

# TLMC

德利機械控股有限公司

TAK LEE MACHINERY HOLDINGS LIMITED

(STOCK CODE: 2102.HK)

## Environmental, Social and Governance Report 2022



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## ABOUT THIS REPORT

Tak Lee Machinery Holdings Limited (the “Company” or “TLMC”, together with its subsidiaries, the “Group”) is pleased to present the Environmental, Social and Governance (“ESG”) Report (this “Report”). This Report aims to provide a balanced representation of the Group’s ESG management approach, strategy, performance and achievements. All information is prepared and published based on existing policies, practices and official documents or reports in an accurate, genuine and transparent manner.

The scope of this Report focuses on the three segments operated by the Group, being the sales of heavy equipment and spare parts, leasing of heavy equipment, as well as the provision of maintenance and ancillary services in Hong Kong. The Group has operational control over these principal activities, which are mainly conducted at its headquarters office, workshop and warehouse facility located in Pat Heung and branch office located in Tsuen Wan. Unless otherwise specified, this Report covers the financial year from 1 August 2021 to 31 July 2022 (the “Reporting Period”).

This Report is prepared in accordance with the “Mandatory Disclosure Requirements” and the “Comply or Explain” provisions of the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The following four reporting principles served as the foundation in preparation of this Report.

<b>Materiality</b>	Following an ESG stakeholder engagement exercise and a materiality assessment, this Report is structured based on the materiality of ESG issues of the Group. The board of directors of the Company (the “Board”) and management review these sustainability issues annually to ensure that stakeholder’s opinions are reflected. The results of the materiality assessment process is set out in the section headed ‘Materiality Assessment’ in this Report.
<b>Quantitative</b>	This Report discloses relevant ESG key performance indicators (“KPIs”) and quantitative information of the headquarters office, branch office, workshop and warehouse facility. Quantitative information is further accompanied by descriptions where appropriate.
<b>Balance</b>	The Board endeavours to present an unbiased overview of the Group’s ESG performance in this Report, disclosing both achievements and areas of improvements whenever applicable.
<b>Consistency</b>	This Report follows methodologies that are consistent with previous years, which allows for meaningful comparison of ESG data over time. There was no significant change to the reporting scope of this Report.

During the Reporting Period, the Group was not aware of any material complaints or cases of non-compliance relating to sustainability matters. Relevant information can be found in the sections headed “Company Policies” and “Laws, Rules and Regulations” in this Report.

The Group welcomes reader's feedback on this Report and its approach to sustainability. Please share comments or suggestions via the following channels:

<b>Post</b>	P.O. Box No. 351, Shek Wu Hui Post Office, Sheung Shui, Hong Kong
<b>Email</b>	tlmc@netvigator.com
<b>Telephone</b>	(852) 2488 8888

For more details regarding the Group's corporate governance and financial performance, please refer to the Annual Report 2022, which has been published on the websites of the Stock Exchange and the Company (<https://www.tlmc-hk.com>).

## ABOUT TLMC

For over 21 years, TLMC has been serving customers in Hong Kong and Macau, as well as customers around the world. The Group mainly engages in the sales of new and used heavy equipment and spare parts, the leasing of heavy equipment, and the provision of maintenance and ancillary services in Hong Kong. The Group provides a range of high quality heavy equipment, including excavators, articulated dump trucks, compactors, wheel loaders, bulldozers, lifting cranes, and diesel energy generators, among others.

Listing on GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange in July 2017 and then transferring to the Main Board of the Stock Exchange in October 2020 demonstrates the devotion of the Group to continuously deliver excellent services and quality products to its customers. As its business evolves, the Group will continue to create value to its stakeholders as well as strive to uphold its unique strengths and features.



### Mission and Objectives

TLMC is committed to introducing high-quality heavy equipment and providing quality pre-sales and after-sales service to our customers. TLMC offers the most economical, most efficient and reliable supply of construction machinery and services to all. The usage of our services include quarry, construction, civil engineering, waste treatment and land reclamation.



### Our Highlights

Sole authorised dealer of Hitachi brand heavy equipment in Hong Kong and Macau

Exclusive distributor of various earthmoving attachments of LaBounty brand in Hong Kong and Macau

Exclusive distributor of various earthmoving attachments of Ramfos brand in Hong Kong, Macau and certain provinces in the People's Republic of China ("PRC")

Supplier of our own TLMC brand of earthmoving attachments manufactured in Italy

Exclusive dealer of heavy vehicles of Ammann brand in Hong Kong and Macau

Distributor of diesel engine generators of Airman brand in Hong Kong and Macau

Distributor of articulated dump trucks and articulated trucks (water tankers) of Bell brand in Hong Kong

Dealer of grapples and other earthmoving attachments and also the exclusive dealer for the supply of Orange Peels product line of Rotobec brand in Hong Kong and Macau

Sole dealer of Xwatch brand machine safety and control systems in Hong Kong and Macau

Authorised dealer of VIA brand Mobile360 heavy equipment safety system

## SUSTAINABILITY AT TLMC

The Board considers it imperative that sustainability forms the backbone of the business to achieve corporate growth. Hence, the Group is dedicated to incorporating the concept of sustainability into every facet of its business, by upholding a well-rounded governance system, establishing strategic direction and maintaining active communication with its stakeholders.

The Group has developed and implemented a Sustainability Policy in order to be a responsible business that creates value for the community in which the Group operates. By embedding sustainability into its operations, the Group strives to provide innovative products and services, minimise environmental impact and strengthen relationships with its customers, suppliers and business partners.

### ESG Management

The Board is responsible for overseeing the Group's ESG vision, objectives and strategies for the short, medium and long term. In addition to identifying material ESG issues of the Group, the Board is dedicated to evaluating, prioritising and managing material ESG issues, as well as considering relevant ESG risks and opportunities.

For the management and governance of each ESG issue, the Group has developed a set of ESG policies such as the Sustainability Policy and Human Rights Policy. Through these policies, the Group's management and various business functions are guided to effectively implement ESG strategies and practices that address key ESG issues. Information about the Group's formulated policies are detailed throughout this Report whilst a list of policies is disclosed in the section headed "Company Policies".

The Board regularly meets to review its various ESG targets and progress, and the Board discusses, reviews and evaluates all ESG issues relevant to the Group at least once a year. The Board also reviews the policies such that they are up-to-date and consistent with any changes or developments in the Group's ESG vision, objectives and strategies.

### ESG Strategies

Global crisis and extreme weather events, such as the strong typhoons experienced by Hong Kong and the novel coronavirus disease 2019 ("COVID-19") pandemic, have highlighted the importance of creating a strategy that guides the Group in navigating against the turbulent environmental and social climate whilst remaining in sight of its objectives. Subsequently, a series of ESG strategies were developed to bring clarity and focus on the Group's sustainability direction.

Through the Group’s ESG strategies, the Group strives to bring positive outcomes to its five focus areas: (i) Ethical Governance, (ii) Quality Product and Service, (iii) Dedicated Workforce, (iv) Corporate Citizen and (v) Green Operations. Each focus area details pragmatic objectives of the Group. This provides the Group with guidance in deploying resources whilst shaping its trajectory in how the Group delivers its products and services in a way that strengthens the business of the Group.

### Ethical Governance

Commit to doing business with the highest degree of integrity, transparency and accountability and sharing these principles with those we work with.

### Quality Product and Service

Foster continuous relationship with our network of suppliers to provide high quality, efficient and reliable supply of machinery and services to all stakeholders. Through enhancing our quality assurance and safety measures, we ensure that our machinery is in top-notch conditions for customer satisfaction.

### Dedicated Workforce

Aspire to establish a good and supportive workplace that upholds fairness and equality, a competitive welfare and incentive system as well as training opportunities for professional development.

### Corporate Citizen

Drive positive values and relationships with the local community through investing and engaging in charitable causes and community outreach.

### Green Operations

Uphold environmental compliance throughout the operations whilst striving to adopt mitigation measures to minimise the potential impact from our machineries and achieve a sustainable future for all.

### Stakeholder Engagement

Keeping abreast of stakeholders’ opinions and concerns enables TLMC to improve its ESG approach and performance. By understanding stakeholders’ expectations and gauging their priorities, the Group is better equipped to address their concerns, review its business approach, and ultimately, update or formulate better sustainability policies and strategies.

The Group maintains active communication with internal and external stakeholders through various communication channels. The following table lists the stakeholders and their corresponding engagement channels during the Reporting Period.

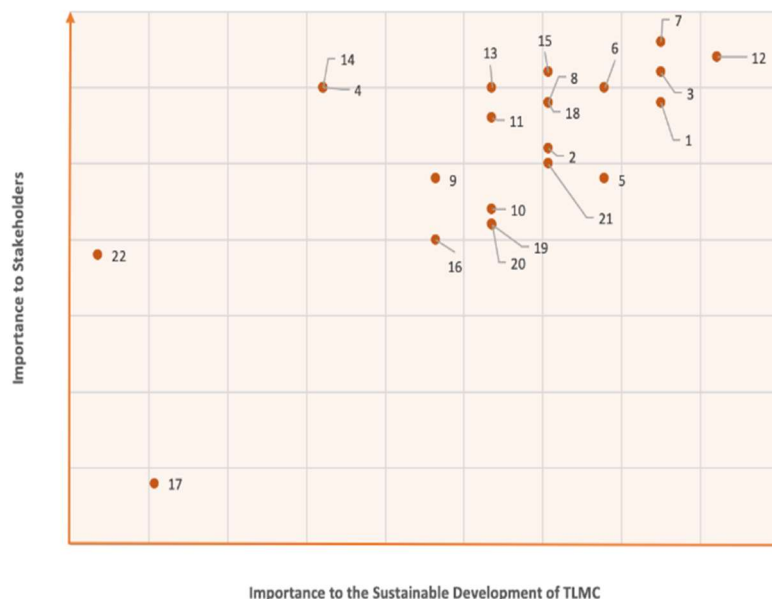
Stakeholder Groups	Engagement Channels
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>● Press releases</li> <li>● Annual/ interim reports</li> <li>● Company webpage</li> <li>● Circulars</li> <li>● General meetings and teleconferences</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>● Meetings and teleconferences</li> <li>● Performance assessment</li> <li>● Training programmes</li> <li>● Company events</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>● Company webpage</li> <li>● Satisfaction surveys</li> <li>● Meetings and teleconferences</li> <li>● Correspondences</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>● Tender meetings</li> <li>● Supplier assessment</li> <li>● Correspondences</li> <li>● Meetings and teleconferences</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>● Charity events</li> <li>● Correspondences</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>● Press releases</li> <li>● Meetings and teleconferences</li> </ul>
<b>Regulatory Bodies</b>	<ul style="list-style-type: none"> <li>● Compliance/ non-compliance reports</li> <li>● Certifications/ licensing</li> <li>● Meetings and teleconferences</li> <li>● Site visits</li> </ul>



## Materiality Assessment

To better understand stakeholders’ expectations, a comprehensive stakeholder engagement exercise was conducted in 2020/21. A four-step process was used to determine ESG issues that are material to the Group. Firstly, material ESG issues were identified through reviewing ESG reports of the Group and industry peers. Secondly, a survey was distributed to key stakeholder groups, who were invited to rank the relative importance of ESG issues based on their own perceptions (represented by employees) and towards the Group’s sustainable development (represented by the Board and management). Thirdly, the Group’s management validated the list of material issues for disclosure. Lastly, the Board reviewed the identified material ESG issues to ensure relevance to the Group.

