

# QUANTONG HOLDINGS LIMITED

## 全通控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8316

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

**2022**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## REPORT OVERVIEW

This Environmental, Social and Governance Report (“ESG Report”) summarises the environmental, social and governance (“ESG”) initiatives, plans and performances of Quantong Holdings Limited (the “Company”), together with its subsidiaries (the “Group” or “We”), and demonstrates our commitment to environmental protection and sustainable development.

## SUSTAINABILITY APPROACH

The Group is principally engaged in the foundation and other construction works and supply and installation of new energy charging piles in Hong Kong and in the People’s Republic of China (the “PRC”).

The Group is committed to integrating sustainability into our business strategy. The Group considers various factors including business-related challenges, work ethics, global trends, applicable laws, and regulations to promote business to achieve sustainable growth. The Group constantly seeks opportunities to grow our businesses that will not only be beneficial to our stakeholders, but also to the environment in which we operate. We continuously monitor the risks and explore potential opportunities within the Group. To strike a balance between business needs, social demands, and environmental impacts, we are committed to continuously monitoring the risks and opportunities that exist in our daily operations and embracing transparent corporate culture to ensure our sustainability strategies are well communicated to our stakeholders.

## REPORTING PERIOD

This ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 March 2022 (the “Reporting Period” or “2022”).

## REPORTING FRAMEWORK

This ESG Report has been prepared in compliance with all the applicable provisions as set out in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## REPORTING PRINCIPLES

During the preparation for this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as the following:

Materiality	The materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the ESG Taskforce (as defined under the section headed “Board Statement – The ESG Governance Structure”). Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
Quantitative	Supplementary notes are added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
Consistency	The preparation approach of this ESG Report was substantially consistent with the previous year (i.e. the year ended 31 March 2021 (“2021”)), and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

## REPORTING SCOPE

This ESG Report mainly covers the Group’s ESG performance of its office in Hong Kong and the PRC, representing major operating revenue activities under direct management control which include (i) the provision of foundation and other construction works and supply; and (ii) installation of new energy charging piles in Hong Kong and the PRC.

## BOARD STATEMENT – THE ESG GOVERNANCE STRUCTURE

### Oversight of ESG Issues

The board of directors of the Company (the “Board”) holds the ultimate responsibility for monitoring the Group’s ESG issues, including ESG management approach, strategy, and policies. To better manage the Group’s ESG performance and identify potential risks, the Board conducts materiality assessments with the assistance of the ESG Taskforce to draw up, prioritise and manage material ESG-related issues with reference to the opinions of our stakeholders. The Board sets up a general direction for the Group’s ESG strategies to ensure effectiveness in the control of ESG risks and internal control mechanisms.

### Establishment of ESG Taskforce

The Group has established an ESG Taskforce (the “ESG Taskforce”). This ESG Taskforce comprises core members from different departments and is responsible for systematically managing ESG issues. The designated personnel are responsible for collecting relevant information on ESG aspects for the preparation of the ESG Report. It periodically reports to the Board, assists in identifying and assessing the Group’s ESG risks, and evaluates the implementation and effectiveness of the internal control mechanism, taking into account the business the Group operates in. It also examines and evaluates the performance in different aspects such as environment, labour practices and other ESG performance against ESG-related goals and targets.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)



## STAKEHOLDER ENGAGEMENT

The Group recognises the responsibility and accountability of all our stakeholders. To understand and address their key concerns, the Group has maintained close communication with its key stakeholders. The Group takes stakeholders' expectations into consideration in formulating its businesses and ESG strategies by utilising diversified engagement methods and communication channels as shown below:

