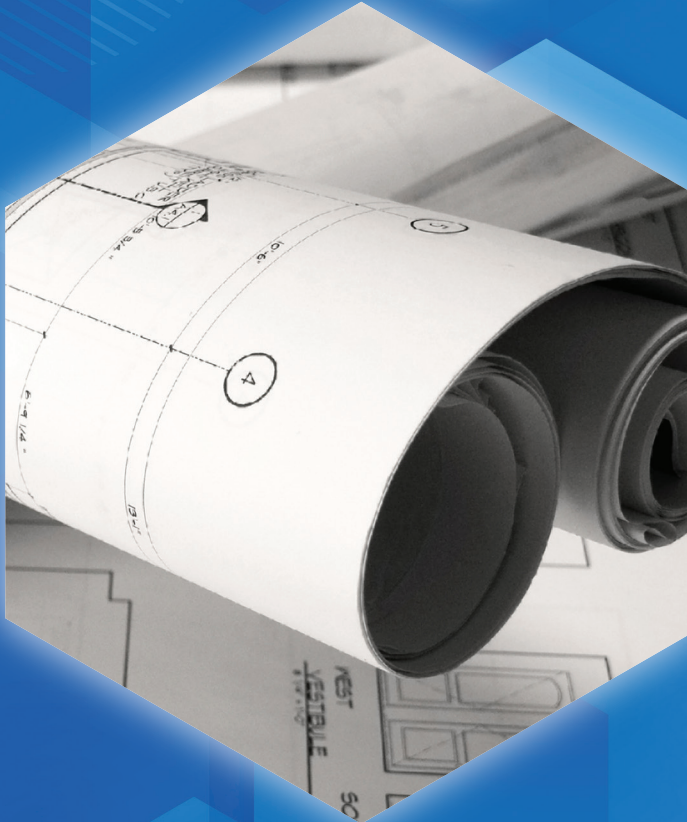
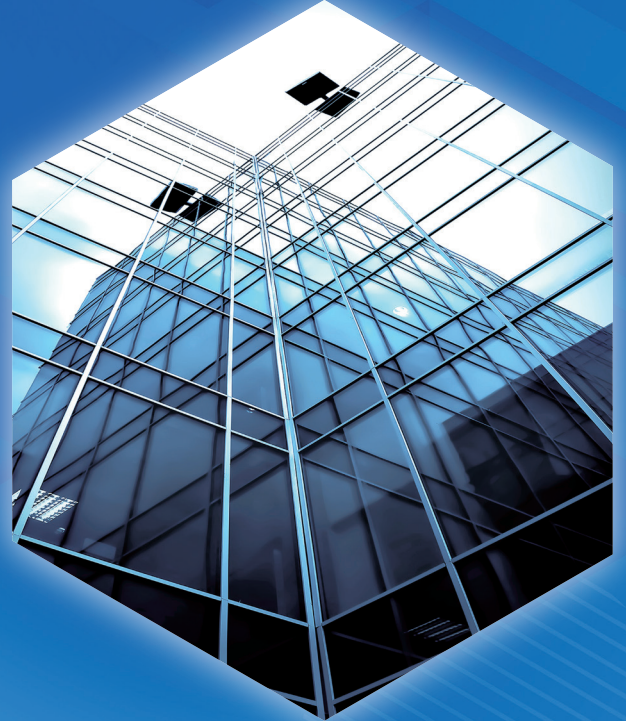


Green Economy Development Limited 綠色經濟發展有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 1315



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT
2023

INTRODUCTION

Green Economy Development Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is principally engaged in (i) building construction, (ii) alterations, renovation, upgrading and fitting-out (“A&A”) works, (iii) property maintenance (together as “Construction Business”), (iv) trading of materials business (“Trading Business”) and (v) transportation service. As at 31 March 2023, the Group operates in Hong Kong and Mainland China.

The subsidiary of the Company, Wan Chung Construction Company Limited (“Wan Chung”), provides the Group’s Construction Business related services. Wan Chung is currently on both the Contractor List and the Specialist List maintained by the Works Branch of the Development Bureau and has been a Group C contractor for building works since July 1992. Group C contractors are the highest-ranking contractors in terms of tender’s limits for public works contracts and can tender for any value exceeding HK\$400 million. In addition, Wan Chung is qualified as one of the Repair and Restoration of Historic Buildings specialist contractors that is allowed to carry out works related to both Chinese style and Western style historic buildings and is one of the Group I Turn-Key Interior Design and Fitting-out Works specialist contractors.

Wan Chung is a current holder of the following licences:

Authority	Approved Contractor List	Category	Status	Effective Date
Buildings Department	Registered General Building Contractor	—	—	26/10/1999
Works Branch, Development Bureau	Buildings Works	Group C	Confirmed	25/07/1992
Hong Kong Housing Authority	Building (New Works)	NW 1	Confirmed	08/06/1998
Hong Kong Housing Authority	Maintenance Works	M 2	Confirmed	27/05/2010
Works Branch, Development Bureau	Specialist Contractor for Turn-key Interior Design and Fitting Out Works	Group I	Listed	27/12/1995
Works Branch, Development Bureau	Site Formation	Group B	Probation	10/07/1998
Works Branch, Development Bureau	Specialist Contractor for Repair and Restoration of Historic Buildings	—	Listed	09/02/1999
Works Branch, Development Bureau	Specialist Contractor for Plumbing Installation	Group I	Listed	27/03/2015
Electrical and Mechanical Services Department	Registered Electrical Contractor	—	Listed	28/11/2005

This Environmental, Social and Governance (“ESG”) Report (the “ESG Report”) summarises the ESG initiatives, plans, and performances of the Group, and demonstrates its commitment to sustainable development.

GOVERNANCE STRUCTURE

Sound corporate governance and operation practices are fundamental to the Group's sustainability governance and long-term development. The board of directors (the "Board") has the ultimate responsibility for the oversight of the Group's strategies, reporting, policies, initiatives, and performance on ESG-related matters.

The Board sets out ESG management approach, strategy, priorities and objectives. To identify and prioritise major ESG issues that have a significant impact on the Group's operations and stakeholders, the Group continuously communicates with internal and external stakeholders. The Board discusses the Group's ESG issues at least once per year and adjusts the Group's ESG management approach, strategy, priorities and objectives where appropriate.

To effectively embed sustainability into the Group's day-to-day operations, the Group established the ESG working group (the "ESG Working Group") chaired by a director, so as to assist the Board in fulfilling its responsibilities. The ESG Working Group is responsible for collecting and analysing the relevant ESG information, identifying and assessing the Group's ESG risks, as well as planning and implementing ESG-related policies, guidelines and measures. It also assists the Board in identifying, evaluating and prioritising material ESG issues through materiality assessment, which are further reviewed and endorsed by the Board for report disclosure. In addition, the ESG Working Group reports the ESG-related matters to the Board at least once per year for the evaluation and subsequent implementation or revision of the Group's ESG strategies and management approaches, and to ensure appropriate risk management on ESG issues.

ESG COMMITMENT

With the aim to align with governments of the Hong Kong and the People's Republic of China (the "PRC")'s goal of carbon neutralisation and to enhance corporate reputation, the Group has set targets to enhance its performance on greenhouse gas ("GHG") emissions, energy efficiency, water consumption and waste management. The ESG targets of the Group have been approved by the Board and the progress towards the targets will be reviewed by the ESG Working Group regularly. The Group believes setting ESG-related targets can enhance the Group's commitment to corporate social responsibility and allow the Group's stakeholders to have a clearer understanding of the ESG performance of the Group.

SUSTAINABILITY RISK MANAGEMENT

The Group values risk management by continuously maintaining and enhancing the effectiveness of its internal control system. The Board has the responsibility to maintain a sound and effective risk management and internal control system. In order to strengthen the effectiveness of risk management, the Group has established the Risk Management Plan to review and monitor risks that may endanger the achievement of business objectives.

The Risk Management Plan demonstrates and documents the Group's risk management process, which comprises identifying risks, analysing risks, evaluating risks, tracking risks, controlling risks and communicating and documenting risks.

Risk Management Process	Measures
Identifying Risks	Identify the risks in the operation process through workshop or meeting. Identified risks should be recorded in the list within two days.
Analysing Risks	All risks will be assessed from two factors, severity and likelihood.
Evaluating Risks	The project manager should determine whether to keep the risks or transfer to external organisations that can handle the risks.
Tracking Risks	The risk manager should prepare the report that describes the risk mitigation status to the project manager during the weekly project meeting.
Controlling Risks	The project manager should determine whether to start the control measures based on the level of risk.
Communicating and Documenting Risks	All risk assessment should be documented in the risk assessment report.

