



御佳控股有限公司

Royal Deluxe Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

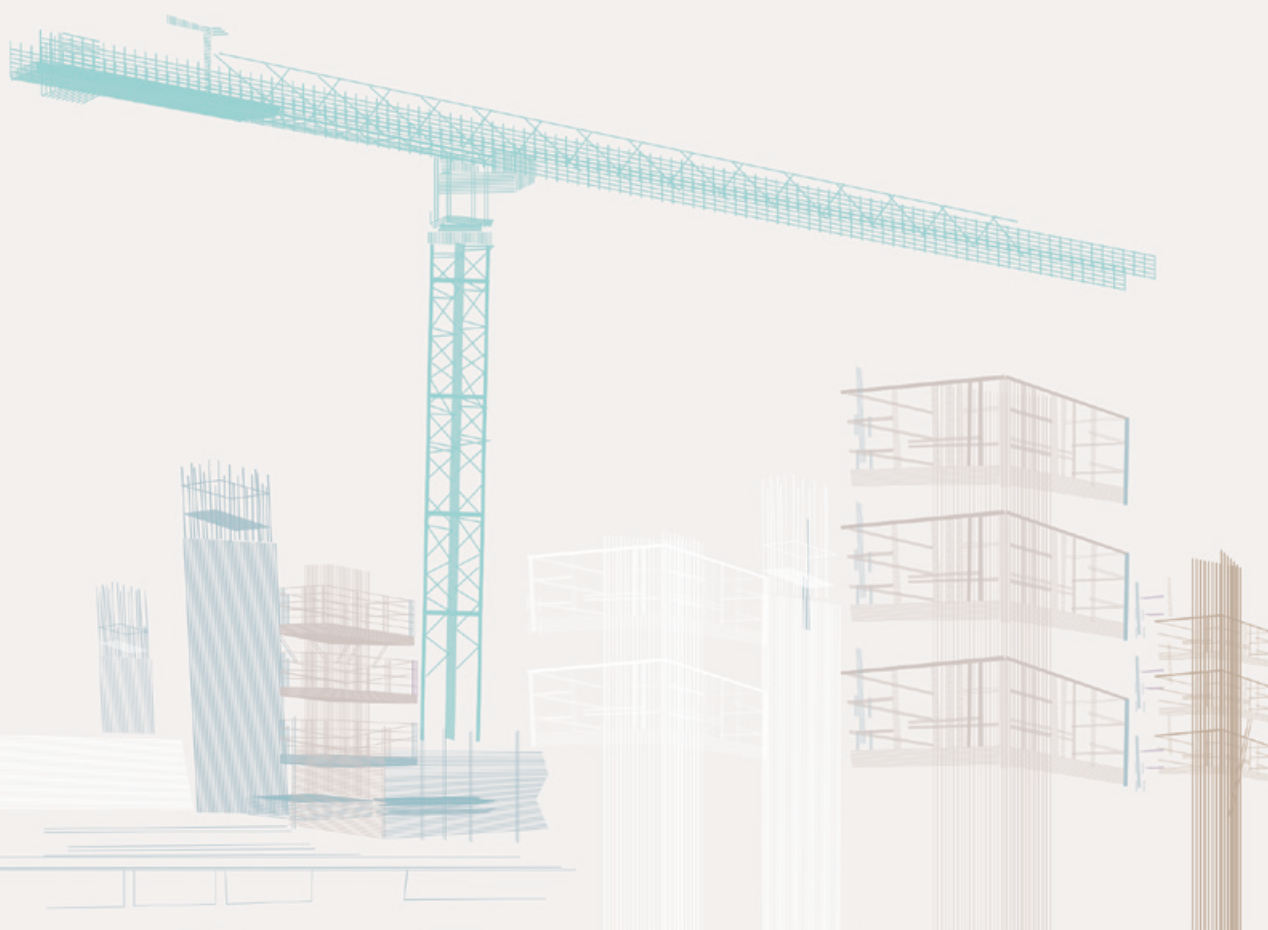
Stock code: 3789

Environmental,
Social and
Governance Report

2021

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ABOUT THIS REPORT

Royal Deluxe Holdings Limited (Stock code: 3789) (hereinafter referred to as “Royal Deluxe” or the “Company”, together with its subsidiaries, the “Group”) is pleased to present its first standalone Environmental, Social and Governance (“ESG”) Report (the “Report”). The Report features to communicate the visions, commitments, policies and performances relating to the Group’s material ESG issues. In doing so, it enables our valued stakeholders to understand the progress and direction of sustainability.

For further details on the Group’s business and financial performance, please refer to our Annual Report 2021.

Reporting Scope



The scope of Report focuses on the ESG performance and development information of Royal Deluxe, its core businesses include provision of formwork erection and ancillary services for the construction of reinforced concrete structure in large scale building construction and civil engineering projects in Hong Kong.

Reporting Period and Publication Schedule



Unless otherwise specified, this Report presents an overview of the Group’s ESG performance during the period of 1 April 2020 to 31 March 2021 (the “Reporting Period”). The ESG Report of Royal Deluxe shall be published annually and issued within one month after publishing the Annual Report of the Company.

Reporting Framework



The Report is prepared in accordance with the “Comply or Explain” and “Recommended Disclosures” provisions of the ESG Reporting Guide (the “Reporting Guide”) under Appendix 27 of the Main Board Rules Governing the Listing of Securities as set out by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Reporting Principles

Materiality

The structure of the Report is based on the materiality of the Group’s environmental and social issues. Following an ESG-specific stakeholder engagement exercise and a materiality assessment, this Report is organised by the following sections: “Business”, “Value Chain”, “People” and “Environment”. For more information, please refer to subsections “Stakeholder Engagement” and “Materiality Assessment”.

Quantitative

The Report discloses relevant key performance indicators (“KPIs”) and quantitative information of the headquarter offices and warehouse for the storage of construction materials in Hong Kong. The director’s quarter is excluded in the Reporting Period’s calculation due a change in billing ownership. Quantitative information is further accompanied by a description where appropriate.

Balance

The Report provides an unbiased overview of the Group’s policies, performances and areas of improvement.

Consistency

The Report adopts methodologies that are consistent with previous years, which allows for meaningful comparisons of ESG data over time. For further details of the quantification methodology, please refer to the “Environment” section.

ABOUT THIS REPORT

Reporting Approach



All information published in the Report is compiled based on existing policies, practices, and official documents or reports. The Report is also endorsed and approved by the Board of Directors (the "Board"), who is responsible for strategising and managing ESG matters of the Group.

Information Clarification



Information for the year of 2021 quoted in the Report shall be the final statistical information. For financial information, please refer to the Annual Report 2021 of Royal Deluxe issued by the Group. All monetary amounts mentioned in this Report are denominated in Hong Kong Dollars (HKD) unless otherwise specified.

Head Office and Principal Place of Business



Unit A, 22/F, T G Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

Opinions and Feedback



We continuously strive to refine our sustainability practices, performances, and disclosure. If you wish to provide any comments or suggestions, please contact us via mail to the Head Office or email to ESG@royal-deluxe.com.

Access to Report



This Report is available in three formats: print, electronic and mobile. For a printed copy of the Report, please call (852) 2180 7387. Please log on to the official website of Royal Deluxe at www.royal-deluxe.com for the digital version or scan the QR code for the mobile version.



CHIEF EXECUTIVE OFFICER'S MESSAGE

On behalf of the Board, it is my pleasure to present our first standalone ESG Report of the Group for the Financial Year ended 31 March 2021. This Report communicates our commitments and contributions to sustainable development in a genuine and transparent manner. Through this Report, we hope to demonstrate our dedication to creating long-term sustainable value for our internal and external stakeholders.

In 2020 and continuing in 2021, the novel coronavirus (the "COVID-19") pandemic placed unprecedented challenges on the Group. The economic downturn in Hong Kong has weakened the overall performance of the construction industry, resulting in increased price competition. At Royal Deluxe, we brought our values, namely Safety, Integrity, Excellence and Innovation, to life during these challenging times. These values coupled with our clear corporate purpose of delivering professional and quality formwork engineering services in Hong Kong has enabled us to navigate the challenges and uncertainties with confidence and optimism. In doing so, the Group achieved a record high revenue for the Financial Year 2021.

Building on 26 years of experience, we strive to improve the sustainability of our businesses as we grow. This year, we aligned our business around a new sustainability strategy, 'Strengthening our Landscapes', which guides the Group in delivering long-term benefits for our stakeholders whilst making a positive impact on the planet. To accomplish this, the Group is committed to integrating sustainability principles in four core areas: Business, Value Chain, People and Environment. We strongly believe that long-term and responsible business growth can only be achieved when sustainability becomes the backbone of the business.

As a formwork solution provider in the construction industry, occupational health and safety is always our primary focus. The COVID-19 pandemic has further strengthened our priority to implement measures across all our operational locations to safeguard the lives of all. Accordingly, we distributed surgical masks to our local workers and enhanced hygiene and safety measures to reflect the latest information and guidelines. We remained operational as a result of our outstanding and resilient workforce. Meanwhile, we have also invested manpower and resources to contribute monetary and in kind donations to communities and organisations in need, as well as organizing volunteers to actively care and help provide for the communities. Whilst community activities were undoubtedly affected, we envision to come back even stronger to deepen community relationships, thereby creating positive change for both the Group and communities alike.

Increasing attention to the sustainability of our supply chain has resulted in the consolidation of our supplier procurement process. We introduced a Supplier Code of Conduct to our suppliers and subcontractors to strengthen integrity and promote broader improvement in ESG performance beyond our operations. Royal Deluxe also continuously pursues innovative methodologies to make our operations more sustainable and environmentally friendly to minimize natural resource consumptions as well as to preserve the environment. Our dedicated sustainability efforts have received various awards and local recognitions, including occupational health and safety, diversity and inclusion, subcontractor management and best practice in ESG Reporting. These recognitions are not only symbols of our competence, but a representation of the phenomenal efforts in our journey to realise our sustainability vision.

With our vision and mission in mind, the Group will put forward the development of our sustainability roadmap in the coming year. As we continue our sustainability journey, the roadmap will include corresponding metrics and targets with proposed action plans to continuously improve the Group's sustainability performance.

In closing, I would like to express my profound appreciation to all our employees and management team for the dedication and immense value they bring to the Group. Without their contributions, this Report would not have been realised. In the face of the immense challenges ahead, Royal Deluxe shall remain prudent and diligent in order to build a sustainable future together.

Chao Lai Heng

Chief Executive Officer

30 August 2021

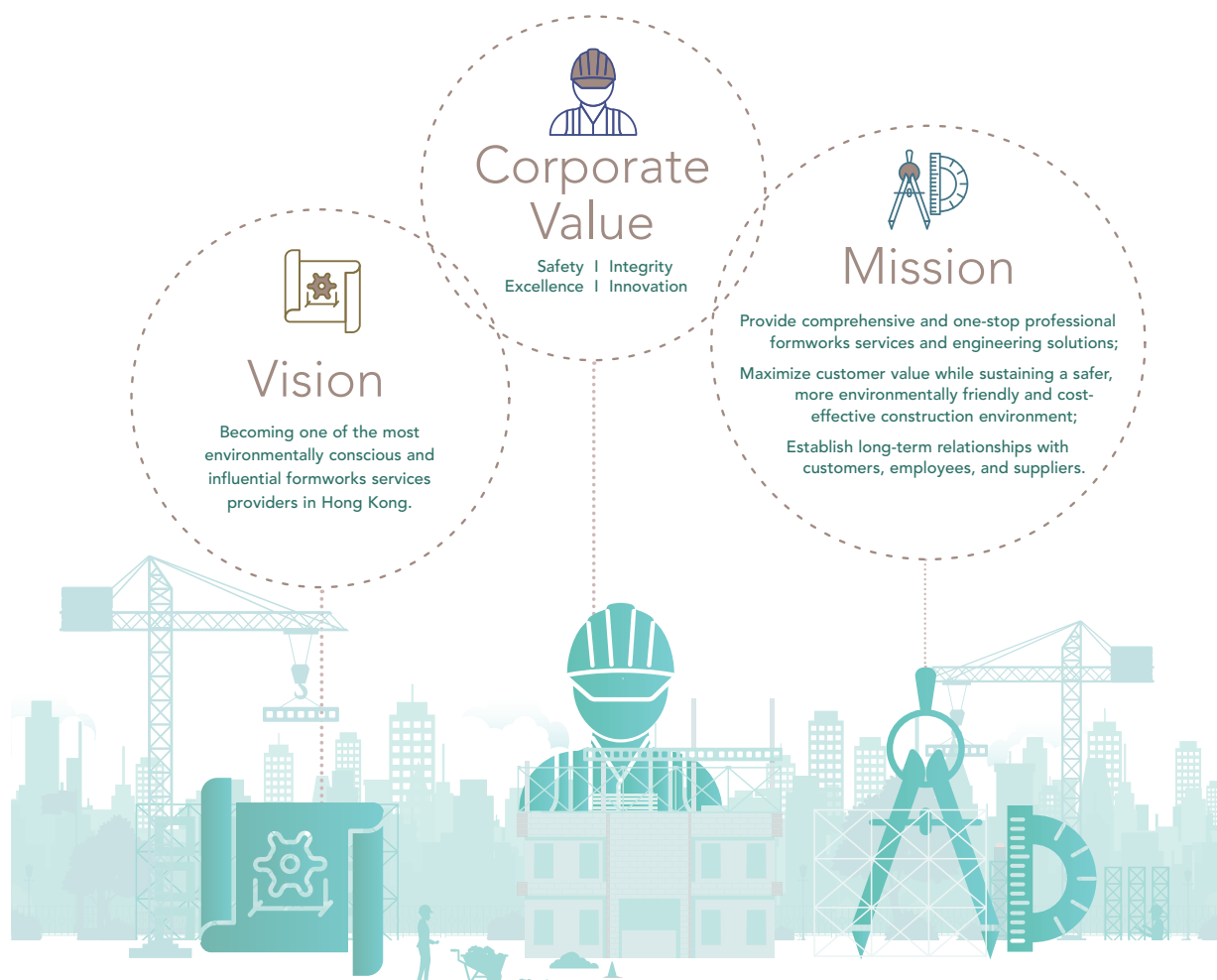
ABOUT ROYAL DELUXE

The Group is an industry-leading sub-contractor of formwork erection as well as related ancillary services in Hong Kong. The Group started its formwork business in 1994 and its core expertise lies in traditional timber formwork, metallic (usually steel and aluminium) formworks as well as engineered formwork systems for every type of project.

