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HANISON'S
SUSTAINABILITY
JOURNEY
FOR A DECADE

Review & Prospect

Environmental, Social &
Governance Report **2022/2023**



興勝創建控股有限公司

HANISON CONSTRUCTION HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability
Stock Code: 896



HANISON'S SUSTAINABILITY JOURNEY FOR A DECADE

Review & Prospect

Established
Corporate Social
Responsibility
(CSR) Work Group

2012

Established
CSR Committee

Firstly accredited
Hong Kong Quality
Assurance Agency
(HKQAA) CSR Index
and awarded CSR
Advocate Mark

2013

Published the first CSR
Report, complied with
the Environmental, Social
and Governance (ESG)
Reporting Guide ("ESG
Guide") of The Stock
Exchange of Hong Kong
Limited ("HKEX") and
verified by HKQAA

Issued the first
CSR Statement

2014

10

HANISON'S SUSTAINABILITY JOURNEY FOR A DECADE

Review & Prospect

Adopted Global Reporting Initiative (GRI) Sustainability Reporting Standards ("GRI Standards") as reference in CSR Report

Established Hanison Young Professional Committee (YPC) consisting graduate engineers and graduate trainees

2018

Renamed CSR Statement and CSR Report as CSR Policy Statement and ESG Report respectively

2020

Issued Board Statement on Sustainability

Established Environmental Target Working Group (ETWG) to review and set environmental targets

Firstly made cross-reference with the United Nations' Sustainable Development Goals (SDGs) in ESG Report 2020/2021

2021

Firstly made reference to the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) in ESG Report 2021/2022

Received the first Sustainability Award - Sustainable Corporate (Environmental) Outstanding Award of the Standard Chartered Corporate Achievement Awards 2022

2022

A Decade of Sustainability Journey

2023

BOARD STATEMENT ON SUSTAINABILITY



Hanison Construction Holdings Limited (“Company”) and its subsidiaries (collectively “Group” or “Hanison”) value ESG as an ongoing commitment and has been supporting its sustainable growth. The Board of Directors (“Board”) of the Company has overall responsibility for the Group’s ESG management and reporting of relevant development, integrating governance on ESG into the Group’s corporate structure and business operations so as to alert the ESG risks and achieve sustainability, generating added values for stakeholders.

Reporting to the Board every year and regular updating the Managing Director, one of the Board members, the CSR Committee established since 2013, being a delegated body of the Board, is comprising of the subsidiary directors from key business divisions and representatives of supporting departments. The CSR Committee helps formulate the Group’s ESG roadmap and strategy, facilitate the execution of annual action plans, key performance indicators and initiatives, and oversee the management of associated activities and risks with deliberation on both short-term and long-term impacts of CSR / ESG / sustainability towards the Group’s development.

Benchmarked with and made reference to various international and local standards and guidelines, Hanison obligates and determines to continuously monitor, accomplish, and evaluate the group-wide ESG strategic perspective in maximising sustainable benefits to our stakeholders, contributing to the environment we live and the community we serve.

Demonstrating our devoted effort on ESG as a responsible corporate player, the relevant ESG initiatives and targets including operating practices, people, environment and community are fully committed and supported by various internal committees or work groups in the Group in order to address the concerns of a diverse range of stakeholders. Through the annual stakeholder engagement exercise, i.e. questionnaire survey, the outcomes of the survey are reviewed by the CSR Committee; the material issues identified and prioritised are to be incorporated into the ESG strategies.

On the journey to strengthen our commitment on ESG topics, as a group focusing on construction business, Hanison understands the stakeholders’ concern on environment, thus various environmental targets are set, climate risks and impacts are identified for the transition to zero-carbon ultimately in long run. Enhancement on broadening the composition of CSR Committee and on-going revisiting current practices will be addressed whenever seen necessary as a continuous improvement in sustainability performance.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY STATEMENT

As a socially responsible building construction, property development, and services group, Hanison embraces sustainability as one of our core business values with an aim to create a brighter and greener prospect for the long-term benefits of our stakeholders and the territory of Hong Kong.

Recognising Hanison as a corporate citizen, we consider it our responsibility to mitigate the environmental impacts of our business, provide a safe and healthy working environment, enhance employee well-being and development, manage risks associated with supply chain, engage our stakeholders actively, and contribute to the sustainable development of communities. We are also dedicated to operating our business with integrity and professionalism, delivering quality and reliable services and products, caring our people, and upholding a high level of corporate governance.

To fulfil our commitments, we strive to adhere to sustainability principles in every aspect of our business from strategic planning, day-to-day management and operations, decision-making and corresponding execution of various kinds. This policy statement serves to provide directional guidance for adopting appropriate policies and systems, guidelines and codes, standards, procedures and practices throughout the Group. The management team shall take full responsibility to oversee, facilitate, coordinate, and monitor the effective implementation of this policy statement.

VISION, MISSION AND VALUES

Vision To be a renowned, creative and socially responsible key player in building construction, property development, and other businesses.

Mission

- To develop our business in pursuit of excellence;
- To commit providing superior service and dedication to continuous improvement;
- To create values for all stakeholders;
- To grow our people with commitment.

Values



“EPIC” for serving clients

- Excellence
- Professionalism
- Integrity
- Care



“TIPS” for business development

- Teamwork
- Innovation
- Partnership
- Sustainability

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ABOUT HANISON

Incorporated in 2001 and publicly listed on the Main Board of HKEX since 2002, Hanison Construction Holdings Limited (Stock Code: 896) is a leading construction project management company based in Hong Kong, committed to creating sustainable value to its stakeholders. Hanison focuses on developing its core businesses, including construction, interior and renovation, and building materials, in Hong Kong. By utilising innovative design and construction techniques, the Company builds healthy and eco-friendly commercial and residential projects for both public and private sectors.

Key subsidiaries under the Group:



To diversify operational risks and create synergies, Hanison has strategically invested in property development, property investment, property agency and management, and health products businesses. These investments have generated a stable recurring income stream for the Group. As a responsible corporate citizen, Hanison prioritises sustainability and strives to promote positive impacts for sustainable development both environmentally and socially, while maximising long-term benefits for its stakeholders. For more information on Hanison's business portfolio, please refer to our 2022/2023 Annual Report.

MANAGING DIRECTOR'S MESSAGE

2023 marked our sustainability journey for a decade. In our sustainability voyage, we are thankful to our stakeholders' support for having achieved numerous remarkable sustainability-related milestones. We have all benefited from our imperative investment in ESG strategies by committing to creating sustainable values in Hanison.

“ Full of HOPE to hold hands with our stakeholders in curating another blooming and sustainability journey.

”

In the most recent years, disrupted by the Coronavirus disease 2019 (“COVID-19”) pandemic, Hong Kong suffered from its associated threats in the region. With the gradual easing of social distancing measures and restrictions, we are glad to see that both global economies and regional societies are resuming normality. Despite economic turmoil and uncertainties including climate change and geopolitical risks facing the world, Hanison continues to demonstrate our performance in sustainability by committing to the Board Statement on Sustainability in line with our ESG strategies and execution throughout the Group, as well as making references to international and industry standards.

In response to the Paris Agreement and global climate trend, the HKSAR Government's target is to reduce Hong Kong's carbon intensity by 65% to 70% by 2030 compared with the 2005 level in the Hong Kong's Climate Action Plan 2030+, and it is to strive for carbon neutrality by 2050 in Hong Kong's Climate Action Plan 2050. Hanison is stepping up our efforts in achieving ambitious environmental targets in aspects of greenhouse gas (GHG) emissions, energy consumption, water consumption, and waste disposal, set by the Group's ETWG under the CSR Committee in previous financial year. By applying innovation and advanced technologies in our business operations,

Hanison has been minimising controllable construction waste and the consumption of energy and materials, in parallel to enhancing efficiency and effectiveness in our construction projects.

Following the rapid digitalisation and innovative transition trend aligning “Smart Construction Empowered by Digitalisation”, the vision stated in the Construction Digitalisation Charter launched by the Construction Industry Council (CIC), the Group seeks to be at the forefront of adopting digitalisation technologies such as Modular Integrated Construction (MiC), Building Information Modelling (BIM) throughout our built asset lifecycle. The transitional housing at Area 1B2, Muk On Street, Kai Tak for Tung Wah Group of Hospitals (TWGHs) is our first project adopting MiC, whose application improves the site working environment and safety and accelerates the efficiency of construction progress. This meaningful project helps reduce the short-term gap in inadequate public housing supply and creates a better-off quality of living for the grassroots, while enhancing socioeconomic impacts and building social cohesion by as being a socially responsible main contractor in Hong Kong.

As the utmost global agenda, navigating climate change is one of our sustainability strategic focuses at Hanison. We made reference to the framework recommended by the TCFD since previous financial year. Commencing from the financial year dated from 1 April 2022 to 31 March 2023 (the “Year”), we are extending our disclosure by identifying potential climate risks and opportunities and exploring possible mitigation actions in order to maintain resilience and adaptation capability. To strive for this, the Group is actively exploring the feasibility of expanding our spectrum in green investment and sustainable finance to prompt the transition to net zero emissions.

We are proud to have clinched our first prestigious sustainability award, the Sustainable Corporate (Environmental) Outstanding Award of the Standard Chartered Corporate Achievement Awards 2022, presented by Standard Chartered Bank. My appreciation must go to our committed teams for all contributions.

Sustainability is the way forward and thriving for the human race on the planet Earth; it is also increasing the complexity of sustainable development. We remain firmly committed to our vision, mission and values; we embrace all the challenges encountered in the sustainability journey in the past decade as opportunities to succeed. I would take the opportunity to express my gratitude to everyone who engaged with us for your confidence, dedication, and trust in Hanison. Moving to another new decade, I am full of “HOPE” to hold hands with my talented teams, committed partners, and stakeholders in curating another blooming and sustainable journey.

Wong Sue Toa, Stewart
Managing Director



GENERAL MANAGER'S MESSAGE



Hong Kong has been progressively resuming normalcy in both social and economic activities. While the HKSAR Government has been strongly pushing public projects in order to meet the social demand, sustainable quality infrastructure and housing, with the adoption of innovation and technology, has become a huge challenge but also an opportunity in the construction industry. Hanison has reaffirmed our commitment to sustainable development, thereby contributing to our more livable, resilient and inclusive communities.

Hanison spares no effort in investing in state-of-the-art practices to increase the building's quality and productivity. We have had our first adoption of MiC technologies in the transitional housing at Area 1B2, Muk On Street, Kai Tak for TWGHs. We also applied the Digital Works Supervision System (DWSS) in housing projects. Moreover, Hanison has been adopting the advanced BIM 360, automation, and digitisation in various business operations to continuously improve safety and our project delivery capability in a more sustainable way.

Facing talent shortages and an aging workforce, Hanison has been improving our human resource strategies throughout the talent pipeline and towards developing a younger workforce and better employee well-being.

We care for our community and stakeholder engagement. We conducted an impressive project for the heritage conservation of Hong Kong Castle Peak Dragon Kiln, a Grade III historic building located adjacent to our public housing project in Tuen Mun.

Time flew fast in the past years of challenges and opportunities. I look forward to witnessing another decade of sustainability journey in Hanison.

Tai Sai Ho

Executive Director and General Manager

A DECADE OF SUSTAINABILITY JOURNEY



Hanison's CSR to ESG to Sustainability (CES) 10-year Mental Journey

“You are never ready for what you have to do. You just do it. That makes you ready.”

That was the initiative and original intention back in 2013 when the CSR Committee was officially established in Hanison; our first baby – CSR Report was issued in 2014. It was nearly working in the state of crossing the river by feeling the stones at the very beginning. We largely relied on the HKEX's ESG Guide and international reporting standards, namely the GRI Standards, as a reporting reference, in the early years.

We commenced with our focus on GREEN (G) in the first few years in view of the adverse global climate impacts in this century while, in parallel, promoting the “G” concept and facilitating environmentally friendly practices in Hanison's offices, construction sites, and business operations were clear. CARE (C) subsequently took over in the following years until 2020. Hanison then emphasised “C” for our environment, our people, and our community throughout the four ESG strategic areas, namely, Operating Practices, People, Environment, and Community. Having integrated our CSR strategies and corresponding practices into the United Nations' SDGs and accountability, we have altered our direction totally to ESG so as to work deeply and consistently on ESG performance by demonstrating a positive impact on data. We have issued our ESG Report from 2020 onwards until the tenth production of CSR and ESG-related report. Moreover, we have been enhancing transparency and disclosure in each year's issue in line with the additional compliance requirements, namely, environmental targets setting and making reference to the framework recommended by the TCFD.

Time flies without waiting for a halt while facing foreseen and unexpected volatility, uncertainty, complexity, and ambiguity (VUCA) in the territory of HKSAR and the globe in the past decade.

What had worked in the old days has no longer been workable in many different new norms! Hanison has also been witnessing and experiencing throughout the VUCA times. The world is gradually moving from a linear economy, which is based on the take-make-dispose model, to a circular economy, which is grounded on the principle of sustainability. This aims at reducing resource usage, minimising waste, and creating a more sustainable and resilient economy. Hanison has also been on the long road of sustainability. We target carbon emission reduction, use of renewable energy, digitalisation in our operating practices, ongoing hiring and developing younger talents in our talent pipeline, and enhancing employee and community engagement.

Over the past ten years, I have to describe the state of Hanison throughout our CSR-ESG-Sustainability (CES) journey as “all organs are here although it is a small sparrow”. If one asked me the critical success factor for all, I would strongly mention a can-do attitude and an innovative mindset are nothing but crucial for moving the CES work team and the Group forward year by year. Let us join hands in hands together to climb over another ten years on the sustainability journey.

Chan Yiu Kei, Charles
CSR Committee Convener &
Head of CSR & Communications

SUSTAINABILITY KEY HIGHLIGHTS

10-year ESG Disclosure

10 HANISON'S SUSTAINABILITY JOURNEY FOR A DECADE
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渣打企業成就大獎 2022 Standard Chartered Corporate Achievement Awards



Mr. Chow Ka Fung, Executive Director of Hanison Construction Holdings Limited (right), and Mr. Chan Yiu Kei, Charles represented Hanison to receive the first sustainability award, the Sustainable Corporate (Environmental) Outstanding Award of the Standard Chartered Corporate Achievement Awards 2022

ENVIRONMENTAL TARGETS / ROADMAP

To be complying with the mandatory disclosure on environmental targets in HKEX's ESG Guide, the Group has established the ETWG in 2021, to set the environmental targets for the Year onwards, in accordance with S.M.A.R.T principles, i.e. Specific, Measurable, Attainable, Relevant, Time bound, benchmarking with the international and industrial standards to improve the environmental performance continuously.

Our commitment on setting environmental targets is expressed in the Board Statement on Sustainability with the Board endorsement. The ETWG will continue to communicate and implement measures along the value chain, evaluate and monitor performance against base year and targets regularly so that it can ensure all environmental targets will be achieved on the right track.

ENVIRONMENTAL TARGETS SET

Target on Reduction until 2027/2028
(Base Year: 2017/2018 | Time Frame: 10 years)

 GHG Emissions Intensity (Scope 1 and 2)	 Energy Consumption Intensity	 Water Consumption Intensity	 Waste Intensity
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↓ 22%

↓ 2%

PERFORMANCE HIGHLIGHTS

Economics

 **Continuing Operations of Turnover**
Hanison Construction Holdings Limited
(after elimination of inter-segment sales)

HK\$ **1,232.8** million

Construction Division


HK\$ **906.4** million

Interior & Renovation Division


HK\$ **229.9** million

Building Materials Division

HK\$ **59.5** million

 **Net Asset Value**

HK\$ **4,072.7** million

 **Loss for the Year**

HK\$ **38.4** million

New Initiatives

 **1st Sustainability Award**

Sustainable Corporate
(Environmental) Outstanding Award
of the Standard Chartered Corporate
Achievement Awards 2022

 **1st Adoption of MiC**
for Transitional Housing Project

 **DWSS**
Applied in Housing Construction Projects


 **Electric Vehicles (EVs)**

 **Corporate LinkedIn Account**

Engaging Community Efforts

 **Financial Donation and Sponsorship**

HK\$ **268,400.00**

 **Voluntary Service Hours**

123 hours

Innovating Our Operating Practices

 Percentage of Local Suppliers

100 %

 Confirmed Corruption Case

0

 Substantiated Complaint Case

0

Developing Our Workforce

 Total Employees

447

 Training

Total Training Hours **2,038** hours

 Percentage of Employees Trained **30.13** %

 Work-related Fatality Rate

0

Protecting Our Environment

 GHG Emissions and Intensity

1,329.27 tonnes CO₂e

1.11 tonnes CO₂e / revenue in HK\$ million

 Energy Consumption and Intensity

3,075.01 MWh

2,571.51 kWh / revenue in HK\$ million

 B5 Biodiesel Consumed

27.91 % of Total Fuel Consumption

 Water Consumption and Intensity

24,862.80 m³

20.79 m³ / revenue in HK\$ million

 Non-hazardous Waste

11,811.83 tonnes

↓ 11.88 % YoY

 Recycled Construction Waste¹

10,573.70 tonnes

equivalent to **399** double-decker buses²

 Paper Consumption


13.96 tonnes

↓ 18.70 % YoY

 Paper Recycled

4.41 tonnes

saving around **105** trees³

 Green Buildings

1 Project awarded BEAM Plus New Buildings Version 1.2 - Final Gold

6 Projects in Progress of BEAM Plus New Buildings Assessment

¹ Assume the entire amount of construction waste treated by fill banks and sorting facilities can be recycled completely.

