

The image shows a modern, multi-story glass skyscraper with a curved facade. The building's interior is visible through the glass, showing a brightly lit atrium with a large, ornate chandelier. In the foreground, there is a lush green courtyard with various plants and trees. A few people are walking on a path in the courtyard. The overall scene is bright and modern.

Environmental, Social and Governance Report

2021

G&M Holdings Limited
信越控股有限公司

(Incorporated in Cayman Islands with limited liability)
Stock Code: 6038

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Message from the Chairman

Building a sustainable world, together

I am pleased to share this 2021 Environmental, Social and Governance (ESG) Report, which indicates the progress in our sustainability journey. This report is also one of the channels for us to communicate with our stakeholders on the progress we are making against our commitments and strategies, and the ESG performances we have achieved.

G&M is driven to build a better future and a sustainable world by building our people and communities, and improving the environment and the products we continually strive for. We have the responsibility to embed ESG principles into everything of our business with the goal of ensuring we make a positive difference in the communities where we work and live.

We partner with our clients and communities to solve their ESG challenges through fostering a social responsibility culture and innovation in our business. The Company strives to work on projects that deliver environmental and social values to positively contribute to the world and the society.

ESG is one of the top priorities for all of our clients in the construction industry. Our clients need trusted business partners to help them advance those ESG initiatives. G&M has the professional talents, deep technical expertise, and project experience necessary to help our clients to achieve their bold ESG related ambitions.

The world continues to face pressing challenges, such as climate change, social inequalities, and the coronavirus pandemic. Our response to these challenges is to place more emphasis on embedding sustainable developments and resilience across our work and business.

I am proud of our efforts in 2021:

- 35% less electricity was consumed
- 26% less in GHG emissions intensity
- 30% less in energy consumption intensity
- Minimal increase of 18% in non-hazardous waste despite our business grew 65%
- 650kg of wastepaper recycled
- Saving 20% capex cost in new office renovation by reusing old furniture
- 50% more training hours for each employee in average

As you read through this report, you'll learn about G&M's progress in 2021 on such environmental and social initiatives. I hope you'll see our uncompromising commitment to our values that guide us in what really matters. We will continue to report our progress in the ESG report as we move forward on our sustainability journey.

Lee Chi Hung
Chairman and CEO

Our Reporting Approach

REPORT SCOPE

We are pleased to present the Environmental, Social and Governance (“ESG”) Report (the “Report”) of G & M Holdings Limited (the “Company” together with its subsidiaries as the “Group” or “G&M”) for the year ended 31 December 2021. This Report aims to provide an annual update on the sustainability performance of the Group to our stakeholders, it discloses and highlights our commitments and performances on the environment, our people, our customers, our suppliers and the community as guided by our sustainability strategy.

This Report covers the Group’s operations in Hong Kong, which consists mainly of the provision of one-stop design and build solutions, as well as repair and maintenance services in relation to podium façade and curtain wall works for the period from 1 January 2021 to 31 December 2021 (the “Reporting Period”). There is no significant change in the scope of this Report from that of 2020.

REPORT STANDARDS

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKEX”) (the “Listing Rules”) and has complied with all the mandatory disclosure requirements and “comply or explain” provisions of the Guide.

In this Report, we consider the reporting principles as proposed in the Guide for materiality, quantitative, balance and consistency for presenting the ESG information in a way that can meet better the expectation of our stakeholders. Through continuous engagement of our stakeholders and assessing the materiality of issues as concerned by our stakeholders, we determined the area of concern to be included in this Report. We strive to present quantitative data and information as much as possible to enable our stakeholders to have a better picture on our performance. Consistent methodologies are employed and prior year adjustment will be made where necessary for meaningful comparison. We try our best to disclose both the positive and negative aspects of our ESG issues to provide an unbiased and balanced picture of our sustainability performance.

REPORT ASSURANCE

The Report has been approved by the board of directors (the “Board”) of the Company and has been independently reviewed by our ESG advisor, Essentack Consulting with respect to the extent of the information and coverage as required under the Guide and the fairness and consistency of the performance data presented.

We welcome your comments and suggestions on our ESG initiatives and reporting for enhancing our sustainability values. Please share your views with us via email at gmhk@gm-eng.com.hk.

Sustainability Overview

OUR ESG STRATEGY

G&M's ESG strategy is developed for aligning the Group's philosophy of being a company reliable for sustainability. Sustainability at G&M means protecting our environment, developing our employees, maintaining a strong culture and policy of safety, operating ethically, supporting our communities and being socially responsible. We are committed to acting ethically and contributing to the society and at the same time improving the quality of life of our employees and their family. As we continue our sustainability journey, we remain focused on integrating sustainability across our business to enhance our operations, with the objectives of creating long-term value for our stakeholders.

Our ESG strategy is also developed alongside the key issues focused by most ESG fund managers and investors as illustrated on the diagram below:



G&M FRAMEWORK FOR CREATING SUSTAINABLE VALUES

Our ESG framework governs how our objectives are translated into sustainability performance. After stakeholders are engaged and views are collected from the stakeholders, materiality assessment is carried out by plotting a matrix of relevance and importance, where the views of what are important to business (as considered by the top management) and what are important to stakeholders are identified. Through the assessment result, we identify the material ESG issues and the respective risks associated in our operations. We prioritise the material issues and focus such issues in the medium and long-term planning and ensure adequate manpower and financial resources are allocated to meet these strategic objectives. Existing policies are enhanced and improved where they are inadequate to meet the ESG objectives.



The ESG working group formulates ESG initiatives and takes actions for achieving the ESG objectives. It ensures the initiatives and action plans are properly executed. ESG data are accumulated continuously and analysed annually for evaluation of sustainability performance. A feedback mechanism on the ESG performance is in place for the Board to revise and update the ESG objectives based on the result, and the ESG process will be revisited periodically as a continuous process to reflect what we have achieved during the process.



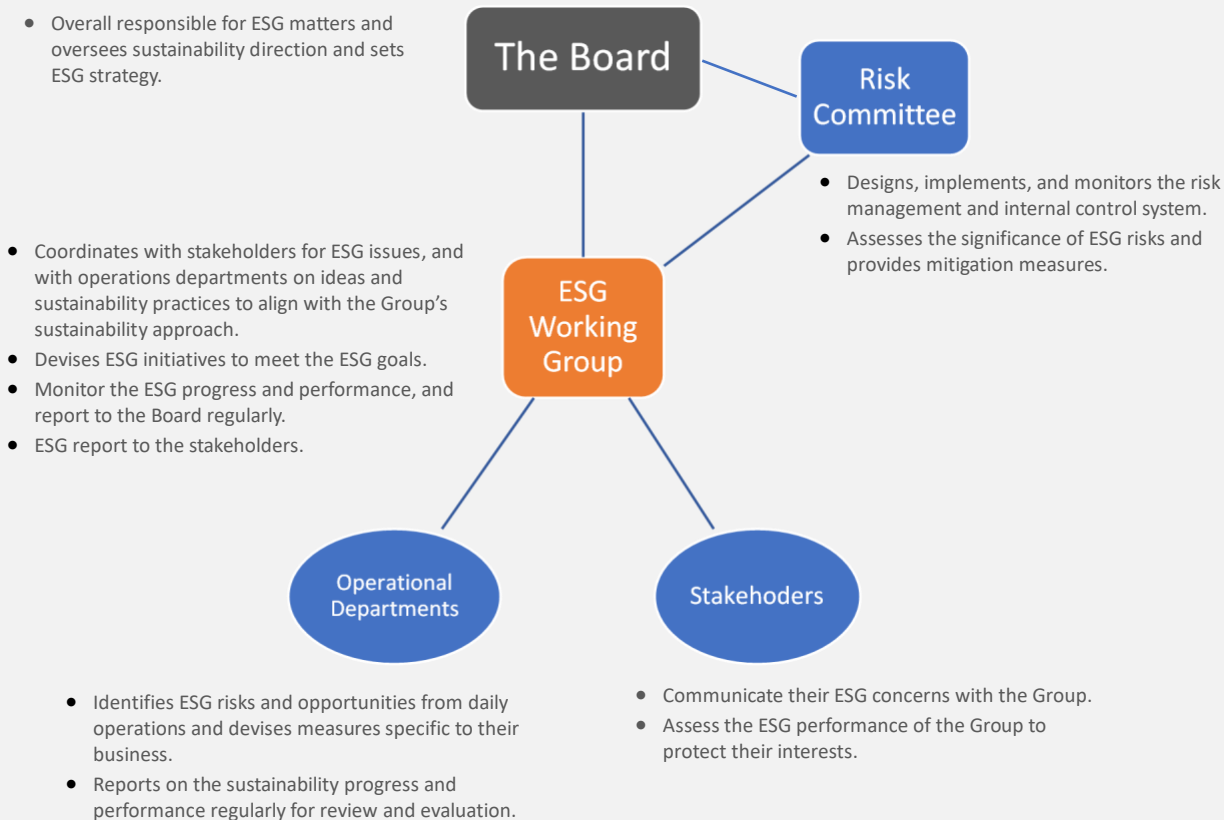
Our Sustainability Approach

BOARD STATEMENT

The Board of G&M is the highest governing body overseeing the group’s corporate governance and risk management system for effective business operations. The Board holds overall responsibility on ESG matters although the management and execution of the environment and social issues are delegated to the top management and the ESG working group. The Board oversees the sustainability direction and strategy of the Group and reviews the ESG risks and opportunities, progress and performance regularly with the ESG working Group.

The Board ensures our ESG framework is carried out effectively and consistently and the ESG process is continuously revisited and reviewed to meet our sustainability objectives and targets. We have formulated environmental targets that relate to our long-term mission of “Delivering a sustainable world”. The Board regularly review the progress against these targets and revise the corresponding action plans where necessary to make sure we are on the track to achieve the goals.

SUSTAINABILITY GOVERNANCE



The Board

The Board is the steering body in the Group that sets ESG goals and strategies and is responsible for the ESG performance of the Group.