REPORTING SCOPE

All information contained in this ESG Report reflects the Group's performance in environmental protection and social care for the year ended 31 March 2023 (the "Reporting Period" or "FY2023"). The management of the Group determined the scope of disclosure of this ESG Report by considering the Group's resource allocation and the revenue contribution of its different segments. This ESG Report includes entities that make the major revenue contributions to the Group, namely three major projects in Hong Kong in Construction Business and all entities in Trading Business. The Group will, according to its business development, continue to improve and enhance the disclosure of the upcoming ESG reports when and where necessary.

Compared to the reporting scope of the ESG Report for the year ended 31 March 2022 ("FY2022"), a project in Construction Business is no longer within the reporting scope due to the completion of the relevant project in FY2023.

This ESG Report is available in both Chinese and English, and has been published on the website of the Group at www.greeneconomy.com.hk and the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at <http://www.hkexnews.hk>.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

During the preparation for this ESG Report, the Group has applied the following reporting principles according to the ESG Reporting Guide:

Materiality: The materiality of ESG issues was reviewed and confirmed by the Board and the ESG Working Group. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

Quantitative: The standards, methodologies and applicable assumptions used in the calculation of key performance indicators (“KPIs”) data were supplemented by explanatory notes.

Consistency: Unless otherwise stated, the preparation approach of this ESG Report is consistent with the previous report for comparison. If there are any changes in calculation methodologies that may affect the comparison with previous reports, explanations will be provided in the corresponding section. For the change in reporting scope of this ESG Report, the difference and reason for the change were described in the section headed “Reporting Scope”.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. The Group maintains close communication with its key stakeholders, including but not limited to, the Stock Exchange, government and other regulatory authorities, shareholders and investors, employees, customers, suppliers and sub-contractors, media and the public, and community.

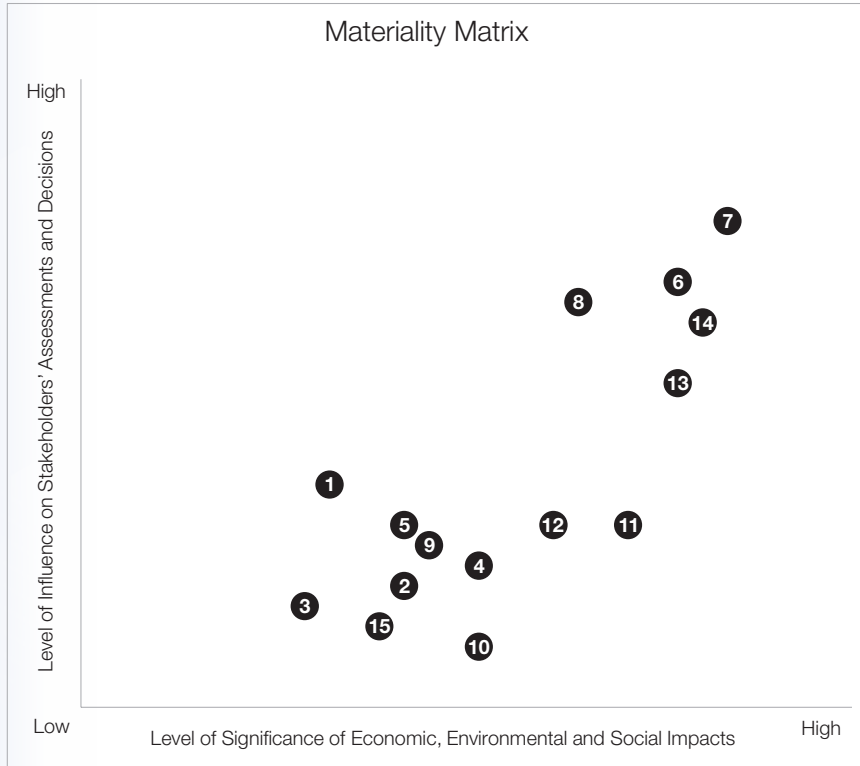
Stakeholders' expectations have been taken into consideration by utilising diversified engagement methods and communication channels as shown below:

Stakeholders	Communication Channels	Expectations
The Stock Exchange	<ul style="list-style-type: none"> The Stock Exchange website Training and seminars Announcements 	<ul style="list-style-type: none"> Compliance with laws and regulations
Government and other regulatory authorities	<ul style="list-style-type: none"> Routine reports and site visits Written or electronic correspondences 	<ul style="list-style-type: none"> Compliance with laws and regulations Stability in business operations
Shareholders and investors	<ul style="list-style-type: none"> General meetings and other shareholder meetings Annual and interim reports Announcements and circulars Company website 	<ul style="list-style-type: none"> Sustainable profitability Corporate governance Compliance with laws and regulations Shareholder return
Employees	<ul style="list-style-type: none"> Training, seminars, and briefing Employee suggestion boxes Email and internal memos Regular general meetings 	<ul style="list-style-type: none"> Attractive remuneration package, compensation and benefits Safe working environment Career development
Customers	<ul style="list-style-type: none"> Customer service hotline and email 	<ul style="list-style-type: none"> Customer satisfaction High-quality services
Suppliers and sub-contractors	<ul style="list-style-type: none"> Site visits Engagement and cooperation Business meetings and discussion 	<ul style="list-style-type: none"> Fair and open procurement On-time payment Sustainable relationship
Media and the public	<ul style="list-style-type: none"> ESG reports Newsletters on company website Announcements and circulars Company website 	<ul style="list-style-type: none"> Transparency of ESG issues and financial disclosure Compliance with laws and regulations Strong corporate governance structure
Community	<ul style="list-style-type: none"> Community activities Charitable donations 	<ul style="list-style-type: none"> Participation in worthy causes Community development

The Group aims to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced out through a proper communication channel. In the long run, the stakeholders' contributions will aid the Group in improving potentially overlooked ESG performances.

MATERIALITY ASSESSMENT

In accordance with the ESG Reporting Guide and industry standard, the Group has identified 15 material ESG issues. The Group comprehensively assessed the importance of each issue based on the level of influence on stakeholders' assessments and decisions as well as the level of significance of economic, environmental, and social impacts by conducting the internal survey. The materiality assessment result is used to determine the focus of disclosure in the ESG Report and formulate the Group's ESG strategy. The Group will continue to conduct the materiality assessment in order to analyse its business risks, enhance the relevance of the ESG reports and respond to stakeholders' expectations. The following is the materiality matrix of the Group's material ESG issues:



Environmental

1. GHG Emissions
2. Waste Management
3. Water Consumption
4. Energy Efficiency
5. Climate Change

Social

6. Employees' Rights and Welfare
7. Health and Safety
8. Development and Training
9. Prevention of Child and Forced Labour
10. Supply Chain Management
11. Building Safety and Quality Control
12. Customer Services and Complaint Management
13. Customer Data Privacy Protection
14. Anti-corruption and Whistle-blowing Mechanism
15. Community Investment

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or the Group's performances in sustainable development via the following channels:

- By mail to the Company's principal place of business at Room 1001, 10/F, China Huarong Tower, 60 Gloucester Road, Wan Chai, Hong Kong;
- By telephone number 2180 6139;
- By fax number 2180 6125; or
- By email at kencheung@1315.com.hk

CHAIRMAN'S STATEMENT

On behalf of the Board, I am honoured to present the ESG Report for FY2023.

During the Reporting Period, the coronavirus disease 2019 ("COVID-19") prevention and control entered a new stage and it took time for economic activities to pick up momentum. The Group remains focused on the delivery of high-quality services to its clients and the provision of a healthy and safe working environment to its employees while ensuring that sustainability issues are being addressed.

With the Board overseeing the Group's policies, initiatives and performance on ESG issues, the Group has clear guidance on its sustainable development. Dedicated personnel have also been assigned to implement and monitor the adequacy of control measures in order to reduce potential environmental and social risks that the business may have on the environment and the community where it operates.

Moving forward, the Group will continually place more effort on sustainability issues and will strive to implement more sustainable practices into its daily operations. At the same time, the Group will continue to welcome feedback and suggestions from its stakeholders as they provide the Group with valuable insights into its ESG issues.