² Referencing to KMB, the gross weight of a 12.8 meters double-decker bus is 26,500 kg (26.5 tonnes).

³ Referencing to Conservatree, 1 ton of recycled office papers can save 24 trees.

REPORTING FRAMEWORK AND PRINCIPLES

Reporting Boundary⁴



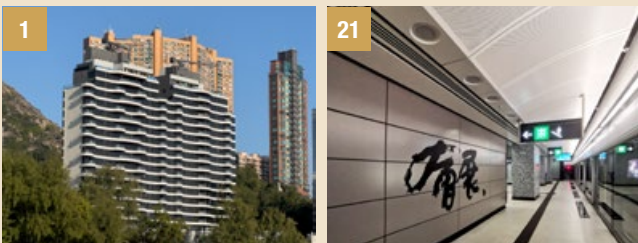
Head Office

Shek Mun, Shatin, New Territories



Warehouse

Ping Che, Fanling, New Territories



⁴ Projects with insignificant impacts or data not under the Group's control are not covered in the reporting boundary. For the details of in-scope projects, please refer to our 2022/2023 Annual Report.



Construction Division

1. Proposed residential development at Tuen Mun Town Lot No. 516, New Territories
2. Proposed residential and commercial development at Nos. 33-47 Catchick Street, Kennedy Town, Hong Kong
3. Public housing development at Java Road, North Point, Hong Kong
4. Public housing development at Hin Fat Lane, Tuen Mun, New Territories
5. Proposed residential development at No. 57A Nga Tsin Wai Road, Kowloon
6. Proposed industrial redevelopment at No. 22 Yip Shing Street, Kwai Chung, New Territories
7. Proposed industrial redevelopment at No. 18 Lee Chung Street, Chai Wan, Hong Kong
8. Transitional housing at Area 1B2, Muk On Street, Kai Tak for TWGHs
9. Proposed residential development at Lot No. 2143 in D.D. 121, Tong Yan San Tsuen, Yuen Long, New Territories



Interior & Renovation Division

10. Carolina Gardens, Nos. 20-34 Coombe Road, The Peak, Hong Kong
11. Hong Kong Baptist University
12. Shopping centres, car parks, markets and cooked-food stalls for Hong Kong Island, Kowloon East, New Territories East and Tseung Kwan O (Region 2) for the Link
13. Haking Wong Building for The University of Hong Kong
14. Shopping centres of Chuk Yuen South, Fu Shin, Stanley, Tai Hing, Tai Wo, Yu Chui and Temple Mall for the Link
15. The City University of Hong Kong
16. The Hong Kong Housing Authority (HA) Hong Kong Island and Islands (2)
17. Shopping centres, car parks, markets and cooked-food stalls in Tin Shui Wai, Tuen Mun, New Territories North and Ma On Shan (Region 1) for the Link
18. Shopping centres, car parks, markets and cooked-food stalls for Hong Kong Island, Kowloon East, New Territories East and Tseung Kwan O (Region 2) for the Link
19. Sir Run Run Shaw Building, Cha Chi-Ming Science Tower and Fong Shu Chuen Library, Level 5 of Oen Hall Building at Hong Kong Baptist University
20. Redevelopment of North Point Methodist Church at 11 Cheung Hong Street, North Point, Hong Kong



Building Materials Division

21. MTR Shatin to Central Link - Exhibition Station and Western Approach Tunnel
22. Tai Wai Station property development
23. Proposed residential development of Wong Chuk Hang Station Site A property development
24. Hong Kong International Airport (HKIA) Terminal 2 expansion works
25. A swimming pool complex and open space in Area 107, Tin Shui Wai, New Territories
26. Proposed residential and commercial development at No. 33-47 Catchick Street, Kennedy Town, Hong Kong
27. Proposed residential development at TKOTL 70RP, Phase 11, Lohas Park, Tseung Kwan O, New Territories
28. Public housing development at Java Road, North Point, Hong Kong
29. Central Kowloon Route - Building, electrical and mechanical works
30. Public housing development at Hin Fat Lane, Tuen Mun, New Territories

Reporting Scope and Period



This Report concludes the Group's ESG achievement and performance during the Year. There are no significant changes in the previous reporting period in terms of scope, which covers the major business units of the Group operated in Hong Kong, including the Head Office, Warehouse and all project sites managed by HCCL, HCL, HIRL, and TBML, contributing over 97.00% of revenue of the Group. The Group plans to improve its disclosure by gradually expanding coverage across its entire business spectrum in the future. The aim is to provide greater transparency regarding ESG and sustainability-related operations and performance in the coming years.

Reporting Framework and Standards



This Report complies with the ESG Guide disclosure obligations from financial years commencing on or after 1 July 2020 set out in Appendix 27 of the Rules Governing the Listing of Securities on the HKEX. This Report also contains an alignment table with the GRI Standards 2021, cross-referencing the SDGs, and utilises diversified methodologies aligned with the inclusion of international best practices to measure the key aspects of sustainability and ESG performance and ensure comparability. For more details about the alignment table, please refer to the HKEX ESG Reporting Guide Content Index and GRI Standards Content Index respectively in the Appendices section of this Report.

The preparation of this Report has adopted the following reporting principles in adherence to and in compliance with the HKEX's ESG Guide and the GRI Standards to ensure accountability of our ESG performance and augment transparency of our ESG disclosures.

Report Assurance



This Report, the tenth annual individual ESG report, has been verified by the independent certification bodies, namely, HKQAA and Hong Kong Certification Services International Limited, to conduct the Report's content verification and GHG emissions verification respectively. Thus, the trustworthiness of this Report is ensured in accordance with the HKEX's ESG Guide and the GRI Standards 2021. Please refer to the Assurance Statements in the Appendices section of this Report for details.

STAKEHOLDER INCLUSIVENESS AND MATERIALITY	Stakeholders were included in the materiality assessment exercise to identify and determine the material ESG and Sustainability issues for this Report.
BALANCE AND COMPLETENESS	The Report was written in a manner to best present a balanced, unbiased, and complete picture of our ESG performance for readers to make an impartial judgement.
CONSISTENCY, COMPARABILITY, AND CLARITY	The methodologies and presentation formats adopted in the Report remain consistent whenever possible with improved clarity. Comparisons of performance over time are available.
ACCURACY AND RELIABILITY	The Report content has been reviewed by our CSR Committee and approved by the Board in June 2023 and verified by independent certification bodies.
QUANTIFICATION	Quantitative information is presented whenever feasible, accompanied by descriptions of the methodologies, assumptions and sources of the standards adopted.



SUSTAINABILITY GOVERNANCE AT HANISON

The Group is fully committed to sustainability and places a strong emphasis on sustainability governance. Our dedication to and success in aligning our business operations and community contributes to robust ESG governance strategies and frameworks reflecting our aspirations and responsibility. Continuously pushing the boundaries of our sustainable development, we embody sustainability as a core value of the Group.

GOVERNANCE STRUCTURE

Board Engagement



The Board of Hanison has the overall responsibility of overseeing and managing

ESG and sustainability-related risks through integrating governance in ESG into the Group's corporate structure and business operations. The Board is also responsible for the reporting of relevant ESG and sustainability development to communicate ESG risks and sustainability initiatives to stakeholders. In January 2022, the board-level engagement in ESG was enhanced through the issuing of the Board Statement on Sustainability, which elaborates upon the Board's accountability for the Group's ESG strategies and ESG report approval, to demonstrate our commitment and dedication to sustainability.

CSR Committee



The CSR Committee, established in 2013, is a delegated body of the Board and is required to conduct regular reporting to the Managing Director, who reports to

the Board. The Committee is chaired by a director, facilitated and convened by the Head of CSR and Communications, and comprises subsidiary directors from various key business divisions and representatives of supporting departments with the support of various committees and working groups. The Committee meets three to four times annually to formulate the Group's ESG roadmap and strategy, facilitate the execution of annual action plans, review key performance indicators and initiatives, and track progress in achieving sustainability and ESG-related targets to ensure that sustainability principles are embedded in daily business operations and the decision-making process. These activities are conducted with the intention of creating values on both short-term and long-term impacts of ESG and sustainability towards the Group's development in accordance with compliance.

Risk Management







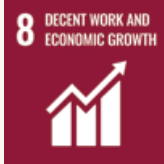





The Group understands that relevant ESG risks have the potential to affect, and therefore are of concern to, our valuable

stakeholders. Thus, the Group is highly attentive and aware of these risks, dedicating the necessary effort to overseeing and addressing these risks. The Risk Management Committee, Audit Committee, and other operating units are supported. Reviewing our well-established risk management and internal control systems regularly has assured the effectiveness of the Group's internal control and regulatory risk management. For further details of our risk management, please refer to the Group's 2022/2023 Annual Report. For the disclosure of the ESG-related risks such as the rising threats resulting from the COVID-19 pandemic and climate change, please refer to the Developing Our Workforce and Protecting Our Environment sections of this Report respectively.

ESG STRATEGY AND FRAMEWORK

Governing our sustainability journey toward excellence, the Group has identified and contributed to the four key ESG strategic areas of Operating Practices, People, Environment, and Community to ensure accelerated progress towards achieving our ESG goals and improving our overall ESG performance through implementation. The Board has delegated numerous committees and working groups at Hanison, consisting of directors and various industrial specialists from key business divisions, to address ESG issues and risks in a professional and timely manner, enhancing sustainability-related practices using a systematic approach. The performance will be benchmarked and aligned with the SDGs established by the United Nations, HKEX's ESG Guide and GRI Standards, which are indicated in the Appendices section of this Report. Of the 17 SDGs, Hanison's ESG strategic areas and operations align with 10 Goals; more information regarding these relevant goals is presented in the corresponding section of this Report.

ESG STRATEGIC AREAS

	Committee / Working Group / Taskforce	System / Standard	Policy / Statement / Guideline
<p>OPERATING PRACTICES</p>   	<ul style="list-style-type: none"> Safety, Environment, Quality, Energy, Security (SEQES) Committee Innovation and Development Committee 	<ul style="list-style-type: none"> ISO 9001 Quality Management System 	<ul style="list-style-type: none"> Board Statement on Sustainability CSR Policy Statement Integrated (Quality and Environmental) Management System Policy Code of Conduct Notice to Contractors / Consultants relating to Hanison's Code of Ethics ("Supplier Code of Ethics")
<p>PEOPLE</p>  	<ul style="list-style-type: none"> Employee Relations and Communications Committee Training Committee SEQES Committee Anti-pandemic Taskforce 	<ul style="list-style-type: none"> ISO 45001 Occupational Health and Safety Management System 	<ul style="list-style-type: none"> Board Statement on Sustainability CSR Policy Statement Occupational Safety and Health Policy No Alcohol and Drug Policy Anti-smoking Policy
<p>ENVIRONMENT</p>   	<ul style="list-style-type: none"> SEQES Committee ETWG 	<ul style="list-style-type: none"> ISO 14001 Environmental Management System (EMS) ISO 50001 Energy Management System (EnMS) 	<ul style="list-style-type: none"> Board Statement on Sustainability CSR Policy Statement EnMS Policy Integrated (Quality and Environmental) Management System Policy
<p>COMMUNITY</p>  	<ul style="list-style-type: none"> CSR Committee 	<ul style="list-style-type: none"> HKQAA CSR Advocate Mark 	<ul style="list-style-type: none"> Board Statement on Sustainability CSR Policy Statement

MATERIALITY ASSESSMENT

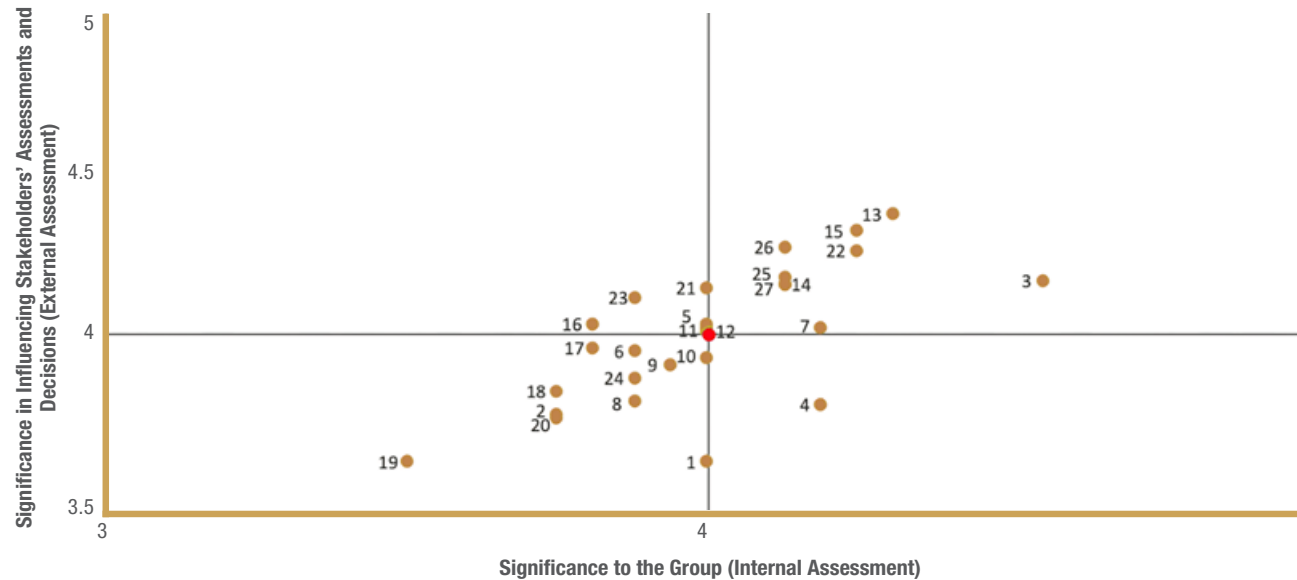
During the Year, a stakeholder engagement exercise was set to understand the various trends and expectations of different groups of stakeholders. It was also to identify, prioritise and verify the material ESG issues and risks of the Group so as to better incorporate them into our ESG strategies.

MATERIALITY ASSESSMENT PROCESS	
1 UNDERSTANDING stakeholders' expectations of relevant trends and aspects	Sustainability and ESG-related issues, risks, and trends were compiled and presented to a wide range of stakeholders through various channels. Engaging these stakeholders allowed us to better understand their perspectives and expectations regarding sustainability and ESG in our business.
2 IDENTIFYING key ESG issues	A stakeholder engagement exercise was conducted in the form of a quantitative online survey with collected responses from internal and external groups of stakeholders.
3 PRIORITISING material ESG issues	Stakeholders' feedback via stakeholder engagement exercise was then consolidated to identify the stakeholder-considered ESG issues material to business operations.
4 VALIDATING the result	The result of material ESG issues and materiality assessment will be reviewed and approved by the CSR Committee and the Board.

The following materiality matrix was plotted using the results collected from the Materiality Assessment Survey ("Materiality Survey") shared with the Group's stakeholders. The methodology for the plotting of the matrix was the same as previous financial year's, in which all issues achieved an average score of 4.02 on the importance or relevance scale (from 1 being the least important to 5 the most important). The six most material issues considered in this Report have an average score of over 4.28, with several changes to ordering as well as an added material topic of Quality Management and Assurance. The results of this Year's materiality assessment alongside the list of material issues have been presented to, reviewed, and endorsed by the CSR Committee and the Board.



MATERIALITY MATRIX



The resulting materiality matrix of this Year's Materiality Survey showcases an overall snapshot of the ESG issues relating to the Group's business operations. For this Year's stakeholder engagement exercise, a total of 536 stakeholders comprising a variety of internal and external groups, were invited to rank the importance of the presented issues to the Group, and reflect on the importance of the presented topics when making assessments and decisions about the Group respectively. Of those 536, 52 were internal stakeholders, including employees (managerial grade or above), and 484 were external stakeholders, including employees (general level), business partners, representatives of government authorities and non-governmental organisations (NGOs). The Materiality Survey was completed by a total of 118 internal and external stakeholders, ranking the significance and importance of a total of 27 ESG-related issues relevant to the Group's business. The 27 ESG-related issues presented in the Materiality Survey continue to remain unchanged from the previous year. The overall response rate for this Year's Materiality Survey was 22.01%, and its outcomes of the survey are reviewed by the CSR Committee; the material issues identified and prioritised are to be incorporated into the ESG strategies.

ESG ISSUES FOR ASSESSMENT

GOVERNANCE AND ECONOMICS

- 1 Governance and Management Approach on ESG-related Issues
- 2 Economic Performance
- 3 **Anti-corruption**
- 4 Anti-competitive Behaviour
- 5 Innovation

ENVIRONMENT

- 6 Materials Use
- 7 Energy Use and Efficiency
- 8 Water Resources Consumption
- 9 Emission of Greenhouse Gases and Other Significant Air Emissions
- 10 Effluents and Waste Management
- 11 Environmental and Socioeconomic Compliance
- 12 Green Buildings

PEOPLE

- 13 **Employer-employee Relations (including remuneration and benefits, employee communications, training and development and employee well-being)**
- 14 Talent Pipeline (staff attraction, retention, turnover and succession)
- 15 **Occupational Health and Safety**
- 16 Employee Diversity and Equal Opportunity
- 17 Labour Standards (child labour and forced labour)

COMMUNITY







- 18 Impacts on Local Communities
- 19 Community Investment

OPERATING PRACTICES

- 20 Supply Chain Management
- 21 Customer Health and Safety
- 22 **Customer Privacy**
- 23 Fair and Responsible Marketing and Labelling
- 24 Green Procurement
- 25 **Client or Customer Satisfaction**
- 26 **Quality Management and Assurance**
- 27 Protection of Intellectual Property Rights

STAKEHOLDER ENGAGEMENT

Stakeholders, whether external or internal, are all of the utmost importance to the Group; therefore, the Group acknowledges the indisputable need for communication with our stakeholders on a regular basis via various channels to better identify, understand, and act upon their expectations and priorities on ESG-related strategies, initiatives, and overall performance.

