Hong Kong 香港 | Macau 澳門

# LS 黎氏建築
**Lai Si Construction**

Lai Si Enterprise Holding Limited
*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code:2266)**

# 2020
Environmental, Social and Governance Report

# CONTENT

## ABOUT THE GROUP

Lai Si Enterprise Holding Limited (the "Company"), together with its subsidiaries (the "Group"), has over 30 years of experience in the fitting-out, repair and maintenance services for general construction and heritage conservation in Macau and Hong Kong. The Group provides services to companies in varies industries, such as hospitality, leisure, retail and catering. During the year ended 31 December 2020, the Group completed 23 projects and was awarded 18 projects.

Though the global economy has been hit hard by the coronavirus pandemic, the Group's extensive operational experience enabled it to respond at short notice to minimise the impact on its operations At this difficult time, the Group is committed to contributing to communities and local economies, and strives to meet the needs of its customers and help the industry remain sustainable.

# ABOUT THE REPORT

This is the fifth Environment, Social and Governance Report (the "Report") published by the Group. The Report aims to disclose commitments and management in relation to the Group's environmental, social and governance ("ESG") responsibilities, and includes sustainability measures and performance for the period from 1 January 2020 to 31 December 2020 (the "Year"). It is prepared both in Chinese and English, and is available on the website of the Hong Kong Exchanges and Clearing Limited (the "HKEx") and the Group's website (https://www.lai-si.com/).
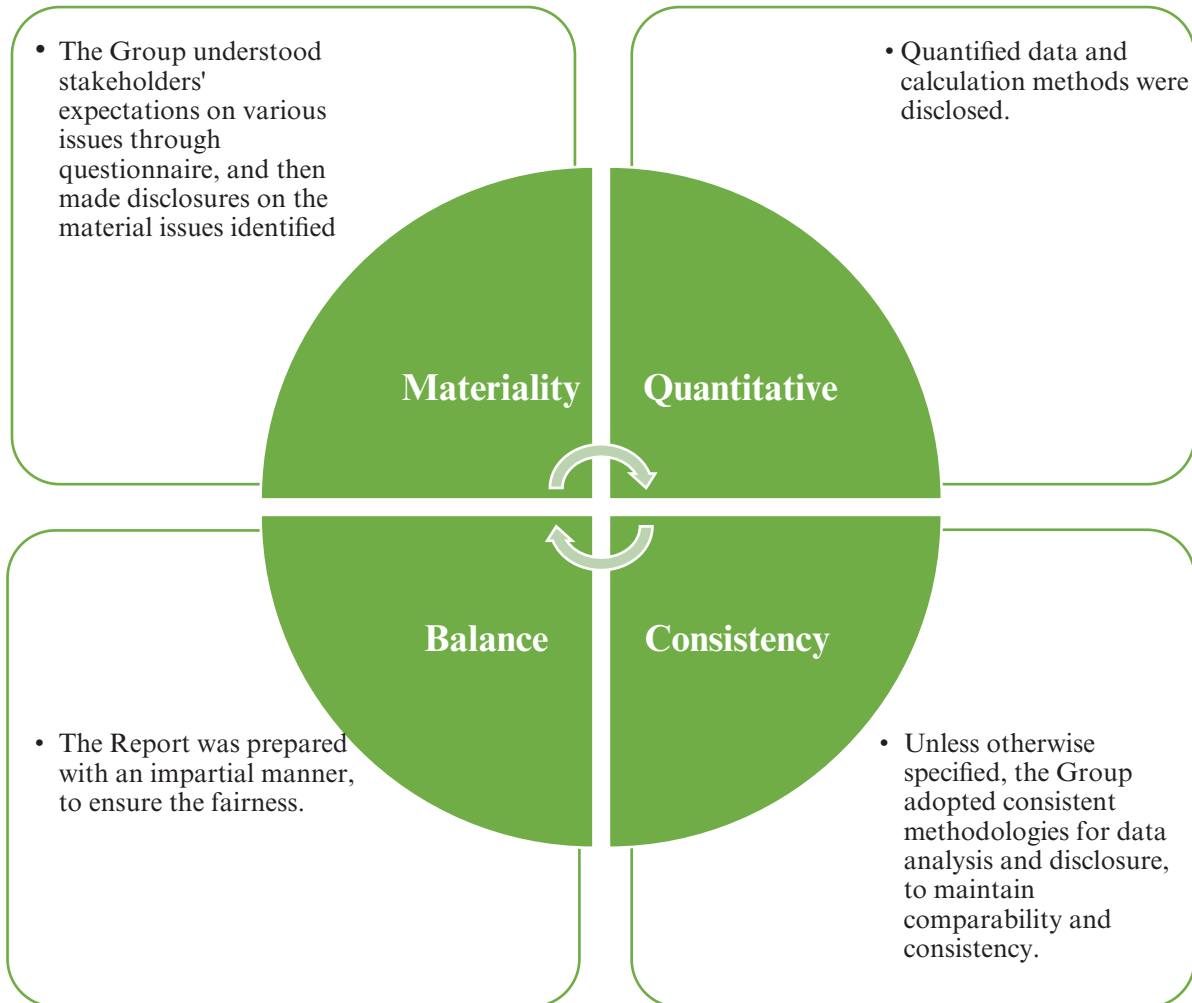
## REPORTING BOUNDARY

The Report covers the operations of the Group's major businesses, including fitting-out works, construction works, and repair and maintenance works, in Macau and Hong Kong. Among them, Hong Kong is included in the reporting scope for the first time. The Group is committed to continue to improve the data disclosure system and further enhance the accuracy and completeness of data in the future.

## REPORTING PRINCIPLES

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 27 of the Main Board Listing Rules of the HKEx. Four principles, namely materiality, quantitative, balance and consistency, are the mainstay of the Report.

# ABOUT THE REPORT

- The Group understood stakeholders' expectations on various issues through questionnaire, and then made disclosures on the material issues identified

- Quantified data and calculation methods were disclosed.

**Materiality**    **Quantitative**

**Balance**    **Consistency**

- The Report was prepared with an impartial manner, to ensure the fairness.

- Unless otherwise specified, the Group adopted consistent methodologies for data analysis and disclosure, to maintain comparability and consistency.

## OPINION AND FEEDBACK

The Group values the opinions of stakeholders. If you have any questions or opinions regarding the content or reporting format of the Report, please contact the Group through the following channels:

Address: Lai Si Enterprise, Rua Da Ribeira Do Patane No. 54, Macau
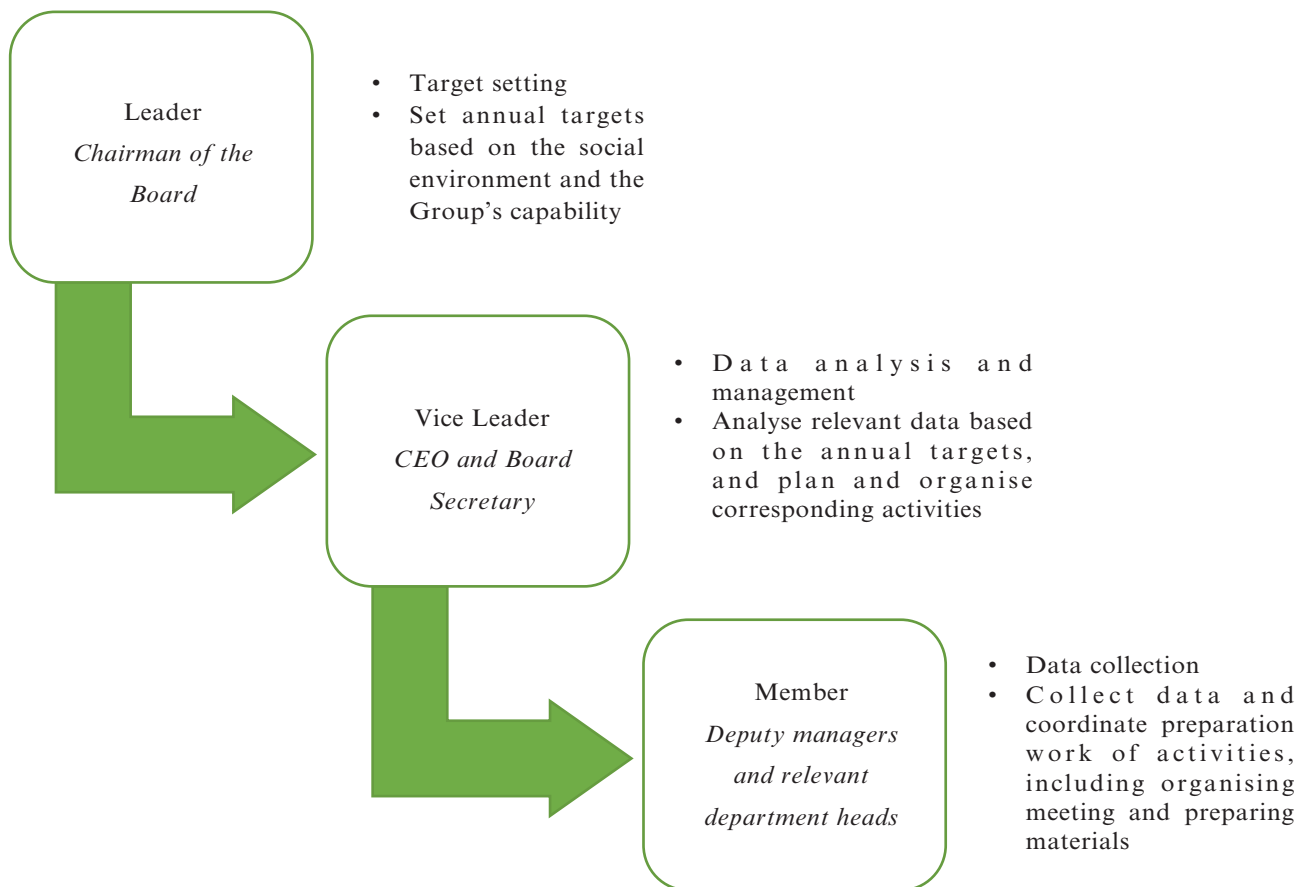
Tel: (853) 2855 9783

Fax: (853) 2830 9173

Email: info@lai-si.com

# ESG GOVERNANCE STRUCTURE

The Board has ultimate responsibility for the Group's ESG matters, including oversight of the development and implementation of ESG strategies, targets and policies, risk assessment and management, and stakeholder engagement. In order to promote effective and systematic ESG management, the Board has delegated relevant day-to-day responsibilities to its committees and management. The Audit Committee is responsible for assessing the effectiveness of risk management and internal control system and reports regularly to the Board. Meanwhile, the ESG Working Group advises and supports the Board on relevant issues, helps develop and manage ESG targets and performance, and implements policies and measures.