The subsidiary company of the Group has been registered as group 2 Registered Specialist Trade Contractors (the "RSTCs") under "S02-Concreting Formwork" and "S05-Erection of Concrete Precast Component" categories as well as group 1 RSTCs under S07-Scaffolding and S06-Reinforcement Bar Fixing and S01-Concreting.

With over 26 years' experience, the Group actively undertakes large-scale formwork erection projects for building construction and civil engineering works, including high-rise commercial buildings, highway development, tunnelling and railway construction. In recent years, the Group has developed its patents and technological innovations, most notably the patented Smart Formwork Aluminium Tableform System (the "Ming Tai Tableform") has been approved as Advance Technological Solution by the Construction Innovation and Technology Fund (CITF) in 2019. Ming Tai Tableform has been successfully applied to the Group's major formwork building project for the Advance Manufacturing Centre (the "AMC") at Tseung Kwan O Industrial Estate for the year ended 31 March 2021 (the "Financial Year 2021").

As the Group's business evolves, we strive to continue innovating with excellence and creating value through delivering flexible and reliable formwork solutions to our customers.



AWARDS AND RECOGNITIONS HIGHLIGHTS

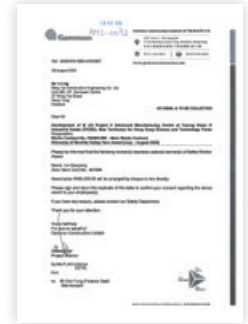
CarbonCare InnoLab

CarbonCare® ESG Label
Certificate 2020 Level 2



Gammon Construction Limited

Winner of Monthly
Safety Hero Award
(July – August 2020)



Gammon Construction Limited

Winner of Monthly
Safety Hero Award
(October 2020)



Hong Kong Institute of Construction

Subcontractor with
Most Graduates Hired
in 2019 – Silver Award



Hong Kong Institute of Construction

Subcontractor with
the Most Types
of Jobs Hired in 2019
– Gold Award



Hong Kong Institute of Construction

2019 Diversified Talent
Inclusion Employer
Award – Silver Award



MTRC Shatin to Central Link Contract 1123

Monthly Opportunity For Improvement
(OFI) Award – Best OFI Award
(June 2020)

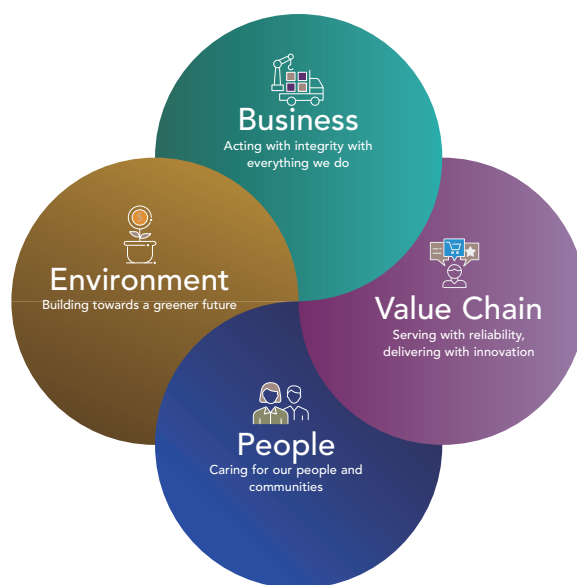


APPROACH TO SUSTAINABILITY

Sustainability is a core part of the business at Royal Deluxe. The Group strives to integrate sustainability principles into our operations with the aim to foster business longevity and growth. We do this through being mindful of business ethics, supplier and subcontractor engagement, occupational health and safety, employee development and sustainable construction. As a responsible business entity, we strive to strike a balance between optimising business opportunities and respecting the environment through sustainability management.

VISION FOR SUSTAINABLE DEVELOPMENT

To advance our operations towards a sustainable future, we are guided through the ethos of “Strengthening our Landscapes”. By embracing this mindset, we are committed to continuously grow and improve every facet of our business to deliver long-term benefits for our stakeholders, whilst making a positive impact on the planet. We are built on four strategic pillars, namely, Business, Value Chain, People and Environment. With reference to the United Nations Sustainable Development Goals (“SDGs”), these interconnected pillars steer how we work, deliver our products and services in a way that strengthens our business for a sustainable future.



SUSTAINABILITY GOVERNANCE

The Board oversees the long-term success of the Group through setting the overall strategy, supervising executive management, and ensuring that our corporate governance practices meet the highest standards of integrity and ethics and are effectively implemented throughout the Group. The Board is accountable for ensuring the relevance and effectiveness of our strategic approach to the Group’s sustainable development.

The Environmental, Social and Governance Committee (the “**ESG Committee**”) was established on 31 March 2020. The Board provides oversight on matters relating to ESG through ESG Committee, which is led by the Board of the Company and comprises two Executive Directors (“**ED**”), three Independent Non-executive Directors (“**INED**”). The ESG Committee is supported by senior management from the operations and professional teams, who meet at least once per annum to discuss ESG matters. Mr. Kwong Ping Man, an INED, was appointed by the Board as the Chairman of the ESG Committee.

SUSTAINABILITY GOVERNANCE

The ESG Committee supervises the formulation of ESG policies, reviews risk assessment, and monitors ESG-related performances of the Group. In addition to formulating strategies and plans, the ESG Committee is also responsible for steering the Group’s sustainability vision and direction. The ESG Committee is supported by the ESG Working Group (the “**ESGWG**”) and the Corporate Safety, Health and Environmental Committee (the “**CSHEC**”) in order to provide additional oversight and direction. The ESGWG is responsible for identifying ESG risks, monitoring material ESG aspects and formulating ESG management goals and work plans. Meanwhile, CSHEC leads the management of occupational health and safety risks, including identifying occupational health and safety risks, conducting safety assessments and ensuring compliance with health and safety laws and regulations across our operations.



RISK MANAGEMENT

Risk management is integral to our sustainability management as it strengthens the Group’s decision-making process and facilitates long-term value creation. The Board acknowledges its responsibility for maintaining and reviewing the effectiveness of the Group’s risk management and internal control system on an on-going basis. Reporting directly to the Board, the Audit Committee is responsible for detailed monitoring and regular updating on the effectiveness of the Group’s risk management and internal control systems. Assisted by our Internal Audit and reviewed by an independent consultancy company of the internal controls and risk management system, the Audit Committee identifies and evaluates significant risks to the Group’s operations through undertaking risk assessment exercises. The Audit Committee will report the results to the Board for considering any risk mitigation actions and controls. Appropriate risk mitigation actions are being taken to manage and control individual risks identified. As climate change is becoming an increasing concern to the Group, we will consider incorporating climate-related risks and opportunities into our risk management process with reference to the Task Force on Climate-Related Financial Disclosure recommendations.

RISK MANAGEMENT

For more information on our corporate governance, risk management and internal control, please refer to the “Corporate Governance Report” section on P. 23 to 35 and “Biographical Information of Directors” section on P. 18 to 22 of Royal Deluxe Annual Report 2021.

Management of Work-related Accidents

To address the inherent health and safety risks in our industry, and to create a safe working environment, the Group has strengthened site safety measures at project sites. By reinforcing safety training and supervision, as well as conducting regular safety risk assessments, the Group raised awareness of safety best practices among our workers. For more information, please see subsection ‘Safety Management at Site’ and ‘Protecting our Health and Safety’ section.

Operation affected by COVID-19 Pandemic

The outbreak of the COVID-19 pandemic since early 2020 has caused disruptions to Hong Kong economic activities and imposed an abnormally volatile operating environment. During the Reporting Period, the Group took necessary measures to protect the health and safety of our employees and to ensure on-going projects of the Group were progressing well as planned as well as to minimise the negative impacts, including supply chain disruptions, temporary work stoppages due to measures imposed by the Government and mandatory quarantine requirements and health guidelines imposed by our main-contractors due to the outbreak of COVID-19. Our business operations were resilient and likely not materially affected by the COVID-19 pandemic. This was due to our effective risk management measures that enabled us to plan and respond to the crisis in advance.

Nevertheless, the Group remained vigilant and took stringent measures as well as extensive safety protocols during the Reporting Period. The Group and its employees worked together to ensure personal health protective equipment were distributed and delivered to those who had the greatest or most urgent need to maintain non-disruptive operations to customers. In addition, the Group has implemented compulsory testing measures, which require all employees and site workers to present negative COVID-19 test result issued within the past 14 days when entering contract sites or offices for work. Despite the above, it is unfortunate that some of the indirect employed workers of the Company were infected. Out of around 1,066 workers working at the Group’s construction sites, there were 8 confirmed COVID-19 cases recorded for the Reporting Period, an infection rate of roughly 0.75 % of the overall workforce with no fatal case.

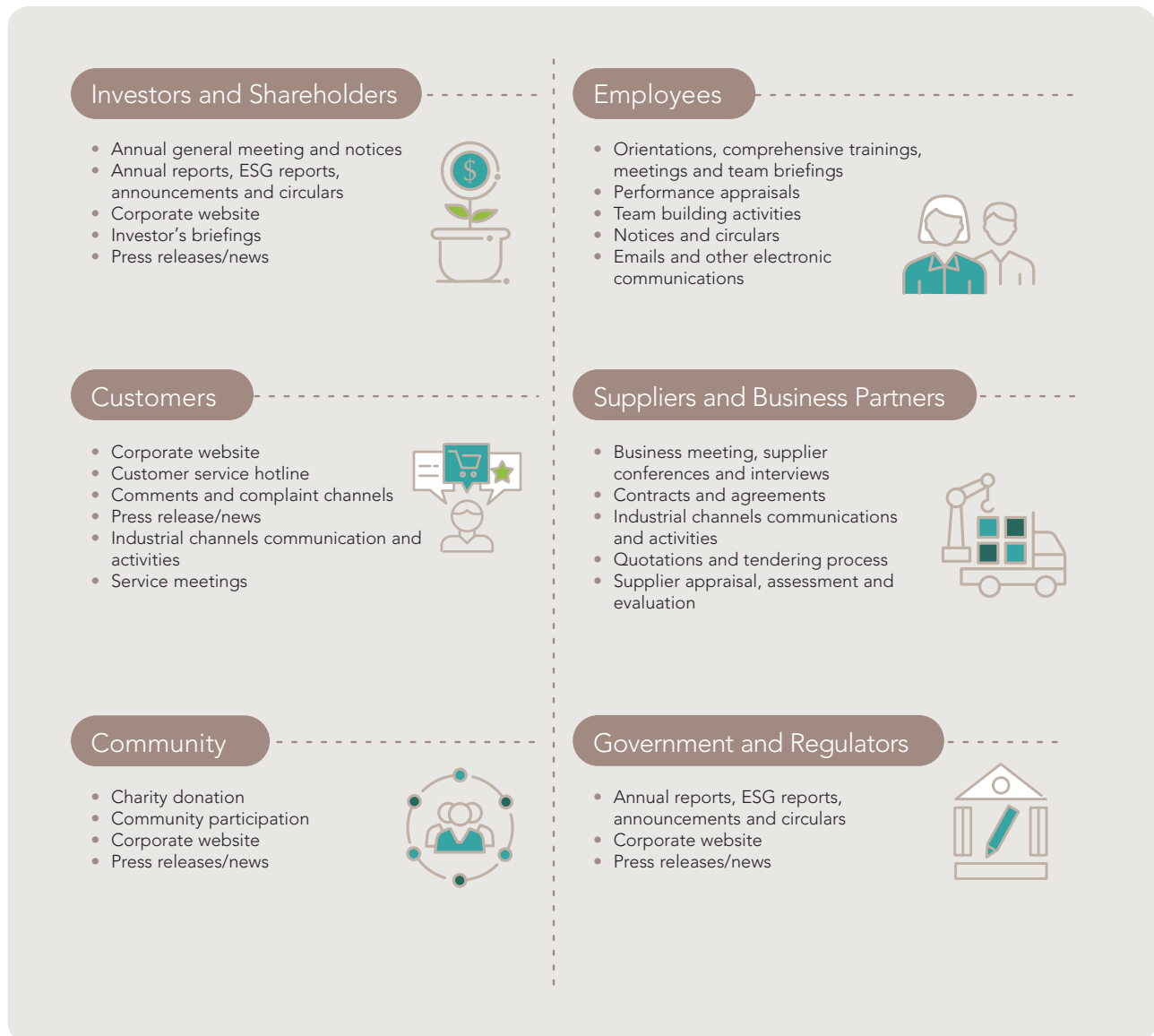
Sustainable Labour Supply

The labour shortage and ageing problem have taken root in the construction industry for a number of years and the Group has leveraged on maintaining good relationships with its site employees and subcontractors. The Group has a list of approved subcontractors which the Group has reviewed and updated regularly to ensure they have maintained sufficient work force. The project team has regular meetings to discuss the deployment of labour, including the timing and number of workers required. The Group conducts early planning in the formwork design stage and recommends system formwork where possible since the assembling of system formwork demands less workmanship as compared to timber formwork and hence is less costly and requires less experienced workers, which in turn is expected to have a greater labour supply.

