

Hong Kong 香港 | Macau 澳門



Lai Si Enterprise Holding Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code:2266)



2021

Environmental, Social and Governance Report

CONTENT

About the Group	2
About the Report	3–4
ESG Governance	5–7
Stakeholder Communication	8–10
Our Talent Management Approach	11–19
Our Operation Management Approach	20–26
Our Environmental Management Approach	27–35
Our Social Management Approach	36
Looking Forward	37
Appendix	38–45
Key Performance Indicators Summary	38–41
Environmental Key Performance Indicators	38
Social Key Performance Indicators	39–41
HKEx ESG Reporting Guide Content Index	42–45



ABOUT THE GROUP

Lai Si Enterprise Holding Limited (the “Company”), together with its subsidiaries (the “Group”), has over 30 years of experience in the fitting-out, repair and maintenance services for general construction and heritage conservation in Macau and Hong Kong. The Group provides services to companies in various industries, such as hospitality, leisure, retail and catering. During the year ended 31 December 2021, the Group completed 25 projects and was awarded 23 projects.

Given that the coronavirus pandemic had been gradually under control, the society has developed a “new normal” while the global economy also experienced slow recovery. Challenges brought by the outbreak of coronavirus has reflected the importance of sustainability. For sustainable development being a long-term goal of the Group, it has been incorporating the concept in its business operation and management which has therefore allowed it to adapt and address the arising risks and instabilities from the pandemic in a responsive manner. Along with its corporate development, during the Year, the Group has continued to maintain satisfactory ESG performance in terms of operation compliance, quality service provision, commitment to environmental protection and community investment. With this, the Group is committed to improve its ESG management to meet the needs of its customers and the society, and promote sustainable development.



ABOUT THE REPORT

This is the sixth Environment, Social and Governance Report (the “Report”) published by the Group. The Report aims to disclose the commitments and management approaches in relation to the Group’s environmental, social and governance (“ESG”) responsibilities, and includes its sustainability measures and performance for the period from 1 January 2021 to 31 December 2021 (the “Year”). It is prepared both in Chinese and English, and is available on the website of the Hong Kong Exchanges and Clearing Limited (the “HKEx”) and the Group’s website (<https://www.lai-si.com/>).

REPORTING BOUNDARY

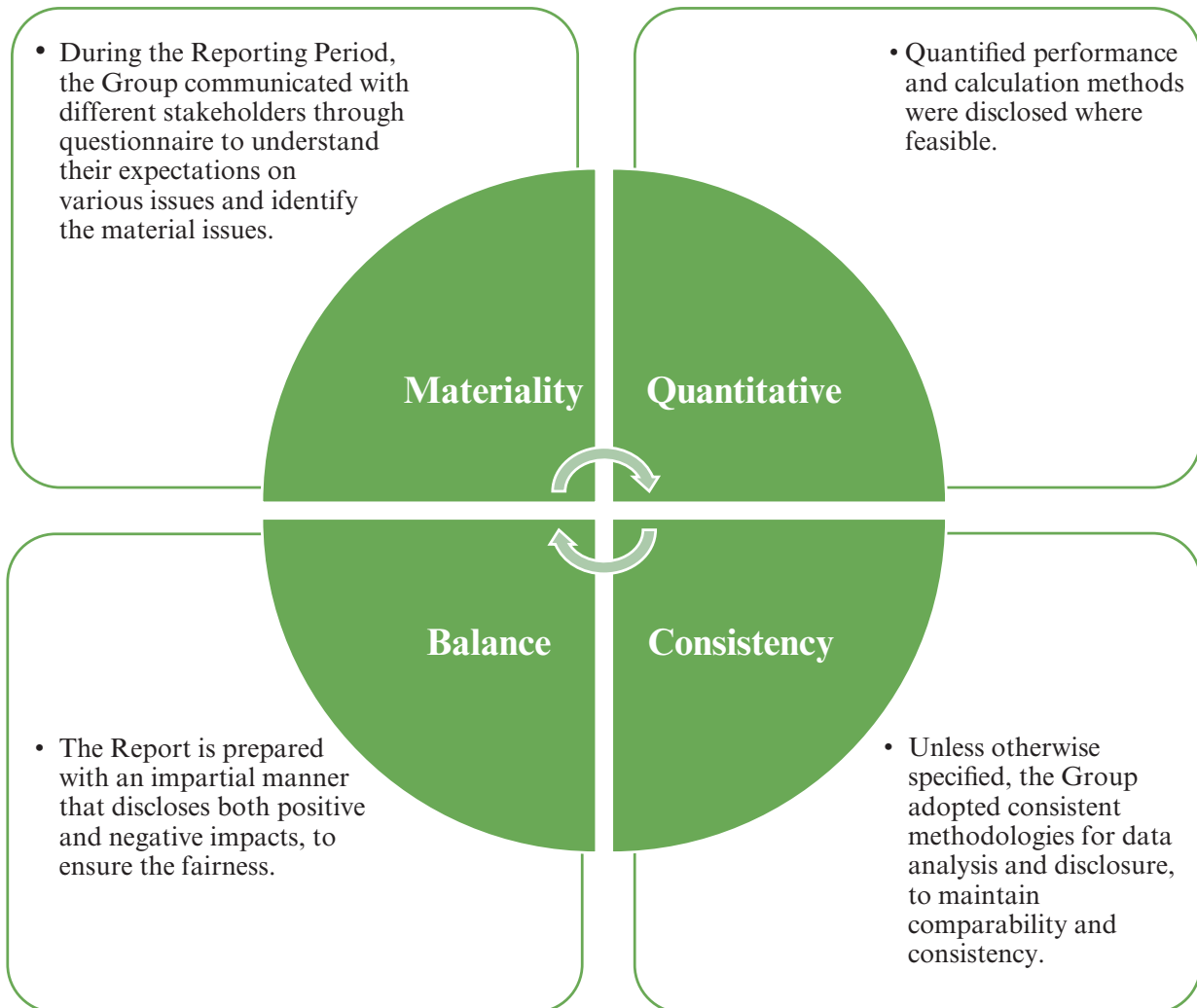
This Report focuses on the major business operation in Macau and Hong Kong, including fitting-out works, construction works, and repair and maintenance works. Meanwhile, the environmental key performance indicators (“KPIs”) are further restricted to the Group’s corporate offices in Macau and Hong Kong. To further improve the accuracy and comprehensiveness of data for future reporting, the Group is committed to continuously advance the data disclosure system and facilitate thorough understanding on its ESG performance.

REPORTING PRINCIPLES

The Report is prepared in accordance with the four principles, namely materiality, consistency, balance and quantitative, as set out in the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) at Appendix 27 of the Main Board Listing Rules of the HKEx.



ABOUT THE REPORT



OPINION AND FEEDBACK

The Group believes different parties' opinions can help improve ESG performance and governance. If you have any feedback or questions regarding the Report and other ESG matters, please contact the Group through the following channels:

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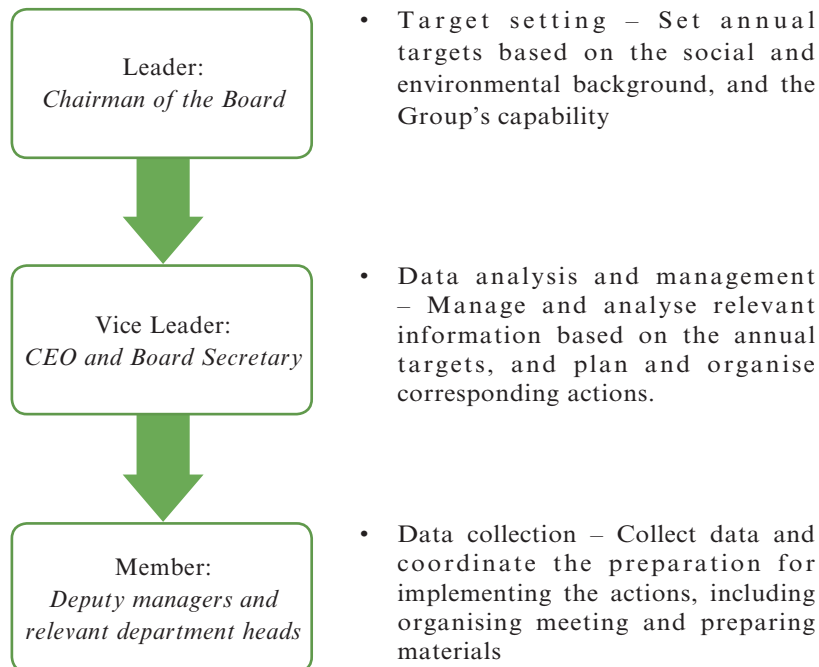


ESG GOVERNANCE

The Group attaches considerable attention to achieve sustainability in its business and therefore devotes effort to maintain satisfactory ESG governance. To ensure the competency and performance of its ESG policies and relevant actions taken, the Group has established the ESG Working Group as a complete governance structure in relation to ESG issues.