The structure of the ESG Working Group is as below:

**Leader**
*Chairman of the Board*

- Target setting
- Set annual targets based on the social environment and the Group's capability

**Vice Leader**
*CEO and Board Secretary*

- Data analysis and management
- Analyse relevant data based on the annual targets, and plan and organise corresponding activities

**Member**
*Deputy managers and relevant department heads*

- Data collection
- Collect data and coordinate preparation work of activities, including organising meeting and preparing materials

# ESG GOVERNANCE STRUCTURE

## ESG RISK MANAGEMENT

Good risk management is the basic requirement of corporate sustainable development. The Group formulated the risk management framework and comprehensive risk management procedures, to identify, assess and manage material risks, with the Board stewardship.

| | Two considerations of risk assessment | Three mitigation methods of risk management |
|---|---|---|
| **Risk management procedures** | Severity of the impact of the risk on the Company's financial results. | Risk elimination: implement certain changes or controls to eliminate the risk. |
| | | Risk mitigation: formulate and implement risk management plan to reduce the likelihood, velocity or severity of the risk to an acceptable level. |
| | Probability that the risk will occur. | Risk retention: continue monitoring and managing acceptable risk as part of the risk management program |

During the Year, the Group identified and managed the following ESG related material risks. Relevant measures have been formulated and implemented for effective management.

## ESG GOVERNANCE STRUCTURE

| Types of risks | Risk description | Corresponding measures | Risk trends |
|---|---|---|---|
| Employee health risk | The outbreak of COVID-19 affects both mental and physical health of employees. | Comply with the prevention guidelines published by the Health Bureau to trace employees' travel and contact history, monitor health conditions, wear face masks, provide sanitiser at workplace, and sanitise regularly. | Upward |
| Industrial safety risk | Risk of industrial accidents increases because of in the lack of understanding of laws and regulations, non-cooperation of on-site workers, and the disregard of safety guidelines due to the work schedule. | Conduct regular Toolbox Talk Training for workers at the construction sites, and distribute and put up occupational health and safety posters. | Stable |
| Human resources risk | Difficulties in hiring professional staff, such as surveyor, increases. | Conduct annual appraisals for employees to enhance their understanding of working performance. and increase communication with professional staff to reduce turnover. | Upward |
|  | Responsible departments fail to estimate the number of workers accurately, which leads to the project delay and cost increase. | Enhance the communication with clients for arranging workers needed for the project. | Stable |
| Labour ordinances risk | There is a risk that the rights of employees are infringed as a result of catching up with project progress. | Strengthen the communication with clients and hire or arrange the required number of workers based on the actual condition. | Downward |

## STAKEHOLDER COMMUNICATION

Stakeholders' opinions reflect their concerns and expectations to the Group's business and enhance the identification of actual or potential risks and opportunities that contribute to the sustainable and comprehensive development of the Group. The Group therefore strives to maintain effective communication and long-term relationship with its stakeholders through different channels. At the same time, their opinions are valued and taken into account when formulating business directions and strategies.

During the Year, the Group continued to communicate with various key stakeholder groups through the following channels.

| | |
|---|---|
| **Employees** | • Create two-way communication channels for both parties to understand and response to expectations on a regular basis through regular meetings, emails, etc. |
| **Shareholders/Investors** | • Update shareholders and investors on the Group's business activities and understand their views through the Annual General Meeting and Extraordinary General Meeting. |
| **Suppliers** | • Periodically score and collect feedback from suppliers to ensure that the quality of services and products meet the standards of both parties. |
| **Customers** | • Collect customer opinions on service and operation to understand their needs and expectations. |
| **Community** | • Organise or participate in activities, such as voluntary works, sharings and materials donations, to support the community development. |

# STAKEHOLDER COMMUNICATION

To identify the environmental and social material issues to the Group and stakeholders systematically, the Group continued to appoint an independent consultancy for materiality assessment during the Year. The major process of identifying material issues is as below:

*Identification*
Identify issues relevant to the Group's business based on the reporting guide and market trend.

*Priotisation*
Invite internal and external stakeholders to conduct questionnaire and analyse collected data to identify the material issues.

*Validation*
Present materiality assessment results to senior management and the Board for validation.

The Group invited employees and suppliers, as representatives of internal and external stakeholders, to conduct questionnaires. Stakeholders were asked to consider the importance of the issues to them personally and to the Group's business. They were invited to rate 14 issues in 4 aspects, namely Environmental Protection, Employment and Labour Practices, Operation Practices, and Community. The Group identified 7 material issues (please see the top right area above the curve), based on the questionnaire results, which are prominent in future ESG reporting and strategy development.
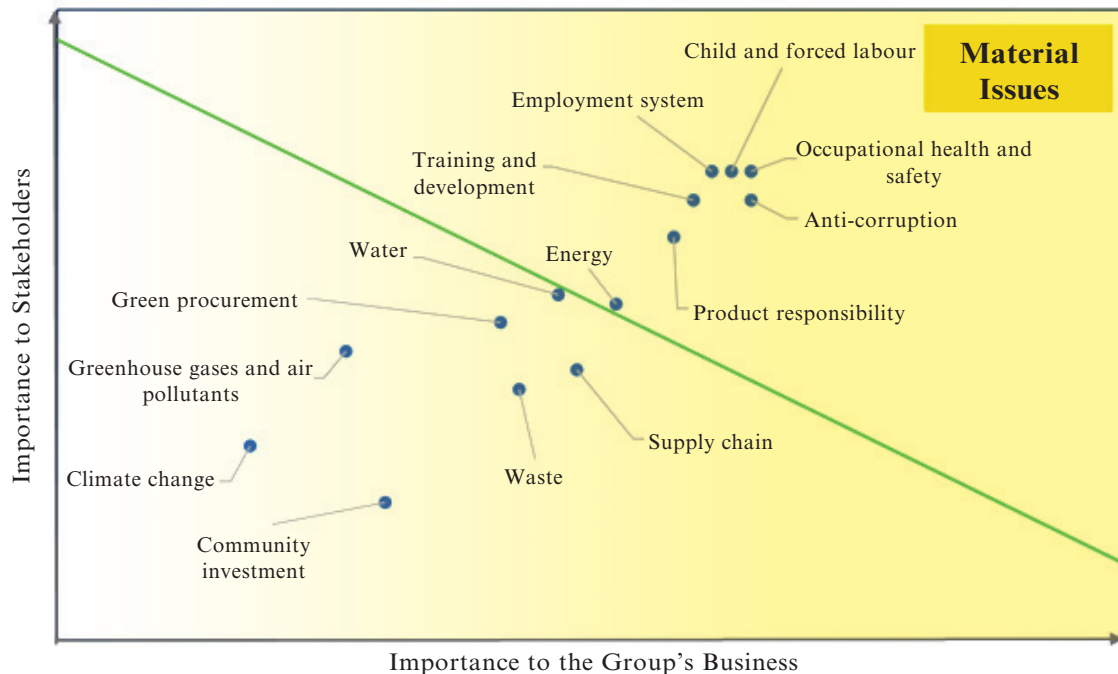
# STAKEHOLDER COMMUNICATION

## Material issues

- Occupational health and safety
- Child and forced labour
- Employment system
- Anti-corruption
- Training and development
- Product responsibility
- Energy

## Less material issues

- Water
- Green procurement
- Supply chain
- Waste
- Greenhouse gases and air pollutants
- Community investment
- Climate change

# CARING THE EMPLOYEES

Successful and sustainable development relies on the professionalism, initiative and cohesiveness of employees. The Group promotes a people-oriented approach and provides a healthy, safe and equal working environment. Also, it is committed to helping its employees to improve their performance and motivation, so as to continuously improving its business.

