



Standard Development Group Limited
標準發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1867

Environmental, Social and
Governance Report

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THE REPORT

Standard Development Group Limited and its subsidiaries (together, the “Group” or “we”) are pleased to present our Environmental, Social and Governance Report (“ESG Report”) for the period from 1 April 2022 to 31 March 2023 (“Reporting Period”). The report presents the Group’s concern to environmental and social impacts, policies and initiatives of the Group to demonstrate our long-term commitment to ensure that our activities, at all levels, are economically, socially and environmentally sustainable to stakeholders. Additional information in relation to the Group’s corporate governance and financial performance can be referred to our annual report of the Reporting Period.

The Group acknowledges its responsibility for ensuring integrity of this sustainability report. The purpose is to take the responsibility for its impact on the society and environment. The Group believes that this is the most effective way to create long-term value for shareholders and other stakeholders. To the best of its knowledge, this report addresses the principles of materiality, quantitative, balance and consistency, presenting ESG performance of the Group in a balanced manner.

1.1 Scope and Reporting Boundary

The scope of the ESG Report covers the environmental and social performances of the Group’s principal operating activities during the Reporting Period, which is related to construction and engineering related businesses in Mainland China and Hong Kong, including interior fitting-out and renovation services, alteration and addition works for properties, and trading businesses.

While we seek to establish a consistent boundary for reporting the ESG aspects across the Group’s structure, the reporting boundary of the ESG Report is hence established based on the criteria that all operations and entities reported are substantially owned by the Group and are under our management. As a result, we do not report entities which are outside of the Group’s structure, where we do not own the assets and do not directly engage or employ the workforce, and where we do not operate the asset under a contractual obligation.

Part of the content may look back upon the performance of the Group in past years with a view to presenting the report in a more informative and comparable manner. The reporting boundary includes the operation entities in the regions mentioned above.

1.2 Reporting Guidelines

The “Environmental, Social and Governance Reporting Guide” (“ESG Reporting Guide”) which is set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “HKEX”) serves as the reporting guidelines of this report. A complete index in compliance with the ESG Reporting Guide is also available at the end of this report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report is in compliance with all the “comply or explain” provisions set out in the ESG Reporting Guide.

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1.3 Reporting Principles

The reporting principles of this ESG Report are governed by “materiality”, “quantitative”, “balance” and “consistency”.

Materiality: The ESG report covers the material ESG factors that are related to different stakeholders. The Group is aware that the key is to understand what issues that our stakeholders concerned most. The Group’s directors and senior management are mainly responsible for identification of key ESG factors on the basis of the feedback from the stakeholders.

Quantitative: Data presented in this report have been examined and verified to be measurable. Please refer to the summary tables of performance are shown in relevant sections for standards and methodologies used for calculation of indicators.

Balance: Both positive and negative sides of our performance have been presented in a transparent manner.

Consistency: Unless otherwise stated, the disclosures, methodologies and key performance indicators are used and calculated in a consistent approach throughout the years to facilitate comparability over time.

1.4 Reporting Framework

With reference to the ESG Reporting Guide and the Group’s business operation, the presentation of our ESG Report divides the relevant aspects and KPI, which are considered to be relevant and material to the Group, into four subject areas: Environmental Performance, People, Operating Responsibly and Contributing to Our Community.

1.5 Data Collection

Data in this report are extracted from the Group’s internal management system and statistics, and part of the data collected in previous years. Unless otherwise stated, Hong Kong dollars (HKD) is used in this report as its functional currency.

1.6 Report Availability

In addition to inclusion in the Group’s Annual Report, this report is also accessible from our website www.bzg.cn.

1.7 Contact

Comments and suggestions with respect to this ESG Report or our sustainability performance are always appreciated. Comments or views can be sent to ir@bzg.cn.

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2. EFFORTS IN THE ESG MANAGEMENT

2.1 ESG Policy

As a responsible corporate citizen, the Group recognises the importance of ESG considerations in achieving long-term success, and we have established a robust ESG policy that aligns with our values and commitments. Our ESG policy reflects our ongoing dedication to sustainable business practices that benefit not only our stakeholders but also the communities and environments in which we operate. The board of directors of the Group (“Board”) make the following statements regarding our ESG policy.

Fighting Climate Change

The Group recognises that climate change is the highest priority ESG issue facing the Group and its investors. Aligning with the global target of net zero emission, we will strive to reduce our carbon footprint and always refresh our long-term goals as technologies advance and cost structure change to further reduce our impact on the planet. Through our efforts to reduce emissions, increase efficiency, and promote sustainable practices, we are working with our customers, suppliers, and stakeholders in order to drive positive change.

Embracing Diversity

The Group believes that respecting and embracing diversity will always lead to real innovation and growth. As such, we are always seeking to improve and become better constituents to our community, and our stakeholders. Opportunity and growth occur when we draw from the strengths of our diverse leadership and background. We are committed to promoting diversity and inclusion in all aspects of our business to ensure that our organization reflects the communities we serve.

Respectful Human Resource Management

The Group understand that employees are valuable assets of an organization and the key to success in the business of the Group. Human resource management is not just a function but a core value that underpins everything we do. We maintain equality across all staff irrespective of role, gender, race, age, religious belief or sexual orientation. We believe that our success as a company is directly linked to the well-being and satisfaction of our employees. We, more importantly, are committed to a holistic approach to health and wellness, through a healthy, comfortable and safe working environment that supports health and wellness for our employees.

Adopting a Responsible Governance Framework

A good governance is not just about compliance with laws and regulations but about creating a culture of integrity, transparency, and accountability. The Board has the overall responsibility to define the Group’s ESG strategy and approach, manage and assess the Group’s ESG performance. The Board and senior management hold accountable for the responsibility of the Group’s ESG performance. The Group adopts a responsible governance framework that promotes ethical decision-making, risk management, and stakeholder value creation so as to strengthen the ESG management in the long run.

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Leveraging Innovation

Innovation is essential to staying competitive and relevant in today's rapidly changing business environment. The Group is continuously exploring new businesses to drive efficiency, improve performance, and create new opportunities for growth. The Group is dedicated to leveraging our innovative capacity to accomplish a long-term sustainability objective, aiming at enabling people to make a better decision and offering practical solution to help manage energy use in a greener and smarter way.

Commitment to the Community

Commitment to the community is not only the right thing to do but also essential to our long-term success. The Group provides encouragement for employees to give back to the community through involving in volunteering commitments. Through commitment to the society, positive messages can be promoted.

2.2 ESG Management Approach and Strategy

The Group has developed a comprehensive ESG management approach and strategy that guides and enables us to create positive ESG impact while delivering value to our stakeholders and to anticipate and respond to emerging ESG risks and opportunities.

In order to ensure that our ESG strategy is carried out effectively and consistently throughout the Group, we have managed our ESG approach with reference to the following aspects:

Table 1 – ESG Management Approach and Strategy

Aspect	Approach and Strategy
Environment	<ul style="list-style-type: none">– Develop solutions to respond to climate change and other environmental challenges– Maximise our resource efficiency and improve productivity
Our Team	<ul style="list-style-type: none">– Attach special importance to ethical values such as honesty, transparency, open communication, and respect– Provide a supportive workplace with opportunities that enrich skills and experience
Business Ethics	<ul style="list-style-type: none">– Uphold the highest ethical standards throughout the Group– Ensure our corporate governance structure is operating effectively and efficiently
Suppliers and Customers	<ul style="list-style-type: none">– Select diverse, sustainable and ethical suppliers– Provide services for the well-being of people and for the benefits of society
Our Community	<ul style="list-style-type: none">– Get vaccinated and maintain social distance to help stop the spread of COVID-19 pandemic and influenza– Nourish an innovative environment to support our community

Looking ahead, the Board will continue to optimise the Group's ESG management, actively responding to concerns of our stakeholders and working to fulfil our improvement, progress, performance and contribution to our community.

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2.3 Stakeholder Engagement

Stakeholder engagement is nowadays widely regarded as a key component of the corporate social responsibility (CSR) to achieve the long-term sustainability and profitability. As such, the Group is committed to incorporating stakeholder engagement as an integral part of the Group's approach to sustainable development. In order to achieve so, we maintain close communication with them. By gathering stakeholders' opinions and understanding their concerns, the Group can refine its management policies and approaches on ESG management, formulate its strategy to address the ESG issues, so as to make continuous improvement on its ESG performance.

2.4 Materiality Assessment

The Group has carried out a materiality assessment with stakeholders which enables the Group to identify and prioritise ESG issues effectively, for the sake of better understanding stakeholders' opinions and expectations on the Group's ESG performance. An issue is considered 'material' when it may substantially affect our long term commercial and operational viability and the inclusion of sustainability agenda into its business development strategy. Our materiality assessment involves the following procedures:

