

# Silver Tide Holdings Limited

## 銀濤控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 1943

### Environmental, Social and Governance Report

# 2023

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

### Report Overview

This Environmental, Social and Governance Report (the “**Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, plans and performances of Silver Tide Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**” or “**We**”), and demonstrates its commitment to environmental protection and sustainable development.

### Reporting Period

This Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 March 2023 (the “**Reporting Period**” or “**2023**”).

### Reporting Scope

This Report focuses primarily on the Group’s ESG performance within the Hong Kong office of the Group, which is a major operating revenue centre controlled directly by our management. It includes providing formwork construction services to the public as well as private construction sectors. The Group’s formwork business principally includes (i) traditional formwork using timber and plywood and (ii) system formwork using aluminium and steel.

### Reporting Framework

This Report has been prepared in compliance with all the applicable provisions as set out in the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) under the Appendix 27 of the Main Board Listing Rules.

### Reporting Principles

During the preparation for this Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as the following:

Materiality	The materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this Report. The materiality of issues was reviewed and confirmed by the ESG Committee. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
Quantitative	Supplementary notes have been added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
Consistency	The preparation approach of this Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.
Balance	The information provided in this report was presented in an objective and impartial manner, which provided stakeholders with an unbiased view of how the Group performed in terms of its ESG activities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

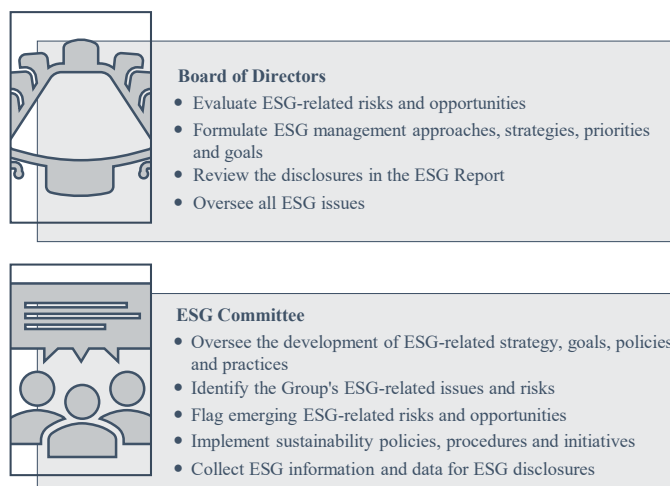
## Contact Us

We value the feedback from our stakeholders in developing our sustainability strategy. You are welcome to provide opinion and suggestions on this Report or our sustainability performance at:  
Address: Office Floor 29, Queen’s Road Centre, 152 Queen’s Road Central, Hong Kong  
Email: [info@silvertide.hk](mailto:info@silvertide.hk)  
Website: <http://www.silvertide.hk/>

## Forward-Looking Statements

This Report contains forward-looking statements which are based on the current expectations, estimates, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it and its subsidiaries operate. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ from the assumptions made and the statements contained in this Report.

## THE ESG GOVERNANCE STRUCTURE



## Board Statement

The board of directors (the “**Board**”) is responsible for monitoring the Group’s ESG issues, including its management approaches, strategies, and policies. To better manage the ESG performance and identify potential risks, the Board conducts materiality assessments where necessary, along with the assistance of the ESG Committee, which helps to evaluate and prioritise material ESG issues based on the opinions of our stakeholders. In support of its ESG strategies, the Board sets a general direction, ensuring that ESG risks are effectively controlled, and internal control mechanisms are in place. This Report was prepared by the ESG Committee, and approved by the Board.

## ESG Committee

The Group has established an ESG Committee (the “**Committee**”). This Committee, consisting of core members from different departments and is responsible for collecting relevant information from the Group’s ESG aspects for preparing this Report. It reports to the Board and assists in identifying and evaluating the Group’s ESG risks and the effectiveness of its internal control mechanisms on a daily basis. It also has a role in assessing and evaluating the Group’s performance relating to a number of socially responsible issues such as environment protection, health and safety, labour standards, and product responsibilities. The Committee is also responsible for implementing the ESG plans and to ensure the execution of various ESG-related strategies and policies to achieve the ESG-related targets in accordance with the Board’s direction.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## STAKEHOLDER ENGAGEMENT

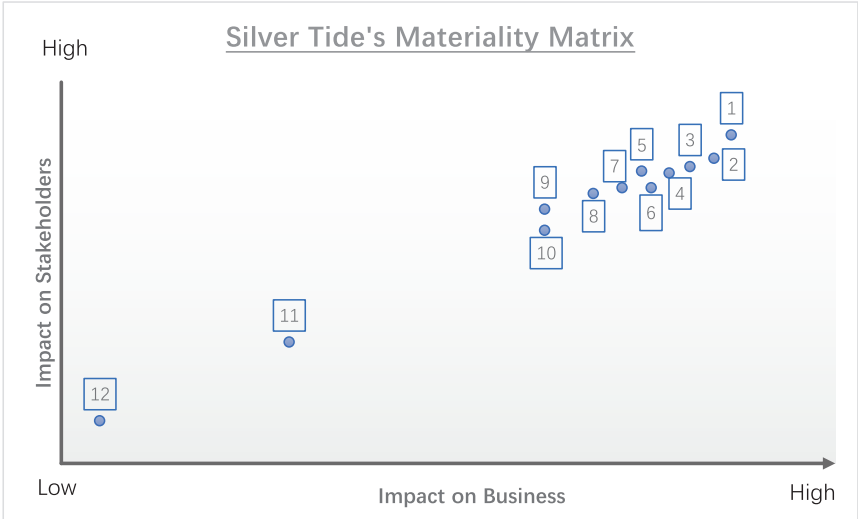
The Group seeks to collaborate with stakeholders to achieve better ESG performance and enhance value creation for the community. Thus, the Group values its stakeholders' feedback on its businesses and ESG practices. For a better understanding of their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to the Board, shareholders and investors, customers, employees, suppliers, community and the public, as well as the government authorities and regulatory bodies. Through diverse engagement methods and communication channels, the Group takes stakeholder expectations into account in formulating its business and ESG strategies.

MAJOR STAKEHOLDERS	COMMUNICATION CHANNELS	EXPECTATIONS
<b>SHAREHOLDERS AND INVESTORS</b>	<ul style="list-style-type: none"> <li>Financial reports</li> <li>Announcements and circulars</li> <li>Annual general meetings</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business compliance</li> <li>Financial performance</li> <li>Strategic development</li> </ul>
<b>GOVERNMENT AUTHORITIES AND REGULATORY BODIES</b>	<ul style="list-style-type: none"> <li>Tele-conferences</li> <li>Written or electronic correspondence</li> <li>On-site inspections</li> <li>Corporate reports and announcements</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Timely taxation</li> <li>Employment growth</li> <li>Security operations</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>Face-to-face meetings</li> <li>Interviews</li> <li>Hotline and emails</li> </ul>	<ul style="list-style-type: none"> <li>Project quality</li> <li>Customer service</li> <li>Privacy protection</li> <li>Business ethics</li> </ul>
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Professional training</li> <li>Internal meetings</li> <li>Annual performance appraisals</li> <li>Employee opinion surveys</li> </ul>	<ul style="list-style-type: none"> <li>Compensation and benefits</li> <li>Workplace health and safety</li> <li>Career development</li> <li>Legal rights and interests</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>Periodic assessments</li> <li>Supplier management meetings and events</li> <li>Open tendering</li> </ul>	<ul style="list-style-type: none"> <li>Stable supply chain</li> <li>Fair and open tendering</li> <li>Information resources sharing</li> <li>Long-term cooperation</li> </ul>
<b>COMMUNITY AND THE PUBLIC</b>	<ul style="list-style-type: none"> <li>Community investment plans</li> <li>ESG reports</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Community contributions</li> <li>Ethical operations</li> <li>Environmental protection</li> </ul>

## MATERIALITY ASSESSMENT

By reviewing the Group's operations and identifying relevant ESG issues, the Committee has assessed the importance of related matters to the Group's businesses and stakeholders. According to industry practices and internal development strategy, the Group identified 12 ESG issues and created a questionnaire to collect information from the relevant internal and external stakeholders. The Group reviewed the materiality assessment result and considered that the result was applicable to the Group. The continuous monitoring of the Group's ESG performance will be conducted as part of its business operations.

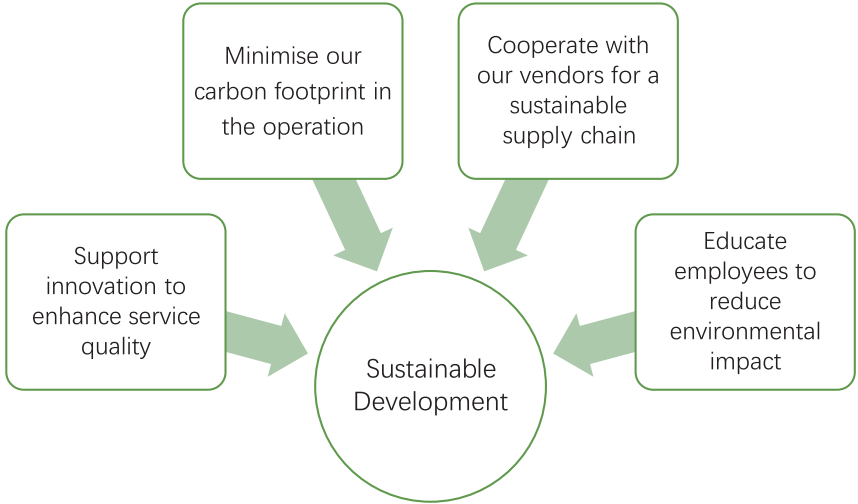
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)



No. Material Issues	No. Material Issues
1. Employment and labour practices	2. Project quality assurance
3. Protecting staff's health and safety	4. Privacy protection
5. Service pledge to customers	6. Training and development
7. Anti-corruption	8. Emissions control
9. Supply chain management	10. Community investment
11. Energy management	12. Noise control

## OUR APPROACH TO ESG

The core businesses of the Group are principally engaged in the provision of formwork works services for the construction industry in Hong Kong. We believe that green building in our business, sustainable practices in our daily operation and employees' environmental awareness improve our community's living quality and protect our ecosystem. We also recognise that environmental protection, low carbon footprint, resource conservation and sustainable development are the key trends in society. To follow the key trends and to pursue a successful and sustainable business model, the Group has integrated ESG aspects into its risk management system, incorporated ESG factors into our decision-making process and has taken corresponding development principles in its daily operation.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## ENVIRONMENTAL

The Group adheres to good environmental management and strives to protect the environment to fulfil its corporate social responsibility. The Group has established environmental policies and integrated the concept of sustainable development into its operation. The environmental management system has been certified by the international standard ISO 14001:2015 and complies with the standard to ensure environmental friendliness in building design and construction.

By recycling, recovering, and reusing used materials, the Group minimises the adverse impacts brought on by its operations by controlling pollution, conserving resources, and reducing waste. Environment goals are set at the Group level to facilitate the evaluation of the effectiveness of the Group's strategies and measures to mitigate climate impacts.

	Intensity	Change in percentage	
<b>Our 2030 Environmental Targets</b> (Using FY2023 as base line)	Electricity Consumption	↓	4%
	Water Consumption	↓	5%
	Non-hazardous Waste	↓	5%
	Greenhouse Gas Emissions	↓	5%

### A1. Emissions Control

#### *Air Emissions*

The Group's air emissions were generated from mobile sources and construction sites. Mobile sources include the Group's company vehicles and mobile machinery at construction sites. The exhaust gas generated by the Group includes nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>") and particulate matter ("PM").

Types of Air Emissions	Unit	FY 2023	FY 2022
Nitrogen Oxides (NO <sub>x</sub> )	kg	11.52	10.74
Sulphur Oxides (SO <sub>x</sub> )	kg	0.39	0.17
Particulate Matter (PM)	kg	0.85	0.79

For the emissions generated from the construction, the Group adopts appropriate dust reduction measures to mitigate air pollutants generated from construction works. Dust suppression is carried out by the installation of screens and other barriers. The areas where demolition work is carried out and areas with a stockpile of dusty materials are sprayed with water immediately before, during and after construction activities.

The Group has implemented emission reduction measures with the aim of reducing exhaust gas from mobile sources. Vehicle inspections and maintenance are conducted on company vehicles regularly to enhance their efficiency. Substandard vehicles have been phased out, and the Group is considering electric vehicles for future purchases. The workers are encouraged to plan routes ahead of time to reduce route repetition and take public transport during business trips under normal circumstances. The Group reduces physical meetings by leveraging the use of online meetings. We prefer local suppliers and contractors, thus reducing exhaust gas and greenhouse gases (GHG) emissions resulting from transportation. Environmentally friendly unleaded petrol is adopted to comply with the latest emissions standards.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## GHG Emissions

The consumption of electricity at the office, petrol and diesel consumption by the vehicles and mobile machinery used at construction sites are the major of GHG emissions sources of the Group.

Since the business has recovered from the pandemic during the Reporting Period, GHG and air emissions have increased substantially due to the higher use of vehicles. The Group's GHG emissions performance was as follows:

Indicators <sup>1</sup>	Unit	FY2023	FY2022
Direct GHG Emissions (Scope 1)			
• Petrol and Diesel Consumption	tCO <sub>2</sub> e	69.90	29.32
Energy Indirect GHG Emissions (Scope 2)			
• Electricity Consumption	tCO <sub>2</sub> e	0.67	0.63
<b>Total GHG Emissions (Scope 1 and Scope 2)</b>	<b>tCO<sub>2</sub>e</b>	<b>70.57</b>	<b>29.95</b>
<b>Total GHG Emission Intensity<sup>2</sup></b>	<b>tCO<sub>2</sub>e/employee</b>	<b>1.47</b>	<b>0.71</b>

Remarks:

- GHG emissions data is presented in carbon dioxide equivalent and was in reference to, including but not limited to, the reporting requirements of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX and the "2022 Sustainability Report" published by the CLP Power Hong Kong.
- As of 31 March 2023, the Group had a total of 48 employees (2022: 42). The data is also used for calculating other intensity data.

The Group has formulated internal policies and control systems to reduce GHG emissions generated from its business activities. The measures taken for reducing GHG from vehicles (Scope 1) were described under the above section headed "Air Emissions".

Consumption of electricity is accounted for as the major source of indirect energy and indirect GHG emissions (Scope 2). The Group has implemented measures as described under "Energy Management" in aspect A2 to reduce energy consumption, thereby minimising carbon footprint.

## Sewage Discharge

Due to the Group's business nature, the consumption of water is minimal. Additionally, water supply and discharge facilities are mostly managed by the property management. Therefore, our business activities did not generate a material portion of discharges into water.

## Waste Management

Throughout its construction and operation, the Group is dedicated to minimising the adverse impacts associated with the disposal of solid waste, general refuse, and wastewater resulting from the waste generation process.

Our Group has developed sustainable waste management practices that have been compliant with the relevant laws and regulations regarding environmental protection in order to safeguard the health and welfare of the community from adverse environmental effects related to the handling and disposal of waste.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## *Non-hazardous Waste*

In view of the business nature, we consumed paper for drawing, designing, and commercial purposes during operations. The non-hazardous wastes generated by the Group's operations mainly consist of office paper.

<b>Type of Waste</b>	<b>Unit</b>	<b>FY2023</b>	<b>FY2022</b>
Non-hazardous Waste Produced			
• Office Paper	tonnes	0.26	0.54
Non-hazardous Waste Produced Intensity	tonnes/employee	0.005	0.013

For construction wastes, no data is available as most of the construction projects were shared with the main contractors and subcontractors. Nevertheless, the Group integrates the concept of sustainability into operations and introduces eco-friendly materials to the projects. Apart from paper, employees are also encouraged to bring their own lunch and avoid takeaway to reduce foam lunch box disposal.

Paper Waste	<ul style="list-style-type: none"> <li>• Monitor the consumption of paper to avoid abnormal situations.</li> <li>• Adopt double-sided printing and electronic means for the circulation of documents to create a paperless workplace.</li> <li>• Place recycling bins beside the printer to encourage paper recycling.</li> </ul>
Construction Waste	<ul style="list-style-type: none"> <li>• Precast reusable formworks, which are made up of aluminium alloy, were employed for construction works since traditional timber formwork has lower reusability, while the use of aluminium alloy formworks appears to be more environmentally friendly in the way of saving trees.</li> <li>• Scrap and recycle the aluminium alloy formworks that are worn out.</li> </ul>

## *Hazardous Waste*

As the Group is principally engaged in the provision of formwork works services, it does not produce hazardous wastes during the operation. Nevertheless, the Group has established guidelines which detail the steps in governing the management and disposal of hazardous wastes. In case there are any hazardous wastes produced, the Group will engage qualified waste collectors to handle the waste in order to comply with the relevant environmental regulations and rules.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## A2. Use of Resources

The Group continues to introduce resource efficiency and eco-friendly measures to the Group's operations and is committed to optimising the use of resources efficiently. During our operation, fuel and electricity are consumed. The Group has established relevant policies and procedures governing the efficient use of resources to attain the objective of achieving higher energy efficiency and reducing unnecessary use of resources.

### **Energy Management**

Energy consumption of the Group includes diesel consumed by mobile machinery at the construction sites, petrol consumed by the Group's vehicles, and electricity used at the office.

<b>Indicators</b>	<b>Unit</b>	<b>FY2023</b>	<b>FY2022</b>
<b>Total Direct Energy Consumption</b>	<b>MWh</b>	<b>258.79</b>	<b>140.60</b>
• Petrol	MWh	221.12	83.65
• Diesel	MWh	37.68	56.95
<b>Total Indirect Energy Consumption</b>	<b>MWh</b>	<b>1.73</b>	<b>1.62</b>
• Purchased Electricity	MWh	1.73	1.62
<b>Total Energy Consumption</b>	<b>MWh</b>	<b>260.52</b>	<b>142.22</b>
<b>Total Energy Consumption Intensity</b>	<b>MWh/employee</b>	<b>5.43</b>	<b>3.39</b>

Given that transportation accounts for most of the energy consumption, the Group has also conducted corresponding measures to cut down the fuel usage disclosed in Aspect 1. Besides, to achieve a better energy efficiency performance, the Group has implemented the below policies:

- Encourage employees to turn off idle equipment, computers, and lighting;
- Utilise natural light where possible;
- Adopt power-saving features for office equipment and computers;
- Maintain an average indoor temperature between 24-26°C during the summer period; and
- Procure energy-efficient appliances only upon replacement of old appliances or due to new business needs.

### **Water Management**

The Group does not consume a significant amount of water in its business activities due to its business nature. At the same time, since the water consumption of the Group's offices is included in the property management fee, the water consumption from our office is therefore not included in this Report. Due to the Group's business nature and geographical region which its operation is mainly based in Hong Kong, the issue of sourcing water that is fit for purpose is not relevant to the Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Despite limited water consumption, we still promote behavioural changes at the office and encourage water conservation. Water conservation messages are displayed in the pantry and toilets to remind our employees to conserve water, which enhances their awareness.

## ***Use of Packaging Materials***

Due to the Group's business nature, it does not consume a significant amount of packaging materials. Therefore, the disclosure does not apply to the Group.

### **A3. The Environment and Natural Resources**

The Group pursues the best practices in environment protection and focuses on its impact on the environment and natural resources. The Group has integrated the concept of environmental protection into its daily operations with the aim of achieving environmental sustainability.

#### ***Noise Control***

Controlling noise during formwork construction is important to minimise disturbances to nearby residents, ensure compliance with regulations, and maintain a safe working environment. The Group and the employed subcontractors strictly adhere to the laws stipulated by the Environmental Protection Department and carry out all construction works only during the permitted days and hours. Temporary acoustic barriers are erected around the construction site. Noise-damping materials such as rubber or foam pads are applied between contact points to absorb vibration and reduce noise transmission. Our on-site staff and safety officers implement immediate corrective actions to rectify the situation whenever any environmental non-compliance is noted on-site.

#### ***Construction Waste Control***

Controlling construction waste during formwork construction is crucial for environmental sustainability and efficient project management. During the initial project planning phase, the Group considers waste reduction strategies and optimises formwork design to minimise material usage and waste generation. Modular systems made from materials like steel, aluminium, or plastic can be dismantled and reused multiple times, reducing waste generation. Our workers carefully plan the dimensions of formwork elements to minimise the need for trimming or cutting excess material. When possible, the formwork elements will be carefully dismantled and stored for future use. By implementing these strategies, the Group can effectively control and reduce construction waste during formwork construction. Not only does this benefit the environment, but it can also improve project efficiency and cost-effectiveness.

### **A4. Climate Change**

Most construction firms have become accustomed to the weather and climate in the areas where they operate. With experience and data gathering, they have developed strategies to ensure that inclement weather does not threaten the success of a project. Due to climate change, the weather has become less predictable. Consequently, construction firms' entire business is at risk when they are unable to predict weather patterns or develop emergency plans for weather variables.

To combat climate change, our goal is to mitigate the related risks, adapt to them, and manage the risks associated with climate change in our operations. Our Board oversees the implementation of ESG strategies and goals, including climate risk management and carbon neutrality. To achieve carbon neutrality, we strive to remove carbon and then reduce carbon directly. This goal aligns with the Paris Agreement goal of limiting climate change to 1.5°C.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **Physical Risks and Transition Risks**

According to the reporting framework developed by the Task Force on Climate-Related Financial Disclosures, climate-related risks are divided into physical and transition risks. The Group has identified climate change-related risks and incorporated them into enterprise risk management.

<b>Physical Risks</b>	<b>Description</b>
Drought	Drought can prevent our construction sites from getting enough water to complete vital tasks.
Flooding	Flooding can cause a shortage in the raw ingredients used to make construction materials. It also poses a threat on the safety of our employees and customers.
Persistent Heatwave	Our workers on the construction site are susceptible to sunstroke due to high temperatures in the summer. If the heat waves persist, we may experience delays in our construction projects.

To minimise the potential hazards, the Group has established mitigation plans, including flexible working arrangements during extreme weather conditions, such as typhoons and black rainstorms. Construction workers are provided with rest areas, ventilation facilities, rest periods, potable water, relevant training and extra formwork protection. Aside from this, the Group had also invested in insurance coverage for its employees and properties to protect the interests of all parties involved and reduce the risk of financial loss.

<b>Transition Risks</b>	<b>Description</b>
Policy and Legal Risk	To meet the carbon neutrality targets set by the Hong Kong government, tighter regulations, policies, and initiatives will be implemented to reduce GHGs.
Technology Risk	Upgrading to old equipment and lighting systems would increase the investment cost and potentially decrease revenue due to temporary production shutdowns.
Market Risk	Market risk also arises from consumer preferences and behaviour changes, as customers might be sensitive to greener products and production processes.

The Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response. The Group will explore emergency plans to further reduce the vulnerability of our installations to extreme weather events to enhance business stability.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B. SOCIAL

### B1. Employment

The Group believes that employees are the largest and most valuable assets of the Group. Human resources managing procedures are formally documented in the Employee Handbook, covering matters such as resources planning, performance evaluation, training, recruitment, resignation, transfer, remuneration and welfare. This procedure provides a standardised method of labour employment management and also ensures that the legitimate interests of each employee are protected. During the Reporting Period, the Group is not aware of any material non-compliance with employment and labour practices-related laws and regulations that would have a significant adverse impact on the Group.

Recruitment, Promotion and Dismissal

The Group hires employees through open recruitment. The Group adheres to the principles of transparency and fairness to adopt a robust recruitment process. The Group promises to provide all candidates fair access to information and resources. Factors such as capabilities, academic qualification, practical working requirements, functional knowledge and language proficiency are considered recruitment standards.

Employees are promoted based on performance appraisals, which are conducted by the Group's management on a regular basis. The process of appraisals and promotion are stated in relevant human resources policies. The Group's Employee Handbook is regularly reviewed and updated to ensure compliance with applicable laws and regulations.

The Group has no tolerance for unfair and illegitimate dismissals and makes sure the dismissal procedure is fair and open. The Group has formulated the procedures and conditions of dismissal in the Employee Handbook. The management conducts face-to-face interviews with the resigned staff in order to understand employees' opinions.

Remuneration and Benefits

Compensation and human resources budgets are regularly reviewed by Group management. This is to ensure that staff remuneration packages attract and retain talent and remain competitive in the industry. Statutory benefits, including the Mandatory Provident Fund ("**MPF**") and different types of leaves, are provided. Employees' remuneration is paid timely and accurately according to the requirement of relevant labour standards and as stated in the Employee Handbook for the staff's notification.

The Group actively recruits and attracts talents and provides fair and competitive compensation. Employees' salaries and year-end bonuses are determined based on qualifications, work performance, performance appraisal results and market trends.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Working Hours and Rest Periods

The Group stipulates the working days and rest time for employees in the Employment Contract to eliminate the possibility of forced labour. When overtime is required, the Group negotiates with employees and provides compensatory time off or overtime money as required by law.

Employees of the Group are entitled to a variety of paid leaves, including annual leave, maternity leave, paternity leave, marriage leave, compassionate leave, examination leave, and so on, in addition to statutory or public holidays and rest days.

## Equal Opportunity, Diversity and Anti-Discrimination

The Group provides equal opportunities in all aspects of employment and maintains a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation. We have established and implemented policies that promote a fair and respectful workplace. With the aim of ensuring fair and equal protection for all employees, the Group has zero tolerance for sexual harassment or abuse in the workplace in any form. Any employee who is intimidated, humiliated, bullied or harassed (including sexual harassment) may report to the employee's representative or file complaints directly to the management representative or the general manager. The Group will take serious approaches to resolve these issues upon receiving the said complaints.

## Employment Engagement

Communication with employees is an important part of the Group's effort to provide a decent work environment that is beneficial to the physical and mental health of its employees and that allows them to maximise their potential. Employees are also free to voice their ideas or register complaints through a variety of communication mechanisms, including mailbox, emails and employee surveys. Communication mechanisms are regularly evaluated to ensure their effectiveness.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

As of 31 March 2023, the Group's employee size breakdown is as below.

<b>Breakdown of Employees</b>	<b>FY2023</b>	<b>FY2022</b>
<b>Total</b>	<b>48</b>	<b>42</b>
<b>By Gender</b>		
Male	35	32
Female	13	10
<b>By Age</b>		
Below 30	15	10
30-50	25	22
Above 50	8	10
<b>By Geographical Location</b>		
Hong Kong	48	42
<b>By Employment Type</b>		
Full-time	47	42
Part-time	1	0

The Group's overall employee turnover rate during the Reporting Period was 23%. The breakdown of employees according to gender group and age group are as follows:

<b>Employee Turnover Rate (%)</b>	<b>FY2023</b>	<b>FY2022</b>
<b>Total</b>	<b>23%</b>	<b>48%</b>
<b>By Gender</b>		
Male	26%	51%
Female	15%	40%
<b>By Age</b>		
Below 30	20%	50%
30-50	24%	68%
Above 50	25%	10%
<b>By Geographic Location</b>		
Hong Kong	23%	48%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B2. Health and Safety

Safety is considered to be of the utmost importance during delivery of the Group’s services, since high-risk activities are performed and employees are exposed to heights during certain work activities, such as construction at heights. A safe and healthy working environment is a top priority for the Group and it strives to achieve zero tolerance for hazards, incidents, non-compliances, and accidents.

### Health and Safety Systems

A well-established health and safety management system has been established to ensure a safe working environment in projects. This includes detailed procedures and policies for the prevention and remediation of safety accidents. Our occupational health and safety management system has been implemented and certified in compliance with the requirements of OHSAS 18001 international standards. The Group sets up its own safety department and employs a safety officer registered under the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations (Chapter 59Z of the Laws of Hong Kong).

Additionally, the Group has engaged a safety consultant whose engagement team includes a chartered member of the Institution of Occupational Safety and Health to advise the Group on its general safety policy. The consultant conducted random safety inspections for construction projects and provided safety consultancy services, which included offering trainings to the Group’s directors and senior management and carrying out risk assessments for specific high-risk activities or operations. If subcontractors fail to follow the Group’s in-house safety guidelines, a warning letter will be issued.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **Safety Training**

Employees should attend the training courses organised by the Group on occupational safety and environmental control. Emergency and evacuation procedures have been established for the employees to respond to major safety accidents timely and orderly. The safety officer conducts regular training for employees and workers arranged by subcontractors. This ensures their competency to perform specifically assigned tasks and a proper training record is kept. Employees are also free to provide feedback on improving workplace safety.

The Group has achieved zero work-related fatalities for three consecutive years (including the Reporting Period). During the Reporting Period, the Group has not lost any working days due to work injury.

<b>Indicators</b>	<b>Unit</b>	<b>FY 2023</b>
Lost Days Due to Work Injury	Days	0
Work Injury Rate	%	0

## **COVID-19 Preventive Measures**

To combat new virus variants, the Group has taken proactive measures to safeguard the health and safety of its employees and business partners per public health measures by the local authorities. The Group is highly conscious of the potential health and safety impacts brought to its staff and has taken below preventive measures at office and construction sites:

- Provide rapid antigen tests to all employees and require them to do their regular checking every Monday, Wednesday, and Friday before returning to the office. (For some construction sites required by the main constructor, workers need to do a rapid antigen test every day);
- Require employees to wear surgical face masks when entering construction sites and offices;
- Provide flexible working timeslot to prevent the gathering of a group of people at the office (9:00-18:00/9:30-18:30/10:00-19:00);
- Provide masks and alcohol-based hand rubs to all employees; and
- Require employees to check body temperature when they return to the office (a thermometer is set in front of the office's main door).



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B3. Development and Training

We believe that our staff's development and training contribute greatly to the Group's success in the future. We are committed to motivating our human resources to deliver excellence. Training sessions have been conducted for our employees on a variety of topics.

Operational Training	There are mainly three types of training, which are site-specific induction training, toolbox talks, and job-specific safety training. The Group regularly provides on-site and mechanical safety training, as well as appropriate and adequate tools for employees to operate effectively. This promotes our service quality and keeps our employees in pace with the latest industry trends.
Induction Training	All new hires would be briefed by their immediate supervisors to better equip them with the knowledge to fulfil their job duties.
Safety Training	To ensure the safety of employees working at construction sites, adequate safety training and talks would be given by the Group's safety supervisor and safety officers.
Professional Training	The Group also sponsored employees to join professional training courses relevant to their job duties. We train skilful and professional employees for the Group with the aim of providing better service to our customers.

During the Reporting Period, the Group achieved a 48% overall training rate and a total training hour of 527.3 hours. The table below shows the employee training data by gender and employee category:

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

<b>Percentage of Employees Trained (%)</b>	<b>FY2023</b>	<b>FY2022</b>
<b>By Gender</b>		
Male	57%	51%
Female	23%	10%
<b>By Employment Category</b>		
Board & Senior Management	69%	42%
Project Management & Execution	75%	87%
<b>Average Training Hours (hours)</b>	<b>FY2023</b>	<b>FY2022</b>
<b>By Gender</b>		
Male	14.87	54.28
Female	0.53	4.00
<b>By Employment Category</b>		
Board & Senior Management	2.05	16.50
Project Management & Execution	30.91	48.58

## B4. Labour Standards

The Group has zero tolerance and strictly prohibits the use of child labour, forced labour and the hiring of illegal immigrants in our operations. Below are measures that have been taken to avoid illegal employment practices.

Prevention of child labour	During the recruitment process, the Human Resources Department will verify the applicant's identity documents and ensure that they have reached the minimum age for employment.
Prohibition of forced labour	The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employee working time and schedule to ensure they work voluntarily and freely.
Prevention of hiring of illegal immigrants	A Stringent recruitment screening procedure is adopted to ensure that all recruited employees bear the necessary documents to work for the Group, such as HKID, proof of eligible working visa, the Construction Industry Safety Training Certificate, etc.

In case of any illegal labour practice, the Group will stop their employment immediately. An investigation will be carried out subsequently and reported to the relevant authorities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B5. Supply Chain Management

### *Subcontractor Management*

To ensure that our suppliers and subcontractors meet customers' and our requirements, we have set up a supply chain management system with reference to ISO 9001 and ISO 14001 in selecting suppliers and subcontractors.

Our procurement process ensures that all suppliers and subcontractors receive fair and equal treatment while, at the same time, we obtain the best possible price on the goods, services, and equipment that we procure. The selection of suppliers and subcontractors is made based on a number of factors, including the quality, services, background, and reputation of the suppliers and subcontractors, as well as their attention to environmental protection measures.

The supply chain management system specifies that for new suppliers or vendors, background and quality checking works would be conducted. The approved suppliers will be reviewed on a periodic basis. To ensure the quality of construction works delivered to customers, the Group's construction teams would regularly carry out inspections at project sites.

### *Green Sourcing*

The Group is aware of the environmental and social practices of the suppliers and tries to engage suppliers with responsible acts to society to practise green sourcing. The Group is committed to selecting environmentally-friendly products with competitive prices and superior quality to safeguard end users' health and safety, prevent pollution and efficiently use natural resources.

When ordering timber or plywood for construction materials of formwork, the Group would request suppliers to supplement a place of origin certificate with each timber or plywood delivery. This ensures that only wood products from sustainable sources would be used in construction projects. The certificate would need to be endorsed by internationally recognised institutions such as the Forest Stewardship Council and the American Forest and Paper Association.

The Group prioritises local suppliers and environmentally friendly products and services. As the majority of the suppliers and subcontractors are located in Hong Kong, it reduces the carbon footprint caused by procurement while supporting local economic development and employment growth for local communities. In addition to environmental factors, the Group will also adopt measures to monitor whether its suppliers or contractors comply with relevant social laws and regulations or meet other standards in terms of health, safety, forced labour and child labour.

### **Suppliers Distribution by Geographic Region**

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<b>Location</b>	<b>No. of Suppliers</b>
Hong Kong	148
China	3

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **B6. Product Responsibility**

Achieving and maintaining high-quality standards for projects are of utmost importance for the sustainable growth of enterprises. The Group closely monitors its work to ensure deliver high-quality services to its customers with good satisfaction levels.

### ***Quality Assurance***

Product and service quality is the cornerstone of corporate development. To ensure our goal of delivering excellent quality service, the Group has established a quality management system in accordance with ISO 9001, OHSAS 18001 and ISO 14001 to develop a sustainable performance-oriented culture to pursue continuous improvement in quality. Before delivery, all contracting projects are subjected to strict quality inspection.

During the Reporting Period, the Group was not aware of any cases where products sold or shipped were subject to recalls for safety and health reasons, and no major complaints about products and services were received.

### ***Customer Service***

As a subcontractor, the Group's direct customers primarily consist of main contractors in the construction industry, property developers or owners in Hong Kong.

To understand customers' needs and thus provide services to meet their expectations, the Group maintains active communication with them regularly. The client's expectations and customer service standards are incorporated into the Group's quality manual, procedure manual and quality plan.

### ***Protection of Consumers' Privacy***

In respect of customer personal data and confidential documents, we adhere to strict security and confidentiality standards to ensure follow the guidance of the Office of the Privacy Commissioner for Personal Data of Hong Kong. We will not disclose any personal information collected by the Group to any third parties without the consent of the personnel. During the Reporting Period, the Group did not receive any significant complaints regarding the breach of customer privacy.

### ***Protection of Intellectual Property Rights***

Intellectual Property ("IP") Rights promote innovation and creativity, helping society to increase its competitiveness. The Group respects IP Rights and formulated procedures and guidelines to ensure our operations at all levels in the fight against IP infringement. Employees of the Group are encouraged to innovate and comply with local laws and regulations regarding IP protection. Employees are prohibited from disclosing confidential information, including Group strategies, business interests, know-how, inventions, and intellectual property, whether during or after employment.

### ***Advertising and Labelling***

The Group prohibits advertisements to disclose false descriptions, claims or illustrations not true. To align with the relevant laws and code of practices, the Group has established procedures to ensure our published advertisements are truthful, fair and reasonable and free of misleading elements for the protection of the consumers' interests.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **B7. Anti-corruption**

The Group is committed to achieving the highest standards of ethics in our business operations. Fraudulent behaviours such as corruption, bribery and collusion are strictly prohibited. Employees should comply with the rules stated in the Employee Handbook in performing business activities. They should report to the management if they suspect any professional misconduct. The Group has zero tolerance for any corruption-related cases. The Group has strict internal control systems governing anti-corruption practices.

Anti-corruption-related training is conducted annually. The directors have completed a total of 17.72 hours of online anti-corruption training, with an average of approximately 2.53 hours spent on Zoom meetings during the Reporting Period. The awareness of anti-corruption of the Group has been enhanced.

### ***Whistle-blowing Mechanism***

We adopt a whistle-blowing policy and procedure for the Group at all levels. Employees can raise concerns, in confidence, about possible improprieties, such as misconduct and malpractice, in any matter related to the Group. Complaints received will be handled in a prompt and fair manner. The policy aims at protecting the whistle-blowers from unfair dismissal, victimisation, and unwarranted disciplinary actions. The whistleblower will not be subject to unfair dismissal or unjustified discipline, and all of his or her other legal rights will be protected. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

## **B8. Community Investment**

Community Investment is an essential part of the Group's strategic development. The Group believes that community investment can be mutually beneficial to the Group's business and the community it is serving.

Our area of contribution is to support the underprivileged in rehabilitation to improve their quality of life. We also focus on inspiring our employees towards social welfare concerns. We believe that by participating in these activities that contribute to the community, our staff could build positive value and be socially responsible citizens. The Group encourages its employees to participate in all kinds of voluntary work that can help the community.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## MAJOR APPLICABLE LAWS AND REGULATIONS RELATED TO THE GROUP'S BUSINESS

Aspect	Main Applicable Laws and Regulations
Emissions	Air Pollution Control Ordinance Water Pollution Control Ordinance Waste Disposal Ordinance
Employment and Labour Standards	Employment Ordinance the Employment of Children Regulations Employees' Compensation Ordinance Sex Discrimination Ordinance the Race Discrimination Ordinance Disability Discrimination Ordinance Family Status Discrimination Ordinance Personal Data (Privacy) Ordinance
Health and Safety	Occupational Safety and Health Ordinance Fire Safety Ordinance Employees' Compensation Ordinance
Product Responsibility	Trade Descriptions Ordinance Personal Data (Privacy) Ordinance
Anti-corruption	Prevention of Bribery Ordinance Anti-Money Laundering and Counter-Terrorist Financing Ordinance

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

### Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
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 Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions Control
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Emissions — GHG Emissions

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity	Emissions – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions – Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced	Use of Resources – Use of Packaging Materials
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Noise Control, Construction Waste Control
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change – Physical Risks and Transition Risks
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Physical Risks and Transition Risks

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

<b>Subject Areas, Aspects, General Disclosures and KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Aspect B1: Employment</b>		
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, antidiscrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
<b>Aspect B2: Health and Safety</b>		
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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Health and Safety Systems, Safety Training, COVID-19 Preventive Measures
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B4: Labour Standards</b>		
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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management – Subcontractor Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Green Sourcing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Green Sourcing
<b>Aspect B6: Product Responsibility</b>		
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.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Customer Service
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Customer Service

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

<b>Subject Areas, Aspects, General Disclosures and KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Protection of Customers' Privacy
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment