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### **ABOUT THE GROUP**

Aeso Holding Limited ("**Aeso**", or the "**Group**") is principally engaged in the provision of fitting-out work for construction of newly built commercial premises and residential developments and renovation (including alteration and addition) work for existing commercial premises in Hong Kong. In the fiscal year, the Group submitted tenders amounting to approximately HK\$4,231.7 million and 7 projects were awarded. The corporate objectives of the Group are to achieve sustainable growth in its business and financial performance, to actively expand and strengthen its market position in Hong Kong, and to expand its business portfolio.

### **ABOUT THIS REPORT**

As the sixth Environmental, Social and Governance ("ESG") Report (the "ESG Report") published by the Group, this ESG Report continues to disclose the policies, practices, targets and performances of the Group in terms of the ESG aspects. The ESG Report aims at enabling all stakeholders to understand the progress and sustainability directions of the Group. The ESG Report is available in both Chinese and English, and has been published on the website of the Group at aeso.hk and the SEHK's website at www.hkexnews.hk.

The ESG Report focuses on the Group's business in renovation project and fitting-out project between 1 April 2021 and 31 March 2022 (the "Reporting Period" or "2021/22"), and covers the operation of one office located in Hong Kong. While this ESG Report does not cover some of Aeso's business, it is on the Group's agenda to extend the scope of the ESG Report in the future.

### **Reporting Principles**

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") in Appendix 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The four reporting principles, namely the principles of materiality, quantitative, balance and consistency, form the backbone of this ESG Report.

To provide stakeholders with an overview of the Group's performance in ESG aspects, the ESG Report not only discloses environmental key performance indicators ("**KPIs**") given the "comply or explain" provisions but also reports additional social KPIs under the "recommended disclosures" as set out in the ESG Reporting Guide. A complete index is inserted in the last section of this ESG Report for reference.

### **Confirmation and Approval**

The information documented in this report is sourced from official documents, statistical data, management and operation information and collected by the Group in accordance with relevant internal policies. The Group has established internal controls and a formal review process to ensure that any information presented in this ESG Report is as accurate and reliable as possible. The ESG Report has been approved by Aeso's Board of Directors (the "Board").

### **BOARD STATEMENT OF ESG GOVERNANCE**

To reach the mid-term and long-term business targets and goals, the Group is committed to maintaining a high standard of corporate and ESG governance. We are aware that potential risks and business opportunities may arise from the ESG-related issues. The Board has ultimate responsibility for the oversight of the Group's policies, initiatives and performance on ESG aspect and the formulation of the ESG strategies of the Group.

The Group has established sets of internal policies in different aspects to manage and govern ESG issues. To efficiently manage the risks and capitalise on the business opportunities brought by ESG issues, the Group will conduct a comprehensive review on its day-to-day operations and incorporate ESG material issues in its risk management and assessment as to ensure timely responses and effective policies for ESG issues and risks are in place. For the daily operation, our Senior Operating Manager works closely with the Account, HR & Admin team under supervision by the Chairman to perform the duties.

#### **MATERIALITY ASSESSMENT**

The participation of the stakeholders helps the Group to review its potential risks and business opportunities, and also facilitates the mitigation of those risks as well as the identification of business opportunities. Understanding stakeholders' views allows the Group to better fulfil their needs and expectations with its business practice and manage opinions from different stakeholders' opinions via different communication channels, such as company website, letter, fax, email, calls and meetings, etc. Major stakeholder groups are as follows.

#### External Stakeholders

Internal Stakeholders

- Shareholders
- Clients
- Suppliers and Sub-contractors
- Bankers
- Professional Consultants

- Board of Directors
- Employees

The Group has been able to prioritise eight issues from the eleven environmental and social aspects specified in the ESG Reporting Guide to be the material focus of this ESG Report. The material issues are:

- Efficient Use of Energy;
- Employment;
- Health and Safety;
- Development and Training;
- Labour Standards;
- Supply Chain Management; and
- Anti-Corruption.

### **ENVIRONMENTAL ASPECTS**

#### **Emissions**

As the Group is mainly engaging in fitting-out and renovation work, Aeso attaches great importance to reducing emissions, waste of resources and the impact on the surrounding environment during the daily operation. To ensure the environmental management procedures of all employees and projects are conformed, the Group strives to standardize the environmental management approaches through adopting our internal "Environmental Policy", which is a set of generic guidelines with standard operating instructions for employees to follow.

During the Reporting Period, the Group did not violate any environmental protection 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, including but not limited to Air pollution Control Ordnance (Cap. 311), Noise Control Ordinance (Cap. 400), Waste Disposal Ordinance (Cap. 354) and Water Pollution Ordinance.