The Risk Committee

G&M's Risk Committee comprises of an executive director and three independent non-executive directors of the Group. With the assistance of the top management and the ESG working group, it designs and monitors the risk management system. It assesses the significance of the ESG risks and provides mitigation measures to alleviate the risks. It reports to the Board at least twice per year for the significant ESG risks of the Group and the respective internal controls and mitigation measures applied to the risk areas.

The ESG Working Group

The ESG working group consists of the external ESG advisor, the General Manager, the Marketing Manager, the Financial Controller, the Administration Officer, and Project Managers. The works and objectives of the ESG working group are as follows:

- follows and reports to the Board and the Risk Committee on the ESG strategies, and proposes ESG initiatives for addressing the ESG risks and for achieving the sustainability objectives;
- engages and communicates with stakeholders to perform materiality assessment and formulating ESG strategies and initiatives;
- coordinates with operational department staffs on ideas and practices for delivery of the ESG objectives;
- determines the Key Performance Indicators (“KPI”) for measurement of ESG performances; and
- monitors the ESG activities for on-going development and improvement.

Operational Departments









We rely on our operational department staffs to carry out the ESG initiatives and deliver the desired results that we have targeted. Under our risk management system, staffs in each operations unit are responsible for identifying the risks and opportunities from their daily operations, including the ESG risks. They are responsible for maintaining an effective internal control system and devising mitigation measures to minimise the effects of their own risks. They are required to report the sustainability progress and performance regularly to the ESG working group for review and evaluation.

STAKEHOLDER ENGAGEMENT

We have been engaging key stakeholders to understand their concerns over our sustainability developments. Such engagement is important for us to assess the priority of sustainability development and implementation of ESG initiatives. We perform a two-way communication with stakeholders through a variety of channels. As a result, we not only can identify the opportunities and challenges for formulating our business strategies, but also can enhance our corporate social responsibilities.

Our Stakeholder Groups and Engagement Channels

The chart below highlights the various communication channels with our stakeholders:

Stakeholders	Communication Channels	Stakeholders	Communication Channels
Employees 	<ul style="list-style-type: none"> • Staff appraisal meetings • Internal surveys • Department meetings • Staff welfare activities • Intranet and email communications • Seminars, workshops and trainings 	Shareholders & Investors 	<ul style="list-style-type: none"> • Shareholders and investors meetings • Company website and company enquiry email, fax, telephone
Customers 	<ul style="list-style-type: none"> • Customer meetings • Sales representatives and project coordinators • Surveys 	Industry Association 	<ul style="list-style-type: none"> • Representative in the Façade Association • Association's enquiry and survey • Seminars, industry regulations, technology updates
Suppliers & Subcontractors 	<ul style="list-style-type: none"> • Physical and phone meetings • Industry seminars • On-site briefings and trainings • Collaboration between project managers • Surveys 	Government & Regulators 	<ul style="list-style-type: none"> • Telephone enquiry hotline • Seminars on regulations • Government/regulators' announcements and publications • Government/regulators' surveys
Financial Institutions 	<ul style="list-style-type: none"> • Physical meetings and phone enquiries • Seminars 	Community & NGO 	<ul style="list-style-type: none"> • Participation in community activities • Charitable donation and corporate sponsorship • Community news

MATERIALITY ASSESSMENT

In every year, we conduct a comprehensive materiality assessment to identify relevant and important ESG aspects for reporting. Through the engagement with our stakeholders, we understand their concerns and we prioritise reporting those aspects that are important for them. We have adopted a systematic approach for this materiality assessment exercise, as follows:

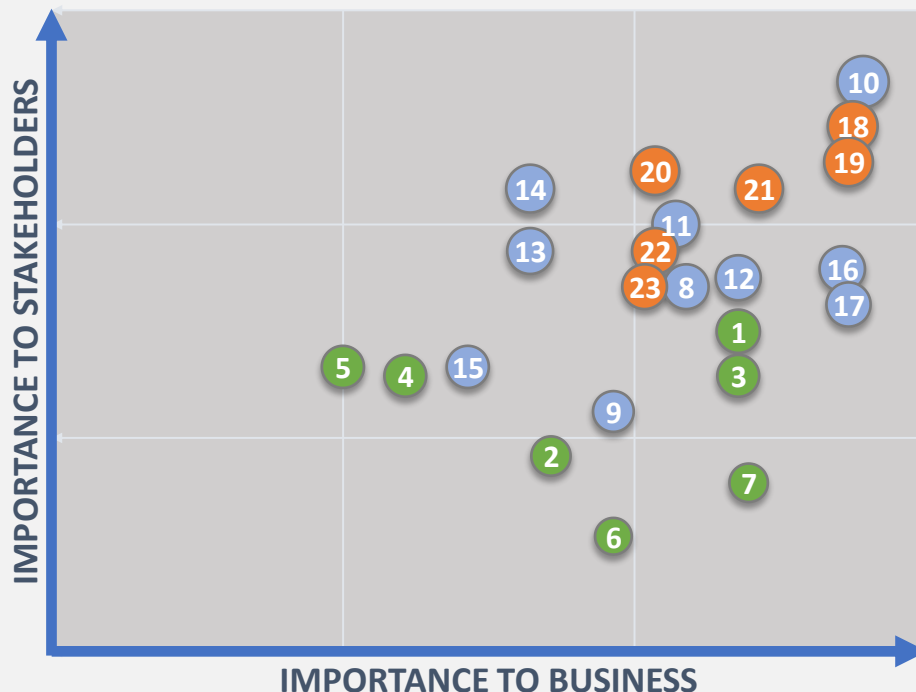
1	<p>Identify</p> <p>We referred to the Guide to identify the potential material topics for disclosure.</p>
2	<p>Communication and Survey</p> <p>Opinions of stakeholders were collected through regular communications and questionnaire responded.</p>
3	<p>Data Analysis</p> <p>The results of stakeholder engagement were analysed and consolidated to derive the overall materiality level of each sustainability issue.</p>
4	<p>Validate</p> <p>Such results were brought forward for discussion within the ESG working group to confirm the list of material issues for disclosure in this Report.</p>
5	<p>Review</p> <p>We regularly review the sustainability issues to ensure their relevance and materiality to G&M.</p>

Material Topics and the priorities

Top TEN Material Topics and Ranking	1	Occupational Health and Safety
	2	Quality Assurance, Product Health and Safety
	3	Customer Satisfaction
	4	Infringement of Intellectual Property Right
	5	Anti-corruption
	6	Anti-competition Behaviour
	7	Customer Data Privacy Protection
	8	Employee Development and Training
	9	Sex and Racial Diversity and Equal Opportunities
	10	Air Pollutants and Greenhouse Gas Emissions

G&M Materiality Matrix 2021

The following is the result of the materiality on the topics identified.



Our Environment	Our Social Sustainability	Our Responsible Governance
1 Air Pollutants and Greenhouse Gas Emissions	8 Employment Practices – recruitment, promotion, compensation and benefits, working hours, etc.	18 Quality Assurance, Product Health and Safety
2 Hazardous Waste and Non-hazardous Waste	9 Workforce and Employee Turnover Analysis	19 Customer Satisfaction
3 Energy Consumption	10 Occupational Health and Safety	20 Customer Data Privacy Protection
4 Water Consumption and Sources	11 Employee Development and Training	21 Infringement of Intellectual Property Right
5 Use of Packaging Materials	12 Sex and Racial Diversity and Equal Opportunities	22 Supplier Engagement Practices
6 Impacts of our Activities on Environment and Natural Resources	13 Human Rights and Anti-discrimination	23 Environmental and Social Responsibility Risks along Supply Chain
7 Impacts of Climate Change on our Company	14 Child Labour and Forced Labour	
	15 Community Investment	
	16 Anti-corruption	
	17 Anti-competition Behaviour	

Environmental Stewardship

CLIMATE CHANGE

Climate change have the potential to affect our business in many ways. We strive to understand the climate risks and opportunities and take actions to mitigate the impacts to us.

Climate change is one of the biggest threats to our time. It increases severity of extreme weather events, such as super typhoons, floods, extreme temperature fluctuation, etc. These events affect our life as well as our economic activities. Climate change may have significant financial impact to business operations resulting from business disruption, direct damage to assets, and indirect impacts from supply chain disruption.

We are committed to managing the climate-related risks and opportunities posed to our business operations. During the year, we have implemented a new climate change policy and it outlines our commitment to minimise our impact on climate change. We identify and assess climate-related risks using our enterprise risk management framework. Our operational departments identify and evaluate the climate-related risks and recommend appropriate internal control measures and risk mitigation actions. Our risk committee and senior management oversee the materiality and impacts of the risks related to our business. Our Board is ultimately responsible for the management of the climate-related risks and sets strategic actions to minimise their impact.

By referencing to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), G&M conducted a climate risk materiality assessment during the year to understand more in our climate risk exposures. We evaluate and report the material climate-related physical and transition risks, and their financial implications. We summarise our climate-related disclosures based on the TCFD recommendations under four core categories of governance, strategy, risk management, and metrics.



The following is a summary of climate related physical and transition risks identified and our mitigation measures implemented:

Physical Risks	Impact	Mitigation Measures
Increase in temperature and hot days	<ul style="list-style-type: none"> • Employees working outdoor may suffer from heat stress illness. • Reduce outdoor working productivity. • Loss in working days due to illness. 	<ul style="list-style-type: none"> • Drinking water facilities are provided in the construction sites to reduce heat stress to workers. • Guidelines are given to strengthen workers' awareness on heat stress related illnesses • Site supervisors are required to closely monitor the work schedules and properly arrange workers' rest schedule.
Suspension of operations caused by typhoon and heavy rainfall	<ul style="list-style-type: none"> • Disruption of services resulting in increase of labour cost and loss of revenue. • Rescheduling recovery plan increases operation cost. 	<ul style="list-style-type: none"> • Evaluate emergency recovery plan to catch up project progress. • Better human resource planning in advance of the typhoon peril.
Disruption of supply chain due to inclement weather events	<ul style="list-style-type: none"> • Shortage of materials impacting the work in progress. • Higher alternative materials replacement costs. • Damage to reputation due to delay in completion of works resulting in decrease of business 	<ul style="list-style-type: none"> • Implementing emergency management procedures. • Stronger tie with suppliers to ensure timely delivery, and availability of replacement materials.