A recovery in economic activity should enable the Government to expand fiscal expenditure on major infrastructure projects, supporting industry growth. Accordingly, the workforce demand for the construction industry is forecasted to rise, however the supply of formwork workers will not increase dramatically shortly thereafter, which may drive up wages in coming years.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is integral for the continuous improvement of our ESG approach and sustainable development of our business. To this end, we regularly engage with our stakeholders to understand their priorities, expectations and perceptions regarding sustainability issues. As indicated in the table below, internal and external stakeholders were engaged through various communication channels during the Reporting Period.



MATERIALITY ASSESSMENT

To ensure that our sustainability priorities, strategies, and policies align with the view of our stakeholders, we engaged an independent sustainability consultant to conduct a stakeholder engagement exercise. The exercise helped identify and evaluate sustainability issues that are most material to the Group and stakeholders, as well as determine the coverage and structure of the Report. We shall continue to perform this exercise on an annual basis to maintain an ongoing and consistent communication.

Step 1: Identification

A list of potential material issues was identified with reference to the following sources:

- The Global Reporting Initiatives Standards
- SDGs
- Previous ESG Reports from Royal Deluxe
- Peer benchmarking

23 material issues were identified and defined.

Step 2: Prioritisation

Key stakeholders' groups were invited to complete an online survey and rank material ESG issues based on their perceived importance. 6 members from the Board and management had ranked the importance of material issues towards the Group's sustainable development, whereas 60 other stakeholders, constituting of employees, supplier/contractor, customers and community partners had participated in the survey and ranked the importance of material issues based on their own preferences and expectations.

Step 3: Validation

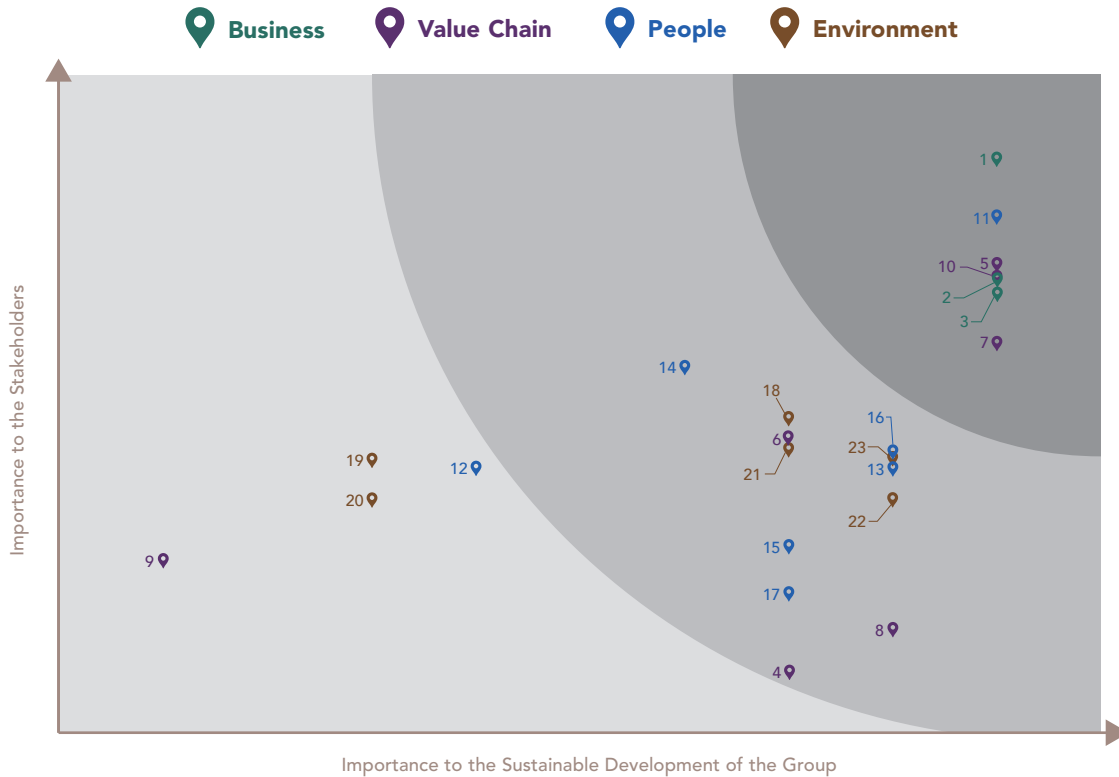
The Group's senior management analysed the assessment results and confirmed the list of material topics for disclosure in this Report. The results are shown on the materiality matrix which illustrates the views of stakeholders versus sustainable development of the Group.

Step 4: Review

The Board reviewed the material issues, the following materiality matrix, as well as relevant risks and opportunities to ensure an unbiased and balanced view of our sustainability performance and stakeholder expectations.

MATERIALITY ASSESSMENT

The following matrix presents the results of the materiality assessment. The content of this Report is structured and sequenced according to the overall materiality, which is determined by the aggregated score assigned by our survey respondents.



Tier 1 Issues

(Most important material issues)

- 1 Ethical Business Behaviour
- 2 Legal Compliance
- 3 Intellectual Property Rights and Customer Privacy
- 5 Safety Management at Site
- 7 Client Satisfaction
- 10 Product Quality Management
- 11 Occupational Health and Safety

Tier 2 Issues

(Important material issues)

- 4 Innovation
- 6 Market Influence
- 8 Supplier and Subcontractor Engagement
- 13 Human Capital Development and Training
- 14 Human Rights
- 15 Child and Forced Labour
- 16 Diversity and Equal Opportunities
- 17 Community Investment and Participation
- 18 Construction Materials
- 21 Waste Reduction
- 22 Climate Change
- 23 Impact of Operations on Local Community

Tier 3 Issues

(Moderately important material issues)

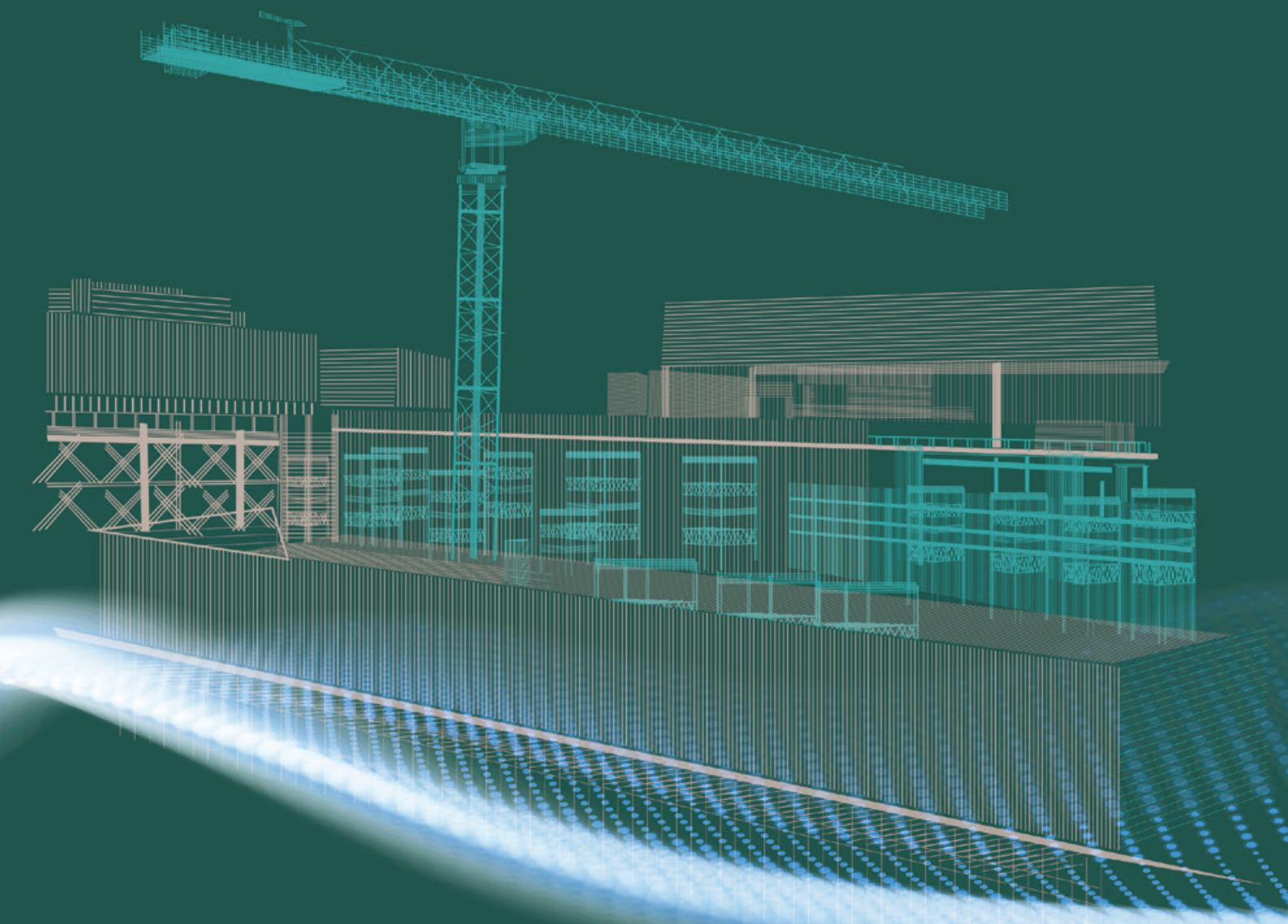
- 9 Green Procurement
- 12 Labour Shortage
- 19 Air Emissions and Greenhouse Gas Emissions
- 20 Energy Management

BUSINESS



Acting with integrity in everything we do

We believe in growing our business with integrity and professionalism to deliver operational excellence and sustainable development. We achieve this by preventing bribery and corruption, protecting intellectual property rights, upholding data privacy, as well as ensuring compliance within our operations and through our suppliers and subcontractors.



BUSINESS

ETHICAL BUSINESS BEHAVIOUR

Anti-Corruption

The Group is committed to fostering a culture of compliance, ethical behaviour and good corporate governance. We have regarded fairness, honesty and integrity as our core corporate values that must be upheld by every employee. The Group's Code of Conduct on Business Ethics ("**CCBE**") stipulates the requirement expected of all employees, and our policy on corruption, conflict of interest and fraudulent activities when dealing with the Group's businesses. The CCBE states that all forms of bribery, corruption, conflicts of interest and extortion are strictly prohibited and requires staff to refrain from requesting or accepting any advantages and benefits as employees of the Group in the course of performing their duties, with severe punishment prescribed for any breaches. It also expects and encourages employees and anyone in contact with the Group (such as customers, contractors, suppliers, creditors, debtors, other stakeholders among others) to report any misconduct, fraud and violations within the Group.

We also follow the Corruption Prevention Guide for Listed Companies developed by the Independent Commission Against Corruption ("**ICAC**") to guide our internal control measures and keep us informed of the latest anti-corruption reporting requirements. Any case that is found non-compliant with the CCBE is subject to disciplinary action, which may include termination of employment where appropriate. The CCBE is reviewed and revised periodically to ensure that we keep abreast of new laws and the constantly evolving regulatory environment.