## GOOD EMPLOYMENT ENVIRONMENT

To maintain the fairness and justice in employment, the Group has formulated a series of internal policies, including the *Staff Handbook*, the *Human Resources and Payroll Policy*, the *Management Regulations on the Ban on Using Child Labour and Underage Workers*, and the *Management System for the Ban on Forced Labour*, etc. They help protect the rights of employees in various aspects such as workplace, recruitment procedure, occupational development. At the same time, the Group's employment arrangements are stated in the employment contract to ensure that employees are fully aware of their rights and obligations from the time they join the Group.

| Recruitment, Promotion and Dismissal | • Departments request to recruit new employees in accordance with their employment needs. After approval, the Human Resources Department and departments requiring employees are jointly responsible for recruitment and interview. The principles of fairness, impartiality, openness and non-discrimination are upheld in the process;<br>• Promotion decisions are made after the end of each fiscal year, assessed by department head on the performance of employees and signed by the department manager and directors. Employees who are promoted will receive a notice from the Human Resources Department; and<br>• Dismissal is in strict compliance with the laws and regulations of the jurisdictions in which the Group operates. |
|---|---|
| Compensation and Welfare | • The Group offers employees a competitive basic salary and benefits package, including an end-of-year bonus and hospitalisation scheme cover; and<br>• An employee's position and salary are adjusted in accordance with his or her working performance. Adjustments are based on the employment performance assessment and evaluation conducted by the head or manager of department at the end of each fiscal year. |

## CARING THE EMPLOYEES

| | |
|---|---|
| **Working Hours and Rest Periods** | • The number of working days and working hours each week are clearly stated in the employment contract to provide proper arrangement of rest periods; and<br>• The Group provides employees with leaves, including annual leave, sick leave, deduction leave, marriage leave, compassionate leave, etc. |
| **Equal Opportunity, Diversity and Anti-discrimination** | • The Group is committed to offering equal opportunity and respecting differences in, but not limited to, gender, age, marital status, family conditions, sexual orientation and race;<br>• To create a diverse management and workforce, the Group has established a *Board Diversity Policy*. It encourages the recruitment of members with different gender, age, cultural and educational backgrounds. At the same time, recruitment and promotion are based on the attitudes, skills and abilities to subsume diversity of values; and<br>• All discrimination practices should not be tolerated. If employees are discriminated or treated unequally, they can report to the senior management and department through channels, such as the "Opinion Box". Internal investigation will be conducted and penalties will be imposed on those involved. The results will also be published. |

The Group understands the importance of protecting children's right to education and safety. It prohibits the employment of people under 15 years old and ensures that all employees meet the legal employment age in Macau and Hong Kong. The Group offers training to its employees on the importance of eliminating child labour. It also ensures the employees recruited comply with the relevant regulations and are provided with appropriate working arrangement. During the recruitment, the Human Resources Department assesses the applications, including checking the identity documents of applicants. If there are suspicious identity documents, employees should contact and check with the local police station. If there is child labour discovered, the Group will take the child to the police station or place of residence and seek for confirmation and signature from the parents or guardians.
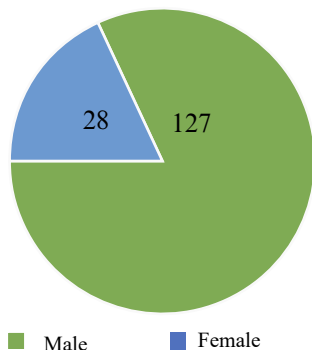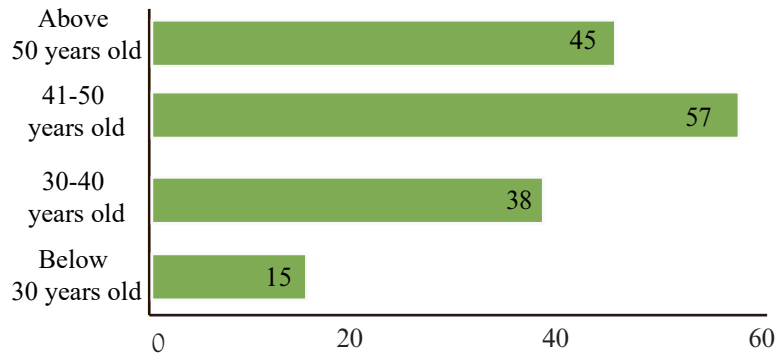
# CARING THE EMPLOYEES

At the same time, the Group strives to protect legal labour rights and to ensure that employments are made voluntarily. All forms of illegal and unethical punishment and forced labour must be eliminated. The *Management System for the Ban on Forced Labour* provides clarification on the prevention of forced labour – forced labour or involuntary work should never be undergone by through threats, coercion, imprisonment, withholding of identity documents, etc. If voluntary overtime work is necessary, employees should provide a written record and confirm it with their department head or project manager. Overtime pay or compensation leave is offered accordingly.

As at 31 December 2020, the Group had 155 employees, including 146 employees in Macau and 9 employees in Hong Kong. All employees were full time employees, of whom 127 were male and 28 were female. The turnover rate was 10%, all of whom are male employees.

**Total number of employees by gender**



Male — 127
Female — 28

**Total number of employees by age group**



| Age group | Number |
|---|---|
| Above 50 years old | 45 |
| 41-50 years old | 57 |
| 30-40 years old | 38 |
| Below 30 years old | 15 |

**Total number of employees by geographical region**



Macau — 146
Hong Kong — 9
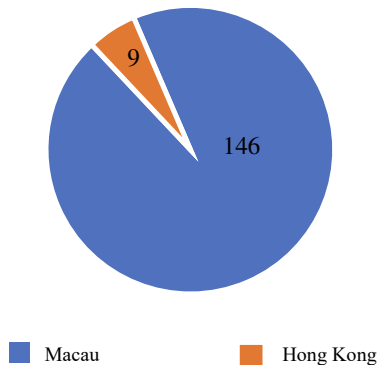
**Total number of employees by employment category**



Middle management — 10
Senior management — 4
C-level executives — 4
General employees — 137
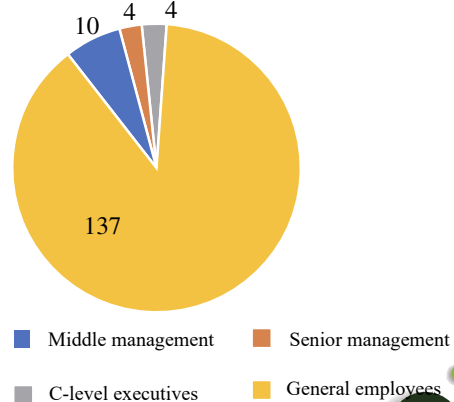
# CARING THE EMPLOYEES

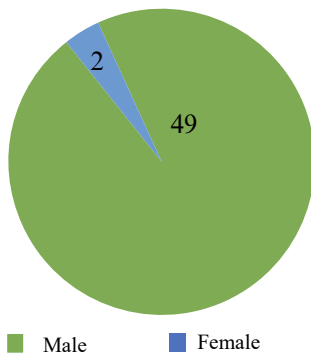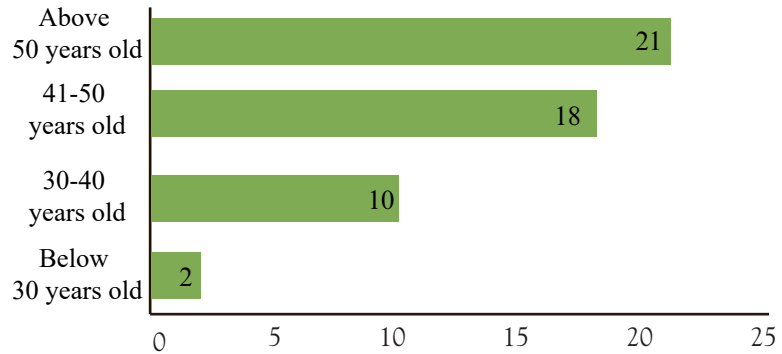Apart from employees, there are 51 workers of the subcontractors working at the Group's project sites. All workers are located in Macau and work on a full-time basis, of which 49 are male and 2 are female.

**Total number of other workers by gender**

**Total number of other workers by age group**

| Age group | Number |
|---|---|
| Above 50 years old | 21 |
| 41–50 years old | 18 |
| 30–40 years old | 10 |
| Below 30 years old | 2 |

Pie chart: Male 49, Female 2

**Compliance**

The Group is regulated by employment laws and regulations, such as the *Labour Relations Law* in Macau, *Employment Ordinance*, *Employee's Compensation Ordinance*, *Occupational Safety and Health Ordinance*, *Minimum Wage Ordinance* in Hong Kong, and is well aware of that breaches of these laws and regulations can seriously harm the interests of employees, affect labour relations and may lead to civil and/or criminal consequences. During the Year, there was no non-compliance case in relation to employment within the Group.

## SAFE AND SUPPORTIVE WORKPLACE

Protecting the safety and health of all employees and workers is the responsibility of a company. The Group maintains high standards and requirements and further improves its safety management system for construction and fitting-out projects to ISO45001:2018 standard during the Year. Besides, internal policies and guidelines, such as the *Industrial Safety Management Plan* and *Inhouse OSH Guidelines* have been implemented to establish a highly secured workplace and to prevent occupational hazard.

In terms of organisational structure, senior representatives from the Administration Department, Project Management Department and Safety Management Department form the Health and Safety Committee. It is responsible for regularly reporting the results of safety assessment, accident situations and potential risks to the senior management and the Board. It is also responsible for formulating health and safety policies and guidelines, monitoring the performance of departments, promoting education and training, and developing health and safety management capabilities within the Group. At the same time, it regularly monitors the working environment on construction sites and implements policies and measures.

With the goal of zero work-related injuries, the Group has divided the main tasks of occupational safety into five aspects. Relevant departments or employees formulate measures to relieve or eliminate potential risks based on the different aspects.