ENGAGEMENT CHANNELS		
 <p>EMPLOYEES</p> <ul style="list-style-type: none"> • Internal Memos and e-mails • Staff Handbook • Intranet • Surveys (Biennial Employee Experience Survey and annual Materiality Survey) • Meetings • Workshops • New Staff Orientation (NSO) • Performance Appraisal • Whistleblowing Channels • Biannual Hanison Staff Newsletter • Staff Engagement Activities • Employee Volunteering • Social Media 	 <p>SUPPLIERS / SUBCONTRACTORS</p> <ul style="list-style-type: none"> • Materiality Survey • Workshops • Biannual Appraisal • Assessments • Inspections or Visits • Annual Audits • Social Media 	 <p>NGOS / COMMUNITIES</p> <ul style="list-style-type: none"> • Materiality Survey • Enquiry Hotline and e-mails • Site Relations Activities • CSR Events • Donation and Sponsorship • Social Media • Community Relations Officer • Hanison Corporate Volunteer Team • Awards, Recognitions and Charters
 <p>CLIENTS</p> <ul style="list-style-type: none"> • Surveys • Contracts • Meetings • Project Reports • Corporate Events • Social Media 	 <p>SHAREHOLDERS</p> <ul style="list-style-type: none"> • Annual General Meeting • Announcements • Annual and Interim Reports • Corporate Website • Enquiry Hotline and e-mails • Social Media 	 <p>GOVERNMENT AUTHORITIES / INDUSTRY ASSOCIATIONS</p> <ul style="list-style-type: none"> • Materiality Survey • Meetings • Awards, Recognitions and Charters • Seminars and Activities • Donation and Sponsorship • Social Media

ANTI-CORRUPTION AND RESPONSIBLE BUSINESS PRACTICES

Anti-corruption

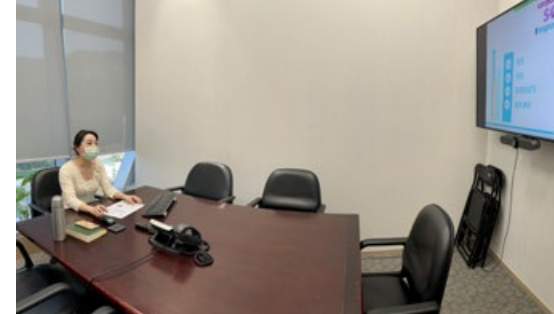


The complications of the supply chain in the construction industry involving extremely large sums of money and labour creates a high risk of corruption or attempted corruption. As the most material topic to our stakeholder groups this Year, anti-corruption is a very important topic to the Group. We believe that goodwill is constructed from fair, honest, trustworthy, and transparent business practices that are critical to achieving long-running and sustainable success in business. From the complexity and opaqueness of the supply chain in the construction industry to the day to day business operations, Hanison is committed to abiding by an extremely high standard of business integrity and ethics with zero tolerance in any area of corruption, including but not limited to bribery, extortion, fraud, and money laundering. In accordance with the Prevention of Bribery Ordinance (Cap. 201), Hanison has established the Code of Conduct and Supplier Code of Ethics which are applicable to all companies of the Group.

As such, all employees are prohibited from soliciting, accepting or offering illegal advantages, presents or entertainment in any kind of form from business partners, including but not limited to suppliers and subcontractors. These measures are for preventing actual and perceived conflicts of interests. All employees must strictly comply with relevant laws and regulations. To maintain high standards of business ethics, corporate governance, and responsible business practices, the Group's whistleblowing policy provides a confidential communication channel for employees to report their concerns on any suspected cases of misconduct, malpractice, impropriety, irregularity, or non-compliance found within the Group. Fair investigation of whistleblowers and timely follow-up actions will be taken against substantiated allegations or complaints. During the Year, the Group did not receive any concluded legal cases regarding corruption in which employees were involved, or brought against the Group.

A compulsory training session conducted by the Independent Commission Against Corruption (ICAC) is provided for all newcomers. Furthermore, enhanced training sessions are provided for senior-ranked employees, including directors, intermittently. Employees receive anti-corruption and integrity training from time to time. In 2022, induction or refresher training sessions on anti-corruption and integrity were provided to employees including 8 directors⁵, comprising 50.00% of total number of the Group's directors.

⁵The training-related figures and all related calculations used were based on the records in the calendar year ended on 31 December 2022, which is in line with the Group's Human Resources (HR) data record system.



Virtual NSO

Anti-competitive Behaviour



The Group strictly prohibits any anti-competitive behaviour during tendering, subletting and procurement processes in order to maintain fairness and integrity in compliance with the Competition Ordinance (Cap. 619). As a key component to building a strong, cautious, and prudent value chain, fairness is an important consideration to the Group. During the Year, the Group received no suspected and reported cases pertaining to misuse of market power.

INNOVATING OUR OPERATING PRACTICES

Hanison constantly strives for improvement to achieve higher standards of excellence for greater quality and better customer satisfaction. By persistently innovating and adopting new technologies through our business operations and in the construction process, being uncompromising with our standard of integrity, and adhering to internationally-renowned standards, the Group continues to serve our valued customers by way of consistent, professional, and satisfactory provision of products and services.



QUALITY MANAGEMENT AND ASSURANCE

To maintain high industry standards of quality and excellence, Hanison utilises a formalised Integrated Management System (IMS) that conforms and refers to ISO standards, including ISO 9001:2015 Quality Management System Standard and ISO 14001:2015 EMS Standard. Being applied in our Construction Division and Interior & Renovation Division, IMS empowers us to assure consistency and control on quality and environmental performance in moving beyond simple compliance of statutory requirements and governing obligations to reach new heights.

COMPONENTS OF INTEGRATED MANAGEMENT SYSTEMS (IMS)



Channels for Establishment of Good Practices along the Value Chain

- Training
- Manual and operating procedures
- Work demonstration or instruction



Types of Rigorous Internal Audits

- Objectives and targets reviews
- Works or factory inspections
- Evaluation of suppliers and subcontractors
- Corrective and preventive actions against non-conformity



Communication Platforms

- Customer satisfaction surveys
- Questionnaires for subcontractors
- Complaints handling mechanism



Quality Assurance and Maintenance

- Defects fixing period before delivery
- Warranty period upon project completion

MODERNISING THROUGH ADOPTION OF INNOVATIVE TECHNOLOGIES

Innovation is at the core of Hanison's business and our development; as modern technologies are developed, solutions that improve quality and performance are being provided in the construction industry. It is our responsibility to build our future capability in a smart and innovative way through the adoption of these new technologies, which can allow us to re-examine how we work in every part of the business. Through the adoption and application of BIM and MiC, and Internet of Things (IoT), as well as other technologies along our value chain, the Group continues to provide great service and products while improving the safety and efficiency of site operations.

Innovative Technologies for Construction Project Management



The BIM Team, established in 2016, has continued to demonstrate the Group's efforts toward modernisation through investment in innovative technological applications, moving on from the traditional construction model. Alongside the technologies, it is important to train the capabilities of our employees and subcontractors in the areas of perpetually advancing technologies and innovations to improve efficiency in construction and operations. The Group successfully applied for the subsidy of Advanced Construction Technology to invest in new safety innovations on sites, of which the fund was used to integrate the Novade system that allows all stakeholders to see potential site hazards in an app.

INNOVATING OUR
OPERATING PRACTICES

⚙️ Building Information Modelling (BIM)

BIM continues to be applied to our operations to improve efficiency and effectiveness in the project planning and risk assessment process. A preliminary four-dimensional (4D) video is used to visually showcase the project construction sequence virtually; a more detailed 4D simulation is prepared for site logistics, utilisation, and overall planning. An updated bi-monthly version is used in the evaluation and assessment of site progress and activities. Three-dimensional (3D) Coordination processes are then continuously conducted to better identify design clashes and mitigate design errors and conflicts pre-construction.

👍 Adoption of BIM Use

- Design Review
- Existing Conditions Modelling
- 3D Coordination
- Cost Estimation
- Sustainability Evaluation
- 4D Modelling
- Site Utilisation Planning
- As-Built Modelling
- Drawing Generation (Drawing Production)



BIM application in public housing development at Java Road, North Point, Hong Kong



Transitional housing at Area 1B2, Muk On Street, Kai Tak for TWGHs

⚙️ Internet of Things (IoT)

Implementation of the “iSite” Green Environment Energy saving smart energy control system that allows for the control of the cooling system, air-conditioning system at site office, and power at subcontractors site office wirelessly via mobile device, leading to reduced power consumption.



EVs

⚙️ Modular Integrated Construction (MiC)

We have begun the integration of MiC into our projects during this Year, starting with the transitional housing at Area 1B2, Muk On Street, Kai Tak for TWGHs. The application of MiC will contribute to the improvement of the working environment and site safety, accelerate the construction progress of the project, and facilitate our community engagement.

⚙️ Other Technologies

Hanson applies Enterprise Resource Planning (ERP) in construction projects alongside other innovative solutions in an effort to improve efficiency. From automation solutions and robotics to EVs, we seek to continuously modernise our business and operations to stand out as an industry leader.

Intellectual Property (IP) Rights



Valuing data privacy and respecting IP rights are top priorities for our Group. It is the obligation of our employees to safeguard the IP rights specified in the IP protection policy outlined in our Staff Handbook and Supplier Code of Ethics, while also fully complying with all relevant laws and regulations. When it comes to software and hardware licenses, our Information Technology Department and employees must ensure that their daily practices are both ethical and lawful. They are required to comply with the Copyright Ordinance (Cap. 528) and follow the corresponding policies and procedures established by the Group.

CASE STUDY

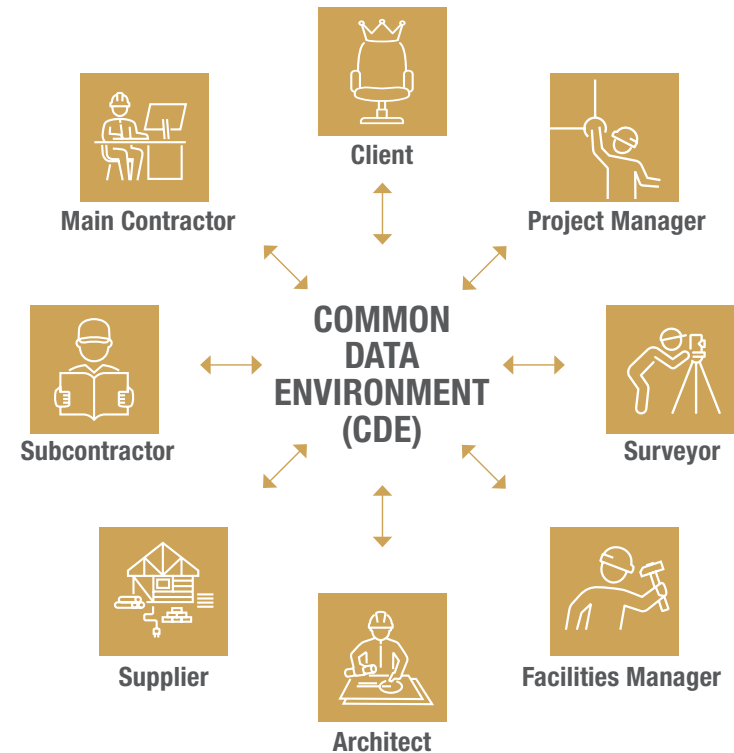
Digitalisation to Accelerate Sustainability in Construction

The CIC aims to streamline and digitalise all processes involved in the built asset lifecycle to enhance productivity, safety, and sustainability for a better quality of life, setting targets for 2026 and promoting the adoption of digitalisation technologies. Hanison, as a signatory of the CIC's Construction Digitalisation Charter, is committed to implementing digitalisation through innovative technologies to increase efficiency and advance towards "Construction 2.0", a digitalised and sustainable future.

Common Data Environment (CDE) and Building Information Modelling (BIM)

The Group has implemented CDE, a digital solution for managing and storing shared information that allows integration and cross-disciplinary access to BIM and related construction works information. It integrates with various technologies' implications, like IoT systems, automation and robotics applied in our construction operations. It provides significant benefits in terms of reducing our environmental impacts, promoting social responsibility, and creating a more sustainable construction process.

Adopting CDE facilitated the integration of project data from different sources and software applications, including BIM models, schedules, cost estimates, and other project-related information for our construction projects. The CDE improves collaboration and coordination among project teams, reducing our carbon footprint by minimising the need to travel for meetings and promoting social responsibility by prioritising the health and safety of our employees and stakeholders. Version control, another key benefit, reduces the need for transportation and physical copies of plans and drawings, decreasing waste.



BIM 360, a comprehensive platform connecting project teams and data in real-time throughout the entire project lifecycle, facilitates informed decision-making, leading to more predictable and profitable outcomes. BIM 360 supports workflows from design and pre-construction to construction and building operations, gathering resources to create a safe and healthy working environment for these projects while optimising project budgets, schedules, and overall quality. By leveraging data-driven decision-making, BIM 360 can enhance project delivery outcomes, driving forward productivity and efficiency to achieve designated goals. During the Year, the Group utilises BIM technologies in six construction projects, two of which utilises CDE (BIM 360).



Design review markup on BIM 360



Novade DWSS

Digital Works Supervision System (DWSS)

With the HKSAR Government leading the construction industry to make changes by implementing “Construction 2.0” to uplift the capacity and sustainability of the industry, they are promoting digitisation of the supervision system and conducting trials in pilot projects in order to enhance the standard and efficiency of work supervision. Hanison seeks to be at the forefront of innovation, adopting a DWSS.

The Group has integrated Novade DWSS into multiple projects, spanning across three departments: Safety and Environmental Department, Quality Department, and Security Department. A web-based centralised portal that allows for the collection of construction works information and management of the workflows of site activities, DWSS can enhance the standard and efficiency of works supervision as well as the quality and safety of works. Accessible through a secure network being operated on desktop and laptop computers and mobile devices, captured data is synchronised automatically across all devices and servers. It supports efficient flow of information, including site records among contractors, site supervisory staff and employers or clients, and enable timely reporting and alert of works progress and performance. During the Year, the Novade DWSS is being implemented in three construction projects.

Construction Projects	CDE (2 Projects Applied)	BIM (6 Projects Applied)	Novade DWSS (3 Projects Applied)
Public housing development at Java Road, North Point, Hong Kong		B	
Public housing development at Hin Fat Lane, Tuen Mun, New Territories		B	
Transitional housing at Area 1B2, Muk On Street, Kai Tak, Kowloon for TWGHs		B	
Proposed residential and commercial development at Nos. 33-47 Catchick Street, Kennedy Town, Hong Kong		B	
Proposed residential development at No. 57A Nga Tsin Wai Road, Kowloon		B	
Proposed residential development at Tuen Mun Town Lot No. 516, New Territories		B	

CUSTOMERS

As with any business, our customers are a top priority. As such, providing quality solutions and services is paramount. As a leading main contractor in Hong Kong, we recognise the importance of integrating sustainable solutions into the construction industry and contributing to the transformation of Hong Kong into a greener city. The Group continues to work towards becoming pioneers in the construction industry's move towards a climate-resilient built environment. Through collaboration with our customers, we aim to accomplish the ambitious sustainability objectives and set an example for others to follow.



Product Responsibility

The Group greatly values client satisfaction and considers all complaints as opportunities for continuous improvement. We engage our customers to obtain feedback about our service quality and take all complaints and non-conformities seriously. All such instances are formally recorded and reported to the site seniors and the project management team for follow-up investigation and resolution.

During the Year, none of our projects were subjected to recalls due to quality issues or safety and health concerns. This is a testament to our commitment to ensuring the highest standards of quality and safety in our operations. Hanison does not engage in labelling or advertising practices in our construction business. We believe that our focus should always be on delivering exceptional services to our clients in a responsible manner.



Customer and Data Privacy

As one of the most relevant material topics to our stakeholders, customer and data privacy are very important to Hanison. The Group strictly adheres to the Personal Data (Privacy) Ordinance (Cap. 486) and relevant regulations to prevent breaches and protect the confidentiality of sensitive and personal data collected from our business partners and clients. Our employees are prohibited from disclosing such information without proper authorisation, and any breaches will result in disciplinary or legal actions. During the Year, there were no privacy complaints related to the products and services we provided.



Customer Satisfaction

Maintaining open and frequent communication, as well as cultivating long-lasting relationships with our customers is critical to our success. By gaining a deep understanding of our customers' expectations and concerns, the Group is in a better position to not only meet but exceed their expectations. As a result, we are able to provide exceptional services that deliver customer satisfaction. In addition to providing exceptional services, we also prioritise our clients' sustainability goals. By working closely with our customers, we can identify opportunities to incorporate sustainable practices into their projects.

SUPPLY CHAIN MANAGEMENT

The supply chain in every industry is an essential part of the business. The numerous suppliers of construction works expands to subcontractors of various works, material suppliers, consultants, other service providers, and many more. To facilitate a transparent but smooth construction process, the Group also recognises the importance of incorporating sustainability and ESG measures into the management of the supply chain.