During the Reporting Period, we invited representatives from the ICAC to conduct anti-corruption training relating to integrity management in the construction industry for the Board to encourage an ethical and compliant culture within the Group, with more than 60% attendance rate from the Board. The Group strengthened control measures by regularly circulating important updates to external and internal anti-fraud policies and procedures to employees, management and Board members. We also arranged time to view ICAC publications and online videos together to understand their roles and responsibilities in preventing our business from bribery and corruption. There were no reported cases of non-compliance with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) during the Reporting Period.

Conflict of Interest Policy

The CCBE stated that all directors and employees should avoid the conflict between personal financial interest and their professional official duties in the Group. The policy also requires employees to declare any potential conflict of interest and to report on any gifts or advantages being offered or received to the Group in writing. There were no substantiated incidents regarding breaches of Conflict of Interest reported during the Reporting Period.

Anti-Competition

Hong Kong is a free economic society; businesses need to compete to provide the best value for money product to meet or exceed customers' requirements. In the Group, competition is one of the driving forces that fosters the development of our exemplary products that balances cost, quality, and sustainability. To enhance our competitive advantage, the Group is devoted to differentiating our products by pioneering in design and sustainability. In Hong Kong, the Competition Ordinance (Cap. 619 of the Laws of Hong Kong) (the "**Competition Ordinance**") is designed to promote competition and prohibit anti-competitive practices. The Group prohibits any kind of anti-competitive practices, all staff members shall always be aware of and comply with competition laws and regulations and shall recognise sensitive situations and behaviour that are or might be considered anti-competitive. There were no reported cases of non-compliance with the Competition Ordinance during the Reporting Period.

ETHICAL BUSINESS BEHAVIOUR

Whistleblowing

We provide confidential channels for our stakeholders, including employees, consultants, contractors and suppliers to raise concerns of any misconduct that falls short of the high standards demanded by the Group. Our Whistle Blowing Policy details the processes and actions taken to report suspected improprieties, conflict of interest, malpractice or breach of compliance without fear of reprisal. Apart from reporting the complaint through post and email, employees may report through the official declaration forms that are accessible through the internal company server. The Group reassures that the whistle-blower who lodges a complaint will not be discriminated against and may request for special protection measures to safeguard their identity if deemed necessary. All allegations are investigated with fair and impartial due diligence by the Audit Committee, and if the potential case involves criminal activity, an external investigator may be appointed to review.

To maintain a culture of good ethical behaviour, employees are reminded through email during the holidays season, such as Chinese New Year, to avoid advising, dealing in or accepting any transactions that may give rise to potential conflicts of interest. Under this policy, we aspire to foster a culture of good ethical behaviour and encourage employees to stamp out any internal improprieties. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud and money laundering.

Intellectual Property Rights

The Group has registered several trademarks, patents and domain names in Hong Kong as they are important to our brand and corporate image. The Group is committed to comply with the relevant and applicable intellectual property (the "IP") laws, and provide our employees with the proper guidance to safeguard our own IPs. We also ensure to seek necessary authorisation before using third parties' IP. To safeguard our own IPs, the Group has undertaken internal control measures, including registration and renewal of the Group's patents and trademarks in the development of our formwork systems and corporate brand. Our employees are bound by the Group's Code of Conduct to keep its confidentiality of trade secrets and protect its proprietary IPs. During the Reporting Period, there were no material infringement of IP rights and the IP rights of third parties and the Group maintained 46 patents and 7 trademarks. Further information on our patents can be found in the subsection "Innovation Technologies".

Data Protection and Customer Privacy

The Group respects and protects the privacy of our customers, employees, subcontractors and suppliers. To safeguard customer privacy, the employee handbook stipulates that employees are forbidden to disclose any confidential information about the Group and our customers under all circumstances, including customer information, intellectual property, internal activities practices and operating practices. To ensure that information is security protected, confidential information is only accessible by authorised individuals and shall be returned to the Group at the termination of employment. The Group's Privacy Policy informs our employees of the usage, processing, storage and transference of personal data throughout their time of employment. The Group closely follows the Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong), and personal data is only collected for necessary purposes by lawful and fair means.

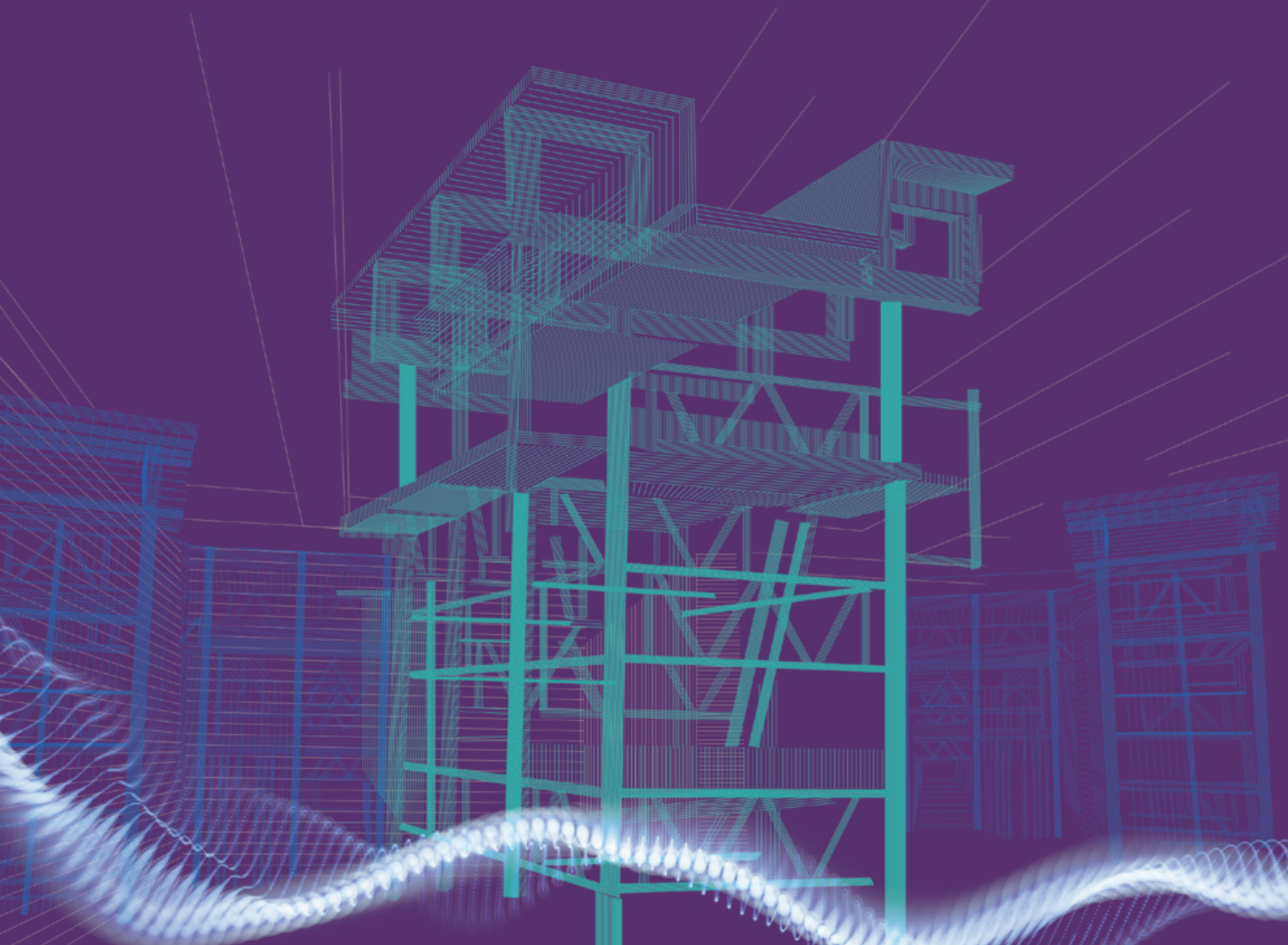
Guidance on data storage and handling is stipulated in the Information Technology End User Policy to ensure proper management of data as well as safeguard sensitive information, including backup procedures, user account management, software and network access controlling mechanisms. This was particularly enforced during work-from-home arrangement through email communicated to employees. Our standards of information security and confidentiality are applicable to all our employees and services providers. Multiple facets of protection, including administrative, physical and technical measures, have been implemented to safeguard the collected customer data and personal data as well as prevent unauthorised access. There was no substantiated incidents regarding breaches of customer data and personal data privacy recorded during the Reporting Period.

VALUE CHAIN



Serving with reliability, delivering with innovation

We strive to foster technical innovation and stringent quality management within our value chain to offer more sustainable, energy efficiency, as well as cost-and time-effective load capacity formwork solutions that minimise the impact on the community. The Group is committed to maintaining good corporate governance and integrating business ethics throughout the Group's value chain. This is essential to establish an excellent reputation and to ensure a strategic relationship with our suppliers and subcontractors, which facilitates the delivery of safe, reliable and top-notch quality products to our customers. Our green procurement policy is structured to warrant the best available goods are procured in an sustainable, competitive and fair manner. This not only delivers the best cost performance and ensures the highest quality, but also reduces any environmental impacts.



VALUE CHAIN

TECHNICAL EXCELLENCE AND INNOVATION

Innovative Technologies

With rapid technological developments, the construction industry in Hong Kong has accelerated the application of various innovative technologies, which can improve efficiency and strengthen management. In recent years, the Group has been encouraging the adoption of advanced technology in our operations, through applying innovative methodologies such as the Construction Aluminium Tableform System (the “**Tableform**”) (Patent no. : HK1230011 and Coding Process System of Architectural Aluminium Template System (the “**Formwork Coding System**”) (Patent no. : HK1203295), as well as digitalising formwork engineering design, tendering, financial management and human resources. All these efforts lead to multiple benefits including enhancing operational efficiency, strengthening our resilience to stiffer market conditions, enabling more efficient use of resources, supporting our ability to maintain stable and sustainable growth, which in turn helps us combat climate change.

Since Royal Deluxe listing on the Stock Exchange, the Group’s approach to innovation is guided by the strategy of providing “High-Quality Work and Flexible Solutions”, which enables us to produce “Construction Technical Innovation and Optimised-Customer Design”. Through identifying and leveraging issues observed at the construction site, we can better develop technologies that boost productivity, uplift building quality and safeguard the safety of our workers.

Case in Point **Tableform**

Since the first approved patent of formwork of the Group in 2019, we have now over 30 formwork related patents being approved. The patents for Tableform have proven records of commercialisation and recognised technical enhancement for concrete construction. The basic element of Tableform is an extrude aluminium that produces a lightweight constituent with a stiffness-to-weight ratio.

In comparison to slap-formwork for concrete construction, Tableform reduces the assembly time and facilitates considerable costs savings. Its wheel systems at the bottom enable easy manoeuvring around the project site, and as such minimising workload and number of intensive steps required. This reusable Tableform generally reduced the wastage of formwork materials. Additionally, the pre-designed safety guard-rails and toe boards and working platform can minimise the risk of accident for work-above-ground workspace. The Tableform have been used in four projects during the Reporting Period.



TECHNICAL EXCELLENCE AND INNOVATION

Case in Point Formwork Coding System

The formwork coding system is usually applied for system formwork projects of the Group, and this patent has reformed the construction process of system formwork. Tens of thousands of aluminium modules of different shapes, sizes, and positions are digitally coded for easy identification and with the corresponding positioning of individual modules mapping to the construction drawings. Through this, the efficiency of disassembly and reinstallation is greatly improved compared to manual identification, as it enables easier replenishment of any individual damage modules as well as allowing the re-use of standard panels in different projects. Furthermore, the system can be installed in portable mobile devices to facilitate on-site supervision and more conducive to technical training.



In the face of the changing market environment, the Group must respond by taking initiatives to explore and develop new technological ideas that promotes innovation. We believe that innovation is the core driving force of corporate development. During the Reporting Period, we have begun to develop a Building Information Modelling (the “BIM”) cloud document management platform with the intention to enhance project communication and documentation in each phase of the project. We hope that increased automation of documents will optimise workflow, enhance network security as well as save time. As such, we can examine designs and documents in more detail at an earlier stage, which leads to higher-quality designs and project quality. With the growing adoption of technology revolutionising our business and the industry, we are dedicated to continue using innovation to unlock solutions that better the society and maintain the competitive edge of the Group.

SUPPLY CHAIN MANAGEMENT

Responsible Supply Chain

The Group is committed and have built strategic relationship with our supply chain partners including our construction material suppliers, as well as subcontractors responsible for the site supervision and employees working at the construction site. The Group has maintained an approved list of suppliers, and the selection and performance of our suppliers are assessed by a product quality management mechanism.

Supplier and Subcontractor Engagement

We expect our suppliers and subcontractors to comply with the Group requirement regarding our sustainability principles, including labour practices, health and safety standards, environmental protection and bribery. We are dedicated to conducting caring, fair, open transparent procurement practices to maintain mutually beneficial relationships.

We strive to ensure that the supplier selection process attracts the most qualified vendors that meet the needs of our company as well as our clients. The Group maintains a list of approved suppliers and subcontractors whom we have established good working relationships with and exhibited exceptional performance based on our criteria. Reviewed periodically, their performance is assessed based on different indicators, including reputation, service and material quality, client feedback, timeliness, cost efficiency, and if relevant, project experience. Only contractors that continue to be competent shall remain on our list.

We are also dedicated to working with suppliers that demonstrate commitments to sustainable development in order to pursue long-term improvement in performance and reduce social and environmental risks. In 2020, we updated our Approved Suppliers Contractors Form to include a Supplier Code of Conduct, which outlines our environmental and social commitment requirements for suppliers and subcontractors. The Supplier Code of Conduct encourages sound sustainability practices and promotes a culture of integrity across the value chain. During the Reporting Period, we engaged with 101 suppliers from Hong Kong and 1 from People's Republic of China ("PRC"), of whom 20 suppliers have signed or made aware of the Supplier Code of Conduct.

Supplier Code of Conduct Commitments



Ethical
Conduct



Health and
Safety



Human
Rights



Environmental
Impacts

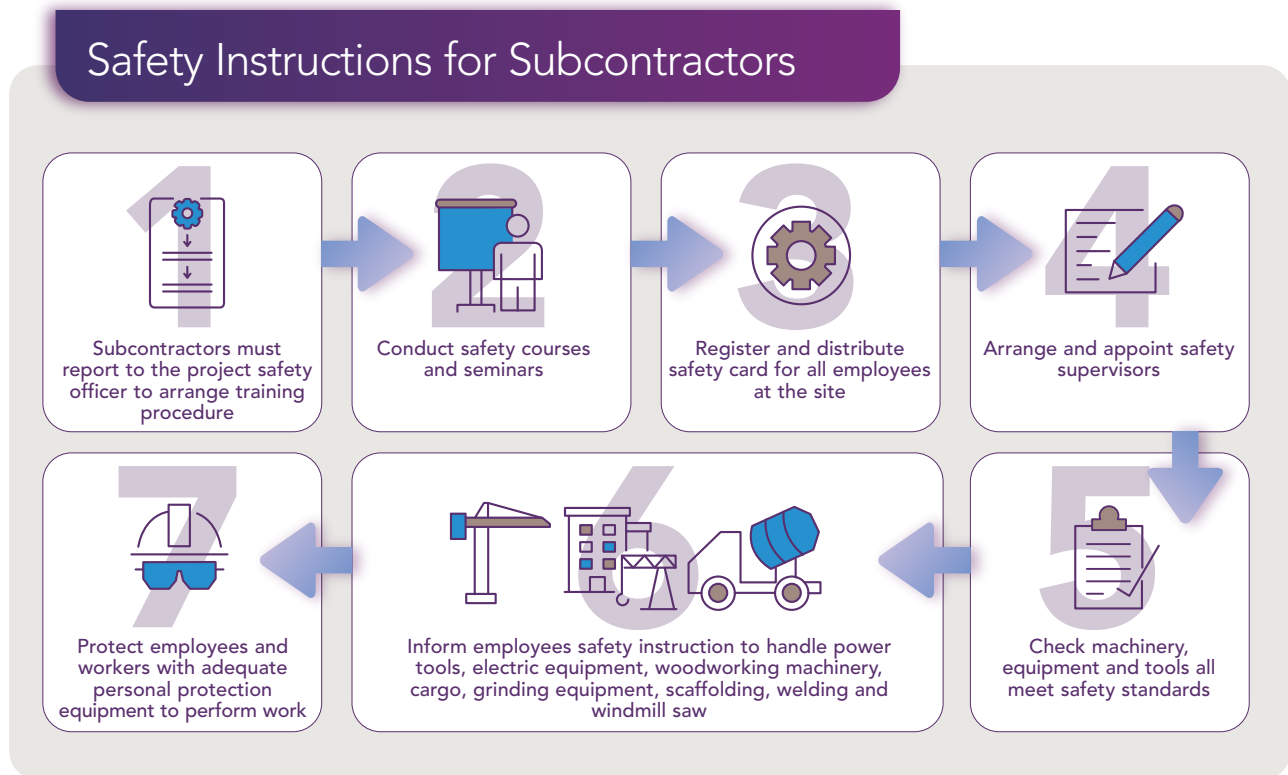


Laws and
Regulations

SUPPLY CHAIN MANAGEMENT

Safety Management at Site

We are dedicated to eliminating, controlling and preventing possible health and safety hazards throughout the entire value chain. We collaborate with subcontractors to ensure that safety procedures are understood and reinforced at a high standard through sound guidance. For further information about health and safety management, please refer to the 'Occupational Health and Safety' subsection.



PROCUREMENT PRACTICES

Procurement Management

We implemented stringent measures to guarantee that our products and materials are of high quality, fulfil clients' specifications, as well as abide by statutory and legal obligations. Our procurement team have established standardised internal control mechanisms to ensure quality control and that materials are delivered to project sites accurately and promptly. Once a material order is delivered to the project site, verification checks are conducted to ensure the ordered amount, expenses, and desired material fulfils customer requirements. The delivery of incoming material and outgoing returned goods are closely monitored with a tracking document, ensuring that the project manager as well as the procurement team are well informed at each stage of the process.

PROCUREMENT PRACTICES

Green Procurement

Incorporating a philosophy that considers the environmental impact and social responsibility into supply chain management are important priorities to the Group to continuously promote green procurement. We generally source local suppliers to reduce our carbon footprint that may arise from transportation, whilst simultaneously boosting the local economy.

To promote green building products, we strive to procure construction products with Construction Industry Council (“CIC”) Green Product Certification as much as possible. Moreover, in order to source forest resources responsibly, we source timber and plywood products originating from Forest Stewardship Council (“FSC”) and Programme for the Endorsement of Forest Certification (“PEFC”), ensuring that we are working with materials that are in line with strict environmental, social and economic requirements, and are creating value for our workers and communities. Timber formwork is the most common type of formwork applied to construction projects in Hong Kong and it is projected to continue. We have been sourcing 100% FSC and PEFC woods for the past few years and will strive to maintain this level of procurement target for the foreseeable future.



Product Quality Control

The Company Quality Manual guides our operations in raising nonconformities from material, plant, equipment and work at any stage of the construction process, as well as the corrective and preventative action to prevent nonconformities from occurring in the future. In the event the product is found to be defective after issuance or when a customer issues a formal complaint, it shall be reported to the project manager through designated communication channels. As the objective is to prevent unintended use or further processing of nonconformity, the subcontractor or relevant personnel will be promptly informed. Nonconformities are assessed with extensive measures, including examining the product, preparing a report, and determining the best course of follow-up action. Every case is recorded and reviewed to avoid recurrence of incidents of similar nature. Further monitoring of quality performance is regularly conducted through onsite supervision and inspection. During the Reporting Period, we did not receive any complaints due to project delivery and quality of materials.



PEOPLE



Caring for our people and communities

Human capital is the Group's most valuable asset as it is vital to our sustainable development and ambition in retaining a leading and reputable industry position. We trust and respect our dedicated and highly competent workforce, and is committed to invest in and nurture our human capital to foster innovation, creativity, and quality products and services. We continuously strive towards providing a better working environment that enhances job satisfaction, whilst supporting the development and training of our workforce to realise their full potential and technical capabilities. In recognising the importance of a safe and productive workforce, we are committed to placing high standards of safety management to protect our employees, contractors, and front-line workers. We also believe the work that we do should respect our communities and society at large. By investing in our communities and considering our impact on the skilled labour shortage in Hong Kong's construction industry, we endeavour to facilitate social inclusion to lead a more harmonious society.



PEOPLE

PROTECTING OUR HEALTH AND SAFETY

Occupational Health and Safety

As a leading formwork subcontractor in Hong Kong, the Group's top priority is in protecting the occupational health and safety of our employees, suppliers and subcontractors. The Group acknowledges the risks and impact in workplace accidents and thus prides itself in establishing and strictly maintaining a robust and appropriate risk management controls and procedures and protections.

Occupational health and safety is governed by the Group's Corporate Safety, Health and Environmental Committee (the "CSHEC"), which comprises of senior management of relevant department. The CSHEC meets periodically to discuss, evaluate and monitor occupational health and safety risks, as well as to identify opportunities for continuous improvement in our safety performance through safety assessments. Our goal is to minimise accident rate as far as possible.

The Group has established a set of in-house Work Safety Code that all subcontractors and employees must adhere to. The Work Safety Code stipulates the safety requirements of operating electric tools, woodwork machineries, and other heavy machineries, working-from-height, cargo lifting, as well as general electric and fire safety, among others. All employees working at sites are provided with personal protective equipment such as helmets, eye and ear protectors, respirators and others for personal protection.

To promote safety awareness and practices among our workers, occupational health and safety trainings are conducted exhaustively. At the commencement of all projects, standardised training is carried out to inform critical risks at site, key personnel to contact, basic first aid practice among others. To keep abreast of the safety procedures, we attended external safety training as well as delivered internal safety training for sub-divisions every fortnight and a site-wide once a month. This includes toolbox talks carried out by safety supervisors, which are designed to enhance awareness of potential occupational hazards, related good practice and knowledge on relevant laws and regulations.

Safety inspections and audits are conducted regularly by professionals to ensure safety compliance. Contractors will undertake regular site inspection to ensure good site practice and conformance during the construction phase. Moreover, qualified external personnel audits the site to assess and verify the effectiveness and reliability of our safety management system, and ensure it complies relevant standards, including the Factories and Industrial Undertaking (Safety Management) Regulation.

During the Reporting Period, we participated in a multitude of events during Construction Safety Week 2020. For example, we joined the 5-day industry wide campaign "Life First" to facilitate site safety education and promote the reduction of fatalities.

PROTECTING OUR HEALTH AND SAFETY








In recognition of our active contribution to incident prevention, we were awarded the Safety Ambassador by Leighton-China State Joint Venture for the MTRC Shatin to Central Link project during the Reporting Period. Moreover, two of the Group’s workers received the “Winner of Monthly Safety Hero” award for the development of the Advanced Manufacturing Centre. We are proud that our rigorous standards are recognised, and we strive to continuously improve the industry through leadership and sound management.



Work-related Injuries

The Group recognises that there are great occupational hazards in our industry and it is integral in our daily operations at the construction sites. The CSHEC team is responsible for facilitating safety assessments and action plans aimed at maintaining a safe working environment and minimising potential work-related injuries. In the unlikely event of incidents or accidents, we execute thorough investigations to identify the source of causes, conduct rectifying actions and devise plans to prevent future recurrence. During this Reporting Period, the number of work-related injuries increased by 103.4%, resulting in 3,729 lost days. We are committed to placing greater efforts to ensure site safety the number of accidents in the future.

Work-Related Fatalities			Work Injury Cases		Lost Days Due to Work Injury		Work Injury Rate
2019	0	0	1	17	147	1,571	2.47
2020	0	0	2	27	2	2,604	3.22
2021	0	0	9	50	843	2,886	4.62

						
Direct	Indirect	Direct	Indirect	Direct	Indirect	

PROTECTING OUR HEALTH AND SAFETY

Precautionary COVID-19 Measures

The outbreak of COVID-19 has caused disruptions to Hong Kong's economic activities and imposed safety risks at work. To adapt to these changing circumstances, the Group has remained vigilant and established extensive safety protocols. The Group has created and promoted the Office Defence Measures under the Coronavirus Pandemic to safeguard our employees and contractors to contain the risks as much as possible. By closely monitoring the local situation and keeping informed of local and regional guidelines, we adjusted our internal updates and health advice on a regular basis.

Since the early periods of COVID-19, the Group has been dispensing surgical masks for its office staff and site staff. With our site staff being vulnerable to higher risk of exposure, we ensured that masks were replenished periodically to maintain their health and safety whilst continuing the operations. In addition, the Group has implemented compulsory testing measures, which require all employees and site workers to present negative COVID-19 test result issued within the past 14 days when entering contract sites or offices for work. To strengthen our immunity, we arranged a deep disinfecting service at the headquarters, keeping our staff at peace when returning to work. In taking extra steps to maintain a health and sanitary environment, the Human Resources ("**HR**") department formulated the COVID-19 Case Register during the Reporting Period. This database aims to document cases of COVID-19 within our company, facilitate quicker adaptation measures and minimise the potential of disease spread into the community.