Ultimate responsibility for the Group's ESG matters rests with the Board, including monitoring the development and implementation of ESG strategies, targets and policies, risk assessment and management, and stakeholder engagement. In promotion of effective and systematic ESG management, the Board has delegated relevant day-to-day responsibilities to its committees and management. The Audit Committee is responsible for evaluating the effectiveness of risk management and internal control system and reports to the Board on a regular basis. To support the Board on ESG matters, members of the ESG Working Group properly implements relevant policies and measures, and provide suggestion and assistance for the development and management of ESG targets and performance.

Structure of ESG Working Group



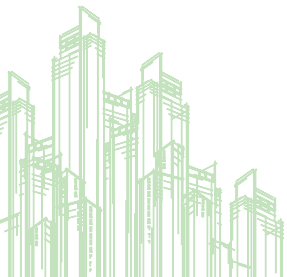
ESG GOVERNANCE

ESG RISK MANAGEMENT

Good risk management helps build the foundation of corporate sustainable development. With the stewardship of the Board, the Group has developed a risk management framework and formulated comprehensive risk management procedures. It allows the Group to timely identify, assess and manage material risks with the consideration of risk nature.

	Considerations	Management approach
Risk management procedures	Severity of the risk impact on the Company's financial performance.	<p>Risk elimination:</p> <ul style="list-style-type: none"> Implementing changes or controls to eliminate the risk.
		<p>Risk mitigation:</p> <ul style="list-style-type: none"> Formulating and implementing risk management plan to reduce the likelihood, velocity or severity of the risk to an acceptable level.
	Probability of risk occurrence.	<p>Risk retention:</p> <ul style="list-style-type: none"> Monitoring and managing the risk within acceptable level continuously and accounting it as part of the risk management plan.

During the Year, the Group identified and managed the following ESG related material risks. Relevant measures have been formulated and adopted to address the risks so as to reduce potential negative impacts to the Group.



ESG GOVERNANCE

Types of risks	Risk description	Corresponding measures
Human resources risk	Risk of labour shortage due to over reliance on foreign labour, resulting in project delay and increased labour cost.	<ul style="list-style-type: none"> • Revise the employment system to maintain a reasonable balance between foreign labour and local labour. • Regular examination on the validity of license and application for labour quota.
Hazardous loss risk	Epidemic control and prevention measures interrupt business operation, causing project delay, rising cost for monitoring and procurement.	<ul style="list-style-type: none"> • Continue to implement and enhance prevention measures complying with local authorities in maintaining high level of hygiene and avoiding the spread of disease.
Compliance risk	Insufficient understanding of oversea laws and regulations may face the risk of litigation.	<ul style="list-style-type: none"> • Develop compliance procedures when planning oversea business expansion to ensure thorough understanding.
Information security risk	Deficiency in information protection measures undermine the confidentiality of company and customer information.	<ul style="list-style-type: none"> • Revise and improve the standard and accountability system for information security measures to ensure comprehensive protection.



STAKEHOLDER COMMUNICATION

The Group values stakeholders' concerns and expectations to the Group's business. With the identification of actual or potential risks and opportunities, engaging stakeholders' opinions can contribute to the business performance and sustainable development of the Group. The Group therefore strives to sustain effective communication and long-term relationship with its stakeholders through various channels. Correspondingly, their opinions are valued and served as a guide in the formulation of business directions and strategies for the Group.

COMMUNICATION CHANNELS

During the Year, the Group has continued to communicate with different key stakeholder through the following channels:

Employees	<ul style="list-style-type: none"> • Create two-way communication channels for both parties to interpret and respond to expectations on a routine basis through regular meetings, emails, etc.
Shareholders/Investors	<ul style="list-style-type: none"> • Update shareholders and investors on the Group's business and understand their viewpoints through the Annual General Meeting and Extraordinary General Meeting.
Suppliers	<ul style="list-style-type: none"> • Periodically rate and collect feedback from suppliers to ensure the quality of services and products provided reach the standards of both parties.
Customers	<ul style="list-style-type: none"> • Collect customer opinions on service and operation to understand their needs and expectations.
Community	<ul style="list-style-type: none"> • Organise and participate in activities, such as voluntary works, sharings and material donations, to support community development.



STAKEHOLDER COMMUNICATION

MATERIALITY ASSESSMENT

To further understand and align with the views and expectations of its stakeholders, the Group had commissioned an independent consultancy to conduct a questionnaire survey during the Year. After undergoing data analysis, the resulting materiality assessment helps the Group in identifying material environmental and social issues to its businesses and stakeholders.



Identification

- Identify issues relevant to the Group’s business based on the reporting guide and market trend.



Prioritisation

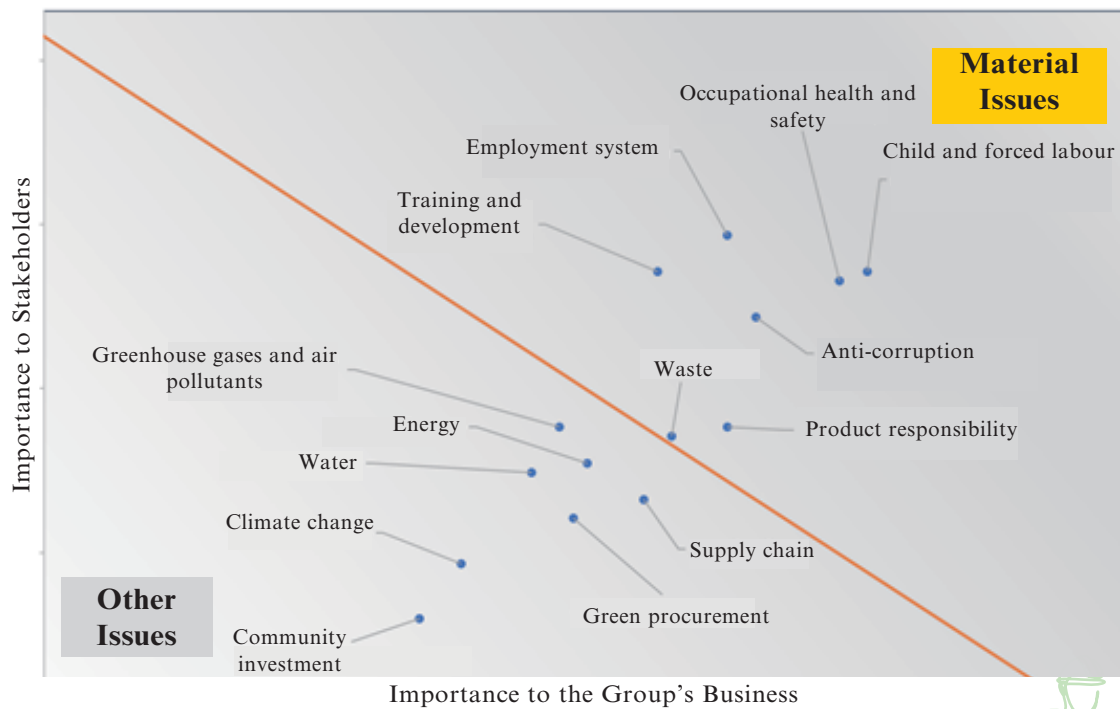
- Invite internal and external stakeholders to conduct questionnaire.
- Analyse and assess materiality of each issue to identify the material issues.



Validation

- Present materiality assessment results to senior management and the Board for review and confirmation.

The Group invited both internal and external stakeholders, including employees, board members, suppliers and customers to conduct questionnaires. Stakeholders were asked to rate the importance of 14 environmental and social related issues to them personally and to the Group’s business, ranging from 4 aspects of Environmental Protection, Employment and Labour Practices, Operation Practices, and Community. Based on the result, 7 material issues were identified as the most material issues to the Group’s ESG reporting and strategy development. In the future, the Group will expand the number of participants to enhance the representativeness of the survey in an effort to promote overall performance.



STAKEHOLDER COMMUNICATION

Material issues

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

Other issues

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



OUR TALENT MANAGEMENT APPROACH

The Group regards its employees as its valuable asset given that the professionalism, initiative and cohesiveness of employees determine the success and sustainable development of the Group. Advocating a people-oriented approach, the Group strives to provide safe, healthy and equal working environment with appropriate treatment to its employees. It is also committed to encourage employee development through offering different opportunities and maintaining a respectful and diverse corporate culture.

RESPECTFUL EMPLOYMENT ENVIRONMENT

Policies	Laws & Regulations
<ul style="list-style-type: none"> • <i>Staff Handbook</i> • <i>Human Resources and Payroll Policy</i> • <i>Management Regulations on the Ban on Using Child Labour and Underage Workers</i> • <i>Management System for the Ban on Forced Labour</i> 	<p>Macau:</p> <ul style="list-style-type: none"> • <i>Labour Relations Law</i> <p>Hong Kong:</p> <ul style="list-style-type: none"> • <i>Employment Ordinance</i> • <i>Employee's Compensation Ordinance</i> • <i>Occupational Safety and Health Ordinance</i> • <i>Minimum Wage Ordinance</i>
Aims & Objectives	
<ul style="list-style-type: none"> • To achieve compliant and effective management • To support the Group's protection to the legal rights and interests of its employees in various aspects such as recruitment, promotion and dismissal, compensation and welfare, working hours and holiday, equality and diversity etc. • To assure employees that they are fully aware of their rights and obligations by stating clear definition and description for the terms of employment in the documents 	

The Group considers as the establishment of a comprehensive employment system as one of the principles in its operation. Maintaining the fairness and equity of the system demonstrates the social commitment of the Group. To meet higher standards of the employment system, the Group is committed to conduct review and assessment regularly in which constant improvement can be made to retain employees' satisfaction.



