



御佳控股有限公司

Royal Deluxe Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3789

Environmental,
Social and
Governance Report
2024





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ABOUT ROYAL DELUXE

Royal Deluxe Holdings Limited (Stock code: 3789) (the “**Company**”). The Company together with its subsidiaries, hereinafter referred to as the “**Group**”, “**Royal Deluxe**” or we or us) is delighted to publish the eight Environmental, Social and Governance Report (the “**Report**”) to summarise the Group’s policies, measures, and performance on the key environmental, social and governance (“**ESG**”) issues.

CORPORATE PROFILE

The Group is an industry-leading sub-contractor of formwork erection as well as related ancillary services in Hong Kong. The Group started its formwork business in 1994, and its core expertise lies in traditional timber formwork, metallic (usually steel and aluminium) formworks as well as engineered formwork systems for every type of construction project.

In recent years, the Group has developed several technological innovations, most notably patenting the Smart Formwork Aluminium Tableform System (the “**Ming Tai Tableform**”), which was subsequently approved as an Advanced Technological Solution by the Construction Innovation and Technology Fund in 2019. Other patents approved include flexible support formwork, enhanced support formwork and aluminium-wood connector. These new technologies are applied to the Group’s major formwork-building projects.

The major subsidiaries of the Group have been registered as Group 2 Registered Specialist Trade Contractors (the “**RSTCs**”) under various categories including: “S02-Concreting Formwork” and “S05-Erection of Concrete Precast Component” and “S07-Scaffolding”.

For further details on the Group’s business and financial performance, please refer to our Annual Report 2024.



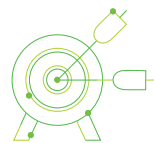
Corporate Value

Safety, Integrity, Excellence,
Innovation Vision



Vision

Utilising innovation and
technology to become one of the
safest, most environmentally
conscious and influential
formwork services providers in
Hong Kong



Mission

Provide comprehensive and
one-stop professional formwork
services and engineering solutions

Maximise customer value while
sustaining a safer, more
environmentally friendly and
cost-effective construction
environment

Establish long-term relationships
with customers, employees, and
suppliers

ABOUT THIS REPORT

Welcome to the Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) of Royal Deluxe Holdings Limited (the “**Company**”) for the year ended 31 March 2024 (the “**Financial Year 2024**”).

REPORTING SCOPE

The scope of the Report focuses on the ESG performance and sustainable development of Royal Deluxe. Its core businesses include the provision of formwork erection and ancillary services for the construction of reinforced concrete structures in large-scale building construction and civil engineering projects in Hong Kong. The scope of the Report mainly focuses on the offices in Hong Kong, as well as one warehouse for the storage of documents. Hence it has changed from the previous reporting period.

REPORTING PERIOD

Unless otherwise specified, this Report presents an overview of the Group’s ESG performance during the period of 1 April 2023 to 31 March 2024 (the “**Reporting Period**”).

REPORTING FRAMEWORK

The preparation of this Report complies with the requirements of the ESG Reporting Guide (the “**Reporting Guide**”) contained in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Commencing from this Reporting Period, the Group has also started to prepare its ESG disclosures with reference to the Global Reporting Initiative Sustainability Reporting Standards (the “**GRI Standards**”) issued by the Global Sustainability Standards Board. Disclosures on topics that were deemed material by the Group were made based on the requirements of this framework. Moreover, the contents in relation to climate change were prepared with reference to the disclosure framework of the Task Force on Climate-related Financial Disclosures (the “**TCFD**”).

REPORTING PRINCIPLES

The Report has been prepared in accordance with Appendix C2 of the Listing Rules, with the application of the four reporting principles of “**Materiality**”, “**Quantitative**”, “**Balance**” and “**Consistency**”.

Materiality

The structure of the Report is based on the stakeholder-assessed materiality of each of the Group’s environmental and social issues. Following the findings of an ESG-focused stakeholder engagement exercise and a materiality assessment, this Report is structured by six sections, each covering relevant material topics related to the following four aspects: “**Value Chain**”, “**Business**”, “**Environment**”, and “**People**”. For more information, please refer to the subsections “**Stakeholder Engagement**” and “**Materiality Assessment**” of this Report.

Quantitative

The Report discloses relevant Key Performance Indicators (“KPIs”) and quantitative information related to the offices as well as a warehouse for the storage of documents in Hong Kong. Such information is accompanied by a relevant description where appropriate.

Balance

The Report provides an unbiased overview of the Group’s policies, performance, and areas of improvement.

Consistency

The Report adopts methodologies that are consistent with previous years, which allows for meaningful comparisons of ESG data over time. Additional KPIs are added this year to ensure relevance to our business strategy. For further details of the quantification methodology, please refer to the “**Sustainable Development For Building Towards a Greener Future**” section.

REPORTING APPROACH

The Group has developed its ESG Policies since 2017 and which made the Group has a solid foundation for our overall ESG approach to date, but even so the Group is committed to continuously improving information and data collection systems and presenting the Group’s ESG performance in a transparent manner. All information published in the Report is compiled based on existing policies, practices, and official documents or reports. The Report is also endorsed and approved by the Board of Directors (the “**Board**”), who is responsible for strategising and managing ESG matters of the Group. Please refer to the Corporate Governance Report under pages 23 to 38 in the Annual Report 2024.

Data Sources and reliability

The information contained in this Report are obtained mainly from our statistical information and other relevant documents. Environmental KPIs relating to GHG emissions are to be assured by a third-party assurance services provider. The relevant assurance report will be provided upon completion of the assurance process. For financial information, please refer to the Annual Report 2024 issued by the Group. All monetary amounts mentioned in this Report are denominated in Hong Kong Dollars (HKD) unless otherwise specified. The Report is prepared and published in both Chinese and English at the Stock Exchange’s website (www.hkexnews.hk) and the Company’s website (www.royal-deluxe.com). In the event of contradiction or inconsistency between the Chinese version and the English version, the English version shall prevail.

REPORT AVAILABILITY AND FEEDBACK

Opinions and Feedback

We continuously strive to refine our sustainability practices, performances, and disclosures. You are welcome to provide advice and suggestions on this Report. Please contact us as follows:

Address: Unit A, 22/F, T G Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong
Email: ESG@royal-deluxe.com

Head Office and Principal Place of Business

Unit A, 22/F, T G Place, 10 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong

Access to the Report

You can download the electronic version of this Report from the official website of Royal Deluxe Holdings Limited (<http://www.royal-deluxe.com/en/esg.aspx>) or scan the QR code for the mobile version.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

On behalf of the Board of Royal Deluxe, I am pleased to present the fourth standalone annual ESG Report, which covers our sustainability initiatives and performance for the Financial Year ended 31 March 2024.

We recognise that sustainability is increasingly important for our business as construction industry in Hong Kong today faces challenging issues, including but not limited to climate change, shortage of human and natural resources. As one of the leading formwork subcontractors in Hong Kong, there is a growing expectation for the Group to take the initiative in promoting sustainability throughout its operation.

Promoting responsible business operations

We believe that responsible business operations are an essential foundation for the sustainable development of the Group. We are dedicated to creating a comprehensive sustainability governance system, establishing a clear ESG governance structure with distinct committees and defined responsibilities, and taking the lead in making commitments towards climate action.

Building towards a greener future

We recognise that climate change is also one of the Group's challenges. We are committed to improving our management of value chain sustainability, monitoring the climate risks and opportunities and continuously enhancing our disclosure of climate related issues.

Cooperation

Customers are important stakeholders of the Group. Throughout the process of engineer design and construction planning, driven by the commitment to adopting sustainable materials and providing excellent quality and service, we make unremitting efforts to developing effective solutions that keep pace with the customers' demand for quality, green, health and safety.

On the other hand, our "Supplier Code of Conduct" and integrity policies, set out our standards on labour rights, health and safety, environmental responsibility, and sustainable practices in an effort to create a mutualism platform for building an environmentally friendly, healthy, safe and efficient supply chain.

Sustainable Construction

We continuously put efforts in developing innovative technology regarding safety enhancement, environmental protection, quality and efficient construction processes to create favourable conditions for our sustainable growth. Through our spending in research and development, we instill new strength into enhancing our competitive edge and empowering sustainable development.

We regard employees as the key value to sustain our business success. We focus on recruitment and staff development, continue to improve the performance management system to increase the breadth of performance evaluation to encourage employees to achieve higher performance and retained.

Fulfilling Social Responsibility

Through a variety of public welfare activities, including the Collaborative Training Scheme and dental healthcare. We continuously contribute to the community and charitable institutions through donations, community services and advocacy for social responsibility. During the financial year, we donated a total of approximately HK\$227,000 in cash to different charities and provided subsidies to a newly established dental centre in Kwun Tong, which offers dental services at discounted prices to our employees and their families as well as practitioners in the construction industry. We also actively participated in volunteer services, with an accumulated service time of over 71 hours.

Building on our performance over the previous years, we have received a number of awards and gained local recognition, particularly in the areas of ESG and health and safety. The CarbonCare ESG Label Level 2 Achievement and the CarbonCare Star Label, which were given in recognition of our ESG and sustainability efforts, have been the most notable of these successes. These accomplishments are a testimony of the Group's tireless efforts to enhance its own operations and to build a better and more sustainable future for all in Hong Kong.

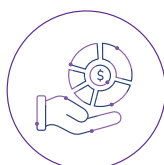
As we continue our sustainability journey, we will progressively add performance indicators and targets regarding the material impacts of our business, providing insights into our progress in fulfilling our sustainability responsibility. We will continue to strengthen our engagement with key stakeholders and improve our sustainability efforts and practices, to forge a long-term sustainable business.

Chao Lai Heng
Chief Executive Officer

26 July 2024

2024 HIGHLIGHTS

FINANCIAL PERFORMANCE



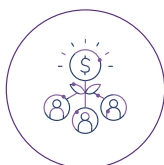
Revenue

Increased by 11.6% to
HKD **783.6** million



Gross profit margin

Decreased by 0.8% points to
8.5%



Profit attributable to equity shareholders

Decreased by 54.4% to
HKD **9.8** million



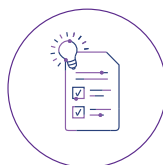
Basic earnings per share

Decreased by 54.5 %
HKD **0.81** cents



Total outstanding value of projects on hand

Increased by 127.7%
HKD **1,014.1** million



8 New projects awarded

OPERATIONAL PERFORMANCE



2024 GFA
298,948.16m²



2023 GFA
193,198.67m²

AWARDS AND RECOGNITIONS

Our ESG Report



CarbonCare InnoLab – CarbonCare®
ESG Label Certificate 2023 Level 2



CarbonCare InnoLab – CarbonCare®
Star Label 2023

Our Recognitions



CR Construction Company Limited – Silver Award – Best
Safety Performance Contractor 2023

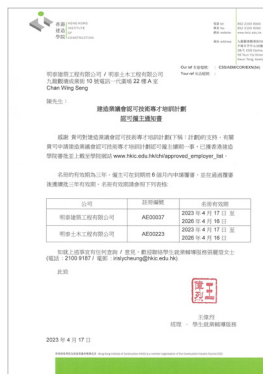


BUCG-CCCL Joint Venture Best Contractor Team
Performance Award 2023 – Silver Award

Caring Organisation



Caring Organisations



Construction Industry Council
Approved Technical Talents Training
Programmes Approved Employers
2023-2026



Hong Kong Institute of Construction
– Member of Course Advisory Panel
on Construction Scaffolding Works



STRENGTHENING OUR LANDSCAPES: PROMOTING RESPONSIBLE BUSINESS OPERATION



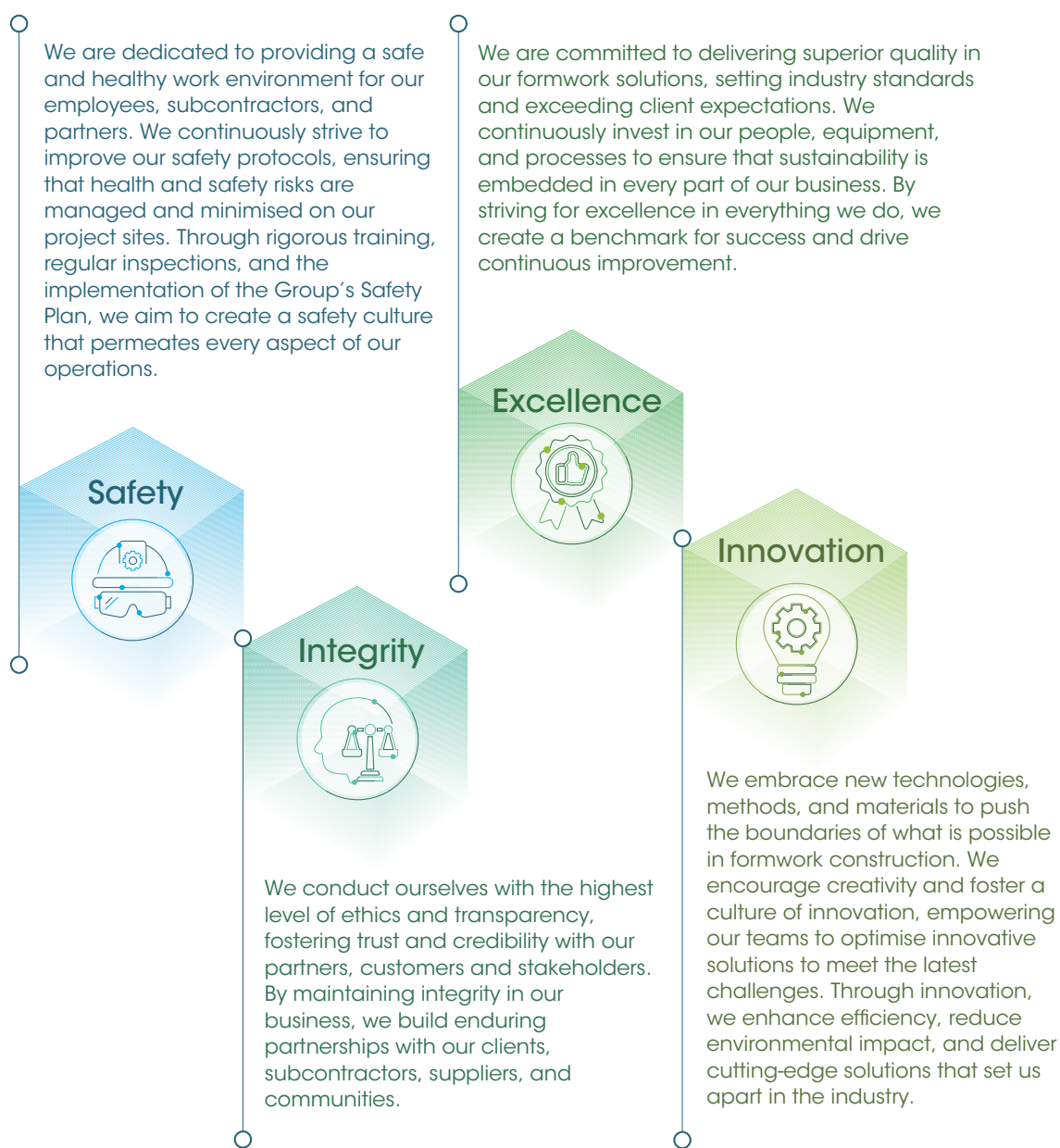
As a leading formwork services provider in the construction industry, we recognise the importance of a sustainability governance framework that promotes responsible business practices and strengthens the landscapes we operate within. Our robust sustainability governance ensures environmental and social responsibilities and ethical governance are ingrained throughout Royal Deluxe's management and operation.

SUSTAINABLE DEVELOPMENT

At Royal Deluxe, sustainability lies at the heart of our business. We have formulated a Sustainability Policy which outlines our commitment to incorporating sustainable practices into every aspect of our operations, emphasising the importance of long-term success and growth. This dedication is reflected in our adherence to ethical business standards, active engagement with suppliers and subcontractors, prioritisation of occupational health and safety, focus on employee development, and emphasis on sustainable construction.