Chau Chit

Chairman and Chief Executive Officer

Green Economy Development Limited

30 July 2023

A. ENVIRONMENTAL

A1. EMISSIONS

As the main contractor in the provision of Construction Business related services, the Group realises its business activities may impact the environment. The Group is eager to continuously improve existing guidelines and is looking into incorporating new sustainability policies to mitigate potential direct and indirect negative environmental impacts arising from its business operations.

Apart from complying with local statutory requirements, the Group is committed to continuously enhancing its environmental and energy management systems that are certified to international standards ISO 14001:2015 and ISO 50001:2018 respectively. The effective guidelines and workflow of the said management systems are detailed in the Environmental Management System Manual and the Energy Management System Manual, which are clearly communicated to its employees and effectively implemented in order to improve the Group's environmental practices and energy efficiency.

In addition to the comprehensively documented guidelines for the Group's environmental and energy management systems, the Group has established the Environmental Policy Statement, the Energy Policy Statement, and the Operational Control Handbook. The Group annually reviews the abovementioned policies and will inform its employees at all levels if there are any revisions to such policies. As stated in the Environmental Policy Statement, environmental protection is regarded as a management responsibility in which the Group has a strong commitment to complying with the applicable legal and other requirements. The Group strives to strike a balance between sustainable development and business growth. The Group is committed to reducing its resource consumption and production of wastes and complying with the requirements of the ISO14001:2015 standard and all relevant environmental protection laws and regulations of the countries and regions where it operates.

In FY2023, the Group strictly complied with local environmental laws and regulations and was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group including, but not limited to, the Air Pollution Control Ordinance of Hong Kong, the Noise Control Ordinance of Hong Kong, the Waste Disposal Ordinance of Hong Kong, the Water Pollution Control Ordinance of Hong Kong, the Environmental Impact Assessment Ordinance of Hong Kong, the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, and the Law on the Prevention and Control of Environmental Pollution by Solid Waste of the PRC.

Air Emissions

The principal source of emissions was from petrol consumption by vehicles owned by the Group. The Air Pollution Control found within the Operational Control Handbook sets out the procedures in managing the air emissions generated throughout the day-to-day business operations, such as monitoring air quality and stockpiling dusty materials. Further details on measures adopted for managing air pollution will be described in the section headed "A3. The Environmental and Natural Resources" whilst measures on reducing fuel consumption will be described in the following section headed "GHG Emissions".

A. ENVIRONMENTAL (Continued)

Summary of the Group's air emissions performances are as follows:

Indicator ¹	Unit	FY2023			FY2022		
		Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Nitrogen oxides (NO _x)	kg	10.29	1.73	12.02	9.87	1.89	11.76
Sulphur oxides (SO _x)	kg	0.26	0.03	0.29	0.25	0.03	0.28
Particulate Matter (PM)	kg	0.76	0.13	0.89	0.73	0.14	0.87

Note:

- The calculation method of air emissions and the related emission factors were based on, including but not limited to, "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

GHG Emissions

The principal GHG emissions of the Group were generated from petrol consumption of vehicles and the use of refrigerants (Scope 1), purchased electricity (Scope 2) and paper waste disposal at landfills and electricity used for processing freshwater and sewage by government departments (Scope 3). In FY2022, the Group set an emission target of conducting at least one activity annually to raise awareness of climate change and low-carbon lifestyle among employees from FY2023 onwards. In FY2023, all staff were required to attend a self-learning programme relating to climate change and low-carbon lifestyle. The Group achieved its emission target in FY2023, and it will continue its commitment to reduce its GHG emissions.

Scope 1 – Direct GHG emissions

The Group has adopted the following measures to mitigate direct GHG emissions from petrol consumption by vehicles and the use of refrigerants in its operations:

- Regularly inspect the refrigeration system to ensure the system is leak-tight;
- Switch off the engine whenever the vehicle is idle;
- Plan routes well ahead of time to optimise fuel consumption;
- Purchase motor vehicles of EURO 6 Emission Standard when phasing out old vehicles; and
- Regularly service vehicles to ensure optimal engine performance, and to reduce smoke emission and fuel use.

Scope 2 – Energy Indirect GHG Emissions

Energy Indirect GHG emissions are resulted from the generation of purchased electricity. The Group has implemented measures to reduce energy consumption, said measures will be mentioned in the section headed "Energy Efficiency".

Scope 3 – Other Indirect GHG Emissions

Office paper waste disposal and electricity used for processing freshwater and sewage accounted for a small percentage of GHG emissions of the Group. Measures implemented to reduce paper waste disposal can be found in the section headed "Waste Management" whilst measures on reducing water consumption will be described in the section headed "Water Consumption".

A. ENVIRONMENTAL (Continued)

During the Reporting Period, the Group's total GHG emissions intensity was approximately 0.19 tCO₂e/million revenue (HK\$) (FY2022: approximately 0.07 tCO₂e/million revenue (HK\$)). The increase in the Group's total GHG emissions intensity was mainly due to the decrease in the Group's revenue.

Summary of the Group's GHG emissions performances are as follows:

Indicator ¹	Unit	FY2023			FY2022		
		Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Scope 1 – Direct GHG Emissions	tCO₂e	202.75	5.70	208.45	45.24	5.71	50.95
• Fuel consumption for vehicles owned by the Group		46.81	5.70	52.51	45.24	5.71	50.95
• Use of refrigerant		155.94	–	155.94	–	–	–
Scope 2 – Energy Indirect GHG Emissions	tCO₂e	152.39	3.75	156.14	163.11	2.25	165.36
• Purchased electricity		152.39	3.75	156.14	163.11	2.25	165.36
Scope 3 – Other Indirect GHG Emissions	tCO₂e	31.07	0.42	31.49	22.08	0.17	22.25
• Paper waste disposal		30.84	0.42	31.26	21.97	0.17	22.14
• Electricity used for processing freshwater and sewage by government departments		0.23	–	0.23	0.11	–	0.11
Total GHG Emissions Intensity²	tCO₂e/million revenue (HK\$)	386.21	9.87	396.08	230.43	8.13	238.56
		0.74	0.0062	0.19	0.37	0.0027	0.07

Notes:

- GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5), the "2022 Sustainability Report" published by the CLP Holdings Limited, the "Sustainability Report 2022" published by HK Electric Investments and HK Electric Investments Limited, "Notice on Carrying out Work in Reporting and Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025" issued by the Ministry of Ecological Environment of the PRC, "Annual Report 2020/21" issued by the Water Supplies Department, and "Sustainability Report 2021-22" issued by the Drainage Services Department.
- For FY2023, the Group recorded a revenue of approximately HK\$525 million (FY2022: approximately HK\$624 million) for Construction Business, and HK\$1,600 million (FY2022: approximately HK\$3,019 million) for Trading Business. Within the reporting scope, the Group recorded a total revenue of HK\$2,125 million (FY2022: approximately HK\$3,643 million). These figures are also used for calculating other intensity data.

A. ENVIRONMENTAL (Continued)

Sewage Discharges into Water and Land

Some on-site activities carried out by the Group produce wastewater. Although the amount of wastewater generated is considered insignificant, the Group has established the detailed Water Pollution Control that can be found in the Operational Control Handbook to regulate the discharge of effluents and minimise the impact on water quality. Guidelines for the licence application on the discharge of effluents, if necessary, are also stated in the same handbook.

Suspended solids and pH levels are monitored at construction sites at least once a month to ensure water quality is not compromised and timely actions can be taken to rectify the situation should deterioration in water quality be readily detected. The Group also sets up wastewater treatment systems, consisting of sedimentation tanks, automatically controlled chemical coagulation units and automatically control pH units, at construction sites to collect and treat wastewater. The said systems also ensure that the treated wastewater meets the prescribed effluent standards established by the government before discharging to the government sewage disposal works. In addition, sewage discharge into land was insignificant due to the business nature of the Group.

Waste Management

Hazardous Waste Management

Only an insignificant amount of hazardous wastes were generated by the Group during its operations. The major hazardous wastes produced were toner cartridges and spent fluorescent tubes. In FY2022, the Group set a hazardous waste reduction target of conducting waste reduction activities annually to raise awareness of waste reduction among employees from FY2023 onwards. In FY2023, all staff were required to attend a self-learning programme relating to waste reduction and resource conservation. The Group achieved its hazardous waste reduction target in FY2023, and it will continue its commitment to reduce its hazardous waste generation.

The Group arranges the collection of spent fluorescent tubes with a licenced Chemical Waste Collector for proper disposal, whereas used toner cartridges are collected by the manufacturer. In addition, the Group requires all departments to properly store toxic and hazardous materials, take preventive measures to prevent fire, explosion or leakage accidents during storage, transportation, and usage so as to avoid environmental pollution incidents, and take necessary measures during the production process to reduce the pollution caused by dust and hazardous wastes.

