tank. This helps to reduce water consumption. Due to the Group's operating locations, it does not encounter any significant issue in sourcing water that is fit for purpose.

### Use of Packaging Materials

The use of packaging materials is not a material topic to the Group's operation. Given our business nature, the Group does not have manufacturing facilities and does not consume a significant amount of packaging materials.

The summary of resources consumed and their intensity is as follows:

<b>Direct and indirect energy consumption by type</b>	<b>2020/21</b>	<b>Unit</b>
Direct energy consumption	1,324.6	GJ
Indirect energy consumption	39.9	MWh
Total energy consumption	407.9	MWh-e
Intensity (by no. of employees)	19.4	MWh-e/employee

<b>Water consumption in total and intensity</b>	<b>2020/21</b>	<b>Unit</b>
Total water consumption	2,400	m <sup>3</sup>
Intensity (by no. of employees)	114.3	m <sup>3</sup> /employee

## A3. The Environment and Natural Resources

The Group is highly concerned about the impacts of its business on the environment and natural resources. When the Group carries out the construction projects, it would produce adverse impacts to the environment and the need to use the natural resources. Apart from the emissions mentioned in the section headed "A1. Emissions" above, the Group also produces noise pollution. In addition to compliance with the relevant environmental regulations and international standards for conducting appropriate protection of the natural environment, the Group has also incorporated the concept of environmental protection into the internal management and project implementation process.

Following are the additional measures of the Group to achieve environmental protection:

- Reduction of bottled water usage: encourage employees to monitor water usage and recommendation to use reusable cups to reduce the use of plastic bottles.
- Noise control: project managers to ensure the compliance of the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) and adjust site working hours according to the relevant regulations and laws and requests from the customers and use the sound reduction fabric in the construction sites. Regular noise level surveys of respective areas or activities suspected of generating excessive noise levels will be conducted using a calibrated industrial-grade noise level meter.

In summary, the Group has not identified any non-compliance with the applicable local rules and regulations relating to the environmental aspect and the Group has obtained ISO 14001:2015 in respect of its environmental management system.

#### **A4. Climate Change**

The Group performs the risk analysis to assess the positive and negative consequences and the likelihood that those consequences will occur. The Group provides guidelines and resources for staff to identify and mitigate significant climate-related issues which have impacted the Group.

The Group has principally engaged in the provision of specialised works and general building works as a main contractor in Hong Kong. Climate change is having effects on worker safety, weather delays, construction materials design and insurance costs in the construction industry. Physical risks, like high temperature, heavy rain and other extreme weather conditions, may affect the Group's operation and the execution of the construction projects negatively.

Therefore, the Group always endeavours to reduce the emission of greenhouse gas, non-hazardous wastes and resource consumption in order to manage climate-related issues. The Group also provides guidelines to the staff to meet the challenge from the climate-related issues. Proper resting areas and sufficient water or drinks are provided to the employees and the sub-contractors in the construction sites to avoid heatstroke in hot weather.

**B. SOCIAL ASPECTS**  
**Employment and Labour Practices**  
**B1. Employment**

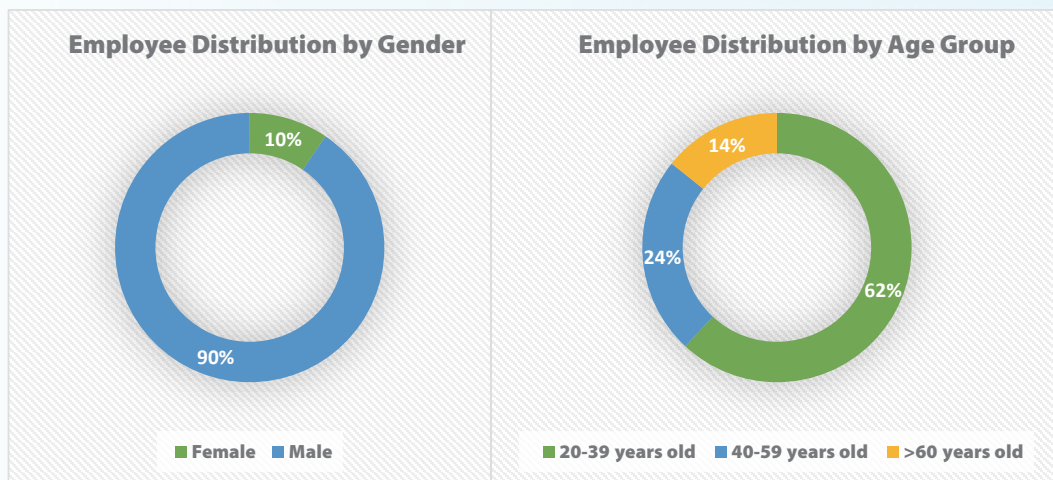
The Group is committed to creating an environment with diversity and equal opportunity. All eligible job applications, internal transfers and promotions are regardless of factors, such as gender, marital status, disability, age, race, family status, sexual orientation, nationality and religion, so as to ensure equal opportunities and fair treatment for all employees and job applicants. During the Reporting Period, the Group has not identified any material non-compliance or breach of legislation relating to the employment aspect.