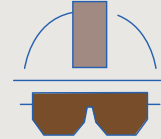


PROTECTING OUR HEALTH AND SAFETY

Key Control Measures

Maintain Workplace Hygiene

- Wear surgical mask before entering
- Conduct temperature screening at the entrance of the venue
- Complete health declaration form
- Front desk and meetings rooms at headquarters equipped with hand sanitisers
- Frequent cleaning and disinfection of common areas



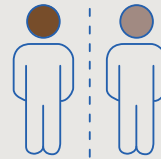
Reduce Social Contact

- Restrict the number of occupants in meeting rooms
- Temporary suspension of meeting during periods of high cases
- Alternative arrangement to use online teleconferencing modes
- Rotate teams coming to work



Communicate with Employees

- Employees are regularly informed of the latest guidance issued by the Health Protection of the Department of Health, HKSAR Government
- Notify and remind employees through email of the latest news and office defence measures
- Promote good personal hygiene through office notices



Compulsory Testing Measures

- All employees and site workers are required to present a negative COVID-19 test result issued within the past 14 days when entering contract sites or offices for work.
- Site workers' cross site working is prohibited for the purpose of the prevention and stop the spread of the COVID-19 in the Group.



EMPOWERING OUR PEOPLE

Human Capital Development and Training

The Group's excellence, expertise and strength lie in the competency of our employees. Our formwork projects are generally labour intensive and skill specific, hence the experience and skills of our employees are crucial to the Group's continued success and growth. We are therefore highly committed to providing suitable and professional training opportunities that build high performing and technically capable individuals.

Our Training and Development Policy stipulates that employees are entitled to pursue external training courses complementary to their job scope of work through the Group's subsidy scheme. This allows employees to be trained skilfully and professionally, as well as to attain relevant professional qualifications for their knowledge improvement and future career development. Internally, we arrange orientation training for all new recruits to better comprehend our core values, organisation structure, business goals, relevant policies, as well as code of conduct. Subsequently, new recruits will be transferred to their department heads for job specific training. We also arrange for our directors to attend training programmes on corporate governance as well as the latest update of the Stock Exchange.

EMPOWERING OUR PEOPLE

To ensure that the programs deliver value to our employees and our business, we invite employees to fill in the training course evaluation form, so as to assess the quality and delivery of the course, learning outcomes, and improvements and recommendations. During the Reporting Period, the Group's direct employees completed a total of 971.50 hours of training (2020: 743.50), whilst our indirect employees completed a total of 9,667.67 hours of training.

Fundamental Skills Training

The Group offered employees to partake in the Intermediate Tradesman Collaborative Training Scheme (ITCTS) arranged by the CIC, aiming to introduce the basic operation skills to workers. Workers gained professional knowledge relating to erecting and striking timber formwork for building construction. During the Reporting Period, 3 employees completed the training program over the course of 6 months.

Technical Skills Advancement

To enhance the technical skills of our workforce, 9 employees participated in the Advanced Construction Manpower Training Scheme – Pilot Scheme (Structured On-the-job) organised by the CIC along with the Development Bureau. With a specific focus on the Carpenter trade division, this two-year course aims to train workers to be highly proficient in safety measures, equipment handling, material usage, and knowledge on formwork-related accessories, among others.

Recruitment and Retention

The Group values our human capital as its success and development is highly dependent upon its workforce. The Group is committed to providing a positive working environment that embraces equality and diversity, especially in recruiting and retaining talented individuals from a diverse array of backgrounds and experiences.

A competitive remuneration package, including performance-based bonus, provident fund scheme, training and development sponsorship, among others, are offered and communicated through the Employee Handbook. Leave entitlements including paid holiday leave, paid annual leave, statutory holidays, sick leave, maternity leave and paternity leave are granted and guaranteed, dependent upon seniority and years of service in the company.

The Group also conducts performance appraisals on a biannual and annual basis, to foster an engaging workforce and recognise the achievements of our employees. Remuneration packages are rewarded based on professionalism, technical skills, and experience. These are reviewed periodically to meet the company's policy, direction and objective.

The Group recognises the value in building a corporate culture that encourages teamwork and integrity. To motivate our employees and improve their physical and mental well-being, we also host various company activities such as recreational sport competitions and staff birthday parties.



EMPOWERING OUR PEOPLE

Diversity and Equal Opportunities

The Group believes that the power of a diverse pool of talent promotes innovation, better decision-making and higher employee engagement. Therefore, the Group pride itself in being a competency-based employer and pays particular attention to ensure fair and just treatment throughout the recruitment, employment, and promotion process. For example, the screening process in recruitment considers criteria such as competency, technical skills, industry knowledge, experience, and education background, as guided by the Staff Requisition and Recruitment Policy. This treatment also prevents any occurrence of unfair treatment.

BUILDING A BETTER LIFE

Community Investment and Participation

As a sub-contracting company rooted in Hong Kong for more than 26 years, the Group is particularly close to local communities and their pressures and needs. We are highly committed to fostering a healthy, caring and sustainable society by being a responsible corporation. Our approach to community investment has been proactive and constructive. We aim to give back to society in threefold: through our charitable donations, participation in volunteering and community events, as well as continuous development in talented young people.

During the Reporting Period, many local communities in Hong Kong, especially the underprivileged, have experienced various day-to-day challenges. Therefore, our community focus this year is on providing COVID-19 relieving care, support and supplies for the underprivileged. Through our structured community investment programs, we hope to unite with various local organisations to alleviate the challenges of the communities, provide a helping hand, and display kindness to all.

The Group has a long history of supporting charitable and non-profit organisations. Our sponsorship and charitable donations aim to promote a sustainable community and create positive impact among our employees and within the community. During the Reporting Period, a total of HK\$167,000 has been donated to support the operations of various organisations.

Construction Industry Council

Sponsorship for the Construction Industry Virtual Happy Run 2021

Lo Pan Service Month – Construction Industry Lo Pan Rice Campaign

Construction Industry Caring Campaign (Community)

Hong Kong Construction Industry Subcontractors Association

Construction Industry Caring Campaign – Fight Against the Novel Coronavirus
Zero Carbon Park Concert

New World Construction Company Limited

Poverty Alleviation Drive

The Lighthouse Club Hong Kong Benevolent Fund

Sponsorship for the Lap Dog Challenge 2020

Post Crisis Counselling Network

HKBO Pride in the Dark Concert

BUILDING A BETTER LIFE

Lo Pan Rice Campaign

The Group has joined the CIC's "Construction Industry Lo Pan Rice Campaign" to distribute "Lo Pan Rice" to the elderly, underprivileged families, unemployed, disabled individuals and sub-divided household residents. Over 300 people received warm and cooked meals through the distribution sessions.

Hong Kong Blind Orchestra Donation

The Hong Kong Blind Orchestra (HKBO) is the fifth blind orchestra in the world that supports the visually impaired to achieve their music career aspirations through providing free professional orchestra training. Under the economic hardships that COVID-19 presented, one of the concerts "Pride in the Dark" was facing delay, whilst upcoming concerts for elderly centres were facing cancellations. In response, the Group donated a sum of HK\$30,000 to enable visually impaired to achieve their dreams and support ongoing development of disadvantaged music professionals.



Sustainable Labour Supply

We anticipate that a recovery in economic activity should enable the Government to expand fiscal expenditure on major infrastructure projects, supporting industry growth. Accordingly, the workforce demand for the construction industry is forecasted to rise, however the supply of formwork workers will not increase dramatically shortly thereafter. We believe this challenging prospect furthers our determination to inspire the youth to pursue a career in the formwork erection industry, which allows individuals an opportunity to build tangible results on the Hong Kong building construction landscape.

The Hang Seng University of Hong Kong Student Internship Programme

To empower local university graduates and promote the Group as an employer of choice, we have supported students from The Hang Seng University of Hong Kong through the Student Internship Program. Each summer, we recruit student interns in areas of corporate governance and finance and accounting to provide first-hand experience of what a career would look like at the Group and an opportunity to cultivate practical knowledge in a professional working environment. At the end of the programme, students shared accomplishments, reflected on the learning outcomes and evaluated their experiences. With practical experience in their chosen area, students can cultivate their interests and knowledge in the formwork, erection and related ancillary services in Hong Kong.

Approved Technical Talents Training Programme

The Group also supports the Approved Technical Talents Training Programme, launched by the Hong Kong Institute of Construction. The programme aims to foster young students to become knowledge-based skilled technical personnel through a comprehensive solution integrating on-the-job training, trade skills enhancement and assessment, soft skills, safety training, as well as technology and innovation education.

During the Reporting Period, 10 students have successfully completed the programme through our Group and were rewarded \$20,000 each for their excellent performance. The Group aims to train a new cohort of outstanding talents, pursue sustainability of technical manpower, and strengthen the construction industry in Hong Kong all together.

BUILDING A BETTER LIFE

Human Rights – Child and Forced Labour

Protecting the human rights of our employees, contractors and subcontractors are of utmost importance. The Group has zero-tolerance to the hiring of forced and child labour throughout our operations. We also comply with relevant laws and regulations relating to employment, child and forced labour practices.

The Group rigorously adheres to its Requisition and Recruitment Policy, which stipulates strict policies relating to the recruitment process and the labour standard that we uphold. All personnel are required to provide valid personal identification documents for verification purposes, while reference checks are conducted accordingly. At the project sites, employees are correctly registered at the beginning of the contract and the site coordinator liaises with the head office to authenticate documents. Subsequently, incoming and outgoing daily employee traffic are monitored using facial ID recognition technology, whilst employment cards are regularly checked.

Across the Group, overtime work and other allowances are compensated rightfully to our staff as per the Employee Handbook. In the unlikely event that false information or a false identity is discovered, the Group will address the situation by closely following the necessary procedures in accordance with relevant laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to labour standards. Additionally, no cases of child or forced labour were reported.

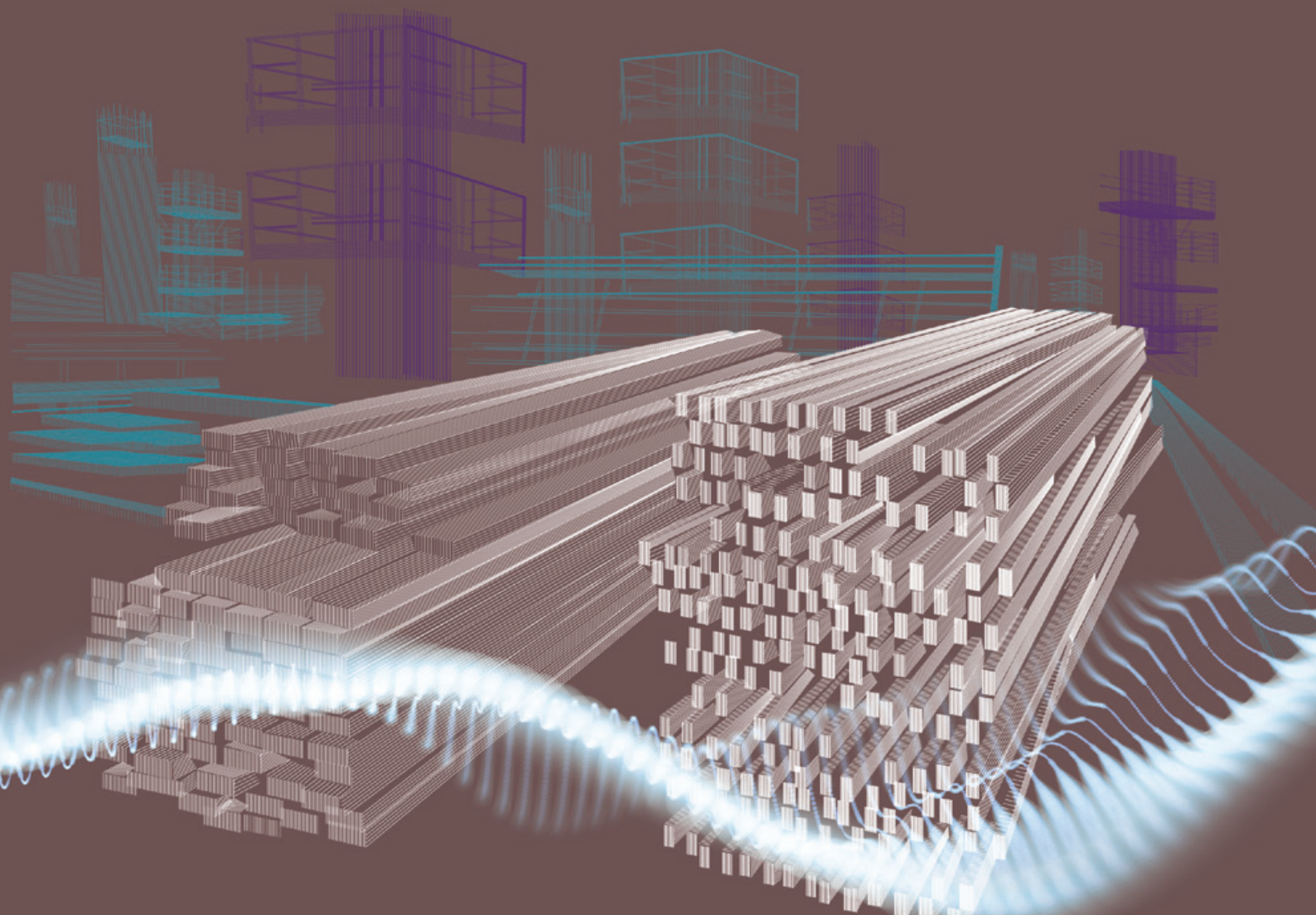
During the Reporting Period, there were 64 (2019: 46) cases of work injury claims (new cases and cases being brought forward) against the Group. The Group acknowledges the negative impact of labour disputes towards the Group and have taken necessary and appropriate actions to settle work injury claims. We strive to reduce the number of occupational injuries by establishing and adopting various methods to improve the safety awareness and performance of the employees.

ENVIRONMENT



Building towards a greener future

From managing our construction sites to evaluating our office environmental footprint, we are committed to environmental sustainability across our operations. As a responsible corporate citizen, the Group will continue to improve our environmental policies and measures to minimise emissions, expand recycling in our operation, reduce waste generation and enhance energy efficient consumption. Our sustainability governance has incorporated risk-based management system to address and mitigate the impact of environmental as well as climate change.



ENVIRONMENT

SUSTAINABLE RESOURCE MANAGEMENT

With depleting landfill space, rising pressure on natural resources and increased expectations of corporate performance, managing resources is a key priority in our agenda. The Group strives to maximise the usage of construction materials and enhance the use of all resources to minimise long-term shortage of resources. We continuously manage our resources through adopting greater understanding of our consumption patterns on an annual basis, and through empowering our employees to incorporate sustainable initiatives throughout our operations.

Construction Material and Waste Reduction

To champion towards a sustainable future, the Group is dedicated to monitor the selection of sustainable construction materials and promote reusing and recycling of all construction materials as much as possible. By extending the lifespan and maximising the usage of all materials, the Group aims to preserve limited natural resources and valuable landfill space.

The main construction materials we utilise are timber, aluminium, steel and metals. All project sites are equipped with a set of systematic procedures to sort, collect, transfer and dispose of waste in an environmentally friendly manner. When material lifespan is exhausted, we would dispose of those material safely and professionally, under relevant regulations as well as the Construction Waste Disposal Charging Scheme.

Through our Green Office Policy, we encourage sustainable use of resources in our offices and follow the five Rs: Refuse, Reduce, Reuse, Repurpose and Recycle. In doing so, we hope to instil a sustainable mindset amongst our employees and inspire them to incorporate sustainability in the workplace.



Timber

Timber formwork is a traditional type of formwork system that is most popularly accepted for most of the typical construction projects. It is therefore the most commonly used resource, despite it being labour and time intensive. It is also less pertinent to be reused or recycled. To use timber sustainably, we procure certified timber products from certified PEFC and FSC suppliers. Over 90% of our timber were procured with PEFC and FSC certification.

Unused timber panels and available scraps are returned to licenced collectors, when possible, or repurposed for another project site. As timber materials are difficult to fully recycle, we are continuously seeking opportunities to work with innovative technologies that can transform timber waste into strong and functional construction materials. During the Reporting Period, we consumed 17,836.20 m³ of timber.

2019	7,476.22	Nil	Nil
2020	8,538.29	180	2.11
2021	17,836.20	Nil	Nil



Consumed (m³)



Recycled m³



Recycling Rate (%)

SUSTAINABLE RESOURCE MANAGEMENT

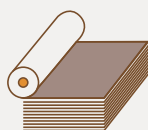


Aluminium and Steel

Many architectural designs require engineered formwork system that is built out of prefabricated modules using steel, aluminium and metal. The major advantages of these metal formwork systems are speed of construction and lower lifecycle costs, as formworks constructed by aluminium is almost indestructible, thereby reflecting its compatibility for reusing and recycling multiple times depending on applications and proper care.

Similar to timber, before materials are sent back to authorised collectors or sorting facilities, we assess the material condition including corrosion, rust and dents to avoid potential hazards. During the Reporting Period we consumed 1,598.22 tonnes and 3,318.68 tonnes of aluminium and steel respectively, whilst 319.66 tonnes and 1,173.64 tonnes were recycled respectively.

Year	Consumed (t)	Recycled (t)	Recycling Rate (%)
2019	685.10	144.35	21.07
2020	1,017.91	291.97	28.68
2021	1,598.22	319.66	20.00



Consumed (t)



Recycled (t)



Recycling Rate (%)

Year	Consumed (t)	Recycled (t)	Recycling Rate (%)
2019	2,138.27	942.23	44.07
2020	1,542.38	1,404.85	91.08
2021	3,318.68	1,173.64	35.36



Consumed (t)



Recycled (t)



Recycling Rate (%)

SUSTAINABLE RESOURCE MANAGEMENT



Metal

A warehouse is leased by the Group to store and reuse metal components, as well as other construction materials such as timber, aluminium and steel. During the Reporting Period, 569.52 tonnes of metals were consumed.

2019	165.28	Nil	Nil
2020	301.92	Nil	Nil
2021	569.52	Nil	Nil



Consumed (t)



Recycled (t)



Recycling Rate (%)



Paper

At the office we strive to reduce paper consumption through digitalising our operations and reducing the reliance of paper. For example, we encourage communication through email and distribute electronic greeting cards during the holiday season. In addition to reusing paper, we have designated recycling bins placed next to printers and fax machines for paper collection. These bins are clearly labelled and easily accessible to encourage employees to recycle. Our paper waste is collected by professional licensed recyclers.

2019	5,701.74	2,544.00	44.62
2020	5,782.20	479.00	8.28
2021	5,595.87	510.00	9.11



Consumed (kg)



Recycled (kg)



Recycling Rate (%)








SUSTAINABLE RESOURCE MANAGEMENT

Energy and Water Management

Energy is essential to our daily operations as it powers all equipment in our offices and project sites. The Group mainly uses three types of energy: electricity to power our offices and project sites, as well as petroleum and diesel to power our vehicles. Our energy use combined represents over 80% of our greenhouse gas emissions inventory.

Conserving this limited resource can reduce fossil fuel use, improve air quality, mitigate climate change, and potentially protect the ecosystems and our communities. Hence it is crucial that we mobilise energy efficiency initiatives to reduce our energy reliance and maximise the use of all energy. For more information about greenhouse gas emissions or air emissions from the company vehicles, please visit the “Emissions” subsection under “Impact of Operations on Local Community” section.


Energy Saving Initiative

 <p>Switch off electrical appliance when not in use or after office hours</p>	 <p>Advocate for “Energy Saving Charter on Indoor Temperature”</p>	 <p>Maintain indoor temperature at 24 – 25°C</p>	 <p>Monitor temperature through thermometers</p>
 <p>Motivate staff to use staircase instead of lift</p>	 <p>Use energy-efficient light bulbs such as LED, T5 or compact fluorescent lamp with energy labels (i.e. EMSD’s Grade 1 and 2 or equivalent)</p>		 <p>Adopt refrigerator and air conditioning appliance with “Grade 1” energy labels</p>


SUSTAINABLE RESOURCE MANAGEMENT

Water is a precious natural resource that must be safeguarded. However, it is not a material aspect in our Group as we mainly use water for cleaning purposes and in our washrooms at the office. These washrooms are shared with other occupants in the building and managed by property management groups. At the project sites, water management is handled by the main contractors or property owners. Therefore, we are unable to retrieve water usage records. Nevertheless, we endeavour to encourage the responsible consumption of water responsibly throughout our operations.

2019	76,620.00	308.74
2020	76,635.00	187.00
2021	130,361.20	2,617.40



Electricity (kWh)



Water¹ (m³)

¹ Water usage at the office is managed by property management whilst project sites are managed under the main contractor.

IMPACT OF OPERATIONS ON LOCAL COMMUNITY

As a subcontractor in the construction industry, the Group acknowledges the impact of our work to the community, our employees, and the environment. Hence, we have a responsibility to mitigate our environmental impacts in the community we operate in. We have developed an Environmental Management System (“EMS”) that guides our contracting activities, while ensuring environmental considerations are included in all decisions we make. Through communicating the EMS to our employees, suppliers and subcontractors, we ensure compliance throughout our operations, as well as promoting good environmental practice for environmental protection.

We will adopt the CIC Carbon Assessment Tool in the coming year, which assesses the measures carbon performances of buildings and infrastructure in Hong Kong, from raw material extraction to the end of construction. By adopting this tool, we hope to collaborate with professionals in the construction industry to contribute to a carbon reduction goal.

Additionally, each year we are involved in several sustainable BEAM Plus projects. BEAM Plus is a local assessment tool to certify building sustainability performance. During the Reporting Period, we completed 3 BEAM Plus projects and engaged in 7 ongoing BEAM Plus projects.





IMPACT OF OPERATIONS ON LOCAL COMMUNITY

GHG Emissions

Addressing our greenhouse gas emissions (“GHG”) is imperative to move towards an environmentally friendly and resilient community. The Group’s GHG sources are primarily attributed to the use of company vehicles and electricity consumption within our operations. During the Reporting Period, the operation area comprises of the headquarter offices and warehouses for the storage of construction materials, covering a total floor area of 3,158.85 square meter (361.53 m² without warehouse) (2020: 3,629.22 m² with warehouse, 356.84 m² without warehouse).

To accurately quantify the Group’s GHG emissions, the calculation process makes reference to both local and international guidelines, including the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” published by the Environmental Protection Department and the Electrical and Mechanical Services Department. We also utilised the latest emission factors, which are periodically published by relevant power companies.

In hopes to minimise our emissions, digital teleconferencing is encouraged in replacement of business travel. We also perform regular vehicle assessments and maintenance, and check fuel efficiency. Other energy efficiency initiatives are reported in the “Energy and Water Management” subsection. On the other hand, as a result of our paper recycling efforts managed through external licenced contractors, we avoided a total of 2.45 tCO₂-e. During the Reporting Period, we emitted a total of 161.96 tCO₂-e which is an increase to the previous year.

2019	88.94	39.08	5.44	27.37	0.13	0.05	161.01
2020	53.84	37.82	4.50	27.75	0.08	0.04	124.03
2021	88.21	48.23	N/A	24.41	0.58	0.53	161.96
							
	Mobile Combustion – Petrol and Diesel (tCO ₂ -e)	Purchased Electricity (tCO ₂ -e)	Purchased Towngas ² (tCO ₂ -e)	Disposal of Paper Waste (tCO ₂ -e)	Fresh Water Processing (tCO ₂ -e)	Sewage Water Processing (tCO ₂ -e)	Total GHG Emissions (tCO₂-e)
	Scope 1	Scope 2		Scope 3			

² Towngas is not reported in this Reporting Period due to a change in billing ownership, resulting in the exclusion of director’s quarter from the reporting scope.

IMPACT OF OPERATIONS ON LOCAL COMMUNITY

Air Emissions

We established preventative measures to minimise the production of dust or respirable suspended particulates when handling construction materials, using machinery equipment, or operating company vehicles. To prevent dust from dispersing into the environment, large amounts of dusty materials are covered with sheeting, placed in sheltered areas and sprayed with water or dust suppression chemicals to dampen the surface. During the loading, unloading and transfer processes, large bulk materials are handled with care to reduce the release of dust particles. As for company vehicles, we perform regular vehicle assessments, maintenance and fuel efficiency checks to enhance energy use and ensure optimal performance.

2019	276.20	0.53	22.57
2020	104.43	0.31	9.97
2021	142.07	0.51	13.57
	Nitrogen Oxide (kg)	Sulfur Oxide (kg)	Particulate Matter (kg)

Noise Emissions

Noise emissions arise from the use of machinery generated by our construction activities. The Group recognises the adverse impacts that noise emissions transmit into the surrounding community. To mitigate these impacts, we erect noise protection barriers in the vicinity of noise sensitive receivers such as residential buildings, schools and hospitals, and require construction activities to operate at reasonable hours when possible.

Furthermore, we opt for quieter construction equipment that is approved and in line with the Construction Noise Permit issued by the Environmental Protection Department. We also require engines of idling machinery are required to be turned off or minimised as much as possible, while machinery known to emit significant noise are strategically placed to avoid noise sensitive receivers.

IMPACT OF OPERATIONS ON LOCAL COMMUNITY

Climate Change

Changes in climate patterns and the increased severity of weather events, such as typhoons, heatwaves and flooding could cause substantial damage and disruption to our operations, whilst also exposing our workers to risk of injury. The Group shall consider further identifying significant climate-related issues on an annual basis to ensure emergency preparedness and appropriate mitigation measures are in place.

To mitigate against these climate risks, we implemented a series of emergency protocols for our office staff and our site staff, as outlined in the Employee Handbook and in-house Work Safety Code. Emergency drills are conducted annually to enhance effectiveness and pin out weaknesses for improvement. We have also established emergency units at each project sites, who are responsible for completing a Strong Wind and Heavy Rain Checklist.