Vision for Sustainable Development

Our sustainability vision is built upon our corporate values of safety, integrity, excellence, and innovation. We believe that by embracing these principles, we can create a sustainable future while delivering exceptional value to our clients and stakeholders. Our overarching goal is to minimise our environmental footprint, contribute to a greener and more resilient future, as well as enhance the well-being of the communities we serve.



Supporting the SDGs of the United Nations

The United Nations (“UN”) Sustainable Development Goals (“SDGs”) were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. In an effort to demonstrate its support and commitment to global cooperation in addressing worldwide challenges, the Group has aligned its sustainability strategy with the SDGs.

Although we support all 17 SDGs, the Group has identified 11 SDGs, where it can deliver the greatest impact and therefore prioritised to focus our efforts on these areas. Moving forward, the Group shall consider integrating specific SDGs targets into its operations and reviewing their applicability to the Group on a regular basis.

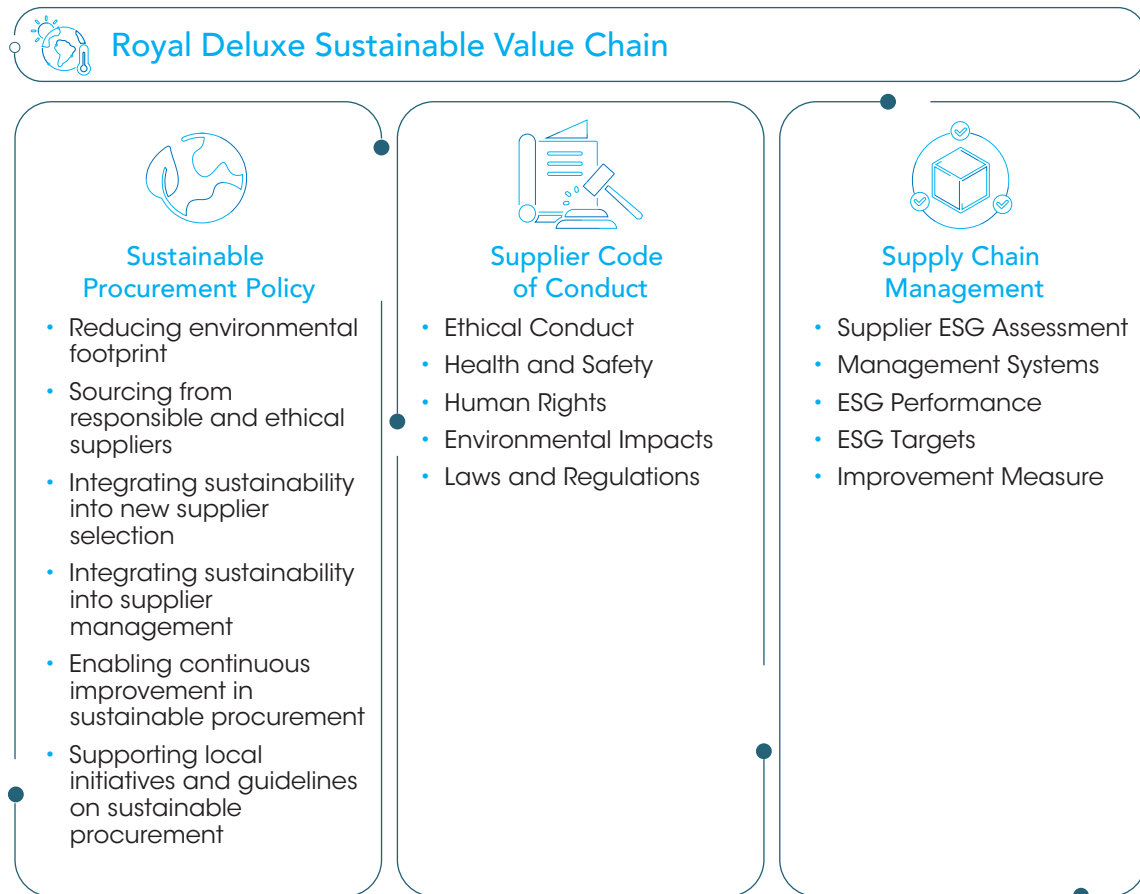
SDGs	Royal Deluxe’s Sustainability Approach	Relevant Chapters
 <p>3 GOOD HEALTH AND WELL-BEING</p>	The health and safety of its employees is always at the heart of the Group’s operation. As a formwork company in the construction industry, our policies have been designed and implemented to ensure that our people, and the communities that we serve, are protected as we strive to achieve our sustainability goals.	Diversity and Inclusion – Empowering our People
 <p>4 QUALITY EDUCATION</p>	We strongly believe in the promotion of inclusive and equitable education and training as a way of strengthening both our workforce and the community at large. The Group provides exciting opportunities for the next generation to nurture their talents, while our training programmes develop their professional skillsets to achieve personal growth.	Diversity and Inclusion – Empowering our People
 <p>5 GENDER EQUALITY</p>	The Group continues to adopt employee equality measures to create a culture of inclusion and diversity and promote equality at all levels of its workforce. All job seekers and employees enjoy equal opportunities for employment, training and career development without discrimination. The Group will continue to promote gender equality and ensure its employees receive the support they need.	Strengthening our Landscapes: Promoting Responsible Business Operation; Diversity and Inclusion – Empowering our People
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	The Group has a commitment to achieving inclusive and sustainable economic growth. We seek to push the boundaries of what is possible in our industry for the benefit of society at large while providing decent and productive employment opportunities.	Innovation for Sustainable Construction; Diversity and Inclusion – Empowering our People
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Innovation has long been a staple of how we work at Royal Deluxe. In the era of Industry 4.0, utilising the latest construction technologies enables the Group’s list of patents to be ever-expanding. It shows our devotion to promoting state-of-the-art technologies, with the ultimate goal of providing sustainable and resilient infrastructure to Hong Kong.	Innovation for Sustainable Construction

SDGs	Royal Deluxe's Sustainability Approach	Relevant Chapters
	<p>Equal opportunities and equal treatment are central to the philosophy of the Group. Through our internal policies and community programmes and schemes, we seek to create a harmonious ecosystem not only within the company, but also in the communities we serve.</p>	<p>Diversity and Inclusion – Empowering our People; Building a Better Community</p>
	<p>The Group's mission is to promote sustainable cities through its sustainable construction practices, as well as delivering sustainable buildings and infrastructure. Recognising the unique ecosystem of Hong Kong, Royal Deluxe embraces the challenges it presents by sourcing sustainable resources and offering innovative solutions. We are committed to implementing ground-breaking practices to minimise our ecological footprint.</p>	<p>Sustainable Development for Building Towards a Greener Future; Innovation for Sustainable Construction</p>
	<p>The construction industry requires the consumption of a vast quantity of resources which, if left unchecked, can lead to the generation of construction waste. The Group has maintained a long-term approach to sustainable consumption underpinned by its green procurement strategies, and commitment to reusing construction materials.</p>	<p>Sustainable Development for Building Towards a Greener Future; Cooperation for Win-Win Results</p>
	<p>The ongoing climate change crisis is an immediate threat to all, impacting the livelihoods of every society on the planet. In an effort to mitigate and prevent this threat, we are committed to measuring, reporting and reducing our carbon emissions, being a leader in our community and industry, and adhering to local and global environmental expectations and standards. This is reflected in our commitment to reporting climate-related disclosures using the TCFD's recommended framework and managing the Group's climate-related risks and opportunities.</p>	<p>Sustainable Development for Building Towards a Greener Future</p>
	<p>A robust governance framework is fundamental to ensuring the Group's standards and policies are adhered to, as well as the highest standards of ethics and integrity are applied across the Group. By doing so, we promote inclusive institutions, human rights and justice within our Group and across society.</p>	<p>Strengthening our Landscapes: Promoting Responsible Business Operation; Diversity and Inclusion – Empowering our People</p>
	<p>We work closely with clients, suppliers, subcontractors and other stakeholders to forge collaboration and partnerships within the construction industry and beyond to develop innovative and sustainable formwork solutions, advance construction technology and reduce environmental impacts along the value chain.</p>	<p>Strengthening our Landscapes: Promoting Responsible Business Operation; Cooperation for Win-Win Results; Building a Better Community</p>

VALUE CHAIN

Serving with reliability, delivering with innovation

In the era of smart cities, the internet of things and artificial intelligence, innovation plays a crucial role in the construction industry as well as Royal Deluxe's strategic vision for sustainability. By embracing innovations in our formwork solutions and optimising the latest technologies, Royal Deluxe seeks to continuously enhance project efficiency, empower employees' safety, improve manpower planning and achieve sustainable development along its value chain. Furthermore, we are devoted to cementing good corporate governance and business ethics at every level of the Group's value chain. This approach in technological innovation, supply chain management and product quality management has ensured the Group maintains an excellent reputation and develops strong strategic relationships with its suppliers and subcontractors, facilitating the delivery of safe, reliable and top-notch quality products to its customers.



SUSTAINABILITY GOVERNANCE

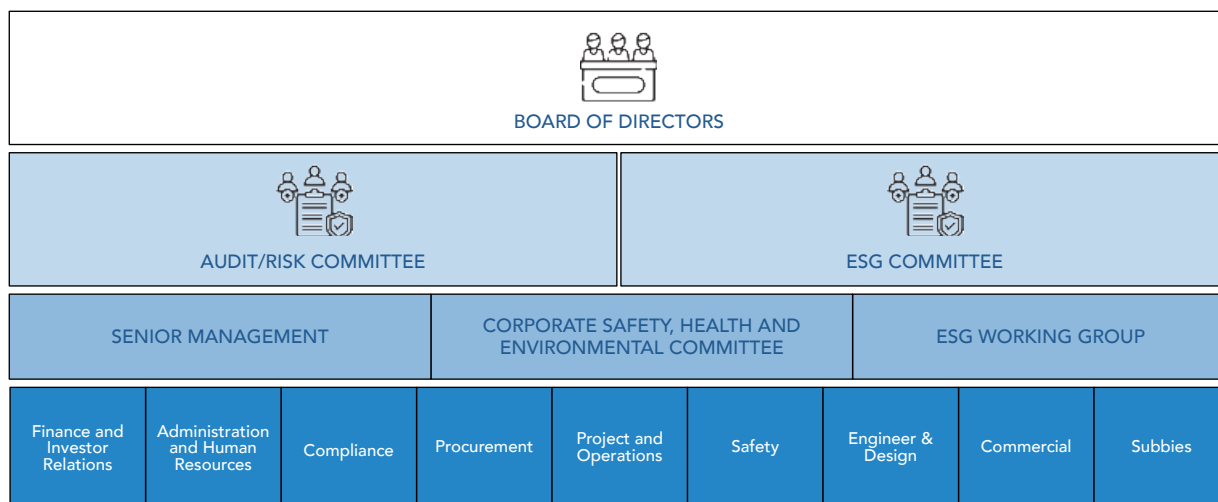
At Royal Deluxe, we believe that a sound governance framework is essential for upholding accountability, promoting transparency, and enhancing efficiency. We understand that sustainability begins at the highest level of decision-making, therefore the Board is responsible for setting the overall strategic sustainability, while continuously evaluating and adapting our strategy to drive our sustainability progress. It also establishes and monitors ESG-related targets and objectives, and supervises executive management, ensuring that the highest standards of integrity and ethics are upheld and sustainability is embedded throughout the Group's operations, thus enabling us to create lasting value for our stakeholders.

Under the Board, the ESG Committee (the "**ESG Committee**") was established on 31 March 2020. It comprises two Executive Directors ("**ED**") and three Independent Non-executive Directors ("**INED**") and is chaired by Mr. Kwong Ping Man, one of the INEDs, by the appointment of the Board. In addition, all Board members are involved with the ESG Committee, which provides oversight on matters relating to ESG to the Board. It meets at least once per annum to discuss ESG matters. Its responsibilities include:

- Steering the Group's sustainability vision and goals;
- Formulating the Group's sustainability strategies and plans;
- Reviewing ESG policies and practices, and monitoring the Group's climate and other ESG-related risks; and
- Monitoring ESG-related performances of the Group.

The ESG Committee is supported by the ESG Working Group (the "**ESGWG**") and the Corporate Safety, Health and Environmental Committee (the "**CSHEC**"), in order to provide additional oversight and direction. The ESGWG is responsible for identifying ESG risks, monitoring material ESG aspects and formulating ESG management goals and work plans. Meanwhile, the CSHEC leads the management of occupational health and safety risks, including identifying occupational health and safety risks, conducting safety assessments and ensuring compliance with health and safety laws and regulations across our operations.

For further details on the Group's Corporate Governance, please refer to the Corporate Governance Report under the page 23 to 38 in the Annual Report 2024.



Board Diversity Composition

The Board adopted a Board Diversity Policy (the “**Board Diversity Policy**”) on 28 December 2018. The Company embraced the benefits of having a diverse Board, as such, the Board Diversity Policy aimed to set out the approach to maintain diversity of the Board.

Summary of the Board Diversity Policy

When determining the composition of the Board, the Company will consider Board diversity in terms of, among other things, gender, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board currently has no female Director. The Board proposed to appoint Ms. Chao Lai Heng, the chief executive officer of the Company, as an executive Director with effect from the conclusion of the forthcoming annual general meeting of the Company. Then the female representation at Board level will become approximately 16.7%.

RISK MANAGEMENT

Risk management framework

A vigorous risk management framework ensures the Group’s robust decision-making process and long-term value generation for its sustainability management. The Board recognises its responsibility to continuously monitor and assess the efficiency of the Group’s internal control and risk management systems. The Risk Committee was established on 23 March 2022 and is chaired by Mr. Lai Ah Ming Leon, an INED. It comprises one ED and three INEDs.

Risk management functions

The Risk Committee is responsible for monitoring and overseeing the Group's risk management policies and strategies. This includes:

- Overseeing risk appetite and risk tolerance appropriate to each business area, taking into account the Company's values and public interest, as well as the current and prospective regulatory, macroeconomic, technological, environmental and social developments and trends;
- Assessing the current risk exposures of the Company;
- Ensuring that there are adequate enterprise-wide processes and systems for identifying and reporting risks and deficiencies, including emerging risks;
- Supervise compliance with the stated risk appetite, policies and procedures related to risk management governance and the risk controls framework;
- Monitoring the alignment of the risk management framework to the Group's growth strategy, supporting a culture of risk-taking within sound risk governance; and
- Having an overview of the key risk issues identified across the organisation and the wider network.

Risk management procedures



The Group has formulated its risk management process to effectively manage the risks faced by the Group. The process clearly defines four procedures for the Group's management of risk, including identification, assessment, monitoring and reporting. In the event of risk identification, management communicates with the operational functions and collects significant risk factors affecting the Group from bottom to top. These risk factors are included as enterprise risk register. Management evaluates the risks in the register and prioritises them for follow-up actions according to their potential impact, occurrence opportunity and sufficiency of current measures tackling the risks. The risk register is reviewed at least once a year, new risks are added while existing risks are removed, if necessary, after the assessment. The changes are reported to the Risk Committee at a timely manner. This process can effectively ensure that the Group takes the initiative to manage the risks it faces and that all risk holders are aware of their liability so that they can develop appropriate and effective measures in time to control the risk.

The Group's risk management activities are continuously going. The risk management framework is assessed annually for its effectiveness and management meetings are conducted on a regular basis to review the monitoring work. Management is committed to ensuring that risk management forms part of the day-to-day business processes so that risk management effectively aligns with business goals. During the Financial Year 2024, the Audit Committee has engaged an independent professional consultancy company for reviewing and reporting the effectiveness of the Group's risk management and internal control system.