#### **Air Emissions**

The major sources of air pollutants come from the fossil fuels used by mobile vehicles. In order to reduce the dust emissions generated during operations, the Group has adopted the following methods:

- Putting up filtration nets around the construction sites to reduce the spread of dust;
- Watering dusty materials during the loading and unloading process; and
- Fitting in sprinklers to clean the dust on the vehicle at the exit of the construction site.

| Air emissions                        | 2021/22 | 2020/21 | Unit |
|--------------------------------------|---------|---------|------|
| Nitrogen oxides (NO <sub>v</sub> )   | 6.8     | 21.8    | kg   |
| Sulphur oxides (SO <sub>x</sub> )    | 0.3     | 0.1     | kg   |
| Respirable suspended particles (RSP) | 0.5     | 1.9     | kg   |

For dust control, watering will be carried out when necessary for any dusty materials before loading and unloading. Dusty load on vehicles is covered by tarpaulin and vehicle washing facilities are provided at all site exits to wash away dusty materials from vehicle body and wheels.

#### **Greenhouse Gas Emissions**

The primary sources of greenhouse gas ("**GHG**") emissions come from direct emissions through the fuel combustion of company-owned vehicles (Scope 1 emissions) and indirect emissions through electricity consumption (Scope 2 emissions). The amount of Scope 1 emissions was 47.3 tonnes of carbon dioxide-equivalent ("**CO**<sub>2</sub>-**e**"), accounting for approximately 59% of the Group's total emissions. Indirect emissions from electricity consumption account for the rest of the Group's GHG emissions. Due to COVID-19, there was no business air travel during the reporting period and thus the other indirect emission (Scope 3) is insignificant.

During the Reporting Period, the total GHG emissions were 80.1 tonnes of  $CO_2$ -e and the GHG intensity is 0.014 tonnes of  $CO_2$ -e per square foot of floor area. The Group will continue to assess and monitor its emissions for establishing a carbon reduction strategy in the future.

| Greenhouse gas emissions       | 2021/22 | 2020/21 | Unit                       |
|--------------------------------|---------|---------|----------------------------|
| Scope 1 emissions              | 47.3    | 19.4    | tonnes CO <sub>2</sub> -e  |
| Scope 2 emissions              | 32.8    | 48.2    | tonnes CO <sub>2</sub> -e  |
| Total greenhouse gas emissions | 80.1    | 67.6    | tonnes CO <sub>2</sub> -e  |
| Intensity (by floor area)      | 0.014   | 0.012   | tonnes CO <sub>2</sub> -e/ |
|                                |         |         | sq. ft.                    |

### **Waste Management**

The Group sets up marked trash cans to collect different types of waste, like recyclable materials or non-recyclable materials. Labelled bins are provided to allow segregation of recyclable materials from other waste for transportation to landfills whenever possible. Non-recyclable materials will be transported to the landfills if necessary. Designated staff will ensure that all waste disposal processes fully comply with the Waste Disposal Ordinance.

Designated personnel assigned to ensure all charges and levies, and all other relevant requirements under the Waste Disposal Ordinance are fully complied with from time to time for the execution of the Group's site work. During the Reporting Period, the Group did not generate significant amount of hazardous wastes from our operations due to the business nature.

With an objective to waste generation along our business operations as minimal, the Group has a waste management policy in place, by the adoption of the '4R Principles – Reduce, Reuse, Replace and Recycle', to achieve a green operation. Apart from the domestic wastes, most of the wastes are recycled and reused. The Group will continue to monitor and review its non-hazardous waste production and establish related targets in the future.

In the Reporting Period, the Group's operations produced a total of 0.17 tonnes of non-hazardous wastes, which mainly consists of waste paper and general waste generated by the office operation. 78.0 kg of non-hazardous waste, including paper and carton, was recycled. 34.9 kg of waste office equipment, such as microwave and crasher, was reused and 56.5 kg of non-recyclable domestic wastes were sent to landfill.

|                                    | <b>2021/22</b> 2020/21 |       | Unit       |
|------------------------------------|------------------------|-------|------------|
| Non-hazardous waste                |                        |       |            |
| Total non-hazardous waste produced | 0.17                   | 0.52  | tonnes     |
| Intensity (by floor area)          | 0.030                  | 0.092 | kg/sq. ft. |

### **Noise Pollution**

The Group will ensure the site of project is under Designated Areas in accordance with Noise Control (General) Regulations and Waste Disposal Ordinance. In hopes of reducing the impacts of noise pollution, regular noise level surveys using a calibrated industrial grade noise level meter are undertaken for respective areas or activities suspected of generating excessive noise levels.