In FY2023, the hazardous wastes generated by the Group were lawfully disposed of by contracted third parties. The Group remains vigilant in the management of proper hazardous wastes disposal and ensures that the disposal process complies with statutory requirements. During the Reporting Period, the Group's total hazardous waste intensity was approximately 0.050 kg/million revenue (HK\$) (FY2022: approximately 0.052 kg/million revenue (HK\$)), representing a year-on-year reduction of approximately 3.85%. The reduction in the Group's total hazardous waste intensity was mainly due to the effective implementation of the Group's waste reduction measures.

A. ENVIRONMENTAL (Continued)

Summary of the Group's major hazardous wastes generation are as follows:

Indicator	Unit	FY2023			FY2022		
		Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Toner cartridge	kg	22.70	3.00	25.70	103.00	2.00	105.00
Spent fluorescent tube	kg	80.00	—	80.00	85.42	—	85.42
Total hazardous waste	kg	102.70	3.00	105.70	188.42	2.00	190.42
Intensity	kg/million revenue (HK\$)	0.20	0.00188	0.050	0.30	0.00066	0.052

Non-hazardous Waste Management

Non-hazardous wastes were mainly generated from site clearance, excavation, refurbishment, renovation, demolition, and road works. The principal non-hazardous wastes were inert construction and demolition (“C&D”) waste and non-inert C&D waste, other non-hazardous wastes include mixed C&D waste, general waste, and office paper. In FY2022, the Group set a non-hazardous waste reduction target of reducing its non-insert C&D waste intensity by 10% in the year ending 31 March 2025 (“FY2025”) with the baseline of FY2022 for its Construction Business. During the Reporting Period, the Group's non-insert C&D waste intensity was approximately 3.52 tonnes/million revenue (HK\$) (FY2022: approximately 3.77 tonnes/million revenue (HK\$)), representing a year-on-year reduction of approximately 6.63%. The reduction in the Group's non-insert C&D waste intensity was mainly due to the effective implementation of the Group's waste reduction measures. The Group is on track to achieve its non-hazardous waste reduction target, and it will continue its commitment to reduce its non-hazardous waste generation.

The Group has developed a comprehensive framework outlining the requirements of waste collection, storage, transport, treatment, and disposal. Inert C&D material is disposed of at the public filling area for reclamation purposes while non-inert C&D waste is disposed of at strategic landfills. To avoid illegal dumping, a Trip-Ticket System is implemented to monitor the waste material delivery record to ensure proper disposal of C&D materials for the Construction Business.

The Group remains conscious of the annual non-hazardous wastes disposal amount and attaches great importance to educating its employees on the importance of reducing waste production where possible. As stated in the Environmental Policy Statement, the Group is focused on ensuring the efforts on source reduction, recycling or reuse, and proper waste disposal procedures. To play an active part in reducing construction and office wastes, the Group has adopted the following measures:

- Prioritise the use of prefabrication elements;
- Promote source separation of waste and other resources at construction sites;
- Reduce the use of single-use disposable items;
- Place a collection box next to printers for reusable paper and recycle used paper;
- Print electronic correspondences only when necessary; and
- Recycle office and electronic equipment after their life cycle.

A. ENVIRONMENTAL (Continued)

During the Reporting Period, the Group's total non-hazardous waste intensity was approximately 1.49 tonnes/million revenue (HK\$) (FY2022: approximately 1.41 tonnes/million revenue (HK\$)), representing a year-on-year increase of approximately 5.67%. The increase in the Group's total non-hazardous waste intensity was mainly due to the decrease in the Group's revenue.

Summary of the Group's major non-hazardous wastes disposal performances are as follows:

Indicator	Unit	FY2023			FY2022		
		Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Inert C&D waste	Tonnes	734.80	—	734.80	1,792.06	—	1,792.06
Non-inert C&D waste	Tonnes	1,847.30	—	1,847.30	2,353.60	—	2,353.60
Mixed C&D waste	Tonnes	578.80	—	578.80	994.10	—	994.10
General waste	Tonnes	1.78	0.04	1.82	2.36	0.14	2.50
Office paper	Tonnes	6.42	0.09	6.51	4.58	0.03	4.61
Total non-hazardous waste	Tonnes	3,169.10	0.13	3,169.23	5,146.70	0.17	5,146.87
Intensity	Tonnes/million revenue (HK\$)	6.04	0.000081	1.49	8.25	0.000056	1.41

A2. USE OF RESOURCES

The Group recognises its responsibility to take the initiative in efficiently utilising finite resources. The Group governs the use of the abovementioned resources through the development and implementation of a series of policies and procedures including the Environmental Management System Manual and the Energy Management System, the Environmental Policy Statement, the Energy Policy Statement, and the Operational Control Handbook. Furthermore, the Group has introduced green measures to manage the use of resources such as electricity, water and construction materials. In addition, detailed measures for reducing non-hazardous waste have been mentioned in the preceding section headed "Waste Management".

Energy Efficiency

Energy usage is monitored in the Group's business operations, the monitoring procedures are detailed in the Energy Management System Manual that conforms to the ISO 50001:2018. In addition, the Group has established the Energy Policy Statement, which is annually reviewed and revised, to identify substantial energy consumption and optimise energy performance. Among others, the Group is committed to identifying and seeking achievable reductions in energy consumption and improving the construction process to further reduce energy consumption.

An energy management team, consisting of employees from different departments, has been set up to closely monitor and set up achievable targets for energy consumption. Anomaly in electricity consumption will be investigated to find out the root cause and preventive measures will be taken. To ensure good energy management practices across the Group's operations, training on environment management system implementation and energy awareness are provided for relevant employees. In FY2022, the Group set an energy use efficiency target of conducting at least one activity annually to raise awareness of energy conservation among employees from FY2023 onwards. In FY2023, all staff were required to attend a self-learning programme relating to energy conservation. The Group achieved its energy use efficiency target in FY2023, and it will continue its commitment to efficient energy use.

A. ENVIRONMENTAL (Continued)

The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Switch off all idle machinery, appliances and unnecessary lighting upon leaving the construction sites and the headquarters;
- Use LED lights instead of T5 or T8 lamps;
- Purchase equipment with high energy efficiency on the replacement of old equipment;
- Select the equipment model with multiple settings to suit different power consumption levels; and
- Post eye-catching reminders near lights switches and electrical appliances as a reminder to employees.

During the Reporting Period, the Group's total energy consumption intensity was approximately 0.202 MWh/million revenue (HK\$) (FY2022: approximately 0.122 MWh/million revenue (HK\$)). The increase in the Group's total energy consumption intensity was mainly due to the decrease in the Group's revenue.

Summary of the Group's energy consumption performances are as follows:

Indicator ¹	Unit	FY2023			FY2022		
		Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Direct energy consumption	MWh	170.54	20.89	191.43	164.83	20.79	185.62
• Petrol		170.54	20.89	191.43	164.83	20.79	185.62
Indirect energy consumption	MWh	231.48	6.05	237.53	254.98	3.82	258.80
• Electricity		231.48	6.05	237.53	254.98	3.82	258.80
Total energy consumption	MWh	402.02	26.94	428.96	419.81	24.61	444.42
Intensity	MWh/million revenue (HK\$)	0.77	0.0168	0.202	0.67	0.0082	0.122

Note:

1. The calculation of unit conversion refers to the "Energy Statistics Manual" issued by the International Energy Agency.

A. ENVIRONMENTAL (Continued)

Water Consumption

The Group actively promotes the importance of water conservation to its employees. In FY2022, the Group set a water efficiency target of requiring all employees including newcomers to attend a self-learning programme for environmental protection covering water conservation. In FY2023, all staff were required to attend a self-learning programme relating to water conservation. The Group achieved its water efficiency target in FY2023, and it will continue its commitment to efficient water use. The Group has adopted the following water conservation measures and methods:

- Conduct water consumption analysis of individual supply points at the construction site;
- Establish wastewater treatment facilities to treat sediment-laden wastewater so that it can be used for general site works such as wheel washing, dust suppression and general cleaning;
- Implement a water-saving sprinkler system in construction sites to minimise water consumption and optimise dust suppression;
- Post water-saving banners around the Group's premises; and
- Regularly inspect water taps to prevent leakage and install low-flow aerators on all faucets and dual-flush water cistern in toilets and washrooms where possible.