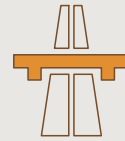
Precautionary Emergency Responses for Office



If the typhoon signal hoisted during working hours, the HR department will arrange appropriate time for leaving



Stay in the office until black rainstorm signal is lowered and safety



Transportation difficulties may be reported to the department head

IMPACT OF OPERATIONS ON LOCAL COMMUNITY

Precautionary Emergency Responses for Project Site

Before an extreme event

Securely fasten and anchor loose and stacked materials, working platforms, hoists, temporary work structure



Cover mechanical appliances and cut off power supply



Move electrical appliance away from any potential flooding locations



Strengthened and secure partially completed buildings and scaffolding



Cease work on scaffolding, walls or building parts if these pose a threat risk



Check and clear blockage in the site drainage system



Follow steps issued by the Emergency Team and gather to assembly area with personal protective equipment in hand



Conduct thorough site inspection using a checklist to make sure that all precautionary measures have been conducted

After an extreme event

Inspect the site, report damages and repair damaged facilities back to safe condition prior to work commencement



Examine electrical appliances and scaffoldings to ensure that they are all in safe working condition before use



Instruct all employees to return to site upon management confirmation

LAWS AND REGULATIONS

Business

- Building Ordinance (Cap. 123 of the Laws of Hong Kong)
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)
- Patent Ordinance (Cap. 514 of the Laws of Hong Kong)
- Trade Marks Ordinance (Cap. 599 of the Laws of Hong Kong)
- Competition Ordinance (Cap. 619 of the Laws of Hong Kong)

People

- Apprenticeship Ordinance (Cap. 47 of the Laws of Hong Kong)
- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)
- Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)
- Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong)
- Immigration Ordinance (Cap. 115 of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)
- Occupiers Liability Ordinance (Cap. 314 of the Laws of Hong Kong)
- Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong)
- Construction Works Registration Ordinance (Cap. 583 of the Laws of Hong Kong)
- Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)

Environment

- Public Health and Municipal Services Ordinance (Cap. 132 of the Laws of Hong Kong)
- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong)
- Air Pollution Control Ordinance (Non-road Mobile Machinery) (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong)
- Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N of the Laws of Hong Kong)
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)
- Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)
- Code of Practice on Good Management Practice to Prevent Violation of the Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong) (for Construction Industry)
- Dumping at Sea Ordinance (Cap. 466 of the Laws of Hong Kong)
- Environmental Impact Assessment Ordinance (Cap. 499 of the Laws of Hong Kong)

PERFORMANCE DATA TABLE

Key Performance Indicators	Unit	2019	2020	2021
Environmental				
Air and GHG Emissions				
Nitrogen Oxide Emissions	kg	276.2	104.43	142.07
Sulphur Oxide Emissions	kg	0.53	0.31	0.51
Particulate Matter Emissions	kg	22.57	9.97	13.57
GHG Emission – Scope 1	tCO ₂ -e	88.94	53.84	88.21
GHG Emission – Scope 2	tCO ₂ -e	44.52	42.32	48.23
GHG Emission – Scope 3	tCO ₂ -e	27.55	27.87	25.52
Total GHG Emissions (Scope 1 – 3)	tCO ₂ -e	160.01	124.03	161.96
GHG Emission Intensity by Area (warehouse included)	tCO ₂ -e/m ²	0.046	0.034	0.051
GHG Emission Intensity by Area (warehouse excluded)	tCO ₂ -e/m ²	0.417	0.341	0.448
GHG Emission Intensity by Workforce	tCO ₂ -e/person	N/A	N/A	1.64
Energy Use				
Petroleum	Litre	6,370.37	4,132.34	4,813.57
Diesel	Litre	27,057.78	15,385.49	27,420.12
Towngas ³	MJ	9,648.00	7,536.00	N/A
Electricity	kWh	76,620.00	75,635.00	130,361.20
Total Energy	MJ	N/A	N/A	1,689,356.60
Energy Intensity by Workforce	MJ/person	N/A	N/A	17,064.21
Water				
Water	m ³	308.74	187.00	2,617.40
Water Intensity by Workforce	m ³ /Person	N/A	N/A	26.44

³ Towngas is not reported in this Reporting Period due to the removal of director's quarter from the reporting scope

PERFORMANCE DATA TABLE

Key Performance Indicators	Unit	2019	2020	2021
Environmental				
Waste				
Paper Consumption	kg	5,701.74	5,782.00	5,595.87
Paper Recycling	kg	2,544	479	510.00
Paper Disposed	kg	3,157.74	5,303.20	5,085.87
Paper Disposal Intensity	kg/person	N/A	N/A	51.37
Timber Consumption	m ³	7,476.22	8,538.29	17,836.20
Timber Recycling	m ³	Nil	180	Nil
Aluminium Consumption	Tonnes	685.10	1,017.91	1,598.22
Aluminium Recycling	Tonnes	144.35	291.97	319.66
Steel Consumption	Tonnes	2,138.27	1,542.38	3,318.68
Steel Recycling	Tonnes	942.23	1,404.85	1,173.64
Metal Consumption	Tonnes	165.28	301.92	569.52
Key Performance Indicators				
Social				
Direct Workforce				
Direct Workforce by Gender				
Male	Person	63	64	71
Female	Person	27	24	28
Direct Workforce by Age				
18 – 25	Person	9	4	8
26 – 35	Person	34	38	43
36 – 45	Person	26	20	20
46 – 55	Person	12	17	19
56 – 65	Person	9	9	9
Direct Workforce by Category				
Senior Management	Person	7	7	6
Middle Management	Person	17	17	18
General Staff	Person	66	64	73
Others	Person	N/A	N/A	2

PERFORMANCE DATA TABLE

Key Performance Indicators	Unit	2019	2020	2021
Social				
Indirect Workforce				
Indirect Workforce by Gender				
Male	Person	2,985	3,645	4,810
Female	Person	73	76	81
Indirect Workforce by Age				
18-65	Person	2,937	3,616	4,694
65 or above	Person	94	105	197
Indirect Workforce by Nationality				
Chinese Nationals	Person	2,791	3,343	4,066
Non-Chinese Nationalities	Person	240	378	825
Turnover Rate				
Total Turnover Rate	%	40.00	48.30	47.06
Turnover Rate by Gender				
Male	%	31.90	42.50	38.52
Female	%	56.60	62.80	69.23
Turnover Rate by Age				
18 – 25	%	73.70	85.70	112.44
26 – 35	%	37.90	45.70	43.04
36 – 45	%	33.30	57.10	35.89
46 – 55	%	45.50	22.20	45.69
56 – 65	%	21.10	33.30	33.38
Turnover Rate by Employee Category				
Senior Management	%	0.00	0.00	15.38
Middle Management	%	29.60	11.80	5.71
General Staff	%	46.00	63.10	61.31
Others	%	0.00	0.00	0.00
Training and Development				
Total Training Hours	Hours	938.80	743.50	971.50
Average Training Hours	Hours/employee	10.40	8.50	9.91

PERFORMANCE DATA TABLE

Key Performance Indicators	Unit	2019	2020	2021
Social				
Percentage of Employees Trained by Gender				
Male	%	65.10	29.20	32.29
Female	%	48.10	43.50	35.71
Percentage of Employees Trained by Employment Category				
Senior Management	%	71.40	42.90	50.00
Middle Management	%	76.50	17.80	33.33
General Staff	%	54.50	35.90	32.00
Others	%	N/A	N/A	N/A
Average Training Hours by Gender				
Male	Hours/employee	13.40	10.00	12.36
Female	Hours/employee	3.50	4.00	3.13
Average Training Hours by Employment Category				
Senior Management	Hours/employee	78.10	24.00	42.17
Middle Management	Hours/employee	7.40	2.00	15.92
General Staff	Hours/employee	4.10	8.50	31.23
Others	Hours/employee	N/A	N/A	N/A
Work-related Incident⁴				
Work-Related Fatalities	Case	0	0	0
Work Injury Case	Case	18	29	59
Lost Days due to Work Injury	No. of Days	1,718	2,606	3,729
Work Injury Rate	Per 1,000 Employees	2.47	3.22	4.62

³ Towngas is not reported in this Reporting Period due to the removal of director's quarter from the reporting scope

⁴ Inclusive of both direct workforce and indirect workforce.

ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs

Description

Relevant Chapter or Explanation

A. Environmental

Aspect A1: Emissions

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.	Environment – Sustainable Resource Management P. 32-P. 36, Impact of Operations on Local Community P. 36-P. 40; Laws and Regulations P. 41
KPI A1.1	The types of emissions and respective emissions data.	Environment – Impact of Operations on Local Community P. 36-P. 40
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment – Impact of Operations on Local Community P. 36-P. 40; Performance Data Table P. 42-P. 43
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The production of hazardous waste continues to be insignificant when compared to other non-hazardous waste generated by our Group. Hence, we currently do not have a centralised monitoring system to record the amount of hazardous waste we produce.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment – Sustainable Resource Management P. 32-P. 36; Performance Data Table P. 42-P. 43
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	The Group shall consider analysing emission patterns, and implementing reduction targets, where material.

ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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.	Environment – Sustainable Resource Management P. 32-P. 36 The Group shall consider analysing material waste records, and implementing reduction targets, where material.
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment – Sustainable Resource Management P. 32-P. 36
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environment – Sustainable Resource Management P. 32-P. 36; Performance Data Table P. 42-P. 43
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environment – Sustainable Resource Management; Performance Data Table P. 36-P. 40
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	The Group shall consider analysing energy use efficiency patterns, and implementing reduction targets, where material.
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.	During the Reporting Period, the Group had no issue in finding a suitable water source. The Group shall consider analysing water efficiency patterns, and implementing reduction targets, where material.

ESG REPORTING GUIDE CONTENT INDEX

Aspects,

General Disclosures

and KPIs

Description

Relevant Chapter or Explanation

KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations does not involve the use of packaging for finished products.
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Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment – Sustainable Resource Management P. 32-P. 36, Impact of Operations on Local Community P. 36-P. 40
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KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment – Sustainable Resource Management P. 32-P. 36, Impact of Operations on Local Community P. 36-P. 40
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Aspect 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.	Environment – Impact of Operations on Local Community P. 36-P. 40
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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.	Environment – Impact of Operations on Local Community P. 36-P. 40
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B. Social

Employment and Labour Practices

Aspect B1: Employment

General Disclosure	Information on: <ul style="list-style-type: none"> (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. 	People – Protecting our Health and Safety P. 23-P. 26, Empowering our People P. 26-P. 28, Building a Better Life P. 28-P. 30; Laws and Regulations P. 41
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KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Data Table P. 43-P. 44
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KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Table P. 43-P. 44
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ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs

Description

Relevant Chapter or Explanation

Aspect B2: Health and Safety

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.	People – Protecting our Health and Safety P. 23-P. 26; Value Chain – Procurement Practices P. 20-P. 21; Laws and Regulations P. 41
KPI B2.1	Number and rate of work-related fatalities.	People – Protecting our Health and Safety P. 23-P. 26; Performance Data Table P.45
KPI B2.2	Lost days due to work injury.	People – Protecting our Health and Safety P. 23-P. 26; Performance Data Table P. 45
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	People – Protecting our Health and Safety P. 23-P. 26; Value Chain – Procurement Practices P. 20-P. 21

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People – Empowering our People P. 26-P. 28
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Table P. 45
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Table P. 45

ESG REPORTING GUIDE CONTENT INDEX

Aspects,

General Disclosures

and KPIs

Description

Relevant Chapter or Explanation

Aspect B4: Labour Standards

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People – Building a Better Life P. 28-P. 30
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People – Building a Better Life P. 28-P. 30
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People – Building a Better Life P. 28-P. 30

Operating Practices

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Value Chain – Supply Chain Management P. 19-P. 20, Procurement Practices P. 20-P. 21
KPI B5.1	Number of suppliers by geographical region.	Value Chain – Supply Chain Management P. 19-P. 20
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Value Chain – Supply Chain Management P. 19-P. 20, Procurement Practices P. 20-P. 21
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Risk Management P. 8-P. 9, Value Chain – Supply Chain Management P. 19-P. 20, Procurement Practices P. 20-P. 21
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Value Chain – Procurement Practices P. 20-P. 21

ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs

Description

Relevant Chapter or Explanation

Aspect B6: Product Responsibility

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Business – Ethical Business Behaviour P. 14-P. 15
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Nil
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Business – Ethical Business Behaviour P. 14-P. 15
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business – Ethical Business Behaviour P. 14-P. 15
KPI B6.4	Description of quality assurance process and recall procedures.	Business – Ethical Business Behaviour P. 14-P. 15
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Business – Ethical Business Behaviour P. 14-P. 15

ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs

Description

Relevant Chapter or Explanation

Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business – Ethical Business Behaviour P. 14-P. 15; Laws and Regulations P. 41
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.	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business – Ethical Business Behaviour P. 14-P. 15
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business – Ethical Business Behaviour P. 14-P. 15

Community

Aspect 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.	People – Building a Better Life P. 28-P. 30
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	People – Building a Better Life P. 28-P. 30
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	People – Building a Better Life P. 28-P. 30