In 2021/22, the Board conducted an assessment of the 22 previously identified material ESG issues and determined that the list continues to be applicable to the Reporting Period. A materiality matrix was plotted, which depicts the importance of individual ESG issues to stakeholders against the Group’s sustainable development. The top 10 material ESG issues are highlighted in bold in the ESG issues table.



<b>Ethical Governance</b>	<b>Quality Product and Service</b>
<ol style="list-style-type: none"> <li>1. <b>Anti-corruption</b></li> <li>2. Intellectual Property</li> <li>3. <b>Confidentiality and Data Privacy</b></li> <li>4. Prohibition of Child and Forced Labour</li> <li>5. <b>Marketing and Labelling</b></li> </ol>	<ol style="list-style-type: none"> <li>6. <b>Product Quality Assurance</b></li> <li>7. <b>Product Safety</b></li> <li>8. <b>Customer Satisfaction</b></li> <li>9. Responsible Supply Chain Management</li> <li>10. Suppliers’ Environmental and Social Practices</li> </ol>
<b>Dedicated Workforce</b>	<b>Corporate Citizen</b>
<ol style="list-style-type: none"> <li>11. Employment Standards</li> <li>12. <b>Occupational Health and Safety</b></li> <li>13. <b>Workplace Well-being</b></li> <li>14. Diversity and Equal Opportunity</li> <li>15. <b>Training and Development</b></li> </ol>	<ol style="list-style-type: none"> <li>16. Community Investment and Engagement</li> <li>17. Volunteering Opportunities</li> </ol>
<b>Green Operations</b>	
<ol style="list-style-type: none"> <li>18. <b>Environmental Compliance</b></li> <li>19. Air, Noise and Greenhouse Gas (“GHG”) Emissions Control</li> <li>20. Energy Use and Efficiency</li> <li>21. Waste Management</li> <li>22. Climate-related Risks</li> </ol>	

## ETHICAL GOVERNANCE

Strong corporate governance is essential both to delivering sustainable value as well as pursuing a culture of integrity. The Group is committed to ensuring that its business operates with the highest standard of business integrity through complying with all relevant laws, rules and regulations, implementing sound risk management and respecting intellectual property and human rights.

### Anti-corruption

Professionalism, high ethical standards, integrity and honesty are core values of the Group. The Code of Conduct in the Human Resources (“HR”) Manual in conjunction with the Anti-Fraud and Anti-Bribery Policy are in place to ensure proper professional and ethical conduct across all aspects of the Group’s operations. Those who breach the policies may be subject to summary dismissal. The Code of Conduct details employee’s responsibilities and obligations with respect to their work duties, whilst the Anti-Fraud and Anti-Bribery Policy contains provisions for combating bribery, extortion, fraud and money laundering, which apply to employees, contractors and suppliers. During the Reporting Period, there were no legal cases regarding corrupt practices brought against the Group or its employees.

The following tables detail the identification of potential fraudulent activities and responsibilities of key departments in upholding professional and ethical conduct.

Potential fraudulent activities at TLMC	
	<ul style="list-style-type: none"> <li>● Fraudulent financial reporting arising from improper revenue recognition, capitalisation of expenses, asset valuation, related-party transactions, and management override of financial transactions</li> <li>● Misappropriation of assets</li> <li>● Improper or unauthorised expenditures</li> <li>● Self-dealings, including kickbacks</li> <li>● Violations of laws, rules and regulations</li> </ul>

Responsibilities of TLMC Personnel	
<b>The Board</b>	To organise a formal fraud risk evaluation annually to evaluate and record key fraud risks, as well as review effectiveness of controls to avoid potential occurrence.
<b>HR Department</b>	To arrange for training on professional ethics and fraudulent behaviours.
<b>All managers</b>	To examine fraud risks within their scope of duty constantly and ensure that adequate controls are in place. Material fraud risks must be reported to the Board.

To put the provisions of the Code of Conduct into practice and reinforce good corporate governance, the Group has arranged anti-corruption training for the Board and senior management during the Reporting Period. The employees were required to complete self-learning materials provided by the Hong Kong Business Ethics Development Centre of the Independent Commission Against Corruption, where they enhanced their knowledge on best practices in preventing and stamping out corruption in the workplace.

The Group is committed to keeping abreast of the latest anti-corruption advice, reporting requirements and the constantly evolving regulatory environment.

### *Whistle-blowing*

The Whistleblowing Procedure, which was formulated in January 2021 and updated during the Reporting Period, is central to how the Group manages and handles unethical behaviour. The implementation of such procedure is overseen by the Audit Committee. It sets out examples of malpractice, the reporting process, as well as investigation procedures. The mechanism established under the procedure enables employees and those who deal with the Group (including customers and suppliers) to raise concerns to the Audit Committee about any suspected case of misconduct, malpractice or impropriety in a confidential manner, and without fear of retaliation. The mechanism also includes a whistleblowing email account accessible only by members of the Audit Committee, the address of which is shown at the Company's website. The procedure ensures that the whistle-blower who lodges a complaint will not be fired, mistreated, and/or suffer unnecessary disciplinary punishments.

In the event of an alleged misconduct being reported, investigative measures will commence with the advice and guidance of the Audit Committee and/or the Board (if no director is involved). If after investigation the Audit Committee is of the view that no director is involved in the suspected case, the entire Board will be informed. The Group may, on the grounds of misconduct, take appropriate disciplinary actions against any violators of corroborated allegations. All allegation records shall be preserved by the Audit Committee for review and analysis for improvement.

### **Risk Management and Internal Control**

TLMC is keenly aware of any potential risks associated with the industry and makes efforts to respond to them appropriately. With rapidly emerging trends, changing regulatory requirements, as well as new prospective infrastructure projects, it is more important than ever to maintain an effective risk management system. The Group has implemented a Corporate Governance Policy that ensures risk management is an integral part of its overall governance. Risk management is led by the Board, and supported and executed by the Audit Committee and senior management. The policy details the process of identification, documentation, evaluation, assessment and treatment of risks. Risks are monitored and reviewed on a regular basis to ensure regulatory compliance at all times.

Among various risks identified by the Audit Committee during the Reporting Period, a significant risk faced by the Group is the unpredictable local and international economic environment under the impact of COVID-19. Amidst the challenging backdrop, the Group adopted a flexible fleet management strategy in the operation of its leasing business, which enhanced its ability to adapt to changing circumstances. Furthermore, the Group maintained strong relationships with major suppliers such as Hitachi Construction Machinery Co., Ltd., Bell Equipment Company SA (Pty) Ltd and Ammann BauAusrüstung AG to create opportunities and competitive advantage.

During the Reporting Period, the Group made significant progress in adopting technologically-advanced heavy equipment into its product offerings. The Group signed a dealership agreement with Xwatch Safety Solutions Ltd. for the supply of machine safety and control systems for height and slew control, rated capacity indicator and stability of equipment. In addition, the Group became the authorised dealer for VIA brand for the supply of Mobile360 heavy equipment safety system. With digitisation and automation forecasted to alter the heavy equipment industry, the Group will continue to seize opportunities through diversifying its product base to include technologically-advanced heavy equipment.

## Information Confidentiality

It is the Group's obligation to safeguard corporate and personal information, and the Group is committed to strengthening its security protocols to minimise risks of business disruption, such as leaks of information. As iterated in the Information Security Policy, which is managed by the Administration Manager, employees are required to handle, store and file confidential information received in the course of business with due care. Measures of the Group include the signing of confidentiality agreements upon engagement of third-party service providers, and forbidding employees to disclose any confidential information to any person or department prior to the Group's official announcement or disclosure to the public.

To ensure that personal information is securely protected, the Personal Data Protection Officer is responsible for executing the Personal Data Privacy Policy through managing and implementing security protocols in accordance with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), as well as ensuring effectiveness of such protocols through an annual review. In the event that any employees, departments or subsidiaries discover that information has been exposed improperly, they shall immediately notify the Personal Data Protection Officer and request advice from external advisers if necessary.

### *Intellectual Property*

The Group protects its intellectual property rights, including copyrights, patents and trademarks. The Group currently possesses two registered trademarks of "TLMC" in Hong Kong and is the owner of a domain name. The Group also makes all reasonable efforts to respect the intellectual property rights of third parties. For instance, the Group obtains authorisation before using third parties' intellectual property, including the use of its suppliers' brand names, logos, trademarks and other forms of branding for marketing purposes, under relevant dealership and distributorship agreements. Within its internal operations, the Group strictly prohibits employees from exploiting corporate internet access to communicate information that may infringe intellectual property rights or violate relevant laws or regulatory requirements. The Group shall continue to protect intellectual property rights by filing proper registration in a timely manner.

## Marketing and Labelling

The Group is committed to offering its customers an array of products and services based on their needs and preferences whilst adhering to applicable laws, rules and regulations.