Management commitments

Safe work practices

Effective work-related injury management

Safe working environment

Continued improvement of management system
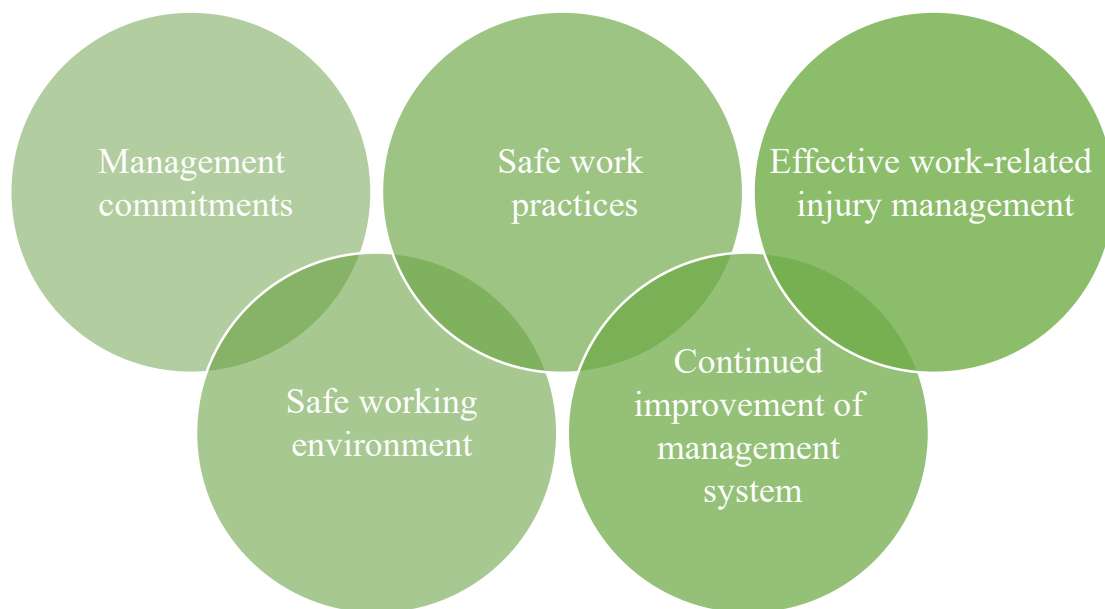
## CARING THE EMPLOYEES

For example, the Group undergoes regular safety assessments and reports all types and levels of accidents. It reduces the risk of injury by regularly evaluating current systems and measures. Besides, employees are required to receive training in occupational health and safety and the operation of equipment. They have to obtain the Occupational Safety Card to verify their eligibility to work and understand the operation of equipment and the working environment to prevent injuries caused by lack of understanding, improper operation, etc. In addition, the Group offers medical insurance and employees' compensation insurance to protect employees in the event of injury.

Furthermore, the Group has displayed posters on individual COVID-19 precautionary measures at the prominent positions in its offices to protect the health and safety of individuals during the pandemic. These posters served as a reminder to promote the relevant measures. At the same time, employees are required to wear face masks and use hand sanitisers that are available at the entrances of each floor to reduce the transmission risk.
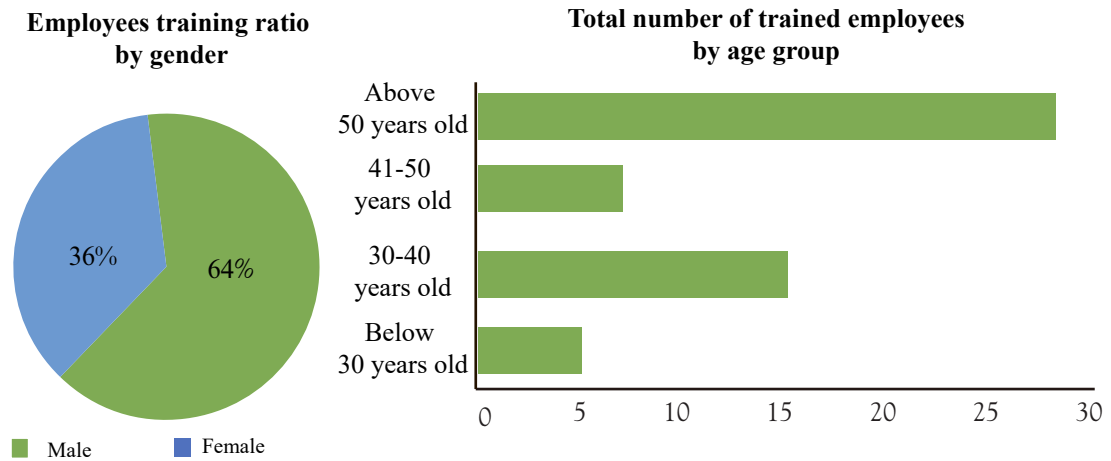
During the Year, there were 3 cases of work-related injuries with 173 lost days. All injured employees were taken to hospital immediately for treatment. The Group has conducted investigations and implemented improvement measures to lower the incidence of similar accidents.

The Group provides training courses to enrich the skills and competencies of its employees and to help them understand the importance of a safe and healthy working environment. The *Human Resources and Payroll Policy* sets out the arrangements and requirements for training and strives to provide resources based on the needs of employees. For example, new employees receive the *Staff Handbook* and induction training to help understand the day-to-day operations, rules and regulations, and duties, which helps in adapting to the working environment. Also, training on environmental policies is provided to all employees to ensure that the polices are implemented and to develop eco-friendly habits, etc. Besides, the Group evaluates the performance and competence of its employees annually and promotes or adjusts their salaries according to their work ability.

## CARING THE EMPLOYEES

During the Year, a total of 53 employees received training, representing 34.2% of the total number of employees, with an average training time of 1.3 hours.

**Employees training ratio by gender**



36% Female
64% Male

■ Male    ■ Female

**Total number of trained employees by age group**



**Compliance**

The Group is regulated by health and safety laws and regulations, such as the *Decree No. 57/82/M, Law No. 2/83/M, Decree No. 37/89/M, Decree No. 13/91/M, Decree No. 44/91/M, Decree No. 67/92/M, Decree No. 34/93/M, Decree No. 48/94/M, Law No. 3/2014* in Macau, the *International Labour Organisation Conventions* applicable to Macau, the *Occupational Safety and Health Ordinance* in Hong Kong, and is well aware of that breaches of these laws and regulations can affect the progress of works, result in litigation damages and may even affect the renewal of qualifications and licenses. During the Year, there was no non-compliance case related to the laws and regulations in relation to health and safety within the Group.

# CARING THE EMPLOYEES

**CASE STUDY – OPEN-MINDEDNESS IN WORKPLACE**

The Group believes that building positive relationships and maintaining two-way communication with employees is an important factor in improving operations and creating a diverse and inclusive working environment. Employees are encouraged to provide opinions and suggestions to their department heads, managers or other senior management via email, verbally or in writing, and other possible communication channels. It leads to creative business development directions. Departments or employees, such as the Human Resources Department and managers, are responsible for reading employee input and establishing improvements or corresponding measures based on the information collected. All information is handled confidentially to protect freedom of expression. Employees will not receive any punishment or harm as a result of rising opinions.

Make corresponding improvement or follow-up measures

Employees provide opinions or suggestions on areas such as working environment

Review all opinions and suggestions by relevant departments or other internal parties

Department heads, managers and other relevant parties collect opinons and suggestions

# OPERATING PRACTICES

The Group promotes the business principles of conducting ethical transactions and operations, providing competent and safe services and maintaining a reliable monitoring system. By establishing a systematic internal control and governance structure and communicating this to employees, all practices comply with legal and regulatory requirements.

## ETHICAL OPERATION

Integrity is the cornerstone of business stability and sustainability. All forms of unethical transactions and operations, including but not limited to bribery, extortion, fraud and money laundering, are prohibited. The Group has developed policies and included in the *Staff Handbook* the definition of unethical behaviours and the explanation of preventive, monitoring and reporting measures. On top of the *Staff Handbook*, additional systems and measures are provided to ensure that people understand the importance of legal and ethical operations and transactions. For example, the Group provides training on laws, regulations and ethics. The training raises awareness on anti-corruption and provides information on dealing with corruption, among other things. It helps employees maintain professionalism and provides adequate skills and competencies as an aid in handling cases. During the Year, the average training time provided to employees was 1 hour and 30 minutes.

In addition to providing trainings, the Group has developed preventive measures based on the characteristics of positions to reduce the likelihood of occurrence. Examples include the implementation of shift work and the development of team strategies.

| Shift work | Team strategy |
|---|---|
| • Concentrate on positions with a higher risk of corruption and regularly reassign relevant employees. This will increase mobility and reduce the risk of corruption. | • Delegate non-affiliated employees to handle important, risky tasks, such as bid evaluations and supplier site visits, to reduce the potential for conflicts of interest and transfer of benefits. |

The monitoring and corresponding actions are also important when implementing preventive measures. These ensure the effectiveness and efficiency of detecting and handling of corruption-related cases. The Group has mandated the Human Resources Department to set up a whistle-blowing hotline and email for internal and external stakeholders to report suspicious activities or internal control deficiencies. Responsible employees keep an eye on the emails and dials for immediate response to reported cases. Regardless of the outcome of the investigation, the personal information of the whistle-blower and the investigation information will be strictly confidential to prevent any harm or damage to the whistle-blower.

# OPERATING PRACTICES

**Compliance**

The Group is regulated by anti-corruption laws and regulations, such as the *Penal Code, Prevention and Suppression of Bribery in Private Sector* in Macau, *Prevention of Bribery Ordinance* in Hong Kong, and is well aware of the negative financial and reputational impact of breaches of these laws and regulations and the consequences of criminal prosecution. During the Year, there was no non-compliance case related to the laws and regulations in relation to anti-corruption within the Group.