Addressing Climate-related Risks

Climate change is one of the most prominent ESG risks encountered by global corporations and societies. At Royal Deluxe, climate-related risks are integrated into our risk management framework, and managing climate-related physical and transition risks is one of the Risk Committee's key responsibilities. It provides support to the Board in effectively overseeing the management of climate-related risks and providing strategic guidance to mitigate the impact of climate change on the Group's operations, ensuring the Group effectively addresses climate-related challenges and harnesses potential opportunities.

As the Hong Kong Government has committed to the carbon neutrality goal by 2050, facilitating an orderly and viable transition poses considerable transition risks to our Company, including compliance, regulatory interventions, the transformation of technology and customer behaviour. During the Reporting Period, the Stock Exchange enhanced its climate-related disclosure requirements to align with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") and the IFRS S2 Climate-related Disclosures ("IFRS S2") published by the IFRS Foundation's International Sustainability Standards Board ("ISSB"), incorporating these regulations as Part D of the ESG Reporting Code ("ESG Code") (effective from 2025).

The Risk Committee is assessing the impact this may pose to the Group and reviewing the Group's overall climate change management framework to advance its risk management strategy. Since 2023, Royal Deluxe has begun to disclose its climate-related information with reference to the recommendations of the TCFD in order to ensure the Group has a sound governance and risk management framework in place to manage climate-related matters. The Group is committed to regularly assessing the risks and opportunities that climate change may cause and developing strategic plans for adaptation and mitigation, with our overarching objective of minimising the Group's carbon footprint and enhancing the Group's climate resilience. For further information on our climate management, please refer to the "Combating Climate Change" subsection of the Report.



Minimising Health and Safety Risks

As a formwork company in the construction industry, it is always the Group's utmost priority to manage and minimise its health and safety risks. Through our dedicated in-house safety systems and policies that are implemented across all of its operations and subsidiaries, the Risk Committee effectively reviews and manages our health and safety risks. We have established a Site Safety Assessment Plan and a Company Safety Plan ("**Safety Plan**"), which lay out the health and safety risk governance and responsibilities within the Group. They are regularly reviewed and updated to ensure their relevance and effectiveness.

The Group fosters a corporate culture of safety and strives to create a secure work environment for all its employees. We take a proactive approach by conducting regular safety risk assessments, ensuring comprehensive safety supervision and training for our employees, including formal safety training delivered by our safety officers and foremen, daily on-site safety training during morning briefing sessions, and external safety training courses. These measures keep our employees abreast of the latest occupational health and safety best practices and vigilant of site-specific health and safety risks.



Managing ESG Risks along the Value Chain

At Royal Deluxe, we understand that sustainability extends beyond its own business operation. Regular monitoring and assessment of our ESG risks along the value chain is integral to our risk management framework. By reviewing ESG risks, including factors concerning suppliers' and subcontractors' environmental management systems and performances, labour and safety practices, business ethics, integrity and compliance, we work closely with our partners along the value chain to identify potential vulnerabilities and drive continuous improvement. Through ongoing collaboration and engagement with suppliers, subcontractors, partners and stakeholders, we strive to maintain a resilient and sustainable value chain that aligns with the Group's values and strategy for sustainable development.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is integral for the continuous improvement of our ESG approach and the sustainable development of our business. We believe that maintaining communication with our stakeholders allows us to better understand their priorities, expectations, and perceptions of our sustainability performance, as well as to identify material issues and assess the effectiveness of our sustainability measures. To this end, the Group has established different communication channels with various stakeholder groups to solicit their opinions. Our stakeholder groups can be found in the table below:

Community

- Charity donation
- Community participation
- Corporate website
- Press releases/news



Customers

- Corporate website
- Comments and complaint channels
- Press releases/news
- Industrial communication channels and activities
- Service meetings



Employees

- Orientations, trainings, meetings and team briefings
- Performance appraisals
- Notices and circulars
- Emails and other electronic communications



Government and Regulators

- Annual reports, ESG reports, announcements, and circulars
- Corporate website
- Press releases/news



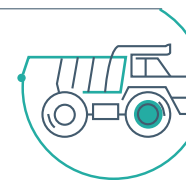
Investors and Shareholders

- Annual general meeting and notices
- Annual reports, ESG reports, announcements and circulars
- Corporate website
- Investor briefings
- Press releases/news



Suppliers and Business Partners

- Business meetings, supplier conferences and interviews
- Contracts and agreements
- Industrial communication channels and activities
- Quotations and tendering

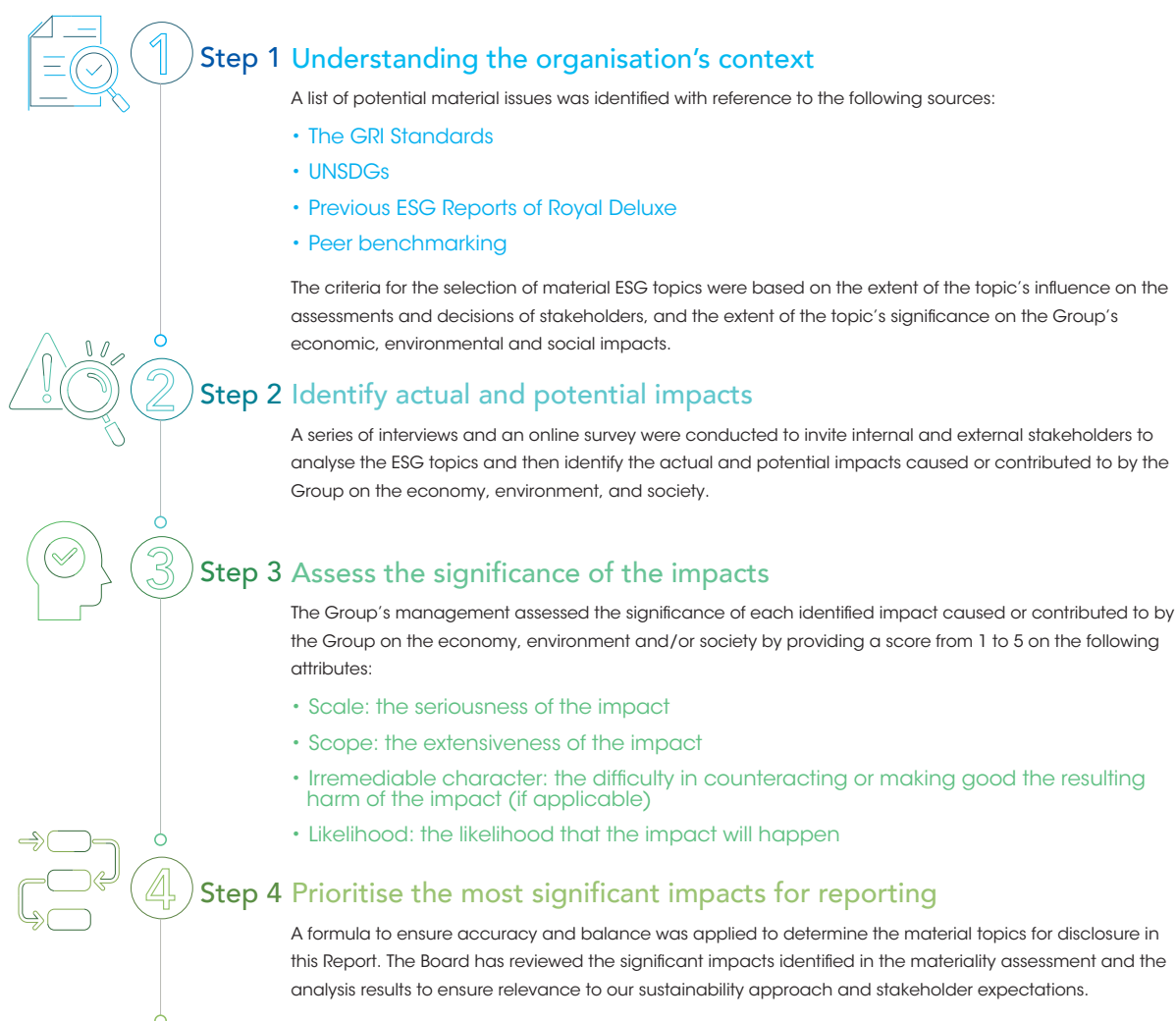


ESG ISSUES MATERIALITY

Materiality Assessment

Communication and engagement with stakeholders are an essential component of our sustainability strategy and ESG risk management framework. It helps the Group to identify its impacts, risks and opportunities, as well as guides it to formulate a corresponding strategy in response. During the Reporting Period, to ensure that our sustainability priorities, strategy, and policies align with the views of our internal and external stakeholders, an independent sustainability consultancy was appointed by the Group to conduct a stakeholder engagement and materiality assessment exercise. The exercise helped identify and evaluate sustainability issues and impacts that are most material to the Group and its stakeholders, as well as determine the structure of the Report.

Building on the result of the previous materiality assessment (please refer to the ESG Report 2023 for its methodology in detail), the latest materiality assessment was conducted in accordance with the GRI Standards 2021. To determine the Group's material topics and impacts, we adopted the four steps as follows:



Materiality Matrix

The results of the materiality assessment are presented in the below materiality matrix, which illustrates the Group's most significant sustainability topics and impacts on the economy, environment, and society. The contents of this Report, which discloses the Group's approach to managing these risks and impacts, is structured according to the overall materiality as determined by stakeholders. Looking ahead, we will continue to maintain ongoing and consistent communication with our stakeholders in order to review and strengthen the Group's overall sustainability strategy and ESG risk management.





Tier 1 Issues

(Most important material issues)

- 1 Ethical Business Behaviour
- 2 Legal Compliance
- 3 Intellectual Property Rights and Customer Privacy
- 5 Safety Management at Site
- 7 Client Satisfaction
- 10 Product Quality Management
- 11 Occupational Health and Safety
- 15 Child and Forced Labour
- 18 Construction Materials

Tier 2 Issues

(Important material issues)

- 4 Technological Innovation
- 6 Market Influence
- 8 Supplier and Sub-contractor engagement
- 12 Labour Shortage
- 13 Human Capital Development and Training
- 16 Diversity and Equal Opportunities
- 19 Air Emissions and Green-house Gas Emissions
- 21 Waste Reduction
- 22 Climate Change

Tier 3 Issues

(Moderately important material issues)

- 9 Green Procurement
- 14 Human Rights
- 17 Community Investment and Participation
- 20 Energy Management
- 23 Sustainable Impact on Local Community



Business



Value Chain



People



Environment

CORPORATE GOVERNANCE BUSINESS ETHICS

We believe in growing our business with integrity and professionalism to deliver operational excellence and sustainable development. Since its establishment, Royal Deluxe has been contributing to various urban development and infrastructure building projects in Hong Kong. We achieve this by upholding the highest level of business conduct and ethics, preventing bribery and corruption, protecting intellectual property rights, upholding data privacy, as well as ensuring compliance within our operations and by our suppliers and subcontractors.

Ethical Business Behaviour

Anti-Corruption

The Group is dedicated to fostering a culture of compliance, ethical behaviour and good corporate governance. We believe that upholding fairness, honesty and integrity are important in our everyday operations. As such, our employees must ensure the Group and its value chain are not impaired by fraud, disloyalty or corruption. We are committed to maintaining the highest standards of conduct to preserve the trust and reputation we have built with our stakeholders. Two of the Group's main subsidiaries, namely Ming Tai Construction Engineering Company Limited and Ming Tai Civil Engineering Company Limited, have committed to the **Construction Industry Integrity Charter** launched jointly by the Development Bureau, the Independent Commission Against Corruption ("ICAC"), and the Construction Industry Council ("CIC").



The Group's Code of Conduct on Business Ethics ("CCBE") and Code of Prevention of Bribery Conduct clearly state that all forms of bribery, corruption, conflicts of interest and extortion are strictly prohibited and require its employees to refrain from requesting or accepting any advantages and benefits as employees of the Group when performing their duties. The CCBE also expects and encourages employees and anyone in contact with the Group (including customers, contractors, suppliers, creditors, debtors and other stakeholders) to report any misconduct, fraud and violations that occur within the Group to the Head of the Administrative and Human Resource Department.

In line with our commitment to combating corruption, we adhere to the Corruption Prevention Guide for Listed Companies established by the ICAC. This guide serves as a valuable resource in shaping our internal control measures and keeping us up to date with the latest anti-corruption reporting obligations. Non-compliance may result in disciplinary action, including termination of employment where appropriate. We regularly review and update our CCBE and related policies to ensure alignment with evolving laws and regulations, enabling the Group to stay current in an ever-changing regulatory landscape.

During the Reporting Period, management members attended 2.75 hour of anti-corruption and integrity management training programme covering various aspects of corporate governance and integrity. The training aids us in building an environment of ethics and compliance within the Group.

Furthermore, the Group regularly circulates important updates regarding its anti-corruption policies and procedures to its employees, management, Board members and external partners. We also circulated ICAC publications and online videos that explained the roles and responsibilities of employees in preventing bribery and corruption within our business. During the Reporting Period, there were no reported cases of non-compliance with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and no concluded legal cases or incidents regarding corrupt practices brought against the Group or its employees.

Conflict of Interest

The Group's Conflict of Interest Policy stipulates that all directors and employees should not engage in any business, investments or activities that might conflict with the interests of the Group. The policy and the Connected and Related Transaction Policy require any potential conflict of interest and connected and related transactions to be reported to an Executive Director or the Board. There were no substantiated incidents regarding breaches of a conflict of interest reported during the Reporting Period.

Anti-Competition

Competition is a key driving force that fosters growth and sustainable development. The Group strictly prohibits any form of anti-competitive practices and emphasises compliance with competition laws and regulations. All employees are regularly reminded to adhere to these laws, and educated to identify and avoid any situations or behaviours that may be deemed anti-competitive. This commitment ensures that the Group maintains a fair and competitive business environment while upholding ethical standards. During the Reporting Period, there were neither reported cases of non-compliance with the Competition Ordinance (Cap. 619 of the Laws of Hong Kong) nor legal actions regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation faced by the Group.

Whistleblowing

Our Whistleblowing Policy establishes clear procedures for reporting suspected improprieties, conflicts of interest, malpractice, or compliance breaches in addition to ensuring protection against retaliation. Employees can freely discuss their concerns with colleagues at all levels, including their supervisors, human resources ("HR") managers, the Chief Executive Officer (the "CEO"), and the Chairman of the Board. Complaints can be submitted in person, by post, or via email using the designated whistleblowing declaration form. The Group guarantees that individuals who file complaints will not face discrimination or reprisals, and measures to protect their identity can be implemented if required. This policy demonstrates our commitment to maintaining a transparent and accountable work environment. All allegations are investigated with fair and impartial due diligence by the Audit Committee, and if the potential case involves criminal activity, an external investigator may be appointed to review the situation. We continuously monitor the number of corruption lawsuits filed against the Company or its employees, serving as a monitoring indicator for oversight. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud, and money laundering.

INFORMATION SECURITY

Intellectual Property Management

As an innovator, the Group possesses a significant amount of intellectual property (“IP”) in Hong Kong and the People’s Republic of China (“PRC”) including several trademarks, patents and domain names. The Group complies with relevant IP laws and provides employees with guidance to safeguard its various IPs. They are bound by the Group’s Code of Conduct to maintain the confidentiality of trade secrets and protect its proprietary IPs. We also obtain necessary authorisation before using any third parties’ IP. In order to safeguard our interests, the Group has established an internal IP management system for the registration and renewal of our patents and trademarks in the development of our formwork systems and the protection of our corporate brand. We regularly carry out IP training to raise employees’ awareness of IP protection.

Data Protection and Consumer Privacy

The Group respects and protects the privacy of its customers, employees, and partners. To safeguard their privacy, the Employee Handbook stipulates that all employees are forbidden to disclose any confidential or private information about the Group and its customers under any circumstances, including information relating to IP, business contracts, customer information, and other financial information. To ensure that information is protected, confidential information is only accessible by authorised employees. The Group’s Privacy Policy and Information Technology End User Policy stipulate the usage, processing, storage and transfer of personal data and sensitive information, including backup procedures, user account management, software and network access control mechanisms. Our standards on information security and confidentiality have been applied to all employees and service providers. Multiple facets of protection, including administrative, physical, and technical measures, have been implemented to safeguard collected customer data and personal data as well as prevent unauthorised access. Personal data is only collected for necessary purposes in line with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). There were no substantiated incidents regarding breaches of customer data and personal data privacy recorded during the Reporting Period.

