

# GAIN PLUS HOLDINGS LIMITED 德益控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code : 9900

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT  
2022-23

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# Environmental, Social and Governance Report

## About This Report

Gain Plus Holdings Limited (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**”, “**we**”, “**us**” or “**our**”) is pleased to present our annual Environmental, Social and Governance Report for year ended 31 March 2023 (the “**ESG Report**”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance (“**ESG**”) issues.

## Environmental, Social and Governance Structure

The board of directors (the “**Board**”) of the Company has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The executive Directors of the Company are responsible for formulating ESG management policies, strategies, goals, and annual reporting and promoting related implementation. They also identify, evaluate, review, and manage major ESG issues, risks, and opportunities while other departments are responsible for organizing, promoting, and implementing various ESG related tasks under the Group’s ESG management policies and strategies. All tasks will be reported to the Board regularly in order to review and re-formulate the policies and plans for achievement of goals and targets.

The Group has set short-term and long-term sustainable development vision and goals to achieve ongoing emission reduction. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors have been incorporated into the Group’s strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of management approach, including reviewing the Group’s ESG performance and adjusting corresponding action plans.

## Reporting Period

The ESG Report illustrates the Group’s initiative and performance regarding the environmental and social aspects during the reporting period from 1 April 2022 to 31 March 2023 (the “**Reporting Period**”).

## Reporting Scope

This ESG Report covers all subsidiaries of the Group in Hong Kong with core business that principally engaged in provision of building construction services and repair, maintenance, addition and alteration services (“**RMAA Services**”), with its main office located in Sheung Shui, Hong Kong which accounts for the most material revenue of the Group and the number of employees in the above business constitute approximately 99% of the total number of employees of the Group during the Reporting Period. Other business and offices of the Group would not be included in this ESG Report. The Group will continue in assessing the impacts of its business on the major ESG aspects and to include in the ESG Report. Looking ahead, the Group will continue to improve the transparency of the Group by disclosing further comprehensive information and expanding the scope of the report whenever feasible.

# Environmental, Social and Governance Report

## Reporting Basis

The ESG Report is prepared in accordance with the ESG Reporting Guide (the “**ESG Guide**”) set out by Appendix 27 of the Listing Rules. The Group has complied with the disclosure requirements of the “comply or explain” provisions set out in the ESG Guide. Certain key performance indicators (“**KPIs**”) which are considered as material by the Group during the Reporting Period are disclosed in the ESG Report. The Group will continue to optimize and improve the disclosure of KPIs. The ESG Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

Reporting Principles	Interpretation	The Group's Application
Materiality	The report should disclose significant impacts on the environment and society, or aspects that materially affect how the stakeholders assess the company and make decisions.	The Group conducts questionnaires and communicates with stakeholders and conducts the materiality assessment for identifying material ESG issues, and reports the Group's material sustainability issues.
Quantitative	The KPIs disclosed in the report shall be calculable and comparable where applicable.	Under feasible situation, the Group records, calculates and discloses quantitative information and conducts comparisons with past performance. KPIs in respect of historical data are to be measurable.
Balance	The issuer should objectively and truthfully report its current year ESG performance.	The Group follows the principles of accuracy, objectivity, and fairness to report its achievements and challenges in sustainable development.
Consistency	The ESG report should be prepared in a consistent manner, its ESG's KPIs can be compared to understand corporate performance.	The Group ensures consistency in preparing the report and manage its ESG data for future comparison.

# Environmental, Social and Governance Report

## Stakeholders' Engagement

We identified the key stakeholders of our business operations. We interact with our stakeholders regularly through various communication channels. In daily business activities, we communicate with different stakeholders through multiple channels as below:

Stakeholders	Concerns	Communication mechanisms
Employees	<ul style="list-style-type: none"> <li>— Providing safe and suitable working environment for staff</li> <li>— Career development</li> <li>— Rights and interests of employees</li> <li>— Remuneration and welfare</li> </ul>	<ul style="list-style-type: none"> <li>— Email</li> <li>— Staff performance evaluation</li> <li>— Staff recreational activities</li> <li>— Staff training</li> </ul>
Customers	<ul style="list-style-type: none"> <li>— Product and service quality</li> <li>— Complying with applicable laws and being responsible for product and service liability</li> <li>— Respecting customer privacy and information security</li> </ul>	<ul style="list-style-type: none"> <li>— Customer service hotline</li> <li>— Email</li> <li>— Business negotiations</li> <li>— Contracts and agreements</li> <li>— Company website</li> <li>— Social media platforms</li> </ul>
Investors and shareholders	<ul style="list-style-type: none"> <li>— Corporate governance</li> <li>— Financial performance</li> <li>— Information disclosure</li> <li>— Protection of investors' and shareholders' interests</li> <li>— Improving operational efficiency to generate stable returns in the long run</li> </ul>	<ul style="list-style-type: none"> <li>— Email</li> <li>— Annual general meetings and other shareholder meetings</li> <li>— Company website</li> <li>— Reports, announcements and other publications</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>— Complying with applicable laws and eradicating corruption behaviour</li> <li>— Maintaining sound cooperation relationship for mutual growth</li> <li>— Formulating stringent procurement system and controlling risks</li> </ul>	<ul style="list-style-type: none"> <li>— Email</li> <li>— Business negotiations</li> <li>— Contracts and agreements</li> <li>— Company website</li> <li>— Social media platform</li> </ul>
Community	<ul style="list-style-type: none"> <li>— Community development support</li> <li>— Enhancing the environmental protection consciousness of staff and encouraging them to make commitment to the society</li> <li>— Developing innovative products to bring convenience to the society</li> </ul>	<ul style="list-style-type: none"> <li>— Email</li> <li>— Company website</li> <li>— Social media platforms</li> </ul>