The Group clearly discloses all product features such as engine model, fuel, weight, capacity, frequency, voltage, rated output and current, phase, as well as power factor, so that customers can select the equipment best suited for them.

**中型～大型油圧ショベル/専用仕様機**  
Higher for productivity and class application  
新しい作業環境に耐えうる優れた耐久性。

**重機用碎石仕様機 Hシリーズ**

**石灰石・碎石専用強化仕様機 Rシリーズ**

**油圧バックホウ機**

重機用碎石仕様機 Hシリーズ						
型式	ZX200H	ZX200H-2	ZX200H-3	ZX200H-4	ZX200H-5	ZX200H-6
総重量 (t)	20.0	20.0	20.0	20.0	20.0	20.0
エンジン出力 (kW) (PS)	100 (136)	100 (136)	100 (136)	100 (136)	100 (136)	100 (136)
燃料消費量 (L/h)	3.5	3.5	3.5	3.5	3.5	3.5

石灰石・碎石専用強化仕様機 Rシリーズ						
型式	ZX200R	ZX200R-2	ZX200R-3	ZX200R-4	ZX200R-5	ZX200R-6
総重量 (t)	20.0	20.0	20.0	20.0	20.0	20.0
エンジン出力 (kW) (PS)	100 (136)	100 (136)	100 (136)	100 (136)	100 (136)	100 (136)
燃料消費量 (L/h)	3.5	3.5	3.5	3.5	3.5	3.5

## Human Rights

The Group recognises that fundamental human rights should be protected. The Human Rights Policy outlines the protection for human rights, commitment to valuing diversity and non-tolerance for inappropriate or unfair treatment as well as the hiring of child and forced labour. It applies to all employees of the Group and draws reference from, among others, international human rights principles such as the United Nations Guiding Principles on Business and Human Rights.

The employment practices in place strictly adhere to the guidelines issued by the Labour Department of Hong Kong, including A Concise Guide to the Employment of Children Regulations and A Concise Guide to the Employment of Young Persons (Industry) Regulations. In addition, children under 16 years old are prohibited from taking up any type of employment at the Group. Part of the measures to combat child and forced labour involves checking identity documents and performing background verifications during the recruitment process. The recruitment process will only commence after the applicant's identity has been verified to ensure that prospective employees are lawfully employable. In the unlikely event of hiring a worker with false information or identity, the recruitment procedures or the employment (as the case may be) will be terminated immediately.

To encourage a culture of integrity, human rights provisions are extended to contractors and suppliers of the Group as outlined in the Code of Practice for Suppliers. For further information regarding the Code of Practice for Suppliers, please refer to the section headed "Supply Chain Management".

## QUALITY PRODUCT AND SERVICE

The Group is committed to the highest level of product and service quality for the long-term development of the Group within the heavy equipment industry. The Group strives for customer satisfaction and trust, and prioritises delivering professional and responsible services through fulfilling requirements of safety, quality, value for money and efficiency. While strengthening its product quality assurance and customer engagement services, the Group also maintains mutually beneficial relationships with suppliers to ensure stable and reliable provisions of heavy equipment and related services.

### Leveraging Technology

Rapid digitisation and automation in the heavy equipment industry is changing the variety and quality of solutions the Group can offer to its customers. The Group is dedicated to working closely with its leading suppliers to harness technology and diversify its product offering to enhance operational efficiency, strengthen health and safety and boost productivity for its customers.

#### Real-time Alerts and Notifications



Data reports



Maintenance warranty



ConSite OIL



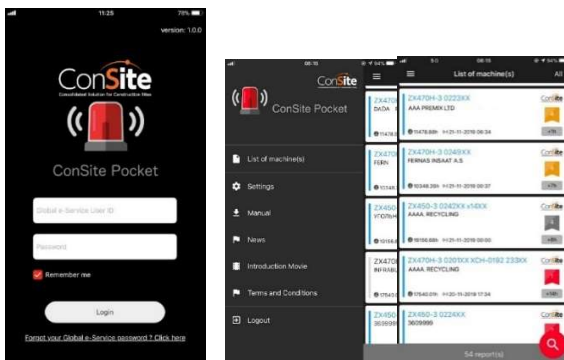
ConSite Pocket



ConSite Shot



ConSite Health Check

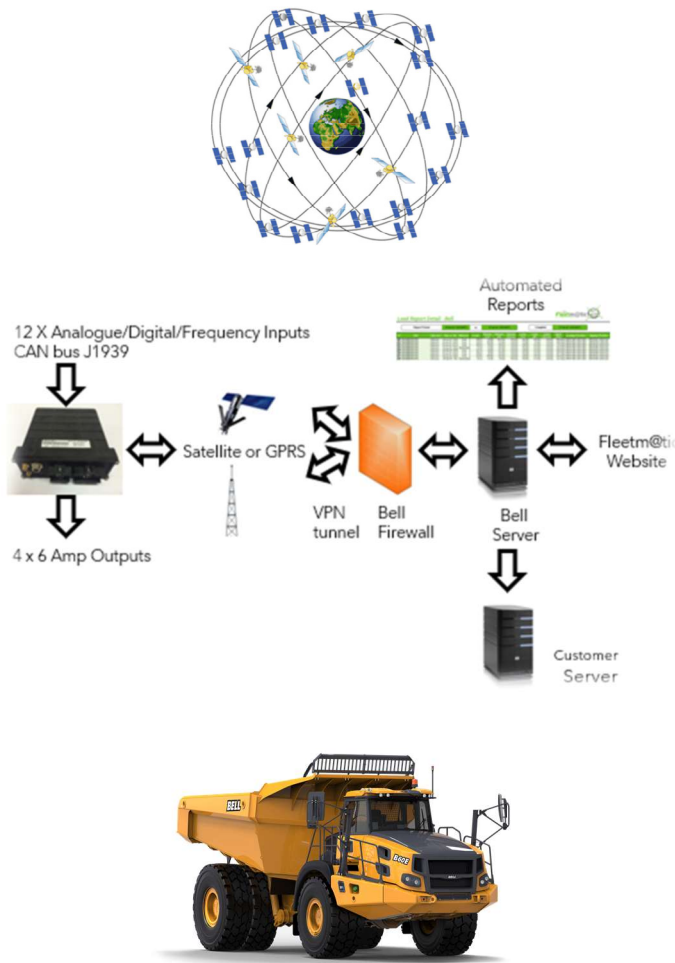


*The Group offers the Hitachi brand excavators equipped with ConSite®, a consolidated solution service system that provides 24-hour real-time location detection and real-time overheating alarms.*

*Through gathering timely insights in ConSite® OIL solution, customers can avoid machine breakdown, including overheating and sudden changes in oil property and abnormality. In turn, it minimises maintenance cost and extends the service life.*

*Furthermore, the system can predict the wear and tear of machines, which improves risk control management and enables a quicker response to improve the safety of the construction site.*

### Fleet Management



The Bell brand dump truck installed with Fleetm@tic® is a satellite-based fleet management system that provides automated reports, alerts, production data, various packages to choose from and pole-to-pole satellite coverage to keep track of the equipment at the worksites on a continuous basis. This allows customers to manage their fleet with greater precision, and overall enhances operational efficiency.

### Detecting Compression Efficiency



The Ammann Compaction Expert (ACE), a proprietary intelligent compaction system installed in Ammann brand rollers, is able to provide data regarding the areas the roller has covered through GPS mapping capabilities.

In addition to its ability to conduct automatic measurement, control and documentation, it can display and measure the degree of compaction for worksite efficiencies and quality control purposes in the ACEforce system. This unique function reduces the risk of over-compaction and minimises material destruction.

### Safety Monitoring and Restriction System



The safety monitoring system by Xwatch Safety Solutions Ltd. is a smart system with overload, height and slew limitation functions that is controlled using proportional soft-stop hydraulic valves. This comprehensive system monitors real-time usage and sends alerts to operators when limitations are approached to ensure that machinery is always operated within its safety capacity for any type of hydraulic excavator and special purpose machines.

### Dual Purpose Safety Monitoring System



With dual monitoring functions of Mobile360 by VIA brand, the artificial intelligence (“AI”) powered wide-angle dual camera lens detects the movement of pedestrians in the dangerous area of work, sends real-time visual alarm and audio reminder to the operator, solves emergencies and provides protection for blind spots. In order to ensure that the operator is fully focused on the operation, the M500 indoor AI powered face-specific camera lens can monitor whether the operator is fatigue, smoking, or focusing on the phone. Real-time visual alarms and audio reminders can prevent unsafe conditions and associated accidents from happening. The system can also be used with mobile phone applications to ensure the safety of pedestrians and operators alike.



## Product Quality Assurance

The ISO 9001:2015 Quality Management System (“QMS”) underpins the overall approach of the Group to the supply, rental, installation and maintenance of heavy equipment and ensures that its products continuously meet customer and regulatory requirements.

### Quality Assurance

The Group has appointed senior management to oversee the procedures and actions in achieving the Group’s quality objectives. The senior management is responsible for identifying risks and opportunities, delegating roles and responsibilities, ensuring employees’ competence and awareness, as well as managing customer satisfaction. During the Reporting Period, the Group fulfilled the requirements in the QMS and had no major non-conformance.

**Quality Requirements at TLMC**

- Providing adequate, effective and sufficient resources to provide high quality and reliable services to customers
- Identifying and controlling business risks and opportunities
- Ensuring that the operations are customer-driven, and that customers’ requirements and expectations are met as planned
- Maintaining effective internal and external communications, and actively monitoring, observing and understanding customers’ needs
- Complying with all applicable requirements, including standards, statutory requirements, guidelines and codes, under all circumstances
- Being responsible for the continuous development, analysis, improvement and enhancement of product or service quality, as well as operational efficiency and effectiveness to reduce operating costs
- Monitoring and continuously improving the effectiveness of the QMS through regular internal audits, data analysis and management reviews

Regular internal reviews are conducted to ensure that the Group delivers products and services that meet or exceed customers’ expectations. The Group also appointed external auditors to perform the Management System Certification Audit on the quality of the supply, rental, installation and maintenance service of excavators, breakers and generators during the Reporting Period. As a final step to ensure product quality, senior management had carried out a review against 2021/22 objectives and targets.