Given the geographical location of the business operations, the Group did not encounter any problem in sourcing water that was fit for purpose. During the Reporting Period, the Group's total water consumption intensity was approximately 0.56 m³/million revenue (HK\$) (FY2022: approximately 0.05 m³/million revenue (HK\$)). The increase in the Group's total water consumption intensity was mainly due to the increase in the use of water for sanitary purposes and the decrease in the Group's revenue. The Group has set a water efficiency target of requiring all employees including newcomers to attend a self-learning programme for environmental protection covering water conservation in the year ending 31 March 2024.

Summary of the Group's water consumption performances are as follows:

Indicator	Unit	FY2023			FY2022		
		Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Total water consumption	m ³	364.80	820.00	1,184.80	165.98	—	165.98
Intensity	m ³ /million revenue (HK\$)	0.69	0.51	0.56	0.27	—	0.05

Use of Packaging Material

Due to the Group's business nature, the Group's operations were not involved in material usage of packaging materials for finished products.

A. ENVIRONMENTAL (Continued)

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group attaches great importance to the minimisation of negative environmental impacts in its business operations. The Operational Control Handbook has a dedicated section that governs air pollution control and noise control. Guidelines are also provided to control vibration produced during the use of machines. The Group regularly assesses the environmental risks of its business model, adopts preventive measures to reduce risks and ensures compliance with relevant laws and regulations.

Air Pollution Control

Air quality is governed under the provisions of the Air Pollution Control Ordinance. Relevant measures have been established to ensure that air quality in the construction sites will not pose threats to the neighbouring areas. The generation of construction dust is controlled and suppressed by regularly spraying surfaces with water in construction sites and utilising filtering devices. Each vehicle is washed before leaving the construction site. For vehicles that are loaded with dusty materials, the load will be covered entirely by clean impervious sheeting to ensure that the dusty materials do not leak from the vehicles.

Noise Control

Noise would inevitably be generated due to the Group's business nature. With the aim to minimise noise pollution and potential disturbance to the nearby community, the Group has implemented a number of measures to reduce and control the noise level.

Noise control measures for common noise source have been set up and are detailed in the Operational Control Handbook. Noise level is monitored at least once a month to ensure that the noise level does not exceed the prescribed level under the Noise Control Ordinance. In addition, monitoring the noise level will ensure that any deterioration to the environment could be detected and timely action can be taken to rectify the situation. If the noise level is higher than the acceptable noise level, a background noise assessment will be conducted. Then, noise mapping, a reasonably accurate sketch showing the relative position of all noise sources and items of a reasonable size, will be made. Measurement at the assessment points shall be conducted again to assess whether the control measures have taken effect to reduce the unacceptable noise level.

The Operational Control Handbook also details the prioritisation of the selection of quiet equipment (such as low-noise transformers, air receivers, or hand-held breakers) over the cheaper type which may require additional noise and vibration control and its strategy in placing the said equipment to strategically reduce nuisance to the surrounding environment.

Vibration Control

Apart from noise generation, vibration would be generated as a result of the provision of construction services. Vibration isolation pads are used to absorb vibration and shock, and such pads are specifically chosen according to their density and maximum loadings per unit area. The Group's most commonly used spring anti-vibration mounts are suitable for both high and low-frequency vibration.

A. ENVIRONMENTAL (Continued)

A4. CLIMATE CHANGE

The management of the Group understands that climate change may adversely impact its business and the global economy as a whole. Therefore, other than reducing the environmental footprint caused by the Group's business, the Group also formulated the Climate Change Policy to identify any physical and transition risks caused by climate change, and to adapt to and/or mitigate major impacts associated with identified risks.

Physical Risks

Climate change is associated with increasingly severe and frequent extreme weather events such as typhoons, heavy rainstorms and flooding, which may (1) cause interruptions in construction and operations and result in project delays, (2) affect the normal operation of business, (3) cause damage to equipment and stored materials in construction sites and other assets, and (4) increase employees' health and safety hazards such as worker slips and falls. Such risks, thereby, may cause a reduction in revenue, an increase in repair or compensation costs, and in severe cases, affecting the Group's reputation.

In response to the physical risks, the Group has developed an emergency plan to handle bad weather conditions and set up an emergency response centre to respond any emergency in order to minimise relevant negative impacts and interruption of business operations.

Transition Risks

Governments in the Group's operation locations are introducing increasingly aggressive climate policies and regulations to support international carbon reduction efforts. The Group may face higher operating and compliance costs as relevant policies and regulations may require greater disclosure from corporates and thus resource input for environmental performance. In addition, there is increasing number of investors who are aware of climate-related issues. If the Group fails to implement effective measures to manage climate risks, investors may divest.

In response to the transition risks, the Group has already developed the Operational Control Handbook to protect the environment by including measures on the reduction of GHG. In addition, the Group's Safety, Health and Environmental ("SHE") Management Committee frequently reviews its existing policies, procedures, control measures as well as legal requirements and trends to avoid increased costs, non-compliance fines or reputational risks.

B1. EMPLOYMENT

Human resources serve as the foundation for the continuous development of the Group. The Group attaches great importance to its employees' contribution and dedication to sustainable business development. Employment policies are formally documented in the Employee Handbook, covering recruitment, remuneration and benefits, promotion and dismissal, equal opportunities and anti-discrimination. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards.

In FY2023, Wan Chung was awarded with the Good Mandatory Provident Fund ("MPF") Employer Award for its continuous efforts to enhance the retirement protection of employees over the past years.

In FY2023, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group including, but not limited to, the Employment Ordinance of Hong Kong, the Employee Compensation Ordinance of Hong Kong and the Sex Discrimination Ordinance of Hong Kong, and the Labour Law and the Labour Contract Law of the PRC. As at 31 March 2023, the Group employed a total of 194 staff (as at 31 March 2022: 192 staff) within the reporting scope. For more details on the Group's total workforce, please refer to the section headed "Summary of KPIs".

Recruitment, Promotion and Performance Appraisal

The Group believes that employees are its most valuable assets. Employees are recruited via a robust, transparent and fair recruitment process based solely on their experience and suitability for the positions, regardless of their age, religion, ethnicity, origin, gender identity, physical disability and marital status, etc.

The Group assesses the performance of the employees on an annual basis, the results of which are used in their annual salary review and promotion appraisal. The Group also gives preference to internal promotion to encourage consistent and continuous effort.

Unreasonable dismissal under any circumstances is strictly prohibited, dismissal would be based on reasonable and lawful grounds supported by internal policies of the Group. Exit interviews are conducted with the resigned staff to collect opinions on any possible improvements to the Group's policies. For more details on the Group's total employee turnover rate, please refer to the section headed "Summary of KPIs".

Employees' Rights and Welfare

To attract and retain outstanding employees, the Remuneration Policy of the Group will be regularly reviewed. Remuneration is determined by employees' job-related skills, qualifications, experiences, capability, work performances and the prevailing market conditions. Apart from the MPF Scheme and other statutory benefits, employees are also entitled to the group medical insurance scheme upon completion of the probationary period. In addition to the leave entitlement stipulated in the Employment Ordinance, the Group also offers other types of leaves such as paid marriage leave.

Official working hours and rest periods are clearly stated in the Employee Handbook and are in accordance with local employment laws. For more details on the Group's working hours, please refer to the section headed "B4. Labour Standards".

Diversity, Equal Opportunities and Anti-discrimination

The Group understands that employment diversity can bring broader development opportunities to the Group. It is of the Group's firm belief that all employees should have the right to work in an environment free of discrimination, harassment, victimisation and vilification. Therefore, the Group is committed to creating and maintaining an inclusive and collaborative workplace culture. In addition, the Group states its zero-tolerance stance on any aforementioned behaviours in the workplace of any form.

B. SOCIAL (Continued)

B2. HEALTH AND SAFETY

The Group places a high priority on providing employees with a safe and healthy working environment. The Group has established an occupational health and safety (“OHS”) management system for its staff that is in accordance with the ISO 45001:2018. In order to protect employees from occupational hazards, arrangements and precautionary measures are detailed in the OHS Management Manual and OHS Policy Statement and are designed to eliminate or control the hazards to ensure high occupational safety and health standard is maintained in the course of operations.