# Environmental, Social and Governance Report

## Materiality Assessment

With a growing population, challenges such as climate change, energy supply and security, raw material scarcity, human health and safety, and employment are to be addressed to ensure that people can lead healthy and fulfilling lives. Faced with a wide range of issues, the Group is keen to identify those that have a great impact on its stakeholders and business, and then to develop its strategic priorities.

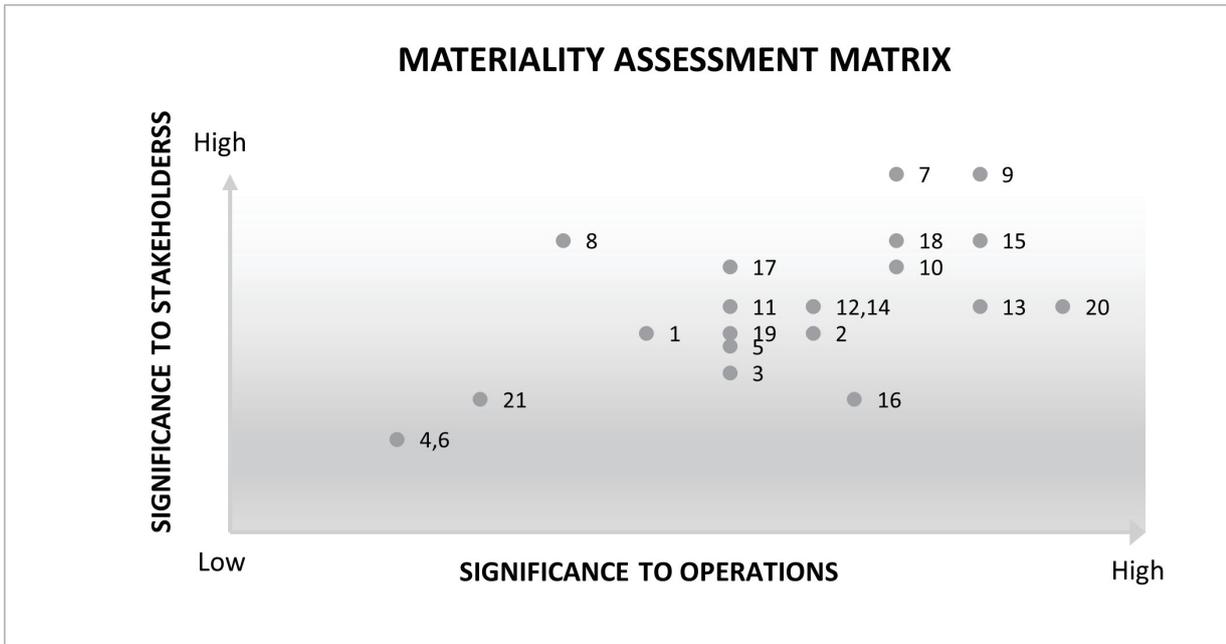
The Group adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. In the Reporting Period, the Group undertook its annual materiality assessment exercise.

The objective of materiality assessment is to identify ESG topics that are material and relevant to the Group's operation. This involved distributing questionnaires to stakeholders to identify the most significant environmental and social impacts on its business. To identify potential material topics for disclosure in the ESG Report, we took reference to the ESG Guide and set possible topics for assessment.

In the context of the latest sustainability landscape, the Group has determined the following 21 ESG Materiality topics that are deemed to have impact on the environment and society through our operations.

<b>ESG Aspects</b>		<b>ESG Materiality Topics for the Group</b>		
A. Environmental Responsibility	A1. Emissions and Wastes Generated	1. Emission Management (Exhaust Gas and Greenhouse Gas)		
	A2. Use of Resources	2. Waste Management		
	A3. The Environment and Natural Resources	3. Energy Conservation		
	A4. Climate Change	4. Water Management		
	B. Social Responsibility	B1. Employment	5. Sewage Discharge	
		B2. Workplace Health and Safety	6. Climate Change Strategy	
B3. Development and Training		7. Employment		
B4. Labor Standards		8. Diversity and Equal Opportunity		
B5. Supply Chain Management		9. Occupational Safety and Health		
B6. Product Responsibility		10. Trainings and Development		
		11. Prevention of Child and Forced Labour		
		12. Supply Chain Management		
	13. Customer Service Quality			
	14. Product/Service Quality and Safety			
	15. Personal Data Privacy Protection			
	16. Product Research and Development			
	17. Intellectual Property Rights Protection			
	18. Data Security			
	19. Operational Safety Management			
	20. Anti-Corruption			
	21. Community Investment Engagement			
	B7. Anti-Corruption			
	B8. Community Investment			

Based on the analysis and summary of the results of the materiality assessment from all stakeholders, we have formed the following materiality assessment matrix, in which following substantial issues are disclosed in the materiality assessment matrix as the major influential aspects of the Group's sustainable development. While taking all environmental and social responsibilities into consideration, the Group will be paying more attention to these areas.



The following chart shows the level of materiality ESG topics ranking:

- 9 Occupational Safety and Health
- 15 Personal Data Privacy Protection
- 20 Anti-corruption
- 13 Customer Service Quality
- 7 Employment
- 18 Data Security
- 10 Trainings and Development
- 12, 14 Supply Chain Management and Product / Service Quality and Safety
- 2 Waste Management

To address topics that matter most to our stakeholders, more depth is detailed for topics of high materiality throughout the Report.

# Environmental, Social and Governance Report

## Confirmation and Approval

The information presented in the Report came from the official documents and statistical data of the Group. The Report has been confirmed and approved by the Board before publication.

## Contact Information

The Group welcomes your feedback on the ESG Report for our sustainability initiatives. Please contact us by email to [main@doublegain.hk](mailto:main@doublegain.hk).

## A. Environmental Aspects

### Aspect A1: Emissions

To demonstrate the Group's commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavors to minimise the environmental impact of the business activities and maintain green operations and green office practices.

Our majority of business is providing RMAA Services include general upkeep, restoration and improvement of existing facilities and components of buildings and their surroundings. Our work performed in site for RMAA Services is relatively small scale with not many labour and machineries involved which generates limited and controllable emission and waste such as construction and demolition materials, dust, fumes, smokes, obnoxious gases and household wastes. Our Group's revenue also comprised with a certain portion for providing building construction services that primarily consist of building works and civil works for new buildings such as lift tower, soccer field and walkways.

Generally, we delegate certain construction works to our subcontractors that are labour intensive or required specific skillset which in turn generated/consumed more waste and materials that have material environmental impact to our surrounding, such as piling, demolition, waterproofing, painting, installation of doors, windows, floor tiles and playground equipment. Thus, given the nature of our different type of services and subcontracting practice, the Group poses less negative impact to the environment than most typical construction industries.

The Group has been in strict compliance with the relevant laws and regulation in Hong Kong, including but not limited to Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Air Pollution Control (Construction Dust) Regulation (Chapter 311R of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), Wastes Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) and Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong). In view of the above local laws and regulation, the Group has adopted measures and work procedures governing environment protection compliance that are required to be followed by our workers. Such measures and procedures concerning mainly air pollution and noise control include, amongst other things:

- (i) dust suppression by use of water;
- (ii) use of low-dust techniques and equipment as required by our customers;
- (iii) inspection and maintenance of all equipment before use for compliance of permitted noise level; and
- (iv) use of machineries that were environmentally friendly.

# Environmental, Social and Governance Report

During the Reporting Period, the Group generated/consumed no significant hazardous waste and non-hazardous waste due to its business nature. The Group engages licensed collectors to transport the waste for disposal at designated locations. However, no data regarding the consumption of waste is collected because the Group is in the process of allocating sufficient manpower and resources in keep record of such details. In the future, the Group would continue to enhance the disclosure of such KPIs.

In addition, the Group advocates emission reduction, and is committed to achieving sustainable operations. To this end, we have set preliminary directional targets in terms of reducing emissions (including air pollutants, greenhouse gas, and hazardous and non-hazardous waste). The Group will review the progress and explore more opportunities for various environmental protection goals. In the future, we will set more specific quantitative environmental goals to nurture the environment and cherish natural resources.

Environmental aspects	Targets	Steps taken to achieve the targets
Air Pollutants Emissions	The Group will actively implement the air pollutants control plan and measures to maintain or reduce the intensity of air pollutants emissions.	<ul style="list-style-type: none"> <li>– Carrying out regular maintenance of vehicles with good condition for operational efficiency</li> <li>– Encouraging the use of public transportations</li> </ul>
Greenhouse Gas Emissions	The Group will actively implement the electricity-saving plan and measures to maintain or reduce the intensity of greenhouse gas emissions.	<ul style="list-style-type: none"> <li>– Setting the temperature of airconditioning system in a range between 25°C to 26°C</li> <li>– Switching off lights and unnecessary energy-consuming devices when they are not in use</li> <li>– Promoting environmental protection such as saving water and electricity by slogan or poster in office</li> </ul>
Waste Reduction	The Group will actively implement the material-saving plan and measures to maintain or reduce the intensity of waste production.	<ul style="list-style-type: none"> <li>– Using electronic document processing system to minimize the use of paper</li> <li>– Encouraging printing or photocopying on both sides of paper, where applicable</li> <li>– Focusing on quality management to reduce wastage and scrap for less pollution resulted</li> </ul>

During the Reporting Period, there was no material breach of nor non-compliance with the applicable laws and regulations related to environmental protection.

# Environmental, Social and Governance Report

Major air pollutants emission from vehicles during the Reporting Period and the corresponding period from 1 April 2021 to 31 March 2022 (the “**Corresponding Period**”) as follows:

Type of Air Pollutants	Air Pollutants Emission	
	2023 Air Pollutant Emission (kg)	2022 Air Pollutant Emission (kg)
Sulphur Dioxide	0.91	1.18
Nitrogen Oxides	398.05	365.81
Particulate Matter	36.26	34.27

During the Reporting Period and the Corresponding Period, the greenhouse gas (“**GHG**”) emission from the operation is set out below:

Type of GHG emissions	GHG Emission	
	2023 Equivalent CO <sub>2</sub> emission (kg)	2022 Equivalent CO <sub>2</sub> emission (kg)
Scope 1 Direct emissions	147,081.28	208,281.43
Scope 2 Indirect emissions	56,136.99	17,545.03
<b>Total</b>	<b>203,218.27</b>	<b>225,826.46</b>
Intensity (kg/revenue HK\$'000)	0.17	0.21

Notes:

The calculation of the GHG is based on the “A Corporate Accounting and Reporting Standard” from The GHG Protocol.

Scope 1: Direct emissions mainly from vehicles that are owned by the Group

Scope 2: Indirect emissions mainly from the generation of purchased electricity consumed by the Group

Scope 3 is not disclosed as it is an optional disclosure and the corresponding emission is not controlled by the Group

The Group will continue to assess, record and disclose its GHG emissions and other environmental data annually, and evaluate the effectiveness of existing measures to further draw up carbon reduction targets and working plans.

During the Reporting Period, the Group has encountered no incident of non-compliance with applicable laws and regulations related to air emissions discharges, hazardous and non-hazardous waste disposal and handling.

# Environmental, Social and Governance Report

## Aspect A2: Use of Resources

The Group places high priority on the efficient use of resources. The major resources used by the Group are electricity, water and paper. The Group strives to improve the efficient use of natural resources, such as minimising waste/emissions and implementing effective recycling program. Practical measures are implemented as follows.

### Electricity

The Group is committed to sustainable development by enhancing energy efficiency. Electricity saving measures are encouraged that electrical appliances are required to be set as energy saving mode where possible. For computers, the idle automatically mode is 20 minutes or less. The room temperature should be set in a range from 25°C to 26°C.

Also, power supply should be switched off when they are not in use. Preference will be given to office equipment with relatively high energy efficiency.

During the Reporting Period, the total energy consumption decreased by 14.3% as compared to the previous year. Energy consumption by the Group during the Reporting Period and the Corresponding Period is set out below:

Type of energy	Energy Consumption	
	2023 Energy consumed (kWh)	2022 Energy consumed (kWh)
Unleaded petrol	<b>280,685.84</b>	398,174.03
Diesel	<b>286,695.61</b>	384,034.52
Purchased electricity	<b>143,941.00</b>	47,419.00
Total	<b>711,322.45</b>	829,627.55
Energy intensity (kWh/revenue HK\$'000)	<b>0.59</b>	0.78

### Water

The impact of freshwater use is relatively insignificant for the Group. The consumption of bottled drinking water during the Reporting Period was approximately 25,175 litre (2022: 31,500 litre). The Group did not encounter any problems in sourcing water that is fit for its purpose. Water rate charges do not form a separate item in the rent or even in site, yet the Group encourages staff to reduce water wastage, for example, by not running water taps at all time.

### Paper

Use of paper indirectly affect the overall GHG emission. The Group has been taking the following steps to control paper consumption:

- Encourage the use of paper by printing or photocopying on both sides of paper, where applicable.
- Encourage the employee to use suitable font size/shrinkage mode to minimise pages, if possible. Besides, electronic media is recommended for circulation/communication, to minimise using paper.

During the Reporting Period, the paper consumption was approximately 688 kg (2022: 563 kg).

# Environmental, Social and Governance Report

## Packaging Material

During the Reporting Period and the Corresponding Period, the Group had not consumed significant packaging materials due to our business nature. Therefore, the relevant data is not recorded.

In addition, the Group advocates energy and resources saving, and is committed to achieving sustainable operations.

To this end, we have set preliminary directional targets in terms of energy use efficiency and water efficiency. The Group will review the progress and explore more opportunities for various environmental protection goals. In the future, we will set more specific quantitative environmental goals to nurture the environment and cherish natural resources.

Environmental aspects	Targets	Steps taken to achieve the targets
Energy Conservation	The Group will actively implement the electricity-saving plan and measures to maintain or reduce the intensity of energy consumption.	<ul style="list-style-type: none"><li>– Setting the temperature of airconditioning system in a range between 25°C to 26°C</li><li>– Switching off lights and unnecessary energy-consuming devices when they are not in use</li></ul>
Water Conservation	The Group will actively implement the water-saving plan and measures to maintain or reduce the intensity of water consumption.	<ul style="list-style-type: none"><li>– Promoting environmental protection such as saving water and electricity by slogan or poster in office</li></ul>

## Aspect A3: The Environment and Natural Resources

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor past and present business activities impacting upon health, safety and environmental matters. With the integration of policies mentioned in sections "Emissions" and "Use of Resource", the Group strives to minimise the impacts to the environment and natural resources.

## Aspect A4: Climate Change

Climate change has caused frequent extreme weather and has an impact on the business operations of the Group.

Therefore, the Group has formulated working mechanisms to identify, prevent and mitigate climate change issues that may have a significant impact. At the same time, we would adjust the use of resources and energy. In response to disasters and accidents which are easily induced by extreme weather, we always enhance the capability to the disaster response.

# Environmental, Social and Governance Report

## Physical Acute Risk

The Group has identified extreme weather such as typhoons, heavy rain, thunder and lightning and flooding that can cause physical acute risk. The potential consequences include materials delivery delay, project suspension or delay, damage to documents, equipment and even employees' health and life. The above potential consequences will cause economic losses to and increase operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effect of extreme weather.

### Physical Acute Risk

Extreme weather	Preventative and mitigation measures
Typhoons	<ul style="list-style-type: none"><li>– Close doors and windows with advance notice</li><li>– Move materials and equipment to safety areas in advance, or covered with a tarp</li><li>– Reinforce equipment and components that may be blown away</li><li>– Stop outdoor or site works</li></ul>
Heavy rain and flooding	<ul style="list-style-type: none"><li>– Check that all windows and doors are shut as secure as possible</li><li>– Clean up trash and make sure drains unblocked</li><li>– Reinforce equipment and assets which may be damaged or blew away</li></ul>
Thunder and lightning	<ul style="list-style-type: none"><li>– Keep good conditions of earthing devices</li><li>– Remind employees to save data and turn off computers</li><li>– Stop outdoor works</li></ul>

## Physical Chronic Risk

The Group has identified extreme weather such as extremely hot weather which can cause physical chronic risk. The potential consequences include a higher chance of getting heatstroke for employees, increasing turnover rate and work-related injuries. The demand for cooling for the working environment will be increased, which may lead to an increase in power demand and operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effects of extreme weather.

### Physical Chronic Risk

Extreme weather	Preventative and mitigation measures
Extremely hot weather	<ul style="list-style-type: none"><li>– Open windows to allow the air to circulate</li><li>– Keep a First-aid kit convenient</li><li>– Keep cold water available 24 hours a day</li></ul>

# Environmental, Social and Governance Report

## B. Social Aspects

### Aspect B1: Employment

The Group believes that a key to our success is our ability to recruit, retain, motivate and develop talented and experienced staff members. We endeavour to attract and retain appropriate and suitable personnel to serve our Group.

Our Group assesses the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of our Group.

The Group's employment handbook sets out our standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The highlights of our employment handbook are:

- remuneration and benefits are based on prevailing practices in local market and subject to adjustments based on experiences and qualifications;
- annual discretionary bonuses are adjusted according to economy, annual result of the Group and annual performances, experiences and positions of employees;
- state working hours for office and other employees;
- provide resting period in accordance with applicable laws;
- adopt policies relating to equal opportunities which aim to eliminate discrimination of race, age, sex, family status, religion, pregnancy and disability in workplace; and
- dismissal or voluntary termination of employee's contracts shall be enforced in accordance with the applicable labour laws.

## Environmental, Social and Governance Report

As at the end of the Reporting Period on 31 March 2023, the Group had a total of 282 employee (as at 31 March 2022: 240), whom were all full-time employees based in Hong Kong. The following table shows the employee composition by gender, age group and employee category as at 31 March 2023 and 31 March 2022:

	As at 31 March 2023		As at 31 March 2022	
	Number of staff	%	Number of staff	%
<b>By gender</b>				
Male	251	89	196	82
Female	31	11	44	18
<b>Total</b>	<b>282</b>	<b>100</b>	240	100
<b>By age group</b>				
30 or below	25	9	14	6
31–40	44	15	35	15
41–50	67	24	58	24
51 or above	146	52	133	55
<b>Total</b>	<b>282</b>	<b>100</b>	240	100
<b>By employee category</b>				
Senior Management	7	3	7	3
Middle Management	—	—	—	—
General	15	5	14	6
Contract or short term	260	92	219	91
<b>Total</b>	<b>282</b>	<b>100</b>	240	100

## Environmental, Social and Governance Report

During the Reporting Period ended 31 March 2023 and the Corresponding Period, the table below shows the overall turnover rate of employees (all based in Hong Kong) by gender and age group.

	Year ended 31 March 2023 Employee turnover rate (%)	Year ended 31 March 2022 Employee turnover rate (%)
<b>By gender</b>		
Male	43	82
Female	94	34
<b>Overall</b>	<b>48</b>	74
<b>By age group</b>		
30 or below	56	121
31–40	39	83
41–50	42	72
51 or above	53	64
<b>Overall</b>	<b>48</b>	74

The Group entered into separate labour contracts with each of our employees in accordance with the applicable labour laws of Hong Kong. We provide competitive and attractive remuneration package to reward and retain our employees. The package includes basic salary, bonus, allowance and Mandatory Provident Fund. The Group recruits employees from the open market through placing recruitment advertisement and referrals, to satisfy our demand of different types of talent. We believe that the above arrangement can maintain good relationship with our employee.

The Group strictly complies with the laws and regulations including but not limited to the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Construction Workers Registration Ordinance (Chapter 583 of the Laws of Hong Kong), Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

During the Reporting Period, there were no material non-compliance with the laws and regulation regarding employment, compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

## Aspect B2: Health and Safety

The Group places emphasis on occupational health and work safety in providing RMAA Services and building construction services. This is evidenced by our various awards received in past years such as Bronze Award Recognizing Excellence in safety for safe subcontractor award 2016 by Lighthouse Construction Industry Charity. In 2019, our Group has received the Silver Prize/Outstanding Performance in Work-at-height Safety Prize under Construction Industry Safety Award Scheme 2018/2019 by Labour Department. We have adopted an occupational health and safety system as required by relevant occupational health and safety laws, rules and regulations. Due to the inherent nature of works in construction sites which very often involves working at height and usage of mechanical equipment and machinery, construction workers are constantly subjected to risks of accidents or injuries, and we have the following policies and measures in place to mitigate such risks:

- (i) All members of our direct labour and our subcontractors' labour are required to wear required safety equipment, including safety helmet, which must also meet the safety standard, for entering construction site;
- (ii) The performance of all equipment, devices and tools must be checked for safety before use;
- (iii) All subcontractors must report safety incidents to us;
- (iv) Our staff and our subcontractors' workers entering project sites are required to observe the occupational health and safety measures and our policy. Subcontractors must ensure their workers work safely and care for others;
- (v) We reserve the right to expel worker who violates our safety policy from construction site; and
- (vi) All workers are required to attend site safety briefing sessions and trainings before they commence work on-site.

Topics of safety training typically cover safety procedures for performing different types of work.

Besides, safety supervisors are assigned to responsible for regularly visiting and inspecting the performance of our works. Insurance policies purchased can cover and protect all employees of main contractors and subcontractors of all tiers working in the relevant construction site, and works performed by them in the relevant construction site.

We have put in place an internal policy setting out the procedures for recording, handling and reporting all work-related accidents and injuries to the Commissioner of Labour. The key procedures are as follows:

- (i) Upon occurrence of a work-related accident, it shall be reported to our on-site foreman and/or project manager. Details of the injury, including the date, time, location, causes, identity of the injured person, shall be gathered by our on-site foreman and/or project manager and shall be properly recorded by our administrative staff.
- (ii) We shall submit notification of the accident to the Commissioner of Labour by filling in the prescribed form in accordance with Employees' Compensation Ordinance within 14 days after we become aware of the accident and the injury, or, in case of a fatal accident, within seven days.
- (iii) All correspondences with the Labour Department shall be provided to the relevant customer and/or the relevant insurer.

## Environmental, Social and Governance Report

The laws and regulations which are relevant to our business including but not limited to Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

An accident register was established by our Group to record the date, types and details of accident, the injured person, compensation paid and insurance claim details, and a safety violation register to record the date, types and details of violated regulations, the involved workers and their subordinated contractors, as well as the amount of fine paid. Each register shall be reviewed monthly by our Executive Directors and the safety supervisors to monitor subcontractors and workers' discipline and to ensure the relevant safety rules and regulations are being complied with.

During the Reporting Period, there were no material non-compliance in relation to the laws and regulations concerning health and safety issues.

Below is a detailed breakdown of the Group's work-related injuries and fatalities of the past three reporting years, including the Reporting Period:

	2023	2022	2021
<b>Number of Work-Related Fatalities:</b>	—	—	—
— Rate of work-related fatalities	—	—	—
<b>Number of Work Injuries:</b>	<b>1</b>	—	1
— Lost days due to work injury	<b>36</b>	—	115

### Aspect B3: Development and Training

The Group recognises the importance of training for the development of our employees as well as our Group. We provide various types of trainings to our employees and sponsor our employees to attend training courses as mentioned in aspect "B2: Health and Safety" in this ESG Report. We believe it is a win-win approach for achieving both employee and corporate goals as a whole.

Below is a detailed breakdown of the percentage of employees received training by gender and employee category during the Reporting Period and Corresponding Period:

	2023		2022	
	Number of staff received training	Percentage of staff received training in the category	Number of staff received training	Percentage of staff received training in the category
Male	2	0.8	1	0.5
Female	—	—	—	—
Overall	2	0.7	1	0.4

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	2023		2022	
	Number of staff received training	Percentage of staff received training in the category	Number of staff received training	Percentage of staff received training in the category
Senior Management	1	14.3	1	14.3
Middle Management	—	—	—	—
General	1	6.7	—	—
Contract or short term	—	—	—	—
Overall	2	0.7	1	0.4

Below is a detailed breakdown of training hours received by employees by gender and employee category during the Reporting Period and Corresponding Period:

	2023		2022	
	Total number of training hours	Average Number of training hours per employee	Total number of training hours	Average Number of training hours per employee
Male	22	0.09	30	0.15
Female	—	—	—	—
Overall	22	0.08	30	0.13

	2023		2022	
	Total number of training hours	Average Number of training hours per employee	Total number of training hours	Average Number of training hours per employee
Senior Management	19	2.71	30	4.29
Middle Management	—	—	—	—
General	3	0.20	—	—
Contract or short term	—	—	—	—
Overall	22	0.08	30	0.13

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## Aspect B4: Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose threat to sustainable social and economic development. The Group strictly complies with the Employment Ordinance and other relevant labour laws and regulations in Hong Kong. The Group prohibits the use of child labour and forced labour.

Employment contracts and other records, documenting all relevant details of the employees (including age) are maintained properly for verification by relevant statutory body upon request.

The group strictly forbids the employment of any child labour and forced labour. In order to prevent the occurrence of child labor in the operation that does not conform to the employment regulations, only employees who have reached the legal employment age are allowed to work. New employees are required to provide true and accurate personal data at the time of employment. The employer would strictly check the personal information, including but not limited to Identity cards. The Group has developed a comprehensive recruitment process to check the background of candidates. Once violations are found, the Group will seriously follow up and deal with them in accordance with relevant local laws and regulations, for example, we will contact the guardian to escort the child home.

The Group and its employees signed labour contracts in accordance with relevant laws and regulations of Hong Kong which ensures that employees can resign within the terms of their employment contract so to avoid forced labour.

During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding prevention of child labour or forced labour, and we did not identify any issues relating to child labour or forced labour that had a significant impact on the Group.

## Aspect B5: Supply Chain Management

The Group works closely with its customer, suppliers and subcontractors who are committed to high quality, environmental, health and safety standards.

Suppliers of goods and services, which are specific to our business and are required on a project-by-project basis to enable us to continue to carry on our business, mainly include (i) suppliers of materials required for performing construction service works such as steel, aluminium, wooden door and glass; and (ii) suppliers of other miscellaneous services such as the transportation of construction waste, the rental of machineries, testing and surveying of the quality of materials. We generally place orders with our suppliers on a project-by-project basis and we do not enter into any long-term contract with our suppliers. The terms of our supply contracts mainly include the type of materials or services, price, quantity and payment terms. We select suppliers mainly based on: (i) quality of materials; (ii) timeliness of delivery; (iii) previous experience with the supplier; and (iv) reputation of the supplier. We maintain a pre-approved list of suppliers from which we select our suppliers.

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We generally engaged our subcontractors on a project-by-project basis and we do not enter into any long-term contract with our subcontractors. The works we subcontract to our subcontractors are generally labour intensive or require specific skillset, such as demolition, waterproofing, painting, installation of doors, windows, floor tiles and playground equipment. We maintain a list of approved subcontractors who have been assessed and approved by us, from which we select our subcontractors. Our assessment may include (i) evaluating of subcontractors' recent performance; (ii) reviewing third-party assessments or certification held by our subcontractor; (iii) assessing whether our subcontractor has sufficient resources and skills to fulfil the specific requirements; (iv) reviewing their requisite licenses and registrations; and (v) reviewing the quotation and/or subcontracting fee provided. We from time to time review and update our internal list of approved subcontractors according to their performance assessment. During project implementation, our project managers will meet with the engaged subcontractors and closely monitor their work progress and performance. The contracts entered into between our Group and our subcontractors provide that our subcontractors are required to observe all the requirements and provisions of our tender document.

In addition, we evaluate if our subcontractors and suppliers consider the environmental and social criteria including the prohibition on the recruitment of child and forced labour, eliminating discrimination to employees, providing a safe working environment, considering if the products and services provided are beneficial to environmental protection and fulfilling the Group's internal environmental requirement while minimizing the negative impact to natural environment, and strictly obeying the law. The Group will from time to time review and update our internal list of approved subcontractors according to their performance assessment.

We are not aware of any significant environmental and social risks on our supply chain management.

During the Reporting Period, we had 1,053 suppliers mainly from Hong Kong and the People's Republic of China (the "PRC"). The following is a detailed breakdown of the group's suppliers by region during the Reporting Period:

For the period from 1 April 2022 to 31 March 2023		
	Number of Suppliers	% of total
Hong Kong	1,040	99
The PRC	13	1
Total	1,053	100

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## Aspect B6: Product Responsibility

### Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with relevant laws and regulations that have a significant impact relating to health and safety, advertising, labelling and privacy matters regard to products and services provided by the Group during the Reporting Period.

### Quality control on projects

The Group is liable for the works carried out by us and our subcontractors. We ensure that each project is completed in accordance with the specifications set out for the project. Our project officer is responsible for supervising the overall daily activities including those executed by our subcontractor in accordance with the construction programme. In addition, our project manager will monitor the activities and project status and note for any issues arising from the execution of the project. Our project manager will timely inform our project directors on the project status and matters of concerns.

We have an experienced and professional management with extensive operational expertise and in-depth understanding of the RMAA Services and building construction services markets in Hong Kong, which allows us to be informed of market trends when formulating our market position and developing business strategies. Our project management teams have industry and technical knowledge in RMAA Services and building construction services, and our technical employees have the practical skills and experience. Our project management staff have relevant industry experience and possess relevant professional qualifications as required for the construction works. Some of our technical staff including quantity surveyors and foremen have been working with us for many years. We believe their project management experience and technical knowledge in RMAA Services and building construction services market would facilitate the efficient and timely implementation and management of our projects.

We believe the combination of our management's expertise and knowledge of the construction industry in Hong Kong, together with our qualified and experienced project management and technical staff have been and will continue to be our valuable assets, which will enable us to take up projects of various scale and building type and fulfil our customers' requirements.

For our quality control measure over our subcontractors, please refer to aspect "B5: Supply Chain Management" in this ESG Report for further details.

During the Reporting Period, there are no disputes between our Group and our customers in respect of the quality of work performed by us or our subcontractors. We also did not recall any items due to safety and health reasons, as our business operation does not involve the sales of products during the Reporting Period.

### Customer Services

The Group has established internal procedures for handling customer complaints. After collecting their opinions, they are classified according to their contents. The relevant departments will investigate and follow up based on the authenticity and characteristics of the content. Improvement and preventive measures are developed to continuously improve the quality of products and services.

We did not receive any complaint or claim from our customers in relation to our services during the Reporting Period.

### Data protection

The Group values the privacy of personal data. We strictly follow the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) in our operation and adopt them as our Personal Data Privacy Policy.



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Employees are generally required to execute a standard employment contract, which include a clause acknowledging that all inventions, trade secrets, works of authorship, developments and other process generated by them on behalf of the Group are the Group's property, assigning to the Group any ownership rights that they may have in those works, and requiring them to not disclose or use the Group's confidential information except for benefit of the Group as we may authorize. The Group has established an internal management team responsible for monitoring the implementation of the aforementioned policy.

### **Intellectual properties**

The Group owned one domain name in Hong Kong. The Group requires its employees to keep trade secrets and other proprietary intellectual property rights of the Group confidential. We were not involved in any proceedings with regard to, and we have not received notice of any claims of, infringement of any intellectual property rights that may be threatened or pending in which we may be involved either as a claimant or respondent. The Group has established an internal management team responsible for monitoring the implementation of the aforementioned policy.

### **Aspect B7: Anti-Corruption**

To ensure operation efficiency and employees' development in a fair and honest working environment, the Group has formulated whistleblowing policy and established guideline in employment handbook and internal policy to promote business ethics and integrity so as to avoid suspected corruption, extortion and money laundering Channel such as by letter, meeting, email or phone call for employees to report suspected corruption are provided. If there are any suspected case related to corruption, employees are encouraged to report the related cases through the mentioned channels. The Group has established an internal management team responsible for monitoring the implementation of the aforementioned procedures. All these practical actions not only win the trust of customers, but also enhance the sense of belonging and fair play among our employees. During the Reporting Period, we had not provided any anticorruption training to our directors and staff because we were in the process of determining and arranging appropriate resources in promoting such topics within our organization. Yet, looking ahead, we will invest more resources to our anti-corruption training and expand the scope of anti-corruption training data disclosure.

The Group has been in strict compliance with law and regulation related to anti-corruption and prevention of bribery, extortion, fraud and money laundering, including but not limited to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and Prevention of Bribery Ordinance of Hong Kong (Chapter 201 of the Laws of Hong Kong). During the Reporting Period, there was no legal case regarding corrupt practices, extortion and money laundering brought against the Group or its employees.

### **Aspect B8: Community Investment**

The Group adheres to the belief that it should assume the responsibility of contributing to society while developing the economy. As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. The Group strives to develop long-term relationship with our stakeholders and seek to make contributions to programmes that have a positive impact on community development.

The Group has long been concerned about the health care issue of the community. The Group donated approximately HK\$10,000 to Chun Wo Charitable Foundation Limited during the Reporting Period. Chun Wo Charitable Foundation Limited was set up in 2006 to promote and support community services, education and training, health care services, sports, culture and recreation, environmental and various charitable activities. Looking ahead, the Group will continue to shoulder social responsibilities and strive to serve the community.

## REFERENCES TO THE ESG GUIDE

Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
<b>General Disclosure</b>	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	7-8
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Emissions	9
<b>KPI A1.2</b>	Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity.	Emissions	9
<b>KPI A1.3</b>	Total hazardous waste produced and, where appropriate, intensity.	Emissions	8
<b>KPI A1.4</b>	Total non-hazardous waste produced and, where appropriate, intensity.	Emissions	8
<b>KPI A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Emissions	8
<b>KPI A1.6</b>	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	8
<b>Aspect A2: Use of Resources</b>			
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources	10-11
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources	10
<b>KPI A2.2</b>	Water consumption in total and intensity.	Use of Resources	10
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	11
<b>KPI A2.4</b>	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	11

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<b>KPI A2.5</b>	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Use of Resources	11
<b>Aspect A3: The Environment and Natural Resources</b>			
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Emissions, Use of Resources and The Environment and Natural Resources	7-11
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions, Use of Resources and The Environment and Natural Resources	7-11
<b>Aspect A4: Climate Change</b>			
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	11-12
<b>KPI A4.1</b>	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	12
<b>B. Social</b>			
<b>Employment and Labour Practices</b>			
<b>Aspect B1: Employment</b>			
<b>General Disclosure</b>	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	13-15
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment	14
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Employment	15

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<b>Aspect B2: Health and Safety</b>			
<b>General Disclosure</b>	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	16-17
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	17
<b>KPI B2.2</b>	Lost days due to work injury.	Health and Safety	17
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	16-17
<b>Aspect B3: Development and Training</b>			
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	17
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training	17-18
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Development and Training	18
<b>Aspect B4: Labour Standards</b>			
<b>General Disclosure</b>	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	19
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	19
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Labour Standards	19

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<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management 19-20
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Supply Chain Management 20
<b>KPI B5.2</b>	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 19-20
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management 20
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management 20
<b>Aspect B6: Product Responsibility</b>		
<b>General Disclosure</b>	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, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility 21-22
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility 21
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Product Responsibility 21
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility 22
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Product Responsibility 21
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility 21-22

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Subject areas, aspects, general disclosures and KPIs		Chapter/Disclosure	Page
<b>Aspect B7: Anti-corruption</b>			
<b>General Disclosure</b>	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	22
<b>KPI B7.1</b>	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	22
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	22
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	22
<b>Community</b>			
<b>Aspect B8: Community Investment</b>			
<b>General Disclosure</b>	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	22
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	22
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Community Investment	22