The Group's established mechanism to source, select, and engage suppliers incorporates fairness, cost-effectiveness, environmental friendliness, and transparency. Through the adoption of digitalisation in the form of ERP digital systems, the Group is able to track and monitor the use of resources while ensuring the qualifications of suppliers or subcontractors. To standardise the procedure, performance appraisals are applied to evaluate the performance of suppliers and subcontractors. All suppliers and subcontractors have obtained a B grade on average in appraisals during the Year and the Group aims to continue monitoring, maintaining, and improving the mechanism for better transparency.



Managing ESG risks along the Supply Chain

- Registration Questionnaire or Pre-qualification Assessment
- Suppliers Code of Ethics or Guidance Note
- Inspections or Factory Visits
- Supplier or Subcontractor Performance Appraisal

NUMBER OF PERFORMANCE APPRAISALS CONDUCTED		
Total	Construction Division	Interior & Renovation Division
109	70	39

NUMBER OF AWARDED SUPPLIERS / SUBCONTRACTORS / SERVICE PROVIDERS				
Total	Group	Construction Division	Interior & Renovation Division	Building Materials Division
327	84	171	62	10
Total Registered Suppliers	3,389		Percentage of Local Suppliers	100.00%

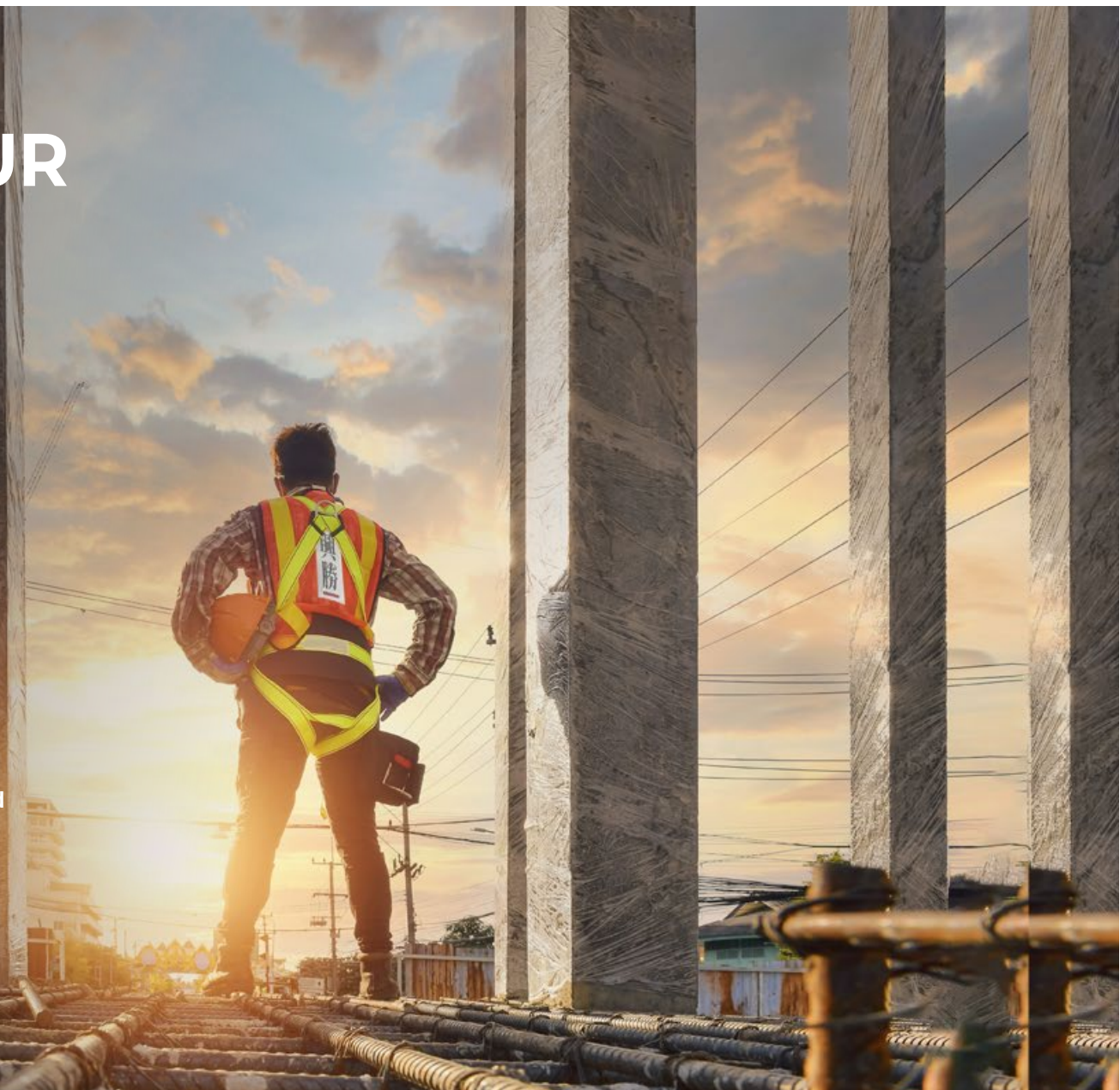
Green Procurement



The Group integrates environmental goals into the procurement process through encouraging the consideration of green procurement during the decision-making process. We at Hanison understand the scarcity of natural resources and the importance of contributing to efforts to achieve a circular economy, and have encouraged the embedding of the 4R Principles of Reduce, Reuse, Recycle, and Recover as well. Beyond the 4R Principles, we encourage the use of recycling, biodegradable, Forest Stewardship Council (FSC)-certified products in our Head Office and construction projects. Environmental requirements are included in tendering documents, and suppliers or subcontractors who commit to the environment will be granted priority and preference. Examples of this could include certifications or standards such as the ISO 14001 EMS Standard. Employees are provided with education on green knowledge periodically. In addition, purchases from local suppliers are prioritised to minimise the carbon footprint. During the Year, 100.00% of local suppliers were engaged in our business.

DEVELOPING OUR WORKFORCE

People have always been fundamentally one of the most important capitals of a business, but at Hansion, they are more than that. Here, our people are always a priority because, at Hansion, they are our family members first and foremost. This is our pledge and core to the Group's corporate values, which have been reflected in our corporate mission statement aiming to "grow our people with commitment", and the EPIC & TIPS corporate value acronyms' inclusion of the Care values, to treat our people, clients, and community with care. While everyone is on the path to recovery from the COVID-19 pandemic, the importance of being people-focused has not been lost on the Group. We persist in the human capital management (HCM) belief in the absolute necessity of systemically protecting our employees' health and well-being, as well as ensuring workplace safety and fairness. Hansion further places emphasis on the growth of our people, helping them reach their utmost potential through training and development opportunities without discrimination.



ENHANCING WELL-BEING AND EMPOWERING OUR TALENTS DURING POST-COVID

Despite the diminishing of the COVID-19 pandemic's effect and urgency throughout this Year, the material topic of Occupational Health and Safety continues to be of concern to both internal and external stakeholders. The previous years' measures, such as the Extended Initiatives to Protect People and Fight against Pandemic to combat the pandemic have been effective and served as a reminder of the continued importance of ensuring the health and well-being of employees in the workplace.

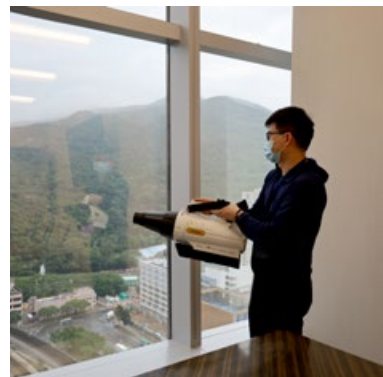
In the first half of 2022, the fifth wave of COVID-19 had a significant impact on all businesses and our community, with an increasing number of infections and unfortunate fatalities. As a socially responsible enterprise, the Group is committed to protecting the safety of our employees. In the fifth wave of the epidemic, we closely followed and quickly responded to the government's tightening social distance measures and expanding the "vaccine bubble" plan in an effort to achieve community epidemic prevention. In addition to the initiatives starting from the beginning of the pandemic, simultaneously, the Group has also adjusted its management strategy promptly, adopted reasonable anti-epidemic measures, and flexibly integrated the resource allocation of various departments.



Regularly carry out office disinfection by the newly purchased ULV cold fogger with the use of sanitising liquid certified by international standard certifications such as SGS, ASTM International, and the European Union, to help sanitise the Head Office area efficiently in a cost effective approach; while applying professional sanitising service in construction sites when necessary



Flexibility to work from home and special leave arrangements for the quarantined staff



Sanitisation conducted in conference rooms by ULV cold fogger

Beyond fulfilling the basic requirements of health and well-being in the workplace for our employees, Hanison also emphasised the development and empowerment of our talents through training. In addition, our HR Team continues to dedicate their best efforts to further securing the talent pipeline, despite the continued severe talent war in the construction-connected industry resulting in an outflow of talent. During the reporting period, there were a total of 57 talents promoted with competitive remuneration as recognition of and reward for excellent performance, comprising 12.75% of the average total workforce. As an employer, the Group understands the significance to attract, nurture, and retain an inclusive and diverse workforce that is to competitively deliver on the objectives established by Hanison. We aim to continue engaging our employees and safeguard the reliability and capability of our talent pipeline to secure the needs of our future competence, namely, Attitude, Skills, Knowledge (ASK).

EMPLOYMENT

Employee Figures Overview



Hanison is very grateful to have a dedicated, skilled, and passionate workforce of 447 employees by the end of 31 March 2023. Of that number, which is approximately 6.9% fewer than that of the previous reporting year, 273 were employed in the Construction Division (HCCL and HCL), 61 in the Interior & Renovation Division (HIRL), and 40 in the Building Materials Division (TBML). All were employed in Hong Kong.

THE GROUP'S TOTAL WORKFORCE ⁶	Male	Female
Number of Employees	330 (73.83%)	117 (26.17%)
Full-time	437 (97.76%)	
Part-time	10 (2.24%)	
By Grade & Gender		
Director	15	0
Senior Manager	17	2
Manager	20	6
Assistant Manager or below	226	84
Labour and Contract Technical Assistant	52	25
By Age		
25 or below	12	6
26 - 35	86	32
36 - 45	84	24
46 - 55	77	25
56 - 65	67	29
66 or above	4	1

VOLUNTARY TURNOVER RATES (VTR) ⁷	Male	Female
By Age and Gender		
25 or below	32.00%	105.26%
26 - 35	35.68%	45.71%
36 - 45	17.07%	29.09%
46 - 55	5.37%	7.55%
56 - 65	9.79%	3.70%
66 or above	0.00%	50.00%
Parental Leave	8 Out of 330 entitled male employees took paternity leave	4 Out of 117 entitled female employees took maternity leave
Return to Work Rate	100.00%	75.00%

By Business Division

 Group	21.53%
 Construction Division	15.92%
 Interior & Renovation Division	37.80%
 Building Materials Division	22.86%

⁶ Employees are defined as persons who are in a direct employment relationship with the Group or its subsidiaries. The Group's total workforce includes employees hired for all operations, including but not limited to the Construction Division, Interior & Renovation Division and Building Materials Division. Workers hired by subcontractors are not included in the Group's HR data record system. The employee numbers are expressed in the number of headcounts as of 31 March 2023.

⁷ The VTR reflects the number of employees who leave employment voluntarily, including normal retirement and contract end during the Year.

Benefits⁸



Hanison offers numerous competitive benefits for eligible full-time employees. The primary purpose is to facilitate staff well-being, in addition to retaining current talents and attracting prospective candidates.



⁸ These benefits are provided for full-time employees and may not be applicable to temporary or part-time employees.

OCCUPATIONAL HEALTH AND SAFETY

Strengthening our Health, Safety, and Well-being Capability



The material topic of Occupational, Health, and Safety stands as one of the Group's continued priorities, and we strive to drive improvements in quality and capability moving forward. We put our best effort into achieving an excellent standard of safety and

health for our target groups, which include but are not limited to employees, subcontractors, and the community. The Group implements safe and hygienic measures in our offices and construction sites according to the laws and regulations, whichever is applicable, and our well-established Occupational Safety and Health Policy. Our Occupational Health and Safety Management System certified by ISO 45001:2018 standard was comprehensively applied to all types of work and activities covering the construction sites and continues to safeguard our operations.

Beyond the legal, statutory, and industry requirements, Hanison considers the health, safety, and well-being of our employees of paramount importance. Alongside the policies and measures, the adoption of technologies and innovative solutions with high safety factors for our various projects, the risk and number of avoidable occupational injuries can be minimised. By incorporating utilising battery-powered transportation robots with remote safe lifting hooks, we seek to enhance productivity while maintaining a robust and safe working environment.

Note on Health and Safety from COVID-19



During the Year, the effects of the COVID-19 Pandemic were still prevalent and relevant to the Group's operations. As such, the stringent measures from the previous year contributed to effective control during the period. The statutory COVID-19 vaccinations per the previously mandatory Vaccine Pass requirements were applied to all construction sites of the Group and the "LeaveHomeSafe" application was mandatory when entering and leaving Hanison's office.



Disinfection service carried out regularly during the COVID-19 peak period



Safety Training

On top of the safety training sessions, pre-working meetings and monthly safety committee meetings highlight approaches and requirements to safety. Morning assembly and exercise sessions also help minimise work injuries.



Pre-working meeting



HCL was awarded the 1st Runner-up of the Team Event in Safety Quiz 2022 organised by Hong Kong Institute of Construction Managers and Hong Kong Construction Association



Safety Audits and Inspections

Routine safety inspections conducted by both internal parties and external consultants can maintain high standards of safety.



Independent safety inspection by consultant



Promoting Health and Safety Awareness

Eye-catching promotional banners alongside safety promotion TVs and occupational health and safety information boards were set up to promote best practices and bring awareness to our employees, positioned and displayed prominently. We also participated in the Life First event to enhance construction safety among our employees as well as industry peers.



Safety inspection for Life First event



Integration of Technologies and New Equipment



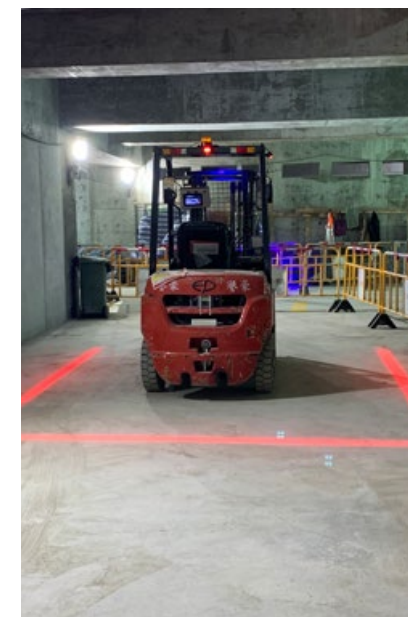
"iSite Control" Virtual Reality (VR) safety at work



Battery powered transportation robot



Electrical rubbish bin lifter



Blue and red laser light at forklift to remind the dangerous area



Safety Performance

During the Year, the Group maintained a zero fatality record for the 4th consecutive year. The Group's average accident rate per thousand workers of the three divisions remained lower than the industry rate of 29.5 in 2021⁹. We continue to strive for the highest standard of safety for our valued employees and will continue to implement measures to reduce the risks associated with our operations in order to inspire others in the industry to improve performance as well.

WORK-RELATED INJURIES ¹⁰	Accident Rate per 1,000 Workers	Days Lost Due to the Work Injuries ¹¹
Construction Division	16.51	1,724
Interior & Renovation Division	33.93	294
Building Materials Division	0.00	0

Work-related fatalities in the past 4 years



Safeguarding Employee Health

For the past ten years, Hanison has facilitated a smoke-free workplace, enforcing a strict Anti-smoking Policy to protect employees' health and safety and reduce the risk from second-hand smoke. Partnering with Lok Sin Tong Benevolent Society Kowloon, an NGO, the Group has continued to promote the "Smoking Cessation Program in Workplace", in place since 2013. The Group's No Alcohol or Drug Policy further seeks to safeguard employee well-being in the workplace. With the COVID-19 pandemic still being prevalent during the Year, Hanison also took measures to ensure our workplaces' hygiene conditions. The Group also promotes physical fitness and well-being through employee activities like football competitions, walking campaigns, and other sports events like table tennis. The Group also nominates employees to attend a Mental Health First Aid course.



Support for World No Tobacco Day 2022



Step counting activity launched by the Group to encourage daily exercising

⁹ Source: Occupational Safety and Health Statistics Bulletin Issue No. 22 (August 2022).

¹⁰ We adopt the same definition of work-related injuries that are reportable under the Employees' Construction Ordinance (Cap. 282), i.e. resulting in incapability for more than three days.

¹¹ Some of the lost days may be due to the work injuries that occurred in 2021/2022.

DIVERSITY AND EQUAL OPPORTUNITY



Diversity and Equal Opportunity

Hanison strongly believes that fostering a diverse and inclusive culture and environment is the key to achieving our full potential as a successful business. In a

historically male-dominated industry, we seek to move forward and are committed to being an equal-opportunity employer that does not tolerate discrimination, regardless of gender, ethnicity, age, family status, disability, or any other protected characteristic, and instead seeks to be a workplace free from harassment. While our Board members' average age is over 50, the Group is dedicated to embracing equality and diversity principles in HCM Policies and Procedures throughout our people's agenda. The Group shall make necessary policy shifts in a timely manner when related legislations for a mixed-gender and more diverse board composition is enacted.