## QUALITY AND SAFE SERVICE

In order to provide high quality services, the Group has strict management of suppliers, subcontractors and project quality. It has established policies, including the *Subcontractor Working Guideline* and the *Procedure on Management System*, for selecting suppliers and subcontractors and managing their potential risks in providing products or services. In terms of project quality, the *Quality System Procedure* provides clear guidance on the management and control of construction and renovation procedures in accordance with the standard requirements of the *Quality Management System*.
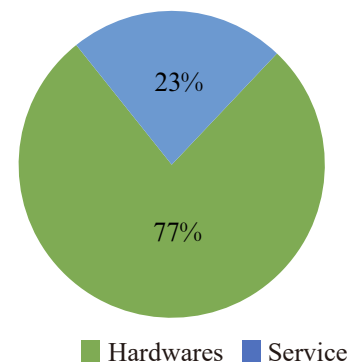
The Group evaluates suppliers for technical competence, experience, product quality and other factors. On-site inspections and quality assessments of materials and product samples are conducted as needed to ensure that the quality of products is as described. Also, eco-friendly products and services are evaluated to lower the environmental impacts of operations, encourage their use, and meet customer and market needs. After evaluation and selection, cooperating suppliers will receive and sign the *Subcontractor Working Guideline*. It ensures that duties, services, products and materials are supplied in compliance with relevant environmental regulations.

Once the list of suppliers is confirmed, employees responsible for quality control will properly process the list. Besides, annual evaluations against the suppliers on the list are conducted to ensure that the quality of their services and products meet the Group's requirements. If a supplier or subcontractor scores less than 2 points on the *Supplier Assessment Record*, the partnership will be terminated. The relevant employees will then submit the updated list to the Board for confirmation and signature.

**Total number of suppliers by geographical region**

- Overseas — 1%
- Mainland China — 32%
- Hong Kong — 12%
- Macau — 56%

(x-axis: 0, 50, 100, 150, 200, 250)
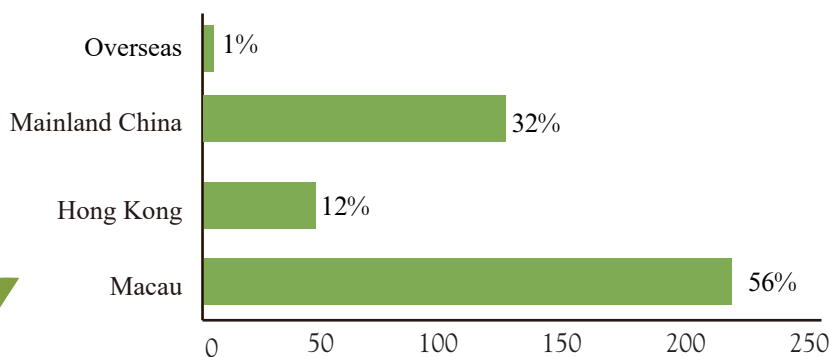
**Suppliers ratio by nature**

- 23% Service
- 77% Hardwares

■ Hardwares   ■ Service

# OPERATING PRACTICES

In addition, the Group has clearly defined the relevant duties of employees and departments in its *Quality Assurance Plan* to ensure that the progress and quality of the projects meet the requirements.

| Project Director | Project Manager | Project Coordinator | Safety Officer |
|---|---|---|---|
| • Communicate regularly with project managers and foremen to shorten the time to deal with contentious issues; and<br><br>• Regularly assess safety issues and measures on the construction sites with safety officers. | • Monitor the project progress to ensure that the progress and quality of project meets the requirements of the contracts; and<br><br>• Develop monitoring measures and ensure their implementation. If there is any non-compliance, appropriate action will be taken. | • Document all quality-related issues; and<br><br>• Perform a final quality check on the project to ensure it fulfills the requirements. | • Conduct regular safety assessments of the construction sites and make sure that the projects fulfill the requirements of the safety control documents; and<br><br>• Provide onsite safety training to employees. |

In order to identify and reduce the risks from supply chain, the Procurement Department arranges environmental training for subcontractors in accordance with the procurement documents, contracts and requirements of *ISO14001*. This is to ensure that all suppliers and subcontractors are aware of the *Integrated Management System Policy*. At the same time, guidelines and requirements for eco-friendly and occupational health and safety are defined in the *Subcontractor Working Guideline* to lower environmental and social risks.

**Compliance**

The Group is regulated by construction safety and quality related laws and regulations, such as the *Decree No. 57/82/M, Law No. 2/83/M, Decree No. 37/89/M, Decree No. 13/91/M, Decree No. 44/91/M, Decree No. 67/92/M, Decree No. 34/93/M, Decree No. 48/94/M, Law No. 3/2014* in Macau, the *International Labour Organisation Conventions* applicable to Macau, and is well aware of the negative financial and reputational impact of breaches of these laws and regulations and the consequences of criminal prosecution. During the Year, there was no non-compliance case related to the laws and regulations in relation to construction safety and quality within the Group.

# OPERATING PRACTICES

### RELIABLE MONITORING SYSTEM

The Group is committed to continuously implementing an effective monitoring system to maintain its professional ethics and service quality. In order to protect the intellectual property right and the security of customer privacy and internal data, relevant monitoring measures and guidelines are listed in the policies and measures, such as the *Staff Handbook*. Besides, stakeholders involved in the operations, including employees and suppliers, comply with the *Macau Cybersecurity Law*, *Intellectual Property Law* and other relevant laws and regulations.

The Group has set up firewalls for all computers, conducting real-time monitoring and regular checks to prevent hacking. At the same time, the download and use of software is strictly regulated. Employees are required to apply through the Intellectual Technology Department before downloading or using related products. This ensures the software and hardware are genuine and do not infringe on intellectual property rights, reducing the possibility of being affected by hacking software. Protection of customers information and data is also a priority for the Group. All relevant information is restricted and is only available on request. For security reasons, data backup is done automatically and manually.

The *Integrated Management System Policy* has described the system for handling customer complaints. After collecting their opinions, they are classified according to their contents. The relevant departments will investigate and follow up based on the authenticity and characteristics of the content. Improvement and preventive measures are developed to continuously improve the quality of products and services. To obtain continuous monitoring and improvement, customers are invited to conduct customer satisfaction surveys after signing off.

**Compliance**

The Group is regulated by product responsibility related laws and regulations, such as the *Decree No. 57/82/M, Law No. 2/83/M, Decree No. 37/89/M, Decree No. 13/91/M, Decree No. 44/91/M, Decree No. 67/92/M, Decree No. 34/93/M, Decree No. 48/94/M, Law No. 3/2014, Commercial Code,* the *Macau Cybersecurity Law* in Macau, the *International Labour Organisation Conventions* applicable to Macau, *Intellectual Property Laws* in Hong Kong, and is well aware of the negative financial and reputational impact of breaches of these laws and regulations and the consequences of criminal prosecution. During the Year, there was no customer complaints, customer data leakage and patent infringement cases against the Group or its employees, and no non-compliance case related to the laws and regulations in relation to product responsibility within the Group.

# ENVIRONMENTAL FOOTPRINT

The worldwide environmental problems, such as extreme weather, rising sea levels, and melting ice caps, have led to tremendous changes in habitats of all creatures. To mitigate the crisis, the international community and governments have developed a series of policies, targets and legally binding international agreements, as well as action plans to discover environmentally friendliness. Among those, national targets for carbon neuturality and carbon peaking, monitoring of vehicle emissions, the Paris Agreement and Kyoto Protocol are represented.

Considering this global situation, the Group, as a well-established corporate, is committed to incorporating different aspects into operations and decision-making processes, such as environmental protection. Based on compliance with environmental laws and regulations and ensuring that projects meet environmental requirements, the Group aims to conserve energy and reduce waste. Policies and measures are implemented to reduce the impact of business operations on the environment, as well as ecological and environmental protection.

## EFFICIENT RESOURCE USE

The Group strives to reduce waste of resources, including energy and water, and to use these resources sustainably for the public and future generations. In order to use resources efficiently, the Group has policies in place, including the *Operating Procedures for Internal Environmental Regulations* and *Procedures to Identify Environmental Factors*.

### Energy Consumption

The processes of energy production and consumption emit and accumulate a certain amount of greenhouse gases ("GHGs"), which worsen environmental problems. The Group reduces major energy consumption, mainly from electricity and fuels used in vehicles, through the following measures.

## ENVIRONMENTAL FOOTPRINT

**Facilities Enhancement**

Use energy-saving facilities at construction sites and offices. For example, install energy-efficient fluorescent tubes and air conditioning systems;

Clear operating instructions for regular maintenance of air conditioning systems;

Regular vehicle maintenance, with preference for vehicles with low fuel consumption and appropriate horsepower; and

Avoid reflective lighting design for direct lighting in public areas, corridors, etc. as much as possible.

**Actions Improvement**

Avoid prolonged engine idling to reduce oil consumption;

Prepare work plans and road maps, strengthen vehicle management, and maintain speed while driving; and

Shut down unnecessary systems and equipment at the end of office hours to reduce energy consumption from idle equipment.

The Group regularly reviews and improves the current monitoring system and examines the feasibility of energy audits by continuously recording energy consumption. Energy saving targets and assessment system will also be put into long-term consideration. The Energy Management Coordinator is responsible for coordinating related efforts, including providing the necessary training and other resources to ensure that policies and measures are implemented.