Transition Risks	Impact	Mitigation Measures
Emerging government policies on net-zero or low carbon economy	<ul style="list-style-type: none"> • Higher operational costs due to more stringent energy management initiatives and replacement of low carbon equipment. • Implementation costs on adaptation of new business practices. 	<ul style="list-style-type: none"> • Set carbon reduction target and plan. • Ongoing training and education provided to employees on energy saving business culture.
Introduction of green construction regulations and practices	<ul style="list-style-type: none"> • Additional regulatory requirements for safety, environmental friendly materials, and structural design. • Existing management and construction methods become outdated. 	<ul style="list-style-type: none"> • Training of new requirements on regulations are provided regularly to our employees to ensure they can meet the new standards. • Explore new environmental friendly materials and construction methods.

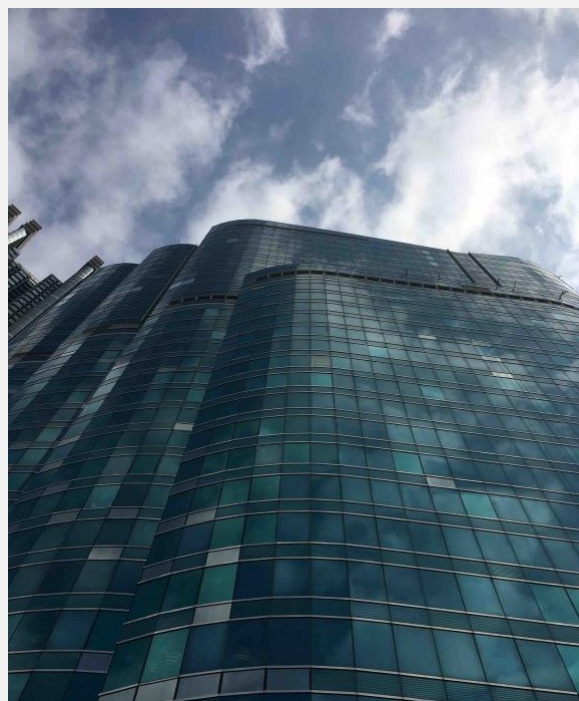
We are monitoring and addressing the climate-related risks to reduce the adverse impacts to our business. We will continue to strengthen our climate resilience by enhancing our efforts in climate mitigation and adaptation strategies.

ENVIRONMENTAL MANAGEMENT

Step by step, we are incorporating our environmental best practices into our business with the objective to build a greener environment.

Climate change, pollution and overexploitation of natural resources all pose a substantial threat to our community and the long-term sustainability of our natural systems. We are in the construction industry and we know very well that our business operations may have negative impact to the environment. Our objective of making a greener environment is achieved by reducing carbon footprint via controlling energy consumption in our operations and minimising waste through efforts to reduce, reuse and recycle.

We manage the environmental risks by integrating the environmental protection and conservation considerations into our strategic business planning, project tendering, project planning and project execution. We have set out responsibilities and authorities of all operational departments to ensure that all environmental risk control measures and procedures are properly implemented.



Compliance with Laws

We are committed to comply with certain laws and regulations in relation to environmental protection in Hong Kong, as fundamental to our continual improvement of environmental performance. We require our staff and subcontractors in the construction sites to strictly comply with all environmental laws and regulations:

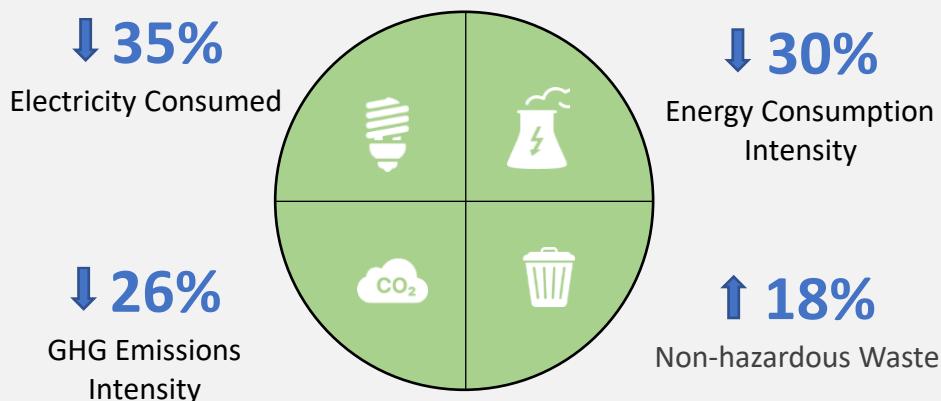
Compliance of Environmental Regulations in Hong Kong

- Air Pollution Control Ordinance
- Noise Control Ordinance
- Waste Disposal Ordinance
- Public Health and Municipal Services Ordinance

During the Reporting Period, we were not aware of any non-compliance with the above laws and regulations that had a significant impact on the Group relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

EMISSIONS AND RESOURCES MANAGEMENT

2021 Highlight against last year



Energy Consumption

Though we are not a main contractor in construction industry and are not using a lot of energy in our construction projects, we still recognise our role as a responsible business to minimise our environmental impacts through improving energy efficiency and lowering emissions level. In our daily operations, electricity consumed by our offices and site offices is the main energy consumption of the Group that accounts for more than 70% of the total energy consumption. It is also the main source of the Group’s GHG emissions. As such, we pay more attention to electricity saving measures in our offices to reduce our carbon footprint and enhance energy efficiency.

In the Reporting Period, our Hong Kong head office was moved to a new office premise. During the office design process, we focused on the energy efficiency, carbon emissions, lighting, and air ventilation so as to make the new office more sustainable. The new office layout allows more natural day light to reduce the need for electric lighting. LED lighting is installed throughout the office to increase energy efficiency. Our new office is also well-designed in air ventilation for maintaining a thermally comfortable work environment and reducing air-conditioning. To save more electricity, zoned lighting and zoned air-condition management are set up in the new office to allow turning off the light and air-conditioning whenever needed. Moreover, we had replaced with high energy-efficient electronic equipment and appliances for our new office.

In 2021, our total purchased electricity was reduced by 35.4% as compared with last year. The purchased electricity of our new head office was nearly 45% less than that of the old office. This was partially due to less air-conditioning electricity cost born by us as the building management office was providing central air-conditioning. Despite the floor area of the new head office is 50% more than the old one, we have been able to save more electricity owing to our more sustainable office design in the new office.

To enhance the energy efficiency and reduce our carbon footprint, we have implemented various measures in our daily operations. Some of the initiatives are summarised below:

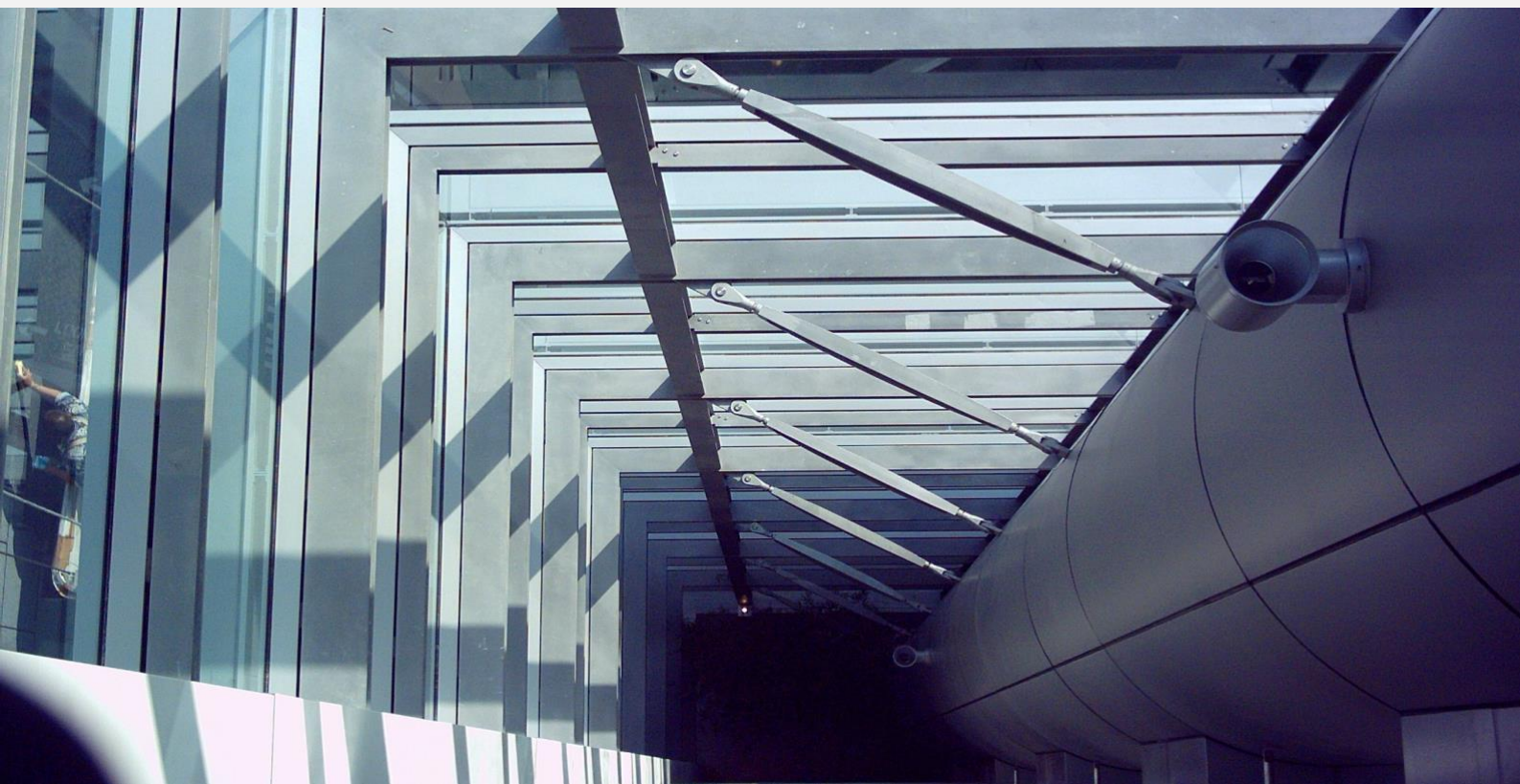
- Monitor energy consumption on a monthly basis and investigate any significant difference.
- Set at a proper room temperature.
- Computers are set to automatic standby or sleep mode.
- Turn off all electronic equipment and lighting when not in use.

Our business grew substantially during the year with revenue 65% more than that of last financial year. For this reason, the frequency of motor vehicle usage was increased in 2021. However, our gasoline consumption was just slightly increased by about 6% over the last year. We have taken measures to reduce using private cars for business purpose and substitute by public transportation where possible.

Despite more gasoline was consumed, the total energy consumption of the Group still recorded a decrease of 27.4% owing to substantial electricity saving in the Reporting Period. The energy consumption intensity per average number of staff reduced further due to the increase in the number of staff during the year.

Key Performance Indicators – Energy Consumption					
Year	Gasoline	Gasoline	Electricity	Total Energy Consumed	Energy Consumption Intensity *
	(litre)	(kWh)	(kWh)	(kWh)	(kWh/staff)
2021	4,487	43,480	112,253	155,733	1,476
2020	4,221	40,908	173,684	214,592	2,125
Change	+ 6.3%	+ 6.3%	-35.4%	-27.4%	-30.5%

* In terms of average number of staff during the year.

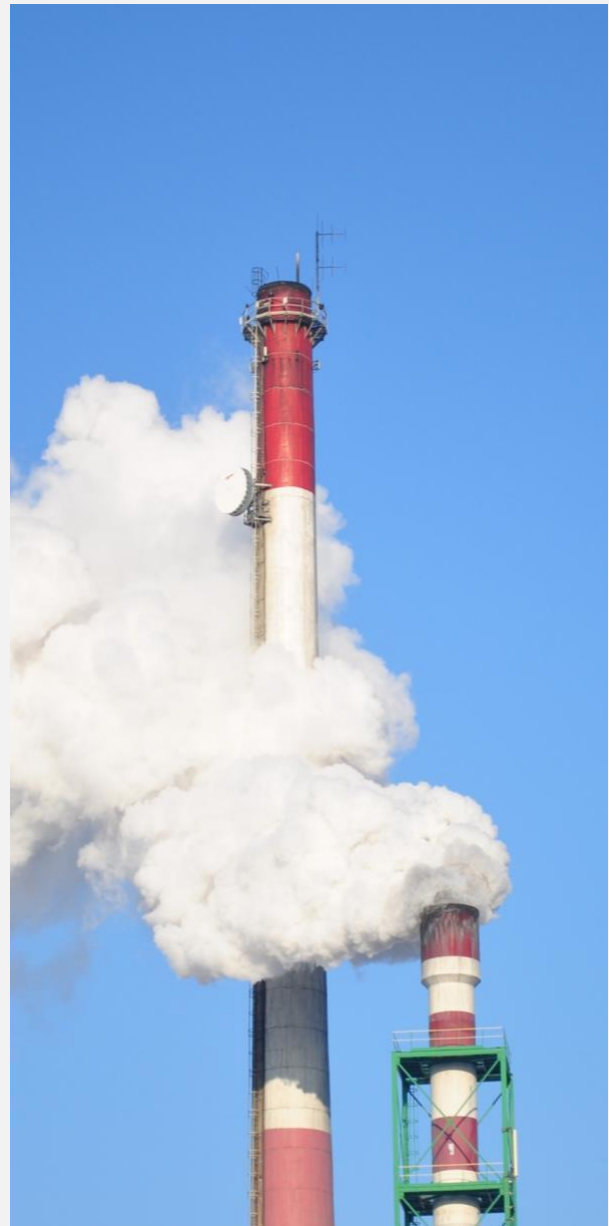


Greenhouse Gas (“GHG”) Emissions and Air Emissions

The risk of climate change has alarmed the global effort to limit the global warming to below 2°C, as compared to pre-industrial levels. G&M recognises our role in addressing the challenges of climate change. We have made considerable efforts in developing climate mitigation measures to reduce our carbon footprint.

In 2021, the indirect GHG emissions from the electricity purchased was the main source of the Group’s GHG emissions, which had accounted for over 63% of the total carbon footprint of the Group. We continued our efforts to reduce our carbon footprint by conserving electricity and increasing energy efficiency. Our Scope 2 GHG emissions was reduced by 36.7%. This was the result of less electricity used in our new head office, and greener electricity used in our PRC office.

Our Scope 1 GHG emissions was wholly attributable to the fuel combustion by our motor vehicles. Although it only accounted for about 14% of the Group’s total GHG emissions in 2021, we had adopted various measures to reduce the GHG emissions released to the atmosphere. Regular repair and maintenance was carried out for our motor vehicles to maintain their performance and energy efficiency. We used better quality gasoline to keep our motor vehicles running more efficiently to reduce GHG emissions and air pollutants. We also monitor the use of motor vehicles to avoid unnecessary consumption of fuel energy. During the Reporting Period, the GHG emissions from our motor vehicles was only slightly increased by 4.4% despite the significant increase of our business.



Business air travel by our staff and the paper waste are the sources for our Scope 3 indirect GHG emissions. As our business grew very much by 65% in 2021, paper usage increased a lot as more construction sketches and documents were needed for the approval of customers and the government authorities. The frequency of visiting our suppliers’ factory by air travel was also slightly increased. As the result, the indirect GHG emissions generated was increased by 33.1%. We had collected wastepaper for reuse to reduce purchase of paper. We will continue to adopt various paper saving measures to manage paper usage, such as the use of electronic document, double sided printing, use of recycle paper for draft documents, etc.

To further reduce our carbon footprints in the world, we made use of the cyber world to connect between our staff and our business counterparts. We have upgraded our video conferencing facilities in our offices to enable our business to provide more remote conferencing and collaboration solutions. That means our customers, suppliers, subcontractors, and our staff can travel less for face-to-face meetings, and we together have reduced carbon footprints significantly.

Key Performance Indicators – GHG Emissions **					
Year	Scope 1	Scope 2	Scope 3	GHG Total	GHG Intensity*
	Gasoline - Vehicles	Purchased Electricity	Paper Waste /Air Travel		
	(tonnes CO _{2-e})	(tonnes CO _{2-e})	(tonnes CO _{2-e})	(tonnes CO _{2-e})	(tonnes CO _{2-e} / staff)
2021	11.9	52.5	18.5	82.9	0.786
2020	11.4	82.9	13.9	108.2	1.071
Change	+ 4.4%	-36.7%	+33.1%	-23.4%	-26.6%

* In terms of average number of staff during the year.

** The emissions factors for the calculation of air emissions and GHG emissions in 2021 are obtained from the CLP Sustainability Report 2021, Hong Kong Electric Sustainability Report 2021, The Ministry of Ecology and Environment of People’s Republic of China (2019) and Hong Kong Stock Exchange Reporting Guidance on Environmental KPIs.

In line with the increase of GHG emissions, the air emissions of sulphur oxides (“SO_x”) from the use of gasoline also increased proportionately by 6.3%. As our motor vehicles travelled among the construction sites more frequently in the Reporting Period, the mileage incurred by our vehicles had also increased. As the result, the nitrogen oxides (“NO_x”) and particulate matter (“PM”) also increased by 8.3% and 8% respectively as compared with last year.

Key Performance Indicators – Air Emissions *			
Year	NO _x (kg)	SO _x (kg)	PM (kg)
2021	3.67	0.0660	0.270
2020	3.39	0.0621	0.250
Change	+8.3%	+6.3%	+8%

* The emissions factors for the calculation of air emissions and GHG emissions in 2021 are obtained from the CLP Sustainability Report 2021, Hong Kong Electric Sustainability Report 2021, The Ministry of Ecology and Environment of People’s Republic of China (2019) and Hong Kong Stock Exchange Reporting Guidance on Environmental KPIs.



REDUCE WASTE

2021 Highlights



↑ 18%

Non-hazardous waste increased in 2021



650kg

Of wastepaper recycled



20%

Capex cost savings in 2021 office renovation by re-using old furniture

Our business does not directly generate hazardous waste as our construction projects are carried out by our subcontractors. Nevertheless, we always monitor our subcontractors and make sure those hazardous waste, if any, is properly treated in compliance with the laws and regulations. For other non-hazardous waste generated in the course of our business operations, we continue to uphold our principle of “reduce, reuse and recycle” to minimise its impact on the environment.

In construction sites, we collect useful residual materials for reuse in other projects. For special residual materials and equipment that cannot be reused, they would be sold to others or disposed for recycling purpose. Other non-hazardous construction waste generated is collected by our subcontractors and disposed at the designated places as required by the main contractors.

Other general non-hazardous wastes produced by us are mainly wastepaper, office supplies and general garbage in the offices. The non-hazardous waste is collected by the property management company of the building for further handling and disposal. The non-hazardous waste in this year inevitably increased by 18.8% as our business grew and we had used much more paper. The non-hazardous waste intensity per average number of staff also increased by 16.1%. In our offices, recycling bins are placed next to printers and fax machines for wastepaper collection. In this year, we had recycled 650 kg of wastepaper. We also recycle toners and ink cartridges to avoid pollution. We strive to adopt the best practices in our waste management and to dispose all waste responsibly.