Reported cases in connection to the core local legislations of discrimination in the Year¹²

0



Child and Forced Labour

The Group recognises that safeguarding human rights is essential for fostering an inclusive environment. As a responsible construction industry operator in Hong Kong, we strictly prohibit child or forced labour throughout our supply chain in compliance with the Employment Ordinance (Cap. 57) and other relevant statutory and legal requirements, despite the low risk of such practices occurring in the region. During the Year, there were no incidents or lawsuits related to the employment of children or forced labour within the Group.

CULTIVATING OUR TALENTS

On top of having a robust process for talent recruitment, the Group believes that taking care to cultivate our talents is essential for succession planning, talent retention, and employee satisfaction, as well as making the company attractive as an employer of choice.



Training and Development

Hanison is dedicated to nurturing our employees to reach their maximum potential in an effort to work together to build value.

The Group recognises the necessity of developing, training, and enhancing the competency of our people to develop a proficient, efficient, and competitive workforce. To expand the capabilities of our people, the training provided by Hanison is aligned with our mission statement of "To grow our people with commitment". Every calendar year, our HR Team builds a training plan grounded on findings of training needs analysis and enables resources recognised by the Training Committee.

With the pandemic creating a new normal for many business operations, training no longer needs to be in person, allowing for greater freedom and flexibility in the form of remote virtual training activities or hybrid training activities. With the reduction of COVID-19-related measures, the HR Team selected appropriate arrangements with internal departments and external training service providers for our employees.

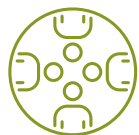
The Group has a performance management mechanism implemented for a long time to ensure successful talent development, and thereby retention and succession. For annual salary review, bonus issue, promotion nomination, probation evaluation of new joiners, and employee development, a formal performance appraisal is mandatory.

¹² Includes the Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), and Race Discrimination Ordinance (Cap. 602).

TECHNICAL COURSES



- BIM
- MiC
- Safety
- Automation and Robotic



Employee Training Overview¹³

	EMPLOYEES TRAINED BY GENDER (PERSONS)	TRAINING HOURS BY GENDER (HOURS)
Male	109	1,824.25
Female	29	213.75
Total	138	2,038.00

Total Training Hours **2,038** hours

Percentage of Employees Trained¹⁴ **30.13%**

Average Training Hours per Employee¹⁵ **4.45** hours

OTHERS



- Sustainability
- Management
- Communication
- HR Management
- Health
- Insurance

	EMPLOYEES TRAINED BY GENDER AND GRADE (PERSONS) ¹⁶	
	Male	Female
Director	9	0
Senior Manager	6	0
Manager	7	3
Assistant Manager or below	86	26
Labour and Contract Technical Assistant	1	0

	AVERAGE TRAINING HOURS PER EMPLOYEES TRAINED BY GENDER AND GRADE (HOURS) ¹⁶	
	Male	Female
Director	5.50	0.00
Senior Manager	1.68	0.00
Manager	2.78	11.58
Assistant Manager or below	7.16	1.64
Labour and Contract Technical Assistant	0.15	0.00

¹³ The training-related figures and all related calculations used were based on the records in the calendar year ended on 31 December 2022, which is in line with the Group's HR data record system.

¹⁴ The percentage of employees trained: number of employees who took part in training / total number of employees (458) at the end of 2022 x 100%.

¹⁵ The average training hours per employee: total number of training hours / total number of employees (458) at the end of 2022.

¹⁶ For the details of employees trained in relevant categories and average training hours per employee in relevant categories, please refer to the Key Performance Indicators of the Appendices section of this Report.



Employee Communication and Engagement

The key to maintaining excellent employer-employee relations, which was highlighted as a substantial material topic to our stakeholders, includes effective and consistent communication and engagement with our employees. Continued engagement is integral to understanding the talents' needs and wants, wrestling in enhancing morale and empowering them with a positive mind-set. The Group acknowledges its importance, and thus has been facilitating employee engagement through essential communications, recognitions, and the promotion of employee well-being to create a pleasant and productive work environment. The Group was again awarded the Happy Company 5 Years+ in 2023.

Communications



Focus Group – Tea Gathering and Internal Communication Forum



Well-being



Construction Industry 5-a-side Football Competition 2022



Construction Industry Table Tennis Competition 2022

Recognitions



Long Service Award 2023 to the employees with 30-year (left) and 25-year service in Hanison



Hanison Young Professional Committee (YPC)

YPC has been established as an internal group of young professionals coming from graduate engineers or graduate trainees and younger colleagues since 2018. These young professionals meet regularly to plan and execute an annual community investment project so that they can nurture themselves in project management and other soft skills throughout. Young professionals, being Hanison's future successors, can be beneficial via this development in the long run.



The third Hanison Young Professional Committee was established



Experiential training - VR Wargame experience



PROTECTING OUR ENVIRONMENT

Climate change and the associated negative effects and risks, continues to pose a threat to our world. This is an important business-defining factor that will pose an indisputable challenge to us in the coming decades. Hanison strongly believes that taking steps to safeguard the environment and contributing to climate action efforts is one of the top priorities, not only as a responsible main contractor in the construction industry, but also as a business operating and serving a coastal region.



ENVIRONMENTAL STEWARDSHIP



Accelerating Our Efforts Towards Climate Protection

With the large environmental footprint of the construction industry, Hanison is aware of the significant impact business operations have on our environmental system. From large quantities of carbon emissions exceeding the natural system's limits to high amounts of water consumption, the negative effects are the Group to take environmental stewardship very seriously. Hanison is committed to taking a proactive stance toward climate action in particular.

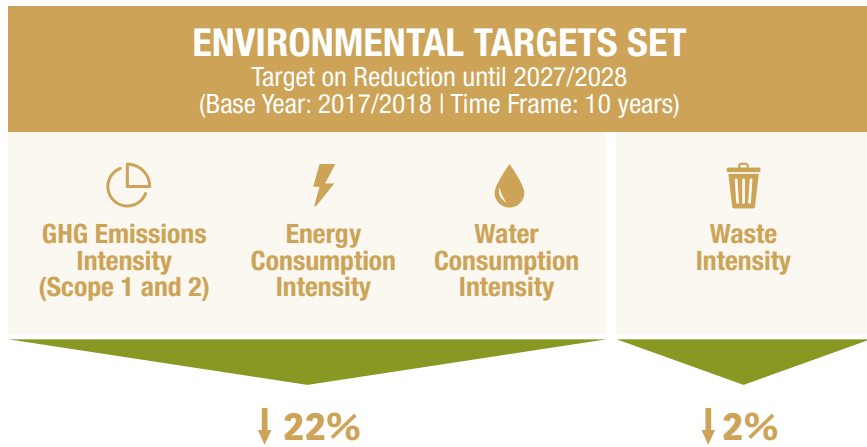
Hanison has been accelerating internal environmental protection practices and efforts across all our operations. These includes setting up environment-related statements, implementing additional policies and targets, and educating our employees on essential green concepts to ensure ongoing excellent sustainability performance. Only through collaborative efforts can we take effective action against climate change; we strive to work with our business partners and clients with the ultimate goal of achieving sustainability.

The Group's sustainable business practices involve environmental-related initiatives that comply with all applicable laws and regulations. In the Construction Division and the Interior & Renovation Division, we have established EMS and EnMS that adhere to ISO 14001:2015 and ISO 50001:2018 standards, respectively. These systems drive our efforts to reduce environmental impacts. During the Year, there were no significant cases subject to non-compliance regarding environmental laws and regulations.



Environmental Targets

The Group established the ETWG in 2021 to comply with the mandatory disclosure requirements on environmental targets in the HKEX's ESG Guide. The ETWG set environmental targets for the coming year and beyond based on the S.M.A.R.T principles, which include benchmarking against international and industry standards to continuously improve our environmental performance. Our commitment to setting environmental targets and accelerating efforts toward climate action is expressed in the Board Statement on Sustainability, which has been endorsed by the Board. The ETWG has started, and will continue to, communicate and implement measures throughout the value chain, regularly evaluate and monitor performance against the base year and targets, to ensure that we stay on track to achieve all environmental targets.



PROTECTING OUR ENVIRONMENT



Maintaining Environmental Standards and Performance

Throughout the Year, we provided a comprehensive disclosure of our environmental performance, including GHG emissions, energy, and water consumption, waste generation, material usage, and recycling. Due to the nature of the construction industry, there were fluctuations in energy consumption and carbon emissions at different stages of processing in our construction projects. By aligning our environmental measures with the Group's green-related policies, environmental targets set by the ETWG, and ISO 14001:2015 EMS certification, the Group has demonstrated steady progress in reducing GHG emissions (Scope 1 and 2), energy and water consumption, and waste production since our base year of 2017/2018. While these achievements reflect our commitment to implementing green initiatives, we strive to continuously improve on our efforts to climate action to meet company, regional, and global goals.



Ensuring Environmental Compliance

During the Year, our company remained in compliance with all applicable environmental laws and regulations related to air pollution, water pollution, general waste, and chemical waste. Our commitment to environmental responsibility was reflected in our efforts to minimise any negative impacts on the community. Four minor non-compliance cases with a total fine of HK\$19,000 imposed. Each non-compliance case was reviewed to prevent its recurrence in future.



Safeguarding Our Environment through Initiatives

Our environmental initiatives and stewardship are centred around three core directions: green buildings, innovation and technologies, and environmental targets.

Green Buildings



As a green construction main contractor, we aim to build a green community for Hong Kong.

Innovation and Technologies



Endeavour to incorporate smart technologies throughout each phase of the construction process, with the purpose of building innovatively and effectively.

Environmental Targets



Commit to lowering emissions and minimise our carbon footprint while fostering sustainable development.

MEASURES TAKEN DURING THE YEAR

BEAM Plus New Buildings Assessment BEAM Plus New Buildings Version 1.2 - Final Gold

- ★ Public rental housing development at Choi Yuen Road Sites 3 and 4, Sheung Shui, New Territories (Po Shek Wu Estate)



In Progress:

- ★ Sports centre, community hall and football pitches in Area 1, Tai Po, New Territories
- Proposed residential and commercial development at Nos. 33-47 Catchick Street, Kennedy Town, Hong Kong
- Proposed residential redevelopment at No. 8 Star Street, Wan Chai, Hong Kong
- Proposed residential development at Tuen Mun Town Lot No. 516, New Territories
- Public housing development at Java Road, North Point, Hong Kong
- ▲ Public housing development at Hin Fat Lane, Tuen Mun, New Territories



CLIMATE RESILIENCE

As we continue to witness the devastating effects of global warming and extreme weather, such as floods, landslides, droughts, and wildfires, it becomes increasingly clear that these threats pose a significant risk to human life. Although we did not experience significant disruptions to our construction business in Hong Kong during the Year, we recognise that our stakeholders are increasingly concerned about the impact of climate change.

To address these concerns, we have made reference to the TCFD and are taking steps to mitigate the impacts of climate change. We recognise that the destruction of buildings, electricity shortages, and other unknown factors could have significant consequences for our business operations, potentially causing delays in work progress. For this reason, we are prioritising the identification and assessment of potential risks and opportunities related to climate resilience strategies. These include setting environmental targets in our operating practices, as well as adopting a proactive and responsible approach to climate change. By doing so, we can help mitigate the risks associated with climate change and contribute to a more sustainable future.

PHYSICAL RISKS	Potential Consequences	Mitigate Measures
<p>Acute physical changes i.e. increased intensity and frequency of extreme weather events such as typhoons, flooding, intense precipitation</p>	<ul style="list-style-type: none"> Disrupted business, decreased in revenue due to delay of construction projects Affected operations schedule as possibility of the shortage in electricity Raised expenditure on insurance premiums and expenses Increased the cost spending on mitigated measures and protective measures on safety and health due to potentiality of frequent health and safety incidents 	<ul style="list-style-type: none"> Floodgates at entrances at low-lying areas Typhoon nets, water cut-out sensors installation Submersible pumps are equipped to remove flood water Remote-monitored sensors to warn staff of flooding
<p>Chronic physical risks e.g. changes in rainfall patterns, sea levels rise, rise in average temperature</p>	<ul style="list-style-type: none"> Caused damaging in constructing buildings and assets which might reduce valuation and asset values Increased in operating and maintenance costs 	
TRANSITIONAL RISKS	Potential Consequences	Mitigate Measures
<p>Transitional risks Such as policies and legal requirements, and technology</p>	<ul style="list-style-type: none"> Global and local policies and regulations are expected to be stringent which would increase operating costs and investments caused by enhancement of requirement of technology and renewable energy usage, as well as the demand for renewable energy, in order to reduce carbon emissions Application of technology brings upgrade of existing tools and systems which increases operating costs while increasing efficiency 	<ul style="list-style-type: none"> Environmental targets set with ten years frame from base year 2017/2018, in response to Hong Kong's Climate Action Plan 2030+ & 2050 Measures and technologies applied in sites and offices



Opportunities

The impacts of climate change have led to increased research and development of new technologies and construction methods that can mitigate the risks of climate change. Investing in and implementing these new technologies and methods can potentially create new revenue streams by offering innovative solutions to clients.

Retrofitting existing buildings with energy-efficient materials and technologies can create new business opportunities for the construction industry. The HKSAR Government has launched several schemes to encourage building owners to retrofit their buildings to be more energy-efficient, creating a potential market for construction companies.

As the impacts of climate change become more apparent, there is a growing need for infrastructure projects that are designed to be resilient to these impacts. Specialising in designing and building resilient infrastructure projects can potentially create new revenue streams by meeting this demand.

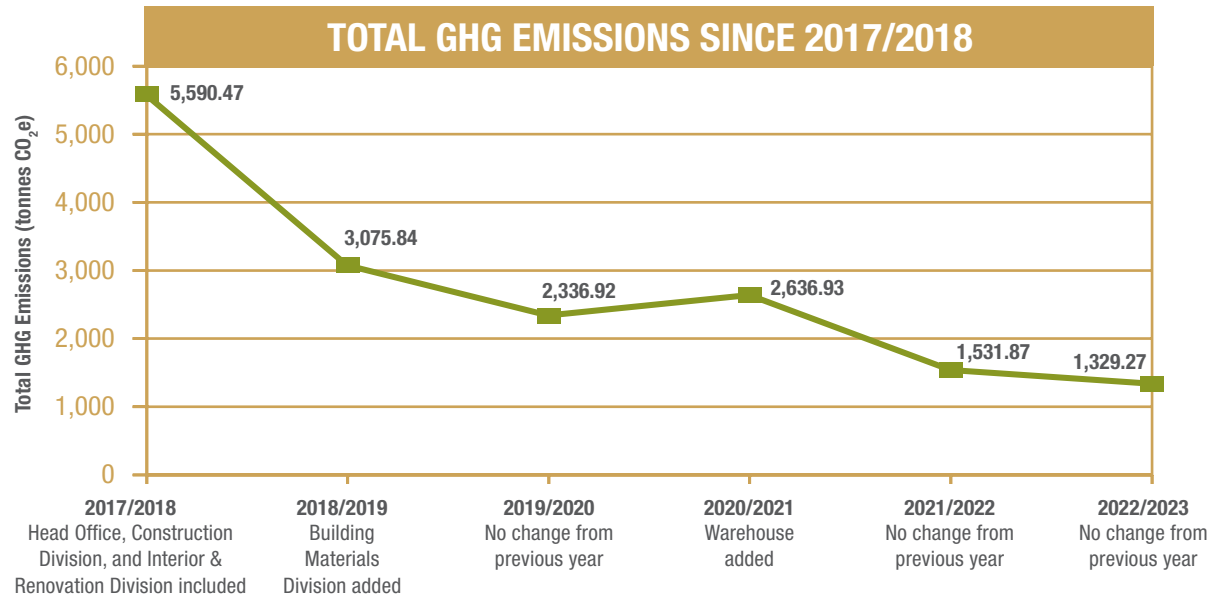
We are committed to integrating sustainable practices into our business operations, and we believe that this is essential for long-term success. By addressing our stakeholders' concerns and continuing to allocate capital effectively, we can ensure that we remain a responsible and sustainable business, even in the face of uncertain and challenging environmental conditions.

EMISSIONS



GHG Emissions

In accordance with the reporting scope outlined in this Report, an independent certification body, i.e. the Hong Kong Certification Services International Limited, has successfully conducted verification of the GHG emissions for the Year.



	2021/2022	2022/2023
Scope 1 Direct Emissions	455.03 tonnes CO ₂ e	361.53 tonnes CO ₂ e
Scope 2 Energy Indirect Emissions	822.61 tonnes CO ₂ e	796.36 tonnes CO ₂ e
Scope 3 Other Indirect Emissions	254.23 tonnes CO ₂ e	171.38 tonnes CO ₂ e
Total GHG Emissions (Scope 1, 2 and 3)	1,531.87 tonnes CO ₂ e	1,329.27 tonnes CO ₂ e
GHG Emissions Intensity	1.06 tonnes CO ₂ e / revenue in HK\$ million	1.11 tonnes CO ₂ e / revenue in HK\$ million



Air Emissions

We have collected data on the mileage and fuel consumption of the Group's mobile vehicles to disclose air emissions. No significant impact was found due to air emissions from the Group during the Year. To reduce carbon and air emissions, three EVs were prioritised for purchase in company vehicle purchases during the Year.