SUSTAINABLE DEVELOPMENT FOR BUILDING TOWARD A GREENER FUTURE



From controlling the environmental performance of our operations to managing the sustainability of our value chain, we are committed to environmental sustainability across our business. As a responsible corporate body, the Group is committed to improving its environmental policies, minimising emissions and environmental impacts, reducing waste generation and enhancing efficient energy consumption. Our sustainability governance has incorporated a risk-based management system to address and mitigate our impact on the environment and the effects of climate change.



COMBATING CLIMATE CHANGE

Climate change is a global crisis that threatens the well-being and sustainable development of societies. As a formwork company in the construction industry in Hong Kong, Royal Deluxe supports the industry's carbon reduction goals, thereby contributing to Hong Kong's 2050 carbon neutrality goal. Increasing extreme weather events and evolving regulatory landscapes and market trends can lead to uncertainties or even disruptions to our operations while potentially endangering our workers' health and safety.

Royal Deluxe recognises the urgency of devising a strong climate change strategy in order to mitigate foreseeable climate-related risks and prevent disruption to its operations. We strive to regularly assess the potential risks that the Group may be exposed to and formulate strategic adaptation and mitigation plans with the overall objective of reducing its carbon footprint throughout its operations and value chain, and ultimately advancing the Group's climate change resilience. In an effort to support global initiatives to combat climate change, we disclosed our climate-related information with reference to the recommendations of the TCFD.

Governance for Climate Change

The Board has the overall responsibility for Royal Deluxe's sustainability and ESG issues, including setting the overall strategy, and overseeing and tracking targets regarding climate-related risks and opportunities. Regular updates regarding the latest climate-related risks and opportunities are provided to the Board by the Risk Committee to monitor any identified or emerging risks that the Group may potentially be exposed to as well as any opportunities to capitalise on. The ESG Committee and ESGWG are also responsible for identifying and managing these risks and opportunities as well as setting out the Group's climate change strategy and overseeing its implementation and the Group's GHG reduction performance.


During the Reporting Period, 2 meetings were held by the ESG Committee to discuss climate-related issues, including the Group's climate-related risks and the latest regulatory updates on climate change.

Regular training on the latest ESG and climate change trends is provided to the Board and management, including through industry seminars and external ESG training, where necessary external expertise will be consulted for their specialised knowledge and tools in order to assist the Group in advancing its risk management and strategic planning. For further details of the Group's climate change and ESG governance, please refer to the "Sustainability Governance" subsection of this Report.

Strategy for Climate Change

In 2024, the Group conducted its second climate-related risk assessments with reference to the framework developed by the TCFD. Through this assessment, three physical risks and seven transition risks were identified to pose a low to high risk to the Group. In response, the Group has developed a Climate Change Strategy that revolves around procurement, project planning and project sites to leverage the climate-related opportunities along the value chain, including its upstream supply chain and downstream construction site. As one of the leading formwork construction companies in Hong Kong, the Group is expected to undertake greater obligations in carbon and construction waste reduction from the design and planning phases of construction projects. The Group is actively investing in innovative technologies and processes, such as BIM and DfMA, which enable project planning that embraces sustainable construction materials, low-carbon construction sites, and project efficiency.

Moving forward, the Group aims to conduct a climate-related scenario analysis to assess the overall climate resilience in its strategic planning and carbon reduction plans. This will assist the Group in providing a coherent pathway to achieve the industry's and Hong Kong's carbon reduction goals.

 Royal Deluxe Climate Change Strategy	
<ul style="list-style-type: none"> ● Procurement 	Sustainable Value Chain <ul style="list-style-type: none"> • Formwork materials procurement: e.g. sustainable aluminium, low-carbon rebar • Review suppliers' ESG impact: ESG performances, targets, initiatives
<ul style="list-style-type: none"> ● Project Planning 	Royal Deluxe Project Planning <ul style="list-style-type: none"> • Participate in BEAM Plus building projects • Prioritise reusable fromworks: durable formwork materials to be reused in multiple projects • Technological innovation: utilise digitalisation and technical tools (e.g. DfMA, BIM) to streamline project planning, assess embodied carbon emissions and enhance work efficiency
<ul style="list-style-type: none"> ● Project Sites 	Green Construction <ul style="list-style-type: none"> • Electrify construction sites: eliminate fossil fuel vehicles, generators and equipment • Recycle construction waste: sort and recycle construction waste for the circular economy

CLIMATE RISK MANAGEMENT

At Royal Deluxe, the management of climate-related risks is integrated into the Group’s overall risk management framework by the Risk Committee. The Risk Committee reviews the Group’s overall risk levels annually to ensure potential risks are assessed, managed and monitored. Specifically with regard to climate risk management, with the aid of a climate risk assessment, the Risk Committee considers the Group’s resilience to the identified climate-related risks and formulates appropriate mitigation measures, as well as regularly reviews the risk assessment model to ensure its relevance and robustness to the latest challenges on climate change.

IDENTIFICATION OF CLIMATE RISKS AND OPPORTUNITIES

The climate risk assessment took into account the frequency and severity of potential physical risks, while potential transition risks are assessed by referencing the regulatory landscape and market trends. Three physical risks and seven transition risks were consequently identified to pose a low to high risk to the Group, of which the risk level of all physical risks was considered to be medium, whereas the policy and legal transition risk of enhanced climate change reporting requirements by the HKEX was considered to be a high risk.

In terms of physical risks, we have implemented a series of emergency protocols for our offices and project sites, as outlined in our Employee Handbook and Work Safety Code. Emergency drills are conducted annually to enhance the effectiveness of our procedures and determine weaknesses for improvement. We have also established emergency units at each project site to carry out inspections according to the Strong Wind and Heavy Rain Checklist prior to and following extreme weather events such as typhoons and extreme precipitation. The Group understands the evolving nature of the physical risks and therefore regularly reviews its safety protocols for project sites in order to enhance on-site adaptation capabilities and minimise damage to our properties and employees' well-being.



2023 Fire Drill

In terms of transition risks, the Risk Committee is currently assessing the potential Impact of the HKEX's latest climate change disclosure requirements and reviewing the Group's overall climate change management framework to ensure its compliance with the requirements. Since 2023, Royal Deluxe has begun disclosing its climate-related information in line with the recommendations of the TCFD to ensure robust governance and comprehensive risk management for climate-related matters. The Group is committed to regularly monitoring the risks and opportunities presented by climate change and reviewing its value chain, construction materials and technological innovation strategy with the aid of tools such as climate risk assessments or scenario analysis in order to minimise its carbon footprint and enhance the overall climate resilience along the value chain.

Business Impact List for Climate-related Risks and Opportunities

Risk/ Opportunity Category	Climate-related Risk/Opportunity	Potential Impacts to Royal Deluxe	Potential Impacts on the Value Chain	Risk Level	Mitigation Measures/ Climate Action
Physical Risk					
Acute and chronic risk	Stronger Typhoon – enhanced frequency and severity of typhoons due to changing weather patterns	<ul style="list-style-type: none"> Lost days due to work disruption leads to delay in project delivery Property damage Health and safety of workers Increase in compensation expenses and safety equipment costs 		Medium	<ul style="list-style-type: none"> Conducting safety risk assessments, reviewing and updating safety plans, providing training, and conducting site supervision Monitoring risks and consequences by observing and identifying any changes that can affect the impact of the risk Provision of cooling equipment, shelter, sunshade or arrange workers working hours to prevent or reduce direct exposure to sunlight
	Rising Temperature – increase in hot days throughout the year	<ul style="list-style-type: none"> Negative impact on workers' productivity Health and safety of workers Increase in insurance and medical costs 		Medium	
	Precipitation extremes – increases in both extreme precipitation and total precipitation would contribute to increases in severe flooding events	<ul style="list-style-type: none"> Lost days due to work disruption leads to delay in project delivery Ground subsidence and property damage Health and safety of workers Disruption to local logistics and distribution Lower productivity and potential increasing costs 		Medium	

Risk/ Opportunity Category	Climate-related Risk/Opportunity	Potential Impacts to Royal Deluxe	Potential Impacts on the Value Chain	Risk Level	Mitigation Measures/ Climate Action
Transition Risks					
Policy and legal risk	New climate change regulations and enhanced climate-related disclosure requirements by the HKEX	<ul style="list-style-type: none"> Potential increase in operating cost Allocate additional resources for climate action planning and managing scope 3 emissions 	<ul style="list-style-type: none"> Manufacturers and suppliers are required to shift to renewable sources of energy Potential increase in operating cost 	High	<ul style="list-style-type: none"> Educate the Board, management and employees about the latest legal and policy requirements Conduct audits on value chain partners regarding their ESG and climate change performance, strategy and targets Reviewing our supply chain management and Green Procurement Policy, sourcing new suppliers as well as engaging in R&D of enhanced technical processes
	Changes to building standards, zoning and planning controls to energy efficiency and climate resilience of new buildings	<ul style="list-style-type: none"> Adopt more efficient and sustainable construction practices and materials Potential increase in operating cost 		Medium	
	Evolving carbon markets and volatility of carbon price due to growing demand for carbon offsets and trading	<ul style="list-style-type: none"> Government and construction industry strive to achieve carbon neutrality before 2050; Demand to take action to reduce GHG emissions; Potential increase in operating cost due to investment in carbon credits 		Low	
Technology	Research and development for emissions reduction technology or materials	<ul style="list-style-type: none"> Adoption of digitalisation and software systems for resources and climate management Potential increase in costs of R&D in sustainable construction technologies Low carbon or emission technologies and processes will bring down the value of assets or replacement, example of traditional energy vehicles 		Medium	<ul style="list-style-type: none"> Undertake strategic planning and financial budgeting Collaborate with value chain partners in piloting and adopting the latest technologies in projects

Risk/ Opportunity Category	Climate-related Risk/Opportunity	Potential Impacts to Royal Deluxe	Potential Impacts on the Value Chain	Risk Level	Mitigation Measures/ Climate Action
Market	Changing consumer expectations of using products and services that are sustainable	<ul style="list-style-type: none"> • Potential decrease in revenue if unable to meet consumers' expectations • Potential increase in material cost for sustainable materials 		Medium	<ul style="list-style-type: none"> • Reviewing the Group's climate change strategy and advancing the transition towards becoming a low-carbon business
	Rising costs of raw materials	<ul style="list-style-type: none"> • Potential increase in material cost for procuring sustainable materials • Potential increase in price of timber and other raw materials for construction 		Medium	<ul style="list-style-type: none"> • Reviewing our supply chain management and Green Procurement Policy, sourcing new suppliers
Reputation	Growing investor demand for green finance and sustainable finance and investment	<ul style="list-style-type: none"> • Increase in investor's concern about the company's climate change strategy and transition plan • Potential divestment from the company if failure to meet financial institution's or investor's values and criteria 	<ul style="list-style-type: none"> • Potential reduction in demand for high-emissions materials 	Medium	<ul style="list-style-type: none"> • Reviewing the Group's climate change strategy and advancing the transition towards becoming a low-carbon business • Ensuring compliance with the HKEX's ESG and climate change disclosure requirements, investor and consumer expectations and industry trends

Risk/ Opportunity Category	Climate-related Risk/Opportunity	Potential Impacts to Royal Deluxe	Potential Impacts on the Value Chain	Risk Level	Mitigation Measures/ Climate Action
Opportunities					
Access to finance	Access to sustainability-linked loans and other green finance solutions	<ul style="list-style-type: none"> • Enable additional investments into the R&D of innovative solutions for sustainable materials and construction • More resources for the adoption of technological innovations and digitalisation systems to enhance operational efficiency 		N/A	<ul style="list-style-type: none"> • Collaborate with financial institutions and value chain partners to leverage resources for the R&D and piloting of technological innovation and sustainable solutions
Circular economy	Adopt reusable and modular formwork systems to reduce construction waste and consumption of resources	<ul style="list-style-type: none"> • Utilise modular and reusable formwork systems that can be disassembled and reused in multiple projects • Minimise costs on single-use construction materials (e.g. timber) 	<ul style="list-style-type: none"> • Invest in sustainable and low-carbon materials that are durable for reusable formwork systems • Potential reduction in dependence on specific resources 	N/A	<ul style="list-style-type: none"> • Strategically prioritise the use of reusable formwork systems to contribute to the circular economy • Explore sustainable materials that reduce embodied carbon of the construction materials in our projects

Precautionary Emergency Responses for Project Site

BEFORE AN EXTREME EVENT



Securely fasten and anchor loose and stacked materials, working platforms, hoists and temporary work structures



Cover mechanical appliances and cut off power supply



Move electrical appliances away from any potential flooding locations



Strengthen and secure partially completed buildings and scaffolding



Cease work on scaffolding, walls or building parts if these pose a threat risk



Check and clear blockage in the site drainage system



Follow steps issued by the Emergency Team and gather to the assembly area with personal protective equipment in hand



Conduct a thorough site inspection using a checklist to make sure that all precautionary measures have been conducted

AFTER AN EXTREME EVENT



Inspect the site, report damages and repair damaged facilities back to safe condition prior to work commencement



Examine electrical appliances and scaffoldings to ensure that they are all in safe working condition before use; and









Instruct all employees to return to site once upon management confirmation

METRICS AND TARGETS







Managing our GHG emissions is the centrepiece of our climate change strategy. The Group's GHG sources are primarily attributed to the use of company vehicles and electricity consumption within its offices and warehouse for the storage of documents.

To accurately quantify the Group's GHG emissions, the calculation process refers to both local and international guidelines, including the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department ("EPD") and the Electrical and Mechanical Services Department ("EMSD"). We also utilised the latest emission factors, which are periodically published by relevant power companies. For global warming potential values, reference is made to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. We measured and reported the Group's energy consumption and scope 1, scope 2, and scope 3 GHG emissions from certain categories from our operations as well as GHG emissions intensity metrics by floor area and workforce.

During the Reporting Period, we emitted a total of 94.27 tCO₂-e, which is a decrease of approximately 30% from the previous year. Meanwhile, we have avoided a total of 15.16 tonnes of CO₂-e scope 3 emissions by recycling our paper waste through external licensed contractors. For BEAM Plus projects, we have adopted the CIC Carbon Assessment Tool to measure the embodied carbon of the materials used in our scaffolding and formwork, where a total of 1,879.54 tonnes CO₂e of scope 3 indirect GHG emissions were generated during the Reporting Period. Moving forward, we will continue to collaborate with professionals in the construction industry to refine our GHG emission sources and extend our scope 3 indirect emissions coverage to other categories deemed as material and reduce our carbon footprint throughout the lifecycle of our products in order to set GHG targets that drive carbon reduction and enable tracking and monitoring of our GHG performance.

2022	69.52	35.41	14.23	0.11	0.05	119.32
2023	82.01	38.47	13.53	0.09	0.04	134.15
2024	55.18	37.97	1.00	0.07	0.04	94.27
						
Mobile Combustion - Petrol and Diesel (tCO2-e)	Purchased Electricity (tCO2-e)	Disposal of Paper Waste (tCO2-e)	Fresh Water Processing (tCO2-e)	Sewage Water Processing (tCO2-e)	Total GHG Emissions (tCO2-e)	
Scope 1	Scope 2	Scope 3				

Our commitment to reducing carbon emissions and the environmental impact of our business is reinforced by the environmental targets that we established in 2022. These targets help us steer our priorities and actions, thereby driving progress towards our sustainability goals.