The Group remunerates the employees based on their positions, qualifications and performances. On top of the basic salaries, bonuses may be paid with reference to the Group’s performance as well as employee’s performance. An annual salary review will be held by the end of the calendar year. Each department will complete the appraisal report and discuss it with employees. Various types of training are provided to the employees for the enhancement of their knowledge and skills. The Group also assesses the available human resources on a continuous basis and will determine whether additional personnel is required to cope with the business development.

The Group recognises the importance to maintain close and open communication with the employees. Employees are encouraged to exchange information, ideas, and views about mutual interest and concern through formal and informal channels. The Group has established various communication channels with the employees, including mailbox for recommendation and performance review meetings.

The Group’s employment policy is structured to comply with the local laws and regulations, such as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong). The Group also targets to provide a friendly, comfortable and decent working environment and career growth opportunities to its staff.

As at 30 June 2021, the Group employed a total of 21 employees and all of them are full-time employees based in Hong Kong. Below are certain key charts in relation to the Group’s employment aspects.





The summary of employee-related statistics during the Reporting Period is as follows:

		<b>Number of employees</b>	<b>Number of employees resigned</b>	<b>Turnover rate</b>
Total employees		21	6	29%
By gender	Female	2	2	100%
	Male	19	4	21%
By employment type	Full-time	19	6	32%
	Part-time	2	0	0%
By age group	20-39 years old	13	2	15%
	40-59 years old	5	2	40%
	Over 60 years old	3	2	67%
By geographical region	Hong Kong	21	6	29%

## B2. Health and Safety

The Group places emphasis on occupational health and work safety during the delivery of the services as it is the Group's commitment not to put employees, sub-contractors and the general public in hazards. The Group has implemented occupational health and safety measures as required by relevant occupational health and safety laws, rules and regulations under the supervision of the Executive Directors.

Due to the nature of works in the construction industry, workers at the sites are prone to safety hazards. Suitable approved personal protective equipment, such as helmets, should be provided for the captioned workers during works. Epidemic prevention supplies, including surgical masks and hand sanitisers, were also provided for the staff to use during COVID-19.

In order to provide a safe and healthy working environment for the employees and subcontractors and to ensure compliance with the applicable laws and regulations in Hong Kong, the Group implements the "Safety Control Policy" at the commencement and during the implementation period of each project.

The "Safety Control Policy" is documented in writing and supplemented with instructions, training and demonstrations. The Group requires strict implementation of and adherence to the "Safety Control Policy". The Group will continue to put adequate resources and effort to uphold and enhance safety management in order to reduce the risks related to safety issues. It sets out work safety measures to prevent common accidents which could happen at sites. Some details of the safety plan are set out below:

- The Site Safety Committee, consisting of the External Safety Officer, Safety Supervisor, Project Manager and Foremen, shall visit the sites regularly to assist the Executive Directors to:
  - establish, approve and ensure implementation of the safety plan and review the safety plan on an annual basis;
  - arrange meetings to review the effectiveness of safety measures taken;

- discuss and countersign the monthly reports submitted by the Safety Officer;
  - carry out surveys and inspections to ensure that all relevant laws are being observed;
  - arrange safety training and talks for all levels of employees and promote awareness of accident prevention; and
  - ensure that all newcomers to the construction sites are aware of their safety obligations;
- All workers are required to hold a valid construction industry safety training certificate and construction workers registration card before they enter the site;
  - All new site personnel will undergo initial induction training including core topics, such as safety policy, safety knowledge and practice, safety for fire and lifting, personal protective equipment, emergency, and accident reporting. Workers will receive toolbox talks conducted by the Safety Supervisor and/or External Safety Officer regularly; and
  - Safety walk was conducted by the Safety Supervisor, External Safety Officer, Site Foreman and the relevant sub-contractor's representatives to assess general compliance with safety requirements from time to time.