In FY2023, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to, the Occupational Safety and Health Ordinance of Hong Kong, the Factories and Industrial Undertakings Ordinance of Hong Kong, the Employees Compensation Ordinance and the Building Ordinance of Hong Kong, the Law of the PRC on the Prevention and Treatment of Occupational Diseases, and the Fire Protection Law of the PRC. There were no reported cases of work-related fatalities in three consecutive years, including FY2023. In FY2023, 2 work injury cases occurred (FY2022: 6), causing 566 lost working days (FY2022: 526). All work-related injury cases arose from Construction Business, and the majority of them are machinery accidents. The Group ensured that all injured workers received appropriate treatment, the cause of the injuries was investigated, and additional training was provided to prevent similar injuries in the future. All mentioned cases have been handled with care in accordance with internal policies.

OHS Management

All employees in the construction sites must complete the mandatory basic safety training course for the construction industry under the Factories and Industrial Undertakings (Amendment) Ordinance 1999 and hold the relevant valid Labour Department recognised “Green Card”. Furthermore, they shall receive “site-specific induction training” within 2 working days of any such employee commencing work on the construction sites. Thereafter, the said employee shall be given refresher talks at intervals of 6 months depending on the number of changes to the site condition. An outline of the talk and its updates shall be provided to the supervising officer for approval.

To maintain a safe and healthy environment, a director is appointed to be the Chairman of the SHE Management Committee, who is mainly responsible for supporting, promoting, implementing, monitoring and reviewing the performance and objectives. Employees are also encouraged to raise their concerns or express their views on the OHS of the Group via the SHE Management Committee.

Further OHS measures have been implemented to reduce associated risks:

- Provide OHS training activities for all employees, such as Safety Night, Safety Sharing, Tool Box Talk and Green Card Training;
- Ensure the OHS Management System and OHS Policy Statement are complying with related laws and regulations and are being reviewed annually;
- Employee should wear appropriate personal protective equipment in the workplace;
- Employee cannot operate high-risk machines, vehicles and equipment without permission;
- Adopt non-polluting, safe and effective production processes to ensure the safety of employees and reduce occupational hazards in the production and construction process; and
- Undergo inspections from time to time to ensure that employees’ labour protection facilities are well-equipped and effective.

B. SOCIAL (Continued)

In the future, the Group will continue to work diligently and uphold its safety-first culture.

Measures Targeted COVID-19

In view of the COVID-19 epidemic, the Group has taken various measures to safeguard its employees and customers to ensure their health and safety. In FY2023, the Group complied with public health and safety measures implemented by the local governments to prevent the spread of the virus and strengthened sanitation at the Group's premises and construction sites. When the COVID-19 pandemic was serious, the Group adopted precautionary measures such as temperature screening before entering the premises and providing employees with sufficient epidemic prevention supplies, including face masks and hand sanitisers.

B3. DEVELOPMENT AND TRAINING

The Group holds a firm belief that the provision of training opportunities and continuous career development to its employees, which strengthens the professional capabilities and growth of the employees and retains high-calibre talent, provides a solid foundation for the Group's continuing success. At the same time, it also supports the sustainable growth of business and maintenance of the Group's competitive edge in the industry. For more details on the percentage of employees trained and average training hours completed per employee, please refers to the section headed "Summary of KPIs".

Training and continuous development are indispensable to the career development of the Group's employees. Various internal and external training programmes are provided by the Group, such as Wan Chung Academy and Learning Organisation Training. These training programmes provide a platform for employees to share their business insight, work, communication and presentation skills with other employees. Through active sharing and collaboration, not only do employees benefit from the experiences and skills shared, but a harmonious workplace can also be nurtured. In addition, orientation training is held for newcomers to understand the Group's policies, culture and business nature. Furthermore, with the aim to provide employees with training that allows them to thrive in their relative position, the Group has formed a systematic training mechanism and implemented relevant policies such as Employee Handbook, so as to offer suitable training to its employees focusing on related areas and skills necessary for being in position.

B4. LABOUR STANDARDS

Prevention of Child and Forced Labour

The recruitment of child labour is strictly prohibited. All employees recruited by the Group are above 18 years old. The human resources department is responsible for checking their identity documents and verifying the personal data submitted carefully during the recruitment process.

The Group has Employee Handbook in place to regulate the working hours and prevent any possible situations of forced labour. Human resources department will conduct staff counselling or interview in case of any forced labour case happens in the workplace.

In case child labour or forced labour is discovered as a result of a breach of the recruitment procedures and requirements, the Group will immediately stop the work of the child labour or forced labour and provide the necessary assistance for the affected individuals.

In FY2023, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group including, but not limited to, the Employment Ordinance of Hong Kong, the Provisions on the Prohibition of Using Child Labour of Hong Kong, and the Labour Law of the PRC.

B. SOCIAL (Continued)

B5. SUPPLY CHAIN MANAGEMENT

During the material procurement process, the Group first considers the specific requirement set out in the contracts by its customers. Therefore, procuring specific materials under a rigid procurement process policy may not be desirable.

For procurement of goods and services other than the aforementioned, the Group takes into account all suppliers' competence (including any required qualification of persons), track record, prevailing market price and delivery time. Procedures for the selection of supplier and sub-contractor, performance evaluation, re-evaluation and environmental and social risks assessment are documented in the Quality Management Service Manual and Operational Control Handbook and implemented by responsible personnel. Where possible, the Group strives not to over-rely on a particular supplier by maintaining more than one supplier for each type of goods or services provided in order to ensure the stability of the supply chain.

The Group is committed to integrating sustainability into its procurement practices to minimise its environmental and social impacts. The Group will prioritise suppliers who perform in line with its ESG standards in the procurement processes. In order to minimise the environmental impacts of its suppliers, the Group gives preferences to the materials and equipment based on the following principles:

- Buy locally produced materials;
- Choose durable products and materials;
- Choose products made from recycled materials;
- Avoid materials that will emit pollutants;
- Minimise packaging waste;
- Select high-efficiency equipment; and
- Select the equipment model with multiple settings to suit different power consumption levels.

In addition, the suppliers are required to conduct business responsibly and with integrity, honesty and transparency. The Group encourages its suppliers to provide their employees with a fair and equitable work environment that is free from any form of harassment or discrimination and pay due consideration to safety and minimises any health hazards or harm to employees. The Group also requires every supplier to comply with relevant labour laws and regulation such as legislation on working hours and minimum wage payments and ensures that effective anti-corruption policies are implemented.

The Group will conduct an appraisal on the approved list of suppliers and sub-contractors every three years or after the completion of their contract. For suppliers who failed to meet the requirements or believed to have a high likelihood of causing serious pollution and accidents, the Group will propose rectification opinions. For suppliers who have subsequently failed to or refuse to rectify the problem, or those that have already experienced environmental pollution and production safety accidents, the Group may reduce orders, suspense contracts, or replace the supplier based on the seriousness of incidents.

In FY2023, the Group had a total of 65 major suppliers, 54 of which were in Hong Kong, and the remaining 11 were in Mainland China. All of the 65 suppliers are subject to the practices relating to engaging suppliers.

B. SOCIAL (Continued)

B6. PRODUCT RESPONSIBILITY

In FY2023, the Group was not aware of any material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services provided that would have a significant impact on the Group including, but not limited to, the Personal Data (Privacy) Ordinance of Hong Kong, the Advertising Law of the PRC, and the Law of the PRC on Protection of Consumer Rights and Interests.

Building Safety and Quality Control

Building safety and quality control is particularly material to the Group's Construction Business. Wan Chung is certified by internationally recognised systems for quality, environmental, energy as well as health and safety management systems of ISO 9001:2015, ISO 14001:2015, ISO 50001:2018 and ISO 45001:2018.

In particular, the Quality Manual was established and developed in accordance with the standard and requirements of ISO 9001:2015 and the operation needs of the current business activities. The Quality Manual set out guidelines for each department's responsibilities towards ensuring quality service and details their general objectives, the role and duties of each employee and arrangements and procedures for quality monitoring and control, all with a view to enabling the Group to become a quality and customer-oriented corporate.

The management systems are regularly reviewed taking into account employees' and other stakeholders' feedback to ensure continuous improvement in safeguarding their health and safety. Workers and sub-contractors are duly notified of the management system and are required to follow such procedures.

Furthermore, appropriate training is provided to the relevant workers to assist them in performing their duties and responsibility competently. In doing so, the quality of construction projects can be guaranteed. Relevant guidelines are stated in the Quality Management System Manual that conforms with ISO 9001:2015. Training contents are regularly updated to be in line with the industrial standard and provide maximum benefit to the employees.