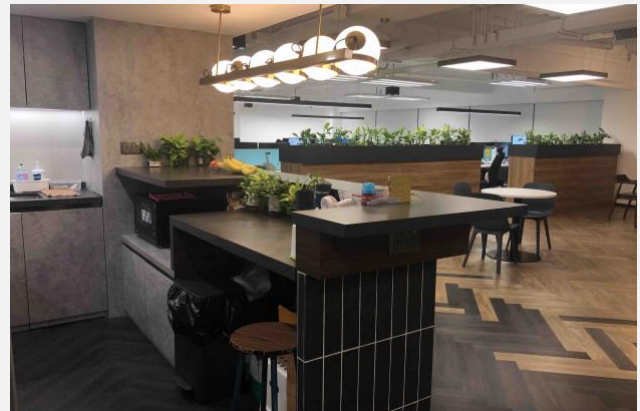


Key Performance Indicators – Non-Hazardous Waste		
Year	Non-Hazardous Waste (tonnes)	Non-Hazardous Waste Intensity* (tonnes/staff)
2021	3.8	0.036
2020	3.2	0.031
Change	+18.8%	+16.1%

* In terms of average number of staff during the year.

Sustainable Office Renovation

In 2021, our head office was moved to a new location, and we carried out renovation works for the new office. Rather than making a luxurious office, we have decided to go for a simple and comfortable design. Moreover, to reduce the wastage from office move, we reused most of the old office furniture in our new office. For those old furniture and equipment not suitable for our new office, we sold or gave to second hand merchandiser to give them a second life. We estimate we have reduced our capital expenditure in the new office renovation by about 20% or HK\$0.6 million by reusing old furniture. We also worked with our renovation designer to reuse and recycle renovation materials where possible to minimise generation of waste. The construction waste from the new office renovation and the old office reinstatement was properly and legally disposed at designated waste disposal facilities by our renovation subcontractors.



WATER MANAGEMENT

In our offices, we do not consume significant amount of water. Our water usage arises from drinking water and office cleaning. Water is supplied by municipal water supply, and we do not have any issues on sourcing water. It is not feasible for us to measure water consumption in our offices as water is supplied by the property management company where our offices locate. However, we still promote the awareness of our staff on saving water and reduce unnecessary wastage of water.

In our construction sites, water is supplied by the main contractors and consumed by our subcontractors. We do not have control over the source and consumption of water. However, we would remind our staff and subcontractors to follow the guidelines or practices for use of water in construction sites issued by the main contractors. In the Reporting Period, we have not encountered any issue on sourcing appropriate amount and type of water for our projects.

PACKAGING MATERIALS

Due to our business nature, packaging materials are normally not required. We do not cause significant impact on the environment from usage of packing materials.

OUR 2025 AMBITION

Environmental Target Setting

To pursuit our environmental excellence, we continuously explore opportunities to improve our environmental performance. We have set the financial year 2025 environmental targets against the 2020 base line to anchor our strategy for performance improvement.

Category	2020 Baseline	2025 Target
Energy consumption	214,592kWh	Reduce 40% to 128,800 kWh
CO ₂ emissions	108.2 tonnes CO _{2-e}	Reduce 40% to 65 tonnes CO _{2-e}
Waste	3.2 tonnes	Reduce 15% to 2.7 tonnes

Our Plans

- Gradually replace gasoline motor vehicles to electrical.
- Encourage our staff to use public transportation.
- Use more video conferencing to reduce land and air travels.
- Replace more energy-efficient appliances and lightings.
- Encourage our staff to save power in the office.
- Encourage our staff to use more paperless communication and reuse printed paper for drafts.
- Greener habits in the office to use fewer disposable items, and to recycle waste products where possible.

Our Progress This Year

- We had consumed 27% less energy in 2021 as compared with last year, by saving a lot of electricity in our newly renovated head office. We used LED lighting and adopted natural lights extensively and installed more energy-efficient appliances.
- We reuse old furniture in our new office to reduce waste and to save renovation costs by 20%.
- We had recycled 650kg of wastepaper.
- We had reduced 23% of carbon emissions as compared with last year.

The Environment and Natural Resources

We realise the importance of maintaining environmental sustainability in our daily operations and strive to minimise the negative impact on the environment and natural resources. We engage subcontractors to carry out construction works in the construction sites. Our operations do not have significant direct impact to the environment. In the construction sites, we recognise that construction works may have significant impacts on our environment. We pay close attention to the works carried out by our subcontractors to ensure that they strictly comply with all laws and regulations for protecting the environment and natural resources. Although our operations in the offices do not cause significant impacts on the environment and natural resources, our staff are well aware of reduction, reuse and recycling of waste and save energy to conserve our environment.

Our project managers will ensure appropriate measures have been adopted by our subcontractors during the construction process to minimise the adverse impact to the environment, such as:

- Equipment is used in compliance with the permitted noise level and is maintained in good condition.
- Carry out construction works within the permitted work hours.
- Use noise barrier where necessary in operating noisy equipment.
- Segregate general wastes and construction wastes and dispose to rubbish collection points designated by the main contractors.



Social Sustainability

VALUE OUR PEOPLE

Our people are vital to our success, they pursue our vision of Building a Sustainable World, TOGETHER!

Employment Practices and Labour Standards

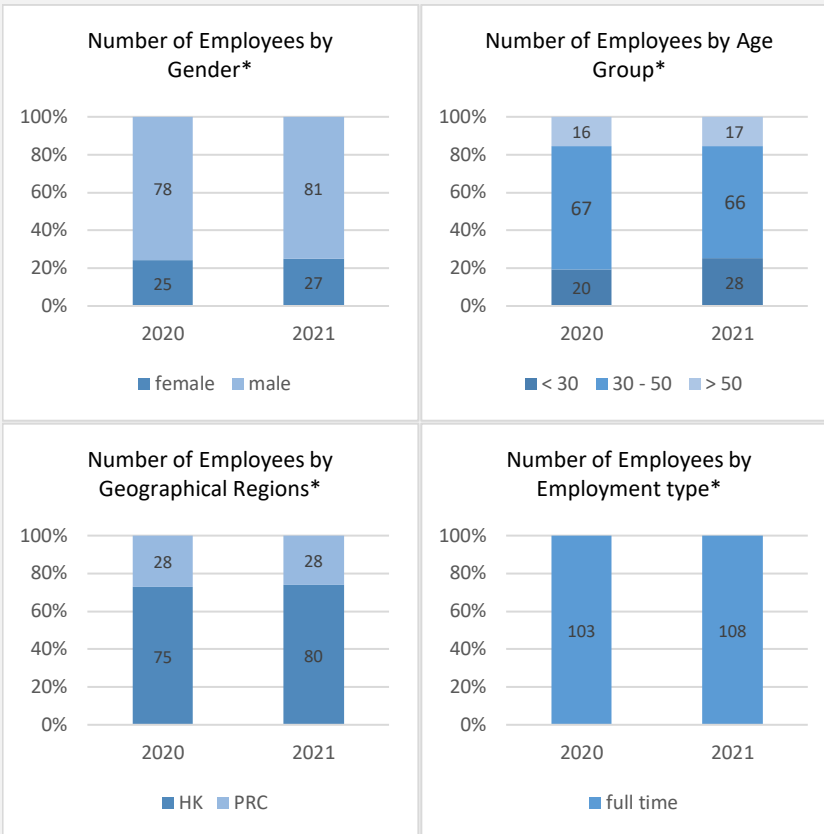
Here at G&M, our people stand out to be the most valuable asset in our business. They play an important role in maintaining the quality of our products and the reputation of the Group. Their contributions are critical to our success. Hence, we are committed to fostering an inclusive working environment, investing in the development of our people, and providing a comfortable workplace, that stimulate their creativity to meet challenges for business growth and enhancing sustainability.

We have set out comprehensive human resources policies, including recruitment, dismissal, probation, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Details of the policies are stated in the staff handbook and code of conduct for our employees. We always uphold a set of basic human resources policies as outlined below:

G&M's HR Principles	
1	Offer to our staff competitive employment terms and conditions in their respective region.
2	Respect the human rights and privacy of our employee.
3	Promote equal opportunities for employment, and fairly treat and not discriminate against each individual employee on their nationality, gender, marital status, race, religion, age, and physical or mental disability that are irrelevant to their work performance.
4	Provide a workplace to our employees with good work-life balance, where they can accomplish their tasks with satisfaction and pride.
5	No toleration of child labour and forced labour.
6	Comply with all applicable laws and regulations on employment.

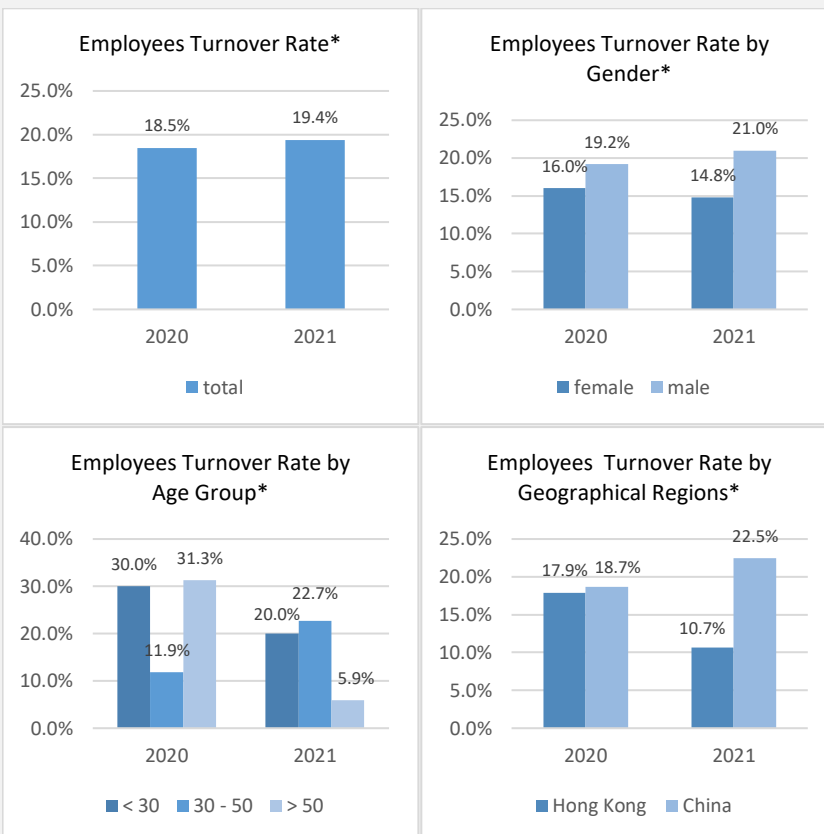
As at 31 December 2021, we had a total workforce of 108 (2020: 103) people.