OUR TALENT MANAGEMENT APPROACH

Recruitment, Promotion and Dismissal

- In accordance with their employment needs, departments submit recruitment request. Upon approval, the Human Resources Department and applying department are jointly responsible for recruitment and interview;
- Legal recruitment through job advertisement in the Labour Affairs Bureau, public notice, human resources companies, employee referrals, etc.;
- Strict adherence to the principles of fairness, impartiality, openness and non-discrimination applies throughout the process. All employment decisions are determined by one's skill level;
- Based on the performance assessment of employee, promotion is initiated during every financial year end as an encouragement to employee. Upon confirmation by the department manager and directors, relevant employee will receive a notice from the Human Resources Department;
- Dismissal is in strict compliance with the laws and regulations of the jurisdictions where the Group operates; and
- Termination Agreement/Resignation Letter is signed by manager/director and employee, copies are kept for each party.

Compensation and Welfare

- The Group offers employees a competitive basic salary and benefits package, including year-end bonus, insurance benefit, Mandatory Provident Fund;
- Employee salary is based on each employee's qualification, relevant experience, position and seniority;
- Based on the performance assessment of employee, salary increment is initiated during every financial year end. Upon approval by the department manager and directors, relevant employee will receive a notice from the Human Resources Department; and
- Periodically review and adjustment will be conducted to ensure the provision of reasonable compensation and welfare.



OUR TALENT MANAGEMENT APPROACH

Working Hours and Rest Periods

- Entitled working hours and holiday are clearly stated in the employment contract to provide proper arrangement of rest periods;
- The Human Resources Department will check on attendance record in a monthly basis; and
- Employees are granted with leaves including annual leave, sick leave, marriage leave, compassionate leave, etc., which Leave Application is required for approval.

Equal Opportunity, Diversity and Anti-discrimination

- The Group is committed to offering equal opportunity and respecting differences in, but not limited to, gender, age, marital status, family conditions, sexual orientation and race;
- All employment treatments are based on the attitudes, skills and abilities of employees;
- In establishment of a diverse management and workforce, the Group has developed a *Board Diversity Policy*, advocating the recruitment of members with different gender, age, cultural and educational backgrounds;
- All types of discrimination and harassment should not be tolerated. If employees are discriminated against or treated unequally, they can report to the senior management and department through channels, such as the “Opinion Box”. Internal investigation will be carried out and penalties will be imposed on those involved. The results will also be published for acknowledgement; and
- The Group conduct review on relevant policies regularly to facilitate improvements in due course.

The Group protects children’s right to education and safety by prohibiting all forms of child labour. All employees need to meet the minimum legal employment age in Macau and Hong Kong, any child under the age for 15 is prohibited from employment. During recruitment, the Human Resources Department is responsible for supervising the applications, including confirming the authenticity of the identity documents from applicants. As a further prevention, the Group provides training to its employee so as to educate and raise awareness on eliminating child labour. The Group rigidly complies with all relevant regulations and requirement in terms of recruitment, employment and work arrangement. If a suspicious case is detected, employee needs to contact and validate with local authorities. Upon the discovery of involving child labour, the Group will implement remedial measures, including sending the child to the police or place of residence, seeking for confirmation and signature from his/he parents or guardians. The Group will also pursue legal actions if necessary.



OUR TALENT MANAGEMENT APPROACH

To safeguard the legal labour rights and voluntary employment for all employees, the Group strives to eradicate all types of illegal and unethical punishment and forced labour. As stipulated in the *Management System for the Ban on Forced Labour*, forced or involuntary labour in all forms of threats, coercion, imprisonment, withholding of identity documents, etc, should be impeded. All relevant employment conditions are clearly stated in the employment contract, in which translated version is provided to foreign employee, to facilitate thorough understanding on rights and obligations.

In addition, overtime work should be voluntary, punishment or termination is not allowed if employee is unwilling to work overtime. Employee also needs to provide a written record for confirmation from the department head or project manager. The Group provides overtime pay or compensation accordingly. Employee can arise complaint for unethical or forced labour, verbally or in written form, to the Human Resources Department, manager, director, or other possible channels. Accordingly, investigation and response will be given within one week.

As at 31 December 2021, the Group had 146 employees, including 136 employees in Macau and 10 employees in Hong Kong. All employees were full time employees, of whom 121 were male and 25 were female. The turnover rate was 29.5%, including 28.1% of male and 36% of female.

Number of employees		2021
<i>Gender</i>	Male	121
	Female	25
<i>Age group</i>	Below 30 years old	12
	30-40 years old	31
	41-50 years old	47
	Above 50 years old	56
<i>Employment type</i>	Full-time	146
	Part-time	0
<i>Geographical region</i>	Macau	136
	Hong Kong	10
<i>Employment category</i>	General employees	128
	Middle management	11
	Senior management	3
	C-level executives	4
Total		146

Apart from employees, 47 workers were employed as additional workforce provided by subcontractors at the Group's project sites. All workers were located in Macau and worked on a full-time basis, of which 45 were male and 2 were female.



OUR TALENT MANAGEMENT APPROACH

Number of other workers		2021
<i>Gender</i>	Male	45
	Female	2
<i>Age group</i>	Below 30 years old	1
	30-40 years old	12
	41-50 years old	9
	Above 50 years old	25
Total		47

During the Year, there was no non-compliance case in relation to employment within the Group.

SAFE AND SUPPORTIVE WORKPLACE

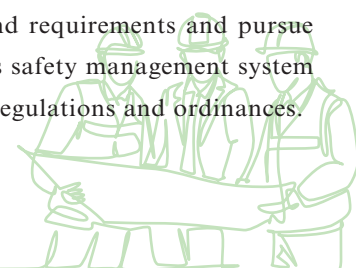
Occupational Health and Safety

Policies	Laws & Regulations
<ul style="list-style-type: none"> • <i>Industrial Safety Management Plan</i> • <i>Inhouse OSH Guidelines</i> • <i>Operation Monitoring Procedures (Environment, Occupational Safety and Health Management)</i> • <i>OHS Risk Analysis</i> • <i>Emergency Preparedness and Response</i> 	<p>Macau:</p> <ul style="list-style-type: none"> • <i>Decree No. 57/82/M</i> • <i>Law No. 2/83/M</i> • <i>Decree No. 37/89/M</i> • <i>Decree No. 13/91/M</i> • <i>Decree No. 44/91/M</i> • <i>Decree No. 67/92/M</i> • <i>Decree No. 34/93/M</i> • <i>Decree No. 48/94/M</i> • <i>Law No. 3/2014</i> • <i>International Labour Organisation Conventions</i> applicable to Macau <p>Hong Kong:</p> <ul style="list-style-type: none"> • <i>Occupational Safety and Health Ordinance</i>

Aims & Objectives

- To achieve compliant and effective safety management for employees
- To highly safeguard a safe and healthy workplace for employees

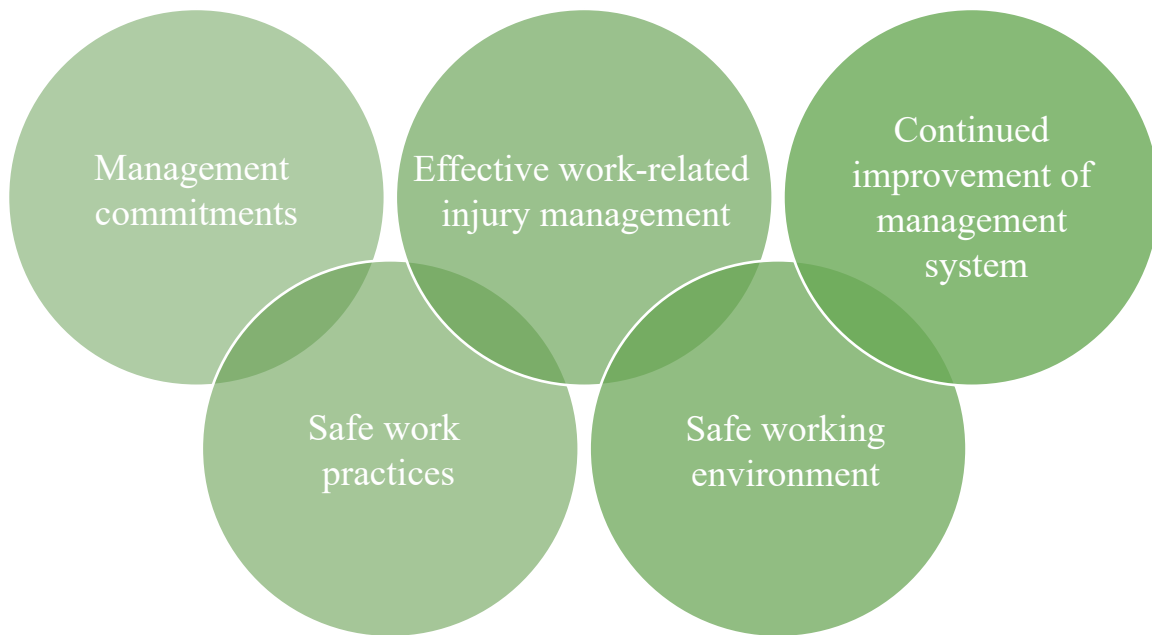
Not only does securing occupational health and safety of all employees and workers is the primary responsibility of a company, but it also has critical impacts to the long-term stability and sustainable development of the Group given its business nature. For that, the Group is committed to maintain high standards and requirements and pursue continuous improvement in fostering a health and safety culture. The Group has aligned its safety management system for construction and fitting-out projects to ISO45001:2018 standard, as well as all relevant regulations and ordinances.