AIR POLLUTANTS	AIR EMISSIONS
Nitrogen Oxides (NO_x)	0.75 tonnes
Sulphur Oxides (SO_x)	0.0013 tonnes
Particulate Matter (PM)	0.06 tonnes

ENERGY

As with the majority of businesses, the use of energy is a material environmental topic. The evidence is clear that the gradual rise in GHG levels in the atmosphere caused by the combustion of fossil fuels contributes to climate change. The Group has examined the energy inputs used in our operations to understand when and how we use energy. Shifting towards cleaner energy sources like electricity and biodiesel would allow us to consume resources in a more sustainable manner. To ensure responsible energy usage, the Group implements energy-saving policies, systems, and technologies in our business operations. Additionally, the Group has appointed a certified third party to conduct annual energy audits for the Construction Division annually, specifically monitoring the consumption of energy intensive machinery.



Water heater generated by solar power

TOTAL ENERGY CONSUMPTION

	2021/2022	2022/2023
Total Energy Consumption	3,470.57 MWh	3,075.01 MWh
Energy Consumption Intensity	2,410.12 kWh / revenue in HK\$ million	2,571.51 kWh / revenue in HK\$ million

PERCENTAGE OF SUSTAINABLE FUEL CONSUMPTION

	2021/2022	2022/2023
B5 Biodiesel	27.07% of total fuel consumption	27.91% of total fuel consumption

ELECTRICITY CONSUMPTION

	2021/2022	2022/2023
Head Office	410,333.92 kWh	391,156.47 kWh
Construction Division (Sites)	1,289,828.00 kWh	1,270,311.00 kWh
Interior & Renovation Division (Sites)	0.00 kWh	0.00 kWh
Total Electricity Consumption	1,700,161.92 kWh	1,661,467.47 kWh

FUEL CONSUMPTION

	2021/2022	2022/2023
Head Office	47,897.30 litres	84,045.28 litres
Construction Division (Sites)	122,354.12 litres	52,366.00 litres
Interior & Renovation Division (Sites)	0.00 litres	0.00 litres
Total Fuel Consumption	170,251.42 litres	136,411.28 litres



Waste water treatment plant



Automatic water pump for cleaning the wheels of vehicles with the use of recycled water

WATER

Overuse of water, discharge of contaminated wastewater, or alteration of the natural quality of withdrawn water before its return to nature can negatively impact the quantity, quality, and availability of water that numerous systems depend on. Water scarcity is a global sustainability concern, and while the water supply in Hong Kong, where our operations are based, is currently sufficient and stable, Hanison recognises the need to dedicate further efforts to reduce our negative footprint in the material topic of water. To promote long-term water conservation at our construction sites, the Group employs wastewater reuse systems to collect surface runoff and grey water for washing and dust suppression, and utilises a rainwater collection structure for driving cooling systems and toilet flushing. Moving forward, we will continue to explore systematic measures to improve our water management efficiency.

WATER CONSUMPTION SINCE 2019/2020

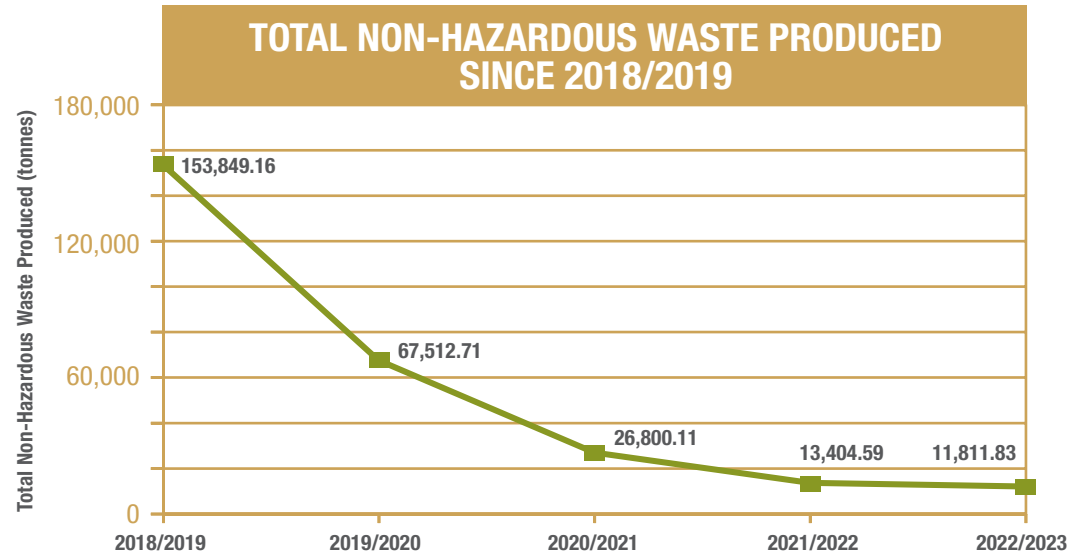
	2019/2020	2020/2021	2021/2022	2022/2023
Head Office	146.27 m ³	539.72 m ³	503.95 m ³	500.65 m ³
Construction Division (Sites)	24,997.00 m ³	31,396.68 m ³	23,399.00 m ³	24,362.15 m ³
Interior & Renovation Division (Sites)	2,757.00 m ³	2,669.45 m ³	0.00 m ³	0.00 m ³
Total Water Consumption	27,900.27 m ³	34,605.85 m ³	23,902.95 m ³	24,862.80 m ³
Water Consumption Intensity	33.24 m ³ / revenue in HK\$ million	24.85 m ³ / revenue in HK\$ million	16.60 m ³ / revenue in HK\$ million	20.79 m ³ / revenue in HK\$ million

WASTE

The availability of global resources is limited. Some renewable resources are consumed at a faster rate than they can regenerate. The most accessible finite resources are being depleted at an alarming rate, often requiring increasingly disruptive extraction methods. To mitigate the demand for virgin resources, the Group understands the need to minimise all avoidable waste generation while reusing, recycling, or otherwise repurposing any remaining waste. We also recognise that reducing waste at source is an effective measure to decrease waste generation. In addition, effective sorting and necessary segregation of used materials in designated areas on construction sites were implemented in compliance with statutory and contractual requirements. We have also collected general waste disposal data generated in our Head Office since 2020/2021 and educated employees about reducing waste through the Group's biannual staff newsletter.

NON-HAZARDOUS WASTE PRODUCED

	2021/2022	2022/2023
General Waste in Head Office	5.37 tonnes	5.53 tonnes
Construction Division (Sites)	13,024.82 tonnes	11,408.44 tonnes
Interior & Renovation Division	379.77 tonnes	403.39 tonnes
Total Amount of Non-hazardous Waste Produced	13,404.59 tonnes	11,811.83 tonnes
Percentage of Construction Waste Sent to Fill Banks and Sorting Facilities	81.68%	89.52%



Hazardous Waste



The Group recognises that it is crucial to properly handle hazardous waste, as it can pose significant risks to human health, property, the community, and the environment. In our offices, we appoint licensed or qualified collectors to pick up hazardous waste like fluorescent lamps and electrical equipment.

HAZARDOUS WASTE PRODUCED

Chemical Waste
0.00 kg

Printer Cartridges and Toner Bottles
220 pieces

Recycling



Although recycling and waste treatment processes have progressed significantly worldwide, even the most advanced systems are not capable of reclaiming all types of waste. With this in mind, the goal of a circular economy is a long-term ambition of Hanison, toward which we will actively pursue opportunities for improvement. The Group recognizes recycling as a highly effective method of waste reduction. To promote a green corporate culture, we have implemented various channels to educate our employees about reducing waste at the source and the importance of recycling. This encourages our employees to participate in green activities and fosters a greater awareness of environmental issues. Our implementations include recycling measures outlined in our environmental policies for both offices and construction sites, participation in public recycling campaigns, and sharing green tips in the Group's staff newsletter.



Cardboard recycling



Recycling Measures Taken

- Aluminium cans and plastic bottle recycling
- Tri-coloured recycling bins
- Cardboard recycling

RECYCLABLES COLLECTED

	2021/2022	2022/2023
Recycled Waste Paper	10.03 tonnes	4.41 tonnes
Recycled Metal	371.49 tonnes	77.47 tonnes
Recycled Concrete	566.90 tonnes	435.98 tonnes

MATERIALS

As the demand for natural resources rises, it puts additional pressure on the ecosystems, individuals, and animals that play a role in their delivery. Although the use of materials is unavoidable in the construction industry, the Group recognises the importance of minimising its consumption and maximising recycling effectiveness through efficient waste and resource management. Utilising BIM technology, we can identify potential design conflicts during construction planning to help reduce excessive material usage. Additionally, we have been implementing ERP in our construction operations to gather, record, manage, and analyse data on material usage and purchases. Along with our efforts to increase recycling rates through effective waste management, we aim to minimise unnecessary material wastage in our business operations.

MATERIALS USED

	2021/2022	2022/2023
Steel	6,444.42 tonnes	6,304.20 tonnes
Concrete	51,596.16 tonnes	54,615.36 tonnes
Paper	17.17 tonnes	13.96 tonnes

ENGAGING COMMUNITY EFFORTS

Hanison strives to actively fulfil its social responsibility as a socially-responsible corporate citizen by continuously focusing on the sustainable development of the community, supporting various community engagement initiatives and philanthropic endeavours in accordance with our corporate values and best practices. We aim to deliver positive social impact and social benefits through these activities, supporting the community where we can.



COMMUNITY INVESTMENT AND ENGAGEMENT

The success of any business is reliant on the support, health, and resilience of the communities in which it operates. Therefore, it is essential to ensure that the presence of a business does not compromise the well-being of the community and as a responsible business, Hanison believes that engaging with and investing in the community will bring long-term benefits through the creation of social value, placing great emphasis on engaging with our community through community service and social responsibility to work towards a sustainable society.

Through effective community engagement, the Group can better understand their needs, allowing us to pinpoint underserved areas. We encourage employee participation in voluntary services to promote a culture of volunteering within the organisation and serve our targeted beneficiaries, such as the elderly and teenagers. Through local volunteer activities and donations, we aim to support positive changes in society and create more harmonious communities.

The Group has been awarded the Caring Company Logo by the Hong Kong Council of Social Service, reaffirming our commitment to implementing CSR initiatives that prioritise caring for the environment, community, and employees. Notably, HCCL's 10 Years Plus Caring Company Logo reflects the collective efforts of our employees in contributing to society.



Hanison Corporate Volunteer Team



18 Districts Lo Pan Rice 2022

The ongoing pandemic has resulted in difficult times for the economy and people, particularly affecting the livelihoods of grassroots citizens. Jointly organised by the CIC and the Hong Kong Construction Association, Hanison participated in the “18 Districts Lo Pan Rice 2022” event as a gold sponsor. Volunteers from Hanison participated in the distribution of lunch boxes and gift bags to more than 100 grassroots citizens, including low-income groups, unemployed individuals, elderly living alone, dual-elderly families, people with disabilities, ethnic minorities, subdivided housing households, homeless individuals, and other disadvantaged groups. We helped them overcome their difficulties and showed the construction industry’s care for and dedication to our community. All activities complied with the latest epidemic prevention guidelines and measures announced by the government, and participants will be reminded to pay attention to personal and environmental hygiene, including wearing masks, using alcohol-based hand sanitisers to clean hands, and maintaining an appropriate distance from other participants.



Distribution of lunch boxes and gift packs to the beneficiaries from CNEC Kei Shek Social Service Centre and Po Tat Estate Resident Association (left) and Mong Kok Bless Canteen of Baptist Oi Kwan Social Service

DONATION AND SPONSORSHIP

Our donation and sponsorship efforts are focused on supporting two key groups: teenagers, who require assistance with their educational needs, and the elderly, who require support for their basic necessities and well-being. With an ageing demographic in many parts of the world, we recognise the importance of empowering our youth to become leaders and advocates for the elderly.



COVID & Post-COVID

With the challenges brought on by the pandemic, there are many communities that are feeling the associated negative impacts. The road to recovery is long and difficult, but the Group aims to contribute to our services despite these challenges. We have taken a conservative approach to voluntary service-related actions to ensure the protection of our employees and the community while continuing to donate in-kind and monetarily to those in need.



Anti-epidemic Support for Chinese YMCA of Hong Kong

The Group sponsored HK\$20,000 for the Chinese Young Men's Christian Association (YMCA) of Hong Kong and donated 100 anti-epidemic gift packs to support the elderly in Tin Ping Neighbourhood Elderly Centre. These gift packs included disinfectant alcohol, hand sanitiser, masks, biscuits, canned food, and essentials that all these materials helped the receivers build resilience during the pandemic.

CONTRIBUTION	
Financial Sponsorship HK\$268,400	In-Kind Donation 100 packs of anti-epidemic gifts including epidemic prevention supplies, grain reserves, and supermarket cash coupons were donated to the Chinese YMCA, worth of HK\$20,000 <hr/> 3 cartons of surgical masks were donated to Bluefridge
Volunteering 41 attendance	
Service Hours 123 hours	



Hanison Corporate Volunteer Team supported in action via anti-epidemic gift packing



Sponsorship for the Grassroots Children to Enjoy Dark Experience in the Dialogue Experience for Social Inclusion

To bring happiness and light to the Christmas season, Hanison collaborated with two NGOs to sponsor schoolchildren from the Hong Kong Children & Youth Services Jockey Club Tin Ping Integrated Children & Youth Services Centre. The children were given the opportunity to participate in a dark experience activity at the Dialogue Experience Place of the Dialogue in the Dark (HK) Foundation Limited, aimed at cultivating empathy and caring for visually impaired people and promoting a jointly inclusive society in Hong Kong.

Young corporate volunteers from Hanison joined the children from grassroot families in Sheung Shui on an unprecedented journey through complete darkness. The participants were given a cane and escorted by a visually impaired guide as they explored a simulated daily environment, challenging their other senses of hearing, touching, smelling, and even tasting without visual support. During the sharing session, the children had the chance to communicate with the visually impaired guide, who shared the obstacles they had faced in their daily lives and how the general public could facilitate their needs with respect.

This experience was a fantastic opportunity for children to challenge their perceptions and develop empathy towards others. Hanison is proud to have sponsored this meaningful activity and looks forward to continuing to promote inclusivity and empathy in Hong Kong.



The activity was a special and unique one for the participants to experience the dark world



Children were excited to meet the Seeing Eye Dog, "The Eyes of the Blind"

IMPACTS ON LOCAL COMMUNITIES

As a responsible builder, Hanison understands the importance of fostering a harmonious and cohesive community. We are highly aware of the environmental and social impacts that construction processes can generate on our neighbourhoods, so we must take steps to minimise these potential effects. At the same time, we actively cultivate close and harmonious community relations, seeking to enhance the livelihoods of the communities we serve. By engaging with local stakeholders and understanding their unique needs and concerns, we aim to build lasting relationships that benefit both our business and the communities in which we operate. Our commitment to responsible building practices extends beyond the construction process and into the communities we serve.



Preventive and Mitigating Measures during Construction



Noise Control



Noise barrier is installed along the site boundaries



Sound level meter used for measuring the sound created from site to control the noise level

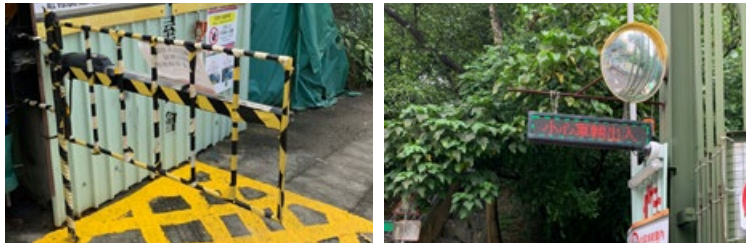
ENGAGING
COMMUNITY EFFORTS

Anti-mosquito



Mosquito fogging applied inside the site and outside the site boundaries

Site Traffic Control



Automatic barriers installed at the vehicular site entrance to stop the pedestrian

Mirror and LED display installed at the vehicular site entrance

Air Quality Control



Automatic sprinkler system installed Grinder with dust collection

Enhancing Local Community Relationship



The Group cares about our local communities by engaging in community relations during building projects. As the main contractor for the construction of a public housing development at Hin Fat Lane in Tuen Mun, we jointly organised a pear distribution activity

for the second consecutive year with the Office of Mr. Lam Chung Hoi, Tuen Mun District Council Member, and Siu Chi Residents Association to send warm Mid-Autumn Festival greetings to Tuen Mun residents.

Our Hanison Corporate Volunteer Team distributed pears, and we received enthusiastic responses from the residents, filling them with joy and happiness. As we move forward, we will continue to maintain close and harmonious community relations in Tuen Mun.



The residents felt thankful to receive the greetings from the volunteers



Hanison Corporate Volunteer Team shared warm and love to Tuen Mun community during festival moment

CASE STUDY



The Community Engagement Workshops to Inherit the Treasurable Ceramic Legacy

Located adjacent to the public housing development at Hin Fat Lane, Tuen Mun, the Hong Kong Castle Peak Dragon Kiln is Hong Kong's only completed and intact dragon kiln. Constructed in the 1940s and continuously used until the 1980s, this 20-metre long pottery kiln has been designated as a Grade III historic building by the Hong Kong Antiquities and Monuments Office due to its rarity, built heritage value, and authenticity.

In order to preserve this significant piece of Hong Kong's history, the HA and HCCL have made every effort to incorporate the unique ceramic-related elements of the kiln in the public space design of the project, promoting the ceramic culture. Thanks to the support and engagement of the HA, the respective district councillor, local primary and secondary schools, neighbouring residents, and the kiln concern group. Three sessions of "Clay up your Day!" community engagement workshops were successfully launched in the first quarter of 2023, with over one hundred participants taking part in them.