Breakdown of Our Workforce



* The number of employees is expressed as headcount.

Turnover Rate of Our Workforce



* The calculation of turnover rate is the number of employees in the specified category who left during the year divided by the total number of employees in the specified category.

We respect all basic human rights and forbid any form of child or forced labour. Our employees are well protected on their rights that major terms and conditions of employment are comprehensively stated in their employment letters. The employment is voluntary and would not be changed arbitrarily without communicating with our staff. Our employees can work on their own free will and are free to leave the Group upon reasonable notice in accordance with their employment letter and the relevant human resources policies.

We also have policies and procedures for prohibiting the employment of child labour. Our human resources department will examine the applicant's original identity document with photo to verify the age of applicant to prevent employment of child labour. We regularly review our employment practices to ensure we are in compliance with the Employment Ordinance and other regulations relating to child labour and forced labour. No case of child or forced labour was reported during the Reporting Period.

In addition, we have strictly complied with the following labour laws and regulations on employment as set out in Hong Kong and the PRC. During the Report Period, we were not aware of any non-compliance with the following relevant laws and regulations that had significant impact on the Group relating to employment and labour standards.

Compliance of Employment Regulations	
In Hong Kong	In the PRC
<ul style="list-style-type: none"> • Employment Ordinance • Employees' Compensation Ordinance • Minimum Wage Ordinance • Sex Discrimination Ordinance • Disability Discrimination Ordinance • Mandatory Provident Fund Schemes Ordinance • Family Status Discrimination Ordinance • Race Discrimination Ordinance 	<ul style="list-style-type: none"> • Labour Law • Labour Contract Law

Recruitment, Retaining and Reward

We endeavour to recruit high-calibre talents to maintain quality and stability in our workforce and would select candidates based on their knowledge, work experience, skill, attitude, and commitment on equality basis. To retain our right talents, we treat them with respect, offer flexibility of work and competitive remuneration and benefits, and provide ample opportunities of professional development.

To attract and retain talents to maintain our competitiveness, we reward our talents in accordance with their individual qualification, working experience and work performance. We adopt a pay-for-performance approach to ensure our talents are remunerated and rewarded in proportion to their performance. Annual performance appraisal provides a formal two-way communication channel for our talents and their supervisors. It forms a basis for discretionary bonus, salary increment, and promotion. Through this performance appraisal review, training and development needs of our talents can also be identified to enhance their professional development and competency.

To recognize and encourage our talents to deliver better and higher quality works, our talents are rewarded with attractive performance bonus at the end of financial year relative with their contributions and the business performance of the Group. We also grant share options to selected employees as incentives for their contribution to the success of our business.

Apart from attractive competitive remuneration package offered to our employees, we strive to provide a fair, inclusive and supportive working environment so that they come to work every day with pride and passion to perform. Providing a comfortable workplace is also essential for our employees to work enjoyably. In the Reporting Period, our head office in Hong Kong was moved to a new office with 50% larger in area than the old one. The new office provides more spacious working area and contains a lounge area with a well-equipped pantry to facilitate staff interactions. The new lounge area serves as relaxing zone for our employees to release their working pressure and to refresh their minds. It is also a multi-functional area where we can organise parties and social activities to enhance team spirits of our talents.

Work-life Balance

Our talents are vital to our overall success. As such we strive to ensure they are fulfilled and enjoyable both at work and in their personal lives. We believe by providing our talents with quality time with their friends and family, they would be more motivated to perform at work. For this reason, we continue to work out more work-life balance initiatives for our talents to improve the workplace sustainability.

Currently, we have some policies of pay leaves and no-pay leaves to cater for the needs of our talents so as to make our talents feel respected and valued. We understand our talents need moments to stay with their family and friends, and they may also have other personal reasons that need longer leaves. As such we offer our talents some family-care support leaves, such as marriage pay leave and festive pay leave, and flexible part-time work and sabbatical no-pay leaves. We also provide full pay leaves to our talents when they need to attend examinations for professional certification courses or attend job related short courses. Upon the third year of employment, our managerial staff will be entitled 21 days of pay annual leave and the general staff will be entitled 11 to 14 days, escalated from the statutory requirement of 7 days.

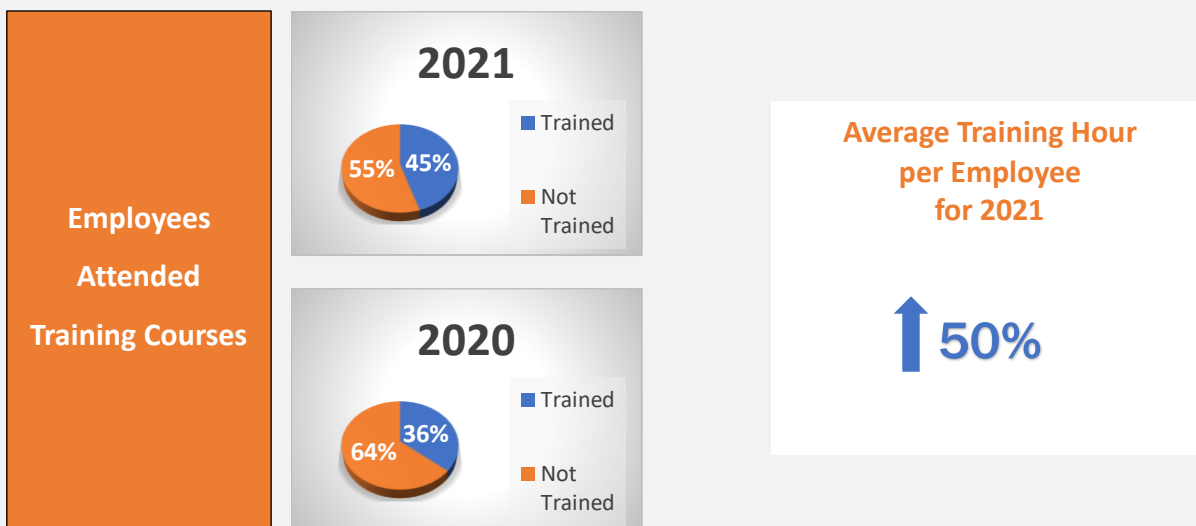
To encourage our staff taking the COVID-19 vaccination for better protecting themselves against the virus, we granted extra two days of annual leaves for those who have vaccinated during the Reporting Year, and the leaves can be flexibly claimed at any time.

We have tried our best to be flexible and accommodating for such events and unexpected situations such as typhoon, large scale traffic disruptions, perils of epidemic, etc. We allow our talents to work from home or leave office earlier if personal safety is a concern.

Staff Training and Development

We understand that investment in employee development can pay off very much in the long run. The most noticeable return is the improvement in employee retention. Our aim is to help our talents' professional self-developments by acquiring necessary skills to meet the changing needs of our industry and to cope with the growth of our business. To assist our talents to maximize their full potential for contributions to our business, we provide different training programs, including in-house training for enhancing their job knowledge and skills, as well as external work-related trainings for upgrading their professional knowledge.

We encourage our talents to pursue continuing education and training. Apart from internal workshop and seminars held by our senior management, we also subsidise our talents to attend external training and education courses. Usually upon satisfactory completion of the recognised and approved vocational or professional courses, the course fees will be fully reimbursed to our employees.



During the Reporting Period, we have provided various external and internal training courses to 45% (2020: 36%) of our workforce. The average number of training hour per employee was 6 hours (2020: 4 hours).

	Percentage of Employees Took Part in Training		Average Training Hours (hours/employee)	
	2021	2020	2021	2020
Gender				
- Female	20%	28%	4.2	2.3
- Male	80%	72%	6.7	4.4
Employment Category				
- directors and management	16%	22%	3.9	1.3
- general staff	84%	78%	6.2	4.1



Our senior management had provided internal seminars and training courses to our employees on technical knowledges of the construction projects and new standard updates on the code of practice. We had also offered external trainings to our employees for specific needs of their job, and for their career development. The following is the summary of external training and development courses conducted in 2021:

Types of External Training Courses	Offering Organisations
○ Environmental protection course	○ HK Institute of Construction
○ Building Information Modelling courses	○ Occupational Safety & Health Council
○ Occupational safety and construction safety courses	○ IVE
○ RMWC Renewal Registration course	○ Law Firm
○ Technically Competent Person training course	○ Professional Accounting Firm
○ Courses on contract administration	○ Hong Kong Façade Association
○ Courses on HK listing regulations and taxation	○ Others
○ Computer software training courses	
○ Courses on the code of practice on technical knowledge	

Health and Safety

Operating in the construction industry, it is our priority to assure the health, safety, and welfare of our employees, as well as other persons who are likely to be affected by our operations, including the subcontractors and the public where appropriate. Our commitment to employee’s health and safety drives us beyond basic legal compliance. We conduct regular risk assessment on operational health and safety that is supervised by our risk committee. We constantly review our internal control policies and measures on health and safety and implement corrective action plan and risk mitigation measures where necessary. These systematic procedures help promote a health and safe workplace to prevent or lessen accidents from time to time.

Ensuring Workplace Safety

To ensure safety in our construction sites, we establish safety control measures and in-house rules which are stated in our safety handbook “Safety Plan” for our staff and subcontractors to follow. For every construction site, a safety supervisor is assigned to each construction project to provide safety courses and safety instructions to workers and carry out site safety inspection. We also maintain an internal accident injury reporting policy and internal record of accidents. All accidents are required to be reported to the project management team immediately after the occurrence of the accident.

To maintain a safe and healthy working environment for our staff, we arrange regular safety inspection at our workplaces and regular review of the existing facilities to ensure our staff’s safety. We have also set up policies and measures to maintain the quality of our working environment, such as the prohibition of indoor smoking, regular office cleaning and first aid kit at the office.