**Quality Objectives and Targets 2021/22**

1. <3 customer complaints for every project
2. >90% of customer satisfaction in Grade B



**Quality Assessment Results 2021/22**

- ✓ No material complaint in FY2021/22
- ✓ No corrective action request was issued for internal audit
- ✓ >90% of customer satisfaction in Grade A and B

During the Reporting Period, both targets were achieved, and the Group did not have any products sold or shipped that have been subject to recalls for safety and health reasons.

## Customer Engagement

TLMC believes in nurturing strong relationships with its customers through regular engagement, where the Group listens to their feedback and subsequently improves its services. The Group has developed a Customer Services Policy to enhance its commitment to providing excellent customer service and ensuring customers' needs are always fulfilled. New customers are required to submit an assessment form to identify their expectations, so that TLMC can provide products and services that cater to their business operations. In addition to utilising the standardised terms and conditions under the Sales Policy for the ordering and acceptance of equipment quotations, the Group follows the Technical Procedures - Tender Review and Project Initiation under the QMS in the preparation, review, approval and post-contract processing of quotations. These policies and procedures help the Group maintain excellent customer satisfaction for all its work.

### *Maintenance, Repair and Service*

The Group provides attentive inspection, maintenance and other services throughout the equipment leasing process. Prior to the delivery of leased equipment, comprehensive component checks will be performed to meet safety expectations and ensure good conditions. Subsequently, condition reports are generated for each equipment upon receipt and removal from the warehouse. When assembling the equipment on-site, technicians will conduct checks on the equipment and provide on-site training for lessees, whenever necessary. These equipment checks are also carried out when the equipment is returned.

Customers of the Group are offered with top-notch after-sales technical support, such as recondition and refurbishment services. In the case of a manufacturing defect, the Group will recover payment for the replacement from the manufacturer according to the dealership and distributorship agreements.

### *Assessment and Satisfaction*

Customer feedback is paramount for the continuous improvement of services. The Group welcomes all feedback to improve its operations and enhance customer experience. Guided by the Complaints Handling Policy and the Operations Procedures - Customer Satisfaction under the QMS, the Group distributes customer satisfaction surveys annually. The survey assesses appropriateness, efficiency and accuracy of services and communications, staff's willingness to assist and service attitude, as well as the ability to meet agreed timelines and expectations. To identify positive attributes and areas of improvements, the Group reviews the survey results on a regular basis. During the Reporting Period, the customers of the Group were generally satisfied with its products and services, and the Group received no material complaints or negative customer feedback.

## Supply Chain Management

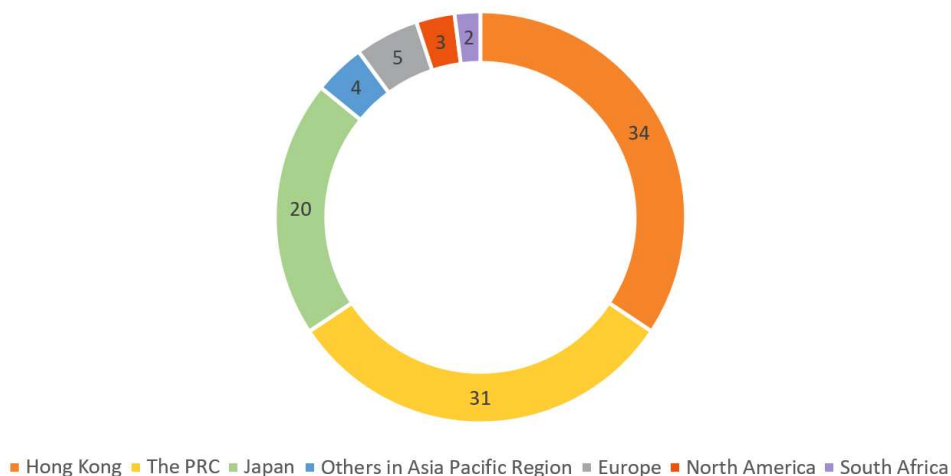
TLMC greatly relies on the reliability and quality of products and services delivered by its suppliers. Hence, the Group is committed to developing ongoing collaborative working relationships within its supply chain. The selection of suppliers is governed by the Technical Procedures - Selection and Appointment of Suppliers under the QMS, as well as the New Supplier Assessment Procedures.

To ensure that the most qualified suppliers are selected to meet the needs of the Company as well as its customers, the Group assesses potential suppliers on various criteria, such as the value of the procured products and/or services, customer requirements and quotation, years of experience and reputation in the industry. An annual Supplier Performance Assessment is also performed to assess existing suppliers based on 10 criteria. During the Reporting Period, all suppliers have successfully passed the assessment criteria for continual engagement. During the Reporting Period, the Group worked with 99 suppliers that span across more than 12 geographical locations.

Supplier Performance Assessment Criteria	
1	Product and/or Service Pricing
2	Response to and Handling Quotation
3	Employee Attitude and Competency
4	Product and Craftmanship Quality
5	Provision of Sufficient Resources
6	Procedural Control
7	Compliance with Legal and Contractual Requirements
8	Timely and Accurate Delivery
9	Safety and Environmental Awareness
10	Protection Measures for Site Materials

The chart below sets out the distribution of the Group’s suppliers by geographical region:

**Distribution of Suppliers by Geographical Region**



**Suppliers’ Environmental and Social Practices**

The Group takes environmental and social considerations into account when managing its supply chain. Reviewed annually, the Code of Practice for Suppliers sets out the Group’s expectations on ethical conduct, human and labour rights, environmental protection and climate action, health and safety and cybersecurity.

Code of Practice for Suppliers	
Ethical Conduct	Perform high ethical conduct through compliance with laws, rules and regulations, respect intellectual property rights, maintain data confidentiality, and uphold anti-corruption practices
Human and Labour Rights	Respect human and labour rights by prohibiting child and forced labour, establish fair working conditions, promote anti-discrimination, and support the freedom of association and fair-trade products
Environmental Protection and Climate Action	Encourage practices that address climate change through establishing relevant environmental policies, reduce the usage of natural resources, conduct energy efficient initiatives, adhere to local environmental regulations, and execute sustainability initiatives
Health and Safety	Implement an effective management system that establishes relevant health and safety policies, provide appropriate training and ensure compliance with relevant laws, rules and regulations to maintain a safe and healthy workplace
Cybersecurity	Align with the Group’s cybersecurity expectations, which are to protect unauthorised access, safeguard confidential information and ensure accuracy and complete information

Furthermore, suppliers are more likely to be selected or retained if they are certified with the ISO 9001: 2015 QMS certification. The Group is also dedicated to working with suppliers who demonstrate a commitment to sustainable development and promote environmental practices in their supply chain through implementing environmental policies, conducting sustainability initiatives, and reporting their sustainability performance. In addition to ensuring that the supplier’s safety and environmental awareness is assessed during the supplier performance assessment, employees proactively liaise with suppliers and seek to ensure that they meet the same safety standards and requirements as upheld by the Group.

## DEDICATED WORKFORCE

The contributions of the Group's workforce are critical to its success. Whilst the Group strives to safeguard the health and safety of its employees and to grow and sustain its talented workforce, it also aims to nurture talents to help them thrive professionally and grow their technical capabilities.

### Occupational Health and Safety

The nature of the Group's works involves working with heavy equipment. Any inappropriate acts may create accidents and cause injuries. As such, the Group regards occupational health and safety as a primary concern. Such concern stems from the use, handling, storage, transportation and maintenance of its heavy equipment. The Group, therefore, is committed to constructing a hazard-free working environment by identifying, assessing, evaluating and mitigating operational hazards and risks for its employees and contractors. To achieve this, the Group strictly adheres to its Health and Safety Policy.

#### Health and Safety Policy Commitments

- Support and nurture a culture that promotes employee wellness and enhance health and safety awareness
- Adopt and maintain effective management systems designed to eliminate health and safety hazards, respond to public health emergencies, conduct regular reviews and make continuous improvement in pertinent areas of health and safety
- Provide necessary information, instruction, training and supervision, and enable a healthy and safe working environment
- Encourage commitments from all employees and all levels of management
- Extend its commitments to its business partners to meet the same health and safety standards

Aside from establishing a management system, the Group holds safety awareness training classes regularly so that employees can proactively recognise hazards and implement appropriate control measures. By attending training classes, employees can better understand the methods of preventing accidents, risks associated with the work, and their individual roles and responsibilities, thereby improving safety and work efficiency. The Group strictly abided by the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), which governs the right for employees to receive compensation for work injuries. During the Reporting Period, there were seven reported work injuries, which resulted in 517 lost days and an injury rate of 3.89<sup>1</sup> per 100 employees. There were no work-related fatalities for the past three years, which includes the Reporting Period.

<sup>1</sup> Total number of injuries divided by total workforce at the end of the Reporting Period multiplied by 100.

### Responding to COVID-19

As the COVID-19 pandemic continues, the Group believes that it is crucial to implement a long-term pandemic response and recovery mechanism to help minimise disruption to its employees and customers, as well as ensure business continuity. In doing so, the Group established the Office and Warehouse Contingency Procedures, which detail the emergency response system for its operations.

#### Office and Warehouse Contingency Procedures

Employee Responsibility Allocation	Separating Work Arrangement	Work-From-Home Arrangement
<ul style="list-style-type: none"> <li>Check that all employees are aware of their duties and tasks at hand</li> <li>Assess business priorities and prioritise important tasks</li> <li>Establish a list of personnel responsible for handling external communication to ensure uninterrupted services</li> </ul>	<ul style="list-style-type: none"> <li>Separate department units into different office/warehouse areas</li> <li>Prevent unnecessary guests from entering the premises</li> </ul>	<ul style="list-style-type: none"> <li>Employee may trial working-from-home arrangement if deemed feasible</li> </ul>

To enhance its preparedness to health and safety risks, the Group implemented a range of measures, such as requiring all employees and guests to wear masks, perform body temperature checks at least twice a day, and properly disinfect hands upon entry to the premises. Guests must also complete a health declaration form, whilst employees are required to report on recent trips, suspected symptoms and contact with confirmed or suspected COVID-19 cases. Furthermore, a COVID-19 management plan was created and updated during the Reporting Period to ensure that employees are well aware of the procedures to follow in different situations and more importantly, prioritise and safeguard their well-being. To strengthen immunity for its employees as well as the wider society, the Group encouraged vaccination of its employees through offering incentives. During the Reporting Period, the Group frequently provided surgical masks, hand sanitisers and rapid antigen test kits to its staff.