In the workshops, participants enjoyed a guided tour of the kiln to learn about its legacy and how the ceramic culture was once a part of daily life in Hong Kong. More importantly, all

participants had the opportunity to make their own ceramic tiles, marking the first collective ceramic-making activity at the kiln since its suspension of production in the 1980s. It was a historical moment to cherish.

This was the first community engagement activity of the project, and we look forward to creating more opportunities for effective engagement with our local community, working together to build a harmonious living environment in Tuen Mun.



One of the stakeholder engagement activities was conducted through a professional ceramic workshop taught by the kiln owner, to the management team of the public housing development at Hin Fat Lane, Tuen Mun, from HA and HCCL, to enhance team building and as an engagement workshop to incorporate ceramic artworks in the public housing design



Various stakeholders from Tuen Mun got wonderful experience in joining the outdoor ceramic workshops and having a kiln visit



Parents and children had a great time to enjoy ceramic making



It was a treasurable moment to visit the kiln

APPENDICES



AWARDS, RECOGNITIONS AND CHARTERS



**Sustainable Corporate (Environmental)
Outstanding Award of
Standard Chartered Corporate
Achievement Awards 2022**

Standard Chartered Bank
Awarded to HCHL



**BEAM Plus New Buildings
Version 1.2 Final Gold**

Project: Public Rental Housing
Development at Choi Yuen Road
Sites 3 & 4, Sheung Shui
(Po Shek Wu Estate)

Hong Kong
Green Building Council
Awarded to HCCL



**HKCA Hong Kong Construction
Environmental Awards
2022 Environmental Merit Award**

Hong Kong
Construction Association
Awarded to HCCL



**HKCA Hong Kong Construction
Environmental Awards
2021 Environmental Merit Award**

Hong Kong
Construction Association
Awarded to HCCL



**Indoor Air
Quality Certificate
(Excellent Class)**

Environmental Protection
Department
Awarded to HCHL



**1st Runner-up and
2nd Runner-up of Team Event of
Safety Quiz 2022**

Hong Kong Institute of
Construction Managers and
Hong Kong Construction Association
Awarded to HCL



**HKCA Proactive Safety
Contractor Award 2021,
Safe Supervisor Award and
Safe Person-in-Charge Award of
HKCA Construction Safety Award 2021**

Hong Kong
Construction Association
Awarded to HCCL



**Outstanding Metal Scaffolder in
Occupational Safety and Health
- Merit Award of The 23rd
Construction Safety Award**

The Occupational Safety and
Health Council and
Labour Department
Awarded to HCCL



**Renovation and Maintenance
Works - Merit Prize of
Construction Industry Safety
Award Scheme 2021/2022**

Project: Renovation Works at
Carolina Gardens
Labour Department
Awarded to HIRL



Happy Company 5 Years+

Promoting Happiness Index Foundation
Awarded to HCCL



Good MPF Employer Award 2021-22

Mandatory Provident Fund Schemes Authority
Awarded to HCCL, HCL, HIRL and TBML



Social Capital Builder Logo Award of the Social Capital Builder Awards 2022-24

Community Investment and Inclusion Fund of Home and Youth Affairs Bureau
Awarded to HCCL



CSR Advocate Mark

HKQAA
Awarded to HCHL, HCCL, HCL, HIRL and TBML



Caring Company 10+

The Hong Kong Council of Social Service
Awarded to HCCL



Caring Company 5+

The Hong Kong Council of Social Service
Awarded to HCHL and HIRL



Benevolent Award
Hong Kong Children & Youth Services
Awarded to HCCL



Y-Care CSR Scheme Perfect Match Partner
Chinese YMCA of Hong Kong
Awarded to HIRL



2nd Runner-up of Men's Singles Youth Division of Construction Industry Table Tennis Competition 2022
CIC
Awarded to HCCL



Construction Digitalisation Charter
CIC
Awarded to HCCL



Joyful@Healthy Workplace Charter
Occupational Safety and Health Council
Awarded to HCHL, HCCL and HIRL



Mental Health Workplace Charter
Occupational Safety and Health Council
Awarded to HCHL and HIRL

CERTIFICATES



Hanison Construction Company Limited



ISO 50001:2018
Certificate No.: CC 468
(since 2013)



ISO 45001:2018
Certificate No.: CC 7645
(OHSAS 18001:2007, since 2007)



ISO 14001:2015
Certificate No.: CC 2269
(since 2002)



ISO 9001:2015
Certificate No.: CC 314
(since 1995)

Hanison Contractors Limited



ISO 50001:2018
Certificate No.: CC 469
(since 2013)



ISO 45001:2018
Certificate No.: CC 7646
(OHSAS 18001:2007, since 2007)



ISO 14001:2015
Certificate No.: CC 2270
(since 2002)



ISO 9001:2015
Certificate No.: CC 1270
(since 1998)

Hanison Interior & Renovation Limited



ISO 45001:2018
Certificate No.: CC 7647
(OHSAS 18001:2007, since 2007)



ISO 14001:2015
Certificate No.: CC 3344
(since 2007)



ISO 9001:2015
Certificate No.: CC 2111
(since 2001)

KEY PERFORMANCE INDICATORS

Environmental Performance												
Unit	2020/2021			2021/2022			2022/2023					
Emissions												
Greenhouse Gas ("GHG") Emissions												
Total GHG Emissions	Tonnes of CO ₂ equivalent (tonnes CO ₂ e)	2,636.93			1,531.87			1,329.27				
Direct Emissions (Scope 1)	tonnes CO ₂ e	896.70			455.03			361.53				
Energy Indirect Emissions (Scope 2)	tonnes CO ₂ e	1,424.88			822.61			796.36				
Other Indirect Emissions (Scope 3)	tonnes CO ₂ e	315.35			254.23			171.38				
GHG Emissions Intensity	tonnes CO ₂ e / revenue in HK\$ million	1.89			1.06			1.11				
Air Emissions												
Nitrogen Oxides (NO _x)	tonnes	0.26			0.84			0.75				
Sulphur Oxides (SO _x)	tonnes	0.0009			0.0015			0.0013				
Particulate Matter (PM)	tonnes	0.02			0.06			0.06				
Waste												
Chemical Waste	kg	1,660.00			832.00			0.00				
General Waste	kg	6,090.93			5,370.10			5,529.73				
Total Construction Waste	tonnes	26,794.02			13,404.59			11,811.83				
Construction Waste Intensity	tonnes / revenue in HK\$ million	19.94			9.88			9.88				
Construction Waste Sent to Fill Banks and Sorting Facilities	%	75.04			81.68			89.52				
Construction Waste Disposal Methods by Business Division												
		CON			I&R			CON			I&R	
Sent to Landfills	tonnes	6,121.78			566.30			2,418.74			37.09	
Sent to Fill Banks and Sorting Facilities	tonnes	20,046.13			59.81			10,606.08			342.68	
Use of Resources												
Energy												
Total Energy Consumption	MWh	6,352.35			3,470.57			3,075.01				
Energy Consumption Intensity	kWh / revenue in HK\$ million	4,560.85			2,410.12			2,571.51				
Energy Consumption Type by Location												
Fuel Consumption	litre	HO	CON (Sites)	I&R (Sites)	HO	CON (Sites)	I&R (Sites)	HO	CON (Sites)	I&R (Sites)		
Electricity Consumption	kWh	419,646.59	1,482,015.00	892,290.00	410,333.92	1,289,828.00	0.00	391,156.47	1,270,311.00	0.00		
Water												
Total Water Consumption	m ³	34,605.85			23,902.95			24,862.80				
Water Consumption Intensity	m ³ / revenue in HK\$ million	24.85			16.60			20.79				
Water Consumption by Location												
Water Consumption	m ³	HO	CON (Sites)	I&R (Sites)	HO	CON (Sites)	I&R (Sites)	HO	CON (Sites)	I&R (Sites)		
		539.72	31,396.68	2,669.45	503.95	23,399.00	0.00	500.65	24,362.15	0.00		
Use of Materials												
Use of Materials by Location												
Steel	tonnes	HO	CON (Sites)	I&R (Sites)	HO	CON (Sites)	I&R (Sites)	HO	CON (Sites)	I&R (Sites)		
Concrete	tonnes	N/A	6,930.31	0.00	N/A	6,444.42	0.00	N/A	6,304.20	0.00		
Paper	tonnes	N/A	74,150.40	0.00	N/A	51,477.12	119.04	N/A	54,615.36	0.00		
			20.53			17.17			13.96			

HO: Head Office

CON: Construction Division

I&R: Interior & Renovation Division

KEY PERFORMANCE INDICATORS

Environmental Performance				
Unit		2020/2021	2021/2022	2022/2023
Recyclables				
Printer Cartridges and Toner Bottles	pieces	407	530	220
Desktop Computers	pieces	0	43	45
Monitors	pieces	0	38	39
Uninterruptible Power Supply	pieces	0	10	10
Waste Paper	tonnes	10.71	10.03	4.41
Metal	tonnes	735.69	371.49	77.47
Concrete	tonnes	380.57	566.90	435.98

Notes:

- “HO” denotes the Group’s Head Office and Warehouse (Warehouse was included starting from 2020/2021 onwards); “CON” denotes Construction Division which comprises HCCL and HCL; and “I&R” denotes Interior & Renovation Division which comprises HIRL.
- The GHG covered in the calculation of GHG emissions include CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆.
- The emission factors and Global Warming Potential (GWP) used in the calculation of GHG emissions have been made reference to applicable local and international guidelines and standards, such as Guidelines to Account for and Report on Greenhouse Gas, Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, and the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report.
- Direct emissions (Scope 1) cover combustion of fuels for energy generation and mobile combustion, fugitive emissions (CO₂ fire extinguisher, refrigerant) and process emissions (acetylene combustion).
- Energy indirect emissions (Scope 2) cover electricity purchased for the operations at sites and offices.
- Other indirect emissions (Scope 3) cover a) transportation of major construction materials and C&D waste within Hong Kong; b) electricity used for fresh water processing and sewage treatment; c) major construction materials used (reinforced steel and concrete); and d) methane gas generation at landfills in Hong Kong due to disposal of paper waste.
- Revenues generated from the Construction Division, Interior & Renovation Division, and Building Materials Division are taken into account for the calculation of GHG emissions intensity, energy consumption intensity, and water consumption intensity. Waste intensity is calculated based on the revenue generated from Construction Division and Interior & Renovation Division only.
- During the Year, the calculation method of air emissions was optimised with fuel consumption of petrol and diesel (non-renewable fuels) and nil renewable fuel consumption recorded.
- Head Office of the Group is shared by various business divisions, some of which are out of the reporting scope. Only the data of electricity and water consumed by Construction Division, Interior & Renovation Division, and Building Materials Division are reported. The calculation of electricity and water consumption of the three mentioned divisions located in Head Office is based on the respective proportion of floor areas each division occupies.
- The fuel consumption under Head Office was attributed to the fuel consumed by mobile vehicles.
- The conversion factor used for converting fuel consumption data from litre to kWh unit is sourced from the Energy Statistics Manual from the International Energy Agency.
- Building Materials Division operates projects in the sites owned and controlled by the main contractor, thus data of waste, electricity, and water consumption are not available.
- There is no fuel consumption nor sale of energy in form of heating, cooling and steam during the Year.
- Steel and concrete are the two major non-renewable materials in the Group’s primary building projects.
- There is no water consumption from areas with water stress.

KEY PERFORMANCE INDICATORS

Social Performance

Unit		2020/2021				2021/2022				2022/2023			
Employment													
Workforce													
Total Workforce	persons	523				480				447			
Workforce by Gender													
Male (M)	persons	360				343				330			
Female (F)	persons	163				137				117			
Workforce by Employment Type and Gender (for 2020/2021 onwards)													
Full-time	persons (M:F)	507 (357:150)				468 (340:128)				437 (326:111)			
Part-time	persons (M:F)	16 (3:13)				12 (3:9)				10 (4:6)			
By Business Division													
Workforce by Grade and Gender		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Director	persons (M:F)	13 (13:0)	7	3	1	16 (16:0)	9	3	2	15 (15:0)	6	3	2
Senior Manager	persons (M:F)	20 (18:2)	15	0	0	18 (16:2)	13	0	0	19 (17:2)	16	0	0
Manager	persons (M:F)	24 (23:1)	18	2	1	23 (22:1)	20	2	2	26 (20:6)	17	2	3
Assistant Manager or below	persons (M:F)	396 (281:115)	263	34	23	356 (251:105)	233	34	26	310 (226:84)	203	30	23
Labour and Contract Technical Assistant	persons (M:F)	70 (25:45)	46	9	0	67 (38:29)	32	26	0	77 (52:25)	31	26	12
Workforce by Age and Gender													
25 or below	persons (M:F)	31 (21:10)	29	1	0	28 (15:13)	21	2	2	18 (12:6)	11	1	2
26 - 35	persons (M:F)	134 (93:41)	87	10	13	137 (99:38)	87	18	13	118 (86:32)	75	14	14
36 - 45	persons (M:F)	129 (83:46)	81	10	8	108 (77:31)	68	13	7	108 (84:24)	66	17	8
46 - 55	persons (M:F)	111 (72:39)	70	12	4	99 (72:27)	62	14	6	102 (77:25)	56	13	12
56 - 65	persons (M:F)	112 (87:25)	79	15	0	101 (76:25)	65	18	2	96 (67:29)	60	16	4
66 or above	persons (M:F)	6 (4:2)	3	0	0	7 (4:3)	4	0	0	5 (4:1)	5	0	0
Voluntary Turnover Rate (VTR)													
By Business Division													
		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Total VTR	%	22.62	26.69	21.78	16.33	30.00	28.00	27.83	42.11	21.53	15.92	37.80	22.86
VTR by Age													
25 or below	%	40.00	31.82	133.33	0.00	55.17	40.82	66.67	0.00	63.64	45.16	66.67	66.67
26 - 35	%	39.69	48.52	40.00	30.77	39.26	34.48	71.43	46.15	38.43	29.63	90.32	35.71
36 - 45	%	18.25	16.25	33.33	0.00	32.91	26.85	34.78	66.67	20.09	12.03	24.24	26.67
46 - 55	%	10.53	17.39	0.00	0.00	20.00	22.90	0.00	0.00	5.94	3.39	14.81	0.00
56 - 65	%	15.57	19.51	6.45	0.00	18.87	21.43	5.71	66.67	8.12	8.00	18.18	0.00
66 or above	%	42.86	57.14	0.00	0.00	15.38	28.57	0.00	0.00	16.67	0.00	0.00	0.00

CON: Construction Division

I&R: Interior & Renovation Division

BM: Building Materials Division

KEY PERFORMANCE INDICATORS

Social Performance

Unit		2020/2021				2021/2022				2022/2023			
Voluntary Turnover Rate (VTR)													
By Business Division													
VTR by Gender		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Male	%	23.50	26.14	21.92	15.38	40.67	39.53	35.71	80.00	18.40	13.65	36.00	22.95
Female	%	20.81	28.25	21.43	20.00	25.43	23.85	25.29	34.04	29.80	22.22	44.44	22.22
Parental Leave and Return to Work Rate													
By Gender													
		Male		Female		Male		Female		Male		Female	
Employee Taken Parental Leave	persons	6		4		7		3		8		4	
Return to Work Rate	%	100.00		100.00		100.00		100.00		100.00		75.00	
Retention Rate	%	84.62		0.00		100.00		67.67		100.00		75.00	
Health and Safety													
Safety													
Work-related Fatalities	cases	0				0				0			
Work-related Fatality Rate	%	0.00				0.00				0.00			
By Business Division													
		CON	I&R	BM	CON	I&R	BM	CON	I&R	BM	CON	I&R	BM
Accident Rate	per thousand workers	7.74	7.51	0.00	12.15	0.00	0.00	16.51	33.93	0.00			
Days Lost due to Work Injuries	days	2,209	290	0	2,355	162	0	1,724	294	0			
Development and Training													
Training													
Employees Trained	persons (%)	108 (20.61)				149 (29.62)				138 (30.13)			
Average Training Hours per Employee	hours	1.50				6.28				4.45			
By Business Division													
Employees Trained by Gender		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Male	persons (%)	77 (71.30)	68 (68.69)	7 (100.00)	2 (100.00)	116 (32.95)	98 (41.53)	6 (11.76)	9 (40.91)	109 (32.44)	83 (39.34)	6 (11.32)	8 (22.22)
Female	persons (%)	31 (28.70)	31 (31.31)	0 (0.00)	0 (0.00)	33 (21.85)	25 (28.09)	1 (6.25)	1 (16.67)	29 (23.77)	16 (21.05)	2 (16.67)	0 (0.00)
Employees Trained by Grade													
Director	persons (%)	19 (17.59)	15 (15.15)	3 (42.86)	1 (50.00)	2 (12.50)	2 (28.57)	0 (0.00)	0 (0.00)	9 (56.25)	7 (100.00)	2 (66.67)	0 (0.00)
Senior Manager	persons (%)	3 (2.78)	3 (3.03)	0 (0.00)	0 (0.00)	5 (27.78)	5 (38.46)	0 (0.00)	0 (0.00)	6 (31.58)	6 (37.50)	0 (0.00)	0 (0.00)
Manager	persons (%)	9 (8.33)	9 (9.09)	0 (0.00)	0 (0.00)	6 (26.09)	6 (37.50)	0 (0.00)	0 (0.00)	10 (35.71)	8 (42.11)	0 (0.00)	0 (0.00)
Assistant Manager or below	persons (%)	77 (71.30)	72 (72.73)	4 (57.14)	1 (50.00)	135 (36.59)	109 (43.78)	7 (20.00)	10 (16.39)	112 (35.33)	77 (36.15)	6 (18.75)	8 (33.33)
Labour and Contract Technical Assistant	persons (%)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (1.30)	1 (2.50)	0 (0.00)	0 (0.00)	1 (1.28)	1 (3.13)	0 (0.00)	0 (0.00)