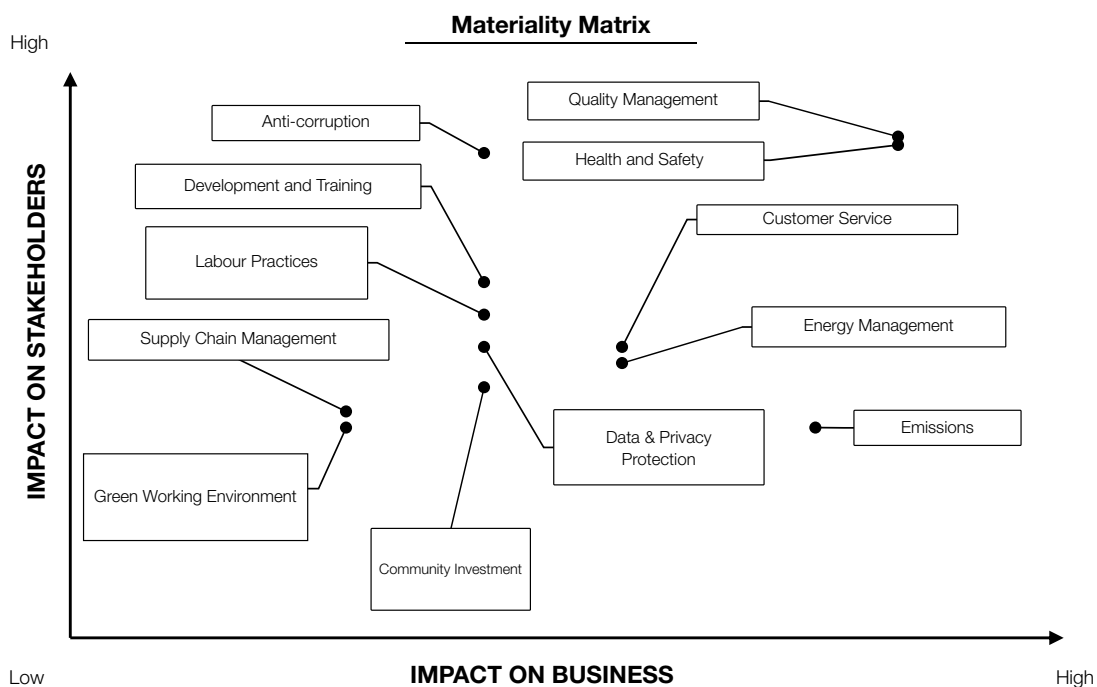
Stakeholders	Communication channels	Expectations
Investors and Shareholders	<ul style="list-style-type: none"> <li>Financial reports</li> <li>Announcements and circulars</li> <li>Annual general meetings and other shareholder meetings</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Financial results</li> <li>Business compliance</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Face-to-face meeting</li> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Project quality</li> <li>Customer Service</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Training</li> <li>Internal meetings</li> <li>Annual performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Employees' compensation and benefits</li> <li>Health and safety</li> <li>Working environment</li> <li>Career development</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Suppliers' assessments</li> <li>Supplier management meetings and events</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable supply chain</li> <li>Fair and open tendering</li> </ul>
Community and the Public	<ul style="list-style-type: none"> <li>Community investment plans</li> <li>ESG reports</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Involvement in communities</li> <li>Ethical operation</li> <li>Environmental protection awareness</li> </ul>
Regulatory Bodies and Government Authorities	<ul style="list-style-type: none"> <li>Tele-conferences</li> <li>Written or electronic correspondences</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Timely taxation</li> <li>Environmental protection</li> <li>Contribution to society</li> </ul>

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## MATERIALITY ASSESSMENT

The ESG Taskforce of the Group is responsible for the preparation of this ESG Report. By reviewing the Group's operations and identifying relevant ESG issues, the ESG Taskforce assesses the importance of related matters to the Group's businesses and stakeholders. Based on the material ESG issues identified, feedback is collected from the relevant internal and external stakeholders of the Group. The result of the assessment is as below.



The Group reviewed the materiality assessment results and considered that the said result is applicable to the Group. The Group will continuously monitor the business operations and its ESG performances.

## FORWARD-LOOKING STATEMENTS

This ESG Report contains forward-looking statements which are based on the current expectations, estimates, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it operates. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ materially from the assumptions made and the statements contained in this ESG Report.

## ENDORSEMENT AND APPROVAL

This ESG Report was compiled, endorsed by the ESG Taskforce, and approved by the Board.

## FEEDBACK AND CONTACT US

The Group welcomes all feedback and opinions from its stakeholders. If you have any advice or suggestions, welcome you to contact us at [info@quantongkonggu.com](mailto:info@quantongkonggu.com).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)



## A. ENVIRONMENTAL

Environmental protection and sustainable development rely on concerted efforts from all industries and society. Rooted in the foundation industry in Hong Kong, we strive to integrate environmental sustainability into our business operations and are committed to reducing our environmental footprint. The Group has established environmental policies and integrated the concept of sustainable development into its operation. The environmental management system has been implemented in accordance with the ISO 14001 and to ensure that its standards are in line with international standards.