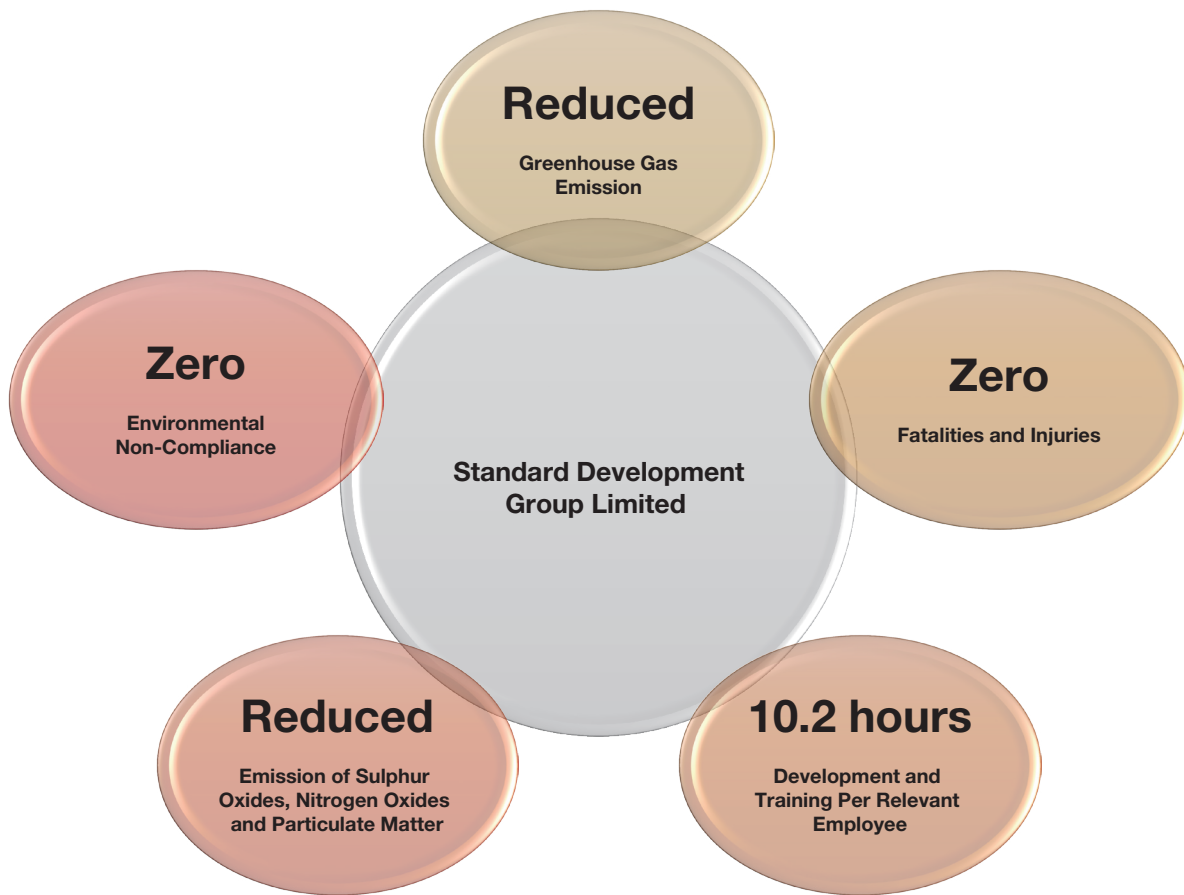
Table 2 – Materiality Assessment

Phase	Procedure
Preparation	– Study the sustainability issues relevant to the Group's business
Identification	– Identify a list of potential ESG topics and which may be considered important and relevant for disclosure in accordance with the ESG reporting guidance
Prioritisation	– Evaluate and prioritise the material ESG topics with respect to the results from stakeholder engagements
Validation	– Validate and confirm the material ESG topics

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3. ESG ACHIEVEMENT

The Group contemplates that ESG is integral part of our principal business and also our ability to succeed in a relentlessly competitive market. As such, the Group continuously spends remarkable efforts to address various aspects of ESG, including greenhouse gas reduction, environmental compliance, health and safe work environment for employees, development and training opportunities for employees.



Our ESG achievement not only benefits the environment and society but also enhances our long-term financial performance and reputation. We are proud to report that the Group has made significant progress in ESG achievement in the current year. Going forward, we will continue to prioritise ESG in our business decisions.

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4. ENVIRONMENTAL PERFORMANCE

4.1 Environmental Management Policy

With growing concerns of climate change and environmental degradation, environment protection has become a strategic priority for various industries globally. The Group is committed to upholding the high environmental standards to fulfil relevant requirements throughout our operation, and will continue to devote human and financial resources for environmental conservation, reduction of carbon footprint and environmental compliance as required under applicable laws and ordinances.

The Group is committed to conducting business in an environmentally friendly manner. For example, our environmental management system has been certified with the ISO 14001:2004 in 2012, reflecting our commitment to preventing pollution, reducing waste, and satisfying applicable legal and environmental requirements. In response to the growing demand of green building certification across the construction industry, the Group continues to raise the bar for its environmental management policy to cope with the latest green building requirements by using energy efficient technologies and products such as LEED and BEAM for some of our projects. Together with its employees and subcontractors and suppliers, the Group is able to manage its emission and waste generation at a satisfactory level.

The Group formulated relevant rules and regulations for a sound and effective management of energy consumption, Greenhouse Gas (“GHG”) emission, as well as discharge of waste, sewage and other pollutants, highlighted as below.

- Actively promote a culture of environmental sustainability among customers, workforce, and supplier, encouraging their participation in green initiatives;
- Comply with applicable environmental protection laws and regulations;
- Define appropriate goals, objectives and targets on a regular basis for our ESG management approach;
- Continuously improve the ESG management system and maintain rigorous standards; and
- Communicate our environmental performance to stakeholders and seek their involvement wherever applicable.

During the Reporting Period, the Group complied with environmental protection laws and regulations in relation to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.

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4.2 Climate Change Response Management and Mitigation

Climate change is the greatest challenge facing the global community. The Group has recognised the urgent need to address climate change and has developed a comprehensive climate change response management strategy that encompasses mitigation, adaptation, and resilience-building efforts to ensure a sustainable future for our business and society as a whole.

The Group dedicated itself to empowering the low-carbon transformation of the global economy and is committed to implementing the recommendations of the Task Force on climate-Related Financial Disclosure (“TCFD”), providing investors and stakeholders with useful information on climate-related risks and opportunities that are related to our business. TCFD is a market-driven initiative that is set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. Moreover, responding to climate change can enhance our business resilience and enable us to take advantage of any opportunities it may offer.

The Group’s business, by nature, does not generate a significant amount of exhaust gas and GHG directly. However, our daily operation and office administration inevitably involve consumption of fossil fuel directly or indirectly, which releases Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x), and Carbon Dioxide (CO₂) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. Therefore, we strive to reduce our carbon and ecological footprint and adopt practices that are sustainable to the environment and minimise our impact on the environment.

The Group is committed to achieving net zero emissions by 2050, underlining its ambition to reduce its environmental impact and mitigate its exposure to transition risks. To prepare for climate-related disclosure, the Group has allocated human and financial resources to continuously assess the impact of climate change on our business and operation. The assessment aims to identify the physical and transition risks that are most relevant to the Group. The result will be incorporated into our risk management system wherever appropriate.

Climate risks are typically classified into two major categories faced by the Group include transition and physical risks.

Transition Risks

Transition risk are those associated with the transition to a low carbon economy, which may be due to changes in policies, technologies and markets. As we shift to a low carbon world, transitional risks will emerge that can impact and change investment and consumption patterns. The below table shows our response in managing various transition risks brought by the climate change that the Group may be facing.

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Table 3 – Transition Risks and Opportunities

	Risk Details	Mitigation and Opportunities
Risks		
Market Risks	<ul style="list-style-type: none"> Supply and demand for certain commodities, products and services may change as climate-related risks and opportunities are increasingly taken into account 	<ul style="list-style-type: none"> We are committed to meeting customer requirements for environmental performance of our services and products. We provide customers with transparent information on the environmental impact of our services and products and seek feedback to continuously improve.
Policy and legal risks	<ul style="list-style-type: none"> Potential climate-related regulation and policy changes, such as the adoption of energy-efficiency requirements, as well as increased exposure to legal risks may impact operational costs and product demand 	<ul style="list-style-type: none"> We remain dedicated to collaborating with industry organizations, peers, governments, and communities to establish and maintain an effective regulatory framework.
Technology risks	<ul style="list-style-type: none"> Development and use of emerging technologies may increase production and distribution costs, and reduce the company's competitiveness 	<ul style="list-style-type: none"> We maintain ongoing partnerships with key suppliers and industry experts to drive innovation and improve our sustainability practices
Reputation risks	<ul style="list-style-type: none"> A company's reputation may be impacted due to changing customer or community perceptions of said company's contribution to or detraction from the transition to a lower-carbon economy 	<ul style="list-style-type: none"> Our primary goal is to lower our greenhouse gas emissions, and we target to achieve carbon neutrality across all our operations by the year 2050. We remain committed to aligning ourselves with global efforts to combat climate change.

Physical Risks

Physical risks reflect how changes to the frequency and intensity of extreme and ongoing weather can impact, disrupt and damage business operations, assets and supply chains, as well as lead to broader impacts such as environmental stress, food and water security and trends in migration. Physical impacts from climate change are inevitable. The rate and extent of change will depend on global decarbonization efforts. The below table shows our response in managing various physical risks brought by the climate change that the Group may be facing.

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Table 4 – Physical Risks and Opportunities

Risk Details		Mitigation and Opportunities
Risks		
Acute risks	– Acute risks refer to those that are event-driven, including increased severity of extreme weather events, such as super typhoons, floods, extreme temperature fluctuations.	– Our strategy for addressing climate change centers on enhancing the resilience of our operations to safeguard assets and minimize operational downtime resulting from extreme weather events.
Chronic risks	– Chronic risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves.	– We ensure that all new projects undergo an assessment process to identify and mitigate potential physical impacts of climate change.

4.3 Optimizing Energy Efficiency

The main contributors to the Group’s carbon footprint are (1) indirect GHG emission generated from electricity consumption, (2) direct GHG emission generated from office administration and consumption of fossil fuel directly or indirectly, (3) indirect GHG emission generated from business travel by flight and (4) paper consumption in business operation, which releases Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Carbon Dioxide (CO₂) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. Sustainable measures adopted by the Group to optimise the energy efficiency includes:

- Encouraging employees to switch off IT devices when not in use;
- Maintaining an indoor temperature at an optimal level for comfort;
- Encouraging employees to make the best use of modern telecommunication system to avoid unnecessary travel arrangement;
- Prioritizing the use of green technologies in business operations, constantly upgrading the facilities and equipment to increase energy efficiency;
- Achieving paperless office by digitalizing the business operations whenever possible to reduce paper consumption; and
- Using duplex printing and reuse single-side printed papers.

By adopting the above practices, our employee’s awareness for greenhouse gas emission reduction and energy saving is enhanced.

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4.4 Our Environmental Commitment

The Group has been awarded with various international certifications which demonstrates our commitment to developing the sustainability together with the community. During the Reporting Period, the Group complied strictly with all relevant environmental laws and regulations of Hong Kong and the Mainland China.

Table 5 – The Group’s International Certifications

International Certifications	Environmental Related Laws and Regulations
ISO9001	– Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)
ISO14001	– Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Chapter 354N of the Laws of Hong Kong)
OHSAS18001	– Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) – Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) – Construction Industry Council Ordinance (Chapter 587 of the Laws of Hong Kong) – Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) – Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong)

During the Reporting Period, the Group commenced new business in agriculture (i.e. wheat planting). We are also scheduled to start planting corn in the second half of 2023 as part of our agricultural activities. We utilized nearly 10,000 mu of farmland to carry out planting activities, by leasing the farmland to farmers, engaging in cooperative partnerships and self-farming. As such, stringent quality control process in our production is important. We work closely with the farmers and cooperative companies to promote responsible land use and help them adopt sustainable farming practices for cultivating wheat and corn. We are committed to sustainable agriculture practices that prioritize soil health, water conservation, and biodiversity in the farming operations.

4.5 Exhaust Gas and GHG Emissions

Our Group’s business inevitably involves consumption of fossil fuel, which directly or indirectly, releases Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x), and Carbon Dioxide (CO₂) into the air. In accordance with the ESG Reporting Guide set out by the HKEX, our environmental performance of “Emissions” during the Reporting Period is tabulated below.

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Table 6 – Emissions

	Unit	FY2023	FY2023 Intensity	FY2022	FY2022 Intensity
GHG Emissions	CO ₂ e (kg)	33,934.4	678.7	51,443.8	1,353.8
Direct GHG Emissions (Scope 1)	CO ₂ e (kg)	11,831.5	236.6	12,455.1	327.8
Indirect GHG Emissions (Scope 2)	CO ₂ e (kg)	16,932.4	338.6	34,760.2	914.7
All other indirect GHG Emissions (Scope 3)	CO ₂ e (kg)	5,170.4	103.4	4,228.6	111.3
Nitrogen Oxides	g	5,548.6	111.0	5,841.0	153.7
Sulphur Oxides	g	64.2	1.3	67.6	1.8
Particulate Matter	g	408.5	8.2	430.1	11.3

4.6 Waste Management

Waste Management Policy

Waste reduction is the focus of our emission control efforts. Our principal waste management policy endeavours to achieve a green and paperless operation with minimal generation of waste throughout our operation wherever possible and practical. Through the 4-R Principles – Reduce, Reuse, Replace and Recycle, the Group strives to achieve the target of reducing waste generation at source. Our waste management practice is compliant with laws and regulations relating to environmental protection in the region where we operate. In addition, we strengthen our employee’s awareness in environmental management, waste reduction and waste recycle, encouraging them to be equipped with appropriate skills and knowledge with respect to the practice of sustainable development.

Hazardous and Non-hazardous Waste

The Group’s operation, by nature, does not produce any hazardous waste. Waste generated by construction and demolition activities are the most significant source of waste generated throughout the Group’s operations. In general, wastes such as packaging materials, flooring (vinyl or wood), drywall such as wall board, gypsum or plastic board, concrete waste, carpeting materials are difficult to recycle as they are generally not separable at source and are disposed directly at of landfill. However, the Group endeavours to control, record, and monitor overall waste generation and disposal in a proper and systematic manner. During the Reporting Period, there were 687.0 tonnes of waste transferred to the government waste disposal facilities. The following table summarised the amount and destination of various types of waste.

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Table 7 – Construction Waste

Government Waste Disposal Facilities	Types of Construction Waste	Unit	FY2023
Public Fill Reception Facilities	Inert construction waste*	t	19.6
Sorting Facilities	Inert construction waste* accounts for more than 50% by weight	t	81.5
Landfills	Inert construction waste* accounts for more than 50% by weight	t	585.9

* Inert construction waste refers to rock, rubble, boulder, earth, soil, sand, concrete, asphalt, brick, tile, masonry or used bentonite

Paper and printed matters were another non-hazardous waste generated from office administration. The GHG emissions constituted by paper waste was 3.77 tCO₂-e. Paper waste was collected by the property management for recycling and disposal.

Table 8 – Waste Discharge

	Unit	FY2023
Domestic Waste	t	11.2

Wastewater Discharge

The Group's operation does not consume a significant amount of water. Our main use of water is for sanitary purpose. Similarly, most of the wastewater discharged from our facilities is sanitary wastewater. The Group ensures all domestic sewage is properly discharged into the urban sewage pipe network for subsequent sewage treatment.

4.7 Use of Resources

As natural resources are depleted, sustainability becomes essential throughout the entire process of business, so we are working to optimise and reduce the overall amount of natural resources we consume. As such, the Group initiated polices to raise the awareness of electricity conservation and taken energy saving measures throughout our daily operation as elaborated in the section of "Exhaust Gas and GHG Emissions".

Packaging Material

Given our business nature, the Group does not have manufacturing facilities and does not consume significant amount of packaging materials by our operation. However, we encourage our suppliers to use less packaging material.

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Water Consumption

We strive to engage all employees to develop a habit of conserving water consciously. Reminder messages are posted in pantry to remind employee the importance and urgency of water conservation. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis. The Group also seeks to reduce water usage, reuse water and improve the quality of wastewater discharged from our working stations wherever possible.

Environmental Performance

In accordance with the ESG Reporting Guide set out by the HKEX, our environmental performance of “Energy and Resources Use” during the Reporting Period are tabulated below.

Table 9 – Energy and Resources Use

	Unit	FY2023	FY2023 Intensity	FY2022	FY2022 Intensity
Electricity	kWh	32,419.0	648.4	82,336.0	2,166.7
Purchased Gas	kg	n/a	n/a	n/a	n/a
Unleaded Petrol	L	4,369.3	87.4	4,599.6	121.0
Diesel	L	n/a	n/a	n/a	n/a
Paper	kg	784.6	15.7	838.7	22.1
Water	m ³	17.0	0.3	58.0	1.5
Total Energy Consumption	kWh	74,763.6	1,495.3	126,912.4	3,339.8

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5. PEOPLE

5.1 Recruitment and Promotion

Considering that every employee has unique talents, competencies and potential to become a driving force for our corporate development and long-term growth, we are committed to nurturing skills and capabilities in order to unlock the best in our employees while proactively managing our talent pipeline and career development for them. The Group is determined to uphold an open, fair, just and reasonable recruitment and human resource policies, with respect to equal opportunities, diversity and anti-discrimination.

To promote a happy and high-quality workforce, the Group provides equal opportunities for employees in respect of recruitment, training and development, job advancement, and remuneration and benefits. We are committed to supporting our employees to maintain a family-friendly work environment because we respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment.

Employees' remuneration is designed to attract, retain, and recognise employees for maintaining a fair, productive, and sustainable workforce. The objective of the Group's employee performance management is to reward and recognise employees by reviewing their salaries and wages through the performance appraisal system based on employees' job performance, skills, and achievement.

The Group's employee handbook is structured to communicate important ground rules and regulations surrounding employment and labour standard, remuneration and benefits, leave and holidays, training and development, business conduct and ethics, and occupational health and safety. It is an essential tool to define the expectations of the management and to protect employees from unfair or inconsistent treatment and discrimination.

During the Reporting Period, we strictly observed the applicable laws and regulations and follow our employment policies relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, by providing competitive remuneration package, including internal promotion opportunities and performance-based bonus, so as to recruit and retain experienced employees.

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5.2 Employment

Human resource has always been one of the key elements to the Group's future development and success. As such, the Group values and cares for its employees by continuing to foster a sense of belonging among the employees at work and by building a stimulating yet harmonious work environment. Employees are motivated to personally interact with each other in a fun and relaxed workplace.

As at 31 March 2023, the Group had 50 employees, of which 50% and 50% was based in Hong Kong and the Mainland China respectively. The Group complied with the relevant employment laws and regulations throughout the Reporting Period, including the Mandatory Provident Fund Schemes Ordinance by participating in the Mandatory Provident Fund retirement benefit scheme for our eligible employees, Minimum Wage Ordinance, Employment Ordinance and Employees' Compensation Ordinance by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees in Hong Kong. On the other hand, for the employees in the Mainland China, the Group participated in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with the local regulations including the Regulations on the Administration of Housing Provident Funds and the Social Insurance Law of the Mainland China.

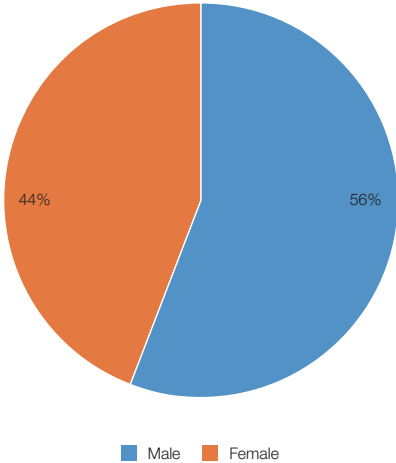
During the Reporting Period, the Group did not identify any material non-compliance with laws and regulations in respect of human resources. We strictly prohibit discrimination, harassment and bullying at all workplaces. In accordance with the ESG Reporting Guide set out by the HKEX, details of the Group's workforce during the Reporting Period are tabulated as well as presented in charts below.

Table 10 – Our Workforce

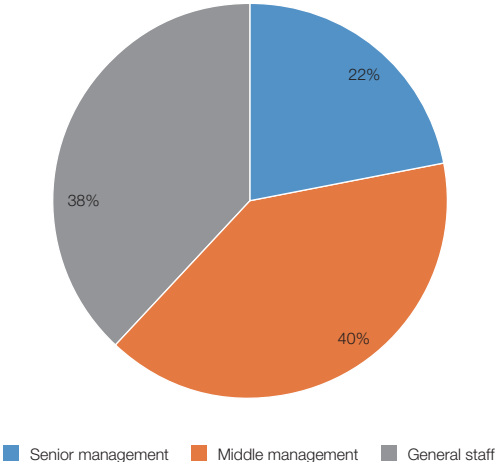
	FY2023
Total Number of Full-Time Employees	50
Total Turnover Rate of Employees	20.6%
Turnover Rate by Gender	
Male	20.0%
Female	21.4%
Turnover Rate by Age Group	
Aged 30 years old or below	22.2%
Aged between 31 and 49 years old	15.6%
Aged 50 years old or above	44.4%
Turnover Rate by Region	
Hong Kong	26.5%
Mainland China	13.8%

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Total Workforce by Gender as of 31 March 2023

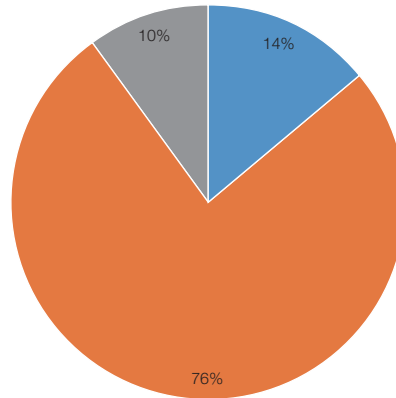


Total Workforce by Employment Level as of 31 March 2023



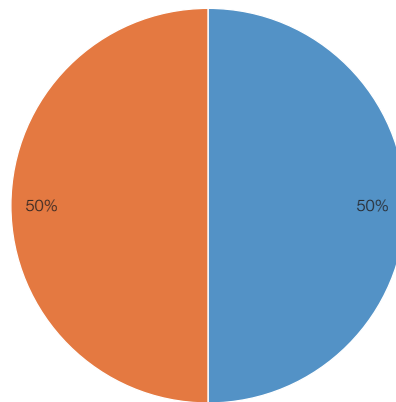
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Total Workforce by Age Group as of 31 March 2023



■ Aged 30 years old or below ■ Aged between 31 and 49 years old ■ Aged 50 years old or above

Total Workforce by Region as of 31 March 2023



■ Hong Kong ■ Mainland China

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5.3 Occupational Health and Safety

Ensuring the health and wellbeing of employees is constantly a material aspect to the Group as human resource is one of the Group's most valuable assets. We are committed to providing and maintaining a safe, healthy, and hygienic workplaces for all employees, and all other persons likely who may be affected by our operations and activities.

The Group's Safety Management Committee is responsible to review the health and safety policy annually whereas the Safety Officer is responsible for the overall coordination and implementation of the health and safety policy. Health and safety related suggestions and comments are gathered from employees. Safety audits are conducted at project sites to monitor safety performance in accordance with statutory and industry requirements.

In compliance with the relevant occupational health and safety regulations, and to maintain a healthy and safe work environment, trainings and briefings are conducted, and safety guidelines are communicated to employees regularly. On-site personnel is provided with personal protective equipment such as helmets, eye and ear protectors, gloves and face masks. During the Reporting Period, no material non-compliance with laws and regulations relevant to health and safety of employees were identified. Summary of work-related fatalities and injuries during the Reporting Period are shown as below.

Table 11 – Health and Safety

Occupational Health and Safety Data	FY2023
No. of Work-Related Fatalities	0
Rate of Work-Related Fatalities	0
No. of Injuries at Work	0
Lost Days due to Injury at Work	0

5.4 Development and Training

The Group understands that knowledge, experience, and skills of employees are important and critical to our continued success and growth. To support employees' personal development and to encourage lifelong learning, the Group provides educational grant for employees to develop professionally and to progress on their career paths. On-the-job training are provided to nurture and support employees to improve their skills and expertise at work. The Group also encourages the culture of knowledge and experience sharing to foster a positive and supportive relationship among employees.

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During the Reporting Period, the Group organised a total of 173 hours of development and training. Each employee at all levels received, on average, 3.5 hours of development and training, including induction training, technical skills training, thematic courses such as anti-corruption. The following table listed the average training hours of employees during the Reporting Period:

Table 12 – Employee Training

	Unit	FY2023
Average hours of training received per employee	hours	3.5
Average hours of training per employee by ranking		
Senior management	hours	1.1
Middle management	hours	4.9
General staff	hours	3.3
Average hours of training per employee by gender		
Male	hours	2.3
Female	hours	5.0
Percentage of employees trained by employment level		
Senior management	%	54.5
Middle management	%	35.0
General staff	%	21.1
Percentage of employees trained by gender		
Male	%	28.6
Female	%	40.9

5.5 Labour Standards

The Group strictly prohibits the employment of any child labour and forced labour in any form. New employees are required to provide true and accurate personal data when they are onboard. Recruitment of employees is strictly abided by the guidelines and procedures as set out by the Group's Human Resource Management so that suitable talents are recruited in accordance with the job requirement, relevant laws, and candidates' expectation for a fair, positive and happy workforce.

During the Reporting Period, the Group strictly complied with the relevant laws and regulations, including the Labour Law, the Protection of Minors and the Prohibition of Using Child Labour of the Mainland China and the Employment Ordinance of Hong Kong. No material non-compliance with the laws and regulations related to the prevention of child labour or forced labour have been found by the Group.

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6. OPERATING RESPONSIBLY

In order to achieve our goal to be a responsible corporate in Hong Kong and the Mainland China, we realise that we must operate in a sustainable fashion with a comprehensive ESG management approach and dissemination of pursuing sustainability into our core business. It is additionally essential for us to encourage all business partners to incorporate those sustainability practices and policies into their operation thoroughly in order to work together in our pursuit of sustainable development.

6.1 Supply Chain Management

The quality and safety of the final project works are one of the top priorities of the Group. To ensure product safety and service quality, various suppliers of products and materials as well as subcontractors are engaged for goods and services. To make sure goods and services are procured in an honest, competitive, fair, and transparent manner that delivers the highest cost performance, suppliers and subcontractors are selected based upon rational and clear criteria.

During the Reporting Period, there were a total of 312 suppliers (including materials suppliers and subcontractors) on the approved suppliers' list as renovation projects involve a wide range of supplies and products to cope with customers' specifications in Hong Kong and the Mainland China. The Group's procurement and project management team would regularly review the list and provide updates to its employees. The team also monitors, audits, and manages processes regarding materials selection, quality management system, and work performance to ensure its supply chain is effective and efficient that guarantees the quality and standard of its projects.

6.2 Product Responsibility and Quality Assurance Process

To be a successful business, we are committed to the highest standards of services we deliver, maintaining continuous communication with our clients to ensure that we understand and fulfil their needs and expectations. Furthermore, we keep track of emerging trends and continue to develop and optimise services that offer the best plans to our clients. By partnering with suppliers and subcontractors to ensure product quality and service stability, the Group regularly monitors the overall performance of suppliers and subcontractors by conducting on-site audit with documented report for continuous improvement and on-going cooperation.

The procurement and project management team evaluates, oversees and manages the quality of work performed by the Group's employees and subcontractors in terms of their regulatory requirement compliance, quality management system, time management, work standard, quality performance and workmanship, safety standard and performance, proper equipment usage and maintenance to ensure projects are completed timely with the required standard. During the Reporting Period, there was no significant complaint in service quality and delivery.

6.3 Anti-Corruption

The Group makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices. The Group has developed a series of policies and compiled code-of-conduct with respect to anti-fraud and anti-bribery, which apply to all staff-members. In general, we require our employees to declare any conflict of interest, to avoid any possible such conflict with sub-contractors or suppliers, organizing seminars in relation to anti-corruption and avoidance of conflict of interest for our employees. We also encourage our business-related parties, including suppliers to observe those principles of the policies and to proactively report any suspected misconduct issues to the Group.

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During the Reporting Period, the Group observed with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance of Hong Kong and the Regulations for Suppression of Corruption of the Mainland China. No case of anti-corruption was concluded and the Audit Committee of the Group (the “Audit Committee”) identified no complaint from employees during the Reporting Period.

6.4 Whistle-blowing Policy

The Group encourages whistleblowing whereas an employee or a third party could report any concern about suspected misconduct, malpractice or irregularities, and conflict of interest to the senior management in strict confidence. We established whistle-blowing policy and implement procedures for our employees to report improprieties via a confidential reporting channel to the extent that is made possible to all employees.

In case of any misconduct or malpractice, investigation procedures would be taken place. The designated officers will manage the whistle-blowing report and evaluate every report received to determine if a full investigation is necessary. If an investigation is warranted, an investigator (with suitable seniority and without previous involvement in the matter) from the Finance and Administration Department will be appointed to look into the matter. In the event that the report indicates a possible criminal offence, the Group would refer the matter to the Audit Committee, which, in consultation with our legal advisers, will decide if the matter should be referred to the authorities for further action.

Employees were aware of the ethical standard of the Group. During the Reporting Period, the Group was not aware of any non-compliance with the Group’s whistle-blowing policy.

6.5 Protection of Intellectual Property Rights

The Group complies with the intellectual property (the “IP”) rights regulations. The Group registered its company logo and domain names as they are important to its brand and corporate image. During the Reporting Period, all reasonable measures have been taken by the Group to prevent any infringement of its own IP rights and the IP rights of third parties and there was no material infringement of the IP rights.

6.6 Data Protection and Privacy Policy

The Group complies with the Personal Data (Privacy) Ordinance, all personal data collected from the stakeholders are kept confidential. The Group’s computers and servers are protected by highly encrypted access passwords. As stipulated in the Group’s employee handbook on confidentiality, employees are obliged to ensure the safekeeping of all personal data, trade secrets and proprietary information they have accessed to or collected from employees, customers, suppliers, and business partners.

6.7 Conflict of Interest Policy

The Group requires its directors and employees to avoid the conflict between personal or financial interest and their official duties to act in the best interest of the Group. A situation in which directors or employees exercise authority, influence decisions and actions or gain access to valuable information when dealing with third parties with his profession to achieve financial and personal gain is strictly prohibited. Directors and employees are required to declare potential conflict of interest by completing the disclosure form on an annual basis.

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7. CONTRIBUTING TO OUR COMMUNITY

The Group encourages and supports employees to volunteer their time to help those who are less fortunate and advantaged in the community. All employees of the Group are encouraged to participate in environmental protection activities and raise the environmental awareness of people in the community.

In order to ensure the safety of our employees, the Group had not organised community and charity activities during the Reporting Period due to the COVID-19 pandemic. The Group will continue to explore more social welfare actions in the future after the COVID-19 situation improves and restrictions are lifted.

The Group recognises the importance of community engagement and are actively exploring opportunities to contribute to the well-being of our communities in the future. We are committed to being a responsible corporate citizen and will continue to seek ways to make a positive impact in the communities where we operate. Going forward, the Group will continue to foster the culture of active participation in community services, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.

8. THE HKEX ESG GUIDE CONTENT INDEX

Table 13 – THE HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect A1: Emissions			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste 	Protecting the Environment	
KPI A1.1	Types of emissions and respective emissions data	Protecting the Environment	
KPI A1.2	Direct (Scope 1), indirect (Scope 2) and all other indirect (Scope 3) GHG Emissions greenhouse gas emissions and, where appropriate, intensity	Protecting the Environment	

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Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	n/a	The Group has not identified any hazardous waste produced in our core business
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Protecting the Environment	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Protecting the Environment	
KPI A1.6	Description of how hazardous and non-hazardous waste is handled, and a description of reduction target(s) set and steps taken to achieve them	Protecting the Environment	
Aspect A2: Use of Resources			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials	Protecting the Environment	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Protecting the Environment	
KPI A2.2	Water consumption in total and intensity	Protecting the Environment	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Protecting the Environment	
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	n/a	Defined to be irrelevant to the Group's operation
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	n/a	Use of packaging material is not applicable to the Group's core operation

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Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Protecting the Environment	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	Protecting the Environment	
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Protecting the Environment	
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	Protecting the Environment	
Aspect B1: Employment			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare 	People	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	People	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	People	

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Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect B2: Health and Safety			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards 	People	
KPI B2.1	Number and rate of work-related fatalities	People	
KPI B2.2	Lost days due to work injury	People	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	People	
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	People	
KPI B3.1	The percentage of employees trained by gender and employee category	People	
KPI B3.2	The average training hours completed per employee by gender and employee category	People	

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Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect B4: Labour Standards			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour 	People	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	People	
KPI B4.2	Description of steps taken to eliminate such practices when discovered	n/a	No such incidents were reported during the Reporting Period
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Operating Responsibly	
KPI B5.1	Number of suppliers by geographical region	Operating Responsibly	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Operating Responsibly	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Operating Responsibly	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Operating Responsibly	

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Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect B6: Product Responsibility			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress 	Operating Responsibly	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	n/a	Not applicable to the Group's core operation
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	n/a	No products and service-related complaints received during the Reporting Period
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Operating Responsibly	
KPI B6.4	Description of quality assurance process and recall procedures	n/a	Not applicable to the Group's core operation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Operating Responsibly	

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Aspects, General Disclosures and KPIs	Description	Relevant sections in the ESG Report	Remarks
Aspect B7: Anti-corruption			
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering 	Operating Responsibly	
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	n/a	No concluded legal cases regarding corrupt practices during the Reporting Period
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Operating Responsibly	
KPI B7.3	Description of anti-corruption training provided to directors and staff	Operating Responsibly	
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Contributing to the Community	
KPI B8.1	Focus areas of contribution	Contributing to the Community	
KPI B8.2	Resources contributed to the focus areas	Contributing to the Community	