### Workplace Well-being

The Group takes crucial steps to safeguard the safety and well-being of the physical environment for a healthier and productive workforce. As a regular practice, the QMS auditor commissioned by the Group performed the annual Workplace Environmental Assessment at the facility site during the Reporting Period. A total of eight site health and safety elements were assessed and all aspects received satisfactory levels of conformance.

Workplace Environmental Assessment	
1	Air Ventilation and Odour
2	Noise Nuisance and Vibration
3	Hygiene Condition
4	Adequacy of Lighting
5	Room Temperature and Humidity
6	Unobstructed Corridors
7	Availability of Fire-fighting Equipment
8	Availability of Other Safety Equipment

In a bid to instil a culture of health and safety at the offices, the Group maintains a Smoke-Free Workplace Policy and Office Occupational Health and Safety Guidelines.

Smoke-Free Workplace Policy	Office Occupational Health and Safety Guidelines
<p>The Group recognises that smoking can impair the health of its employees as well as their job performance. The policy ensures that smoking is prohibited as smoking is illegal in all indoor areas of workplaces and public places.</p>	<p>To enhance the awareness of good workplace environmental practices, the Group communicated the Office Occupational Health and Safety Guidelines, developed by the Occupational Safety and Health Council, to its employees. The guidelines cover topics such as office workplace management, appropriate lighting, indoor air quality, security, equipment handling, hazard response and mental well-being. These factors enable the Group to maintain a thriving work environment.</p>

To further demonstrate our commitment to building a healthy workplace, the Group has joined the Heart Caring Campaign and signed the Heart Caring Charter launched by the Labour Department and Occupational Safety and Health Council of Hong Kong. Through this initiative, a series of activities that include on-site health checks, weight loss challenges and mindfulness exercises are provided to frontline employees to encourage healthy lifestyles as well as raise awareness of cardiovascular and cerebrovascular disease.

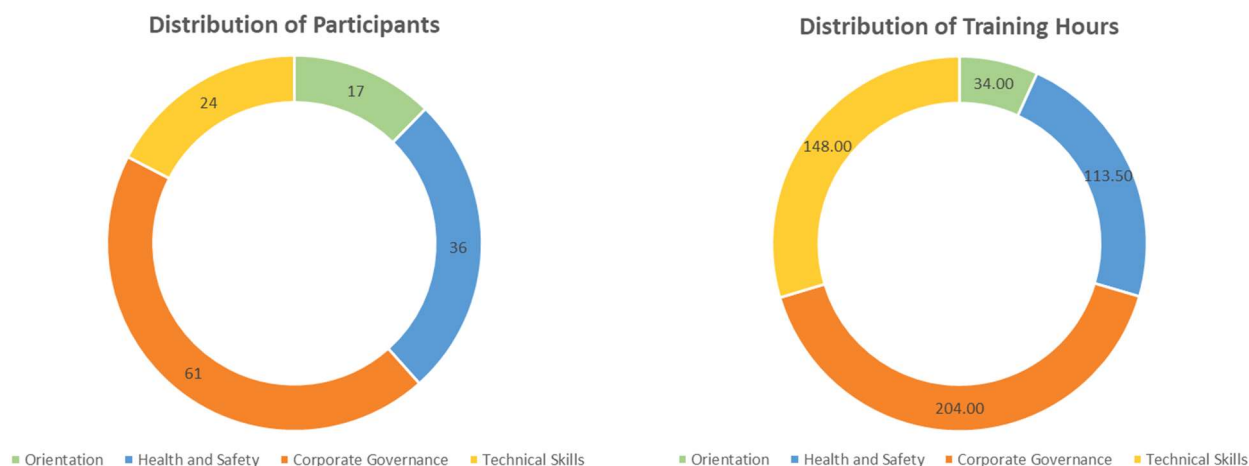


### Talent Development

TLMC values the professional development of its employees, and encourages them to enrich their knowledge to unleash their potential. The Learning and Development Policy of the Group guides the Administration Department in implementing a diverse range of training courses for employees of all levels and is formulated based on a balance between employee preferences and strategic business objectives.

All new recruits are expected to attend induction training, which aims to guide them to understand the Group’s core values, organisation structure, business goals, relevant policies, as well as the Code of Conduct. As for technicians and operators that require specific professional expertise, the Group ensures that training is arranged for relevant products. A portion of these product trainings are directly conducted by the suppliers, who ensure that the Group’s technical team is equipped with the latest knowledge and skills to effectively operate and properly maintain the equipment. These skills also serve to help address customers’ enquiries promptly and efficiently.

To nurture talents, the Group sponsors external training programmes related to individuals’ job scope, relevant public examinations, as well as application for professional membership. During the Reporting Period, the external and internal training courses of the Group cover aspects of business ethics, anti-corruption and occupational health and safety, among others. During the Reporting Period, a total of 499.50 hours (2021: 140 hours) have been allocated for training purposes for the Group’s employees, including executive/non-executive directors and general staff.



Additionally, the Group’s independent non-executive directors completed a total of 102 training hours. For further details of the training data during the Reporting Period, please refer to the section headed “Performance Data Summary” in this Report.

### Employment Welfare

Employees are indispensable to the long-term development and sustainability of TLMC. Guided by a people-oriented philosophy, the Group strives to cultivate an ideal workplace by providing attractive benefits, rewarding high performers, facilitating two-way communication and promoting fairness in the workplace.

#### Benefits and Compensation

To develop a thriving workforce, the Group offers competitive remuneration and benefits. These include a basic salary, performance-related discretionary bonus, retirement benefits, overtime allowance, as well as the Group Medical Insurance Scheme. They are also entitled to rest periods and leave, such as annual leave, sick leave, education leave, maternity leave, paternity leave, marriage leave, compassionate leave and jury leave. As set out in the HR Manual, employees who work outside normal working hours as specified by management are appropriately compensated in the form of compensation leave, or job-related payments and reimbursement.

#### Communication and Engagement

The Group believes that the success of the business depends on mutual trust, communication, respect and understanding between different departments and seniority. Hence, employees are encouraged to candidly share their views and constructive criticisms with their immediate supervisors or senior management through various communication channels, including staff communication groups, briefing sessions or other informal channels. In striving to build a culture of fairness, the Group is also committed to ensuring that grievances are treated with respect and confidentiality. Appropriate investigation and resolution procedures will be taken if necessary.

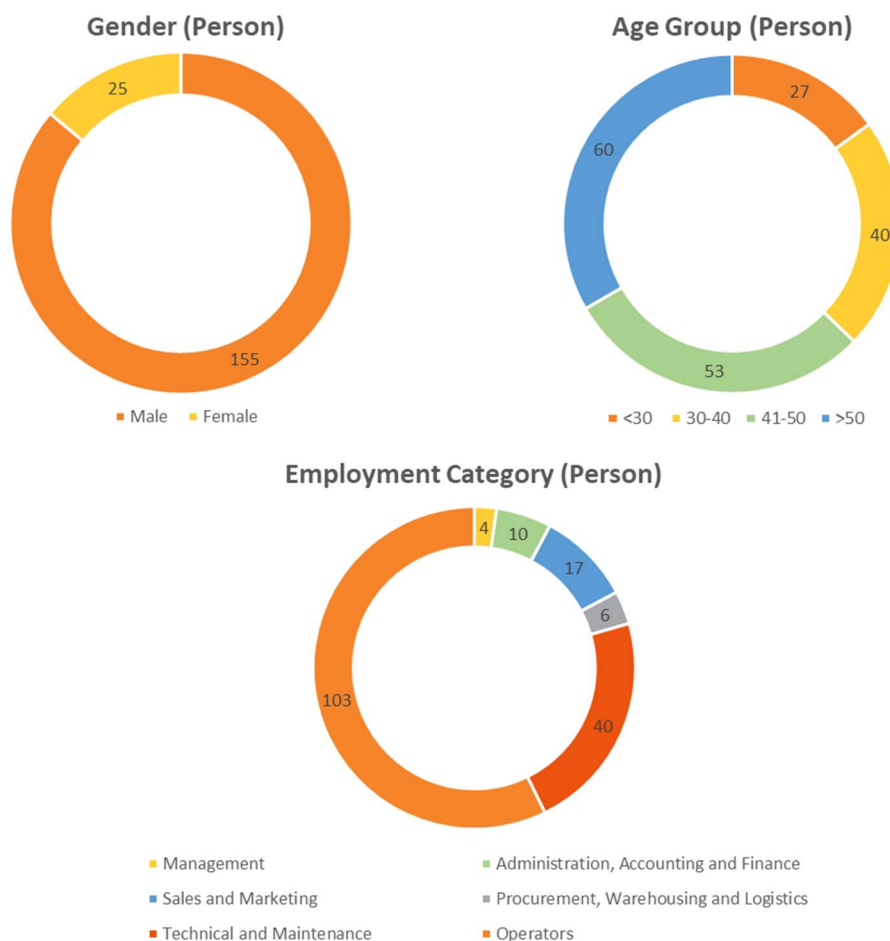


### Diversity and Equal Opportunity

The Equal Opportunity Policy in the HR Manual embodies the Group’s dedication to fostering a diverse and inclusive workplace that strictly prohibits any form of discrimination, harassment, victimisation or vilification. The Group takes an active approach to ensure that the recruitment, promotion and retention of employees are free of discrimination. The Group is committed to providing equal opportunities regardless of their age, sex, marital status, pregnancy, family status, disability, race, nationality or religion, provided that these do not impede the abilities of the prospective appointees to carry out normal job duties or affect the health and safety of fellow employees. The Group prides itself in being a competence-based employer by evaluating candidates based on their merits and abilities, including job knowledge and technical know-how, competence and potential, performance and quality of work, qualifications, working attitude and interpersonal skills, as well as personal attributes.

During the Reporting Period, the Group participated in a job fair organised by the Hong Kong Institute of Construction (“HKIC”) and collaborated with the organisation to become an approved employer for the Approved Technical Talents Training Programmes, with an aim to create pathways for different talents. Targeting recent college graduates from the HKIC, the Group offered apprenticeship programmes that last for two or three years for successful candidates. Candidates are assessed based on their merits and abilities through their application and on-the-spot interview, among others.

As of 31 July 2022, the Group’s workforce consisted of 180 employees (31 July 2021: 215), representing a decrease of 16.28% in the total workforce. The workforce of the Group comprises full-time management, office employees, technicians and operators, and all employees are based in Hong Kong.



## CORPORATE CITIZEN

TLMC is committed to taking part in nurturing a healthy, caring and sustainable society by concentrating efforts in supporting the underprivileged, in particular people with disabilities. The Group integrates corporate social responsibility into its corporate culture and promotes positive values and relationships with its community.

The Group has a long history of supporting charitable and non-profit organisations and has been awarded the Caring Company by the Hong Kong Council of Social Service as a company that cares for the community, employees and environment.

During the Reporting Period, the Group donated approximately HK\$459,000 to support the operations of various organisations focusing on, among others, the underprivileged, children's health and the construction industry.

The Group also fully believes in lending a helping hand to those in great need. Hence, the Group donated HK\$100,000 each to Orbis and Hong Kong Blind Union, which are both organisations that focus on assisting individuals with blindness or visual impairment, in order to improve their quality of life. Through these donations, TLMC aims to lend a helping hand to tackle social inequalities and uphold the rights of people with vision problems.



## Society Contribution

At TLMC, we acknowledge that the growth of the Company and local communities go hand in hand. Thus, the Group is passionate in championing local social causes to improve the well-being of citizens and ultimately, foster a healthy society. To this end, the Group donated HK\$100,000 each to Hong Kong Federation of Handicapped Youth and Hong Kong Cancer Fund to ensure that those citizens with long-term disabilities are able to overcome the challenges that they face and successfully integrate into the society.

During the Reporting Period, the Group did not engage in face-to-face community activities due to health and safety concerns arising from COVID-19. Moving forward, the Group hopes to participate in such community events when the situation permits it.

## GREEN OPERATIONS

TLMC is committed to strengthening the control of environmental pollutants and adopting more environmentally-conscious operation methods. As the Group is primarily engaged in the sales, leasing and maintenance of heavy equipment, the environmental impact is relatively low when compared to its manufacturers and product users at construction sites. Nevertheless, the Group still seeks ways to minimise its indirect environmental footprint through strictly complying with laws, rules and regulations, closely controlling emissions, improving energy efficiency, managing waste and adapting to climate change. The Group’s Environmental Policy was developed to reduce the environmental impacts of its activities and to establish processes and procedures in line with regional environmental and climate objectives.

### Environmental Compliance

The Group procures machinery that strictly adheres to the regulatory requirements of the Environmental Protection Department (the “EPD”) on the emission of non-road mobile machinery. To comply with prescribed air and GHG emissions standards, the Group ensures that its machineries comply with the Air Pollution Control (Non-road Mobile Machinery) (the “NRMM”) (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong). The noise levels of the heavy equipment of the Group also comply with the Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong) and are indicated by the Quality Powered Mechanical Equipment (“QPME”) Labels.

The Group has obtained approval or exemption labels for regulated machineries for inventory and leasing purposes. Equipment with such labels are in compliance with international standards, including Article 12 of the Directive 2000/14/EC relating to the noise emission in the environment by equipment for use outdoors of the European Union (EU) and the Low Noise Construction Equipment Regulations by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan.

The table below sets out the number of equipment of different standards:

<i>(As of 31 Jul 2022)</i>	Exempted NRMM	Approved NRMM	QPME
<b>Inventory (unit)</b>	2	226	76
<b>Leasing Fleet (unit)</b>	7	418	286

### Environmental Impact and Resource Efficiency

The Group recognises the role it plays in helping to transition the world into a low-carbon society. Whilst its direct impact remains low, the Group strives to optimise its operational efficiency, as well as to seek environmental-friendly solutions for its customers.

#### *Air, Noise and GHG Emissions Control*

To ensure that the operational and emissions performance of the machinery provided to its customers is of excellent condition, the Group conducts thorough inspections before rental and performs regular maintenance during the rental process. Additionally, older machinery would be progressively phased out to keep in line with the most updated regulatory control requirements. The Group also adopts initiatives to lower noise emission levels in its machineries such as applying anti-vibration devices to equipment, installing silencers, air compressor tubes, as well as using flexible joints for draught fans.

### Case study: hybrid and electric equipment product line

To improve its customers' environmental footprint, for a number of years, the Group has expanded its rental and sales product line to include hybrid hydraulic excavators. Hybrid equipment are eco-friendly equipment with higher fuel efficiency levels than those powered by internal combustion engines.

In August 2021, the Group leased out its first electric excavator for use in construction sites in Hong Kong. As customers are becoming increasingly conscious of their environmental impacts, the Group hopes to offer a diverse range of machinery to tailor to their sustainability requirements and values.



Regarding vehicles that support its daily business operations, the Group strives to lessen its impact on climate change by continuously monitoring their emissions performance, documenting energy usage, and calculating respective air and GHG emissions annually, in an accurate and transparent manner. As of 31 July 2022, the Group maintained a total fleet of 29 (31 July 2021: 20) vehicles and their total distance travelled with available data was 324,869.60 km (31 July 2021: 252,951.30 km).

The Group's air emissions primarily consist of GHG and exhaust gas emissions. In terms of GHG emissions, scope 1 direct emissions stemmed from fuel combustion of the usage of its own vehicles, whereas scope 2 indirect emissions derived from generated electricity used in its offices and facilities. Exhaust gas emissions mainly derived from the operation of the Group's own vehicles, which generates direct air pollutants, including nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matter ("PM").

The quantification methodology makes reference to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, published by the Electrical and Mechanical Services Department ("EMSD") and EPD, as well as the latest emission factors, published by the China Light and Power Company Limited ("CLP"). The following table shows the Group's GHG emissions profile for the Reporting Period as compared with the previous two years.

Emission Type	Unit	2019/20	2020/21	2021/22	% Change <sup>2</sup>
<b>NOx</b>	kg	534.18	383.86	<b>598.48</b>	12.04%
<b>SOx</b>	kg	0.71 <sup>3</sup>	0.47	<b>0.91</b>	27.66%
<b>PM</b>	kg	42.24	37.07	<b>47.31</b>	12.00%
<b>Scope 1 Emissions</b>	tCO <sub>2</sub> -e	118.89 <sup>4</sup>	80.44	<b>153.00</b>	28.69%
<b>Scope 2 Emissions</b>	tCO <sub>2</sub> -e	50.85	36.14	<b>42.38</b>	-16.65%

<sup>2</sup> This column compares information of FY21/22 with FY19/20 as the base year.

<sup>3</sup> The Group started purchasing barrels of diesel oil to fill up some of its vehicles in June 2020. Due to insufficient data, 7,562 litres of diesel oil is excluded from the calculation of SOx emissions.

<sup>4</sup> Due to insufficient data, the calculation of scope 1 direct emissions assumed that 7,562 litres of diesel oil was consumed for the use of medium goods vehicles.

### Energy Usage and Efficiency

Enhancing energy efficiency can lead to an overall improvement in environmental performance and lessen the impact on the environment. The two principal energy sources that support the operations of the Group are fossil fuel and electricity.

Energy Type	Function
<b>Diesel, Petroleum</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Operation and transportation of heavy equipment for the delivery and collection of sold and leased equipment to and from customers; and</li> <li><input type="checkbox"/> Transportation means for the Group's personnel</li> </ul>
<b>Electricity</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Powering electronic appliances that support operations</li> </ul>

In 2020, the Group installed solar panels on the rooftops of one of its warehouses. The solar panels are connected to the power grid and CLP's Feed-in Tariff (FiT) Scheme, and provide a source of renewable energy. During the Reporting Period, the solar panels generated 83,391.88 kW of electricity. Looking forward, the Group aims to seek further opportunities in expanding its solar panels to other facilities to promote wider use of renewable energy.

Within its office, the Group actively practises energy-saving measures as efforts to reduce its overall carbon footprint. The Group will continue to strengthen employees' awareness in responsible energy usage at the office.

#### Energy Saving Initiatives at TLMC

- Maintaining indoor temperature at an optimal level of comfort
- Encouraging employees to turn off computers and monitors when not in use
- Setting timers and other sensors to automatically turn off office appliances, such as copiers, TV monitors and air-conditioners, after office hours
- Encouraging employees to make the best use of telecommunication systems to avoid unnecessary travel arrangements
- Putting up signage that emphasise the importance of energy saving
- Optimising logistics arrangement to and from customers' sites
- Using energy-efficient light bulbs such as LED, T5 or compact fluorescent lamps with energy labels (i.e. EMSD's Grade 1 and 2 or equivalent)
- Monitoring room temperature through inspecting thermometers

Energy Usage	Unit	2019/20	2020/21	2021/22	% Change <sup>5</sup>
<b>Diesel</b>	L	40,494.37	27,204.43	48,993.85 <sup>6</sup>	20.99%
<b>Petroleum</b>	L	3,648.37	2,567.72	7,996.59 <sup>7</sup>	119.18%
<b>Electricity<sup>8</sup></b>	kWh	101,694.15	97,660.87	108,670.49	6.86%

<sup>5</sup> This column compares information of FY21/22 with FY19/20 as the base year.

<sup>6</sup> The calculation of diesel usage covers 22 vehicles (2021: 18 vehicles), including those sold during the Reporting Period.

<sup>7</sup> The calculation of petroleum usage covers 7 vehicles (2021: 4 vehicles), including those sold during the Reporting Period.

<sup>8</sup> The calculation of electricity usage covers its headquarters office, branch office and 3 warehouses at its operating sites.

### ***Waste Management***

Waste generated by machineries, if improperly handled, can be a potential health risk and harm the environment. TLMC is dedicated to managing its waste effectively, and divesting useful resources from landfills to recycling or repurposing, whenever applicable. The Group generates two major types of waste from its operations, specifically scrap metal and other non-hazardous waste including package materials of parts, domestic household waste and office waste.

For scrap metals, the Group performs a systematic process for sorting, organising and storing scrap metal at its facility site. Once a certain amount is collected, the Group commissions a metal recycler to collect and recycle the scrap metal waste in accordance with the Construction Waste Disposal Charging Scheme implemented by the EPD. During the Reporting Period, the Group recycled 53,360 kg (2021: 178,030 kg) of scrap metals.

For other non-hazardous waste, the Group encourages the recycling and reuse of materials. A designated area has been set up for waste handling by an appointed waste collection company. During the Reporting Period, 480 tonnes of waste have been collected for further handling by the Group's third-party collection company.

Although the operations of the Group produces an insignificant amount of hazardous chemical waste, the Group ensures that it is handled with due care at all times. As a registered Chemical Waste Producer, the Group strictly abides by the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) to control the release of chemical waste generated by its own direct usage of heavy equipment. Moreover, the Group ensures that chemical waste is responsibly handled at sites by creating a designated area for the storage of waste, in accordance with the Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes under the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong). To strengthen its commitment, the Group also encourages lessees to exercise utmost attention when managing hazardous chemical waste at their sites.

### ***Paper Usage***

At the office, the Group is committed to reducing paper consumption through adopting digital means of communication instead of using paper. In addition to performing double-sided printing, the Group promotes the concept of reusing and sharing stationary and office furniture. During the Reporting Period, the Group has consumed approximately 47,500 pieces (2021: 102,500 pieces) of paper, which is equivalent to the weight of 0.24 tonnes (2021: 0.51 tonnes).

### ***Water Usage***

The Group recognises that water is a scarce resource and strives to use its water resources efficiently by treating sewage in a sustainable manner. In its facilities, the Group has set up a water sedimentation tank as the first layer of wastewater treatment that allows suspended particles to settle as the water flows into the public stream. Once the accumulated solids, or sludge, are formed at the bottom of the tank, they are periodically removed by a professional licensed waste collector. During the Reporting Period, the Group did not encounter any issues in sourcing water. The Group has consumed a total of 3,327.56 cubic metres (2021: 571.51 cubic metres) of water<sup>9</sup> during the Reporting Period.

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<sup>9</sup> Water usage covers 4 operating sites (2021: 2 operating sites).

## Climate Change Adaptation

The impacts of climate change are increasingly experienced and acknowledged by people and businesses around the world. Adapting to such change is necessary to help a company protect its operations and the safety of its people from climate-related risks.

To strengthen the approach to managing climate-related issues, during the Reporting Period, the Group conducted a preliminary climate-related risk assessment in accordance with the framework of the Task Force on Climate-Related Financial Disclosures (“TCFD”). Nine climate-related risks consisting of four physical and five transition risks were identified as likely to have an impact on the Group. Through the assessment, all nine climate-related risks were deemed by the Group to be of low risk and thus have a minimal impact on its business activities.

Nevertheless, the Group has proactively adopted appropriate mitigation measures to deal with the more frequent risks of extreme weather events, which include typhoons and flooding. To mitigate typhoon risks, emergency management and emergency evacuation plans are in place whilst suitable storage facilities for materials and equipment are set up. In addition, the HR Manual sets out comprehensive guidelines for all employees on responding to typhoon and rainstorm warnings in accordance with the Code of Practice in Times of Typhoons and Rainstorms published by the Labour Department of the Government of Hong Kong. To manage flooding risks, building designs are enhanced to increase resistance to extreme precipitation, and flood risk assessments are conducted for specific construction sites.

With the number of hot days expected to increase over the 21st century, the Group strictly follows the Guidelines on Site Safety Measures for Working in Hot Weather issued by the Construction Industry Council of Hong Kong. To reduce worker’s heat load and prevent disruption to its operations, the Group provides work shelters, ventilation facilities, rest periods, potable water, appropriate clothing and relevant training. In addition, the Group updates employees with information on extreme hot weather conditions through staff communication groups. Through these measures, the Group aims to promote good practices to its employees and ensure that they are aware of the latest weather information to make timely arrangements.

## Targets

To join the global efforts in combating climate change, the Group formulated a series of environmental targets in 2020/21 that aim to reduce its operational impact on the environment. The Group’s progress in achieving these environmental targets will be communicated on an annual basis, and the disclosed targets may be revised to reflect operational changes. The Group shall consider establishing waste-related targets in the future as waste management is considered to be a material topic.

Environmental Issue	Target	Status	2021/22 Progress
GHG Emissions	By 2025, reduce GHG emissions (Scope 1 & 2) intensity (by tCO <sub>2</sub> e / HK\$ 'million) by 4%, compared to a FY17/18 baseline	In progress	Recorded an increase <sup>10</sup>
Electricity	By 2025, reduce electricity consumption intensity (by full time employee (“FTE”)) by 67%, compared to a FY17/18 baseline	On track	Recorded a decrease

<sup>10</sup> This increase is partly due to the additional fleet maintained in FY21/22 as a result of business needs.

## COMPANY POLICIES

Guided by its approach to maintaining responsible corporate governance as demonstrated by the Sustainability Policy, the Group exerts considerable efforts to ensuring that the necessary policies are in place in order to facilitate compliance with relevant legislation and promote best practices for employees to adopt. Thus, the Group commits to regularly reviewing current procedures and revising company policies to streamline internal processes and keep abreast of the changing business landscape. The following table lists out the formulated policies that are implemented within its operations.

Established Company Policies
<p><b>Ethical Governance</b></p> <ul style="list-style-type: none"> <li>● Anti-Fraud and Anti-Bribery Policy</li> <li>● Code of Conduct (within Human Resources Manual)</li> <li>● Group Corporate Governance Policy</li> <li>● Group Risk Management Policy</li> <li>● Human Rights Policy</li> <li>● Information Security Policy</li> <li>● Personal Data Privacy Policy</li> <li>● Whistleblowing Procedure</li> </ul>
<p><b>Quality Product and Service</b></p> <ul style="list-style-type: none"> <li>● Code of Practice for Suppliers</li> <li>● Complaints Handling Policy</li> <li>● Customer Services Policy</li> <li>● Insurance Management Policy and Procedures</li> <li>● New Supplier Assessment Procedures</li> <li>● Quality Manual ISO 9001:2015</li> <li>● Operations Procedures – Internal Audit</li> <li>● Operations Procedures – Customer Satisfaction</li> <li>● Sales Policy</li> <li>● Technical Procedures – Tender Review and Project Initiation</li> <li>● Technical Procedures – Selection and Appointment of Suppliers</li> <li>● Technical Procedures – Inspections</li> </ul>
<p><b>Dedicated Workforce</b></p> <ul style="list-style-type: none"> <li>● Equal Opportunity Policy (within Human Resources Manual)</li> <li>● Health &amp; Safety Policy</li> <li>● Learning and Development Policy</li> <li>● Office and Warehouse Contingency Procedures</li> <li>● Office Occupational Health and Safety Guidelines (created by the Occupational Safety and Health Council)</li> <li>● Operations Procedures – Infrastructure &amp; Working Environment</li> <li>● Smoke-Free Workplace Policy</li> </ul>
<p><b>Green Operations</b></p> <ul style="list-style-type: none"> <li>● Environmental Policy</li> </ul>



## LAWS, RULES AND REGULATIONS

The Group recognises the importance of and is committed to having an effective governance system. Its Compliance Policies and Procedures outline its goals to maintain the highest standards of diligence in all areas of public accountability and conduct its activities in accordance with relevant regulatory requirements, internal policies and procedures. The Group Corporate Governance Policy also requires members of the senior management, who have been delegated responsibilities, to use their best endeavours to ensure that operations are in strict compliance with applicable laws, rules and regulations. The following table provides a summary of all laws, rules and regulations that have a significant impact on its operations.

Applicable Laws, Rules and Regulations	Compliance
<b>Ethical Governance</b>	
<ul style="list-style-type: none"> <li>● Listing Rules</li> <li>● Companies Ordinance (Cap. 622 of the Laws of Hong Kong)</li> <li>● Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)</li> <li>● Competition Ordinance (Cap. 619 of the Laws of Hong Kong)</li> <li>● Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)</li> <li>● Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)</li> <li>● Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)</li> <li>● Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong)</li> <li>● Employment of Young Persons (Industry) Regulations (Cap. 57C of the Laws of Hong Kong)</li> </ul>	<p>During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to bribery, extortion, fraud, and child and forced labour that had a significant impact on the Group.</p>
<b>Quality Product and Service</b>	
<ul style="list-style-type: none"> <li>● Occupiers Liability Ordinance (Cap. 314 of the Laws of Hong Kong)</li> <li>● Motor Vehicles (First Registration Tax) Ordinance (Cap. 330 of the Laws of Hong Kong)</li> <li>● Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E of the Laws of Hong Kong)</li> <li>● Factories and Industrial Undertakings Ordinance (Cap. 59 of the Laws of Hong Kong)</li> <li>● Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Cap. 59AG of the Laws of Hong Kong)</li> <li>● Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations (Cap. 59J of the Laws of Hong Kong)</li> <li>● Code of Practice on Safe Use of Excavators</li> </ul>	<p>During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that had a significant impact on the Group.</p>
<b>Dedicated Workforce</b>	
<ul style="list-style-type: none"> <li>● Employment Ordinance (Cap. 57 of the Laws of Hong Kong)</li> <li>● Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)</li> <li>● Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)</li> <li>● Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)</li> <li>● Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong)</li> <li>● Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)</li> <li>● Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)</li> <li>● Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)</li> <li>● Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong)</li> </ul>	<p>During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, occupational health and safety and other safety treatments that had a significant impact on the Group.</p>

Applicable Laws, Rules and Regulations	Compliance
<b>Green Operations</b>	
<ul style="list-style-type: none"> <li>● Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Cap. 311Z of the Laws of Hong Kong)</li> <li>● Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)</li> <li>● Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)</li> <li>● Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)</li> </ul>	<p>During the Reporting Period, the Group was not aware of any material violations of laws, rules and regulations relating to air and GHG emissions, noise emissions, discharges into water and land and generation of hazardous and non-hazardous waste that had a significant impact on the Group.</p>

## PERFORMANCE DATA SUMMARY

The table below sets out quantitative information regarding some of the records in relation to emissions, use of resources and employment data of the Group:

Key Performance Indicators	Unit	2019/20	2020/21	2021/22
<b>Environmental</b>				
NOx Emissions	kg	534.18	383.86	598.48
SOx Emissions	kg	0.71	0.47	0.91
PM Emissions	kg	42.24	37.07	47.31
GHG Emissions - Scope 1	tCO <sub>2</sub> e	118.89	80.44	153.00
GHG Emissions - Scope 2	tCO <sub>2</sub> e	50.85	36.14	42.38
GHG Emissions (Scope 1 & 2)	tCO <sub>2</sub> e	169.74	116.57	195.38
GHG Emissions Intensity by Revenue <sup>11</sup>	tCO <sub>2</sub> e/ HKD Million	0.27	0.24	0.49
GHG Emissions Intensity by FTE	tCO <sub>2</sub> e / Person	0.80	0.54	1.09
Electricity Usage	kWh	101,694.15	97,660.87	108,670.49
Petroleum Usage	Litre	3,648.37	2,567.72	7,996.59
Diesel Usage	Litre	40,494.37	27,204.43	48,993.85
Energy Usage	MJ	2,051,693.87	1,487,894.17	2,550,901.79
Energy Usage Intensity by Revenue	MJ / HKD Million	3,262.88	3,062.79	6,455.04
Energy Usage Intensity by FTE	MJ / Person	9,723.67	6,920.44	14,171.68
Water Usage	m <sup>3</sup>	2,136.57	571.51	3,327.56
Water Usage Intensity by Revenue	m <sup>3</sup> / HKD Million	0.00	1.18	8.42
Water Usage Intensity by FTE	m <sup>3</sup> / Person	10.13	2.66	18.49
Scrap Metals Recycled	kg	62,450.00	178,030.00	53,360.00
Paper Disposed	Tonne (Piece)	0.27 (55,000)	0.51 (102,500)	0.24 (47,500)
Paper Recycled	Tonne (Piece)	N/A	0.12 (25,000)	N/A

<sup>11</sup> Intensity by revenue figures in 2019/20 were converted to the revenue unit in HKD Million for a more meaningful comparison. The total revenue for the Group in 2021/22 is approximately HK\$ 395.18 million.

Key Performance Indicators	Unit	2019/20	2020/21	2021/22
<b>Social</b>				
Total Workforce (Turnover)	Person (Person/%)	211 (30.00%)	215 (15.02%)	180 (51.65%)
<b>Workforce by Gender (Turnover)</b>				
Male	Person (Person/%)	178 (20.00%)	193 (11.32%)	155 (52.30%)
Female	Person (Person/%)	33 (10.00%)	22 (40.00%)	25 (46.81%)
<b>Workforce by Age Group (Turnover)</b>				
<30 Years Old	Person (Person/%)	25 (9.00%)	27 (45.15%)	27 (44.44%)
30-40 Years Old	Person (Person/%)	44 (12.00%)	52 (10.42%)	40 (43.48%)
41-50 Years Old	Person (Person/%)	64 (8.00%)	63 (6.30%)	53 (43.10%)
>50 Years Old	Person (Person/%)	78 (1.00%)	73 (14.57%)	60 (67.67%)
<b>Workforce by Employment Type (Turnover)</b>				
Management	Person (Person/%)	4 (0.00%)	4 (0.00%)	4 (0.00%)
Administration and Accounting	Person (Person/%)	6 (1.00%)	7 (30.77%)	10 (58.82%)
Sales and Marketing	Person (Person/%)	16 (11.00%)	17 (54.55%)	17 (35.29%)
Procurement and Warehousing	Person (Person/%)	7 (0.00%)	7 (85.71%)	6 (61.54%)
Technical and Maintenance	Person (Person/%)	30 (18.00%)	39 (23.19%)	40 (30.38%)
Operators	Person (Person/%)	148 (0.00%)	141 (4.84%)	103 (61.48%)
<b>Total Trained</b>				
Total Trained Employees (% of Employees Trained)	Person (%)	20 (9.48%)	21 (9.77%)	76 (42.22%)
Total Training Hours (Average per Employee)	Hour (Hour)	401.50 (1.90)	140.00 (0.65)	499.50 (2.78)
<b>Trained Employees by Gender (% of Employees Trained)</b>				
Male	Person (%)	15 (8.00%)	14 (7.25%)	52 (33.55%)
Female	Person (%)	8 (24.00%)	5 (23.73%)	24 (96.00%)
<b>Trained Employees by Employment Category (% of Employees Trained)</b>				
Management	Person (%)	4 (100.00%)	4 (100.00%)	4 (100.00%)
Administration and Accounting	Person (%)	2 (33.00%)	3 (42.86%)	9 (90.00%)
Sales and Marketing	Person (%)	2 (13.00%)	2 (11.76%)	17 (100.00%)
Procurement and Warehousing	Person (%)	2 (29.00%)	1 (14.29%)	6 (100.00%)
Technical and Maintenance	Person (%)	8 (27.00%)	10 (25.64%)	40 (100.00%)
Operators	Person (%)	2 (1.00%)	1 (0.71%)	0 (0.00%)

Key Performance Indicators	Unit	2019/20	2020/21	2021/22
<b>Training Hours by Gender (Average per Employee)</b>				
Male	Hour (Hour)	310.50 (1.74)	44.50 (0.23)	372.50 (2.40)
Female	Hour (Hour)	91.00 (2.76)	95.50 (4.34)	127.00 (5.08)
<b>Training Hours by Employment Category (Average per Employee)</b>				
Management	Hour (Hour)	79.50 (19.88)	100.00 (25.00)	103.00 (25.75)
Administration and Accounting	Hour (Hour)	42.00 (7.00)	8.00 (1.14)	31.00 (3.10)
Sales and Marketing	Hour (Hour)	14.00 (0.88)	6.00 (0.35)	51.00 (3.00)
Procurement and Warehousing	Hour (Hour)	14.00 (2.00)	1.00 (0.14)	53.50 (8.92)
Technical and Maintenance	Hour (Hour)	238.00 (7.93)	10.00 (0.26)	261.00 (6.53)
Operators	Hour (Hour)	14.00 (0.09)	1.00 (0.01)	0.00 (0.00)
<b>Work-related Injuries</b>				
Work-related Injuries	Case	N/A	1	7
Lost Days Due to Work Injuries	Days	N/A	7	517
Work-related Fatalities	Fatalities	0	0	0
Injury Rate	Per 100 Employees	N/A	0.47	3.89

## STOCK EXCHANGE ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>Mandatory Disclosure Requirements</b>		
<b>Governance Structure</b>		
	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>i) a disclosure of the board’s oversight of ESG issues;</li> <li>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</li> <li>iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</li> </ul>	<p>Sustainability at TLMC - ESG Management, ESG Strategies, Stakeholder Engagement and Materiality Assessment</p>
<b>Reporting Principles</b>		
	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report:</p> <p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; and (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><b>Quantitative:</b> 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 discussed.</p> <p><b>Consistency:</b> 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>	<p>About This Report</p> <p>Sustainability at TLMC - Stakeholder Engagement, Materiality Assessment</p> <p>Performance Data Summary</p>
<b>Reporting Boundary</b>		
	<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>	<p>About This Report</p>

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>“Comply or Explain” Provisions</b>		
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules 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.	Green Operations - Environmental Compliance, Environmental Impact and Resource Efficiency and Climate Change Adaptation  Laws, Rules and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Green Operations - Environmental Impact and Resource Efficiency  Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency  Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency  Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency  Performance Data Summary
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operations - Environmental Impact and Resource Efficiency and Climate Change Adaptation
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.	Green Operations - Environmental Impact and Resource Efficiency  The Group will consider analysing material waste records, and implementing waste reduction targets, where material.
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations - Environmental Impact and Resource Efficiency
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency  Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operations - Environmental Impact and Resource Efficiency  Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operations - Environmental Impact and Resource Efficiency and Climate Change Adaptation
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.	Green Operations - Environmental Impact and Resource Efficiency  The Group will consider analysing water consumption records, and implementing water reduction targets, where material.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group did not use packaging material to support its operations during the Reporting Period.

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>“Comply or Explain” Provisions</b>		
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Green Operations - Environmental Compliance, Environmental Impact and Resource Efficiency and Climate Change Adaptation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations - Environmental Compliance, Environmental Impact and Resource Efficiency and Climate Change Adaptation
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Operations - Climate Change Adaptation
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.	Green Operations - Climate Change Adaptation
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules 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.	Dedicated Workforce - Employment Welfare  Laws, Rules and Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Dedicated Workforce - Employment Welfare Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Dedicated Workforce - Occupational Health and Safety  Laws, Rules and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Dedicated Workforce - Occupational Health and Safety Performance Data Summary
KPI B2.2	Lost days due to work injury.	Dedicated Workforce - Occupational Health and Safety Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Dedicated Workforce - Occupational Health and Safety



Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>“Comply or Explain” Provisions</b>		
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Dedicated Workforce - Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Ethical Governance - Human Rights Laws, Rules and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Ethical Governance - Human Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Ethical Governance - Human Rights
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Quality Product and Service - Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Quality Product and Service - Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Quality Product and Service - Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Quality Product and Service - Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Quality Product and Service - Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules 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.	Quality Product and Service - Leveraging Technology, Product Quality Assurance, Customer Engagement Laws, Rules and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Nil
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Nil
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ethical Governance - Information Confidentiality
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Product and Service - Product Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ethical Governance - Information Confidentiality

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
<b>“Comply or Explain” Provisions</b>		
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws, rules and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Governance - Anti-corruption Laws, Rules and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ethical Governance - Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Governance - Anti-corruption
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Corporate Citizen - Society Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture and sport).	Corporate Citizen - Society Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Corporate Citizen - Society Contribution