#### **Use of Resources**

The Group is committed to controlling the use of resources such as electricity, petrol and water resources in its daily operations. Relevant measures are also listed in the internal Environmental Policy and office manual. Due to the business nature, the consumption of the packaging materials is not a material topic to the Group and the amount is not significant.

#### Electricity

- The use of energy-efficient products, such as LED lights, energy-saving appliances and/or new energy vehicles, are highly encouraged.
- The temperature of the air-conditioning system in office should be maintained at 24-25 degree Celsius.
- Employees should switch off computers and all the electrical appliances (e.g. lighting, printer, copier, A/C thermostat, chiller switch inside cabinet) when not in use.

#### Water

- Employee engagement activities are carried out under the theme of "water saving".
- The faucet shall be tightly closed after use and any dripping found should be fixed immediately.

#### Paper

- Recyclable paper recommended by EPD are adopted for the paper use in office.
- Double-side printing are encouraged to reduce wastage if printing is necessary.
- Envelopes, folders and blank on the used paper should be reused and utilized.
- Paper disposal/obsoleted catalogues or samples should be kept separately for recycle use to collector/recycler recommended by EPD.

### **Energy Consumption**

The primary type of energy consumption was from the fuel use of mobile vehicles, accounting for approximately 79% of total energy consumption. The second largest type of energy consumption was purchased electricity, accounting for approximately 21% of total energy consumption.

During the Reporting Period, the total energy consumption was 215.8 MWh-equivalent; the energy intensity was 0.038 MWh-equivalent per square feet of floor area as recorded. Details of energy use are listed below:

# Direct and indirect energy

| consumption by type                       | 2021/22 | 2020/21 | Unit          |
|---|---------|---------|---------------|
| Direct energy consumption – Petrol        | 590.3   | 227.3   | GJ            |
| Direct energy consumption – Diesel        | 20.4    | 24.0    | GJ            |
| Indirect energy consumption – Electricity | 46.2    | 60.2    | MWh           |
| Total energy consumption                  | 215.8   | 130.0   | MWh-e         |
| Intensity (by floor area)                 | 0.038   | 0.022   | MWh-e/sq. ft. |

The Group is targeted to closely monitor the energy intensity and ensure its consumption is in line with business growth. Regular review will be conducted on our energy objectives and targets to seek continuous improvement in the Group's energy performance.

### **Water Consumption**

During the Reporting Period, the Group mainly sourced sufficient water from municipal supplies and faced no issue in sourcing water. The total water consumption of the Group was 59.0 m³ while the water intensity was 0.010 m³ per square feet of floor area.

While the Group has not set any targets for water consumption reduction due to its minimal impacts, the Group nonetheless promotes reasonable water use initiatives and water saving measures among its employees.

| Water consumption in total and intensity | 2021/22 | 2020/21 | Unit       |
|--|---------|---------|------------|
| Total water consumption                  | 59.0    | 122.2   | $m^3$      |
| Intensity (by floor area)                | 0.010   | 0.022   | m³/sq. ft. |

#### The Environment and Natural Resources

During the operation of the Group, there were no actions that have a significant impact on the environment and natural resources. While acknowledging the potential environmental impacts of the construction sector, the Group as a concerned member of this industry will continue to pay attention to its own operating activities and strive to reduce the emissions and pollutions towards the environment.

The Group abides by all related environmental laws and regulations in its daily operations, including Air Pollution Control (Construction Dust) Regulations, Waste Disposal (Chemical Wastes) (General) Regulation, and so on. In the Reporting Period, there were no non-compliance cases in relation to the environment reported.

#### **Climate Change**

Climate change has become a major environmental problem in the world and it may affect the health, safety and working condition. The Group also recognizes that there may be different climate-related risks and opportunities to the business operation. The Group has reviewed the current business operation and assessed the impacts of climate change.

The major climate-related risks include the physical risks caused by extreme weather events and rising temperature. For the acute physical risks, the Group's services will be affected under extreme weather as the safety of our employees is threatened and the operational sites might be damaged. The non-performance and delayed performances may lead to direct negative impact on the Group's revenue. To mitigate the impacts of extreme weathers, the Group will review the existing working arrangements and preparations during adverse weather conditions so as to protect the safety of the employees and properties.

Climate change will also bring about chronic physical risks, such as rising temperature and shift in rain patterns. Constant high temperatures affect the environment and the workplace condition for onsite workers, thus lowering the productivity. The operating cost may increase to provide sufficient water supplies and cooling systems.

In the future, the Group will continue to evaluate the potential impacts of climate-related risks and update the mitigation plan if necessary. The Group will look for better alternatives to reduce the greenhouse gas emissions at the same time.