Fostering Safety Minds

We complement our safety handbook with employee briefings and trainings. We provide regular safety trainings to our employees working in the construction sites to raise their awareness on safety. We provide safety induction training on the industry safety standards and legislations to all new hires.

Collaborating with Our Sub-contractors

We expect our sub-contractors to follow our safety policies and we include such requirements in our tender document and the sub-contractor contract. They are provided with our safety handbook “Safety Plan” before commencement of the project, and they are required to follow strictly. Our safety supervisor on each construction project provides safety briefings and instructions to the workers of our subcontractors to align our safety expectations with their operations. The safety history of the sub-contractors is part of our performance appraisal during the tendering process to ensure they comply with our safety standard and instruction.

Protecting our Employees against the COVID-19 Pandemic

The impact of COVID-19 was ongoing in the year 2021. We have taken prompt and precautionary measures to safeguard our employees against the detrimental effects of the virus in our workplaces and to ensure the business continuity. To minimise the risk of contracting and spreading the virus in our workplace, we had conducted regular deep clean and sanitisation in our office. Special work arrangements were made such as split-team for attending office and working from home, requiring wearing surgical masks at work, requiring project staff to work in the construction site as far as possible to avoid frequent contacts in the office, and arranging video and telephone conferences to replace physical meetings, etc.



To give our employees a peace of mind during the pandemic and to comply with the government anti-pandemic requirements, our staff were granted pay leave for taking COVID-19 vaccination dose, so that they could have sufficient time to recuperate after getting vaccination. They were also entitled for pay leave if they were required by law to undergo compulsory COVID-19 testing or quarantine.

Compliance with Laws

Our staff and subcontractors are strictly required to comply with the following laws and regulations.

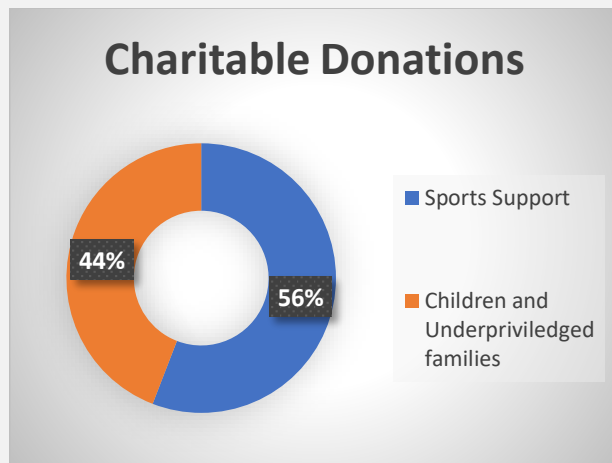
Compliance with Health and Safety Laws and Regulations	
In Hong Kong	In the PRC
<ul style="list-style-type: none"> • Factories and Industrial Undertaking Ordinance • Occupiers Liability Ordinance • Occupational Safety and Health Ordinance • Construction Sites (Safety) Regulation • Construction Workers Registration Ordinance 	<ul style="list-style-type: none"> • Prevention and Control of Occupational Diseases Law

For the past three years, the Group recorded zero work-related fatalities incident, as well as zero injury incident on our employees. During the Reporting Year, we were not aware of any significant non-compliance with above laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

COMMUNITY CARE

We are committed to creating positive impact in the community where we operate to make our business more sustainable.

To foster our relationship with the local communities, we leverage on our financial resources to address the different needs of our community. We contribute to help not only children and underprivileged families in our community and the rest of the world, but also the wellness and sports of our society. In this year, we had fulfilled our goals through fund donations to different charity organisations. The total amount of donations for the year was about HK\$179,000 (2020: HK\$194,000).



Support Sports Development of Our Community

In this year, we made fund contribution to a charity foundation, Kai Tak Sports Initiative (“KTSI”) with the objective to support local sports and to promote the wellness of local communities. The KTSI was established to provide sports opportunities to people of all ages and backgrounds and to inspire them to develop their personal skills and expertise through engaging sports. It also promotes physical and mental health for the benefit of our community through sports and fitness related activities.

Care for Children and The Underprivileged

We continued to make donations to the following charity organisations for helping the underprivileged in our community and other part of world.

Rainbow Foundation

Rainbow Foundation is a charity institution in Hong Kong since 2009. They integrate resources from corporations, schools, organizations, and individuals, while partnering with social welfare and charitable institutions to bring love and care to the underprivileged, and to improve social harmony in Hong Kong. The beneficiaries of the donations include underprivileged children and youths, homeless, low-income families, and elderly, etc.

World Vision Hong Kong

World Vision is a worldwide charitable organisation sponsoring children living in poverty, and providing relieves for those suffering from poverty, hunger, health, and war, etc. By donating to World Vision, we hope we could make an effort to relief the pains of those in need.

Save The Children Hong Kong

Save The Children is a worldwide charitable organisation aiming to create a world in which children can survive against hunger and diseases, learn from a quality basic education, and be protected against violence and war. We believe every child deserves a future. By supporting Save The Children, we hope we could make an effort to build a better future and a sustainable world to the children.



Although the year ahead is still very difficult to our society, we will continue our dedication to support our community and the needy through different channels. We will proactively provide our own resources to benefit our communities.

Responsible Governance

RESPONSIBLE TO CUSTOMERS AND PUBLIC

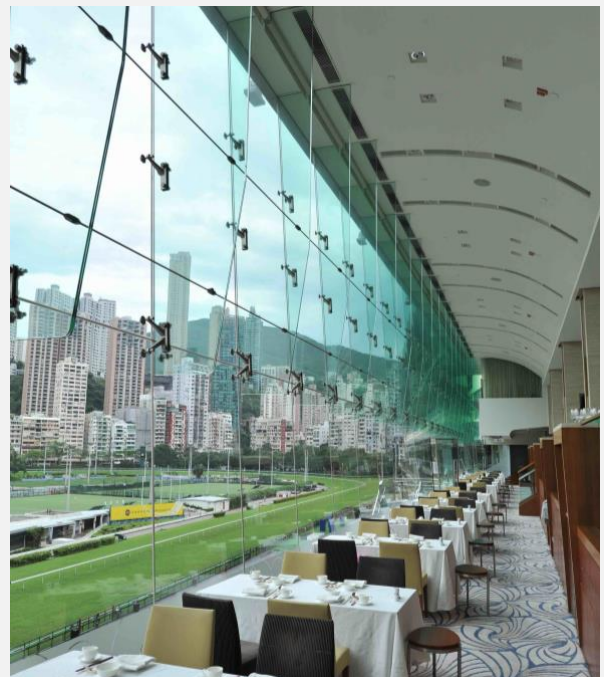
We are committed to positively impact the world through our sustainable operations, and we continuously support our clients to deliver a more sustainable future, TOGETHER!

Commitment to Customers

We put our customers at the priority and realise that the success of our customers is our success. We walk with them on the same path, looking for ways to make their projects more sustainable through engineering, planning, and project management. We work with our clients to balance their social, environmental, and economic needs. We provide services ranging from structural calculation and shop drawings, sourcing and procurement of materials, arrangement for material fabrication and processing, installation works and post-completion repair and maintenance services.

On tendering and delivering the projects to our customers, our people must abide by a few principles set by the Company as follows:

- Customers' satisfaction on safety, quality and durability is the priority.
- Provide safe and reliable products and services that comply with international recognised quality standards and legal requirements.
- Provide innovative products to support our customers.
- Minimum impact to the public and the environment when we deliver the projects to our customers.



Product Safety

Safety is at the top of the table among our quality assurance measures. This is utmost important as people would be in danger if our façade and curtain wall construction work was defective. We have to ensure the safety of our workers when the projects are in progress, and the safety of the public when the projects are in progress as well as after completion. When our engineers design the projects, safety features will be incorporated as a top consideration. Detail proposals with structural calculation, shop drawings, fabrication techniques and installation methods have to be approved by our qualified project architects.

It is the job and responsibility of our staff to uphold the following safety policies on provision of products and services:

- Comply with international quality standards, such as ISO9001:2015 and legal requirements.
- Mitigate any injury that might occur to the people using our products when an accident occurs.
- Design the product to assure that it is not harmful to the public using the product.
- Uphold the Company's risk management system to continuously identify, assess, report, and improve safety issues.

During the Reporting Period, there was no delivered project recalled or needed for rework for the reasons of safety and health. There was also no major complaint on the project works by our clients, and minor defects had been dealt with by the project manager during the construction process.

Quality and Reliability

Our business is operating under a set of procedures that complies with the ISO 9001:2015 quality standard to monitor our work processes for meeting customers' needs and to fulfil regulatory requirements. We are committed to provide quality and reliable construction works and sustainable solutions to our customers. In such way the people in the public can rest assure to use our products for years and decades that can improve their quality of life.

For each project, a project management team, leading by a project manager, is set up to oversee and manage the project. The project manager is responsible for communicating with customers, subcontractors, and internal departments, and for supervising the work progress and the overall quality assurance of the project.