OUR TALENT MANAGEMENT APPROACH

The Group realizes a comprehensive safety management through clear delegation of responsibilities. Senior representatives from the Administration Department, Project Management Department and Safety Management Department form the Health and Safety Committee. It is responsible for regularly reporting the results of safety assessment, any accident situations and potential risks to the senior management and the Board. The members also have the responsibility to formulate health and safety policies and guidelines, monitor the performance of departments, promote education and training, and advance health and safety management capabilities within the Group. On a regular basic, the Committee supervises the working environment of construction sites and the implementation of related policies and measures.

To put the goal of zero work-related injuries in practice, the Group has identified 5 major aspects of occupational safety tasks. This helps relevant departments or units to formulate applicable and effective measures for minimizing and preventing potential risks.



OUR TALENT MANAGEMENT APPROACH

In terms of risk avoidance, the Group conducts regular safety assessments following the *OHS Risk Analysis*. After classifying the risks according to their consequences, likelihood of occurrence and legal regulation, it adopts with corresponding controlling, improving and preventive measures. Regular evaluation on current systems and measures further reduces potential risks from happening. To reinforce the protection to employees' health and safety, the Group arranges compulsory occupational training to all employees. By raising awareness on health and safety and technique in equipment operation, employees are well equipped to perform their duties safely. While the Occupational Safety Card also serves as a verification for employees' working eligibility, the Group also offers medical insurance and compensation insurance as additional guarantee.

The *Emergency Preparedness and Response* has been established to respond to the identified accidents, potential and emergency situations, and for preventing and mitigating the associated risks or adverse impacts. When practicable, the Group tests the emergency procedures periodically. For example, in any case of injury, the Group reports all types and levels of accidents immediately and takes necessary actions, including support provision, investigation and correction, to prevent the occurrence of same or similar injuries.

As COVID-19 continued to undermine the health of employees, the Group implements appropriate measures to protect them from infection. To maintain good hygiene, all employees are required to wear face masks to work and use hand sanitizers that are available at the entrances of each floor. The Group also displays posters on individual COVID-19 precautionary measures at the prominent positions in its offices to enhance health and safety awareness of individuals during the pandemic.

During the Year, there were 2 cases of work-related injuries with 26 lost days. Besides, zero work-related fatalities had happened in the past three years. There was no non-compliance case related to the laws and regulations in relation to occupational health and safety within the Group.



OUR TALENT MANAGEMENT APPROACH

Training and Development

The Group supports the comprehensive and sustainable personal development of all employees, which is beneficial to its long-term development and competitiveness. The Group therefore actively provides different trainings to enrich the skills and competencies of its employees and encourages personal development.

As stated in the *Human Resources and Payroll Policy*, the Safety Department, Technical Department and HR & Administration Department are mandated to provide opportunities and encouragement for continuing training and development, in which resources are properly allocated based on employees' needs. The Group assist employees to acquire job-related skills and knowledge by arranging training on environmental and health and safety policies for all employees. This also ensures the implementation of policies and helps employees to develop safety and eco-friendly habits. For new employees to adapt to the working environment, the Group provides the *Staff Handbook* and induction training to facilitate understanding on the day-to-day operations, rules and regulations, and duties. Assessments are conducted after training to further ensure employee's understanding and performance. In support of personal growth, the Groups also conducts annual appraisal to evaluate the performance and competence of employees. It then promotes or makes salary adjustment according to their work ability.

During the Year, a total of 22 employees received training, representing 15.1% of the total number of employees, with an average training time of 9.89 hours per employee.

Average training time by gender	Unit: hours
Male	3.83
Female	6.06
Total	9.89
Total number of trained employees by employment category	Unit: person
General employees	18
Middle management	1
Senior management	0
C-level executives	3
Total	22



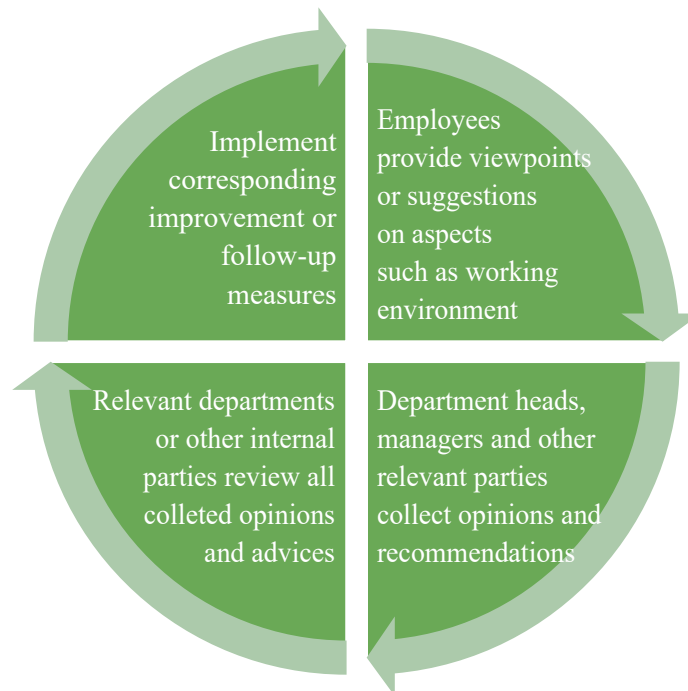
OUR TALENT MANAGEMENT APPROACH

Effective Internal Communications

In promotion of a comprehensive human resource management, it is important to maintain two-way communication and establish harmonious relationship with employees. The Group believes that showing its respect and concern for employees' opinions can contribute to the creation of a diverse and inclusive working environment, enhancing their sense of belonging and productivity. An open-minded corporate culture leads to creative business development directions and eventually benefit the operation and sustainability of the Group.

Other than regular meetings, the Group also develops different channels to foster communication. Employees are encouraged to express their viewpoints and suggestions to their department heads, managers, or other senior management via email, verbally or in written form, and other possible methods. Responsible parties, such as the Human Resources Department and managers, would take serious consideration on the information provided and proceed proper follow-up actions or improvements. In case of complaints regarding the management or the Group, employees can contact the Audit Committee for investigation. The Committee will correspondingly prepare a written report within 3 months and seek legal advice or report to the police if needed.

To ensure the freedom of speech, the Group secures the confidentiality of all information and protects employees from any punishment or harm for expressing their opinions.



OUR OPERATION MANAGEMENT APPROACH

To build trust with our clients and promote reputation of its businesses, the Group upholds the highest standards in conducting ethical transaction and operations, providing competent and safe services and maintaining a creditable monitoring system. The Group has established a systematic internal control and governance structure, and continuously promoted the business principles to its employees. These allows the Group to ensure all practices can fully comply with relevant legal and regulatory requirements, and hence maintain a healthy and ethical corporate culture.

OPERATION WITH INTEGRITY

Policies	Laws & Regulations
<ul style="list-style-type: none"> • <i>Code of Ethics and Conducts</i> in the <i>Staff Handbook</i> • <i>Disciplinary Policy</i> 	<p>Macau:</p> <ul style="list-style-type: none"> • <i>Penal Code</i> • <i>Prevention and Suppression of Bribery in Private Sector</i> <p>Hong Kong:</p> <ul style="list-style-type: none"> • <i>Prevention of Bribery Ordinance</i>

Aims & Objectives

- To maintain integrity and business ethics
- To provide clear definition of unethical behaviors, explanation on preventive, monitoring, and reporting measures, as well as appropriate procedures for commercial secrecy, conflicts of interest and company computer usage

Integrity is the cornerstone of business stability and sustainability. All forms of unethical transactions and operations, including but not limited to bribery, extortion, fraud and money laundering, are strictly prohibited.

To consolidate the Group's great emphasis on legal and ethical operations and transactions, additional systems and measures are implemented. For instance, the Group has regularly organized anti-corruption training to provide employees with information about applicable laws, regulations, ethics, and relevant guidelines related to their roles and responsibilities. Through education, employees are able to raise their awareness on anti-corruption and attain adequate skills and competencies, maintaining professionalism when handling cases. During the Year, employees has received 1 hours of anti-corruption training on average.

In addition, the Group has adopted preventive measures based on the characteristics of positions to minimize the risk of unethical operation. The implementation of shift work and team strategies aimed to avoid potential conflicts of interest and ensure fairness.



OUR OPERATION MANAGEMENT APPROACH

Shift work

Concern positions with a higher risk of corruption and periodically reassign relevant employees. This will increase mobility and decrease the risk of corruption.

Team strategy

Delegate non-affiliated employees to perform important and risky tasks, such as bid evaluations and supplier site visits, to lower the possibility for conflicts of interest and transfer of benefits.