### **SOCIAL ASPECTS**

# **Employment and Labour Practices Employment**

The Group is committed to providing a harmonious working environment for all employees where each staff's rights can be protected. In addition, the health and safety of employees and their professional development are also the areas that the Group focus on.

Human Resources and Payroll Policy has been formulated to standardize the Group's principles on recruitment, promotion, compensation, anti-discrimination, benefits and welfare. Different medical scheme is provided to the staffs according to their position and year of service.

Staff performance appraisal should be conducted by the Department Heads annually to assist the management and employees in a communication process to focus on objectives and achievements of the employee. Promotion, salary increment and bonus release will be initiated based on the performance appraisal of each employee annually.

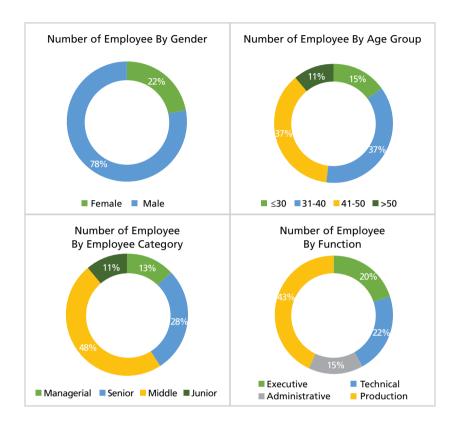
Unless otherwise stipulated in the Employment Contract, employment with the Group may be terminated by either the Group or employee by giving the other party due notice or payment in lieu of notice.

The Group understands each employee should be treated fairly. During recruitment, promotion, termination and training, the Group does not discriminate in employment opportunities or practices on the basis of race, colour, religion, disability, national origin, genetic information, sex (including pregnancy), age, sexual orientation, gender (including gender identity and expression), marital status, protected veterans status, citizenship status or any other characteristic protected by applicable law.

If anyone who have concerns about any types of discrimination in the workplace, they are strongly encouraged to report the issues to their supervisors or HR department without fear of retaliation. Suggestions or comments on the company management can be delivered to the Department Head via meeting email or letter.

The Group promotes a balanced lifestyle and provides employees with different leave opportunities. All employees are eligible for 7-day paid annual leave in each calendar year and annual leave can increase to a maximum of 17 days according to the employees' length of services. In addition to annual leave, Aeso also provides employees with Family Leave, Maternity Leave, Study Leave, etc.

The Group abides by the employment laws and regulations, including but not limited to the Employment Ordinance, the Employee Compensation Ordinance and the Sex Discrimination Ordinance. During the Reporting Period, the Group was not involved in any non-compliance cases relating to employment.



### **Health and Safety**

The Group pursues a healthy workforce by providing decent working conditions, creating a healthy and safe working environment, and caring for the wellbeing of its employees. Aeso has established The Health and Safety Plan to ensure that the working environment conforms to the recognised occupational safety and health standards in places where the group operates. The Group commits to place the management of Safety and Health as one of the prime responsibilities from the top management level to the front line supervisory level.

#### **Safety Meeting**

In order to ensure the health and safety of the staff, the Group conducts different types of health and safety meetings on a regular basis, such as the Site Safety Committee Meeting, Weekly Safety Meeting, Weekly Subcontractor Meeting, and Bi-weekly Site Progress Meeting. The purpose of the meetings is to provide chances for the staff to discuss the overall safety performance, prevent injuries and seek rooms for improvements.

### **Health and Safety Training**

The Group has held different types of health and safety training regularly, such as the Safety Induction Training, Specific Training and Safety Management Training, to enhance employees' safety awareness and ability to cope with emergent situations. Induction safety training will be provided for all new staff and workers, including those of sub-contractors, by the main contractor. All related training records are kept on site by the Site Agent or Site Supervisor.

### **Safety Inspection**

In order to ensure employee's health and safety during the operation process, Aeso has implemented inspection systems, such as the Daily Safety Inspection, Weekly Safety Inspection and Joint Safety Inspection. Safety Officers are also deployed to monitor and suggest suitable measures to be taken in related to safety and environmental issues.

| Inspection Types               | Measures  |
|--------------------------------|---|
| Daily Safety Inspection        | <ul> <li>The Site Agent/Supervisor is required to have onsite inspection inspecting every day to identify the risk factors of the site and ensure that the site conditions meet the expectations of employees and requirements of laws and regulations.</li> <li>The Site Agent/Supervisor should guide the workers with correct working methods.</li> </ul>                              |
| Weekly/Joint Safety Inspection | <ul> <li>The Group invites subcontractors' and client's representatives to join the weekly safety inspection to identify defects, unsafe conditions and practices, and breaches of statutory or safety plan requirements.</li> <li>Any safety risk found in the inspection shall be notified to Safety Ambassador and the responsible subcontractors for immediate correction.</li> </ul> |

In addition, in order to ensure the health and safety of employees during the work, the Group will provide employees with personal protective equipment based on the actual situation. Employees must wear appropriate safety equipment, such as safety helmets, eye protectors, safety belts, safety shoes and reflective vests, when performing certain tasks. The Site Agent is responsible for checking the status of the personal protective equipment monthly. If any damage is found, it should be replaced immediately.

Risk control measures are specified for the foreseeable hazardous operations, such as working at height, electrical installation, welding and cutting operations and exposure to noise and dust. Emergency drills such as fire, typhoon, rainstorm, serious accident, shall be conducted quarterly basis and all persons on site are invited to attend accordingly.

The Group abides by laws and regulations related to health and safety, including but not limited to the Occupational Safety and Health Ordinance and Building Ordinance. During the Reporting Period, the Group was not involved in any non-compliance cases relating to health and safety.

|   | 2019/20 | 2020/21 | 2021/22 |
|---|---------|---------|---------|
| Number of work-related fatalities Rate of work-related fatalities | 0       | 0       | 0<br>0% |
| Lost days due to work injury                                      |         |         | 0       |

### **Development and Training**

The Group believes that it is our responsibility to provide training opportunities for employees so that they can develop skills and knowledge for discharging duties at work. This is not only critical to the achievement of the Group's strategic goals, but also conducive to employees' career development.

The Human Resources and Payroll Policy stipulates that all employees need to conduct performance evaluation once a year, in order to provide an opportunity for everyone to evaluate the daily performance of each employee. The evaluation form should be prepared by department head and confirmed by individual staff after discussion. All evaluation forms must be kept confidentially.

Internal training programme will be arranged by the department head according to the need of the employees. Apart from the internal training programme, any training course upgrading staffs' ability relating the job duties is highly encouraged. Subsidization can be provided by Group case by case. During the Reporting Period, 39% of the employees received training and the average training hour is 1.0 hour per employee.

#### **Labour Standards**

The Group understands that the use of child labour and forced labour are acts that undermine basic human rights.

As stipulated in the Human Resources and Payroll Policy, the Group should check the applicant's ID card during the recruitment process to determine that his/her age meets the relevant laws and regulations. In addition, the Group also respects the employees' right to leave their position in case of advance notice.

The Group abides by the relevant laws and regulations, including but not limited to the Employment Ordinance. During the Reporting Period, the Group was not involved in any non-compliance cases relating to child labour and forced labour.

#### **OPERATING PRACTICES**

As a responsible enterprise, it is the Group's duty to provide high quality services and show its business ethics. Therefore, Aeso has formulated a series of policies on product responsibility, supply chain management and anti-corruption to ensure that the Group's operations meet the requirements of all parties.

### **Supply Chain Management**

The Group understands that the supply chain management has impacts on the quality of the services provided by the Group. In addition to considering the price factor, Aeso pays attention to suppliers' experience, product availability, quality of works, timeliness of completion for past projects, reputation and safety performances. Purchase & Payment Policy has been established to manage relevant issues and improve the objectivity and transparency in making purchase transactions.

Relevant documents, including Business Registration, Certification and so on, should be submitted to the Quantity Surveyor for assessment when the Group begins to inspect new suppliers. After conducting the assessment, eligible new supplier or subcontractors should be added to the Approved List of Supplier/Subcontractor.

To ensure the quality of the services provided, Aeso will evaluate all suppliers and subcontractors in November annually to check if their services can meet the Group's standards. The Quantity Surveyor or HR and Admin Manager should assess the performance of supplier/subcontractor in the previous year based on the quality of works and services provided and safety performance, etc. Unqualified supplier or subcontractor will be removed from the Approved List of Supplier/Subcontractor.

In addition, the Group supplies its subcontractors with its safety manual on workplace safety and organizes relevant safety training sessions to ensure that their safety standard complies with the requirement of the Group. The Group will brief its measures to subcontractors before the commencement of work and monitor their compliance with such measures on an on-going basis at work sites.

During the Reporting Period, the total number of the suppliers was 634. 98% of the suppliers are located in Hong Kong and the rest are located in China and Taiwan.

### **Product Responsibility**

The Group's various sites of operation have passed internal policies, such as Quality Management Plan and Intellectual Property Rights – Trade Marks Policy and Procedures, to ensure that the product quality, intellectual property and customer's privacy protection complies with relevant laws and regulations.

### **Quality Assurance**

The Group established the Project Management Policy and Quality Management Plan to provide guidance on the project management procedures.

During the course of the execution of the site work, the project manager or the designated member of the project management team should carry out site inspection to monitor the work progress and the quality of work from time to time. Depends on the nature of the project, reports on the work progress on a weekly, biweekly or monthly basis are required to ensure the work performed are in conformity with the requirements as set out in the relevant contracts.

The purpose of the Group is to provide its customers with satisfactory services under the regulatory and statutory requirement. Therefore, the Group has established an internal management system, and determined the major roles, responsibilities and authorities as follows.

| Position         | Duty   |
|------------------|--|
| Project Director | <ul> <li>To organize management review meetings</li> <li>To provide sufficient resources for the project operation</li> </ul>  |
| Project Manager  | <ul> <li>To review and approve the project inspection and test plan</li> <li>To communicate with clients and subcontractors if necessary</li> <li>To ensure that the client's requirements and government's specification are met</li> </ul>                                     |
| Site Agent       | <ul> <li>To manage subcontractors to ensure that their works are properly performed</li> <li>To ensure that company policies are effectively enforced</li> <li>To perform material inspection, workmanship inspection and final inspection before handover to clients</li> </ul> |

### **Complaint Handling**

Training on complaint handling is also provided to the project team members. Upon receiving complaints from public, government or client via telephone, fax, letter, verbal, the Project Director shall raise the Non-conformance Record and investigate the causes to provide appropriate solutions. Complaints and suggestions received should bring back to the monthly Site Safety Committee Meeting for discussion and further actions.

#### **Protection on Intellectual Property Rights**

The internal Intellectual Property Rights – Trade Marks Policy and Procedures provide operating instructions for employees to follow so that the registration and on-going protection procedures of intellectual property rights – trademarks are conformed. Registration of trademarks ensures the Exclusive right to use the trademark in relation to the goods and services for which the mark is registered.

### **Protection on Data and Privacy**

The Group respects personal data and is committed to full implementation and compliance with the data protection principles and all relevant provisions of the Hong Kong Personal Data (Privacy) Ordinance. Data is classified according to the sensitive levels and corresponding protection measures will be taken for different type of data. Customer data is strictly protected by regulations, company policies or contractual language. Access to customer data and private information is restricted to authorized individuals only.

The Group did not have any non-compliance with applicable laws and regulations regarding health and safety, advertising, labelling and privacy matters related to services offered during the Reporting Period.

### **Anti-corruption**

The Group operates its business with integrity and fairness and does not tolerate any form of corruption, such as bribery, extortion, fraud and money laundering. The Group established its Code of Conduct demonstrating the policy on acceptance of advantage and handling of conflict of interest when dealing with the business.

The Group strictly prohibits employees from offering, requesting and accepting gifts to and from third parties, except for the following cases:

- Symbolic souvenir or gift of a nominal value;
- Holiday gifts subject to a maximum limited of 1,000 HKD; or
- Discounts and special offers given by third parties, on the condition equally applicable to other general customers.

Directors and staff should avoid any conflict of interest situation or perception of such conflict. If any employee is found to have taken part in any corruption activities, the Group will immediately terminate his or her contract and report to appropriate authority if necessary.

During the Reporting Period, there were no cases of non-compliance related to anti-corruption laws and regulations, including but not limited to the Prevention of Bribery Ordinance. During the Reporting Period, the Group was not involved in any cases of non-compliance or legal cases in relation to corruption.

### Community

### **Community Investment**

The Group has attached great importance to the investment in the community and strives to repay the society through different measures, such as collaboration, capacity-building initiatives, and community services. The Group has formulated the Community Investment, Sponsorship and Donation Policy setting out two major areas that the Group focuses on in community investment, being community wellness as well as education and development.

For community wellness, the Group endeavors to improve quality of living for the communities by any means that serve the needs of the poverty, elderly, disabled, or in economic difficulties, including programme created growth opportunities, healthcare, food and resources, etc.

The Group also believes in investing education and development, especially to the youth for cultivating the leaders to lead the community in this ever-changing world. The Group supports training and skills development to the sectors with difficulties in learning physically and economically.

During the Reporting Period, the Group has participated in some community activities as detailed below:

|   | Resources       |             |
|---|-----------------|-------------|
| Project Name  | Contributed     | Amount      |
| Hong Kong Professional Building Inspection Academy Ltd. | Monetary        | HKD\$19,600 |
| Benji's Centre  | Mooncake        | 50 boxes    |
| Benji's Centre - Brothers and Sisters Scheme (哥哥姐姐計劃)   | Voluntary Hours | 10 hours    |

### **SUMMARY OF KEY PERFORMANCE INDICATORS**

| Environmental Aspects |   | 2021/22   | 2020/21 | Unit                       |
|-----------------------|---|-----------|---------|----------------------------|
|                       | t A1: Emissions                             | ione dete |         |                            |
| A1.1                  | The types of emissions and respective emiss |           | 04.0    | 1                          |
|                       | Nitrogen oxides (NO <sub>x</sub> )          | 6.8       | 21.8    | kg                         |
|                       | Sulphur oxides (SO <sub>x</sub> )           | 0.3       | 0.1     | kg                         |
|                       | Respirable suspended particles (RSP)        | 0.5       | 1.9     | kg                         |
| A1.2                  | Greenhouse gas emissions in total and inten |           |         |                            |
|                       | Scope 1 emissions                           | 47.3      | 19.4    | tonnes CO <sub>2</sub> -e  |
|                       | Scope 2 emissions                           | 32.8      | 48.2    | tonnes CO <sub>2</sub> -e  |
|                       | Scope 3 emissions                           | _         | _       | tonnes CO <sub>2</sub> -e  |
|                       | Total greenhouse gas emissions              | 80.1      | 67.6    | tonnes CO <sub>2</sub> -e  |
|                       | Intensity (by floor area)                   | 0.014     | 0.012   | tonnes CO <sub>2</sub> -e/ |
|                       |   |           |         | sq. ft.                    |
| A1.4                  | Non-hazardous waste                         |           |         |                            |
|                       | Total non-hazardous waste produced          | 0.17      | 0.52    | tonnes                     |
|                       | Intensity (by floor area)                   | 0.030     | 0.092   | tonnes/sq. ft.             |
| Aspec                 | t A2: Use of Resources                      |           |         |                            |
| A2.1                  | Direct and/or indirect energy consumption b | y type    |         |                            |
|                       | Direct energy consumption – Petrol          | 590.3     | 227.3   | GJ                         |
|                       | Direct energy consumption – Diesel          | 20.4      | 24.0    | GJ                         |
|                       | Indirect energy consumption                 | 46.2      | 60.2    | MWh                        |
|                       | Total energy consumption                    | 215.8     | 69.8    | MWh-e                      |
|                       | Intensity (by floor area)                   | 0.038     | 0.023   | MWh-e/sq. ft.              |
| A2.2                  | Water consumption in total and intensity    |           |         |                            |
|                       | Total water consumption                     | 59.0      | 122.2   | m³                         |
|                       | Intensity (by floor area)                   | 0.010     | 0.022   | m³/sq. ft.                 |
|                       | interiorly (by floor died)                  | 0.010     | 0.022   | 111 / 34. 11.              |

| Social | Aspects                                 |                       | 2021/22     | 2020/21 | Unit     |
|--------|---|-----------------------|-------------|---------|----------|
|        | : B1: Employment                        |                       |             |         |          |
| B1.1   | Total workforce                         |                       |             |         |          |
|        | Total number of employees               |                       | 46          | 34      | employee |
|        | By gender                               | Female                | 10          | 9       | employee |
|        |   | Male                  | 36          | 25      | employee |
|        | By employment type                      | Full-time             | 45          | _       | employee |
|        |   | Part-time             | 1           | _       | employee |
|        | By age group                            | 30 years old or below | 7           | 7       | employee |
|        |   | 31-40 years old       | 17          | 13      | employee |
|        |   | 41-50 years old       | 17          | 11      | employee |
|        |   | Over 50 years old     | 5           | 3       | employee |
|        | By employee category                    | Managerial            | 6           | _       | employee |
|        |   | Senior                | 13          | _       | employee |
|        |   | Middle                | 22          | _       | employee |
|        |   | Junior                | 5           | _       | employee |
|        | By function                             | Executive             | 9           | _       | employee |
|        |   | Technical             | 10          | _       | employee |
|        |   | Administrative        | 7           | _       | employee |
|        |   | Production            | 20          | _       | employee |
|        | By geographical region                  | Hong Kong             | 46          | _       | employee |
| B1.2   | Employee turnover rate                  |                       |             |         |          |
|        | Total employee turnover ra              | te                    | 61%         | 71%     | %        |
|        | By gender                               | Female                | 40%         | 67%     | %        |
|        | , 0                                     | Male                  | <b>67</b> % | 72%     | %        |
|        | By employment type                      | Full-time             | 60%         | _       | %        |
|        | 3 1 3                                   | Part-time             | 100%        | _       | %        |
|        | By age group                            | Under 30 years old    | 17%         | 43%     | %        |
|        | 7 10 10 11 1                            | 31-40 years old       | 47%         | 69%     | %        |
|        |   | 41-50 years old       | 41%         | 100%    | %        |
|        |   | Over 50 years old     | 120%        | 33%     | %        |
|        | By employee category                    | Managerial            | 17%         | _       | %        |
|        | , | Senior                | 23%         | _       | %        |
|        |   | Middle                | 95%         | _       | %        |
|        |   | Junior                | 60%         | _       | %        |
|        | By geographical region                  | Hong Kong             | 61%         | _       | %        |
| Aspect | : B2: Health and Safety                 |                       |             |         |          |
| B2.1   | Number (rate) of work-r                 | elated fatalities     | 0 (0%)      | 0 (0%)  | - (%)    |
| B2.2   | Lost days due to work i                 |                       | 0           | 0       | day      |

| Social Aspects |                                    |                     | 2021/22     | 2020/21 | Unit     |  |  |
|----------------|------------------------------------|---------------------|-------------|---------|----------|--|--|
| -              | B3: Development and T              | _                   |             |         |          |  |  |
| B3.1           | Number of trained emp              |                     |             |         |          |  |  |
|                | Total number of trained employees  |                     | 18          | _       |          |  |  |
|                | Percentage of total emplo          |                     | 39%         | 44%     | %        |  |  |
|                | By gender                          | Female              | 0%          | 40%     | %        |  |  |
|                |                                    | Male                | 100%        | 60%     | %        |  |  |
|                | By employee category               | Managerial          | <b>6</b> %  | 20%     | %        |  |  |
|                |                                    | Senior              | 22%         | 20%     | %        |  |  |
|                |                                    | Middle              | <b>67</b> % | 13%     | %        |  |  |
|                |                                    | Junior              | <b>6</b> %  | 47%     | %        |  |  |
|                | By function                        | Executive           | <b>6</b> %  | _       | %        |  |  |
|                |                                    | Technical           | 0%          | _       | %        |  |  |
|                |                                    | Administrative      | 0%          | _       | %        |  |  |
|                |                                    | Production          | 94%         | _       | %        |  |  |
| B3.2           | Average training hours completed   |                     |             |         |          |  |  |
|                | Average training hour per employee |                     | 1.0         | _       | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                | By gender                          | Female              | 0.0         | 3.0     | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                |                                    | Male                | 1.2         | 1.0     | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                | By employee category               | Managerial          | 1.7         | 5.0     | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                |                                    | Senior              | 0.6         | 6.0     | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                |                                    | Middle              | 1.1         | 2.0     | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                |                                    | Junior              | 0.4         | 1.0     | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                | By function                        | Executive           | 1.1         | _       | hour/    |  |  |
|                | <b>-</b> ,                         |                     |             |         | employee |  |  |
|                |                                    | Technical           | 0.0         | _       | hour/    |  |  |
|                |                                    |                     |             |         | employee |  |  |
|                |                                    | Administrative      | 0.0         | _       | hour/    |  |  |
|                |                                    | . tarriin ada ativo | 0.0         |         | employee |  |  |
|                |                                    | Production          | 1.7         | _       | hour/    |  |  |
|                |                                    |                     | •••         |         | employee |  |  |

| Social  | Aspects  | 2021/22             | 2020/21 | Unit   |          |  |  |  |  |
|---|--|---------------------|---------|--------|----------|--|--|--|--|
| Aspect  | B5: Supply Chain Manag                                     | ement               |         |        |          |  |  |  |  |
| B5.1 Number of suppliers by geographical region |  |                     |         |        |          |  |  |  |  |
|   | Total number of suppliers                                  |                     | 634     | 543    | supplier |  |  |  |  |
|   | By geographical region                                     | Hong Kong           | 623     | 539    | supplier |  |  |  |  |
|   |  | China               | 10      | 3      | supplier |  |  |  |  |
|   |  | Taiwan              | 1       | 1      | supplier |  |  |  |  |
| Aspect B6: Product Responsibility               |  |                     |         |        |          |  |  |  |  |
| B6.1  |  |                     | 0%      | _      | %        |  |  |  |  |
|   | subject to recalls   |                     |         |        |          |  |  |  |  |
| B6.2  | Number of products and service-related complaints received |                     | 0       | -      | case     |  |  |  |  |
| Aspect B7: Anti-corruption                      |  |                     |         |        |          |  |  |  |  |
| B7.1  | Number of concluded le corruption                          | gal cases regarding | 0       | 0      | case     |  |  |  |  |
| Aspect B8: Community Investment                 |  |                     |         |        |          |  |  |  |  |
| B8.2  | Resources contributed t                                    | to focus area       |         |        |          |  |  |  |  |
|   | Total amount of donation in                                | n cash              | 19,600  | 10,000 | HKD      |  |  |  |  |
|   | Total voluntary hours                                      |                     | 10      | 46     | hour     |  |  |  |  |