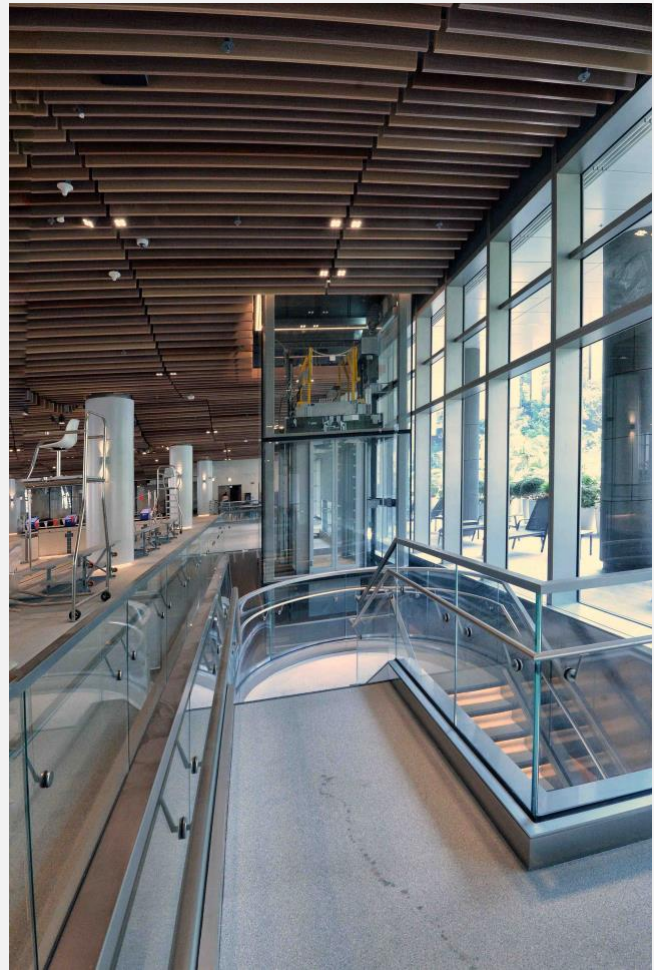
At the project planning stage, our qualified design engineers are responsible for system design and structural calculation to assess the feasibility of the design and installation works. The system design and structural calculation is submitted to customers and the Buildings Department for approval. Curtain walls must meet the specific requirements as set out in the Building (Construction) Regulations and are required to undergo a series of tests by independent laboratories to confirm the performance meets the stringent safety standard as required by the Buildings Department.

Materials used for each project have to be specified or approved by the clients before the project starts. We only use genuine products and materials as approved by the customers and strictly forbid to use any counterfeit materials infringing the intellectual property rights of the genuine brands.

During the work in progress, our project manager will handle all dissatisfaction and complaints made by our clients and will remedy the situation quickly at site. The project manager will seek instruction from the top management for any material issues, such as the need for re-work, lodged by the client.

After completion of projects, G&M provides a defects liability period to our customers subject to terms set out in the contracts and provides a warranty on certain aspects such as glazing and waterproofing works. Since G&M involves in every stage of design and build, we can effectively monitor the progress of the project and minimise the possibility of having significant deviation from the original design.

During the Reporting Period, we were not aware of any non-compliance with relevant laws and regulations that had a significant impact on the Group relating to product responsibility.



RESPONSIBLE SOURCING

2021 Increase in Suppliers

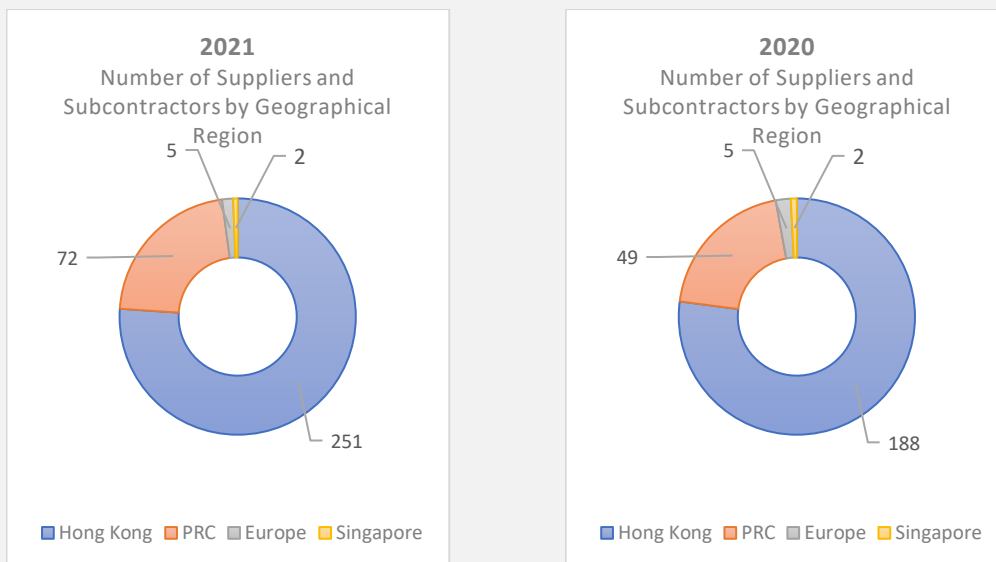
Number: **86**
Percentage: **35%**

2021 Local Suppliers Portion

Hong Kong: **76%**
Hong Kong + PRC: **98%**

Quality of products and services provided by suppliers and subcontractors is critical to our sustainable operations. Besides quality consideration, G&M is committed to working with suppliers willing to support sustainability and human rights. We address supply chain challenges through risk management, responsible sourcing, and closely monitoring the suppliers and subcontractors. To ensure operational efficiency, to reduce risks in purchases logistics, and to reduce carbon footprint in transportation, local suppliers are given priority in the selection process. In 2021, there were 76% Hong Kong and 22% PRC suppliers in our approved suppliers list. To demonstrate our commitment to mitigating the risks in the supply chain, and our equality principle in selecting suppliers, we have expanded our supplier base by 35% in 2021.

Our suppliers mainly supply building materials, such as aluminium, metal and glass, and provide material fabrication services. We engage subcontractors for podium façade installation works. In the Reporting Period, we had a total of 330 suppliers and subcontractors. We strive to maintain good relationship with every supplier and to maintain a sizable supply base to mitigate the risks inherent in over-reliance on suppliers, and the climate change risks on materials delivery.



When approving new suppliers and subcontractors, we assess their company background, service scopes, technical capability, job references, quality, and safety records, as well as their environmental and social performance. The potential suppliers and subcontractors have to provide all necessary proofs relating to their qualification, technical standards, and the compliance of environmental requirements issued by the local authorities. The newly approved suppliers and subcontractors will be updated into the lists of approved suppliers and subcontractors. Lists of approved suppliers and subcontractors are maintained and reviewed regularly to ensure that only qualified suppliers and subcontractors are to be engaged in our construction projects. Our procurement activities follow a set of fair and transparent quotation invitation process disallowing any conflicting of interest, bribery, and misconducts.

Environmental and social responsibilities are part of the criteria on selecting suppliers and subcontractors. All our suppliers and subcontractors are required to comply with the relevant environmental and social laws and regulations. We perform annual assessment to evaluate performance of our suppliers and subcontractors to ensure they are in compliance with our social and environmental requirements. Terms and conditions on environmental and social issues are added in supplier and subcontractor contracts to increase their awareness on their environmental and social performance. On the other hand, we also encourage our suppliers and subcontractors to evaluate their social and environmental risks to ensure they comply with the related laws and regulations.

G&M advocates green procurement practices. We prioritise suppliers who perform in line with our ESG standards and objectives, and who can demonstrate that they are environmentally and socially responsible. Through regular and intensive communication and long-term cooperation, the sustainable values of our Group and our business partners are being aligned with our customers. Many of our supply chain policies, product quality and responsibility policies are developed and implemented in close collaboration with our customers and business partners. We continue to develop and update sustainability policies and guidelines, to share best practices with the suppliers and subcontractors, and to monitor quality of their products and services.

ANTI-CORRUPTION

Upholding the principle of integrity and fairness can create a clean and fair business environment and set a solid foundation for our sustainable business development. We do not tolerate bribery, kickbacks, or corrupt acts of any kind or in any circumstances from our staff or agents. The management, our staff and agents are required to strictly comply with the Prevention of Bribery Ordinance, which is clearly stated in the Code of Conduct of the Group.

Under our policies, we require our staff to declare any situation that would reasonably be expected to give rise to a conflict of interest. We also have policies for the proper handling and reporting of conflict of interests encountered by staff. Guidelines about giving and receiving gifts and advantages among our business partners are set out in the Code of Conduct to ensure all staff adhere to the company policy. Anti-corruption training is provided regularly to our directors and staff to raise their awareness and knowledge for anti-corruption. In 2021, 16 staff participated in anti-corruption training, including 3 senior management staff and 13 general staff.

There is the whistleblowing policy in place to provide channels and guidance to our staff on reporting any misconduct, malpractice, or irregularity within the Group, in secured and confidential manner. All cases reported will be kept confidential and will be investigated thoroughly. The investigation reports will be sent to the Chairman and the Audit Committee where necessary. Appropriate corrective or disciplinary actions will be taken when a misconduct case is proven.

During the Reporting Period, there was no reported legal case regarding corrupt practices brought against the Group or our staff.



THE HKEX ESG REPORTING GUIDE CHECKLIST

ASPECTS	DESCRIPTION	PAGE REF
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they related to the issuer’s businesses. 	5-7
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	3, 8-10
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	3

THE HKEX ESG REPORTING GUIDE CHECKLIST (cont'd)

ASPECTS	DESCRIPTION	PAGE REF
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.	14-20
KPI A1.1	The types of emissions and respective emissions data.	17
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	17
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Not applicable for disclosure
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	18-19
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	20
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.	18-20
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	13-15, 20
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity.	14-15
KPI A2.2	Water consumption in total and intensity.	Not applicable for disclosure
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	20
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.	20
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable for disclosure
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	13-17, 21
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	21
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.	11
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.	12

THE HKEX ESG REPORTING GUIDE CHECKLIST (cont'd)

ASPECTS	DESCRIPTION	PAGE REF
B. Social		
Employment and Labour Practices		
Aspect 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.	22-25
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	23
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	23
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.	27-28
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	28
KPI B2.2	Lost days due to work injury.	28
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	27-28
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	25-27
KPI B3.1	The percentage of employees trained by gender and employee category.	26
KPI B3.2	The average training hours completed per employee by gender and employee category.	26
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.	22, 24
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	24
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	24

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ASPECTS	DESCRIPTION	PAGE REF
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	33-34
KPI B5.1	Number of suppliers by geographical region.	34
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.	33-34
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	33-34
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	34
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.	31-33
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	32
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	32
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	32
KPI B6.4	Description of quality assurance process and recall procedures.	32-33
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Not applicable for disclosure
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.	35
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	35
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	35
KPI B7.3	Description of anti-corruption training provided to directors and staff.	35

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ASPECTS	DESCRIPTION	PAGE REF
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.	29
KPI B8.1	Focus areas of contribution.	29-30
KPI B8.2	Resources contributed to the focus area.	29-30