During the Reporting Period, the Group is not aware of any material non-compliance with relevant laws and regulations relating to air and Greenhouse Gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group, including but not limited to the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, Prevention and Control of Environmental Pollution by Solid Wastes of the PRC, Air Pollution Control Ordinance of Hong Kong, Waste Disposal Ordinance of Hong Kong, Noise Control Ordinance of Hong Kong, and Environmental Impact Assessment Ordinance of Hong Kong.

### 2030 Environmental Targets

To support global efforts to address climate change and to facilitate the assessment of the effectiveness of the Group’s strategies and measures to mitigate the impacts of climate change, environmental objectives are set at the Group level as follows:

The following sets out the target of reducing intensity by 2030, using 2021/2022 as a base year:

<b>Electricity consumption</b>	<b>Water consumption</b>	<b>Non-hazardous waste</b>	<b>Greenhouse gas emissions</b>
↓ 5%	↓ 5%	↓ 5%	↓ 8%

By setting these targets, it guides the Group’s business strategy in terms of environmental protection and sustainable development. The steps taken to achieve these goals are detailed in each corresponding section below.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## A1. Emissions

The Group has been engaging in foundation works business as a subcontractor and other construction works in Hong Kong for over 10 years. During the Reporting Period, the overall construction industry in Hong Kong was facing various challenges. Due to the impact of the COVID-19 pandemic and the shrink of foundation works business operation, the use of electricity and diesel at working sites have decreased sharply. This accounts for the reason for significant decrease in air emissions and GHG emissions compared with the prior year. The Group continues to evaluate areas suitable for the diversification of business with an aim to develop business by our sustainability approach.

### *Air Emissions*

The principal sources of air emissions arising out of the Group's operation were petrol and diesel consumed by vehicles and machinery (air breaker and air compressor) in construction sites.

For the emissions generated from construction, the Group adopts appropriate dust reduction measures to mitigate air pollutants generated from construction works. Dust suppression is carried out by the installation of dust screens and other barriers. The areas where demolition work is carried out is sprayed with water immediately before, during and after construction activities.

The exhaust gas generated by the Group includes nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>") and particulate matters ("PM"). The Group has relevant emission reduction measures with the aim to reduce emissions from mobile sources:

- to switch off idle engines
- to conduct regular maintenance service to ensure optimal engine performance and fuel use
- to reduce in-person meetings and take public transportation for business trips
- phase-out substandard machinery and vehicles
- choose local vendors to reduce exhaust gas and GHG emissions

During the Reporting Period, the Group's exhaust gas emissions performance was as below.

<b>Types of exhaust gas</b>	<b>Unit</b>	<b>2022</b>	2021
Nitrogen oxides (NO <sub>x</sub> )	kg	<b>14.73</b>	518.20
Sulphur oxides (SO <sub>x</sub> )	kg	<b>0.34</b>	0.84
Particulate matter (PM)	kg	<b>1.08</b>	42.24

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## GHG Emissions

The consumption of electricity at the office (Scope 2), petrol and diesel consumption for the vehicles and machinery used at construction sites such as air compressors and air breakers (Scope 1) are the major sources of GHG emissions of the Group.

The Group's GHG emissions performance was as follows:

Indicators <sup>1</sup>	Unit	2022	2021
Direct GHG emissions (Scope 1)			
– Petrol and diesel consumption	tCO <sub>2</sub> e	<b>454.66</b>	2,852.73
Energy indirect GHG emissions (Scope 2)			
– Electricity consumption	tCO <sub>2</sub> e	<b>3.13</b>	8.22
Total GHG emissions	tCO <sub>2</sub> e	<b>457.79</b>	2,860.95
Total GHG emissions intensity <sup>2</sup>	tCO <sub>2</sub> e/mil revenue	<b>5.95</b>	27.51

Remarks:

- GHG emissions data is presented in carbon dioxide equivalent and with reference to, including but not limited to, the reporting requirements of the “GHG Protocol Corporate Accounting and Reporting Standard” issued by the World Resources Institute and the World Business Council for Sustainable Development, the “How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX, the “Sustainability Report 2021” published by the Hong Kong Electric Investments Limited, the latest published Baseline Emission Factors for Regional Power Grids in China.
- For the Reporting Period, the Group recorded revenue of HK\$76.9 mil (2021: HK\$104.6 mil). The data is also used for calculating other intensity data.