Category	Targets	Progress in 2024
GHG 	By 2030, reduce 10% of GHG emissions (scope 1-3) intensity by revenue (tCO ₂ -e/HK\$million) (2021 baseline).	-35%
Petroleum 	By 2025, replace 30% of the company's vehicles with electric or hybrid vehicles.	20%
Diesel 	By 2025, reduce 40% of diesel consumption (litres) (2021 baseline) at all of our construction sites, with the aim to eliminate diesel on all of our construction sites by 2035.	-43%
Electricity 	By 2030, reduce 5% of electricity consumption intensity by revenue (kWh/HK\$million) (2021 baseline).	-17%
Waste 	By 2024, identify a company-specific KPI for the reuse rate for timber, aluminium, and steel.	Reuse rate is being piloted for 1 project
Paper 	By 2025, increase paper recycling rate to 20% (2021 baseline).	94%

SUSTAINABLE PRODUCTION AND OPERATIONS

As the Hong Kong Special Administrative Region (the “HKSAR”) Government has committed to achieving carbon neutrality by 2050, Royal Deluxe as a responsible formwork company in the construction industry in Hong Kong will also play its role in contributing to the sustainability of Hong Kong and the construction industry's carbon reduction goals. The Group places a strong emphasis on minimising its environmental impacts by managing the consumption of construction materials and resources as well as fulfilling its environmental responsibilities by reducing its carbon emissions.

Sustainable Resources Management

Our focus on sustainable resource management aligns with our strategic goals to contribute to a more environmentally responsible construction industry. We have established a Sustainability Policy that outlines our strategic commitment to reducing environmental impacts by collaborating with partners throughout the value chain and embracing innovative construction technologies that enhance the sustainability and efficiency of construction projects. Additionally, our Green Office Policy provides clear guidelines for employees in our offices, encouraging them to reuse and recycle materials and minimise energy consumption. Through these initiatives, we strive to promote sustainable practices and reduce our ecological footprint at our construction sites, offices, and throughout our construction projects.

Reusing Construction Materials and Waste Reduction

The Group is committed to optimising the use of construction materials and resources throughout its projects. To carefully manage and optimise the use of resources, we source sustainable materials, reuse formworks, minimise and recycle waste and reduce our environmental impact. During the Reporting Period, we have completed 1 BEAM Plus projects and engaged in 6 ongoing BEAM Plus projects. By contributing to BEAM Plus projects, we promote efficient and sustainable construction practices with our partners to build sustainable buildings and communities.

As a formwork company, we recognise the importance of reducing environmental impact and minimising construction waste. Instead of using single-use timber, we strategically prioritise the reuse of aluminium, steel and metals in our formwork solutions in an effort to extend the lifespan and maximise the usage of the materials. After the completion of each project, we carefully dismantle and refurbish the reusable formwork materials, ensuring they remain in excellent condition for subsequent projects. By reusing formwork materials, Royal Deluxe reduces the need for procuring virgin materials, thereby conserving natural resources and minimising construction waste. This practice not only contributes to the Group's environmental goals, but also influences the construction industry in mitigating its environmental impact and pioneering sustainable construction practices.

Procuring Green Materials

As part of our sustainable procurement strategy, the Group is committed to integrating its social and environmental responsibility into its procurement and value chain management. We prioritise sourcing from local suppliers to reduce our carbon footprint that may arise from transportation, while contributing to the local economy.

As timber formwork remains the most common type of formwork in use in Hong Kong, we source 100% of our timber and plywood products from the Forest Stewardship Council ("**FSC**") or Programme for the Endorsement of Forest Certification ("**PEFC**") certified forests. This ensures the use of sustainably harvested wood, minimising deforestation and promoting biodiversity conservation in forests.

Low-carbon Construction and Operation

The Group is also actively exploring the opportunity to source low-carbon aluminium that is manufactured with renewable sources of energy as a substitute for aluminium produced conventionally with coal and other fossil fuels. By selecting certified suppliers including but not limited to those by the Aluminium Stewardship Initiative and the China Green Metal Certification Centre, we seek to ensure all of our formwork materials are produced by sustainable extraction and manufacturing processes, thereby minimising the carbon footprint of our value chain and managing the Group's overall ESG risks.

Formwork Carbon Footprint Analysis

During the Reporting Period, we engaged a professional consultancy to initiate a lifecycle analysis on the embodied carbon of our formwork solutions. The study will compare the cradle-to-grave lifecycle carbon footprint of our Company's reusable system formwork with traditional timber formwork. As a responsible formwork solution provider, we are committed to managing and reducing our formwork solutions' full lifecycle carbon footprint. By sourcing and reusing more durable low-carbon materials, we strive to reduce the overall carbon footprint of our construction projects, and ultimately, contribute to the construction industry's carbon goals.

Timber



Timber formwork is a traditional type of formwork system that is most popularly accepted by typical construction projects. It is therefore the most commonly used resource, despite it being labour-and-time-intensive. It is also more difficult to reuse or recycle. To use timber sustainably, we procure 100% of our timber from suppliers with PEFC and FSC certification.

Unused timber panels and available scraps are returned to licenced collectors, when possible, or repurposed for another project site. As timber materials are difficult to fully recycle, we promote a policy of reuse and are exploring innovative strategies that can help transform timber waste into strong and functional renewable construction materials. During the Reporting Period, we consumed 6,719.24 m³ of timber.

Timber	Consumed (m ³)	Recycled (m ³)	Recycling Rate (%)
2022	3,478.05	NIL	NIL
2023	6,186.01	NIL	NIL
2024	6,179.24	NIL	NIL

Aluminium and Steel



Many architectural designs require an engineered formwork system that is built out of prefabricated modules using steel, aluminium and metal. The major advantages of these metal formwork systems include the speed of construction and lower lifecycle costs, as formworks constructed by aluminium are more robust. This durability enables the material to be reused multiple times depending on the application and proper care.




Similar to timber, before materials are sent back to authorised collectors or sorting facilities, we assess the material condition, seeking to avoid hazards caused by corrosion, rust and dents. During the Reporting Period, we consumed 126.85 tonnes and 617.27 tonnes of aluminium and steel respectively, while 32.72 tonnes and 167.69 tonnes were recycled respectively.

Aluminium	Consumed (t)	Recycled (t)	Recycling Rate (%)
2022	405.77	243.29	59.96
2023	1,212.40	86.39	7.13
2024	126.85	32.72	25.79

Steel	Consumed (t)	Recycled (t)	Recycling Rate (%)
2022	664.20	1,173.63	35.36
2023	1,337.09	466.06	70.17
2024	617.27	167.69	27.17




Metals

The Group uses and reuses metal components in most of its formwork projects. During the Reporting Period, 921.51 tonnes of metals were consumed.

Metal	Consumed (t)	Recycled (t)	Recycling Rate (%)
			
2022	232.35	NIL	NIL
2023	1,141.52	NIL	NIL
2024	921.51	NIL	NIL

Paper

We continue to promote the digitalisation of our operations as a way to reduce paper consumption. For example, we encourage communication through email and distribute electronic greeting cards during the holiday season. In addition to reusing paper, we have designated recycling bins placed next to printers and fax machines for wastepaper collection. These bins are clearly labelled and easily accessible to encourage employees to practise recycling. Our paper waste is collected by licensed professional recycling companies.

Paper	Consumed (kg)	Recycled (kg)	Recycling Rate (%)
			
2022	3,498.41	533.00	15.24
2023	3,350.28	531.00	15.85
2024	3,367.06	3,158.00	93.79

EMISSIONS AND WASTE

Air Emissions

We continue to operate under our stringent preventative measures to minimise the production of dust or respirable suspended particulates when handling construction materials, using machinery equipment, or operating company vehicles. To prevent dust from dispersing into the environment, large amounts of dusty materials are covered with sheeting, placed in sheltered areas, and sprayed with water or dust suppressants to dampen the surface. During the loading, unloading and transfer processes, large bulk materials are handled with care to reduce the release of dust particles.

Air emissions also stem from our company vehicles. During the Reporting Period, we maintained a total of ten (2023: ten) vehicles, which may emit nitrogen oxide (NOx), sulphur oxides (SOx) and particulate matter (PM) in the combustion process. As mentioned, we perform regular maintenance checks and assessments on our company vehicles to ensure air emissions standards are upheld. In addition, we plan to replace 30% of our vehicles with hybrid or electric vehicles by 2025, thereby reducing the amount of air pollutants and carbon emissions in the future.

	NOx (kg) ^[1]	SOx (kg)	PM (kg) ^[1]
2022	139.66	0.40	10.31
2023	119.05	0.47	10.15
2024	129.22	0.33	10.74

Noise Emissions

Noise emissions arise from the use of machinery generated by our construction activities. The Group recognises the potential adverse impacts that noise emissions may cause to the surrounding community. To mitigate these impacts, we erect noise protection barriers in the vicinity of noise sensitive receivers such as residential buildings, schools and hospitals, and require construction activities to operate at reasonable hours when possible.

Furthermore, we opt for quieter construction equipment that is approved with a Quality Powered Mechanical Equipment (QPME) label and in line with the Construction Noise Permit issued by the EPD. We also require engines of idling machinery to be turned off or minimised as much as possible, while machinery known to emit significant noise is strategically placed to avoid noise sensitive receivers. We shall continue to enhance training and control measures for site works during the night or holidays to ensure compliance.

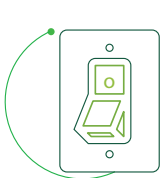
^[1] NOx and PM data in 2023 have been recalculated due to inconsistencies in data collection.

Energy and Water Management

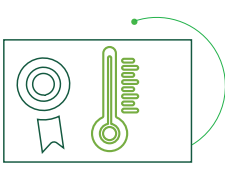
As a subcontractor in the construction industry, the Group uses electricity to power our offices, electrical equipment at our project sites and our electric vehicles, as well as petroleum and diesel to power our vehicles. Hence, we have developed an Environmental Management System ("EMS") that guides our energy consumption while ensuring environmental considerations are included in our subcontracting and procurement decisions. By communicating the EMS to our employees, suppliers and subcontractors, we ensure compliance throughout our operations, as well as promoting good practices for environmental protection.

Reducing our energy consumption can help reduce fossil fuel use, improve air quality, mitigate climate change, and protect our environment and local communities. Hence, through our Green Office Policy, we encourage the sustainable use of resources at our offices and enhance recycling efforts. It is crucial that we promote energy efficiency initiatives to reduce our energy reliance. For more information on greenhouse gas emissions or air emissions from the company vehicles, please refer to the section "Metrics and Targets" of this Report.

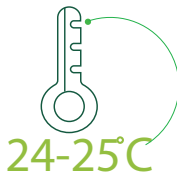
ENERGY SAVING INITIATIVES



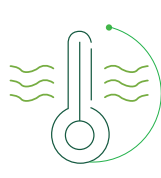
Switch off electrical appliances when not in use or after office hours



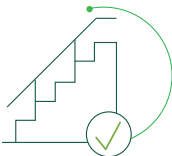
Advocate for the "Energy Saving Charter on Indoor Temperature"



Maintain indoor temperature at 24-25 degrees Celsius



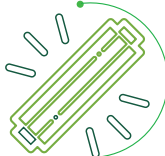
Monitor indoor temperature through thermometers



Encourage staff to use the staircase instead of lifts



Use energy-efficient light bulbs such as LED, T5 or compact fluorescent lamps with energy labels (i.e. EMSD's Grade 1 and 2 or equivalent)



Adopt refrigerator and air conditioning appliances with "Grade 1" energy labels

Water is a precious natural resource that must be safeguarded. However, as we mainly use water for cleaning purposes and in the communal washrooms operated by our office building management, it has not been designated a material aspect by the Group, and hence water efficiency targets have been omitted. At our construction sites, water management is handled by the main contractors or property owners. Therefore, we are unable to retrieve water usage records. Nevertheless, we endeavour to encourage the responsible consumption of water responsibly throughout our operations. As the water we use is supplied by the Water Supplies Department and discharged to public sewerage, there is no issue in sourcing water that was fit for purpose.

	Electricity Usage (kWh)	Water Usage (m³)
2022	95,692.27	252.33
2023	98,648.39	200.36
2024	97,368.51	167.91

ESTABLISHING A NEW REUSE RATE KPI



During the Reporting Period, we have being assessed a new KPI to benchmark the Group’s performance in reusing its Ming Tai Tableform formwork materials. The new KPI takes into account the actual materials used to produce the total floor for large-area slab in projects. It will enable an assessment of the life cycle of the reusable tableform formwork materials, providing a more comprehensive parameter on the Group’s performance in repeatedly using its Ming Tai Tableform, through extending used materials lifetime and effectively keeping waste out of landfills. By adopting this approach, the Group aims to further minimise its waste generation, maximise resource efficiency, and strengthen its commitment to sustainability goals.

During the Reporting Period, we piloted the calculation of the reuse rate KPI for 1 major project site and recorded an average reuse rate of 11.36 times of Ming Tai Tableform formwork materials used within the project. We seek to expand the data collection system to other project sites and further study to access the environmental emissions of different formwork materials, identify the opportunities to save embodied carbon associated with the materials reused, with the ultimate goal of developing a Group-wide reuse rate KPI that represents the reuse rate of all projects across the Group to demonstrate our achievements in waste reduction and encouraging designer to specific reused materials or lower carbon methods in our projects life cycle.

COOPERATION FOR WIN-WIN RESULTS



We are devoted to cementing sustainability, good corporate governance and business ethics at every level of the Group's value chain. This sustainable supply chain management approach has ensured the Group incorporates sustainability considerations in supply chain management, maintains an excellent reputation and develops strong strategic relationships with its suppliers and subcontractors, facilitating the delivery of sustainable, safe, reliable and top-notch quality products to its customers.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Group builds strategic relationships with its supply chain partners including construction material suppliers, as well as subcontractors who are responsible for site supervision and overseeing employees working at the construction site. We actively integrate responsible corporate practices into our supply chain management to pursue continuous improvement and mitigate supply chain risks. We expect our suppliers and subcontractors to comply with the Group's sustainability requirements, in relation to labour practices, health and safety standards, environmental management, and business ethics and conduct. We are dedicated to conducting fair and transparent procurement practices to maintain mutually beneficial relationships with our partners in the value chain.

The Group has established its Sustainable Procurement Policy, which governs the assessment and selection of potential suppliers, in addition to its product quality management mechanism. The Group has also maintained an approved list of suppliers which ensures it only works with suppliers that demonstrate a long-term commitment to sustainable development, thereby minimising the Group's social and environmental risks. As described in the Group's Sustainable Procurement Policy, for the selection of new suppliers, we would give preference to those who have demonstrated a commitment to sustainable development, complied with all applicable ESG-related laws and regulations, developed a sustainability policy and sustainable procurement policy, and adopted recognised ESG management systems.

Suppliers in our approved list of suppliers are required to commit to the Group's Supplier Code of Conduct and integrity policies, which outline our environmental and social requirements for suppliers to encourage sustainable practices and promote a culture of integrity across the value chain.

Supply Chain Risk Management

Moving forward, we understand that continuous improvement in our value chain is essential to advancing the Group's overall ESG performance. As part of the Group's strategy to manage the ESG risks and impacts along the value chain, it aims to regularly review its partners' ESG performance, ensuring suppliers and subcontractors are in compliance with the Group's sustainability standards and align with global ESG trends and expectations while fostering continuous improvement. We seek to conduct an analysis of their ESG risks by monitoring indicators including procurement costs and lead time of delivery as well as collecting their ESG data and conducting surveys to identify suppliers that pose material ESG risks and subsequently encourage them to adopt mitigation measures. Our partners in the value chain must uphold the Group's high standards of sustainability. By implementing these practices, the Group aims to integrate its operations with its commitment to social and environmental responsibility and encourage sustainable development throughout its supply chain.