In against any type of unethical behaviors, the Group has maintained constant monitoring and take corresponding actions to ensure the effectiveness and efficiency of corruption prevention measures. The Group has mandated the Human Resources Department to establish a whistle-blowing system, which a hotline and email account are set up for internal and external stakeholders to report any suspicious activities and internal control deficiencies. Responsible unit would keep close eye on the reporting channels and proceed immediate response to investigate reported cases. Regardless of the outcome of the investigation, the Group enforces stringent confidential protection to the personal information of the whistle-blower and the investigation information, to ensure there is no detriment of reporting suspected cases.

The Group's *Disciplinary Policy* clearly stated that in case of violation, employee may receive verbal or written warning, dismissal and report to local authority according to the severity of breaching and conviction.

During the Year, there was no non-compliance case related to the laws and regulations in relation to anti-corruption within the Group.



OUR OPERATION MANAGEMENT APPROACH

PRODUCT RESPONSIBILITY

Policies	Laws & Regulations
<ul style="list-style-type: none"> • <i>Staff Handbook</i> • <i>Integrated Management System Manual</i> • <i>Policy of Control of Records</i> • <i>Policy of Customer Satisfaction, Data Analysis and Continual Improvement</i> • <i>Corrective and Preventive Action</i> 	<p>Macau:</p> <ul style="list-style-type: none"> • <i>Decree No. 57/82/M</i> • <i>Law No. 2/83/M</i> • <i>Decree No. 37/89/M</i> • <i>Decree No. 13/91/M</i> • <i>Decree No. 44/91/M</i> • <i>Decree No. 67/92/M</i> • <i>Decree No. 34/93/M</i> • <i>Decree No. 48/94/M</i> • <i>Law No. 3/2014</i> • <i>Commercial Code</i> • <i>Macau Cybersecurity Law</i> • <i>International Labour Organisation Conventions applicable to Macau</i> <p>Hong Kong:</p> <ul style="list-style-type: none"> • <i>Intellectual Property Laws</i>

Aims & Objectives

- To define responsibilities, outline planning, support, operation, performance evaluation, internal audit and improvement procedures of product and service quality
- To provide monitoring measures and guidelines which apply to all stakeholders involved in the operation
- To facilitate acknowledgement and compliance to relevant laws and regulations
- To address and continue to enhance the quality of products and services by developing corrective and preventive measures

In strive to achieve the best quality of works in team quality to suit all needs of clients, the Group is committed to implement and polish an effective monitoring system for its professional ethics and service quality.

Regarding product and service quality, the Group has developed the *Integrated Management System (IMS)*, to ensure all products and services provided conform to specific requirements, and to manage relevant processes in accordance with ISO 9001, ISO 14001 and OHSAS 18001. Related IMS Policy would also be reviewed regularly during Management Review Meetings, to guarantee its continual effectiveness. Under systematic quality management, the Group is able maintain professional operation and reduce possible risks.



OUR OPERATION MANAGEMENT APPROACH

In protection of intellectual property right, customer privacy and data security, the Group has developed the policy of *Control of Records* under the IMS. Relevant monitoring measures and guidelines are made available in policies and measures, such as the *Staff Handbook*. Network and data privacy are further safeguarded through the installation of firewalls, real-time monitoring and periodic inspection. All download and use of software is strictly regulated, approval from the Intellectual Technology Department is needed to maintain the integrity and safety of computer hardware, software and information storage devices, preventing potential infringement on intellectual property rights and hacking threats. Also, data backup is done automatically and manually for security reasons. The Group has categorized all information and record into “General” and “Confidential”. Limited access is granted to secure customers information and data while disclosure of confidential information is rigorously prohibited.

Customer satisfaction is believed to be an important indicator for product/service quality. Under the IMS, the Group has developed measures concerning customer satisfaction and customer complaint handling. As stipulated in the policy of *Customer Satisfaction, Data Analysis and Continual Improvement*, responsible management and department are required to conduct client satisfaction measurement at least once a year to obtain continuous monitoring and improvement. Through collection and analysis of data from customer satisfaction surveys and other relevant performance information, evaluation and improvement would be made. With reference to the *Corrective and Preventive Action*, in case of receiving customer complaints, relevant departments would appropriately classify the opinion based on its authenticity and characteristics, and investigate and follow up the complaints in a time manner.

During the Year, the Group did not receive any customer complaints, customer data leakage and patent infringement cases against the Company or its employees, nor did it discover non-compliance case related to the laws and regulations in relation to product responsibility within the Group.



OUR OPERATION MANAGEMENT APPROACH

SUSTAINABLE SUPPLY CHAIN

Policies	Laws & Regulations
<ul style="list-style-type: none"> • <i>Subcontractor Working Guideline</i> • <i>Procedure on Management System</i> • <i>Quality System Procedure</i> • <i>Scoring Sheet for Subcontracting Suppliers</i> • <i>Quality Assurance Plan</i> • <i>Incident and Control of Non-conforming Procedures</i> 	<p>Macau:</p> <ul style="list-style-type: none"> • <i>Decree No. 57/82/M</i> • <i>Law No. 2/83/M</i> • <i>Decree No. 37/89/M</i> • <i>Decree No. 13/91/M</i> • <i>Decree No. 44/91/M</i> • <i>Decree No. 67/92/M</i> • <i>Decree No. 34/93/M</i> • <i>Decree No. 48/94/M</i> • <i>Law No. 3/2014 in Macau</i> • <i>International Labour Organisation Conventions applicable to Macau</i>
Aims & Objectives	

- To aid the selection of suppliers and subcontractors and risk management
- To set out clear quality management and control processes on construction and renovation project procedures
- To set out rating items of suppliers and subcontractors, covering their experience and past performance, existence of management system, environmental and OHS awareness, etc.
- To list appropriate requirements to regulate relevant duties, services, products and materials supplied are in compliance with relevant environmental and occupational safety regulations

As a responsible corporate, the Group advocates the sustainable management of supply chain in support of its provision of high-quality services. The Group therefore has established strict management of suppliers, subcontractors and project quality. Its IMS developed an array of policies, which serves as an assurance for meeting the standard requirements of the *Quality Management System*.

To determine the collaborating suppliers/subcontractors, the Group has mandated the General Manager to conduct evaluation. Compulsory on-site inspections and quality assessments of material and product samples also provide further verification for the evaluation. The evaluation record and lists of approved suppliers/subcontractors require confirmation from the Director before selection, employees in the quality control unit will then process the list properly. Furthermore, re-evaluation is needed to be carried out annually to ensure the suppliers/subcontractors can continue to fulfill the Group's requirement. If a supplier/subcontractor's scores less than 2 points in the *Supplier Assessment Record*, the Group will terminate its partnership.



OUR OPERATION MANAGEMENT APPROACH

In serve for service quality and traceability, the Group has established relevant procedures to instruct identification and maintenance for inspection and test status throughout the working processes. With indication of the conformance, nonconforming products are required to be further proceeded under the procedures stated in the *Incident and Control of Non-conforming Procedures*.

In addition to the tender and contract, the Group requests all cooperating suppliers to promise that they will comply with the *Subcontractor Working Guideline* by signing relevant documents.

During the Year, the Group employed a total of 506 suppliers in provision of materials and services, among which 54 and 17 suppliers obtained ISO 9000 and ISO 14000 system certification respectively.

Total number of suppliers		2021
By geographical region	Macau	266
	Hong Kong	67
	Mainland China	169
	Overseas	4
Total		506
Suppliers ratio		2021
By nature	Hardware	77.9%
	Service	22.1%

Through concise definition of relevant responsibilities and duties of employees and departments in its *Quality Assurance Plan*, the Group ensures the project progress and quality are up to the requirements. The following indicates the division of quality management:

Project Director	Project Manager
<ul style="list-style-type: none"> Regularly communicate with project managers and foremen to shorten the time for handling controversial issues; and Regularly assess safety issues and measures at the construction site with safety officers. 	<ul style="list-style-type: none"> Monitor the project condition to ensure that the progress and quality of project matches with the requirements stated in contracts; and Develop monitoring measures and ensure their implementation, and take appropriate actions in case of any non-compliance.
Project Coordinator	Safety Officer
<ul style="list-style-type: none"> Record and document all quality related issues; and Perform a final quality check on the project to confirm the requirements are fully fulfilled. 	<ul style="list-style-type: none"> Conduct routine safety assessment at the construction site and ensure that the projects satisfy the requirements in the safety control documents; and Provide employees with onsite safety training.



OUR OPERATION MANAGEMENT APPROACH

Green Procurement

The Group understands that the supply chain could bring about environmental, social and governance risks to its business operation. Given that the Group's *Integrated Management System Policy* is developed upon the requirements of ISO14001, its procurement guidelines and requirements has explicitly included the consideration of environmentally friendly products and practices. The Procurement Department also arranges environmental training for suppliers/subcontractors in which they are aware of the Group's policies as well as relevant management and requirements, encouraged to reduce their environmental impacts. The Group will continue to promote green practice in its procurement so as to lower environmental risks and improve its environmental performance. During the Year, approximately 490 suppliers had fulfilled the environmental requirements set by the Group.

During the Year, there was no non-compliance case related to the laws and regulations in relation to construction safety and quality within the Group.



OUR ENVIRONMENTAL MANAGEMENT APPROACH

In the past decade, the frequent occurrence of extreme weather has reflected the importance of taking active actions to combat climate change. Since 2020, related discussion and concern among international community and governments has been centered around net zero and carbon neutrality. The Group, as a responsible corporate, endorses the initiative for low-carbon transition in society and therefore further ensures its businesses are operated in a sustainable manner.

With the commitment to reduce its environmental footprint, the Group incorporates environmental protection into its operations and decision-making processes. Apart from meeting the basic environmental requirements to comply with environmental laws and regulations, the Group also has addressed the targets set in the *Environmental Protection Planning of Macao (2010-2020)* and systematically advanced its policies and measures to enhance its environmental performance.

By promoting efficient use of resources, managing the utilization of natural resources, waste and pollution reduction as well as coping with climate change, the Group strives to contribute to ecological and environmental protection.

CLEAN ENVIRONMENT

Policies	Laws & Regulations
<ul style="list-style-type: none"> • <i>Procedures to Identify Environmental Factors</i> • <i>Operating Procedures for Internal Environmental Regulations</i> 	<p>Macau:</p> <ul style="list-style-type: none"> • <i>Guideline for Waste Classification of the Environmental Protection Bureau</i> • <i>Decree No. 62/95/M</i> • <i>Decision No. 78/GM/95</i> • <i>Executive Order No. 4/2006</i> • <i>Administrative Regulation No. 24/2016</i> • <i>Law No. 2/91/M</i> • <i>Administrative Regulation No. 15/2016</i> • <i>Decree No. 44/91/M</i> • <i>Administrative Regulation No. 28/2004</i> • <i>Administrative Regulation No. 22/2020</i> <p>Hong Kong:</p> <ul style="list-style-type: none"> • <i>Waste Disposal Ordinance</i> • <i>Waste Disposal (Chemical Waste) (General) Regulation</i> • <i>Dangerous Goods Ordinance</i> • <i>Dangerous Goods (Application and Exemption) Regulation</i> • <i>Dangerous Goods (General) Regulations</i>

Aims & Objectives

- To assist the management and minimization of emissions and impacts to the environment



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Though it is unavoidable for the Group to prevent any environmental damage of its business, it takes its environment footprint into substantial account during its operation. The Group has developed policies to assist the management and minimization of emission. With identification and evaluation, the Group effectively controls the extent of its environmental impacts within acceptable boundary and avoid incurring serious risks. To help preserve the environment, the Group continually monitors its production of waste, air pollutants and greenhouse gases (GHG) and ensures local air, water and soil quality.

Waste

In its provision of construction and fitting services, the Group generates both non-hazardous waste and hazardous waste, such as wastepaper, solid waste and construction waste, oil paint, etc. Recognizing the obligation, it carefully handles and disposes the generated waste to lessen the environmental burden arouse from its operation. Apart from complying with the *Guideline for Waste Classification* of the Environmental Protection Bureau in waste disposal, the Group has advanced its waste management. The Group emphasizes the vision of “recycling and waste reduction at source”, and implements measures for reduction, resourcefulness, non-hazardousness.

Reduction	Resourcefulness	Non-hazardousness
<ul style="list-style-type: none"> • During project preparation, the project manager assesses the material usage and conducts phased purchase to maximise utilisation and minimise waste; and • Promoting digitalization in office operation for paper saving. 	<ul style="list-style-type: none"> • Categorizing waste into plastic bottles, aluminium cans, metal cans, paper, used batteries and other solid waste to facilitate recycling; and • Appointing a “wastepaper recycling coordinator” to promote and ensure effective methods and progress for recycling and reusing waste. 	<ul style="list-style-type: none"> • Central collection and storage of hazardous waste for delivery to certified recyclers to appropriately dispose the waste.

During the Year, the Group generated 2,148.66 tonnes of non-hazardous waste and 0 tonnes of hazardous waste. It recorded 14.717 and 0 tonnes per employees in terms of waste intensity respectively.



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Waste	2021	2020	2019	Unit
Total non-hazardous waste	2,148.66 ¹	1,205.68	0.16	tonnes
Non-hazardous waste intensity	14.717	8.258	0.004	tonnes per employees
Total hazardous waste	0	0	Not available	tonnes
Hazardous waste intensity	0	0	Not available	tonnes per employees

Air Pollutants and Greenhouse Gas Emissions

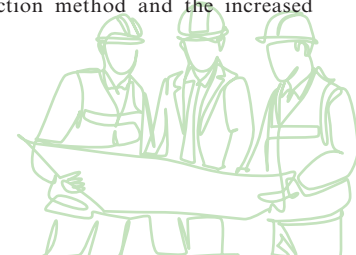
The Group places value upon air quality as it has significant implication to environmental preservation and public health, and therefore greatly concerns with air pollutants and GHG emissions. Especially for GHG, GHG emission amplifies greenhouse effect and contributes to climate change, bringing along numerous adverse impacts to the global environment and society.

The conventional activities and equipment involved, including vehicle usage and business travel, would cause discharge of air pollutants and GHGs by the Group. To curtail air pollution from harming the health of its employees and the public, the Group adopts various management measures following the *Procedures to Identify Environmental Factors* and *Operating Procedures for Internal Environmental Regulations*. Also, it refers to international and local emission reduction targets during the implementation processes so as to aid the transition to low-carbon operation. Close and on-going monitoring of air pollutants and GHG emissions, assignment of the “Energy Management Coordinator”, proper training and resources allocation, have continuously allowed the Group to attain considerable progress in managing and containing the emission.

During the Year, nitrogen oxides, sulphur oxides and respirable suspended particulates remain as the major air pollutants emitted by the Group. The resulting emissions were 1.950 kg, 0.008kg and 0.150kg, respectively. In terms of GHG emission, the Group was accounted for 88.2 tonnes of carbon dioxide equivalent emission, respenting 0.604 tonnes of carbon dioxide equivalent/employee as for the intensity.

During the Year, there was no non-compliance case related to the laws and regulations in relation to emissions within the Group.

¹ The increase in non-hazardous waste generated is mainly due to the improvement of data collection method and the increased consumption of disposable hygiene products in response to the outbreak of COVID-19



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Air pollutants ²	Unit – kg		
	2021	2020	2019
Nitrogen oxides	1.950	0.102	208.79
Sulphur oxides	0.008	0.008	10.22
Respirable suspended particulates	0.150	0.004	4.28

GHG emissions ³	2021	2020	2019	Unit
Scope 1 direct emissions ⁴	12.5	14.5	28.3	tonnes of carbon dioxide equivalent
Scope 2 energy indirect emissions ⁵	73.7	74.6	65.8	tonnes of carbon dioxide equivalent
Scope 3 other indirect emissions ⁶	1.9	1.3	4.3	tonnes of carbon dioxide equivalent
Total GHG emissions	88.2	90.4	98.4	tonnes of carbon dioxide equivalent
GHG emissions intensity	0.604	0.583	2.459	tonnes of carbon dioxide equivalent/employee

EFFICIENT RESOURCE USE

Policies

- *Operating Procedures for Internal Environmental Regulations*
- *Procedures to Identify Environmental Factors*

Aims & Objectives

- To minimize its negative impacts to the environmental and natural resources

The Group believes resource efficiency is the key strategy to achieve environmental protection. By minimizing waste and enhancing efficiency for resources usage in its operation, the Group ensures its environmental performance is in line with its pursuit for sustainable development. The Group embodies its aim of efficient resource use in its policies, including the *Operating Procedures for Internal Environmental Regulations* and *Procedures to Identify Environmental Factors*, facilitating responsible consumption of energy and water.

² It is calculated according to the *Guidance for Accounting and Reporting Corporate GHG Emissions*.

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

⁴ It includes GHG emissions from fixed source combustion, mobile source combustion and acetylene combustion.

⁵ It includes GHG emissions from purchased electricity from third parties.

⁶ It includes GHG emissions from business travel.



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Energy Consumption

Energy production and consumption are identified as critical sources of GHG emission causing severe environmental problems. As international communities and local governments have been progressively advocating rigorous energy management and energy consumption control, the Group has also aligned its energy policies with the relevant targets. Measures are developed and enforced to foster efficient energy consumption and emission reduction.

Facilities Enhancement

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

Clearly instruct appropriate usage and regular maintenance of air conditioning systems on a regular basis;

Periodic vehicle maintenance, and prioritize consideration on low fuel consumption and appropriate horsepower for vehicle usage; and

Replace reflective lighting design with direct lighting in public areas, corridors, etc., to the farthest possible extent.

Actions Improvement

Avoid prolonged engine idling to lessen oil consumption;

Strengthen vehicles management with work plans and road maps planning for vehicle usage, and maintain constant driving speed; and

Shut down unnecessary systems and equipment during non-office hours to reduce energy consumption from idle equipment.

Additional to the energy-saving measures, the Group has established a monitoring system on energy usage. The usage record is under regular supervision and review for the Group to keep track of the consumption condition. It helps enhance the effectiveness of energy management and improve energy consumption performance. The Group has assigned the Energy Management Coordinator in implementing related practices and coordinating necessary training and other resources in support of increasing the efficiency of energy use. Also, the continuous data collection would serve as a supplementary information to facilitate the Group in setting energy usage and reduction targets so as to further control its GHG emission and environmental burden.



OUR ENVIRONMENTAL MANAGEMENT APPROACH

During the Year, energy consumption of the Group was mainly sourced from purchased electricity. It recorded 91.3MWh in total energy consumption and 0.6MWh per employee for energy intensity.

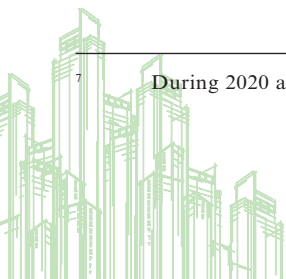
Energy consumption	2021	2020	2019	Unit
Acetylene ⁷	0	0	6.7	MWh
Petrol	0.04	22.6	101.0	MWh
Diesel	0	35.0	Not applicable	MWh
Electricity	91.3	95.8	74.5	MWh
Total energy consumption	91.3	153.4	182.2	MWh
Energy intensity	0.625	0.990	4.554	MWh/employee

Water Consumption

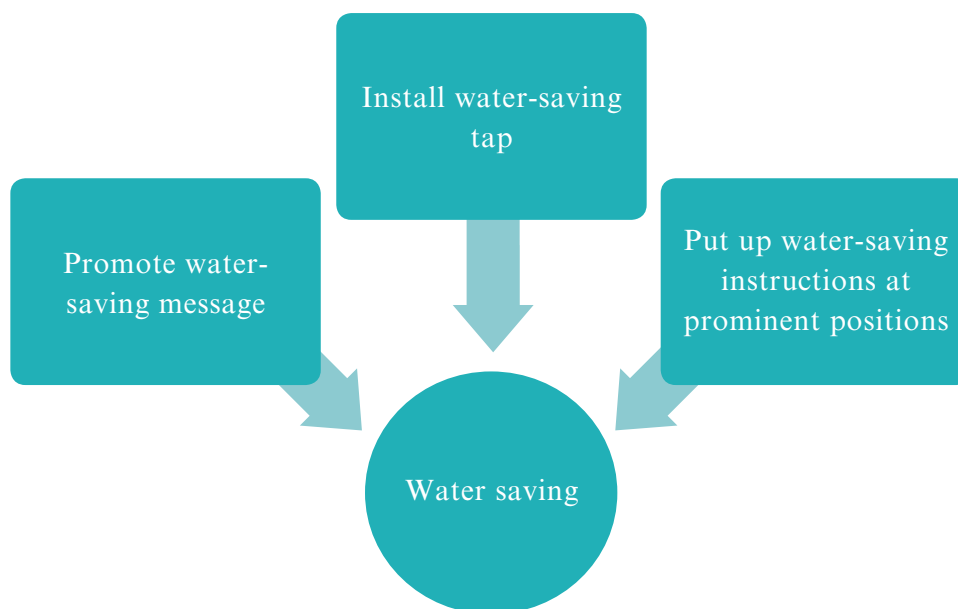
For water being the scarce yet necessary resources to human society, the Group considers promoting water conservation as one of its environmental responsibilities. It upholds the principle of sustainable consumption in water resource management.

With that, the Group has established and implemented a series of effective measures for water sustainability. In terms of usage, the Group raises awareness among employees by promoting water saving practices through poster and information provision, which serve as reminder to consume water with fitting purposes. To prevent exploitation of water resource, the Energy Management Coordinator is also responsible for performing relevant measures. Sufficient resources and training are allocated to monitoring water consumption and ensuring efficient utilization. These allowed the Group to avoid excessive water usage and waste and sustain water preservation.

⁷ During 2020 and 2021, there was no consumption of acetylene.



OUR ENVIRONMENTAL MANAGEMENT APPROACH



During the Year, the Group did not face any problems with water sourcing. The amount of water consumed accounted for 997 cubic metres in total, with 6.8 cubic metres per employee in terms of intensity.

Water consumption	2021	2020 ⁸	2019 ⁹	Unit
Total water consumption	997	1,770.0	Not available	cubic metres
Water Intensity	6.829	11.123	Not available	cubic metres per employee

ENVIRONMENT AND NATURAL RESOURCE

The Group acknowledges the impact of its business operations on the environmental and natural resources. With the establishment of the *Procedures for Internal Environmental Regulations* and related sustainability policies, the Group endeavors to minimize its negative impacts to the environmental and natural resources. For that, the Group has obtained ISO14001: 2015 certification and integrated the environmental practices in its management and operation. It also enforces constant monitoring and enhancement to ensure its service and management are environmentally compatible.

⁸ The data was not available in Hong Kong.

⁹ Relevant data is not disclosed because the Group was unable to collect accurate water consumption data from operation sites.



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Noise pollution generated during the projects is a major concern for the Group. The Group strives to lower the externalities by developing a work plan based on the nature and requirements of the project. Ensuring the project is line with the work plan and avoiding any delay help control the impact to the surrounding neighborhood within acceptable time. During construction, the Group also uses noise reduction facilities when applicable to reduce the disturbance.

To conserve natural resource, the Group incorporates environmental considerations into its procurement. Priority is given to environmentally friendly products, including products with eco-friendly labels or certifications, reusable products, and materials with low or zero environmental impact, in promoting green operation.

CLIMATE CHANGE

The Group understands climate change is a global issue that has critical impacts on every individual and organization. It also poses potential risks to its business operation, including increased severity of extreme weather events, sea level rising, chronic heat waves, and policy, legal, technological and market changes resulting from the transition to a lower-carbon economy. These risks may affect the Group's performance and add instability to its sustainable development. It is therefore necessary for the Group to identify the possible climate-related risks on its businesses. The Group has appropriately responded by establishing relevant measures and policies for mitigation and adaptation.

Potential climate-related risks and the Group's corresponding actions are listed below:

Climate risks	Impacts on operations	Corresponding actions
Extreme weather	Extreme weather, such as super typhoons and rainstorms, may destruct operational sites and cause injuries of employees.	<ul style="list-style-type: none"> Place equipment in a secure location, including storerooms and away from windows, to lessen the potential risks; Require both printed and electronic copies of all documents, and upload electronic versions to the server to prevent losing important documents; and Formulate policies of working under extreme weather and safety guidelines for employees to reduce their chances to be injured.



OUR ENVIRONMENTAL MANAGEMENT APPROACH

Climate risks	Impacts on operations	Corresponding actions
Severe weather	Frequent occurrence of severe weather may lead to project suspension and schedule delay.	<ul style="list-style-type: none"> • Formulate contingency plans prior to the start of a project to ensure workers and employees can make instant responses; and • Maintain a good communication with clients during the process. When a project is affected, the Group will explain and prepare a backup plan to minimize the consequence and seek understanding.
Flooding	The incidence of flooding increases due to sea level rise, rainstorms, and super typhoons, etc. It may impair construction materials, such as wood and concrete, leading to rising production costs and disturbing project progress. Besides, floodings may destroy the equipment and facilities built in the construction sites.	<ul style="list-style-type: none"> • Purchase materials for projects in batches to minimize deterioration from related environmental problems; • Require employees to keep materials to covered area. If the severe weather incurs high flooding risk, moving materials away from risky location and/or concealing with a waterproof cover to reduce the possibility to be affected; and • Formulate standard checking procedures for employees to work in the construction sites after flooding to ensure that all the equipment and facilities are safe to use.



OUR SOCIAL MANAGEMENT APPROACH

Aside from providing high quality services in business operation and development, the Group is also committed to fulfill its corporate responsibility in influencing and contributing to the communities where it operates. The *Provision on the Community Investment Management* is established to guide the Group's community investment activities and relevant resource allocation in a more systematic manner.

With the particular focus on social welfare and youth development, the Group has demonstrated its contribution through donations and other activities. During the Year, the Group invested about MOP\$21,000 to support different charities and organized 11 hours of youth activities in total.

The central and northern parts of Henan Province encountered extreme rainfall in 2021 summer, serious flooding caused extensive casualties and damages. The Group offered a helping hand for flooding relief. In support of relief operations and post-disaster recovery work in Henan, the Group utilized the donation to assist victims in the disaster-stricken areas to rebuild their homes and restore normal life.

The Group also continued its support of the youth policy by the Macau government during the Year. As the development of Greater Bay Area gradually proceeds, the Group strives to help young people prepare for the integrated development of the area and seize development opportunities. It coordinated the "Qin'ao Talent Program" organized by the Macau Youth Greater Bay Area Development Association. A delegation formed by different chairman, leaders and youth representatives had made visits to various landmarks in Hengqin. Seminars were arranged to share thoughts and deepen understanding on the economy, culture and policies of the Greater Bay Area, so as to facilitate further cooperation and exchange of young talents between Macao and Hengqin. At the same time, it joined in the 2nd Macau Greater Bay Area Youth Development Forum, promoting young people in Macau to participate in the development of Greater Bay Area actively.

In the future, the Group will continue to explore ways to leverage and align its resources in strives to facilitate community development and make positive impact to the society.