## ENVIRONMENTAL FOOTPRINT

During the Year, purchased energy, diesel and petrol were the main sources of energy consumption. The total energy consumption was 153.4MWh, which represents a decrease of 15.8% compared to the prior year's figures. This is due to a change in working patterns as a result of the COVID-19 outbreak. This has reduced the risk of transmission as well as the use of petrol vehicles. At the same time, the Group purchased a diesel vehicle during the Year, further reducing petrol consumption.

| Energy consumption | 2020 | 2019 | 2018 | Unit |
|---|---|---|---|---|
| Acetylene[1] | 0 | 6.7 | Not available | MWh |
| Petrol | 22.6 | 101.0 | 80.9 | MWh |
| Diesel | 35.0 | Not applicable | Not applicable | MWh |
| Electricity | 95.8 | 74.5 | 72.3 | MWh |
| Total energy consumption | 153.4 | 182.2 | 153.2 | MWh |
| Energy intensity | 0.990 | 4.554 | 3.405 | MWh/employee |

**Water Consumption**

Water resource is a basic requirement for survival. With the scarcity of resources due to extreme weather, increased demand due to population growth and other factors, water consumption has become one of the global concerns. The Group understands the importance of efficient water use and strives to support the sustainability of water resources for suppliers, local communities and the world.

---

[1] During the Year, there is no consumption of acetylene.

## ENVIRONMENTAL FOOTPRINT

The Group actively provides information on water conservation and efficient use to raise awareness among employees. By appointing an Energy Management Coordinator to facilitate related duties and provide the necessary training and resources, the Group effectively promotes and monitors water consumption in the operations. At the same time, the Group has developed a series of water saving measures to minimise water consumption and negative impact on the environment.
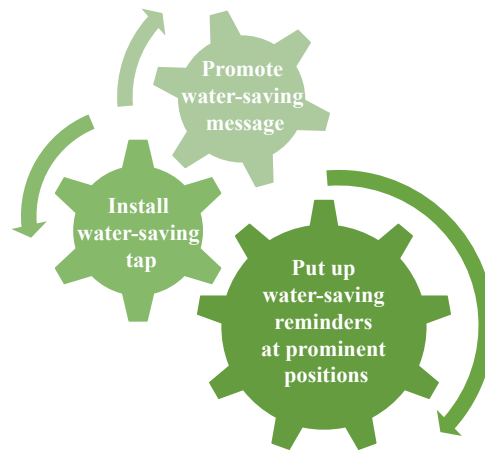
During the Year, operation sites in Macau consumed 1,770 cubic metres of water with the intensity of 12.123 cubic metres per employee. Because of the pandemic, employees have become more concerned about their personal health and sanitisation. This has increased the frequency of cleansing, resulting in a significant increase in water consumption. In addition, the Group did not have any problems with water sourcing.

| Water consumption | Unit – cubic metres | | | Unit – cubic metres per employee | | |
|---|---|---|---|---|---|---|
| | **2020** | **2019** | **2018** | **2020** | **2019** | **2018** |
| Total water consumption | 1,770.0[2] | Not available[3] | 6.7 | 12.123[2] | Not available[3] | 0.149 |

---

[2]     The data was not available in Hong Kong. The Group will communicate with property manager in the future to obtain the data.

[3]     Relevant data is not disclosed because the Group was unable to collect accurate water consumption data from operation sites.

## ENVIRONMENTAL FOOTPRINT

**Clean Environment**

The Group understands the importance of maintaining good quality of air, water and soil. It has established policies for monitoring emissions, including the *Procedures to Identify Environmental Factors* and *Operating Procedures for Internal Environmental Regulations*. These policies help to identify, assess and manage environmental impacts arising from business operations and reduce the risks to the public and the environment.

**Air Pollutants and Greenhouse Gas Emissions**

The emission of air pollutants affects air quality and public health. Also, GHGs contribute to different environmental problems and phenomena. Due to different activities and equipment involved in business operations, such as vehicles and business travel, air pollutants and GHGs are inevitably generated. To protect the health of its employees and the public as well as the living environment of the next generation, the Group strives to implement measures in accordance with international emission reduction targets and to move toward low-carbon operations.

The Group has achieved positive results in managing emissions through monitoring air pollutants and GHG emissions. Also, the appointment of the Energy Management Coordinator and the organisation and provision of necessary training and resources have contributed to the effective management of emissions. Besides, the Group has systematically addressed the enhancement of policies and measures in line with the targets of the *Environmental Protection Planning of Macao (2010-2020)*. The relevant measures are described in the "Energy Consumption" and "Waste" sections.

During the Year, the major air pollutants of the Group were nitrogen oxides, sulphur oxides and respirable suspended particulates. The corresponding emissions were 0.102kg, 0.008kg and 0.004kg, respectively. Compared to the prior year's figures, emissions were reduced by approximately 99% due to the reduction in petrol consumption.

| Air pollutants[4] | Unit – kg | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Nitrogen oxides | 0.102 | 208.79 | 165.40 |
| Sulphur oxides | 0.008 | 10.22 | 6.19 |
| Respirable suspended particulates | 0.004 | 4.28 | 2.31 |

---

[3]     It is calculated according to the *Guidance for Accounting and Reporting Corporate GHG Emissions*.

## ENVIRONMENTAL FOOTPRINT

During the Year, GHG emissions totalled 90.4 tonnes of carbon dioxide equivalent, an 8.1% decrease compared to the prior year's figures. The decrease in Scope 1 and 3 emissions is due to a decrease in petrol consumption and business travel as a result of the pandemic outbreak.

| GHG emissions[4] | 2020 | 2019 | 2018 | Unit |
|---|---|---|---|---|
| Scope 1 direct emissions[5] | 14.5 | 28.3 | 21.9 | tonnes of carbon dioxide equivalent |
| Scope 2 energy indirect emissions[6] | 74.6 | 65.8 | 60.6 | tonnes of carbon dioxide equivalent |
| Scope 3 other indirect emissions[7] | 1.3 | 4.3 | 2.4 | tonnes of carbon dioxide equivalent |
| Total GHG emissions | 90.4 | 98.4 | 84.9 | tonnes of carbon dioxide equivalent |
| GHG emissions intensity | 0.583 | 2.459 | 1.888 | tonnes of carbon dioxide equivalent/employee |

---

[4]    It is calculated according to the *Guidance for Accounting and Reporting Corporate GHG Emissions*.

[5]    It includes GHG emissions from fixed source combustion, mobile source combustion and acetylene combustion.

[6]    It includes GHG emissions from purchased electricity from third parties.

[7]    It includes GHG emissions from business travel.

# ENVIRONMENTAL FOOTPRINT

**Waste**

The Group provides construction and fitting-out services, which generate non-hazardous waste, such as construction waste, in addition to the paper consumed and solid waste. Also, hazardous waste, such as oil paint, may also be generated. To lower the environmental burden of waste, the Group advocates reduction, resourcefulness and non-hazardousness, with the vision of "waste reduction at source and recycling". The disposal of waste complies with the *Guideline for Waste Classification* issued by the Environmental Protection Bureau.

| Reduction | Resourcefulness | Non-hazardousness |
|---|---|---|
| ✔ The project manager purchases construction materials in batches during the preparation phase based on the usage to maximise utilisation and minimise waste; and<br><br>✔ Promote e-operations to minimise paper consumption. | ✔ Recycle plastic bottles, aluminium cans, metal cans, paper, used batteries and other solid waste; and<br><br>✔ Appoint a waste paper recycling coordinator to educate and monitor effective recycling and reuse methods and progress. | ✔ Collect and store hazardous waste centrally and send it to certified recyclers for disposal. |

During the Year, the Group generated 1,205.68 tonnes of non-hazardous waste and did not generate any hazardous waste. The significant increase was due to an awarded hotel room project that required a large amount of non-hazardous waste to be disposed of. At the same time, the Group improved the related collection methods to enhance the accuracy of the data.

| Waste | Unit - tonnes | | | Unit – tonnes per employees | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| Non-hazardous waste | 1,205.68[8] | 0.16[9] | 0.1[9] | 8.258 | 0.004 | 0.002 |

---

[8]     The data for Macau was estimated by the number of refuse collection vehicles delivered. Although data was not available in Hong Kong, the Group will continue to improve its data collection system in future.

[9]     It is estimated by the weight sampling method.

# ENVIRONMENTAL FOOTPRINT

**Compliance**

The Group is regulated by environmental laws and regulations, such as the *Decree No. 62/95/M, Decision No. 78/GM/95, Executive Order No. 4/2006, Administrative Regulation No. 24/2016, Law No. 2/91/M, Administrative Regulation No. 15/2016, Decree No. 44/91/M, Administrative Regulation No. 28/2004, Administrative Regulation No. 22/2020* in Macau, *Waste Disposal Ordinance, Waste Disposal (Chemical Waste) (General) Regulation, Dangerous Goods Ordinance, Dangerous Goods (Application and Exemption) Regulation, Dangerous Goods (General) Regulations* in Hong Kong, and is well aware of the negative financial and reputational impact of breaches of these laws and regulations and the consequences of criminal prosecution. During the Year, there was no non-compliance case related to the laws and regulations in relation to emissions within the Group.

## ENVIRONMENT AND NATURAL RESOURCES

The Group understands the impact of its business operations on the environment and natural resources. It strives to lower negative impacts through the *Procedures for Internal Environmental Regulations* and related sustainability policies. In addition, the Group has obtained ISO14001: 2015 certification and maintains competent services and management by continuous monitoring and enhancement.