For projects that the Group acts as the main contractor, when there is an accident at the works site, the Group follows the general procedures as below to ensure proper recording and handling of work injuries:

- **Fact-finding and follow-up actions**

The External Safety Officer and/or Safety Supervisor will investigate the accident by visiting the accident scene, examining the equipment and/or material involved and taking statements from the injured worker, witness(es) of the accident and other personnel in relation to the project.

Remedial actions will be taken by the project management team to remove the imminent danger and prevent similar accidents in the future. The External Safety Officer will also carry out a follow-up inspection to ensure that remedial works are implemented.

- **Reporting**

The Project Manager, External Safety Officer and/or Safety Supervisor will prepare a work injury report and submit it to the Labour Department within the period as specified under the relevant laws and regulations.

The administrative department will report to the insurance company. When the claim is significant, they will consult external legal advisers if necessary.

- **Settlement or litigation**

Settlement of any claim will be handled by the insurance company. If the insurance company and the injured person (or their respective representatives) do not agree on the settlement amount, the matter may be litigated.

The Group has taken out insurance in compliance with applicable laws and regulations with a view to providing sufficient coverage for any work-related injuries for employees.

During the preceding three years and the Reporting Period, the Group has not encountered any fatal construction accident on construction sites and did not identify any non-compliance to the relevant laws, rules and regulations relating to safety and health. During the Reporting Period, 0 cases of work-related injuries were reported and the number of lost days due to work injuries was 0 days. The Directors are of the view that the safety management system is adequate and the Group has obtained OHSAS 18001:2007 in respect of safety and health management system.

**B3. Development and Training**

The Group believes that continuous education and training is important to maintain the service quality, so the Group uses the best effort to train and retain appropriate and suitable personnel. New employees are required to receive induction training to familiarise themselves with the applicable rules and regulations and the requirements of their jobs before they start their work. The Group also provides health and safety-related training to all staff. The Group also encourages relevant personnel to attend training courses to keep them up to date with the latest developments and best practices in the industry to enhance their work performance.

During the Reporting Period, employees were sponsored to study the “First Aid and CPR Certificate Course” to equip them with suitable skills. The Group also assesses the available human resources on a continuous basis and will determine whether additional personnel is required to cope with the Group’s business development.

The summary of the Group’s employee training record is as follows:

<b>Number of trained employees</b>		<b>2020/21</b>
Total number of trained employees		5 employees
Percentage of total employees trained		24%
By gender	Female	20%
	Male	80%
By employment level	Senior management	60%
	General employee	40%
By function	Executive	40%
	Technical	40%
	Administrative	20%



<b>Average training hours completed</b>		<b>2020/21</b>
Training hours per employee		4.3 hours
By gender	Female	20.0 hours
	Male	2.6 hours
By employment level	Senior management	4.3 hours
	General employee	4.3 hours
By function	Executive	4.0 hours
	Technical	2.1 hours
	Administrative	20.0 hours

#### **B4. Labour Standards**

The Group strictly complies with the relevant requirements of the labour laws. All job applicants must conform to the age requirement specified by local laws. The Group forbids the recruitment of child and forced labours, for which a procedure of selection and recruitment is adopted. The Group also takes practicable steps to comply with the labour laws:

- The Group's human resources and administrative officers inspect and take a copy of the original of the worker's Hong Kong identity card and/or other documentary evidence showing that he/she is lawfully employable in Hong Kong;
- The Group's sub-contractors are required to hire only persons who are lawfully employable to work on-site and to prevent any illegal worker to enter the site; and
- The Group's foremen are responsible for inspecting the personal identification document of each worker and shall refuse any person who does not possess a proper personal identification document from entering the site.
- Employment of persons under 18 years old on construction sites is prohibited.

With the application of the above steps, the Group can prevent the possibility of discovering child or forced labour. During the Reporting Period, the Group has not identified any non-compliance of child and forced labour-related laws and regulations.

## **Operating Practices and Social Investment**

### **B5. Supply Chain Management**

The Group purchases construction materials and other miscellaneous goods from suppliers, and engages sub-contractors to perform the construction works. Supply chain management is a key component in the quality control system of the Group so strict controls are implemented to ensure its effectiveness and efficiency.

