

# Silver Tide Holdings Limited

## 銀濤控股有限公司

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

Stock code: 1943

**2022**

Environmental, Social and Governance Report

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE 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 our commitment to environmental protection and sustainable development.

## 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. The Group believes that green building in our business, sustainable practices in our daily operation and employee’s environmental awareness improve our community’s living quality and protect our ecosystem. We also recognised 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 recognises the importance of integrating environmental, social and governance (“**ESG**”) aspects into its risk management system and has taken corresponding measures in its daily operation and governance perspective.

## REPORTING PERIOD

This ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 March 2022 (the “**Reporting Period**” or “**2022**”).

## REPORTING FRAMEWORK

This ESG 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 ESG 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 the ESG 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 are 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 ESG Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## REPORTING SCOPE AND BOUNDARY

This ESG Report mainly covers the Group's ESG performance of its office in Hong Kong, representing major operating revenue activities under direct management control which include the provision of formwork works services to both the public and private sectors in the construction industry in Hong Kong. The formwork business undertaken by our Group mainly includes (i) traditional formwork using timber and plywood; and (ii) system formwork using aluminium and steel.

## BOARD STATEMENT – THE ESG GOVERNANCE STRUCTURE

### Oversight of ESG Issues

The board of directors (the “**Board**”) holds the ultimate responsibility for monitoring the Group's ESG issues, including ESG management approach, strategy, and policies. To better manage the Group's ESG performance and identify potential risks, the Board conducts materiality assessment where necessary with the assistance of the ESG Committee (the “**Committee**”) to evaluate and prioritise material ESG-related issues with reference to the opinions of our stakeholders. The Board sets up a general direction for the Group's ESG strategies, ensuring the effectiveness in the control of ESG risks and internal control mechanisms.

### Establishment of ESG Committee

The Group has established an ESG Committee (the “**Committee**”). This Committee comprises core members from different departments and is responsible for collecting relevant information from our ESG aspects for preparing the ESG Reports. This Committee reports to the Board and assists in identifying and evaluating the Group's ESG risks and the effectiveness of the internal control mechanisms. This Committee also examines and evaluates our performances in different ESG-related goals and targets such as environment, health and safety, labour standards and product responsibilities. Following the direction set by the Board, the Committee ensures the execution of various ESG-related strategies and policies.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained close communication with its key stakeholders who include but not limited to the Board, investors and shareholders, customers, employees, suppliers, community and the public, as well as the regulatory bodies and Government authorities. The Group takes stakeholders' expectations into consideration in formulating its businesses and ESG strategies by utilising diversified engagement methods and communication channels, shown as below:

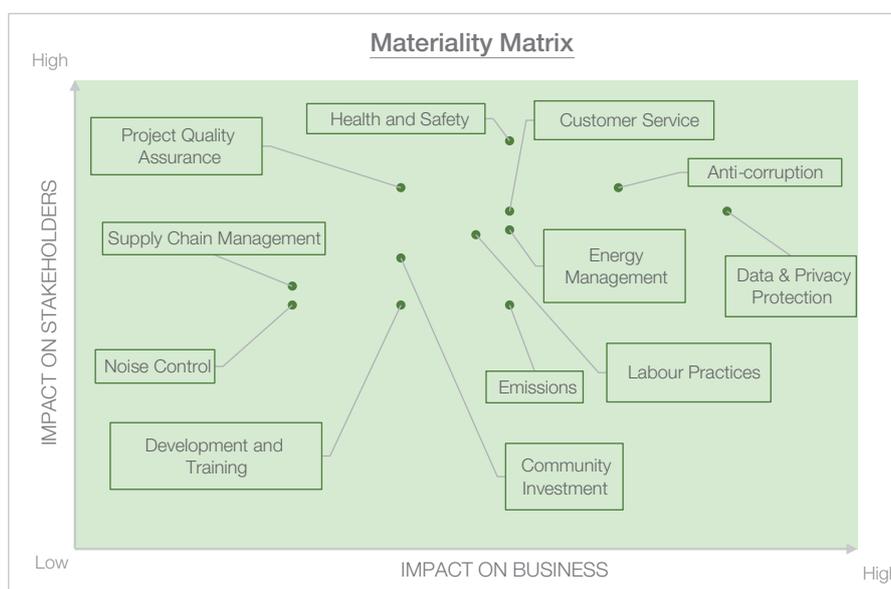
Stakeholders	Communication channels	Expectations
The Board	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Committee meetings</li> <li>• Annual general meeting</li> <li>• Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Regulatory compliance</li> <li>• Financial performance</li> <li>• Strategic development</li> </ul>
Investors and Shareholders	<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>• Financial results</li> <li>• Business compliance</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Face-to-face meeting</li> <li>• Interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Project quality</li> <li>• Customer Service</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Training</li> <li>• Internal meetings</li> <li>• Annual performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Employees' compensation and benefits</li> <li>• Health and safety working environment</li> <li>• Career development</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Suppliers' assessments</li> <li>• Supplier management meetings and events</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable supply chain</li> <li>• Fair and open tendering</li> </ul>
Community and the Public	<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>• Involvement in communities</li> <li>• Ethical operation</li> <li>• Environmental protection awareness</li> </ul>
Regulatory Bodies and Government Authorities	<ul style="list-style-type: none"> <li>• Tele-conferences</li> <li>• Written or electronic correspondences</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Timely taxation</li> <li>• Environmental protection</li> <li>• Contribution to society</li> </ul>

The Group aims to collaborate with its stakeholders to improve its ESG performance and to create greater value for the wider community on a continuous basis.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## MATERIALITY ASSESSMENT

The ESG Committee of the Group is responsible for the preparation of this ESG Report. By reviewing the Group's operations and identifying relevant ESG issues, the Committee have assessed the importance of related matters to the Group's businesses and stakeholders. Based on the material ESG issues identified, data collection questionnaires have been distributed to collect information from the relevant internal and external stakeholders of the Group. In 2022, the result of the assessment is as below.



The Group reviewed the materiality assessment results and considered that the said result is applicable to the Group. The Group will continuously monitor the Group's business operations compared with its ESG performances.

## 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 materially from the assumptions made and the statements contained in this Report.

## Endorsement and Approval

This Report was compiled, endorsed by the ESG Committee, and approved by the Board.

## Feedback and Contact Us

The Group welcomes all feedback and opinions from its stakeholders. Any of the feedback is cherished and incorporated into operation strategy wherever it sees appropriate and considered as the cornerstone for development. If you have any advice or suggestions, welcome you to contact us at [info@silvertide.hk](mailto:info@silvertide.hk).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## A. 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 for the design and construction of building works.

In addition, to minimise the adverse impact caused by our operations, the Group has included in our scope of works the measures in pollution control, conservation of the resource and waste reduction by reuse, recovery, and recycling of used materials as practicable as below.

- Commit to comply with relevant environmental legislation and regulations
- Set out environmental targets, and continuously review to improve
- Provide training to staff to arose environmental awareness
- Ensure the environmental policy is made available to the public and clearly communicated to all employees within the Group

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to:

- Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong),
- Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong),
- Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong),
- Environmental Impact Assessment Ordinance (Chapter 499 of the Laws of Hong Kong), and
- Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong).

During the Reporting Period, the Group is not aware of any material non-compliance with environmental laws and regulations relating to air and Greenhouse Gas (“GHG”) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant adverse impact on the Group.

### 2030 Environmental Targets

To support global efforts to address climate change and to facilitate the assessment of the effectiveness of the Group’s strategies and measures to mitigate the impacts of climate change, environmental objectives are set at the Group level as follows:

The target of reducing intensity by 2030, using 2021/2022 as a base year:

<b>Electricity consumption</b>	<b>Water consumption</b>	<b>Non-hazardous waste</b>	<b>Greenhouse gas emissions</b>
↓ 4%	↓ 5%	↓ 5%	↓ 5%

By setting these targets, it guides the Group’s business strategy. The steps taken to achieve these goals are detailed below in each corresponding section.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## A1. Emissions

### *Air Emissions*

Air emissions were generated from mobile sources and construction sites.

Mobile sources include the Group's automobile exhaust gas and mobile machinery such as forklifts used at the construction sites. The Group complies with the Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong) in regard to machinery labelling requirements.

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 exhaust gas generated by the Group includes nitrogen oxides ("**NO<sub>x</sub>**"), sulphur oxides ("**SO<sub>x</sub>**") and particulate matters ("**PM**"). The Group has formulated relevant policies and implemented the following emission reduction measures with the aim to reduce emissions from mobile sources:

- Encourages workers to switch off engines whenever the forklifts are idled and plan routes ahead of time to reduce route repetition.
- Regular maintenance service is required for the forklifts to ensure optimal engine performance and fuel use.
- Reduce in-person meetings by advocating the utilisation of electronic online meetings.
- Take public transport during business trips under normal circumstances.
- Conduct regular vehicle inspections and maintenance to enhance vehicle efficiency.
- Phase-out substandard vehicles and consider electric vehicles in future purchases.
- Choose local suppliers and contractors to reduce exhaust gas and GHG emissions resulting from transportation.

During the Reporting Period, the Group's exhaust gas emissions performance was as below.

Data shown only consisted of emissions generated by vehicles as data for construction dust is not available due to the limitation of the data gathering system.

<b>Types of exhaust gas</b>	<b>Unit</b>	<b>FY 2022</b>	<b>FY 2021</b>
Nitrogen oxides (NO <sub>x</sub> )	kg	10.74	1.67
Sulphur oxides (SO <sub>x</sub> )	kg	0.17	0.03
Particular matter (PM)	kg	0.79	0.12

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **GHG Emissions**

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

GHG and air emissions have increased due to the Group has purchased two more vehicles for operational use during the Reporting Period.

The Group's GHG emissions performance was as follows:

<b>Indicators<sup>1</sup></b>	<b>Unit</b>	<b>FY2022</b>	<b>FY2021</b>
Direct GHG emissions (Scope 1)			
– Petrol and diesel consumption	tCO <sub>2</sub> e	29.32	19.99
Energy indirect GHG emissions (Scope 2)			
– Electricity consumption	tCO <sub>2</sub> e	0.63	1.69
<b>Total GHG emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>29.95</b>	<b>21.68</b>
<b>Total GHG emissions intensity<sup>2</sup></b>	<b>tCO<sub>2</sub>e/employee</b>	<b>0.71</b>	<b>0.48</b>

Remarks:

1. 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, the “Sustainability Report 2021” published by the Hong Kong Electric Investments Limited, the “2021 Sustainability Report” published by the CLP Power Hong Kong, and “Global Warming Potential Values” from the IPCC Fifth Assessment Report (AR5), 2014.
2. As of 31 March 2022, the Group had a total of 42 employees (2021: 45 full-time employees). The data is also used for calculating other intensity data.

In order to achieve the 2030 environmental target, the Group has formulated relevant policies and internal control systems to reduce GHG emissions generated from the Group's 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 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.

By taking the above measures, employees' awareness of GHG emissions has been improved.

## **Sewage Discharge**

Due to the Group's business nature, we do not consume a significant volume of water in our business activities, and therefore our business activities did not generate a material portion of discharges into water. Most of the water supply and discharge facilities are provided and managed by the property management company.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **Waste Management**

The Group is committed to minimising the potential adverse impacts associated with solid waste, chemical waste, general refuse and wastewater arising from the construction and operation of the Group.

To safeguard the health and welfare of the community from adverse environmental effects associated with the handling and disposal of wastes, our Group has developed sustainable waste management practice which has complied with the relevant laws and regulations relating to environmental protection.

In order to achieve the 2030 environmental target, the office has implemented various programs and activities to encourage employees to participate in waste reduction management. We adhere to the 4Rs principle in “Reuse, replace, reduce and recycle” in waste management.

## **Non-hazardous waste**

The non-hazardous wastes generated by the Group’s operations mainly consist of paper and construction wastes.

During our business operation, we consumed paper for drawing, designing and commercial use. We understand it is inevitable for our business to consume paper, therefore we continuously monitor the consumption of paper and encourage staff to think before printing. Employees are encouraged to use double-sided printing and electronic means for the circulation of documents. A recycling bin is placed beside the printer to encourage paper recycling. Apart from paper, employees are also encouraged to bring their own lunch and avoid takeaway to reduce foam lunch box disposal.

<b>Indicators</b>	<b>Unit</b>	<b>2022</b>	<b>2021</b>
Paper disposal	Kg	540.00	349.27
Intensity	Kg/employee	12.86	7.76

For construction wastes, no data is available as most of the construction projects were shared with the main contractor and subcontractors. Nevertheless, the Group integrates the concept of sustainability into operations and introduces eco-friendly materials to the projects. 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 a way of saving trees. Furthermore, after the aluminium alloy formworks are worn out, the materials can be scrapped and recycled. Through such measures, our employees’ awareness of waste handling has improved.

## **Hazardous waste**

Due to our Group’s business nature is in the provision of formwork works services, it does not produce hazardous wastes during our 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 in all of our business operations. During our operation, fuel and electricity are consumed. The Group has established relevant policies and procedures in governing the efficient use of resources, in reference to the objective of achieving higher energy efficiency and reducing the unnecessary use of resources.

### **Energy Management**

Energy consumption of the Group includes diesel consumed by mobile machinery at the construction sites, petrol consumed by Company's vehicles, and electricity used at the office. As mentioned in A1 - Emissions, measures to reduce diesel and petrol consumption for mobile machinery and vehicles were described.

The Group's energy consumption performance is as follows:

<b>Indicators</b>	<b>Unit</b>	<b>FY2022</b>	<b>FY2021</b>
<b>Total Direct energy consumption</b>	<b>kWh</b>	<b>140,596.23</b>	<b>78,993.17</b>
Diesel	kWh	83,651.66	56,352.53
Unleaded Petrol	kWh	56,944.58	22,640.64
<b>Total indirect energy consumption</b>	<b>kWh</b>	<b>1,623.00</b>	<b>4,572.00</b>
Purchased electricity	kWh	1,623.00	4,572.00
<b>Total Energy consumption</b>	<b>kWh</b>	<b>142,219.23</b>	<b>83,565.17</b>
<b>Total Energy consumption intensity</b>	<b>kWh/employee</b>	<b>3,386.17</b>	<b>1,857.00</b>

During the Reporting Period, the Group has purchased two more new vehicles for operational use. The consumption of diesel and petrol has increased. Due to the COVID-19 impact, some employees work from home during the Reporting Period, the electricity consumption decreased significantly.

On top of the diesel and petrol saving measures disclosed in aspect A1, the Group has also conducted the following measures to improve the energy efficiency performance, including but not limited to:

- 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
- Procure energy-efficient appliances only upon replacement of old appliances or due to new business needs.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

By adopting different energy conservation measures, the Group believes it has set a role model for corporate social responsibility. More importantly, the Group strives to reduce costs by reducing electricity consumption in the workplace in the long run.

## ***Water Consumption***

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 ESG Report. Regardless of limited water consumption, we still promote behavioural changes at the office and encourage water conservation. Pantry and toilets are posted with environmental messages to remind the employees of water conservation, which results in enhancing our employees' awareness of water conservation.

Due to the Group's business nature and geographical region which our operation is mainly based in Hong Kong, the issue of sourcing water that is fit for purpose is not relevant to the Group.

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

Due to the Group's business nature, it does not consume a significant amount of packaging materials, and thus the use of packaging materials is immaterial.

### **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.

#### ***Indoor Air Quality***

Indoor air quality in our workplace is regularly monitored and measured. By conducting regular cleaning of the air conditioning system, we managed to maintain good indoor air quality and filter out pollutants, contaminants, and dust particles.

#### ***Environmental Impact of Projects***

To control and mitigate the adverse environmental impacts of the projects in our operations, we have formulated a series of procedures to assess the environmental risks of the projects. Moreover, regular audits and site visits by our safety officers are carried out to ensure the effectiveness and level of compliance with the environmental management system. The potential environmental risks of the projects include but are not limited to noise pollution and construction waste discharge. Relevant measures to mitigate the corresponding environmental risks of projects have been carried out accordingly. The Group aims to minimise the impact of our projects on the neighbourhood and preserve natural resources.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **A4. Climate Change**

The Group is aware of the threats posed by climate change and is actively doing its part by offsetting its carbon footprint. The Group recognises the importance of the identification and mitigation of significant climate-related issues, therefore closely monitors the potential impact of climate change on our business and operations and is committed to managing the potential climate-related risks which may impact the Group's business activities.

In accordance with the reporting framework developed by the Task Force on Climate-related Financial Disclosures ("**TCFD**"), there are two major categories of climate-related risks, physical and transition risks. The Group has implemented risk assessment exercises in identifying and mitigating climate-related risks.

### ***Physical Risks***

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat bring acute and chronic physical risks to the Group's business. The Group's productivity will be reduced under extreme weather events as the safety of our employees is threatened during operation work at construction sites and the power grid or communication infrastructures might be damaged, which exposes the Group to risks associated with non-performance and delayed performance, leading to a direct negative impact on the Group's revenue.

To minimise the potential risks and hazards, the Group has established mitigation plans, including flexible working arrangements and precautionary measures and extra formwork protection during bad or extreme weather conditions. The Group will explore emergency plans to further reduce the vulnerability of our installations to extreme weather events to enhance business stability.

### ***Transition Risks***

To achieve the global vision of carbon neutrality, the Group expects the evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies, the emergence of environmentally related taxes, and the shifting of customer preference to an eco-friendlier construction operation.

In response to the policy and legal risks as well as the reputation risks, 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B. SOCIAL

### B1. Employment

The Group believes that employees are the largest and most valuable asset of the Group. Human resources managing procedures are formally documented in the Employee Handbook, covering resources planning, performance evaluation, training, recruitment, resignation, transfer, remuneration and welfare, etc. These procedures not only provide a standardised labour employment management, but also safeguard the legitimate interests of every employee. Besides, the Group endeavours to protect employees' occupational health and safety.

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong); the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong); the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong); and the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong). 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 Remuneration***

The Group hires employees through open recruitment. The Group emphasises a fair, open, objective and non-discriminatory selection process. The Group has formulated relevant human resources policies, including the Employee Handbook to regulate the recruitment procedures with the principles of fairness and justice.

The promotion of employees is determined by appraisals that are conducted regularly by the Group's management to evaluate staff's work performance. 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.

Compensation and human resources budgets are regularly reviewed by the Group's management to ensure that staff remuneration packages can attract and retain talent and remain competitive within the industry. Statutory benefits including 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.

#### ***Equal Opportunity 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **Compensation and Dismissal**

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.

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.

As of 31 March 2022, the Group's employee size breakdown was as below.

	<b>FY 2022</b>	<b>FY 2021</b>
Total number of employees	42	45
<b>By Gender</b>		
Male	32	35
Female	10	10
<b>By Age</b>		
Below 30	10	10
30-50	22	27
Above 50	10	8
<b>By Geographic Area</b>		
Hong Kong	42	45
<b>By Employment Type</b>		
Full-time	42	43
Part-time	0	2

The table below shows the employee turnover rate breakdown by gender, age group and geographical region:

<b>Employee Turnover rate (%)</b>	<b>FY 2022<sup>3</sup></b>	<b>FY 2021</b>
<b>Gender</b>		
Male	50.7%	6.47%
Female	40.0%	7.14%
<b>Age group</b>		
Below 30	50.0%	3.56%
30-50	68.2%	5.46%
Above 50	10.0%	–
<b>Geographical Region</b>		
Hong Kong	48.3%	22.22%

Note 3 - Employee turnover rate is calculated by (number of employee leave during the Reporting Period/average number of employee as of March 31, 2021 and March 31, 2022) x 100%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **B2. Health and Safety**

The core business of the Group is the provision of formworks services for the construction industry. Employees' safety is regarded as the top priority due to high-risk activities and critical exposure of employees during specific works such as construction at heights in the delivery of the Group's services. The Group is committed to providing a healthy and safe working environment for all employees and contractors and strives to achieve zero tolerance towards hazards, incidents, non-compliance, and accidents.

The Group strictly complies with the relevant laws and regulations in Hong Kong, including but not limited to the Occupational Health and Safety Ordinance. During the Reporting Period, the Group is not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant adverse impact on the Group. The relevant laws and regulations include but are not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong).

### ***Health and Safety Systems***

To maintain a safe work environment, the Group has established health and safety management systems and relevant procedures for the prevention and remediation of safety accidents in projects. Our occupational health and safety management system have 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). The officer conducts regular safety training for the Group's employees and workers are arranged by subcontractors to ensure their competency to perform specifically assigned tasks and that a proper training record is kept.

The Group also engaged a safety consultant whose engagement team includes a chartered member of the Institution of Occupational Safety and Health to advise the Group on the general safety policy of the Group. The consultant conducted random safety inspections for construction projects and provided safety consultancy services, which includes offering training to the Group's directors and senior management and carrying out risk assessments for specific high-risk activities or operations.

To ensure a safe work environment, the following safety measures were implemented:

- Establishing safety bulletin and detailed record of accident statistics, holding regular internal and external meetings, and documenting safety measures and issues identified for each project by preparing inspection reports and training records;
- Conducting risk assessments to identify potential hazards and accidents and provide suggestions on proper preventive measures prior to commencement of works;
- Conducting regular site inspections by the Group's safety officer who holds a Certificate in Safety and Health for Supervision (Construction);
- Setting up a drill programme with the execution of emergency drills from time to time to maintain workers' safety awareness; and
- Setting up a safety committee to monitor the effectiveness of safety policies, reviewing and assessing safety policies, accident rates and any non-compliance with applicable laws and regulations as well as providing recommendations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

If subcontractors fail to follow the Group's in-house safety guidelines, a warning letter will be issued.

## **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 safety training for the Group's employees and workers arranged by subcontractors to ensure their competency to perform specifically assigned tasks and that a proper training record is kept. Employees are also free to provide feedback on improving workplace safety.

No work-related fatalities happened during the past 3 consecutive years.

<b>Fiscal Year</b>	<b>Unit</b>	<b>FY 2022</b>	<b>FY2021</b>	<b>FY2020</b>
Fatalities due to work	Cases	0	0	0

<b>Fiscal Year</b>	<b>Unit</b>	<b>FY 2022</b>
Lost days due to work injury	Days	3,586
Work Injury Rate	%	32.3%

Note: Work injury rate is calculated by the number of work-related injury lost days/(number of Employee x 22 x 12 (working days)) x 100%. The Group has subscribed to employees' compensation insurance for all employees, and it has covered the compensation required due to work-related injury.

## **COVID-19 Preventive Measures**

In view of the outbreak of COVID-19 in early 2020, the Group has taken proactive measures to safeguard the health and safety of its employees and business partners and has complied with public health measures implemented 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.

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B3. Development and Training

The Group recognises its staff as the most important asset and resource. Staff's development and training contributes to the continuing success of the Group. The Group is committed to inspiring its human resources toward delivering excellence. Different training sessions have been conducted for our employees.

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

During the Reporting Period, the Group has achieved a 41% overall training rate and a total training hour of 926.75 hours. The table below shows the employee training data by gender and employee category:

<b>Percentage of employees trained (%)</b>	<b>FY2022</b>	<b>FY2021</b>
<b>By Gender</b>		
Male	51%	60%
Female	10%	50%
<b>By Employee Category</b>		
Board & Senior Management	42%	100%
Project Management & Execution	87%	56%
Clerk and accountants	0%	50%
Quantity Surveyors	0%	40%
<b>Average training hours (hours)</b>	<b>FY2022</b>	<b>FY2021</b>
<b>By Gender</b>		
Male	54.28	25.00
Female	4.00	1.53
<b>By Employee Category</b>		
Board & Senior Management	16.50	11.84
Project Management & Execution	48.58	30.53
Clerk and accountants	0.00	0.13
Quantity Surveyors	0.00	0.10

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B4. Labour Standards

The Group has zero tolerance and strictly prohibits the use of child labour, forced labour and hiring of illegal immigrants in our operations. Below measures have been taken to avoid these 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 working 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 is discovered, the Group will stop their employments immediately. An investigation will be carried out subsequently and report the case to the relevant authorities.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong).

## B5. Supply Chain Management

### ***Subcontractor Management***

To ensure that our suppliers and subcontractors have met customers' and our requirements regarding quality, service level and environmental and safety standards, we have set up a supply chain management system with reference to ISO 9001 and ISO 14001 in selecting suppliers and subcontractors.

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## ***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 in view of green sourcing. The Group is committed to selecting environmentally friendly products with competitive prices and good quality, in order to safeguard end-users' health and safety, prevent pollution and efficiently use natural resources.

When ordering timber or plywood for construction materials of formworks, the Group would request suppliers to supplement a place of origin certificate with each timber or plywood delivery to ensure 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, hoping to reduce the carbon footprint caused by procurement via local procurement, while supporting local economic development and creating employment opportunities 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***

<b>Location</b>	<b>No. of Suppliers</b>
Hong Kong	125
China	3

## **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 our work to ensure we deliver high-quality services to our customers with good satisfaction levels.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with related laws and regulations concerning health and safety, advertising, labelling, and privacy matters relating to products and services provided that would have a significant impact on the Group. The relevant laws and regulations include but are not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## ***Assurance***

To ensure our goal of delivering excellent quality service to our clients, 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.

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 in the construction industry, the Group's direct customers primarily consist of main contractors in the construction industry, property developers or owners in Hong Kong. To understand the Group's customers' needs and thus provide services to meet their expectation, the Group maintains active communication with them regularly. The client's expectation and customer service standards are incorporated into the Group's quality manual, procedure manual and quality plan.

## ***Protection of Consumers' Information and Privacy***

In respect of customer personal data and confidential documents, the Group handles them strictly following the guidance of the Office of the Privacy Commissioner for Personal Data of Hong Kong. During the Reporting Period, the Group did not receive any significant complaint regarding the breach of customer's privacy.

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

Intellectual Property Rights promote innovation and creativity, helping society to increase its competitiveness and to improve the well-being of humans. The Group respects the Intellectual Property Rights and formulated procedures and guidelines to ensure our operations at all levels in the fight against intellectual property infringement.

## ***Advertising and Labelling***

The Group prohibits advertisements to disclose descriptions, claims or illustrations that are 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 Staff Handbook in performing business activities, and 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.

During the Reporting Period, the Group were not aware of any material non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to the Prevention of Bribery Ordinance of Hong Kong (Chapter 201 of the Laws of Hong Kong).

During the Reporting Period, there was no concluded legal cases regarding corrupt practices brought against the Group or its employees.

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

The Group adopts a whistle-blowing policy and procedures for all the Group. 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.

### ***Anti-corruption Training***

Anti-corruption-related trainings are conducted annually. During the Reporting Period, all directors have received online anti-corruption training and have spent approximately 1 hour attending by Zoom meeting. The awareness on anti-corruption of the Group has been enhanced.

## **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 to inspire 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 our employees to participate in all kinds of voluntary work that can help the poverty of the community.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## 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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
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 Emission
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.	Emissions – Waste Management
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.	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 Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	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 target(s) set and steps taken to achieve them.	Use of Resources – Water Consumption

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
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 minimizing 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
<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
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, Transition risks
<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, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
<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 occurred in each of the past three years including the Reporting Period.	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
<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.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
<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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
<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 – Quality Assurance
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Customer Service
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 Consumers' Information and Privacy

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Subject Areas, Aspects, General

Disclosures and KPIs	Description	Section/Declaration
<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 – Anti-corruption Training
<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