While the use of resources and emissions are managed in daily operation, the Group takes into account the impact of noise generated in the projects on the surrounding environment. To reduce the impact, the Group has established the work plan based on the nature and requirements of projects. This is to ensure that the progress of project is in line with the work plan. Also, the Group is committed to using noise reduction facilities to further reduce the impact.

At the same time, the Group incorporates environmental considerations into its procurement. Environmentally friendly products are given priority in operations, including products with eco-friendly labels or certifications, reusable products, and materials with low or zero environmental impact.

# ENVIRONMENTAL FOOTPRINT

## CLIMATE CHANGE

Climate change poses potential risks or impacts on businesses, increasing the operational difficulties associated with environmental changes, such as extreme weather and loss of natural resources. The Group has identified the potential impacts of climate change and developed measures and policies accordingly.

Potential problems caused by climate change and corresponding actions are listed below.

| Environmental problems | Impacts on operations | Corresponding actions |
|---|---|---|
| Extreme weather | Extreme weather, such as super typhoons and rainstorms, may damage operational sites. For example, it may damage windows and cause water leaks or seepage. This leads to damage or loss of important documents or equipment. | • Keep equipment in a secure location, including storerooms and away from windows, to lower the potential risks; and<br><br>• Require both printed and electronic copies of all documents and upload electronic copies to the server to reduce the impact of losing important documents. |
| Severe weather | Frequent severe weather may cause the project to be suspended and the work plan and schedule to be delayed. | • Formulate contingency plans prior to the start of a project to ensure workers and employees can respond quickly; and<br><br>• Maintain a good relationship with clients during the process. When a project is affected, the Group will explain and develop a backup plan to minimise the impact and seek understanding. |
| Flooding | The incidence of flooding increases because of sea level rise, rainstorms, and super typhoons, etc. It may affect construction site materials, such as wood and concrete, leading to increased production costs and affecting project progress | • Purchase materials for projects in batches to minimise damage from related environmental problems; and<br><br>• Require employees or workers to assign materials to covered area. If the risk of flooding from severe weather is high, move materials away from risky areas and/or cover with a waterproof cover to lower the possibility to be affected. |

# ENVIRONMENTAL FOOTPRINT

**CASE STUDY – ECO-FRIENDLY OPERATION IN THE PANDEMIC**

With the impact of the global pandemic, citizen's daily lives and health are at risk. At the same time, the demand for the cleansing products of employees has increased significantly. However, the increase in related products has led to an increased environmental burden, including increased resource consumption and high levels of environmental pollution. To protect the safety of employees and lower environmental impact, the Group prioritises the purchase of high-capacity or refillable products to minimise the waste generated. Meanwhile, employees are encouraged to clean packaging so that it can be recycled and reduce the challenge to nature. Besides, if employees are required to work in the office, the Group encourages them to use reusable food containers or tableware. This lowers the consumption of disposable food containers and tableware and avoids the generation of non-biodegradable waste.
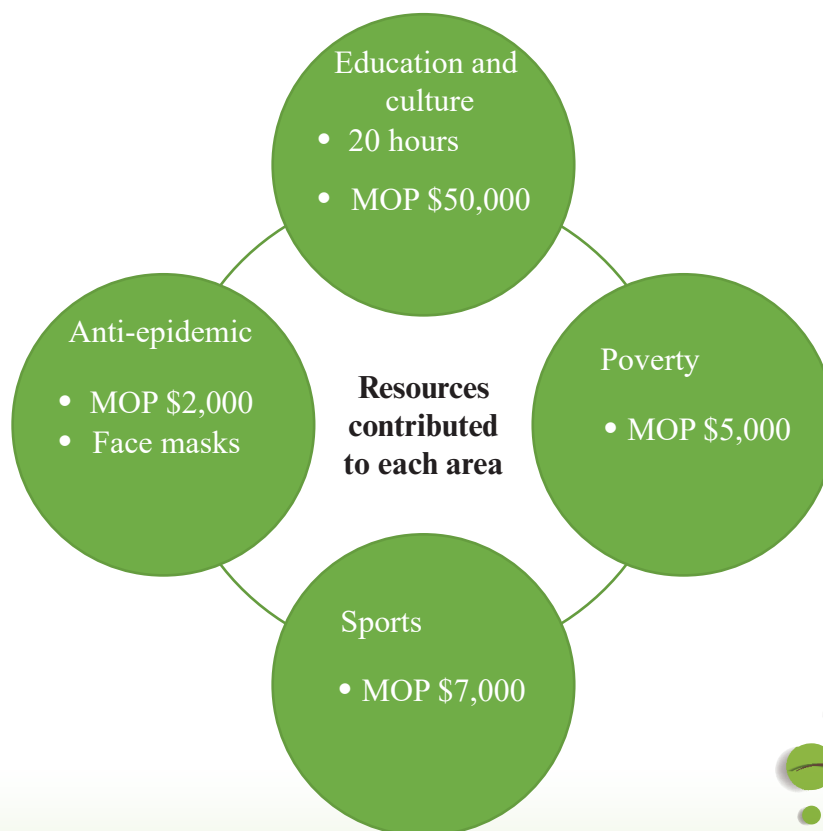
## COMMUNITY CONTRIBUTION

Aside from focusing on business operations and development, the Group has also established the *Provision on the Community Investment Management*, committed to fulfilling its corporate responsibility to influence and contribute to the community in different ways. Through financial supports, donations, sharings and other activities, the Group contributes in the areas of community education, poverty, sports and culture. In addition, employees are encouraged to participate in volunteer work that helps people in need and community development.

The outbreak of COVID-19 led to an increase in the market price of prevention materials and a shortage of supply and materials. To address these challenges, the Group purchased prevention kits for the small and medium enterprises ("SMEs") in the restaurant industry. Besides, 10,000 masks were donated to Colégio Dom Bosco (Yuet Wah). In terms of education and sports, the Group organised the 15th Care Action Cup Macao Charity Run to support the Care Action Macao Educational Scholarship Fund to increase children's access to education. Furthermore, donations were made to Guangzhou Youth Development Foundation to support youth development. On the cultural front, the Group sponsored the 2020 ARTFEM Women Artists 2nd International Biennial of Macau to develop the art culture in Macau.

During the Year, the Group invested about HK$64,000 to support different community organisations and organised 20 hours of cultural and educational activities.

**Education and culture**
- 20 hours
- MOP $50,000

**Poverty**
- MOP $5,000

**Sports**
- MOP $7,000

**Anti-epidemic**
- MOP $2,000
- Face masks

**Resources contributed to each area**

# COMMUNITY CONTRIBUTION

### CASE STUDY – PROMOTION OF YOUTH EDUCATION AND DEVELOPMENT

Supporting the "support the career planning and the growth of students" in the policy address and "strengthen life planning consultation services" in the youth policy, a director of the Group established the Macau Youth Greater Bay Area Development Association during the Year. At the same time, the director joined the Youth Council of the Macau Construction Association to assist the young people in their career development and future planning.

In early December, the Youth Council of the Macau Construction Association and the Education and the Youth Development Bureau jointly organised the "Dream & Opportunity" for the Youth in Construction Industry. The event included professional sharing sessions and construction site visits, and was attended by over 60 college students interested in the construction industry. It enhanced their understandings of construction projects and helped them plan their career path by learning about the academic, personal characteristics and other requirements of the industry.

## STEP FORWARD

The Group understands that in addition to economic performance, environmental and social factors and performance are the cornerstones of business development in a globally mature and diversified development. As a company with a proven structure and stable business development, the Group is committed to contributing to society and the environment.

Understanding that construction industry is essential to modern life and economic development, the Group is committed to providing high-quality engineering services while helping to protect the environment and communities, including improving the resilience of cities to disasters. This dual role will become even more important in the future as population growth and urbanisation drive the demand for construction.

Progress on sustainability is being made through various actions, including the establishment of an ESG governance structure led by the Chairman, improved environmental policies and practices, increased resource efficiency in operations, and enhanced anti-corruption training for employees. To achieve further success, the Group plans to develop sustainability strategies and targets on key issues identified through stakeholder communications and risk analysis, and to develop corresponding action plans.

In addition, the Group believes that business growth comes from the trust and support of society. In response to the expectations of the community for the Group, it is committed to exploring further contributions to society and maintaining responsible and sustainable business operations.

With the new challenges posed by COVID-19 to global economies and livelihoods, the Group will begin a new phase of sustainable development. Along this path, the Group hopes to gain cooperation with stakeholders to witness the establishment of new economies, lifestyles and values in the post-pandemic era.