Moreover, in order to effectively identify and control the non-conformities generated in all stages of the projects and maintenance services, the Group has formulated the Quality Procedures, in which special personnel is responsible for the identification of non-conformities in the process of construction and its maintenance services. In the event of a non-conformity, corrective actions such as disposal of non-conforming materials and improvement measures will be taken, to prevent the recurrence of non-conformity and achieve continuous improvement of the integrated management system.

Due to the Group's business nature, the Group was not involved in the manufacturing and sale of consumer products, the recall procedure is not applicable to the Group and there were no products subject to any product recalls due to health and safety reasons.

Customer Services and Complaint Management

The quality of the products and services rendered and customer satisfaction go hand in hand. Feedback and complaints from the Group's customers are highly valued as it is of vital importance to the continuous development of the Group. The Group has established procedures on the communication method and frequency and handling of any feedback with its clients in the Quality Manual. Should the Group receive any complaints, the Group will strive to act in a timely manner to resolve the issue with effective corrective actions. In addition, complaints of significant impact received will be discussed and reviewed by the management during regular meetings to prevent re-occurrence. During FY2023, the Group did not receive any material product or service-related complaints.

B. SOCIAL (Continued)

Customer Data Privacy Protection

The Group endeavours to protect the legitimate rights and interests of its customers. Unauthorised access and dissemination of customers' sensitive information is strictly prohibited unless employees are under the legal obligation to do so. Only authorised personnel are permitted to access the clients' information database and they are entitled to access the information on a need-to-know basis. Guidelines on the control, verification, storage and protection of all customer property which included intellectual property and personal data have been stated in the Code of Conduct. Furthermore, the Group requires employees to comply with applicable legal requirements relating to the collection, processing, disclosure and use of personal data, and to respect confidential information received during the course of business. If any violation has been discovered, the Group will take follow-up action immediately in accordance with internal policies.

Intellectual Property Rights

The Group is committed to a high level of legal and ethical standards in conducting the Group's business and acknowledges the importance of protecting intellectual property rights. The Group has implemented the Intellectual Property Policy, requiring the Group's employees, sub-contractors and suppliers to comply with relevant laws, regulations and other international conventions in relation to intellectual property rights.

Advertising and Labelling

Due to the Group's business nature, matters in relation to advertising and labelling are considered to be insignificant to its business. However, the Group strictly reviews the products and services it provides, as well as related sales, marketing and advertising materials, to ensure their compliance with applicable laws and regulations.

B7. ANTI-CORRUPTION

In FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group including, but not limited to, the Prevention of Bribery Ordinance of Hong Kong, the Company Law of the PRC, and the Interim Provisions on Banning Commercial Bribery of the PRC. In FY2023, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Anti-corruption

To promote the culture of accountability and integrity within the Group, bribery, fraud and corruption in any form or in relation to any parties are all strictly prohibited. The Group's directors and employees have received anti-corruption training in the form of reading materials at least once. The Group's Code of Conduct and the Employee Handbook includes guidelines for anti-bribery to enhance employees' understanding of integrity behaviours in the workplace. The Group provides the Code of Conduct and the Employee Handbook with guidelines for anti-bribery for every new employee. All directors and employees are prohibited from accepting any benefits from other bodies except promotional gifts, or souvenirs with a predefined maximum value limit. The Group recognises that refusing gifts or money may cause disrespect, and therefore under special circumstances, the employee may accept the courtesies and reports to the Group and consults their supervisors for a suitable handling method. However, should the acceptance of such gifts or money may compromise the integrity and objectivity of the employee or may cause the employee to commit any actions that may jeopardise the Group's interest, the employee should refuse such gifts or money. Failure to do so might lead to disciplinary action, including termination of appointment.

In order to maintain a corporate culture of integrity, the Group's directors and employees have attended 11.5 hours and 25 hours of anti-corruption training respectively in FY2023. Such training could enrich their professional skills and knowledge in their respective roles and responsibilities regarding anti-corruption and business ethics.

B. SOCIAL (Continued)

Whistle-blowing Mechanism

The Group has established a comprehensive Whistle-blowing Policy Manual, which fosters and maintains a safe environment where employees feel comfortable and secure voice their concerns. Under the said manual, the Group details well-defined and accessible channels for reporting fraud, corruption, dishonest practice or other similar matter, and how the investigative process will take place upon receiving a complaint. The actions to be taken by the Group after investigations include disciplinary action, termination of employment and preventive action. Cases of suspected corruption or other criminal offences will be reported to Independent Commission Against Corruption or other relevant regulators or authorities. Once the matter is referred to the regulators or authorities, the Group will not be able to take further action on the matter.

The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

The audit committee of the Company (the "Audit Committee") is responsible for monitoring and regularly reviewing the said manual. Any subsequent amendment of this policy shall be reviewed by the Audit Committee and approved by the Board.

B8. COMMUNITY INVESTMENT

The Group is committed to driving positive change in the communities where it operates and fostering a sense of social responsibility within the Group's structure. Therefore, the Group has established the Corporate Social Responsibility Statement to show support for the community and focuses on contributing to the disadvantaged groups in society. The Group actively encourages its employees to participate in a diverse range of community service and voluntary events by providing paid time off and subsidies to employees. The Group has also allocated its community engagement on different fronts with the goal of building an inclusive society.

During FY2023, the Group has contributed approximately HK\$32,000 and approximately 125 hours of community services to the following organisations:

Organisation	Name of community activity
International Social Service Hong Kong Branch	Dragon Boat Festival Gift Bag Donation
The Hong Kong Association for the Spastic Children ("SAHK") East Kowloon Parents' Resource Centre	Trip to Mui Wo
SAHK	Charity Concert Ticket Donation
SAHK Erik Kvan Workshop	Christmas Gathering at Erik
E.F.C.C. Jachin Church	Historical Theatre Ticket Donation
YMCA	Construction Industry Lu Ban Meal Action 2023
New Home Association	COVID-19 Antigen Rapid Test Kit Donation
Hong Kong Children & Youth Services	E-Coupon Donation
YMCA	Elderly Home Visit

In addition, Wan Chung was awarded with 10 Years Plus Caring Company Logo in FY2023 for its commitment in caring for the community, the employees and the environment over the past years.

The Group will continue to make its contribution to the disadvantaged in the coming future, including the homeless, low-income families, and adults with special needs.

SUMMARY OF KPIS

PART A. ENVIRONMENTAL

Indicator	Unit	FY2023			FY2022			
		Construction Business	Trading Business	Total	Construction Business	Trading Business	Total	
Emissions								
Emissions ¹	NOx	kg	10.29	1.73	12.02	9.87	1.89	11.76
	SOx	kg	0.26	0.03	0.29	0.25	0.03	0.28
	PM	kg	0.76	0.13	0.89	0.73	0.14	0.87
GHG Emissions ²	Total	tCO ₂ e ²	386.21	9.87	396.08	230.43	8.13	238.56
	Scope 1	tCO ₂ e	202.75	5.70	208.45	45.24	5.71	50.95
	Scope 2	tCO ₂ e	152.39	3.75	156.14	163.11	2.25	165.36
	Scope 3	tCO ₂ e	31.07	0.42	31.49	22.08	0.17	22.25
	Intensity ³	tCO ₂ e/million revenue (HK\$) ³	0.74	0.0062	0.19	0.37	0.0027	0.07
Hazardous Waste	Total	kg	102.70	3.00	105.70	188.42	2.00	190.42
	Intensity	kg/million revenue (HK\$)	0.20	0.00188	0.050	0.30	0.00066	0.052
Non-hazardous Waste	Total	Tonnes	3,169.10	0.13	3,169.23	5,146.70	0.17	5,146.87
	Intensity	Tonnes/million revenue (HK\$)	6.04	0.000081	1.49	8.25	0.000056	1.41
Use of Resources								
Energy Consumption ⁴	Total	MWh	402.02	26.94	428.96	419.81	24.61	444.42
	Direct	MWh	170.54	20.89	191.43	164.83	20.79	185.62
	Indirect	MWh	231.48	6.05	237.53	254.98	3.82	258.80
	Intensity	MWh/million revenue (HK\$)	0.77	0.0168	0.202	0.67	0.0082	0.122
Water Consumption	Total	m ³	364.80	820.00	1,184.80	165.98	—	165.98
	Intensity	m ³ /million revenue (HK\$)	0.69	0.51	0.56	0.27	—	0.05

SUMMARY OF KPIs (Continued)

Notes:

1. The calculation method of air emissions and the related emission factors were based on, including but not limited to “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.
2. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, the “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5), the “2022 Sustainability Report” published by the CLP Holdings Limited, the “Sustainability Report 2022” published by HK Electric Investments and HK Electric Investments Limited, “Notice on Carrying out Work in Reporting and Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025” issued by the Ministry of Ecological Environment of the PRC, “Annual Report 2020/21” issued by the Water Supplies Department, and “Sustainability Report 2021-22” issued by the Drainage Services Department.
3. For FY2023, the Group recorded a revenue of approximately HK\$525 million (FY2022: approximately HK\$624 million) for Construction Business, and HK\$1,600 million (FY2022: approximately HK\$3,019 million) for Trading Business. Within the reporting scope, the Group recorded a total revenue of HK\$2,125 million (FY2022: approximately HK\$3,643 million). These figures are also used for calculating other intensity data.
4. The calculation of unit conversion refers to the “Energy Statistics Manual” issued by the International Energy Agency.