IMPROVING CUSTOMER SERVICES

Product Quality Management

The Group has implemented a product quality management mechanism to guarantee it sources the highest quality of products and materials, thereby meeting client specifications and complying with all statutory and legal obligations. To ensure quality control and timely delivery of materials to project sites, our procurement team has established standardised internal control mechanisms. Upon material delivery to the project site, verification checks are conducted to ensure accuracy in terms of ordered quantities, expenses, and desired materials, thus fulfilling customer requirements. The tracking document closely monitors the delivery of incoming materials and the return of goods, keeping the project manager and procurement team well-informed at every stage of the process.

Product Quality Control

The Company Quality Manual outlines the procedures and responsibilities in place to identify and control any products that do not meet specified requirements, preventing unintended use or delivery. In the unlikely event that a defective product is discovered after shipment or if a formal complaint is received from a customer, it will be promptly reported to the project manager through designated communication channels, and the relevant subcontractor or personnel will be notified accordingly. A thorough assessment of non-conformities will be conducted through product examination and reporting, which will be followed-up with subsequent improvement measures. Each case will be documented and reviewed to prevent similar occurrences in the future. Regular on-site supervision and inspections will also be conducted to ensure continuous monitoring of the quality performance. During the Reporting Period, we did not receive material complaints relating to project delivery and quality of materials against contractual agreements, and there were no incidents of non-compliance with regulations or voluntary codes in relation to the health and safety of our delivered formwork products.



Customer Satisfaction

Our formwork construction business has long been employing cutting-edge technologies in its operations, including but not limited to, Ming Tai Tableform (Patent no.: HK1230011) and Coding Process System of Architectural Aluminium Template System (the "**Formwork Coding System**") (Patent no: HK1203295) and Building Information Modelling ("**BIM**") and Modular Integrated Construction ("**MiC**"), while our engineer design business also made considerable efforts in enhancing our Design for Manufacturing Assembly (the "**DfMA**") technology and smart solutions to meet the customers' needs, along with our digital and technological capacity development and to power our delivery for better economic, environmental and social good.



INNOVATION FOR SUSTAINABLE CONSTRUCTION



In the era of smart cities, the internet of things and artificial intelligence, innovation plays a crucial role in the construction industry as well as Royal Deluxe's strategic vision for sustainability. By embracing innovation in our formwork solutions and optimising the latest technologies, Royal Deluxe seeks to continuously enhance project efficiency, empower employees' safety, improve manpower planning and achieve sustainable development along its value chain.

TECHNOLOGICAL EXCELLENCE AND INNOVATION

Innovation and digitalisation have become the centrepiece of the development of the construction industry in Hong Kong. Providing “high-quality work and flexible solutions to deliver construction technical innovation and optimised-customer design” is the Group’s motto for innovation. To improve project efficiency and management, the Group is committed to investing in technology and innovation to maintain its competitive edge and contribute to the sustainable development of the industry. Through analysing our risks and opportunities, and monitoring the latest developments in the industry, we continuously pursue technologies that will bolster project efficiency, enhance workforce planning and safety, and achieve sustainable development.

These innovations include the **Tableform** (Patent no.: HK1230011) and the **Formwork Coding System** (Patent no: HK1203295) and the **DfMA** technology. The Group actively invests in innovations, technologies and technical process enhancements in order to optimise our workforce efficiency, safety, material use and waste management, which guide us towards sustainable development of the construction industry.

INNOVATION IN CRAFTSMANSHIP AND DESIGN

In recent years we have established our engineering design team to enhance our capabilities in introducing DfMA application and deepening BIM-based digital formwork design coordination processes in our project design and planning. This innovative approach revolves around creating and managing digital twin that captures both the physical and functional aspects of buildings and construction sites. By utilising this method, we aim to enhance project communication, optimise processes, and streamline documentation throughout different phases of a project. Our goal is to foster a highly efficient and collaborative environment among architects, engineers, suppliers, surveyors, contractors, and other construction professionals involved in the planning, design, manufacturing, and construction of buildings. Implementing this approach in our projects has yielded significant improvements in safety, operational efficiency, and the overall effectiveness in building model design. Within the Reporting Period, 9 projects have benefitted from the use of the DfMA process.

Ming Tai Tableform With DfMA To Increase Workforce Efficiency And Reduce Materials Waste

3rd Runway Concourse Foundation and Substructure exclude wing concourse Formwork and concourse work with Tableform

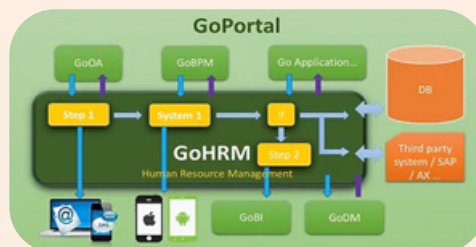
3rd Runway Concourse was a challenging project with a floor height of over 8 metres on average and a large construction ceiling area within a short construction period. DfMA helped increase the precision of selecting construction processes and materials input, suggesting the best design concept of Tableform assembly with minimum labour costs. With the use of Ming Tai Tableform and DfMA, potential problems were identified and resolved prior to construction, optimising the reuse of Tableform components on-site as well as highly reducing construction wastage and fuel consumption of transportation.



Bespoke Digital Human Resources Platform

The Company has adopted a bespoke digital human resources management platform to ensure our human resources management system is a pioneer of digitalisation and technological advancement in the industry. It provides a one-stop interface for human resource management, information analysis and general administration. The web-based platform and mobile app system will enable us to fully digitalise human resource administration and streamline procedures in our operations.

(The digital human resources management system was a Technology Voucher Programme ("TVP") funding programme)



INTELLECTUAL PROPERTY RIGHTS

The Group actively expands the applications for invention patent licensing and utility patents to advance the protection of intellectual property. During the Reporting Period, 2 new patents were successfully registered in the PRC, which are all related to the supportive systems and formworks. There were no material infringements of IP rights or the IP rights of third parties.

The Group maintained 47 (2023: 54) patents and 8 trademarks (2023: 7). Further information on our patents can be found in the subsection "Technological Excellence and Innovation" of this Report.

CONTRIBUTING TO INDUSTRY DEVELOPMENT

As a formwork company in the construction industry, Royal Deluxe plays a key role in shaping urban landscapes and infrastructure development. Since its establishment, the Group has actively undertaken large-scale formwork erection projects for building construction and civil engineering works in Hong Kong.

By providing the foundations for the construction of residential and commercial buildings, transport terminus and various infrastructure developments, including public housing development in Kai Tak, the reinforced concrete structure of the ventilation building in Ho Man Tin, the re-development of former State Theatre and State Theatre Building in North Point, building expansion in Princess Margaret Hospital, Hong Kong International Airport APM and BHS Tunnels and Related Works and the Hong Kong International Airport Third-runway System concourse, we contribute to the urban transformation and long-term development of the city with our expertise and professionalism.

Through Royal Deluxe's involvement in these projects, we created a total of 3,234 direct and indirect employment opportunities across our projects. We work with subcontractors, suppliers, engineers and other professionals, creating a network of professionals and skilled labour that collaborate to foster the sustainable development of the construction industry in Hong Kong.

SUSTAINABLE CONSTRUCTION TECHNOLOGY AND DIGITAL TRANSFORMATION

By adopting efficient construction techniques and innovative technologies, including digital twin application, modular integrated construction and on-site energy-efficient practices, we promote efficient and sustainable construction that enhances project safety and manpower planning and reduces environmental impacts to advance the industry's best practices.



DIVERSITY AND INCLUSION – EMPOWERING OUR PEOPLE

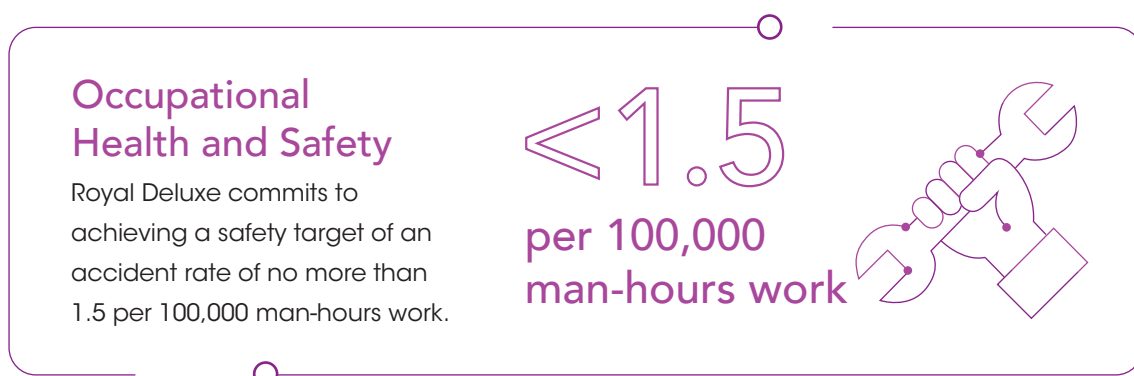


Human capital is vital to ensuring the Group's continued sustainable development and ambition to retain a leading and reputable position in the industry. We are committed to providing a better working environment that enhances job satisfaction while supporting employee's professional development and personal growth. We place utmost importance on health and safety and ensure the highest standards of safety management are maintained in order to protect our employees, contractors, and workers on our construction sites.

OCCUPATIONAL HEALTH AND SAFETY

Safety Management System

As a leading formwork company in Hong Kong, protecting the occupational health and safety of its employees and subcontractors is our utmost priority. The Group acknowledges the inherent workplace hazard risks of the construction industry and therefore has implemented a series of robust safety risk management controls and procedures to safeguard our direct and indirect employees on project sites. We have established a Safety Plan and a Work Safety Code that comply with the Occupational Safety and Health regulations issued by the Labour Department, and put in place a well-rounded structure of site safety management system that conducts corporate and site safety audits and reviews and submits relevant safety audit reports periodically according to the requirements.



Safety Management Measures

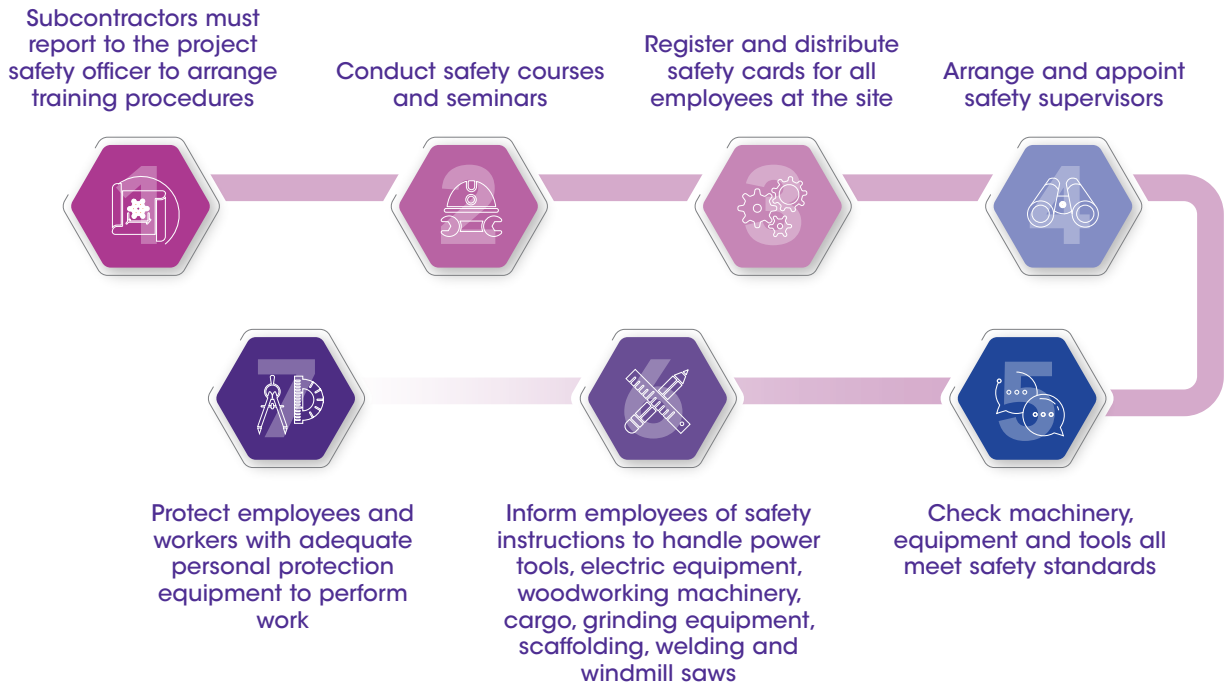
At Royal Deluxe, occupational health and safety is governed by the CSHEC which meets periodically to discuss, evaluate, and monitor the Group's occupational health and safety risks and quantitative indicators, as well as review the Safety Plan and the corporate risk register. The Safety Plan details the Group's health and safety organisational structure and responsibilities, and the communication channels between management, on-site safety officers and frontline workers. It also sets out the Group's management system for safety prevention and control, planning, training, risk assessment, and safety audit and review as well as contingency plans in case of the occurrence of an accident or emergency.

All employees are responsible for the implementation of the Safety Plan and carrying out their respective duties, including supervision, laws and regulations compliance, assessing risk levels, accident investigation, conducting on-site safety audits and evaluations, and providing training.

During the Reporting Period, the "Heat Stress at Work Warning Guidelines" came into effect for workers working in outdoor and non-air-conditioned environments. Our on-site safety risk assessment takes into account the heat stress endured by workers and takes necessary preventive and control measures, including rescheduling work periods, setting up shade covers, providing ventilation and heat dissipation equipment, and reminding employees to keep hydrated and rest as needed.

The Group has also established the Work Safety Code and Safety Instructions for its workers and subcontractors which outline the safety procedures and precautions for the use of construction tools and equipment as well as when undertaking high-risk works. On-site employees are provided with personal protective equipment including helmets, eye and ear protectors, and respirators to safeguard their health and safety.

Safety Instructions for Subcontractors



During the Reporting Period, four court summons were received by the Company regarding the accused violation of Regulations 38AA(2), 38B(1A), 68(1)(a) and 68(2)(d) of the Construction Sites (Safety) Regulations as two of our subcontractors' casual workers started work quickly without complying with site safety measures nor supervisor presented. The Group has initiated internal investigations into the cases, led by safety manager, to identify any wrongdoing and propose remedial action to our existing safety management framework. Further results of the cases shall be reported upon the conclusion of all legal proceedings.



Safety Risk Assessment



Assessing health and safety risks

Safety Advisor/Safety Officer:

- Conducts risk assessment for the prevailing work activities
- Identifies potential safety hazards
- Evaluates safety risks by their severity and likelihood
- Details the risk control measures in Risk Assessment Report
- Reports to the Site Safety Committee



Reporting work-related hazards

Site Agent and Foremen:

- Reports the accident to Project Manager and Safety Advisor/Safety Officer immediately
- Files the Accident/Incident Investigation Report to Safety Advisor/Safety Officer



Investigating accidents/incidents

Safety Officer/Safety Supervisor:

- Conducts investigation on reported accident/incidents
- Obtains witness statements to determine the details
- Identifies possible causes to formulate preventive measures
- Reports to the Site Safety Committee

Safety Training and Inspection








The provision of adequate safety training plays a vital role in preventing accidents and ensuring employees are well-informed of the protocols in case of an emergency. The Company Safety Training Plan outlines the different trainings that are required to be attended by workers within different roles and duties. Our safety officer revises the Site Safety Training Programme monthly, where the effectiveness is reviewed by the Site Safety Committee. Site safety training encompasses Site Specific Induction Training and Safety Toolbox Talks as well as special safety training for specific tasks, covering site-specific risks, basic first aid practices and key personnel to contact in case of an emergency to enhance employees' awareness of potential occupational hazards, good site practices and knowledge on relevant laws and regulations. All employees are required to attend external safety training courses approved by the Labour Department before commencing on-site work and Continuing Professional Development ("CPD") courses are also arranged for specialised roles to ensure workers are qualified with the technical skills required for the tasks.