To achieve the 2030 environmental target, the Group embraces driving green practices in our day-to-day operations. The measures taken for reducing GHG emissions from vehicles (Scope 1) were described under the above section headed “Air Emissions”.

Consumption of electricity is accounted as the major source of indirect energy and indirect GHG emissions (Scope 2). The Group has implemented measures as described under “Energy Management” in aspect A2 to reduce energy consumption, thereby minimising carbon footprint. By taking the above measures, employees’ awareness of GHG emissions has been improved.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## ***Sewage Discharge***

Due to the Group's business nature, wastewater will be generated and discharged at construction sites. To fully utilise water resources, wastewater is collected and preceded for reuse, such as reusing for dust control measures. A sewage treatment system is also installed on every construction site to filter the wastewater before discharging it to public sewers. More water-saving initiatives will be described in the section headed "Water Management" under aspect A2.

## ***Waste Management***

The Group is committed to properly managing and disposing of wastes produced by our business activities. To safeguard the health and welfare of the community from adverse environmental effects associated with the handling and disposal of wastes, our Group has developed sustainable waste management practice which has complied with the relevant laws and regulations relating to environmental protection.

### *Hazardous Waste*

Due to the Group's business nature is in the provision of foundation services in Hong Kong and supply and installation of new energy charging piles in the PRC, it does not produce a significant amount of hazardous wastes during our operation. Nevertheless, the Group has established guidelines which detail the steps in governing the management and disposal of hazardous wastes. In case there are any hazardous wastes produced, the Group will engage qualified waste collectors to handle the waste to comply with the relevant environmental regulations and rules.

### *Non-hazardous Waste*

The non-hazardous wastes generated by the Group's operations mainly consist of paper and construction wastes. During our business operation, we uphold the 5Rs principle, namely reduce, renew, reuse, recycle, and replace for waste management and strive for resource utilization. The Group has implemented measures to manage different types of waste and launched different waste reduction initiatives in different working areas. Employees are encouraged to use double-sided printing and electronic means for the circulation of documents to use fewer papers. A recycling bin is placed beside the printer to encourage paper recycling.

For construction wastes, as the Group did not operate as the main contractor for any projects during the Reporting Period, construction waste was passed to the main contractors for handling. No data is available consequently. Nevertheless, the Group integrates the concept of sustainability into operations and introduces eco-friendly materials to the projects.

<b>Indicators</b>	<b>Unit</b>	<b>2022</b>	2021
Total non-hazardous wastes	tonnes	<b>0.23</b>	0.23
Intensity	tonnes/mil revenue	<b>0.003</b>	0.002

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## A2. Use of Resources

The Group is committed to becoming a resource-saving and environmentally friendly enterprise to promote environmental protection. We continue to introduce resource efficiency and eco-friendly measures to the Group's operations and optimise the use of resources in all our business operations. During our operation, fuel and electricity are consumed. The Group has established relevant policies and procedures in governing the efficient use of resources, in reference to the objective of achieving higher energy efficiency and reducing the unnecessary use of resources.

### **Energy Management**

Energy consumption of the Group includes diesel consumed by machinery at the construction sites, petrol consumed by company vehicles, and electricity used at the office. As mentioned in A1 — Emissions, measures to reduce diesel and petrol consumption for machinery and vehicles were described.

To save the electricity used at office and operation sites, the Group has also conducted the following measures to improve the energy efficiency performance, including but not limited to:

- To turn off idle machines, equipment, computers, and lighting
- Utilise natural light where possible
- Adopt power-saving features for office equipment and computers
- Maintain indoor temperature between 24–26°C
- Procure energy-efficient appliances only upon replacement of old appliances or due to new business needs

By adopting different energy conservation measures, the Group believes it has set a role model for corporate social responsibility. More importantly, the Group strives to reduce costs by reducing electricity consumption in the workplace in the long run.

The Group's energy consumption performance is as follows:

<b>Indicators</b>	<b>Unit</b>	<b>2022</b>	2021
Total Direct energy consumption	MWh	<b>1,703.51</b>	11,641.32
Diesel	MWh	<b>1,458.62</b>	11,450.17
Unleaded Petrol	MWh	<b>244.89</b>	191.15
Total indirect energy consumption	MWh	<b>4.00</b>	11.58
Purchased electricity	MWh	<b>4.00</b>	11.58
Total Energy consumption	MWh	<b>1,707.51</b>	11,652.90
Total Energy consumption intensity	MWh/mil revenue	<b>22.21</b>	111.40

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

As explained in A1. Emissions, the use of electricity in the office and diesel at construction sites have decreased sharply. The total energy consumption dropped from 11,652.90 MWh to 1,707.51 MWh, which represented an 85% decline compared with the prior year.

## **Water Management**

The Group does not consume a significant amount of water in its business activities due to its business nature. Water was mainly used in offices and construction sites. The Group actively promotes the importance of water conservation to its employees. Apart from posting reminders next to water taps, the Group also regularly inspects water taps to prevent leakage. Through these water-saving measures, our employees' awareness was enhanced. The Group will continue to save water resources through different measures in the forthcoming year.

<b>Indicators</b>	<b>Unit</b>	<b>2022</b>	2021
Total water consumption*	Cubic meters	<b>45.00</b>	13.51
Intensity	Cubic meters/mil revenue	<b>0.59</b>	0.13

\* During the Reporting Period, the total water consumption data included an additional office in the PRC which was not included in 2021 data. Both data did not include the water consumed at construction sites as the Group did not operate as the main contractors in the projects.

Due to the Group's business nature and geographical region in which our operation is located, the Group did not encounter any problem in sourcing water that is fit for its purpose.

## **Use of Packaging Materials**

Due to the Group's business nature, the use of packaging materials is immaterial.

## **A3. The Environment and Natural Resources**

The Group recognises the responsibility of minimising the negative environmental impacts of our business operations as an ongoing commitment to good corporate citizenship. The Group has integrated the concept of environmental protection into its daily operations, with the aim of achieving environmental sustainability.

### **Indoor Air Quality**

Air quality is regularly monitored and measured in offices, air purifying equipment is placed, and the ventilation system is cleaned periodically. At construction sites, monthly checking will be performed to monitor air pollution emissions.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## ***Environmental Impact of Projects***

To control and mitigate the adverse environmental impacts of the projects in our operations, we have formulated a series of procedures to assess the environmental risks of the projects. Moreover, regular audits and site visits are carried out to ensure the effectiveness and level of compliance with the environmental management system. The Group has implemented different measures to reduce noise levels and ensured that workers and the surrounding neighbourhood will not be disturbed. Such measures include installing acoustic barriers, inspecting and maintaining all equipment before use to ensure compliance with the permitted noise levels, and only undertaking construction works during permitted hours and days. The Group aims to minimise the impact of our projects on the neighbourhood and preserve natural resources.

## **A4. Climate Change**

The Group recognises the threat posed by climate change and is actively responding by offsetting its carbon footprint. The Group closely monitors the potential impact of climate change on our business and operations and is committed to managing the potential climate-related risks which may impact the Group's business activities.

In accordance with the reporting framework developed by the Task Force on Climate-related Financial Disclosures ("TCFD"), there are two major categories of climate-related risks, physical and transition risks. The Group has implemented risk assessment exercises in identifying and mitigating climate-related risks.

### ***Physical Risks***

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat bring acute and chronic physical risks to the Group's business. The Group's productivity will be reduced under extreme weather events as the safety of our employees is threatened during operation work at construction sites and the power grid or communication infrastructures might be damaged, which exposes the Group to risks associated with non-performance and delayed performance, leading to a direct negative impact on the Group's revenue.

To minimise the potential risks and hazards, the Group has established mitigation plans, including flexible working arrangements and precautionary measures and extra formwork protection during bad or extreme weather conditions. The Group will explore emergency plans to further reduce the vulnerability of our installations to extreme weather events to enhance business stability.

### ***Transition Risks***

To achieve the global vision of carbon neutrality, the Group expects the evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies, the emergence of environmentally related taxes, and the shifting of customer preference to an eco-friendlier business operation.

In response to the policy and legal risks as well as the reputation risks, the Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## B. SOCIAL

### B1. Employment

The Group attaches great importance to its employees' contribution and dedication to sustainable business development. Employment policies are formally documented in the Employee Handbook, covering recruitment, compensations, remuneration, diversity, equal opportunities, etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness in the industry.