SUMMARY OF KPIs (Continued)

PART B. SOCIAL

Indicator	FY2023			FY2022		
	Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Employment						
Total number of employees at the end of the reporting year	181	13	194	183	9	192
By gender						
Male	134	8	142	135	5	140
Female	47	5	52	48	4	52
By age group						
Under 30	25	2	27	21	1	22
30 to 50	83	9	92	95	6	101
Over 50	73	2	75	67	2	69
By geographical region						
Hong Kong	181	2	183	183	—	183
Mainland China	—	11	11	—	9	9
By employment type						
Permanent	179	13	192	180	8	188
Part-time	2	—	2	3	1	4
By employment category						
Senior Management	11	3	14	10	4	14
Middle Management	48	4	52	48	1	49
General Employees	122	6	128	125	4	129
Employee Turnover⁵						
Total turnover rate of employees	26.37%	9.09%	25.39%	40.21%	11.11%	38.92%
By gender						
Male	30.48%	—	29.08%	39.58%	20.00%	38.93%
Female	14.74%	22.22%	15.38%	42.00%	—	38.89%
By age group						
Under 30	43.48%	—	40.82%	116.36%	—	112.28%
30 to 50	29.21%	13.33%	27.98%	19.79%	—	18.54%
Over 50	17.14%	—	16.67%	38.30%	66.67%	38.89%
By geographical region						
Hong Kong	26.37%	—	26.23%	40.21%	—	40.10%
Mainland China	Not applicable	10.00%	10.00%	—	11.76%	11.76%

SUMMARY OF KPIs (Continued)

Indicator	FY2023			FY2022		
	Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Health and Safety Indicators						
Number and rate of work-related fatalities ⁶	—, 0%	—, 0%	—, 0%	—, 0%	—, 0%	—, 0%
Number of work-related Injuries	2	—	2	6	—	6
Number of lost days due to work injury	566	—	566	526	—	526
Development and Training Indicators						
Total number of hours of internal training received by employees	725.50	8.00	733.50	721.40	17.00	738.40
Total number of employees trained	113	2	115	86	5	91
Total percentage of employees trained	62.43%	15.38%	59.28%	46.99%	55.56%	47.40%
Percentage of employees trained by gender⁷						
Male	72.57%	100.00%	73.04%	75.58%	60.00%	74.73%
Female	27.43%	—	26.96%	24.42%	40.00%	25.27%
Percentage of employees trained by employee category⁷						
Senior Management	7.97%	50.00%	8.70%	10.46%	40.00%	12.08%
Middle Management	38.05%	50.00%	38.26%	24.42%	—	23.08%
General Employees	53.98%	—	53.04%	65.12%	60.00%	64.84%
Average hours of training per employee by gender⁸						
Male	4.38	1.00	4.19	4.11	2.20	4.04
Female	2.95	—	2.66	3.47	1.50	3.31
Average hours of training per employee by employment category⁸						
Senior Management	8.77	1.00	7.11	9.87	2.00	7.62
Middle Management	6.72	1.25	6.30	5.46	—	5.35
General Employees	2.51	—	2.39	2.89	2.25	2.87

SUMMARY OF KPIs (Continued)

Indicator	FY2023			FY2022		
	Construction Business	Trading Business	Total	Construction Business	Trading Business	Total
Supply Chain Management Indicators						
Number of suppliers by geographical region						
Hong Kong	54	—	54	81	—	81
Mainland China	—	11	11	—	12	12
Product Responsibility Indicators						
Total number of products subject to recalls for safety and health reason	—	—	—	—	—	—
Total number of complaints received	—	—	—	—	—	—
Anti-corruption Indicators						
Number of concluded legal cases	—	—	—	—	—	—
Community Investment Indicators						
Charitable donation amount	HK\$32,000	—	HK\$32,000	HK\$40,000	—	HK\$40,000
Hours volunteered	125.00	—	125.00	12.50	—	12.50

Notes:

- Employment turnover = (Total number of employees leaving employment during the financial year (by category) ÷ Average of the number of employees at the beginning and the end of the financial year (by category)) × 100%.
- No work-related fatalities occurred between 1 April 2020 and 31 March 2023.
- Percentage of employees trained by category = (Total number of employees trained during the financial year by category ÷ Total number of employees trained during the financial year) × 100%.
- Average hours of training per employee by category = Total training hours completed during the financial year by category ÷ Total number of employees at the end of the financial year by category.

ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Sections
Governance Structure	Governance Structure
Reporting Principles	Reporting Framework
Reporting Boundary	Reporting Scope

Subject Areas, Aspects, General Disclosures and KPIs		
Disclosures and KPIs	Descriptions	Sections/Declarations
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.	A. Environmental — A1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	A. Environmental — A1. Emissions — Air Emissions; Summary of KPIs — Part A. Environmental
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).	A. Environmental — A1. Emissions — GHG Emissions; Summary of KPIs — Part A. Environmental
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A. Environmental — A1. Emissions — Waste Management; Summary of KPIs — Part A. Environmental
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A. Environmental — A1. Emissions — Waste Management; Summary of KPIs — Part A. Environmental
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	A. Environmental — A1. Emissions — Air Emissions; A. Environmental — A1. Emissions — GHG Emissions
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.	A. Environmental — A1. Emissions — Waste Management

ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A. Environmental — A2. Use of Resources
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).	A. Environmental — A2. Use of Resources — Energy Efficiency; Summary of KPIs — Part A. Environmental
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A. Environmental — A2. Use of Resources — Water Consumption; Summary of KPIs — Part A. Environmental
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A. Environmental — A2. Use of Resources — Energy Efficiency
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.	A. Environmental — A2. Use of Resources — Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	A. Environmental — A2. Use of Resources — Use of Packaging Material (Not applicable and explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	A. Environmental — A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A. Environmental — A3. The Environment and Natural Resources — Air Pollution Control; A. Environmental — A3. The Environment and Natural Resources — Noise Control; A. Environmental — A3. The Environment and Natural Resources — Vibration Control

ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
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.	A. Environmental — A4. Climate Change
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.	A. Environmental — A4. Climate Change — Physical Risks; A. Environmental — A4. Climate Change — Transition Risks
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.	B. Social — B1. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Summary of KPIs — Part B. Social
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Summary of KPIs — Part 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.	B. Social — B2. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Summary of KPIs — Part B. Social
KPI B2.2	Lost days due to work injury.	Summary of KPIs — Part B. Social
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B. Social — B2. Health and Safety — OHS Management; B. Social — B2. Health and Safety — Measures Targeted COVID-19

ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B. Social — B3. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Summary of KPIs — Part B. Social
KPI B3.2	The average training hours completed per employee by gender and employee category.	Summary of KPIs — Part B. Social
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.	B. Social — B4. Labour Standards — Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B. Social — B4. Labour Standards — Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B. Social — B4. Labour Standards — Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B. Social — B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Summary of KPIs — Part B. Social
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.	B. Social — B5. Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B. Social — B5. Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B. Social — B5. Supply Chain Management

ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
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.	B. Social — B6. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B. Social — B6. Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B. Social — B6. Product Responsibility — Customer Services and Complaint Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B. Social — B6. Product Responsibility — Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	B. Social — B6. Product Responsibility — Building Safety and Quality Control
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B. Social — B6. Product Responsibility — Customer Data Privacy Protection
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.	B. Social — B7. Anti-corruption
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.	Summary of KPIs — Part B. Social
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	B. Social — B7. Anti-corruption — Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B. Social — B7. Anti-corruption — Anti-corruption

ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (Continued)

Subject Areas, Aspects, General Disclosures and KPIs	Descriptions	Sections/Declarations
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.	B. Social — B8. Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B. Social — B8. Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Summary of KPIs — Part B. Social