The Group maintains an internal list of approved sub-contractors and suppliers which is updated on a continuous basis. The internal list is reviewed annually by the Group's project manager and approved by the Executive Director. All sub-contractors and suppliers are located in Hong Kong. While engaging a sub-contractor, the Company generally selects the most suitable sub-contractor from the approved list based on its relevant skill sets, experiences, availability and fee quotations. With regard to construction materials, unless the customers require the Group to order from designated suppliers, the Group generally procures materials from the internal list, which the Group have maintained a satisfactory business relationship with the approved suppliers and the products provided are of good quality. The Group generally procures from multiple suppliers and sub-contractors for products and services to avoid over-reliance on a few suppliers and sub-contractors.

In order to identify environmental and social risks along the supply chain, the Group's Project Manager, on-site Foreman and Environmental Officer monitor the construction progress and methodologies used. They also inspect the materials delivered on-site, ensuring that they comply with relevant regulations, standards and qualities. During the process of assessing tenders from the sub-contractors, the Group also evaluates and reviews the safety history of the sub-contractors for reference.

The Group emphasizes fair and open procurement. The Group will strictly monitor the staff and personnel to prevent any business bribery. Employees or personnel having any interest relationship with the supplier should not be involved in the related business activity.

During the Reporting Period, the Group worked closely with 265 sub-contractors and suppliers. The Group's environmental officer had provided training to them and inspected their products to ensure the quality of products and services. The Group also requires the sub-contractors to uphold the eco-friendly approach in the construction process.

During the Reporting Period, the Group had no material shortage of the construction materials and did not experience any material shortage or delay in the supply of materials or services from the sub-contractors. The Group has also obtained ISO 9001:2015 in respect of the Group's quality control on daily operation.

## **B6. Product Responsibility**

### **Project Quality Control**

The Group believes that the quality of the work and reputation are crucial to winning future tenders and securing future business opportunities. As such, the Group places a strong emphasis on quality control of the work to ensure that the work meets with or exceeds the required standards.

For quality assurance, the project management team holds regular meetings with the customers and the subcontractors to review the progress of the projects and to resolve any problems which may arise. Daily progress reports, contractor reports and site photos are submitted to the customers during such meetings if required. As mentioned in the section headed "B5. Supply Chain Management", the Group procures products and services only from the approved suppliers or sub-contractors which would be reviewed and approved annually. The materials delivered on-site would also be inspected by the Group's employees to ensure that they are of good quality. Upon completion of the work, various tests will be performed to confirm that the specified standards have been met and a practical completion certificate will be issued by the architects.

The Group has not identified any material non-compliance with relevant laws and regulations in Hong Kong relating to health and safety, advertising and labelling matters relating to products and services provided and methods of redress that would have a significant impact on the Group during the Reporting Period. The Group has also not identified any significant complaints relating to the construction services provided during the Reporting Period. The Group has also obtained ISO 9001:2015 in respect of the Group's quality control.

### **Intellectual Property Rights**

The Group is devoted to protecting intellectual property rights. Any product or design work (either finished or in progress) made by the employee under the employment period shall belong to and be the absolute property of the Company.

### **Data Privacy**

The Group emphasizes the importance of data privacy. It strives to protect the privacy of its customers, business partners and staff in the collection, processing and use of their business or personal data. Any information related to customers or suppliers, including contact or quotation or working terms, should be kept confidential. The Group strictly follows the data protection laws and regulations of Hong Kong.

During the Reporting Period, the Group has not identified any material non-compliance on data privacy issues.



## **B7. Anti-corruption**

The Group believes that honesty, integrity and fairness are of vital importance to its business operations. All employees are required to comply with the Company's code of conduct which stipulated the Group's internal anti-bribery and corruption guidelines.

The Group set up the "Code of Ethics and Conducts" to prevent Money Laundering. Employees must comply with any procedures required by local legislation to prevent money obtained through illegal means from entering the legitimate economy. In case there is any suspicious on the source of money, Employees should immediately report to the Chief Financial Officer and have it checked and investigated.

The Group has also established a whistle-blowing policy for the employees to report any misconduct. Effective internal controls at different business processes have also been implemented by the Group to prevent and detect fraudulent activities. The Group also delegates whistle blowing committee and audit committee to investigate all concerns of malpractice relating to the Group. Necessary investigation or further actions should be reported to the Board or governmental enforcement departments if the malpractice may account for a criminal offence.

All matters raised by the whistle-blowers will be kept strictly confidential. The Group will take all reasonable steps to ensure that whistle-blowers will be protected from any reprisals by any employee of the Company.

Special training on anti-corruption was conducted by the ICAC trainer in 2019 to understand business ethics and corruption prevention. During the Reporting Period, the ISO Manager delivers internal briefings regarding the corporate governance policies to our staff regularly in order to increase awareness in the workplace and avoid corruption practices.

During the Reporting Period, the Group did not violate any laws and regulations that had a significant impact on the Group relating to corruption, bribery, extortion, fraud and money-laundering. The Board has also assessed the internal control policy and reviewed certain payment records and is not aware of any matters that should be brought to their attention or the Shareholders.

## **B8. Community Investment**

The Group emphasizes the importance of corporate social responsibilities. Apart from commercial activities, the Group encourages its management and staff to participate in community services. In the meantime, it also motivates staff to actively participate in public welfare activities, such as charitable donations and volunteer visits, to contribute to society in multiple aspects.

Being a socially responsible corporate, we make every effort to help mitigate the impact of COVID-19 on our community. Epidemic prevention supplies, including surgical masks and hand sanitisers, were provided during COVID-19.

## SUMMARY OF KEY PERFORMANCE INDICATORS

### Key Environmental Performance Indicators

2020/21 Unit

#### Aspect A1: Emissions

##### A1.2 Greenhouse gas emissions in total and intensity

Scope 1 emissions	90.0	tonnes CO <sub>2</sub> -e
Scope 2 emissions	14.8	tonnes CO <sub>2</sub> -e
Scope 3 emissions	3.1	tonnes CO <sub>2</sub> -e
Total greenhouse gas emissions	107.9	tonnes CO <sub>2</sub> -e
Intensity (by no. of employee)	5.1	tonnes CO <sub>2</sub> -e/employee

##### A1.4 Non-hazardous waste produced and intensity

Total non-hazardous waste produced	571.0	tonnes
Intensity (by no. of employee)	27.2	tonnes/employee

#### Aspect A2: Use of Resources

##### A2.1 Direct and/or indirect energy consumption by type

Direct energy consumption	1,324.6	GJ
Indirect energy consumption	39.9	MWh
Total energy consumption	407.9	MWh-e
Intensity (by no. of employee)	19.4	MWh-e/employee

##### A2.2 Water consumption in total and intensity

Total water consumption	2,400	m <sup>3</sup>
Intensity (by no. of employee)	114.3	m <sup>3</sup> /employee

**Social Aspects****2020/21****Aspect B1: Employment****B1.1 Total workforce**

Total number of employees		21
By gender	Female	2
	Male	19
By employment type	Full-time	19
	Part-time	2
By age group	20-39 years old	13
	40-59 years old	5
	Over 60 years old	3
By employment level	Senior management	7
	General employees	14
By geographical region	Hong Kong	21

**B1.2 Employee turnover rate**

Total employee turnover rate		29%
By gender	Female	100%
	Male	21%
By employment type	Full-time	32%
	Part-time	0%
By age group	20-39 years old	15%
	40-59 years old	40%
	Over 60 years old	67%
By geographical region	Hong Kong	29%

**Aspect B2: Health and Safety****B2.1** Number of work-related fatalities

Rate of work-related fatalities		0
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**B2.2** Lost days due to work injury

0



**Social Aspects**

**2020/21**

**Aspect B3: Development and Training**

**B3.1 Number of trained employees**

Total number of trained employees		5
Percentage of total employees trained		24%
By gender	Female	20%
	Male	80%
By employment level	Senior management	60%
	General employees	40%
By function	Executive	40%
	Technical	40%
	Administrative	20%

**B3.2 Average training hours completed**

Training hours per employee		4.3 hours
By gender	Female	20.0 hours
	Male	2.6 hours
By employment level	Senior management	4.3 hours
	General employees	4.3 hours
By function	Executive	4.0 hours
	Technical	2.1 hours
	Administrative	20.0 hours

**Aspect B5: Supply Chain Management**

**B5.1 Number of suppliers by geographical region**

Total number of suppliers		265
By geographical region	Hong Kong	265

**Aspect B6: Product Responsibility**

<b>B6.1</b> Percentage of total products sold or shipped subject to recalls	0%
<b>B6.2</b> Number of products and service-related complaints received	0

**Aspect B7: Anti-corruption**

<b>B7.1</b> Number of concluded legal cases	0 case
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