Regular safety inspections and audits are carried out by professionals to ensure continuous compliance with safety regulations and our Safety Plan. Various parties, including our safety officers, contractors and subcontractors, within the project site are responsible for conducting regular inspections to ensure best practices are maintained throughout the project. In addition, qualified external auditors assess and verify the effectiveness and reliability of our safety management system, ensuring adherence to relevant standards, including the Factories and Industrial Undertaking (Safety Management) Regulation (Cap. 59AF of the Laws of Hong Kong). Our continued efforts in upholding and maintaining high safety standards are signified by the achievement of the Silver Award of the Best Safety Performance Contractor awarded by CR Construction Company Limited.

Handling of Safety Incidents

The Group acknowledges that significant occupational hazards inherent in construction sites cannot be completely eliminated. To mitigate potential work-related injuries, the CSHEC takes charge of safety assessments and action plans, aiming to uphold the highest safety standards. In case of incidents or accidents, the most senior site staff who first become aware of the accident shall immediately initiate the notifiable or serious incident reporting procedure. Meanwhile, comprehensive investigations are conducted to determine the root causes, implement corrective measures, and develop preventive strategies for future occurrences. We are dedicated to enhancing our site safety efforts and further reducing the number of accidents in the future.

During the Reporting Period, there were 43 (2023: 49) cases of work injury reportable to the Labour Department. The Group acknowledges the negative impact of labour disputes towards the Group and has taken necessary and appropriate actions to settle work injury claims. In cases where the injury claim is confirmed, the affected workers are entitled to receive compensation for medical expenses as mutually agreed. We strive to reduce the number of occupational injuries by establishing and adopting various methods to reduce health and safety risks and enhance the safety awareness of employees.

Work-Related Fatalities		Work Injury Cases ⁽²⁾		Lost Days Due to Work Injury ⁽³⁾		Work Injury Rate ⁽⁴⁾
Direct	Indirect	Direct	Indirect	Direct	Indirect	
						
2022 0	0	0	18	684	2,009	1.19
2023 0	0	4	45	146	2,706	3.37
2024 0	0	2	41	26	4,929	2.07

^[2] "Work injury cases" refers to the number of work-related injury cases reportable to the Labour Department.

^[3] "Lost days due to work injury" refers to the number of work days lost due to cases reportable to the Labour Department.

^[4] "Work injury rate per 100,000 man-hours" refers to the number of reportable injury cases per 100,000 man-hours worked. It is calculated by the number of reportable injury cases divided by total man-hours worked during the Reporting Period, and then times 100,000. The work injury rate for 2022 and 2023 have been recalculated to align with the Group's latest calculation methodology that follows industry standards.

HUMAN CAPITAL DEVELOPMENT AND TRAINING

As a formwork company, we recognise that investing in our employees' knowledge and technical skills is crucial for maintaining a safe working environment and delivering high-quality services. It is crucial for our employees to possess adequate training and professional skills to bolster the Group's continued growth and success. Through our continuous professional development programmes, we aim to enhance the capabilities and competencies of our employees, enabling them to adapt to evolving construction trends and technologies.

Construction Tradesman Collaborative Training Scheme

The Group continued its efforts to upskill our workers in the face of manpower shortage, we recruited 16 and 1 trainees to take part in the CIC's Intermediate Tradesman Collaborative Training Scheme (the "ITCTS") and Approved Technical Talents Training Programme – Senior Tradesmen (Certificate) (the "ATP") respectively in the Financial Year 2024. Through the ITCTS and ATP, trainees are recruited to receive training, that is jointly provided by the Hong Kong Institute of Construction ("HKIC") and the Company, on various specialised roles on construction sites. At the end of the training of ITCTS, trainees who successfully pass the Intermediate Trade Test provided by the CIC will be able to register as semi-skilled workers of the relevant trade under the Construction Workers Registration Ordinance. The programmes not only provide the opportunity for job seekers to acquire new skills and abilities but also enable the Company to grow its pool of talent to meet the labour shortage in the construction industry.

Diversity in the Training

The Group's Training and Development Policy states that subsidies are provided to our employees to facilitate the pursuit of external training courses that align with their job responsibilities. This initiative encourages their professional development by enabling them to acquire qualifications that enhance their technical skills and career prospects. In addition to the health and safety training, all new recruits undergo comprehensive orientation training, which acquaints them with our core values, organisational structure, business objectives, pertinent policies, and Code of Conduct. They also receive department-specific training to equip them with the necessary skills for their respective roles. Furthermore, our directors actively participate in external training programmes, covering diverse topics including corporate governance and disclosure of interests. This commitment to continuous learning ensures that our employees and leadership keep abreast of industry trends and best practices to contribute to the long-term success of the Company.

To ensure that the training programmes deliver value to our employees and our business, we invite them to fill in a training course evaluation form, so as to assess the quality and delivery of the course, learning outcomes, and improvements and recommendations.

During the Reporting Period, the Group's direct full-time employees completed a total of 1,656.25 (2023: 2,276.25) hours of training, while our indirect employees, including site workers and subcontractors, completed a total of 13,860.58 (2023: 5,865.08) hours of training. Our employees attended a variety of occupational and professional training provided by CIC, universities and other professional institutes, covering areas including construction management, health and safety, business ethics and integrity, ESG reporting, and the latest regulatory updates. The Group will continue to encourage its employees to attend external training to keep abreast of the latest development in the industry and elevate their professional skillsets and expertise.

TALENT ACQUISITION AND RETENTION

The Group values its human capital as its success and development is highly dependent upon its workforce. We pride ourselves on a corporate culture that encourages teamwork and integrity. The Group is committed to providing a positive work environment that embraces equality and diversity, especially when recruiting and retaining talented individuals from diverse backgrounds and experiences.

Employee Remuneration Policy

The Group offers a competitive remuneration package that is mainly based on industry practices and individual performance and experience. Remuneration package comprises of salary, a performance-based bonus, Mandatory Provident Fund contributions, dental and group medical scheme and training and development sponsorship. Employee bonus is distributed based on the performance of the respective employees concerned.

The HR Department and supervisors also conduct performance appraisals semi-annually to foster an engaging workforce and recognise the achievements of its employees. It is one of the factors that determines an employee's remuneration package, which is solely based on their professionalism, technical expertise, and experience. The packages are regularly reviewed in order to ensure employee compensation aligns with the Company's evolving needs and strategic goals. An annual employee engagement and satisfaction survey is also conducted with all employees through commissioning an external organisation to obtain their opinions and feedback.

Employee Welfare Management

Our welfare system includes various non-monetary benefits that covers all employees, such as staff medical, dental and training programs. Leave entitlements including paid holiday leave, paid annual leave, statutory holidays, sick leave, examination leave, maternity leave, and paternity leave are granted and guaranteed, dependent upon seniority and years of service in the Company. Furthermore, all of our direct employees are entitled to parental leave.

During the Reporting Period, 4 employees took parental leave, and all returned to work after parental leave ended. 25% of employees returning from parental leave were still employed 12 months after their return to work in 2023.

Physical and Mental Wellbeing

Our employees' physical and mental well-being is a priority for the Group. We actively promote participation in diverse activities that foster team building and a sense of belonging. Throughout the Reporting Period, we organised a range of company activities, including recreational sports competitions, charitable events, and birthday celebrations. These activities aim to create a supportive and enjoyable work environment, nurture employee engagement and their overall satisfaction.

Construction Industry Happy Run 2024 and Lifewire Run 2023

We encourage our employees to participate in regular physical activities that bolster their mental and physical wellbeing. During the Reporting Period, about 20 employees participated in Construction Industry Happy Run 2024 and Lifewire Run 2023. These charity runs are also fundraising events for the CIC Construction Industry Sports & Volunteering Programme ("CISVP") and children with rare diseases. Through participating in charity runs, we hope to benefit our employee's physical fitness while making a positive social impact and creating shared value.



Dental services for our employees and their families

During the Reporting Period, we cooperated with a newly opened dental clinic located in the same building as the Group's Kwun Tong Head Office, to provide dental care services at a discounted rate for our employees and their families. Moreover, our employees are eligible for reimbursement for their dental expenses under the Company's dental healthcare plan. We have also negotiated with the clinic to benefit practitioners in the construction industry to enjoy dental services with a discounted price. We are committed to ensuring our employees and their families have access to high-quality dental services to support their health and wellbeing.



Team Building Activities

We care for our employees and their families, and actively organise a variety of activities to enrich employees' life, and create a corporate atmosphere of shared values and responsibilities. During the Reporting Period, we organised activities for employees to enjoy and socialise as well as to create a strong team spirit within the Company. They include our annual Christmas Party and other social activities such as "Pineapple Cake Making workshop". These activities enable our employees to socialise with their fellow colleagues and reduce their stress from work. Through organising these events, we hope to build employees' sense of belonging and increase their job satisfaction.



LABOUR RIGHTS AND PROTECTION

Diversity and Equal Opportunities

The Group believes that the power of a diverse pool of talent promotes innovation, better decision-making and higher employee engagement. Therefore, the Group prides itself in being an equal opportunity employer and pays particular attention to ensuring fair and just treatment throughout the recruitment, employment, and promotion processes. As guided by the Staff Requisition and Recruitment Policy, our screening process during the recruitment process is solely based on experience and expertise, such as competency, technical skills, industry knowledge, and educational background. This procedure also helps us to prevent any occurrence of unfair treatment.

During the Reporting Period, the Group received an enquiry from the Equal Opportunities Commission ("EOC") regarding a potential disability discrimination dispute between one of the indirect workers, who was employed by our subcontractor, and the main contractor during a pre-employment induction training class held by the main contractor. The dispute was subsequently terminated with the assistance of the EOC. The ESGWG was informed about the incident and notified our employees regarding the *EOC's Code of Practice on Employment* to eliminate the occurrence of any discrimination in the Company.

Workforce Diversity

The Group continues to adopt employee diversity measures to promote the diversity at all levels of its workforce. All eligible employees enjoy the equal opportunities for employment, training and career development without discrimination. As at 31 March 2024, the Group had a total workforce (including senior management) of 108 direct employees, of which 74% are male, and 26% are female.

The Group will continue to take gender diversity into consideration during recruitment. The Group will continue to take opportunities to increase the proportion of female workforce over time as and when suitable candidates are identified. For details of the gender ratio in the workforce, please refer to the section headed “Performance Data Table – Social” in the ESG Report.

Child and Forced Labour

Safeguarding the human rights of our employees and the employees of our suppliers and subcontractors is of paramount importance to us. We unwaveringly maintain a zero-tolerance attitude against any form of child or forced labour across our value chain to ensure a fair and ethical work environment for all individuals involved in our operations.

The Group rigorously adheres to relevant laws and regulations relating to employment, and child and forced labour practices. Our Requisition and Recruitment Policy stipulates strict policies relating to the recruitment process and the labour standards that we uphold. All personnel are required to provide valid personal identification documents for verification purposes, while reference checks are conducted accordingly. At the project sites, employees have to be formally registered at the beginning of the contract, and their documents would be authenticated with the head office by the site coordinator. Subsequently, incoming and outgoing daily employee traffic is monitored using facial identification recognition technology, while employment cards are regularly checked.

Across the Group, overtime work and other allowances are rightfully compensated to our staff according to the Employee Handbook. In the unlikely event that false information or a false identity is discovered, the Group will address the situation by closely following the necessary procedures in accordance with the relevant laws and regulations.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to labour standards and no cases of child or forced labour were reported.

Communication with Employees

The Group has established multiple communication channels with its employees to strengthen communication and engagement, including through webmail, whistleblowing mailbox, Microsoft Teams, WhatsApp Messenger, as well as commissioning an external consultant to conduct an internal online survey to seek employees’ opinions and feedback.



BUILDING A BETTER COMMUNITY

10 REDUCED
INEQUALITIES



17 PARTNERSHIPS
FOR THE GOALS



We endeavour to build a better society through the Group's contribution to infrastructure and other development projects as well as community engagement initiatives, in an effort to facilitate social inclusion and drive a more harmonious and sustainable society for all. By taking part in volunteering activities and making charitable donations, we are devoted to deepening our ties with society and creating shared value for a sustainable and equitable society.

ENGAGING WITH LOCAL COMMUNITY, SUPPORTING SUSTAINABLE COMMUNITY DEVELOPMENT

Drawing on our nearly 30 years of experience, the Group has developed a strong bond with the local community in Hong Kong. As a responsible corporation, we are dedicated to fostering a healthy, caring, and sustainable society.

Social Welfare and Charity

We actively contribute to the community through charitable donations, engaging in volunteer work and community events, and providing ongoing support for the development of talented young individuals.



Volunteer Social Activities

During the Reporting Period, the Group continues to be named as a Construction Industry Caring Organisation by the CIC. It reflects our unwavering commitment to fostering a positive and enduring impact on the communities we serve.

Lo Pan Rice 2024

During the Reporting Period, we continue to contribute to the CIC's CISVP, including the "Lo Pan Rice 2024" campaign as one of its sapphire sponsors. Through donations and mobilising our employees to volunteer in the campaign, it collaborated with NGOs to provide disadvantaged groups and people in need with meal boxes to extend the care and love of the construction industry. A total of over 100,000 meal boxes were distributed throughout the campaign.



Charitable donations

The Group continues to uphold its proud history of supporting charitable and non-profit organisations. Through our sponsorship and charitable donations, we aim to promote a sustainable community and create a positive impact among our employees and within the community.

During the Reporting Period, we have donated HK\$227,000 (2023: HK\$312,000) to support the operations of various non-profit organisations.

PROSPECT

As part of our vision to create long-term value for our stakeholders, the Group is developing strategic plans to advance its ESG commitment and drive its sustainability progress. The Group is dedicated to pursuing sustainable growth and responsible operations. We strive to generate shared value, manage our risks, and contribute to the sustainable development of the environment and society.

Climate Change

Given the HKEX's updated climate disclosure requirements, Royal Deluxe intends to further enhance its climate change strategy and risk management practices. This includes developing its own Climate Action Plan and Roadmap to align with the latest local and international reporting frameworks.

Governance	<ul style="list-style-type: none">• Establish a Climate Change Policy to solidify the Group's climate change governance and management• Organise climate change training for the Board and management to keep abreast of the latest developments and regulations
Strategy	<ul style="list-style-type: none">• Conduct climate risk assessment and scenario analysis to review the Group's climate risk level• Assess financial effects of climate risks and opportunities• Develop a transition plan to strengthen the Group's climate resilience that aligns with the Group's long-term development
Risk Management	<ul style="list-style-type: none">• Integrate climate risks and opportunities to the Group's business strategy, investment decisions and risk management
Metrics and Targets	<ul style="list-style-type: none">• Identify material scope 3 emissions categories• Track and review GHG and other environmental targets• Disclose the amount of expenditure and resources deployed towards climate actions

APPENDIX

LAWS AND REGULATIONS

The Group strictly abides by related laws and regulations, including but not limited to:

Environmental:

- Air Pollution Control (Construction Dust) Regulation (Cap. 311R)
- Air Pollution Control (Fuel Restriction) (Amendment) Regulation (Cap. 311I)
- Air Pollution Control (Open Burning) Regulation (Cap. 311O)
- Air Pollution Control (Non-Road Mobile Machinery) (Emission) Regulation (Cap. 311Z)
- Air Pollution Control Ordinance (Cap. 311)
- Buildings Ordinance (Application to the New Territories) Ordinance (Cap. 121)
- Buildings Ordinance (Cap. 123)
- Dumping at Sea Ordinance (Cap. 466)
- Environmental Impact Assessment Ordinance (Cap. 499)
- Factories and Industrial Undertaking Ordinance (Cap. 59)
- Noise Control Ordinance (Cap. 400)
- Public Cleansing and Prevention of Nuisances Regulation (Cap. 132BK)
- Public Health and Municipal Services Ordinance (Cap. 132)
- Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)
- Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C)
- Waste Disposal Ordinance (Cap. 354)
- Water Pollution Control Ordinance (Cap. 358)
- Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611)

Social:

- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)
- Apprenticeship Ordinance (Cap. 47)
- Companies Ordinance (Cap. 622)
- Competition Ordinance (Cap. 619)
- Construction Works Registration Ordinance (Cap. 583)
- Construction Sites (Safety) Regulations (Cap. 59I)
- Disability Discrimination Ordinance (Cap. 487)
- Employees' Compensation Ordinance (Cap. 282)
- Employment of Children Regulations (Cap. 57B)
- Employment of Young Persons (Industry) Regulations (Cap. 57C)
- Employment Ordinance (Cap. 57)
- Factories and Industrial Undertakings Ordinance (Cap. 59)
- Factories and Industrial Undertakings (Safety Management) Regulation (Cap. 59AF)
- Family Status Discrimination Ordinance (Cap. 527)
- Immigration Ordinance (Cap. 115)
- Race Discrimination Ordinance (Cap. 602)

- Mandatory Provident Fund Schemes Ordinance (Cap. 485)
- Minimum Wage Ordinance (Cap. 608)
- Occupational Retirement Schemes Ordinance (Cap. 426)
- Occupational Safety and Health Ordinance (Cap. 509)
- Occupiers Liability Ordinance (Cap. 314)
- Patent Ordinance (Cap. 514)
- Personal Data (Privacy) Ordinance (Cap. 486)
- Prevention of Bribery Ordinance (Cap. 201)
- Sex Discrimination Ordinance (Cap. 480)
- Supply of Services (Implied Terms) Ordinance (Cap. 457)
- Trademarks Ordinance (Cap. 559)

PERFORMANCE DATA TABLE

Key Performance Indicators	Unit	2024	2023	2022
Environmental				
Air and GHG Emissions				
NOx Emissions	kg	129.22	119.05 ^[5]	139.66
SOx Emissions	kg	0.33	0.47	0.40
PM Emissions	kg	10.74	10.15	10.31
GHG Emission – Scope 1	tCO ₂ -e	55.18	82.01	69.52
GHG Emission – Scope 2	tCO ₂ -e	37.97	38.47	35.41
GHG Emission – Scope 3 ^[6]	tCO ₂ -e	1.11	13.66	14.39
Total GHG Emissions (Scope 1-3)	tCO ₂ -e	94.27	134.15	119.32
GHG Emission Intensity by Area (warehouse included)	tCO ₂ -e/m ²	0.11	0.14	N/A
GHG Emission Intensity by Area (warehouse excluded)	tCO ₂ -e/m ²	0.15	0.21	0.19
GHG Emission Intensity by Workforce ^[7]	tCO ₂ -e/person	0.87	0.99	1.19
Energy				
Petroleum Usage	Litre	5,040.55	16,291.72	6,597.62
Diesel Usage	Litre	15,644.12	14,342.72	18,897.00
Electricity Usage	kWh	97,368.51	98,648.39	95,692.27
Total Energy Usage	MJ	1,123,663.10	1,455,839.16	1,252,797.92
Energy Usage Intensity by Workforce	MJ/person	10,404.29	10,704.70	12,527.98
Water				
Water Usage	m ³	167.91	200.36	252.33
Water Usage Intensity by Workforce	m ³ /person	1.55	1.47	2.52
Waste				
Paper Consumption	kg	3,367.06	3,350.28	3,498.41
Paper Recycling	kg	3,158.00	531.00	533.00
Paper Disposal	kg	209.06	2,819.28	2,965.41
Paper Disposal Intensity by Workforce	kg/person	1.94	20.73	29.65
Timber Consumption	m ³	6,179.24	6,186.01	3,478.05
Aluminium Consumption	Tonnes	126.85	1,212.46	405.77
Aluminium Recycling	Tonnes	32.72	86.39	243.29
Steel Consumption	Tonnes	617.27	1,337.09	664.20
Steel Recycling	Tonnes	167.69	513.62	466.06
Metal Consumption	Tonnes	921.51	1,141.52	232.35

^[5] Air and GHG Emissions in 2023 have been recalculated due to inconsistencies in data collection.

^[6] GHG emission – Scope 3 includes GHG emissions from paper waste disposed at landfills and electricity used for processing fresh water and sewage.

^[7] Environmental KPIs intensity by workforce are limited to direct workforce only.

Key Performance Indicators Social	Unit	2024	2023	2022
Direct Workforce^[8]				
Direct Workforce by Gender				
Male	Person	80	105	65
Female	Person	28	31	35
Direct Workforce by Age				
18-25	Person	12	9	3
26-35	Person	46	54	45
36-45	Person	27	37	25
46-55	Person	16	20	19
56-65+	Person	7	16	8
Direct Workforce by Employment Category				
Senior Management	Person	5	7	12
Middle Management	Person	19	18	18
General Staff	Person	69	62	68
Others	Person	15	49	2
Indirect Workforce^[9]				
Indirect Workforce by Gender				
Male	Person	3,053	2,196	2,404
Female	Person	83	50	62
Indirect Workforce by Age				
18-64	Person	3,026	2,167	2,156
65 or above	Person	110	79	310
Indirect Workforce by Nationality				
Chinese Nationals	Person	2,556	1,858	2,075
Non-Chinese National	Person	580	388	391

^[8] All employees under direct employment of the Group and not subcontracted.

^[9] All employees working at the Group's operation sites but not directly employed by the Group.

Key Performance Indicators	Unit	2024	2023	2022
Social				
Turnover Rate^[10]				
Total Turnover Rate	%	44.26	78.81	15.08
Turnover Rate by Gender				
Male	%	41.08	82.35	17.39
Female	%	54.24	69.70	9.84
Turnover Rate by Age				
18-25	%	76.19	183.33	75.00
26-35	%	32.00	52.53	8.82
36-45	%	34.38	90.32	17.86
46-55	%	66.67	87.18	8.89
56-65+	%	60.87	91.67	18.18
Turnover Rate by Employment Category				
Senior Management	%	16.67	21.05	0.00
Middle Management	%	10.81	22.22	11.11
General Staff	%	44.27	44.62	18.44
Others	%	68.75	227.45	0.00
Training and Development^[11]				
Total Training Hours	Hours	1,656.25	2,276.25 ^[12]	865.75
Average Training Hours	Hours/employee	15.34	16.74	8.66
Total Percentage of Employees Trained	%	32.41	31.62	51.00
Percentage of Employees Trained by Gender				
Male	%	36.25	34.29	47.69
Female	%	21.43	22.58	57.14
Percentage of Employees Trained by Employment Category				
Senior Management	%	80.00	57.14	33.33
Middle Management	%	21.05	55.56	22.22
General Staff	%	18.84	27.42	63.24
Others	%	93.33	24.49	N/A
Average Training Hours by Gender				
Male	Hours/employee	19.27	19.62	11.02
Female	Hours/employee	4.11	6.98	4.27

^[10] Turnover rates are limited to direct workforce only.

^[11] Training-related KPIs are limited to direct workforce only.

^[12] Training and Development data in 2023 have been recalculated due to inconsistencies in data collection.

Key Performance Indicators	Unit	2024	2023	2022
Social				
Average Training Hours by Employment Category				
Senior Management	Hours/employee	53.30	32.61	5.15
Middle Management	Hours/employee	9.43	26.50	7.28
General Staff	Hours/employee	10.78	12.11	9.90
Others	Hours/employee	31.10	16.73	0.00
Work-related Incident^[13]				
Work-related Fatalities	Case	Nil	Nil	Nil
Work Injury Case	Case	43	49	18
Lost Days due to Work Injury	No. of Days	4,955	2,852	2,693
Work Injury Rate	Per 100,000 man-hours	2.07	3.37	1.19
Supplier's Geographical Location				
Hong Kong	Supplier	64	64	68
PRC	Supplier	4	1	1

^[13] Inclusive of both direct workforce and indirect workforce.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Mandatory Disclosure Requirements		
Governance Structure		
	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	Strengthening our Landscapes – Promoting Responsible Business Operation
Reporting Principles		
	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose:</p> <ul style="list-style-type: none"> (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be discussed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About this Report

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Reporting Boundary		
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About this Report
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.	Sustainable Development for Building Towards a Greener Future; Laws and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Sustainable Development for Building Towards a Greener Future
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).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The production of hazardous waste continues to be insignificant when compared to other non-hazardous waste generated by our Group. Hence, we currently do not have a centralised monitoring system to record the amount of hazardous waste we produce.

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Sustainable Development for Building Towards a Greener Future
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.	Sustainable Development for Building Towards a Greener Future
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Development for Building Towards a Greener Future
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).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Sustainable Development for Building Towards a Greener Future; Performance Data Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Sustainable Development for Building Towards a Greener Future
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.	Sustainable Development for Building Towards a Greener Future
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations do not involve the use of packaging for finished products.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Sustainable Development for Building Towards a Greener Future
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Development for Building Towards a Greener Future

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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.	Sustainable Development for Building Towards a Greener Future
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	Sustainable Development for Building Towards a Greener Future
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.	Diversity and Inclusion – Empowering our People; Laws and Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Performance Data Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Table
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.	Diversity and Inclusion – Empowering our People; Laws and Regulations
KPI B2.1	Number and rate of work-related fatalities.	Diversity and Inclusion – Empowering our People; Performance Data Table
KPI B2.2	Lost days due to work injury.	Diversity and Inclusion – Empowering our People; Performance Data Table
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Diversity and Inclusion – Empowering our People

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Diversity and Inclusion – Empowering our People
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category	Performance Data Table
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 Inclusion – Empowering our People; Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity and Inclusion – Empowering our People
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity and Inclusion – Empowering our People
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Cooperation for Win-Win Results
KPI B5.1	Number of suppliers by geographical region.	Performance Data Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Cooperation for Win-Win Results
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Cooperation for Win-Win Results
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Cooperation for Win-Win Results

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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.	Cooperation for Win-Win Results; Laws and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Nil
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	The Group received no material complaints during the Reporting Period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Strengthening our Landscapes – Promoting Responsible Business Operation
KPI B6.4	Description of quality assurance process and recall procedures.	Cooperation for Win-Win Results
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Strengthening our Landscapes – Promoting Responsible Business Operation
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.	Strengthening our Landscapes – Promoting Responsible Business Operation; Laws and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting period and the outcomes of the cases.	Nil
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Strengthening our Landscapes – Promoting Responsible Business Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Strengthening our Landscapes – Promoting Responsible Business Operation

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
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.	Building a Better Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Building a Better Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Building a Better Community

GRI CONTENT INDEX

Statement of use	Royal Deluxe Holdings Limited has reported the information cited in this GRI content index for the period 1 April 2023 to 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 2: General Disclosures 2021	2-1 Organisational details	About this Report	
	2-2 Entities included in the organisation's sustainability reporting	About this Report	
	2-3 Reporting period, frequency and contact point	About this Report	
	2-4 Restatements of information	About this Report	
	2-6 Activities, value chain and other business relationships	About this Report	
	2-7 Employees	Performance Data Table	
	2-8 Workers who are not employees	Performance Data Table	
	2-9 Governance structure and composition	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report	
	2-11 Chair of the highest governance body	Corporate Governance Report	
	2-12 Role of the highest governance body in overseeing the management of impacts	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-13 Delegation of responsibility for managing impacts	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-14 Role of the highest governance body in sustainability reporting	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-15 Conflicts of interest	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-16 Communication of critical concerns	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-17 Collective knowledge of the highest governance body	Diversity and Inclusion – Empowering our People	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
	2-19 Remuneration policies	Corporate Governance Report	
	2-20 Process to determine remuneration	Corporate Governance Report	
	2-21 Annual total compensation ratio	Corporate Governance Report	
	2-22 Statement on sustainable development strategy	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-23 Policy commitments	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-24 Embedding policy commitments	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-25 Processes to remediate negative impacts	See relevant disclosures on respective material topics	
	2-26 Mechanisms for seeking advice and raising concerns	Strengthening our Landscapes – Promoting Responsible Business Operation	
	2-27 Compliance with laws and regulations	Laws and Regulations	
	2-28 Membership associations		Hong Kong Formwork Contractors Association, Registered Specialist Trade Contractors
	2-29 Approach to stakeholder engagement	Strengthening our Landscapes – Promoting Responsible Business Operation	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Strengthening our Landscapes – Promoting Responsible Business Operation	
	3-2 List of material topics	Strengthening our Landscapes – Promoting Responsible Business Operation	
	3-3 Management of material topics	See relevant disclosures on respective material topics	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainable Development for Building towards a Greener Future	
	201-3 Defined benefit plan obligations and other retirement plans	Diversity and Inclusion – Empowering our People	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community		100%
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Innovation for Sustainable Construction	
	203-2 Significant indirect economic impacts	Innovation for Sustainable Construction	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		93%
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Strengthening our Landscapes – Promoting Responsible Business Operation	
	205-2 Communication and training about anti-corruption policies and procedures	Strengthening our Landscapes – Promoting Responsible Business Operation	
	205-3 Confirmed incidents of corruption and actions taken	Strengthening our Landscapes – Promoting Responsible Business Operation	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Strengthening our Landscapes – Promoting Responsible Business Operation	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainable Development for Building towards a Greener Future	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainable Development for Building towards a Greener Future	
	302-2 Energy consumption outside of the organisation	Sustainable Development for Building towards a Greener Future	
	302-3 Energy intensity	Sustainable Development for Building towards a Greener Future	
	302-4 Reduction of energy consumption	Sustainable Development for Building towards a Greener Future	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainable Development for Building towards a Greener Future	
	303-3 Water withdrawal	Sustainable Development for Building towards a Greener Future	
	303-4 Water discharge	Sustainable Development for Building towards a Greener Future	
	303-5 Water consumption	Sustainable Development for Building towards a Greener Future	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainable Development for Building towards a Greener Future	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainable Development for Building towards a Greener Future	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainable Development for Building towards a Greener Future	
	305-4 GHG emissions intensity	Sustainable Development for Building towards a Greener Future	
	305-5 Reduction of GHG emissions	Sustainable Development for Building towards a Greener Future	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainable Development for Building towards a Greener Future	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainable Development for Building towards a Greener Future	
	306-2 Management of significant waste-related impacts	Sustainable Development for Building towards a Greener Future	
	306-3 Waste generated	Sustainable Development for Building towards a Greener Future	
	306-4 Waste diverted from disposal	Sustainable Development for Building towards a Greener Future	
	306-5 Waste directed to disposal	Sustainable Development for Building towards a Greener Future	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Cooperation for Win-Win Results	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance Data Table	
	401-3 Parental leave	Diversity and Inclusion – Empowering our People	
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		One week via formal communication channels

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Diversity and Inclusion – Empowering our People	
	403-2 Hazard identification, risk assessment, and incident investigation	Diversity and Inclusion – Empowering our People	
	403-3 Occupational health services	Diversity and Inclusion – Empowering our People	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Diversity and Inclusion – Empowering our People	
	403-5 Worker training on occupational health and safety	Diversity and Inclusion – Empowering our People	
	403-6 Promotion of worker health	Diversity and Inclusion – Empowering our People	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Diversity and Inclusion – Empowering our People	
	403-8 Workers covered by an occupational health and safety management system	Diversity and Inclusion – Empowering our People	
	403-9 Work-related injuries	Diversity and Inclusion – Empowering our People	
	403-10 Work-related ill health	Diversity and Inclusion – Empowering our People	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Performance Data Table	
	404-2 Programs for upgrading employee skills and transition assistance programs	Diversity and Inclusion – Empowering our People	
	404-3 Percentage of employees receiving regular performance and career development reviews	Diversity and Inclusion – Empowering our People	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performance Data Table	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and Inclusion – Empowering our People	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Diversity and Inclusion – Empowering our People	

GRI STANDARD	DISCLOSURE	LOCATION	Remarks
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Diversity and Inclusion – Empowering our People	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Cooperation for Win-Win Results	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Cooperation for Win-Win Results	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Nil
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Strengthening our Landscapes – Promoting Responsible Business Operation	