LOOKING FORWARD

In the past year, the epidemic and various extreme weather have brought different influences to the development of different industries. The Group understands that impacts brought by both climate change and the epidemic are irreversible to development of the industry and the Group, which the Group's development strategy should be reviewed from time to time to establish response plans for different situations, reduce potential negative impacts, and build the Group's ability for long-term development. In addition, China is actively driving the development of low-carbon economy this year, and the Group is also actively exploring various possibilities for low-carbon transformation, including establishing a green supply chain, and enhancing the environmental protection awareness of all employees, so as to establish a more effective carbon reduction plan for the Group.

Faced with the increasingly severe climate change, the Group is exposed to more risks when carrying out construction projects. The occurrence of severe weathers become more frequent, which may endanger the health and safety of employees at work. Besides, the construction projects may be more frequently affected by extreme weather, which require higher wind resistance or flood resistance than before. Moreover, the supply or price of raw materials may be affected due to climate change, which affects the Group's stable supply of materials for projects. Therefore, the Group will need to be more proactively prepared to deal with existing or potential risks and crises, and enhance the stability of business operations.

In addition, as the epidemic has continued to recur in the past year, the Group needs to adjust its existing operational arrangements according to the latest situation and pay attention to the safety of different personnel in response to the government's anti-epidemic measures. The Group will continue the effective anti-epidemic measures in the past, and at the same time strengthen the epidemic prevention management of construction sites, to comprehensively reduce the risk of the spread of the epidemic.

The Group will also continue the current social investment policy. By communicating with different communities and external stakeholders, and collecting their opinions, the Group can organize and participate in targeted social investment activities to provide the local communities with their needs, and thus improve the quality of life of residents. With supports from stakeholders, the Group can thus walk faster and further on the road to sustainability.



APPENDIX

KEY PERFORMANCE INDICATORS SUMMARY

Environmental key performance indicators		2021	2020	Unit
Air Pollutants	Nitrogen oxides	1.950	0.102	kg
	Sulphur oxides	0.008	0.008	kg
	Respirable suspended particulates	0.150	0.004	kg
GHG Emissions	Scope 1 – Direct GHG emissions	12.5	14.5	tonnes of carbon dioxide equivalent
	Scope 2 – Energy indirect emissions	73.7	74.6	tonnes of carbon dioxide equivalent
	Scope 3 – Other indirect emissions	1.9	1.3	tonnes of carbon dioxide equivalent
	Total GHG emissions	88.2	90.4	tonnes of carbon dioxide equivalent
	GHG intensity (by employees)	0.604	0.583	tonnes of carbon dioxide equivalent/employee
Waste	Total hazardous waste	0	0	tonnes
	Hazardous waste intensity (by employee)	0	0	tonnes/employee
	Total non-hazardous waste	2,148.66	1,205.68	tonnes
	Non-hazardous waste intensity (by employee)	14.717	8.258	tonnes/employee
Energy Consumption	Acetylene	0	0	MWh
	Petrol	0.04	22.6	MWh
	Diesel	0	35.0	MWh
	Electricity	91.3	95.8	MWh
	Total energy consumption	91.3	153.4	MWh
	Energy intensity (by employee)	0.625	0.990	MWh/employee
Water Consumption	Total water consumption	997	1,770.0	cubic metres
	Water intensity (by employee)	6.829	11.123	cubic metres/employee



APPENDIX

Social key performance indicators		2021	2020	2019
Number of employees				
Gender	Male	121	127	145
	Female	25	28	27
Age group	Below 30 years old	12	15	18
	30-40 years old	31	38	44
	41-50 years old	47	57	59
Employment type	Above 50 years old	56	45	51
	Full-time	146	155	172
	Part-time	0	0	0
Geographical region	Macau	136	146	Not available
	Hong Kong	10	9	Not available
Employment category	General employees	128	137	151
	Middle management	11	10	12
	Senior management	3	4	5
	C-level executives	4	4	4
Total		146	155	172
Employee turnover rate				
Gender	Male	28.1%	12%	53.1%
	Female	36%	0%	22.2%
Age group	Below 30 years old	25%	17%	111.1%
	30-40 years old	29%	16%	34.1%
	41-50 years old	14.9%	0%	49.2%
Employment type	Above 50 years old	42.9%	10%	37.3%
	Full-time	29.5%	12%	48.3%
	Part-time	0%	0%	0%
Geographical region	Macau	29.4%	3%	Not available
	Hong Kong	30%	25%	Not available
Employment category	General employees	32%	9%	Not available
	Middle management	9.1%	20%	Not available
	Senior management	33.3%	17%	Not available
	C-level executives	0%	0%	Not available
Total		29.5%	10%	48.3%



APPENDIX

Social key performance indicators		2021	2020	2019
Health and safety for employees				
Work-related injuries (employees)		2	3	4
Lost days due to work-related injuries (employees)		26	173	78
Work-related fatalities		0	0	0
Total workers				
Gender	Male	45	49	Not available
	Female	2	2	Not available
Age group	Below 30 years old	1	2	Not available
	30-40 years old	12	10	Not available
	41-50 years old	9	18	Not available
Employment type	Above 50 years old	25	21	Not available
	Full-time	47	51	Not available
	Part-time	0	0	Not available
Geographical region	Macau	47	51	Not available
	Hong Kong	0	0	Not available
Employment category	General employees	47	51	Not available
	Middle management	0	0	Not available
	Senior management	0	0	Not available
	C-level executives	0	0	Not available
Total		47	51	Not available
Health and safety for workers				
Work-related injuries (workers)		0	0	Not available
Lost days due to work-related injuries (workers)		0	0	Not available
Work-related fatalities		0	0	Not available



APPENDIX

Social key performance indicators		2021	2020	2019
Employee training				
Gender	Male	4 (3.3%)	34 (26.8%)	36 (24.8%)
	Female	18 (72%)	19 (67.9%)	17 (63.0%)
Employment category	General employees	18 (14.1%)	53 (38.7%)	47 (31.1%)
	Middle management	1 (9.1%)	0 (0%)	3 (25%)
	Senior management	0 (0%)	0 (0%)	1 (20%)
	C-level executives	3 (75%)	0 (0%)	2 (50%)
Total		22 (15.1%)	53 (34.2%)	53 (30.8%)
Average training hours				
Gender	Male	3.83	1.1	0.6
	Female	6.06	1.6	0.7
Employment category	General employees	3.89	1.3	0.7
	Middle management	1	0	0.4
	Senior management	0	0	0.2
	C-level executives	5	0	0.5
Total		9.89	1.3	Not available
Total suppliers				
Geographical region	Macau	266	216	173
	Hong Kong	67	47	41
	Mainland China	169	123	92
	Overseas	4	3	2
Total		506	389	Not available
Anti-corruption				
Average training hours (hours)	Employees	1	1.5	Not available
	Board	1	0	Not available



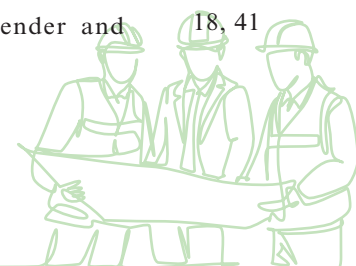
HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Description	Page/Remark
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.	27–29
A1.1	The types of emissions and respective emissions data.	30, 38
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	30, 38
A1.3	Total hazardous waste produced and intensity.	29, 38
A1.4	Total non-hazardous waste produced and intensity.	29, 38
A1.5	Description of emission target(s) set and steps taken to achieve them.	27–29
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	27–28
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	30
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	32, 38
A2.2	Water consumption in total and intensity.	33, 38
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	27, 30–31
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.	27, 30, 32–33
A2.5	Total packaging material used for finished products and per unit produced.	The issue is irrelevant to the Group's business
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	33
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	33–34



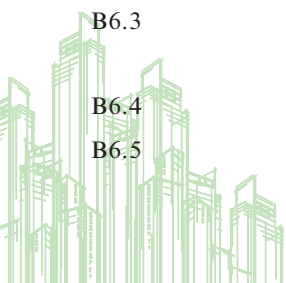
HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Description	Page/Remark
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.	34
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.	34–35
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	11–15, 19
B1.1	Total workforce by gender, employment type, age group and geographical region.	14–15, 39–40
B1.2	Employee turnover rate by gender, age group and geographical region.	39
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.	15–17
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	17, 40
B2.2	Lost days due to work injury.	17, 40
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	16–17
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	18
B3.1	The percentage of employees trained by gender and employee category.	41
B3.2	The average training hours completed per employee by gender and employee category.	18, 41



HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Description	Page/Remark
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.	11
B4.1	Description of measures to review employment practices to avoid child and forced labour.	13–14
B4.2	Description of steps taken to eliminate such practices when discovered.	13–14
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	24–26
B5.1	Number of suppliers by geographical region.	25, 41
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	24–25
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	24–26
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	26
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.	22–25
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The issue is irrelevant to the Group's business
B6.2	Number of products and service-related complaints received and how they are dealt with.	23
B6.3	Description of practices relating to observing and protecting intellectual property rights.	23
B6.4	Description of quality assurance process and recall procedures.	23, 25
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	23



HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects	Description	Page/Remark
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.	20–21
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.	21
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	20–21
B7.3	Description of anti-corruption training provided to directors and staff.	41
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.	36
B8.1	Focus areas of contribution.	36
B8.2	Resources contributed to the focus area.	36