# APPENDIX

## KEY PERFORMANCE INDICATORS SUMMARY

| Environmental Key Performance Indicators | | | | |
|---|---|---|---|---|
| **Air Pollutants** | **2020** | **2019** | **2018** | **Unit** |
| Nitrogen oxides | 0.102 | 208.79 | 165.40 | kg |
| Sulphur oxides | 0.008 | 10.22 | 6.19 | kg |
| Respirable suspended particulates | 0.004 | 4.28 | 2.31 | kg |
| **GHG Emissions** | | | | |
| Scope 1 – Direct GHG emissions | 14.5 | 28.3 | 21.9 | tonnes of carbon dioxide equivalent |
| Scope 2 – Energy indirect emissions | 74.6 | 65.8 | 60.6 | tonnes of carbon dioxide equivalent |
| Scope 3 – Other indirect emissions | 1.3 | 4.3 | 2.4 | tonnes of carbon dioxide equivalent |
| Total GHG emissions | 90.4 | 98.4 | 84.9 | tonnes of carbon dioxide equivalent |
| GHG intensity (by number of employees) | 0.583 | 2.459 | 1.888 | tonnes of carbon dioxide equivalent/ employee |
| **Waste** | | | | |
| Total hazardous waste | 0 | Not available | 0 | tonnes |
| Hazardous waste intensity (by employee) | 0 | Not available | 0 | tonnes/employee |
| Total non-hazardous waste | 1,205.68 | 0.16 | 0.10 | tonnes |
| Non-hazardous waste intensity (by employee) | 8.258 | 0.004 | 0.002 | tonnes/employee |
| **Energy Consumption** | | | | |
| Acetylene | 0 | 6.7 | Not available | MWh |
| Petrol | 22.6 | 101.0 | 80.9 | MWh |
| Diesel | 35.0 | Not applicable | Not applicable | MWh |
| Electricity | 95.8 | 74.5 | 72.3 | MWh |
| Total energy consumption | 153.4 | 182.2 | 153.2 | MWh |
| Energy intensity (by employee) | 0.990 | 4.554 | 3.405 | MWh/employee |
| **Water Consumption** | | | | |
| Total water consumption | 1,770.0 | Not available | 6.7 | cubic metres |
| Water intensity (by employee) | 11.123 | Not available | 0.149 | cubic metres/ employee |

| Social Key Performance Indicators | | | | |
|---|---|---|---|---|
| **Total Employees** | | **2020** | **2019** | **2018** |
| By gender | Male | 127 | 145 | 141 |
| | Female | 28 | 27 | 22 |
| By age group | Below 30 years old | 15 | 18 | 17 |
| | 30-40 years old | 38 | 44 | 38 |
| | 41-50 years old | 57 | 59 | 59 |
| | Above 50 years old | 45 | 51 | 49 |
| By employment type | Full time | 155 | 172 | Not available |
| | Part time | 0 | 0 | Not available |
| By geographical region | Macau | 146 | Not available | Not available |
| | Hong Kong | 9 | Not available | Not available |
| | Mainland China | 0 | Not available | Not available |
| By employment category | General employees | 137 | 151 | 141 |
| | Middle management | 10 | 12 | 11 |
| | Senior management | 4 | 5 | 7 |
| | C-level executives | 4 | 4 | 4 |
| Total | | 155 | 172 | 163 |

# APPENDIX

| Employee Turnover Rate | | 2020 | 2019 |
|---|---|---|---|
| By gender | Male | 12% | 53.1% |
| | Female | 0% | 22.2% |
| By age group | Below 30 years old | 17% | 111.1% |
| | 30-40 years old | 16% | 34.1% |
| | 41-50 years old | 0% | 49.2% |
| | Above 50 years old | 10% | 37.3% |
| By employment type | Full time | 12% | 48.3% |
| | Part time | 0% | 0% |
| By geographical region | Macau | 3% | Not available |
| | Hong Kong | 25% | Not available |
| | Mainland China | 0% | Not available |
| By employment category | General employees | 9% | Not available |
| | Middle management | 20% | Not available |
| | Senior management | 17% | Not available |
| | C-level executives | 0% | Not available |
| Total | | 10% | 48.3% |

| Health and Safety | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Work-related injuries (employees)** | 3 | 4 | 0 |
| **Lost days due to work-related injuries (employees)** | 173 | 78 | 288 |
| **Work-related fatalities** | 0 | 0 | 0 |

## APPENDIX

| Total Workers | | 2020 |
|---|---|---|
| By gender | Male | 49 |
| | Female | 2 |
| By age group | Below 30 years old | 2 |
| | 30-40 years old | 10 |
| | 41-50 years old | 18 |
| | Above 50 years old | 21 |
| By employment type | Full time | 51 |
| | Part time | 0 |
| By geographical region | Macau | 51 |
| | Hong Kong | 0 |
| | Mainland China | 0 |
| By employment category | General employees | 51 |
| | Middle management | 0 |
| | Senior management | 0 |
| | C-level executives | 0 |
| Total | | 51 |
| Health and Safety of workers | | |
| Work-related injuries (workers) | | 0 |
| Lost days due to work-related injuries (workers) | | 0 |
| Work-related fatalities | | 0 |

# APPENDIX

| Employee Training | | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| By gender | Male | 34 (26.8%) | 36 (24.8%) | Not available |
| | Female | 19 (67.9%) | 17 (63.0%) | Not available |
| | General employees | 53 (38.7%) | 47 (31.1%) | Not available |
| By employment category | Middle management | 0 (0%) | 3 (25%) | Not available |
| | Senior management | 0 (0%) | 1 (20%) | Not available |
| | C-level executives | 0 (0%) | 2 (50%) | Not available |
| Total | | 53 (34.2%) | 53 | 41(25.2%) |
| **Average Training Hours** | | | | |
| By Gender | Male | 1.1 | 0.6 | Not available |
| | Female | 1.6 | 0.7 | Not available |
| | General employees | 1.3 | 0.7 | Not available |
| By employment category | Middle management | 0 | 0.4 | Not available |
| | Senior management | 0 | 0.2 | Not available |
| | C-level executives | 0 | 0.5 | Not available |
| Total | | 1.3 | Not available | 0.25 |
| **Total Supplier** | | | | |
| By geographical region | Macau | 216 | 173 | 144 |
| | Hong Kong | 47 | 41 | 122 |
| | Mainland China | 123 | 92 | 96 |
| | Overseas | 3 | 2 | Not available |
| Total | | 389 | Not available | Not available |

| Anti-corruption | | 2020 |
|---|---|---|
| Average training hours (by hour) | Employees | 1.5 |
| | Board | 0 |

## HKEX ESG REPORTING GUIDE CONTENT INDEX

| Material Aspects | Content | Page Index/ Remarks |
|---|---|---|
| **A1 Emissions** | | |
| General Disclosure | Information on: <br>(a)   the policies; and <br>(b)   compliance with relevant laws and regulations that have a significant impact on the issuer <br>Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 27, 29-30 |
| A1.1 | The types of emissions and respective emissions data. | 27-28, 36 |
| A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity. | 28, 36 |
| A1.3 | Total hazardous waste produced and, where appropriate, intensity. | 29, 36 |
| A1.4 | Total non-hazardous waste produced and, where appropriate, intensity. | 29, 36 |
| A1.5 | Description of emission target(s) set and steps taken to achieve them. | 23-24, 27, 29 |
| 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. | 29 |
| **A2 Use of Resources** | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | 23 |
| A2.1 | Direct and/or indirect energy consumption by type in total and intensity. | 25, 36 |
| A2.2 | Water consumption in total and intensity. | 26, 36 |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | 23-24, 26 |
| 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. | 26 |

## HKEX ESG REPORTING GUIDE CONTENT INDEX

| Material Aspects | Content | Page Index/ Remarks |
|---|---|---|
| A2.5 | Total packaging material used for finished products and, if applicable, with reference to per unit produced. | The issue is irrelevant to the Group's business. |
| **A3 The Environment and Natural Resources** | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | 30 |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 30 |
| **A4 Climate Change** | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | 31 |
| A4.1 | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | 31 |
| **B1 Social** | | |

# HKEX ESG REPORTING GUIDE CONTENT INDEX

| Material Aspects | Content | Page Index/ Remarks |
|---|---|---|
| General Disclosure | Information on:<br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 11-12, 14 |
| B1.1 | Total workforce by gender, employment type, age group and geographical region. | 13-14, 37, 39 |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | 13, 38 |
| **B2 Health and Safety** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards. | 14, 17 |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | 38-39 |
| B2.2 | Lost days due to work injury. | 16, 38-39 |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | 16 |
| **B3 Development and Training** | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 16 |
| B3.1 | The percentage of employees trained by gender and employee category. | 17, 40 |
| B3.2 | The average training hours completed per employee by gender and employee category. | 17, 40 |

# HKEX ESG REPORTING GUIDE CONTENT INDEX

| Material Aspects | Content | Page Index/ Remarks |
|---|---|---|
| **B4 Labour Standards** | | |
| General Disclosure | Information on:<br>(a)    the policies; and<br><br>(b)    compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to preventing child and forced labour. | 11, 13-14 |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | 12-13 |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | 13 |
| **B5 Supply Chain Management** | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | 20 |
| KPI B5.1 | Number of suppliers by geographical region. | 20, 40 |
| 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. | 20 |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | 20-21 |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and service when selecting suppliers, and how they are implemented and monitored | 20 |
| **B6 Product Responsibility** | | |
| General Disclosure | Information on:<br>(a)    the policies; and<br><br>(b)    compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | 22 |

# HKEX ESG REPORTING GUIDE CONTENT INDEX

| Material Aspects | Content | Page Index/ Remarks |
|---|---|---|
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | The issue is irrelevant to the Group's business. |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | 22 |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | 22 |
| KPI B6.4 | Description of quality assurance process and recall procedures. | 22 |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | 22 |
| **B7 Anti-corruption** | | |
| General Disclosure | Information on: <br> (a) the policies; and <br><br> (b) compliance with relevant laws and regulations that have a significant impact on the issuer <br> relating to bribery, extortion, fraud and money laundering. | 19-20 |
| 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. | 20 |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | 19 |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff. | 19, 40 |
| **B8 Community Investment** | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | 33 |
| KPI B8.1 | Focus areas of contribution. | 33 |
| KPI B8.2 | Resources contributed to the focus area. | 33 |