During the Reporting Period, the Group is not aware of any material non-compliance with employment and labour practices related laws and regulations that would have a significant adverse impact on the Group including but not limited to the Employment Ordinance of Hong Kong, the Labour Law of the PRC, and the Labour Contract Law of the PRC.

#### **Recruitment, Promotion and Dismissal**

The Group hires employees through open recruitment. The Group emphasises a fair, open, objective, and non-discriminatory selection process. Job applicants are assessed based on their suitability for the positions and potential to fulfil the Group's current and future needs, regardless of their race, gender, religion, physical disability, marital status, sexual orientation, etc.

The promotion of employees is determined by appraisals that are conducted regularly by the Group's management to evaluate staff's work performance. Performance reviews are conducted annually, and employees are provided with the opportunity to openly discuss with their supervisors on their performance and career development.

The Group has no tolerance for unfair and illegitimate dismissals and makes sure the dismissal procedure is fair and open. Any termination of the employment contract would be based on reasonable and lawful grounds. Exit interviews will also be conducted with leaving employees to help us better understand the needs of our employees and to improve the overall working environment.

#### **Diversity, Equal Opportunity and Anti-discrimination**

The Group recognises the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive.

The Group provides equal opportunities in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation.

We have established and implemented policies that promote a fair and respectful workplace.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## Compensation and Remuneration

The Group offers a comprehensive remuneration package for our employees who are remunerated according to their contributions with reference to the market practice.

A remuneration committee is established for making appropriate updates on the Group's remuneration standards annually.

Remuneration packages of the Group include basic salary, leaves as stipulated by relevant laws and regulations, as well as discretionary bonuses. The Group also provides a variety of leaves to cater to the needs of its employee, such as marriage leave, study leave, etc. Employees' salaries and year-end bonuses are determined based on qualifications, work performance, performance appraisal results and market trends.

The Group pays "five social insurances and one housing fund" for employees in accordance with the Social Insurance Law of the PRC, namely, endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund to ensure employees are covered by social insurance. The Group also pays the Mandatory Provident Fund for employees in Hong Kong in accordance with the Mandatory Provident Fund Schemes Ordinance of Hong Kong.

As of 31 March 2022, the Group's employee size breakdown was as below.

Indicators	2022	2021
Total number of employees	20	50
By Gender		
Male	12	41
Female	8	9
By Age		
Below 30	4	9
30-50	13	28
Above 50	3	13
By Region		
Hong Kong	12	50
PRC	8	0
By Employment Type		
Full-time	20	50
Part-time	0	0

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The table below shows the employee turnover rate\* breakdown by gender, age group and region:

Indicators	2022	
	No.	%
Total employee turnover	30	86%
By gender		
Male	29	109%
Female	1	12%
By age group		
Below 30	1	22%
30–50	12	63%
Above 50	17	139%
By region		
Hong Kong	30	123%
Mainland China	0	0%

\* Employee turnover rate is calculated by (difference in the number of employees during the Reporting Period/average number of employees during the Reporting Period) x 100%

## B2. Health and Safety

Employees' safety is regarded as the top priority of the Group. The Group is committed to providing a healthy and safe working environment for all employees and contractors and strives to achieve zero tolerance towards hazards, incidents, non-compliance, and accidents.

During the Reporting Period, the Group is not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include but are not limited to the Labour Law of the PRC and the Prevention and Treatment of Occupational Diseases Law of the PRC, the Occupational Safety and Health Ordinance of Hong Kong and the Employees' Compensation Ordinance of Hong Kong.

### **Occupational Health and Safety Management Systems**

To maintain a safe work environment, the Group has established occupational health and safety management systems and relevant procedures for the prevention and remediation of safety accidents in projects. The occupational health and safety management system has been implemented in compliance with the requirements of ISO 14001 international standards and reviewed regularly. A safety committee has been established to identify, recommend, and review measures to improve workers' health and safety. Besides, the Group has acquired staff medical insurance which reimburses employees for any unexpected medical costs. The insurance plan is closely monitored and adjusted according to the headcounts of the year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## **Safety Training and Inspection**

Employees should attend the training courses organised by the Group on occupational safety and environmental control. Emergency and evacuation procedures have been established for the employees to respond to major safety accidents timely and orderly. The safety officer conducts regular safety training for the Group's employees and workers arranged by subcontractors to ensure their competency to perform specifically assigned tasks and that a proper training record is kept. Employees are also free to provide feedback on improving workplace safety.

No work-related fatalities happened during the past 3 consecutive financial years.

<b>Indicators</b>	<b>Unit</b>	<b>2022</b>	2021	2020
Fatalities due to work	Cases	0	0	0

<b>Indicators</b>	<b>Unit</b>	<b>2022</b>
Lost days due to work injury	Days	0
Work Injury Rate	%	0

## **COVID-19 Pandemic Preventive Measures**

In response to the outbreak of the COVID-19 pandemic in early 2020, the Group has taken proactive measures to safeguard the health and safety of its employees and business partners and has complied with public health measures implemented by the local authorities. The Group is highly conscious of the potential health and safety impacts brought to its staff and has taken preventive measures at office and construction sites. All employees are required to wear face masks at the office as well as at construction sites and check their body temperature prior to work every day. Besides, the Group has reminded our employees to maintain personal hygiene and report cases if they or their closely related persons have been infected.

## **B3. Development and Training**

The Group recognises its staff as the most precious asset. Staff's development and training contributes to the continuing success of the Group. The Group holds a firm belief that the provision of training opportunities and continuous career development to its employees, which strengthens the professional capabilities and growth of the employees and retains high-calibre talent, provides a solid foundation for the Group's continuing success.

The Group provides a wide range of training to its employees. Induction training is provided to all newly recruited employees, while regular on-job training is provided to all employees of the Group. The Group also encourages its employees to attend external training. Training subsidies are provided to employees who attend training courses relating to job requirements.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

The table below shows the employee training data\* by gender and employee category:

Indicators	2022	
	Average training hours	%
Average hours of training per employee and percentage of employees who received training	2.2	100%
By gender		
Male	1.58	92%
Female	3.13	113%
By employee category		
Senior management	0.62	62%
Middle management	4.00	134%
General staff	6.00	200%

\* Employee training data includes employees that received training and left the Group during the Reporting Period.

## B4. Labour Standards

The Group strictly prohibits the use of child labour and forced labour in our operations. Below measures have been taken to avoid these illegal employment practices.

Prevention of child labour	During the recruitment process, the human resources department will verify the applicant's identity documents and ensure that they have reached the minimum age for employment.
Prohibition of forced labour	The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employee working time and working schedule to ensure they work voluntarily and freely.

If any violations were to be detected, the Group would immediately cease any labour activities. Any false documents would be considered fraudulent and the Group would have the right to terminate the labour contract immediately.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Labour Law of the PRC, the Provisions on the Prohibition of Using Child Labour of the PRC, the Employment Ordinance of Hong Kong and the Employment of Children Regulations of Hong Kong.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## B5. Supply Chain Management

The Group recognises the importance of supply chain management in mitigating environmental and social risks. In view of green supply chain management, the Group strives to engage suppliers and subcontractors who incorporate the consideration of environmental and social risks into their supply chain management.

### ***Supplier and Subcontractor Management***

To ensure that our suppliers and subcontractors have met customers' requirements regarding quality, service level and environmental and safety standards, we have set up supply chain procedures in selecting suppliers and subcontractors. The Group has established and maintained a list of approved suppliers and subcontractors with certain service quality. Factors such as the financial and operational background of suppliers, price, respective terms, and conditions are all taken into consideration when annually reviewing the list. Besides, safety performance evaluation will be conducted on subcontractors on the approved list to ensure subcontractors are well-aware of safety issues and have complied with the Group's safety standards. Subcontractors who fail to pass the safety performance evaluation may be suspended or removed from the approved list.

### ***Green Sourcing***

The Group is aware of the importance of the environmental and social practices of the suppliers and tries to engage suppliers with responsible acts for society. The Group is committed to selecting environmentally friendly products with competitive prices and good quality, to safeguard customers' health and safety, prevent pollution and efficiently use natural resources.

The Group prioritises local suppliers and environmentally friendly products and services, hoping to reduce the carbon footprint caused by procurement via local procurement, while supporting local economic development and creating employment opportunities for local communities. In addition to environmental factors, the Group will also adopt measures to monitor whether its suppliers or subcontractors comply with relevant social laws and regulations or meet other standards in terms of health, safety, forced labour and child labour.