CON: Construction Division

I&R: Interior & Renovation Division

BM: Building Materials Division

KEY PERFORMANCE INDICATORS

Social Performance

Unit		2020/2021				2021/2022				2022/2023			
		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Total Training Hours by Gender													
Male	hours	576.50	463.50	14.00	99.00	2,559.00	2,250.00	93.00	150.00	1,824.25	1,590.75	171.00	36.50
Female	hours	209.00	209.00	0.00	0.00	600.00	549.00	30.00	3.00	213.75	190.75	3.50	0.00
Average Training Hours per Employee by Gender													
Male	hours	1.60	1.84	0.38	5.21	7.27	9.53	1.82	6.82	5.43	7.54	3.23	1.01
Female	hours	1.27	2.55	0.00	0.00	3.97	6.17	1.88	0.50	1.75	2.51	0.29	0.00
Average Training Hours per Employee by Grade													
Director	hours	4.15	10.00	1.00	1.00	4.53	10.36	0.00	0.00	5.50	11.57	2.33	0.00
Senior Manager	hours	0.15	0.20	0.00	0.00	4.25	5.88	0.00	0.00	1.50	1.72	0.00	0.00
Manager	hours	1.62	2.21	0.00	0.00	6.00	0.55	0.00	0.00	4.67	6.62	0.00	0.00
Assistant Manager or below	hours	1.72	2.20	0.31	4.67	7.76	10.06	3.51	6.38	5.62	7.23	5.23	1.52
Labour and Contract Technical Assistant	hours	0.00	0.00	0.00	0.00	0.09	0.18	0.00	0.00	0.10	0.25	0.00	0.00
Supply Chain Management													
Suppliers													
Registered Suppliers	no.	2,569				1,969				3,389			
Percentage of Local Suppliers	%	100.00				100.00				100.00			
By Business Division													
		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Awarded Suppliers / Subcontractors / Service Providers (Percentage of Local Suppliers)	no. (%)	67 (100.00)	178 (100.00)	41 (100.00)	10 (100.00)	58 (100.00)	126 (100.00)	22 (100.00)	10 (100.00)	84 (100.00)	171 (100.00)	62 (100.00)	10 (100.00)

CON: Construction Division

I&R: Interior & Renovation Division

BM: Building Materials Division

Notes:

- “CON” denotes Construction Division which comprises HCCL and HCL; “I&R” denotes Interior & Renovation Division which comprises HIRL; and “BM” denotes Building Materials Division which comprises TBML.
- Employees are defined as persons who are in a direct employment relationship with the Group or its subsidiaries. The Group’s total workforce includes employees hired for all operations including but not limited to the Construction Division, Interior & Renovation Division and Building Materials Division. Workers hired by subcontractors are not included in our HR data record system. The employee numbers are expressed in the number of headcounts.
- The training-related figures and calculations are based on the records in the calendar year ended on 31 December 2022, which aligns with the Company’s HR data record system.
- The VTR reflects the number of employees who leaves employment voluntarily, including normal retirement and contract end during the Year.
- The percentage of employees trained in relevant categories: number of employees trained in the specified category / number of employees in the specified category at the end of 2022 x 100%.
- The average number of training hours per employee in relevant categories: total number of training hours for employees in the specified category / number of employees in the specified category at the end of 2022.
- Retention is defined as the employees who were still employed 12 months after returning to work from parental leave.
- We adopt the same definition of work-related injuries that are reportable under the Employees’ Compensation Ordinance (Cap. 282) i.e. resulting in incapability for more than three days.
- Local supplier is defined as an organisation or a person that provides a product or service to the Group, and its business is based in Hong Kong.
- Each business entity operates its supply chain management independently, thus the suppliers’ figures of the Group’s subsidiaries does not be included in the suppliers’ figures of the Group.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Reference Section	Page Number
A. ENVIRONMENTAL			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protecting Our Environment	41-50
KPI A1.1	The types of emissions and respective emissions data.	Emissions	46
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).	Emissions, Key Performance Indicators	46, 61-65
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste, Key Performance Indicators	49-50, 61-65
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste, Key Performance Indicators	49-50, 61-65
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	A Decade of Sustainability Journey, Protecting Our Environment	9-11, 41-50
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.	Waste	49-50
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	ESG Strategy and Framework, Protecting Our Environment	17-18, 41-50
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).	Performance Highlights, Energy, Key Performance Indicators	12-13, 47, 61-65
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Highlights, Water, Key Performance Indicators	12-13, 48, 61-65
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Stewardship, Energy	42-44, 47
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.	Environmental Stewardship, Water	42-44, 48
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable under the reporting scope	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Protecting Our Environment	41-50
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Stewardship	42-44
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.	Climate Resilience	44-45
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.	Climate Resilience	44-45
B. SOCIAL			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Developing Our Workforce	30-40
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment	32-33
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	32-33

HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Reference Section	Page Number
B. SOCIAL			
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	33-36
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Highlights, Occupational Health and Safety, Key Performance Indicators	12-13, 33-36, 61-65
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety, Key Performance Indicators	33-36, 61-65
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety	33-36
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Cultivating Our Talents	37-40
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Cultivating Our Talents, Key Performance Indicators	37-40, 61-65
KPI B3.2	The average training hours completed per employee by gender and employee category.	Cultivating Our Talents, Key Performance Indicators	37-40, 61-65
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Diversity and Equal Opportunity	37
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity and Equal Opportunity	37
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity and Equal Opportunity	37
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	29
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management, Key Performance Indicators	29, 61-65
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.	Supply Chain Management	29
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	29
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	29
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Innovating Our Operating Practices	23-29
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Customers	28
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customers	28
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Modernising through Adoption of Innovative Technologies	24-25
KPI B6.4	Description of quality assurance process and recall procedures.	Customers	28
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customers	28

HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Reference Section	Page Number
B. SOCIAL			
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption and Responsible Business Practices	22
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.	Anti-corruption and Responsible Business Practices	22
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption and Responsible Business Practices	22
KPI B7.3	Description of anti-corruption training offered to directors and staff.	Anti-corruption and Responsible Business Practices	22
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Engaging Community Efforts	51-56
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment and Engagement, Donation and Sponsorship	52, 53-54
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Donation and Sponsorship	53-54



GLOBAL REPORTING INITIATIVE (GRI) STANDARDS CONTENT INDEX

Statement of Use	The Group has reported in accordance with the GRI Standards for the period from 1 April 2022 to 31 March 2023
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Reference Section / Supplementary Information	Page Number
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Hanison	5
	2-2 Entities included in the organization's sustainability reporting	Reporting Framework and Principles	14-15
	2-3 Reporting period, frequency and contact point	Reporting Framework and Principles, Contact Us	14-15, Inside Back Cover
	2-4 Restatements of information	Nil	N/A
	2-5 External assurance	Reporting Framework and Principles, Assurance Statements	14-15, 72
	2-6 Activities, value chain and other business relationships	About Hanison, Supply Chain Management	5, 29
	2-7 Employees	Employment	32-33
	2-9 Governance structure and composition	Governance Structure, 2022/2023 Annual Report - Board Composition	17, N/A
	2-10 Nomination and selection of the highest governance body	2022/2023 Annual Report - Nomination Committee	N/A
	2-11 Chair of the highest governance body	2022/2023 Annual Report - Chairman and Managing Director	N/A
	2-12 Role of the highest governance body in overseeing the management of impacts	2022/2023 Annual Report - Board of Directors	N/A
	2-13 Delegation of responsibility for managing impacts	2022/2023 Annual Report - Board of Directors	N/A
	2-14 Role of the highest governance body in sustainability reporting	Board Statement on Sustainability, Governance Structure, Materiality Assessment	2, 17, 19-20
	2-15 Conflicts of interest	2022/2023 Annual Report - Board of Directors	N/A
	2-16 Communication of critical concerns	2022/2023 Annual Report - Board of Directors	N/A
	2-17 Collective knowledge of the highest governance body	2022/2023 Annual Report - Board of Directors	N/A
	2-18 Evaluation of the performance of the highest governance body	2022/2023 Annual Report - Board of Directors	N/A
	2-19 Remuneration policies	2022/2023 Annual Report - Employees and Remuneration Policy	N/A
	2-20 Process to determine remuneration	2022/2023 Annual Report - Employees and Remuneration Policy, Remuneration Committee	N/A
	2-21 Annual total compensation ratio	2022/2023 Annual Report - Directors' and Employees' Emoluments	N/A
	2-22 Statement on sustainable development strategy	Board Statement on Sustainability	2
	2-23 Policy commitments	Board Statement on Sustainability, Corporate Social Responsibility Policy Statement	2, 3
	2-24 Embedding policy commitments	Board Statement on Sustainability, Corporate Social Responsibility Policy Statement, Reporting Framework and Principles	2, 3, 14-15
	2-25 Processes to remediate negative impacts	Governance Structure, 2022/2023 Annual Report - Risk Management and Internal Control	17, N/A
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	21
	2-27 Compliance with laws and regulations	Reporting Framework and Principles, 2022/2023 Annual Report - Compliance with Corporate Governance Code	14-15, N/A
	2-28 Membership associations	Member of Hong Kong Construction Association, Member of Hong Kong Industrial Safety Association, Member of Hong Kong Green Building Council	N/A
	2-29 Approach to stakeholder engagement	Materiality Assessment, Stakeholder Engagement	19-20, 21
	2-30 Collective bargaining agreements	Nil	N/A
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	19-20
	3-2 List of material topics	Materiality Assessment	19-20
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	2022/2023 Annual Report - Chairman's Statement, Operations Review, Financial Review, not a material issue but data available and historically reported	N/A
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2022/2023 Annual Report - Financial Highlights, Chairman's Statement	N/A
	201-3 Defined benefit plan obligations and other retirement plans	2022/2023 Annual Report - Retirement Benefits Schemes	N/A

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS CONTENT INDEX

GRI Standard / Other Source	Disclosure	Reference Section / Supplementary Information	Page Number
MATERIAL TOPICS			
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	2022/2023 Annual Report - Employees and Remuneration Policy, not a material issue but data available and historically reported	N/A
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	All senior management (director grade) are hired from local community of significant locations of operation, i.e. Hong Kong.	N/A
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supply Chain Management, not a material issue but data available and historically reported	29
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management	29
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-corruption and Responsible Business Practices	22
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption and Responsible Business Practices	22
	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption and Responsible Business Practices	22
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-corruption and Responsible Business Practices	22
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-corruption and Responsible Business Practices	22
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Stewardship, not a material issue but data available and historically reported	42-44
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Performance Highlights, Waste, Materials, Key Performance Indicators	12-13, 49-50, 50, 61-65
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Stewardship	42-44
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Performance Highlights, Energy, Key Performance Indicators, non-renewable fuel types used include diesel and petrol	12-13, 47, 61-65
	302-3 Energy intensity	Performance Highlights, Energy, Key Performance Indicators	12-13, 47, 61-65
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Stewardship, not a material issue but data available and historically reported	42-44
GRI 303: Water and Effluents 2018	303-5 Water consumption	Water, Key Performance Indicators	48, 61-65
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Stewardship, not a material issue but data available and historically reported	42-44
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions, Key Performance Indicators	46, 61-65
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions, Key Performance Indicators	46, 61-65
	305-3 Other indirect (Scope 3) GHG emissions	Emissions, Key Performance Indicators	46, 61-65
	305-4 GHG emissions intensity	Performance Highlights, Emissions, Key Performance Indicators	12-13, 46, 61-65
	305-5 Reduction of GHG emissions	Environmental Stewardship	42-44
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Stewardship, not a material issue but data available and historically reported	42-44
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste	49-50
	306-3 Waste generated	Waste, Key Performance Indicators	49-50, 61-65
	306-4 Waste diverted from disposal	Waste	49-50
	306-5 Waste directed to disposal	Waste	49-50
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Developing Our Workforce	30-40
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment	32-33
	401-3 Parental leave	Employment, Key Performance Indicators	32-33, 61-65

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS CONTENT INDEX

GRI Standard / Other Source	Disclosure	Reference Section / Supplementary Information	Page Number
MATERIAL TOPICS			
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	33-36
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	33-36
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	33-36
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	33-36
	403-6 Promotion of worker health	Occupational Health and Safety	33-36
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	33-36
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	33-36
	403-9 Work-related injuries	Occupational Health and Safety, Key Performance Indicators Thorough investigative process is carried out for every incident which covers necessary information of the injuries and fatalities Total 1 minor non-compliance case with fines of HK\$20,000 imposed, relating to fail to provide and maintain a system of work for lightning pole installation work	33-36, 61-65
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Cultivating Our Talents	37-40
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Cultivating Our Talents, Key Performance Indicators	37-40, 61-65
	404-2 Programs for upgrading employee skills and transition assistance programs	Cultivating Our Talents No such transition assistance programs has been given to leaving employees due to retirement or termination of employment involuntarily.	37-40
	404-3 Percentage of employees receiving regular performance and career development reviews	Cultivating Our Talents, Key Performance Indicators	37-40, 61-65
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Equal Opportunity, not a material issue but data available and historically reported	37
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Equal Opportunity, Key Performance Indicators, 2022/2023 Annual Report - Board Diversity	37, 61-65 N/A
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Equal Opportunity, not a material issue but data available and historically reported	37
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Nil	N/A
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Equal Opportunity, not a material issue but data available and historically reported	37
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Diversity and Equal Opportunity	37
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Equal Opportunity, not a material issue but data available and historically reported	37
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity and Equal Opportunity	37
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Engaging Community Efforts, not a material issue but data available and historically reported	51-56
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	100%	N/A
	413-2 Operations with significant actual and potential negative impacts on local communities	No significant negative impacts on the local communities	N/A
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Customers	28
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints	N/A

ASSURANCE STATEMENTS



GHG Verification Statement: VC 003/2023

1

The inventory of greenhouse gas emission in the reporting period from 1st April 2022 to 31st March 2023 of

**Hanison Construction Company Limited,
Hanison Contractors Limited,
Hanison Interior & Renovation Limited,
Trigon Building Materials Limited and
construction sites**

Addresses were listed on the subsequent pages

has been verified in accordance with ISO 14064-3: 2019 and the GHG Programme, namely the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Industrial Purposes) in Hong Kong, 2010 edition, by EMSD and Environmental Protection Department" and meet the requirements of

ISO 14064-1: 2018 Standard

From the Reporting Organization,	Quantity of Emissions
Direct GHG Emissions:	361.53 Tonnes of CO ₂ e
Energy Indirect GHG Emissions:	796.36 Tonnes of CO ₂ e
Other Indirect GHG Emissions	171.38 Tonnes of CO ₂ e
Total GHG Emissions:	1329.27 Tonnes of CO ₂ e

Verified by

15 May 2023

Page 1 of 5 (Total 5. pages)

Hong Kong Certification Services International Limited

香港認證服務國際有限公司

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Authorized by



香港品質保證局

VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency ("HKQAA") has been engaged by the Hanison Construction Holdings Limited (Stock Code: 896) "HCHL" to undertake an independent verification of its Environmental, Social and Governance Report 2022 – 2023 ("the Report"). The Report stated the economic, environmental and social performance of HCHL in the period of 1st April 2022 to 31st March 2023 for its major operations in Hong Kong. The reporting scope covers HCHL's operations in Hong Kong including the head office as well as some project sites operated under Hanison Construction Company Limited (HCCL), Hanison Contractors Limited (HCL), Hanison Interior and Renovation Limited (HIRL), and Trigon Building Materials Limited (TMBL).

The aim of this verification is to provide a reasonable assurance on the reliability of the report content. The Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") 2021 and Appendix 27 "Environmental, Social and Governance Reporting Guide" ("ESG Guide") of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited ("HKEX").

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the GRI Standards 2021 and the ESG Guide of the HKEX.

The verification process included verifying information relevant to reporting and management procedures, including stakeholder engagement methods and result, and materiality assessment processes. In addition, system and process for collecting, collating and reporting sustainability performance data were verified. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

Independence

HCHL is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from HCHL. There was no relationship between HKQAA and HCHL that would affect the independence of HKQAA for providing the verification service.

Conclusion

Based on the verification results, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards 2021 and the ESG Guide of the HKEX;
- The Report illustrates the sustainability performance of HCHL in a balanced, clear, comparable and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

Nothing has come to HKQAA attention that the selected sustainability performance information and data contained in the Report has not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria. In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of HCHL and the construction companies, and discloses transparently their sustainability performance that is commensurate with their sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

P C Chan
Deputy Chief Executive Officer
14 June 2023

CONTACT US

The Group values stakeholders' views and suggestions. Please share your feedback on the Report and sustainability-related matters with our CSR and Communications Department.

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Feedback Survey

The English version of this Report shall prevail whenever there is a discrepancy between the English and the Chinese versions.



興勝創建控股有限公司

HANISON CONSTRUCTION HOLDINGS LIMITED

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Stock Code: 896

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