### ***Suppliers' Distribution by Region for 2022***

<b>Location</b>	<b>No. of suppliers</b>
Hong Kong	36
China	6

## **B6. Product Responsibility**

Achieving and maintaining high-quality standards for projects are of utmost importance for the sustainable growth of an enterprise. The Group closely monitors our work to ensure we deliver high-quality services to our customers with good satisfaction levels.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with relevant laws and regulations concerning health and safety, advertising, labelling, and privacy matters relating to products and services provided that would have a significant impact on the Group. The relevant laws and regulations include but are not limited to the Advertising Law of the PRC, the Trade Descriptions Ordinance of Hong Kong and the Personal Data (Privacy) Ordinance of Hong Kong.

### ***Quality Management***

To ensure delivering excellent quality service to our clients, the Group has established a quality management system. The system cultivates and develops a sustainable performance-oriented culture to pursue continuous improvement in quality.

During the Reporting Period, the Group was not aware of any cases where products sold or shipped were subject to recalls for safety and health reasons, and no major complaints about products and services were received.

### ***Customer Service***

The Group maintains ongoing communication with our customers through regular meetings as well as phone and email communications. Projects' progress and obstacles are discussed honestly and openly. During the Reporting Period, no products or service-related complaints were received.

### ***Protection of Customers' Information and Privacy***

All confidential data relating to the Group's business and customers' information are securely protected and only used for its specific purposes. Employees who have access to the tender and quotation information are required to sign a confidential agreement to better protect customers' privacy. No complaints regarding leakage of data have been reported during the Reporting Period.

### ***Protection of Intellectual Property Rights***

Intellectual property rights promote innovation and creativity, helping society to increase its competitiveness and to improve the well-being of humans. The Group respects the intellectual property rights and formulated procedures and guidelines to ensure our operations at all levels do not infringe intellectual property rights.

### ***Advertising and Labelling***

As the Group's operational process does not involve advertising and labelling practices, the disclosure on information relating to advertising and labelling is not applicable to the Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## **B7. Anti-corruption**

The Group believes in fairness and honesty in business dealings. Fraudulent behaviours such as corruption, bribery and collusion are strictly prohibited. Employees should comply with the rules stated in the Staff Handbook in performing business activities, and they should report to the management if they suspect any professional misconduct. The Group has zero tolerance for any corruption-related cases. The Group has stringent internal control systems governing anti-corruption practices.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to the Criminal Law of the PRC, the Company Law of the PRC, and the Prevention of Bribery Ordinance of Hong Kong.

During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

### ***Whistle-blowing Mechanism***

A Whistle-blowing Policy is set up to encourage and allow employees to raise concerns about possible improprieties in matters of financial reporting, compliance, and other malpractices at the earliest opportunity. Employees can raise concerns, in confidence, about possible improprieties such as misconduct and malpractice in any matter related to the Group. Complaints received will be handled in a prompt and fair manner. The policy aims at protecting the whistle-blowers from unfair dismissal, victimisation, and unwarranted disciplinary actions.

### ***Anti-corruption Training***

Anti-corruption-related trainings are conducted regularly to directors and staff. During the Reporting Period, all directors have received online anti-corruption training. The awareness of the anti-corruption of the Group has been enhanced.

## **B8. Community Investment**

Community Investment is an essential part of the Group's strategic development. The Group is committed to emboldening and supporting the public by various means of social participation and contribution as part of our strategic development.

Our area of contribution is to focus on inspiring our employees' sense of social responsibility by encouraging them to participate in charitable activities during their work and spare time. The Group also believes participating in activities that contribute to the society can increase our employees' civic awareness while establishing correct values. The Group embraces the human capital into social management strategies to sustain our corporate social responsibility as a part of the strategic development of the Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Emissions — GHG Emission
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management — Hazardous waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management — Non-hazardous waste
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions  2030 Environmental Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management  2030 Environmental Targets

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)



Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources — Energy Management
KPI A2.2	Water consumption in total and intensity.	Use of Resources — Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Management  2030 Environmental Targets
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources — Water Management  2030 Environmental Targets
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources — Use of Packaging Materials
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change — Physical Risks, Transition Risks

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety — Occupational Health and Safety Management Systems  Health and Safety — Safety Training and Inspection

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)



Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management — Supplier and Subcontractor Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management — Green Sourcing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — Green Sourcing



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility — Quality Management
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility — Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Protection of Customers' Information and Privacy
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption — Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption — Anti-corruption Training

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Continued)



Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment