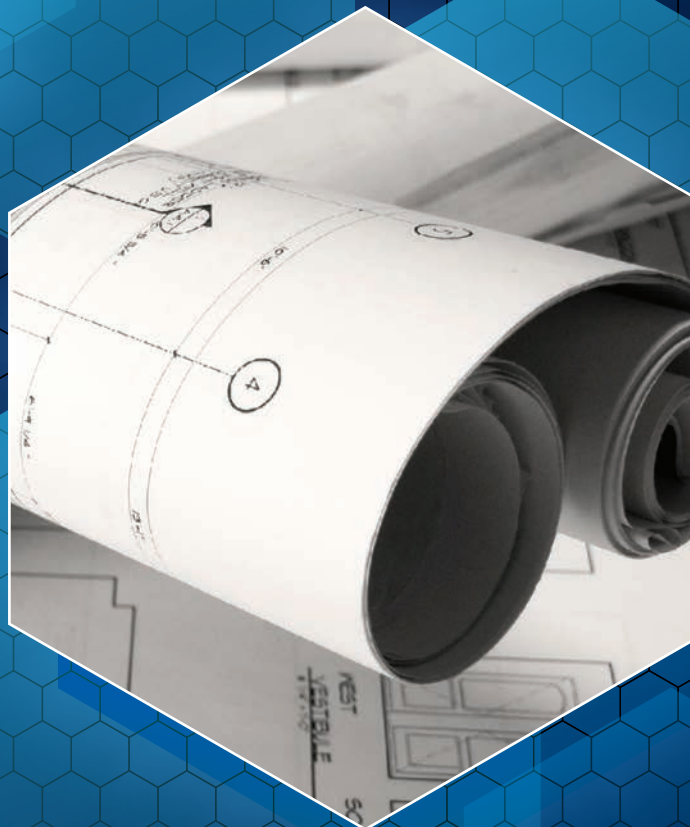
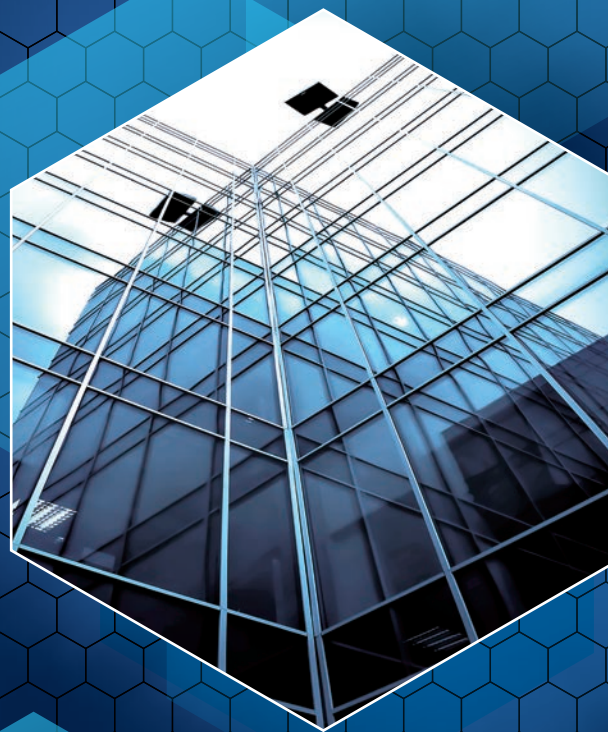


Green Economy Development Limited 綠色經濟發展有限公司

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



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT
2024

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ABOUT THIS REPORT

OVERVIEW

This Environmental, Social and Governance (ESG) Report (the “Report”) of Green Economy Development Limited and its subsidiaries (“the Group”) for the year ended 31 March 2024 covers environmental and social subject areas in accordance with the requirements of Environmental, Social and Governance Reporting Guide (“ESG Guide”) stated in Appendix C2 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”). Corporate governance is addressed separately in the Corporate Governance Report.

SCOPE AND BOUNDARY OF THE REPORT

The Report endeavours to present a balanced representation of the Group’s environmental and social performance and covers the entire operations of all entities in the Group.

The content of the Report is defined through a process to determine ESG management approach, strategy, priorities and objectives relating to the Group’s operations, to describe our management, measurement and monitoring system employed to implement ESG strategy, and to disclose our key policies, compliance with relevant laws and regulations, our performance, and key performance indicators (“KPIs”).

APPROVED BY THE BOARD OF DIRECTORS

The board 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 Report was approved by the board on 22 July 2024.

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to share the ESG Report for the fiscal year 2024, reflecting on the economic journey from 2023 to 2024.

The transition from 2023 to 2024 was marked by significant shifts in the economic landscape, shaped by various factors including market volatility and global economic challenges. Despite the uncertainties and fluctuations in the economic environment, our organization remained resilient and committed to our core values of sustainability, client service excellence, and employee well-being.

Throughout this period of economic transition, our focus on sustainability has remained unwavering. Leveraging the insights and oversight of the Board, we have continued to prioritize sustainable practices in our operations and decision-making processes. Our dedicated team members have diligently implemented and monitored control measures to mitigate potential environmental and social risks, demonstrating our ongoing commitment to responsible business practices.

As we move forward into 2024, we recognize the importance of adapting to the evolving economic landscape and remaining agile in our approach to sustainability. Despite economic challenges, we are dedicated to exploring new opportunities to enhance our sustainability efforts and drive positive change within our organization.

I would like to express my gratitude to our stakeholders for their continued support and collaboration during this period of economic transition. Together, we can navigate challenges, seize opportunities, and build a more sustainable future for all. Thank you.

Chau Chit

Chairman and Chief Executive Officer

Green Economy Development Limited

22 July 2024

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP

ABOUT THE GROUP

The Group is principally engaged in (i) provision of building construction services, property maintenance services, alterations, renovation, upgrading and fitting-out works services, (ii) trading of materials and (iii) transportation business. The Group mainly operates in Mainland China and Hong Kong. Particulars of the Group's principal entities are set out in note 22 to the consolidated financial statements for the year ended 31 March 2024.

GOVERNANCE STRUCTURE

The Group's ESG governance structure is:

- The board of directors oversees ESG issues or risks, including climate-related risks and opportunities. The board is informed through internal reporting process about significant ESG issues or risks when they arise anytime during the reporting period. The board assesses the actual and potential impacts of ESG issues or risks respectively on the Group's overall strategy to manage ESG issues through short-term steps, medium-term targets, and long-term value enhancement.

The board has overall responsibility for the Group's ESG governance, which includes evaluating and determining ESG-related risks and opportunities, ensuring that appropriate and effective ESG risk management and internal control systems are in place, setting ESG management approach, strategy, priorities and objectives, reviewing the performance periodically against ESG-related goals and targets, and approving disclosure in the Report.

The board's ESG oversight includes establishing ESG governance to ensure a solid ESG governance structure in place, setting levels to agree on definition of ESG and its importance to the Group, determining which ESG risks and opportunities are of strategic importance and working with management to identify material ESG issues or risks, integrating important risks into business strategies and risk management processes, creating internal mechanisms to monitor and oversee the management of ESG issues or risks, ensuring proper disclosures on ESG risks, measures taken and progress toward targets, shaping key ESG messages, and improving continuously through review, refinement, and revamp as needed.

Chief executive officer, reporting to the board and supported by heads of operating units, is responsible for assessing, managing, and monitoring ESG issues or risks and opportunities on a daily basis. Heads of operating units are responsible to identify, assess, prioritize, and manage ESG issues or risks, and report to chief executive officer when significant issues or risks are identified. Company secretary acts as a coordinator and central hub for execution, implementation, communications and reporting of ESG initiatives and tasks.

- The process used to evaluate, prioritize and manage material ESG-related issues or risks to our business is as follows:

The Group uses same criteria to assess and prioritize risks including ESG risks. The criteria include the determination of likelihood which is the probability of a risk occurring, and the determination of impact which is the result or effect of a risk. Risk criteria can be both qualitative and quantitative criteria to evaluate risks. The approach to prioritize risks is based on the assessment of severity, risk appetite, adaptability, complexity, velocity, persistence, and recovery. Significant ESG risks that impact business activities are determined as the result of ESG risk assessment and prioritization. ESG risks are managed to accept, transfer, avoid, or mitigate those risks. Heads of operating units are responsible to identify, assess, prioritize, and manage ESG issues or risks, and report to chief executive officer when significant issues or risks are identified with actual or potential impact to assess, prioritize, and manage.

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP (Continued)

- The board reviews progress made by management against ESG-related goals and targets relating to the Group's businesses regularly during the reporting period. Any inconsistency between the goals or targets and the actual achievements identified by measurement systems is monitored by the board. The main challenges for the coming three to five years facing by the Group are rapid evolving of ESG requirements and expectation balancing with investment in resources and expertise in connection with ESG initiatives, therefore our goal is to match the level of internal resources with the growing expectation.

The objective or goals and targets stated below are relating to the Group's business based on the results of stakeholder engagement, their applicability and alignment to the Group's operation assessed by management and approved by the board.

STRATEGIES

Environmental and social responsibilities are viewed as the Group's core commitment to environment, internal workplace, and external community, and an integral part of the Group's practice to create value for stakeholders. Our strategy is to fulfil the Group's environmental and social responsibilities through achieving environmental and social objectives during daily operations.

OBJECTIVES

We integrate environmental and social considerations into the Group's business objectives to achieve:

Environmental objectives:

- Add environmentally-friendly elements to our daily construction works, alteration, renovation, upgrading, fitting-out works, maintenance, trading, and service activities;
- Continuously improve waste management;
- Use energy and resources efficiently; and
- Reduce greenhouse gas emissions

Social objectives:

- Respect rights of employees and promote an equal opportunity workplace;
- Commit to occupational safety and health, and provide a safe and healthy workplace;
- Promote community participation; and
- Commit to ethical business practices, and build integrity within the workplace

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP (Continued)

APPROACH

Monitored by the board of directors, the Group is executing its environmental and social strategy and achieving its related objectives through a series of actions and commitments:

- Embed environmental and social objectives into business processes including decision making process;
- Formulate and document environmental and social policies for management and staff members to follow;
- Comply with environmental and social laws and regulations;
- Report our performance on a balanced picture;
- Disclose KPIs as measurement of actual results;
- Ensure appropriate and effective ESG risk management and internal control systems are in place; and
- Practise corporate citizenship in things we do

Environmental and social management system comprises:

- The direction from the board to fulfil the ESG responsibilities;
- Day-to-day execution of environmental and social strategy and achieving its objectives by management;
- Performance and achievements done by employees in accordance with the Group's environmental and social policies;
- Compliance with environmental and social laws and regulations;
- Review and monitoring of ESG risk management and internal control systems by the board; and
- Reporting and disclosure of our performance and KPIs

Measures for the achievement of environmental and social objectives are:

- Environmental policies;
- Social policies;
- Checklists for the compliance with applicable environmental and social laws and regulations;
- Requiring documentation for the performance and achievements of environmental and social related activities or matters; and
- Data collection, calculation, and disclosure of KPIs

The implementation of environmental and social strategies, management of environmental activities, and measurement of achieving environmental and social objectives are monitored by dedicated managerial staff members and finally by the board for its overall ESG responsibility.

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP (Continued)

REPORTING PRINCIPLES

- **Materiality** — the threshold at which ESG issues are determined by the board to be sufficiently important to investors and other stakeholders that they should be disclosed. We identify material ESG factors through internal and external materiality assessment. Internal materiality assessment is conducted by senior managers and key employees to identify and prioritize material issues. External materiality assessment involves stakeholder engagement to identify, develop and achieve accountable and strategic responses to ESG issues so as to mitigate risks and maximize opportunities.

Criteria for the prioritizing and selection of material ESG factors concern strategies, regulations, sustainability, governance, corporate social responsibility, and financials. Material ESG issues are those governance, sustainability or societal factors that are likely to affect the financial condition or operating performance of the Group's business within our business sector, industry, and geographic locations.

In assessing what ESG issues are material, we take into account strategic and organizational framework factors including our values, policies, strategies, operational management systems, goals, medium-term targets, financial implications, level of impact the activities have on the environment and society, the interests or expectations of stakeholders, reputational risks and opportunities, short-term steps taken to mitigate risks, as well as external context including ESG interest or topics and indicators raised by stakeholders, stakeholder priorities, relevant laws, regulations with strategic significance to the Group and its stakeholders, ESG impacts, risks or opportunities. A stakeholder engagement is conducted as described below.

- **Quantitative** — the Report is prepared in accordance with the requirements of ESG Guide stated in Appendix C2 of the Listing Rules. This principle applies to all information in the Report. Methodologies, assumptions, calculation tools used, and source of conversion factors used for the reporting of emissions or energy consumption, as well as KPIs of social subject area, where applicable, are referred to Appendix 2 — Reporting Guidance on Environmental KPIs or Appendix 3 — Reporting Guidance on Social KPIs of How to prepare an ESG Report issued by The Stock Exchange of Hong Kong Limited.

Consistency — There is no material change for applicable information from previous years in the way the Report is prepared which may affect meaningful comparison.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a key success factor in formulating our environmental and social strategy, defining our objectives, assessing materiality, and establishing policies. Our key stakeholders include customers, suppliers, employees and management, and shareholders. We have conducted a survey, discussed or communicated with certain stakeholders to understand their views and respond to their needs and expectations, evaluated and prioritised their inputs to improve our performance, and finally strived to provide value to our stakeholders, community and the public as a whole.

Based on the stakeholder engagement, we have identified issues with significant environmental and social impact and issues concerning stakeholders. The results of materiality assessment prioritised stakeholder inputs and made us focused on the material aspects for actions, achievements and reporting. We present below the relevant and required disclosure.

GENERAL DISCLOSURE AND KPIs

A. ENVIRONMENTAL

The Group recognises the importance of a practice to protect the natural environment for the benefit of humans. We are committed to doing things we can to reduce the degrading of the biophysical environment.

Aspect A1: Emissions

Emissions refer to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Emissions disclosed as KPIs are calculated based on the consumption data collected and applicable emission factors. Since certain emission factors of areas are not accessible or updated from official sources, we have applied relevant emission factors which are available from recognized or reputable sources. If certain emission factors of areas are not available, available consumption data collected, waste produced, or emission measured is disclosed.

■ Air and Greenhouse Gas Emissions

Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

— Air and Greenhouse Gas Emissions from Production

In view of the Group's business nature of the Group's continued operation, there were no air and greenhouse gas emissions from production directly.

— Air and Greenhouse Gas Emissions from Vehicles

The Group believes that green logistics brings benefits, which include reduction of transportation costs and reduction of energy consumption and pollution. As such, the Group requires that trucks used for long-distance transportation are loaded to the optimal capacity. In particular, the Group encourages optimising transportation routes, high loading rate and proper tire pressure to achieve efficiency.

The Group reminds employees to consider environmental impact in their commuting decisions to reduce air and greenhouse emissions. Employees are encouraged to take public transportation as often as possible and select fuel-efficient vehicles. While employees are driving, it is suggested to avoid unnecessary acceleration or deceleration, close windows when the vehicle is travelling at high speed, and only use air-conditioning when it is necessary.

The Group requires vehicles to use unleaded petrol and maintain the vehicles properly. Vehicles should undergo annual emissions testing and repair when it is necessary to improve air quality.

GENERAL DISCLOSURE AND KPIs (Continued)

KPI A1.1 The types of emissions and respective emissions data

Emissions from vehicles	2024 (g)	2023 (g)	(kg)
Types of emissions			
NO _x	12,535	12,020	12.02
SO _x	299	290	0.29
Particulate Matter ("PM")	923	890	0.89

KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emission ("GHG") and, where appropriate, intensity

GHG emissions in total are 234 tonnes for the year ended 31 March 2024 (2023: 396.08 tonnes), which includes scope 1, scope 2, and scope 3 emissions as disclosed below. GHG intensity is 0.08 tonnes/per million Hong Kong dollars of revenue (2023: 0.19 tonnes/per million Hong Kong dollars of revenue).

KPI A1.2 Scope 1 — Direct emissions from operations that are owned or controlled by the Group

Main categories of Scope 1 emissions:

	2024	2023	
<ul style="list-style-type: none"> GHG emissions from mobile combustion sources 			
Types of emissions	(kg)	(kg)	(Tonnes)
Carbon Dioxide ("CO ₂ ")	48,043	52,510	52.51
Methane ("CH ₄ ")	144		
Nitrous Oxide ("N ₂ O")	5,961		
<ul style="list-style-type: none"> GHG releases from refrigeration and air conditioning equipment 			
Types of emissions	(kg)	(kg)	(Tonnes)
Hydrofluorocarbons ("HFC") and Perfluorocarbons ("PFC")	58,736	155,940	155.94
Total GHG emissions	112,884	208,450	208.45

GENERAL DISCLOSURE AND KPIs (Continued)

— Indirect Greenhouse Gas Emissions from Electricity Consumption

The Group requires workers to turn the machine or electric tools on only when preparation work has been done, and turn the machine or electric tools off immediately at the end of work to reduce the indirect greenhouse gas emissions from electricity consumption.

Installation of energy-efficient lighting has been planned. It is required for proper maintenance of electricity devices to avoid electricity leakage. Air-conditioning should be set at reasonable range. It is also required to disable the standby mode for all electrical appliances, including computers, photocopiers and printers before leaving the office, and to select the equipment model with multiple settings to suit different power consumption levels.

KPI A1.2 Scope 2 — Energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group

Main sources of Scope 2 emissions: Electricity purchased from power companies

Types of emissions	2024 (kg)	2023 (kg)	(Tonnes)
CO ₂ equivalent emission	87,038	156,140	156.14
Total GHG emissions	87,038	156,140	156.14

— Indirect Greenhouse Gas Emissions from Paper Waste Disposed at Landfills

In order to address indirect emissions relating to paper waste disposed at landfills, the Group encourages employees to apply computer technology such as email and storage devices to reduce paper consumption, avoid unnecessary printing or copying on paper, to print on both sides of a sheet of paper, to put recycling boxes near the photocopiers to collect single-sided paper for reuse and used double-sided paper for recycling, and to adjust documents and use space efficiency formats to optimise use of paper.

— Indirect Greenhouse Gas Emissions from Business Travel by Employees

The Group recognises the severity of indirect greenhouse gas emissions from business travel by employees, and encourages employees to utilise teleconference instead of overseas meetings and choose railway for short-distance travel to reduce the number of air travel and ultimately reduce the carbon footprint of business travel.

GENERAL DISCLOSURE AND KPIs (Continued)

KPI A1.2 Scope 3 — All other indirect emissions that occur outside the Group, including both upstream and downstream emissions

Activities from which indirect GHG emissions arise:

	2024	2023	
<ul style="list-style-type: none"> Paper waste disposed at landfills — Hong Kong 			
Types of emissions	(kg)	(kg)	(Tonnes)
CO ₂ equivalent emission	31,028	30,840	30.84
<ul style="list-style-type: none"> Electricity used for processing fresh water and sewage by government departments — Hong Kong 			
Types of emissions	(kg)	(kg)	(Tonnes)
CO ₂ equivalent emission from fresh water processing	41	230	0.23
CO ₂ equivalent emission from sewage processing	20		
<ul style="list-style-type: none"> Business air travel by employees 			
Types of emissions	(kg)	(kg)	(Tonnes)
CO ₂ equivalent emission	2,536	—	—
Total GHG emissions	33,625	31,070	31.07

For Mainland China operation, total paper waste disposed for the year ended 31 March 2024 is 39 kg. For the year ended 31 March 2023, CO₂ equivalent emission resulting from paper waste disposed in connection with Mainland China operation is 0.42 tonnes.

GENERAL DISCLOSURE AND KPIs (Continued)

- **Discharges into Water and Land**

The Group requires that discharges, if any, into waterways and land must comply with relevant laws and regulations.

- **Generation of Hazardous Waste and Non-hazardous Waste**

Our internal guidance encourages employees to handle waste generated in a proper and environmentally friendly manner.

- Hazardous Waste

Hazardous wastes are those defined by national regulations. Hazardous wastes are required to be collected by recycling companies and labelled properly with sealed packaging.

KPI A1.3 Total hazardous waste produced and intensity

	2024 (Tonnes)	2023 (Tonnes)	(kg)
General office waste — Toner cartridge	0.0256	0.0257	25.70
General office waste — Spent fluorescent tube	—	0.0800	80.00
Construction waste — Water based emulsion paint	0.1300	—	—
Total hazardous waste produced	0.1556	0.1057	105.70
	(Tonnes/per million Hong Kong dollars of revenue)	(Tonnes/per million Hong Kong dollars of revenue)	(kg/per million Hong Kong dollars of revenue)
Hazardous waste intensity	0.00005	0.00005	0.050

- Non-hazardous Waste

The Group promotes “reduce, reuse and recycle” to minimise waste and protect environment. Employees are encouraged to purchase supplies or equipment with an option to be upgraded and longer life-span, to install recycling bins to collect recyclables, and to have recyclers to collect recyclables.

Non-hazardous wastes are mainly generated from site clearance, excavation, refurbishment, renovation, demolition, and road works. The principal non-hazardous wastes are inert construction and demolition (“C&D”) waste and non-inert C&D waste, other non-hazardous wastes include mixed C&D waste, general waste, and office paper.

Inert C&D material is disposed of at the public filling area for reclamation purposes while non-inert C&D waste is disposed of at strategic landfills. A trip-ticket system is implemented to monitor the waste material delivery record to ensure proper disposal of C&D materials.

GENERAL DISCLOSURE AND KPIs (Continued)

KPI A1.4 Total non-hazardous waste produced and the intensity

	2024 (Tonnes)	2023 (Tonnes)
C&D waste produced — Landfill or public fill:		
Inert C&D waste	4,545.60	734.80
Non-inert C&D waste	2,247.30	1,847.30
Mixed C&D waste	359.80	578.80
General office waste produced — Landfill	1.83	1.78
General office waste produced — Landfill or Incineration	0.01	0.04
General office waste produced — Recycled paper	0.33	6.51
Total non-hazardous waste produced	7,154.87	3,169.23
	(Tonnes/per million Hong Kong dollars of revenue)	(Tonnes/per million Hong Kong dollars of revenue)
Non-hazardous waste intensity	2.44	1.49

KPI A1.5 Description of emission targets set and steps taken to achieve them

In accordance with policies stated above for the reduction of air and greenhouse gas emissions from vehicles, the Group adopts the following measures: control the numbers of vehicles owned by the Group; control the frequency of employees not to take public transportation for local business commuting; and control the volume of business travel by employees. We consider such measures had been achieved for the year ended 31 March 2024.

The Group endeavours to voluntarily achieve following targets for reduction of emissions as reported under KPI A1.1 and KPI A1.2 in connection with the Group:

- 5% reduction of NO_x, SO_x, PM over five years compared with 2024 as a baseline
- 5% reduction of scope 1 emissions, including CO₂, CH₄, N₂O, over five years compared with 2024 as a baseline
- 5% reduction of scope 2 emissions over five years compared with 2024 as a baseline
- 5% reduction of scope 3 emissions over five years compared with 2024 as a baseline
- 5% reduction of GHG intensity over five years compared with 2024 as a baseline

GENERAL DISCLOSURE AND KPIs (Continued)

Steps taken to achieve targets for reduction of emissions as reported under KPI A1.1 and KPI A1.2 are:

- Improving the efficiency and climate resiliency of operations
- Regularly checking tire pressure, using premium fuel, spending less time idling, and changing engine oil regularly
- Reducing scope 1 emissions by cutting consumption and getting more energy-efficient equipment, and replacing fossil fuels with cleaner alternatives
- Reducing scope 2 emissions by turning off lights when they are not used, replacing incandescent light bulbs with LED bulbs, and sourcing renewable energy sources
- Reducing scope 3 emissions by estimating the overall scope 3 footprint of our value chain, challenging our suppliers or service providers to commit to cutting more greenhouse gas emissions out of their operations, and engaging with suppliers, customers, employees, and contractors to manage their own emission sources

KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them

Hazardous wastes are required to be collected by recycling companies and labelled properly with sealed packaging.

Non-hazardous wastes are preferred to be recycled, otherwise, they are sent for landfill or incineration. In accordance with policies stated above for the reduction of non-hazardous wastes, the Group adopts the following measures: control the commercial wastes generated by employees; control the waste of papers; control the volume of non-hazardous waste going direct to landfill or incineration without recycling. We consider such measures had been achieved for the year ended 31 March 2024.

This KPI is concerned with the Group's management approach to waste. The waste management hierarchy ranks waste management methods from the most to least environmentally favourable. At the top of the waste management hierarchy is waste prevention, followed by reuse, recycling, and energy or other recovery. Landfilling and incineration without energy recovery are the least environmentally favourable.

Waste prevention is measures taken before a substance, material or product has become waste, that reduce the quantity of waste, including through the re-use of products or the extension of the life-span of products, the adverse impacts of the generated waste on the environment and human health, the content of harmful substances in materials and products. Waste prevention solutions can include innovative product or project design that requires fewer input materials or extends the product or project life cycle.

Waste diversion is diverting materials to be reused, recycled, or composted, instead of being incinerated or buried in a landfill. To achieve waste diversion, different types of materials like paper, metals, recyclable plastic, organic waste and electronic or hazardous waste are first be sorted from general waste.

GENERAL DISCLOSURE AND KPIs (Continued)

- We handle hazardous and non-hazardous wastes as follows:
 - A management system has been implemented in accordance with Global Reporting Initiative (“GRI”) 306 Waste, covering collection and monitoring of waste-related data through on-line data input, transmission, and maintenance to reflect our commitment to managing waste-related impacts; engaging with customers to raise awareness about sustainable consumption practices, such as reduced purchasing of products, product sharing, exchange, reuse, and recycling; recovering products, components, and materials from waste through preparation for reuse and recycling; establishing and improving facilities for waste management across all subsidiaries and business units, including facilities for the collection and sorting of waste; setting policies for procurement from suppliers that have sound waste prevention and waste management criteria; and implementing circular business models for a system in the Group’s own activities and in its value chain that allows for long life, optimal re-use, refurbishment, remanufacturing, and recycling.
 - Waste prevention solutions are being implemented to re-use and recycle papers, bags, and containers for the reduction of quantity of waste, as well as the adverse impacts of the generated waste on the environment and human health. Waste diversion is adopted so that different types of materials like paper, metals, recyclable plastic, organic waste and electronic waste are first be sorted from general waste for re-use, recycling, composting instead of being incinerated or buried in a landfill.
 - For hazardous waste, we train and instruct relevant personnel to classify different hazardous wastes which are further stored in bags and containers with warning symbols indicating their hazardous nature. Licensed waste disposal agencies are commissioned to collect the waste on a regular basis.
 - Non-hazardous wastes generated by the activities of all operating processes of the Group are within the scope of our waste management.
 - Head of general administration is responsible for adoption, implementation, and monitoring of waste management system, reporting to chief executive officer and finally to the board of directors, if it is required.
- The Group endeavours to voluntarily achieve following targets for waste reduction in connection with the Group, including waste prevention and waste diversion:
 - 5% reduction of hazardous wastes over five years compared to 2024 as a baseline
 - 5% of reduction of non-hazardous wastes with a waste diversion rate of 20% over five years compared with 2024 as a baseline
 - 10% reduction of non-inert C&D waste intensity for its construction business over three years compared with 2022 as a baseline

GENERAL DISCLOSURE AND KPIs (Continued)

- Steps taken to achieve targets for reduction of non-hazardous wastes with waste diversion are:
 - Prioritising the use of prefabrication elements
 - Promoting source separation of waste and other resources at construction sites
 - Reducing the use of single-use disposable items
 - Adopting circularity
 - Collecting and monitoring waste-related data
 - Transitioning to and applying new business models for waste reduction and diversion
 - Screening suppliers for negative waste-related impacts
 - Engaging with customers to raise awareness about sustainable use of products, including reuse and recycling
 - Re-using and recycling papers, bags, and containers for the reduction of quantity of waste
 - Adopting waste diversion so that different types of materials like papers, metals, recyclable plastic, organic waste and electronic waste are first be sorted from general waste for re-use, recycling, composting instead of being incinerated or buried in a landfill
- **Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group**

For the year ended 31 March 2024, there were no confirmed non-compliance incidents or grievances in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Aspect A2: Use of Resources

The Group recognises that efficient use of resources, including energy, water and other raw materials, in production, storage, transportation, buildings, electronic equipment, etc. is one of the important aspects to protect environment.

The Group has introduced green measures to manage the use of resources such as electricity, water and construction materials.

GENERAL DISCLOSURE AND KPIs (Continued)

▪ Efficient Use of Energy

The Group established policies and procedures to reduce energy consumption in the facility, to assess the energy efficiency and utilisation of machineries as well as facilities, to increase the use of clean energy, if possible, to set targets to monitor energy consumption, and to ensure power is turned off when electrical appliances are not in use.

KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity

Direct and/or indirect energy consumption by type	2024 (kWh in'000s)	2023 (kWh in'000s or MWh)
Non-renewable fuel consumed	197.29	191.43
Electricity purchased for consumption	217.61	237.53
Total energy consumed	414.90	428.96
	(kWh in'000s/ per million Hong Kong dollars of revenue)	(kWh in'000s or MWh/per million Hong Kong dollars of revenue)
Total energy consumption intensity — per million Hong Kong dollars of revenue	0.141	0.202

Non-renewable fuel consumed (direct) is fuel purchased for combustion in vehicles that are owned or controlled by the Group. Electricity purchased for consumption (indirect) is amount of indirect energy purchased and consumed from external sources in the form of electricity.

▪ Water Consumption

The Group requires employees to reduce water consumption. For example, employees are encouraged to fully empty any containers before washing, and to turn off water taps promptly.

Some of our offices operate in leased premises for which both the water supply and discharge are solely controlled by the building management, therefore, the provision of water withdrawal and discharge data or sub-meter for individual occupants are not feasible.

GENERAL DISCLOSURE AND KPIs (Continued)

KPI A2.2 Water consumption in total and intensity

	2024 (Cubic metres)	2023 (Cubic metres)
Water consumed	94.27	1,184.80
	(Cubic metres/ per million Hong Kong dollars of revenue)	(Cubic metres/ per million Hong Kong dollars of revenue)
Water consumption intensity — per million of Hong Kong dollars of revenue	0.03	0.56

KPI A2.3 Description of energy use efficiency targets set and steps taken to achieve them

The Group's ability to use energy efficiently can be revealed by its intention and measures for the reductions in energy consumption. Energy consumption has a direct effect on the environmental footprint of the Group, its operational costs, and exposure to certain risks (e.g. fluctuations in energy supply and prices). The Group's policies and measures specific to managing energy use have been stated above. We consider such policies had been adopted and measures had been achieved for the year ended 31 March 2024.

This KPI addresses the issue of using less energy to achieve the same level of business output by eliminating energy waste. Improved energy efficiency brings a variety of benefits such as reducing greenhouse gas emissions and lowering costs.

Energy conservation refers to efforts made to reduce consumption of energy, including fuel, electricity, heating, cooling, steam, by using less of an energy service. This is achieved either by using energy efficiently to use less energy for a constant service or by reducing the amount of service used. The Group raises the target temperature for an air-conditioning system from 22 degrees Celsius to 25 degrees Celsius, conducts process redesign, and changes in employee behaviour in connection with energy consumption.

- The Group endeavours to voluntarily achieve following targets of energy use efficiency in connection with the Group:

5% reduction of fuel and electricity consumption over five years compared with 2024 as a baseline.

GENERAL DISCLOSURE AND KPIs (Continued)

- Steps taken to achieve targets for reduction of fuel and electricity consumption are:
 - Raising the temperature for an air-conditioning system from 22 degrees Celsius to 25 degrees Celsius
 - Setting fuel consumption of vehicles
 - Redesigning operation processes for using electricity more efficiently
 - Using efficient lighting, efficient electrical appliances and fuel-efficient vehicles
 - Tracking and reporting energy usage, reduction and intensity over time

KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them

The Group's ability to use water efficiently can be revealed by its intention and measures for the reductions in water consumption. Water consumption has a direct effect on the environmental footprint of the Group, its operational costs, and exposure to certain risks (e.g. reliance on sources of water that may be considered sensitive due to their relative size or function; or status as a possibly rare, threatened, or endangered system; or to their possible support of a particular endangered species of plant or animal). The Group's policies and measures specific to water use have been stated above. We consider such policies had been adopted and measures had been achieved for the year ended 31 March 2024.

This KPI concerns the Group's management approach to water from a localized perspective. It also concerns efforts by the Group to use less water to achieve the same level of business output by eliminating waste. Improved water efficiency brings a variety of benefits such as mitigating impacts of water use on local stakeholders and lowering costs.

Water stress refers to the ability, or lack thereof, of local water sources to meet the human and ecological demand for water.

Water conservation refers to efforts made to reduce consumption of water by using less of a water service. This is achieved either by using water more efficiently, such as using less water for a constant service, or by reducing the amount of service used, such as by removing decorative fountains. Water conservation initiatives include process redesign, conversion and retrofitting of equipment, changes in employee behaviour, and other operational changes.

- The Group has not yet encountered issues in sourcing sufficient quantity and quality of water for business operations.
- The Group endeavours to voluntarily achieve following targets of water efficiency:

1% reduction of water consumption over five years compared with 2024 as a baseline.

GENERAL DISCLOSURE AND KPIs (Continued)

- Steps taken to achieve targets for reduction of water consumption are:
 - Stewarding water as a shared resource
 - Reducing water usage in the value chain
 - Changing in employee behaviour and facilitating catchments where water is withdrawn, consumed, and discharged
 - Improving water performance and promoting reuse of fresh water
 - Employing water saving technology or processes
 - Prohibiting decorative fountains
- **Efficient Use of Raw Material and Packaging Material**

No significant raw material or packaging material waste was generated in view of the business nature of the Group's continued operation.

KPI A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced

The disposal of products and packing materials at the end of a use phase is a steadily growing environmental challenge, tracking the use of packaging materials is to reduce, reuse and/or recycle the packaging materials. As mentioned above, no significant raw material or packaging material waste was generated in view of the business nature of the Group's continued operation.

Aspect A3: The Environment and Natural Resources

The Group is committed to reducing the production and operation impacts on environment and natural resources. Policies are established to consider the actual impacts on environment and natural resources and to reduce such impacts.

Environmental education and advocacy among employees encourage the adoption of environmentally responsible behaviour which helps fulfil the Group's commitment to minimizing its adverse impact on the environment. We encourage our employees to join external events that promote environmental protection on a regular basis.

To raise the awareness of impacts on the environment and natural resources, certain internal promotion and trainings on environment protection are required. For example, administrative department is responsible to organize training on environmental protection, energy saving, and efficient use of resources.

KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them

We understand that our performance in respect of emissions, waste production and disposal, and use of resources impacts the environment, we endeavour to minimise such impacts, and communicate our environmental policies, measures, performance, and achievements to our stakeholders.

GENERAL DISCLOSURE AND KPIs (Continued)

Consumption and production not only exhaust natural resources through the use of material inputs, but also pose negative impact on environment as a result of the extraction, processing, and waste disposal at every stage of a product or service lifecycle. These environmental impacts include climate change, biodiversity loss, and pollution. The follow actions are taken to manage those impacts:

- An environmental management system has been implemented with reference to ISO 14001 standard on environmental management systems — requirements with guidance for use.
- The environmental management system covers the entire operation and activities of the Group.
- Company secretary is responsible for adoption, implementation, and monitoring of environmental management system, reporting to chief executive officer and finally to the board of directors, if it is required.
- Leading indicators are used to inform management and other stakeholders about significant impacts include KPIs stated above.

The evaluation criteria for identifying significant impact of our activities on the environment and natural resources are based on magnitude, duration, and likelihood of an impact occurring as a result of our operation.

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

Noise is inevitably generated in connection with the Group's construction business. With the aim to minimise noise pollution and disturbance to the nearby community, the Group has implemented a number of measures to reduce and control the noise level.

Noise level is required to be monitored at least once a month to ensure that the noise level does not exceed the prescribed level. If the noise level is higher than the acceptable noise level, a background noise assessment is required to be conducted. Then, noise mapping, a reasonably accurate sketch showing the relative position of all noise sources and items, is required to be made to assist workers in reducing the noise level. Measurement at the assessment points is then conducted once again to reassess whether the control measures have taken effect to reduce the unacceptable noise level.

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

No significant impacts on the environment and natural resources were caused, in view of the Group's business nature. Policies and/or measures adopted in the year ended 31 March 2024 specific to manage potential impacts of activities on the environment and natural resources are mentioned above.

GENERAL DISCLOSURE AND KPIs (Continued)

Aspect A4: Climate Change

Policies on identification and mitigation of significant climate-related issues or risks which have impacted or may impact the Group are established for employees to follow, covering climate-related issues or risks, opportunities, actual or potential impacts, steps to be taken to manage risks, targets, and actual performance against targets.

KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the Group, and the actions taken to manage them

This KPI prompts the Group to consider the recommendations of the Taskforce on Climate-related Financial Disclosure ("TCFD") on identifying and disclosing the potential impacts of climate-related risks on our business.

The Group uses same criteria to assess and prioritize risks including climate-related risks. The criteria include the determination of likelihood which is the probability of a risk occurring, and the determination of impact which is the result or effect of a risk. Risk criteria can be both qualitative and quantitative criteria to evaluate risks. The approach to prioritize climate-related risks is based on the assessment of severity, risk appetite, adaptability, complexity, velocity, persistence, and recovery. Significant climate-related risks that impact business activities are determined as the result of climate-related risk assessment and prioritization.

— Significant climate-related issues or risks which have impacted or may impact the Group are as follows:

- Acute physical risks, which arise from particular events, especially weather-related events such as storms, floods, fires or heatwaves that may damage production facilities and disrupt value chains, have impacted or may impact the Group's operation.
- Chronic physical risks, which arise from longer-term changes in the climate, such as temperature changes, rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity, have impacted or may impact the Group's operation.
- Policy risks, which are transition risks as a result of energy efficiency requirements, carbon-pricing mechanisms which increase the price of fossil fuels, or policies to encourage sustainable land use, have impacted or may impact the Group's operation.
- Legal risks, which are transition risks referring to risks of litigation for failing to avoid or minimize adverse impacts on the climate, or failing to adapt to climate change, have impacted or may impact the Group's operation.
- Technology risks, which are transition risks associated with a technology with a less damaging impact on the climate replacing a technology that is more damaging to the climate, have impacted or may impact the Group's operation.
- Market risks, which are transition risks that the choices of consumers and business customers shift towards products and services that are less damaging to the climate, have impacted or may impact the Group's operation.
- Reputational risks, which are transition risks that the difficult of attracting and retaining customers, employees, business partners and investors exists when the Group has reputation for damaging the climate, have impacted or may impact the Group's operation.

GENERAL DISCLOSURE AND KPIs (Continued)

— The core elements of climate-related financial disclosure are as follows:

- Governance — the Group's governance around climate-related risks

The board of directors oversees climate-related risks and opportunities. The board is informed through internal reporting process about significant climate-related issues when they arise anytime during the reporting period. The board considers climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans, as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing investments, acquisitions, and divestitures. The board monitors and oversees progress against targets the Group has set for achievement.

Chief executive officer, reporting to the board and supported by heads of operating units, is responsible for assessing, managing, and monitoring climate-related risks or issues and opportunities on a daily basis. Heads of operating units are responsible for identify, assess, prioritize, and manage climate-related risks or issues, and report to chief executive officer when significant risks or issues are identified.

- Strategy — the actual and potential impacts of climate-related risks on the Group's business, strategy, and financial planning where such information is material.

The Group has identified acute physical risks, chronic physical risks, policy risks, legal risks, technology risks, market risks, and reputational risks as our climate-related risks stated above associated with our businesses, strategy, and financial planning. At the same time, the Group also has identified climate-related opportunities which are resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new products or services, access to new markets, and building resilience along the supply chain.

The actual and potential impacts of significant climate-related risks and opportunities on the Group's businesses, strategy, and financial planning are increased operating costs for the enhanced emissions-reporting obligations, research and development expenditures incurring in new and alternative technologies, demanding for capital investment planning in technology development, and increase of revenue through new products or services related to ensuing resiliency.

We endeavor to make the Group's strategies resilient to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2 degree Celsius or lower scenario and, where relevant to the Group scenarios consistent with increased physical climate-related risks.

- Risk management — the Group identifies, assess and manage relevant climate-related risks

The Group's processes for identifying, assessing, prioritizing, and managing climate-related risks are integrated into our overall risk management. Significant climate-related risks determined as the result of climate-related risk assessment are prioritized, and managed to accept, transfer, avoid, or mitigate those risks.

GENERAL DISCLOSURE AND KPIs (Continued)

- Metrics and targets — the metrics and targets used to assess and manage relevant climate-related risks where such information is material.

Key metrics used to measure and manage climate-related risks are disclosed above as KPIs, including scope 1, scope 2, and scope 3 GHG emissions, energy, and water.

Targets used by the Group to manage climate-related risks are disclosed above, including targets set for emission, non-hazardous wastes, energy use efficiency, and water efficiency.

- The Group implements action steps to lay the groundwork for effective climate-related disclosures, including integrating climate change into key governance processes and enhancing board-level oversight; looking specifically at the financial impacts of climate risk and how it relates to revenue, expenditures, assets, liabilities, and financial capital; and adapting existing enterprise-level and other risk management processes to take account of climate risk.

Steps taken to manage climate-related issues or risks are as follows:

Type	Climate-Related Issues or Risks	Actual or Potential Impacts	Steps Taken to Manage the Risks
Transition Risks	Policy and Legal <ul style="list-style-type: none"> • Increased pricing of GHG emissions • Mandates on and regulation of existing products and services • Enhanced emissions-reporting obligations 	<ul style="list-style-type: none"> • Write-offs, asset impairment, and early retirement of existing assets due to policy changes • Increased operating costs, such as higher compliance costs, increase of insurance premiums 	<ul style="list-style-type: none"> • Seeking for alternative products or services with low emission • Setting up a target to reduce GHG emission
	Technology <ul style="list-style-type: none"> • Substitution of existing products or services with lower emissions options • Inefficient investment in new technologies • Costs to transition to lower emissions technology 	<ul style="list-style-type: none"> • Capital investments in technology development • Write-offs and early retirement of existing assets • Possibly reducing future demand for products and services • Research and development (R&D) expenditures in new and alternative technologies • Costs to adopt or deploy new practices and processes 	<ul style="list-style-type: none"> • Conducting financial planning • Preparing budgets for R&D expenditures and capital investments in new and alternative technologies

GENERAL DISCLOSURE AND KPIs (Continued)

Type	Climate-Related Issues or Risks	Actual or Potential Impacts	Steps Taken to Manage the Risks
	Market <ul style="list-style-type: none"> Changing customer behavior Uncertainty in market signals 	<ul style="list-style-type: none"> Possibly reducing future demand for goods and services due to shift in consumer preferences Increased production costs due to changing input prices, such as energy, water, and output requirements such as, waste treatment 	<ul style="list-style-type: none"> Responding to market signals Seeking for alternative products or services with low emission
	Reputation <ul style="list-style-type: none"> Shifts in consumer preferences Increasing of stakeholder concerns 	<ul style="list-style-type: none"> Possibly reducing future demand for goods or services Reduction in capital availability 	<ul style="list-style-type: none"> Seeking for alternative products or services with low emission Addressing stakeholders' concerns or feedback
	Physical Risks		
	Acute <ul style="list-style-type: none"> Increased severity of extreme weather events such as cyclones and floods 	<ul style="list-style-type: none"> Increase of capital costs Increased operating costs Increase of insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations 	<ul style="list-style-type: none"> Reducing carbon footprint Closely monitoring assets or business activities vulnerable to material climate-related physical risks
	Chronic <ul style="list-style-type: none"> Changes in precipitation patterns and extreme variability in weather patterns Rising sea levels Rising mean temperatures 		

The Group refers to existing tools to collect and report climate-related financial information, such as climate change questionnaire and guidance from CDP, to better understand, collect, response, and report on climate-related financial information applicable to the Group.

GENERAL DISCLOSURE AND KPIS (Continued)

B. SOCIAL

The Group recognises that fulfilling social responsibilities is our duty as a corporate citizen. We endeavour to establish harmonious relationship with our employees, customers, suppliers, and the community at large. We care about the well-being and development of employees, ensure high standard of product, project, or service responsibility, enhance transparent relationship with customers and suppliers, and contribute to our community development.

For KPIs disclosed below, information about the standards, methodologies, assumptions and/or calculation tools used for these KPIs are stated wherever appropriate. As far as reasonably practicable, consistent methodologies are adopted when calculating these KPIs or any significant changes in data or calculation methodology that affect a meaningful and applicable comparison are stated.

EMPLOYMENT AND LABOUR PRACTICES

Aspect B1: Employment

The Group has established employment policies, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

- **Compensation and Dismissal**

The Group offers competitive remuneration to attract and retain talented staff. Remuneration packages are reviewed periodically to ensure consistency with employment market. Laws and regulations on minimum wage and statutory social benefits are required to be followed. Dismissal is required to comply with employment laws and regulations, and to follow the internal policies and procedures, including policy on prevention of dismissal purely on employees' gender, marital status, pregnancy, disability, age or family status.

GENERAL DISCLOSURE AND KPIS (Continued)

KPI B1.1 Total workforce by gender, employment type, age group and geographical region

	2024 (Number of people as at 31 March)		2023 (Number of people as at 31 March)
Total number of all employee headcount under a direct employment relationship	184	189	194
By gender			
— Female	51	51	52
— Male	133	138	142
By employment types			
— Full-time/Permanent	180	186	192
— Part-time	4	3	2
— Contractors	—	—	—
— Interns	—	—	—
— Volunteers	—	—	—
By age group			
— Below 30	18	23	27
— 30 to 50	86	89	92
— Over 50	80	77	75
By geographical region			
— Hong Kong	175	179	183
— Mainland China	9	10	11
By level			
— Senior management	15	15	14
— Middle management	50	51	52
— Others/General employees	119	123	128

GENERAL DISCLOSURE AND KPIS (Continued)

KPI B1.2 Employee turnover rate by gender, age group and geographical region

Employee turnover reflects the number of employees who leave employment with the Group voluntarily or due to dismissal, retirement or death in service during the reporting period.

	2024		2023
	(Number of people)	(Percent)	(Percent)
Total employee turnover	81	43	25.39
By gender			
— Female	24	47	15.38
— Male	57	41	29.08
By age group			
— Below 30	22	96	40.82
— 30 to 50	43	48	27.98
— Over 50	16	21	16.67
By geographical region			
— Hong Kong	79	44	26.23
— Mainland China	2	20	10.00

▪ Recruitment and Promotion

The Group attracts talent through flexible, fair and transparent recruitment strategy. Our recruitment process includes application for recruitment, description of position, collection of job applications, interview, selection, approval, and job offering. Promotion is based on performance and suitability. Promotion process includes recommendation of candidates, evaluation, approval, and confirmation of promotion.

▪ Working Hours, Rest Periods, Benefits and Welfare

Employees' working hours, rest periods, benefits and welfare, including social security benefits and retirement pension plans, are required in compliance with employment or labour laws and regulations.

For a period ending 30 September 2024, Wan Chung Construction Company Limited, one of our subsidiaries, has been awarded with 5 Years Plus Good Mandatory Provident Fund Employer Logo by Mandatory Provident Fund Schemes Authority for its continuous efforts to enhance the retirement protection of employees over the past years.

▪ Equal Opportunities, Diversity and Anti-discrimination

The Group endeavours to provide a fair workplace for employees and follow the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, employment type, age, geographical region, or other measure of diversity.

▪ Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group

For the year ended 31 March 2024, there were no confirmed non-compliance incidents or grievances in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

GENERAL DISCLOSURE AND KPIS (Continued)

Aspect B2: Health and Safety

The Group is committed to maintaining a healthy and safe workplace for employees, and to preventing workplace injuries and illnesses.

- **Providing a Safe Working Environment**

The Group requires entities to establish and document policies and procedures on safety for employees to follow, set targets for the safety of employees, monitor the safety performance against the targets periodically, and report any safety incidents to management.

- **Protecting Employees from Occupational Hazards**

One of the success factors for protecting employees from occupational hazards is to train employees to protect themselves from psychological and physical hazards. The Group requires such training to be delivered to employees, especially those who operate equipment and tools.

The Group has established an occupational health and safety (“OHS”) management system for its staff to protect employees from occupational hazards, arrangements and precautionary measures are designed to eliminate or control the hazards to ensure high occupational safety and health standard is maintained in the course of operations.

All employees in the construction sites in Hong Kong must complete the mandatory basic safety training course recognized by the Commissioner of Labour for the construction works, and hold valid certificates, commonly known as “Green Card”. Furthermore, they shall receive site-specific induction training on the first day of their commencement of work on site. Thereafter, those employees shall be given refresher training at intervals of six months depending on the amount of changes to the site condition.

To maintain a safe and healthy environment, our construction business line has established Safety, Health and Environmental (“SHE”) Management Committee, which is mainly responsible for supporting, promoting, implementing, monitoring and reviewing the objectives and performance of OHS management system. Employees are encouraged to raise their concerns or express their views on the OHS of the Group via the SHE Management Committee.

Further OHS measures have been implemented to reduce associated risks, which include providing OHS training activities for all employees, such as Safety Night, Safety Sharing, Tool Box Talk and Green Card Training; employees being required to wear appropriate personal protective equipment in the workplace; employees being prohibited to operate high-risk machines, vehicles and equipment without permission; adopting non-polluting, safe and effective operational processes to ensure the safety of employees and reduce occupational hazards in the construction process; and undergoing inspections to ensure that employees’ labour protection facilities are well-equipped and effective.

GENERAL DISCLOSURE AND KPIS (Continued)

KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year

	2024 (Cases)	2023 (Cases)	2022 (Cases)
Number of work-related fatalities under direct employment	—	—	—
	(Percent)	(Percent)	(Percent)
Rate of work-related fatalities (per hundred employees)	—	—	—

Work-related fatalities arise from exposure to hazards at work, it includes fatalities resulting from commuting incidents where the transport has been organized by the Group.

During the year ended 31 March 2024, on projects which Wan Chung Construction Company Limited, one of our subsidiaries, took the principal contractor role, there was one case which a death of a worker of a subcontractor occurred (2023: Nil, 2022: Nil). Two work injury cases occurred for the year ended 31 March 2023.

KPI B2.2 Lost days due to work injury

	2024 (Days)	2023 (Days)
Lost days under direct employment	—	—

Work injuries arise from exposure to hazards at work. The Group requires operating units to report work injury that resulted in incapacity for more than one day.

During the year ended 31 March 2024, on projects which Wan Chung Construction Company Limited, one of our subsidiaries, took the principal contractor role, there were 310 lost days (2023: 566) due to work injury of workers of subcontractors.

KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored

This KPI is concerned with the Group's ability to provide a safe and healthy work environment and to promote optimal physical and mental health for employees and, if it is applicable, workers whose work and/or workplace the Group controls.

GENERAL DISCLOSURE AND KPIS (Continued)

The following occupational health and safety measures are adopted by the Group:

- An occupational health and safety management system, which is a set of interrelated or interacting elements to establish an occupational health and safety policies and objectives, has been implemented by the Group. It aims to achieve those objectives through a systems-based approach that integrates occupational health and safety management into overall business processes, and strives to continually eliminate hazards and minimize risks. For Hong Kong operation, we adopted Occupational Safety and Health Ordinance, Chapter 509 and Factories and Industrial Undertakings Ordinance, Chapter 59 of the Law of Hong Kong, and subsidiary regulations. For Mainland China operation, we adopted the Law of the People's Republic of China on Work Safety, as well as the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases. We protect the safety and health of all employees by preventing work-related injuries, ill health, diseases and incidents. We integrate occupational health and safety risks into our daily risk management practice to mitigate by establishing occupational health and safety policies and procedures, conducting health and safety training to employees, and encouraging employees to participate actively in all elements of the occupational health and safety management system, including establishing of strategy and objectives; setting policies; hazard prevention and control measures; management of change; emergency prevention, preparedness and response; procurement, contracting, performance monitoring and measurement; investigation of work-related injuries, ill health, diseases and incidents; performance review, and continual improvement.
- Occupational health services entrusted with essentially preventive functions, and responsible for advising the employer, the employees, and their representatives in the undertaking, on the requirements for establishing and maintaining a safe and healthy work environment, are provided to facilitate optimal physical and mental health in relation to work and adaptation of work to the capabilities of employees in the light of their state of physical and mental health. Functions of occupational health services provided comprise surveillance of factors in the work environment, including any sanitary installations, which might affect employees' health; surveillance of workers' health in relation to work, such as regular health check-up; training and advice on occupational health, safety, and hygiene; advice on ergonomics, and on individual and collective protective equipment; promotion of the adaptation of work to employees; and organization of first aid and emergency treatment.

Voluntary health promotion services are provided to employees to address major non-work-related health risks, such as advising and facilitating employees to improve their diet, quit smoking, or reduce stress. Employees' access to non-occupational medical and healthcare services is facilitated through the Group's health insurance scheme. The voluntary health promotion services complement occupational health and safety services to promote employees' health and well-being.

- Our occupational health and safety measures cover activities of all employees in the Group's premises.
- Head of general administration is responsible for adoption, implementation, and monitoring of occupational health and safety measures, reporting to chief executive officer and finally to the board of directors, if it is required.
- Leading indicators used to inform management and other stakeholders about occupational health and safety performance include work-related fatalities, lost days due to work injury, the frequency of health and safety inspections, and the number of employees trained in hazard identification and incident reporting.

For the year ended 31 March 2024, the frequency of health and safety inspections is 261 inspections/per year, and the number of employees trained in hazard identification and incident reporting is 27 people.

GENERAL DISCLOSURE AND KPIS (Continued)

- **Work-life Balance**

The Group organises leisure activities outside of workplace including annual dinners to promote work-life balance for employees. The Group also offers paid marriage leave to employees.

- **Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group**

For the year ended 31 March 2024, there were no confirmed non-compliance incidents or grievances in relation to providing a safe working environment and protecting employees from occupational hazards.

Aspect B3: Development and Training

The Group is committed to providing adequate training to our employees to improve their knowledge and skills for discharging duties at work. Training includes vocational training courses provided internally or externally and paid by the Group.

- **Employee Development**

The Group requires employees to attend internal and external training courses, including new employee orientation and employee continuing education to improve employees' knowledge and skills for their job positions. The costs of qualified training courses are borne by the Group.

- **Training Activities**

The Group recorded attendance for employee training, including attendance for a new employee orientation training. Various training classes were organised for our staff as well. Training contents are regularly updated to be in line with the industrial standard and provide maximum benefit to the employees.

KPI B3.1 The Percentage of employee trained by gender and employee category

	2024 (Average number of people)		2023 (Number of people as at 31 March)	
Total number of all employee headcount under a direct employment relationship	189		194	
	(Number of people)	(Percent)	(Number of people)	(Percent)
Total number of employees who took part in training	122	64.55	115	59.28
	(Number of people)	(Percent)	(Percent)	
By gender				
— Female	34	27.87	26.96	
— Male	88	72.13	73.04	
By level				
— Senior management	9	7.38	8.70	
— Middle management	38	31.15	38.26	
— Others/General employees	75	61.47	53.04	

GENERAL DISCLOSURE AND KPIS (Continued)

Training refers to any type of vocational training and instruction, including paid educational leave provided by the Group for our employees, training or education pursued externally and paid for in whole or in part by the Group; and/or training on specific topics.

KPI B3.2 Average training hours completed per employee by gender and employee category

	2024 (Average number of people)	2023 (Number of people as at 31 March)
Total number of all employee headcount under a direct employment relationship	189	194
	(Hours)	(Hours)
Total number of training hours that employees participated in	1,136.50	733.50
Average number of training hours per employee	(Hours/per employee)	(Hours/per employee of the number of employees in specific category as of the end of the financial year)
By gender		
— Female	4.48	2.66
— Male	6.58	4.19
By level		
— Senior management	9.07	7.11
— Middle management	10.19	6.30
— Others/General employees	3.91	2.39

For the year ended 31 March 2024, numbers of training hours by gender for female and male are 228.50 hours and 908.00 hours respectively, numbers of training hours by level for senior management, middle management and others are 136.00 hours, 519.50 hours and 481.00 hours. Average number of training hours per employee is 6.01 hours.

This KPI is concerned with the Group's investment in training and the degree to which this investment is made across our employee base.

GENERAL DISCLOSURE AND KPIS (Continued)

Aspect B4: Labour Standards

The Group is committed to avoiding child and forced labour in the workplace.

■ Preventing Child and Forced Labour

The Group prohibits child labour, and requires human resource department and user departments to work together to prevent or identify child labour, and to ensure child labour is not in our workforce.

The Group is committed to protecting human rights, to prohibiting forced labours, and to creating a workplace with respect, fairness, and free will for our employees.

KPI B4.1 Description of measures to review employment practices to avoid child and forced labour

This KPI is concerned with the Group's ability to respect, protect and promote fundamental human rights. Child labour is work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. Specifically, it means types of work that are not permitted for children below the relevant minimum age.

Minimum age for working differs by country or jurisdictions we operate, here it refers to minimum age for working stipulated by local laws and regulations that apply or the age of completion of compulsory schooling whichever is higher.

Forced or compulsory labour is all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. Recognized forms of forced labour include human trafficking, coercion in employment, forced labour linked to exploitative labour contract systems, and debt-induced forced labour.

The following measures to review employment practices to avoid child and forced labour are adopted:

- Head of general administration is in charge of reviewing employment practices of the Group and suppliers to avoid child and forced labour, and procurement personnel are involved in reviewing suppliers' employment practices. Operations and/or suppliers at significant risk for incidents of child or forced labour in terms of types or activities and/or countries and geographical areas we operate are incorporated in our risk management practice to assess, identify and mitigate the risk.
- Based on the result of reviewing current operation of the Group and suppliers, we are not aware of any operations and/or suppliers with child and forced labour issues or any violations.
- The following measures are taken which are intended to contribute to the elimination of all forms of child or forced labour: Operations and/or suppliers at significant risk for incidents of child or forced labour in terms of types or activities and/or countries and geographical areas we operate are incorporated in our risk management practice to assess, identify and mitigate the risk; review of current operations of the Group as well as suppliers in connection with child and forced labour is conducted; and issues or violations in connection with child and forced labour, if any, are required to report to the head of general administration.

KPI B4.2 Description of steps taken to eliminate such practices when discovered

The following steps are intended to take to eliminate all forms of child or forced labour when discovered: discontinuing or terminating without delay such operation or supplier relationship, investigating the root cause of such operation or supplier relationship, and remedying our risk management or internal control deficiencies to prevent a recurrence.

GENERAL DISCLOSURE AND KPIS (Continued)

- **Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group**

For the year ended 31 March 2024, there were no confirmed non-compliance incidents or grievances in relation to child and forced labour.

OPERATING PRACTICES

Aspect B5: Supply Chain Management

Supply chain management is one of the important areas of our business, which includes managing environmental and social risks of the supply chain. The Group requires suppliers to provide products and services for us with up-to-standard quality, health and safety to ensure compliance with environmental laws and regulations, and to ensure compliance with labour standards. The contracting for purchase of products and services is required to be based solely upon specification, quality, service, delivery, price, and tendering.

The Group requires impartial selection of suppliers and service providers, maximisation of competition in tendering process, approval of contract terms, compliance with laws and regulations, prevention and detection of bribery or fraud in the tendering and procurement process, and achievement of efficiency and cost saving in procurement.

Supply chain management policies and procedures are established, including assessment, selection, approval, procurement, and performance evaluation. Performance evaluation is based on quality, service, cost, and delivery.

The Group prioritises suppliers who perform in line with its ESG standards in the procurement processes. In order to minimise the environmental impacts of its suppliers, the Group gives preferences to the materials and equipment based on the following principles: buying locally produced materials, choosing durable products and materials, choosing products made from recycled materials, avoiding materials that emit pollutants, minimising packaging waste, selecting high-efficiency equipment, and selecting the equipment model with multiple settings to suit different power consumption levels.

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

KPI B5.1 Number of suppliers by geographical region

	2024 (Number of suppliers)	2023 (Number of suppliers)
Total number of suppliers	112	65
By region		
Asia		
— Mainland China	45	11
— Hong Kong	67	54

This KPI is concerned with providing a general description of the Group's supply chain as a whole.

GENERAL DISCLOSURE AND KPIS (Continued)

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

This KPI is concerned with the Group's general supply chain management strategy, and refers to engagement conducted by the Group with its supply chain as a whole.

The following measures to engage suppliers are adopted, implemented, and monitored:

- Supply chain code of conduct is established, covering ethics, conflicts of interest, cost, time, quality, continuity of supply, compliance, labour practices including child and forced labour, environment, anti-corruption, data protection, intellectual property, supply chain engagement and monitoring of compliance.
- Supply chain management system is established with reference to International Organization for Standardization ("ISO") 9001 — Quality management systems, ISO 14001 — Environmental management systems, ISO 20400 — Sustainable procurement, ISO 22301 — Security and resilience — Business continuity management systems, and ISO 28000 — Specification for security management systems for the supply chain. Supply chain management system is the management of the flow of goods and services and includes all processes that transform raw materials into final products. It involves the active streamlining of a business's supply-side activities to maximize customer value and gain a competitive advantage in the marketplace. Supply chain management system comprises five elements: planning, sourcing raw materials, manufacturing, delivery, and returns. Supply chain management system is an integrated partnership among all partners in the flow of goods and services to a customer. The objectives of supply chain management system are to efficiently and effectively improve quality, reduce costs and achieve competitive advantage by placing reliance on each other as partners in the supply chain context.
- Procurement managers are responsible for supply chain management and efficient and effective operation of supply chain management system. Procurement managers focus on procurement practices that could cause or contribute to negative impacts in the supply chain including stability or length of relationships with suppliers, lead times, ordering and payment routines, purchasing prices, and changing or cancelling orders; conduct supplier screening using environmental and social criteria; agree procurement terms; and evaluate suppliers' performance. Procurement managers report to chief executive officer for issues or deficiencies and remediation to be taken.
- Top priorities for general supply chain management strategy and impacts for supplier selection and retention are sustainability, responsiveness, and quality. These priorities affect supplier selection and retention assessment and decision through supplier screening process and supplier performance evaluation process.
- We create necessary channels to raise awareness among our staff, particularly procurement staff, as well as suppliers on our supply chain management expectation and efficient and effective operation of supply chain management system, including identification of critical suppliers, environmental and social criteria for selection and retention of suppliers, customer focus and alignment, and supplier performance evaluation.
- Our expectation from suppliers is established, including product and service specification, delivery, quality, pricing, as well as compliance, and are defined in contracts with suppliers to monitor. Our procurement prices are in line with the market so that suppliers are incentivized to deliver and meet our expectations.
- Suppliers are encouraged to attend training or instruction programs to meet expectation of sustainability, responsiveness, and quality and to participate capacity-building activities to identify the types of abilities and knowledge missing, define a plan to address the gaps with priorities, and allocate a realistic budget to address the gaps.

GENERAL DISCLOSURE AND KPIS (Continued)

- Leading indicators used to inform management and suppliers about supply chain performance include order to delivery lead time, perfect order fulfillment, and capacity utilization.
- Applicable information in connection with supply chain sustainability assessment and sustainable sourcing under KPIS B4.1, B4.2, B5.3, B5.4, B6.3, B6.4, B6.5, B7.2 and B7.3 is stated in relevant sections.

The above measures adopted, implemented and monitored cover all suppliers, products and services procured during the reporting period.

KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored

This KPI is specifically concerned with the Group's supply chain environmental and social risk assessment as part of the Group's enterprise risk management process.

The following measures for supplier assessment which may involve site visits, questionnaires, external sustainability agencies, stakeholder information, external databases, or news watches are adopted, implemented, and monitored:

- We define environmental and social risks are the potential negative consequences to the supply chain that result from their impacts or perceived impacts on the natural environment such as air, water, soil, or communities of people including employees, customers, and local residents.
- We identify and assess significant actual and potential negative environmental and social impacts in the supply chain through our integrated risk management process, as well as due diligence process to identify, prevent, and mitigate risks and address actual and potential negative impacts to the supply chain.
- We identify and prioritize suppliers for assessment of environmental and social impacts by referring to environmental and social criteria, supplier screening results, due diligence findings, risk assessment, and supplier performance evaluation.
- The nature of risks typically found or expected to found in supply chain includes lack of prompt response, lack of documentation of environmental and social performance, lack of competitive pricing, and long lead time.
- Procurement managers are responsible for identifying environmental and social risks along the supply chain, prioritizing risks associated with suppliers, conducting supplier screening, performing due diligence, participating supplier selection, evaluating supplier performance, and taking actions to address the significant actual and potential negative environmental and social impacts identified in the supply chain and to prevent, mitigate, or remedy the negative impacts. Procurement managers report to chief executive officer for issues or deficiencies and remediations to be taken.
- The system used to screen new suppliers comprises of environmental and social criteria for benchmark including environmentally preferable products and services, risk assessment process, supplier prioritization policies, due diligence including supplier background check, and supplier selection decision making procedures.
- Nature of supplier assessment refers to environmental and social assessment, credit assessment, quality assessment, delivery and responsiveness assessment, and price assessment. The frequency of supplier assessment is at least during the stage of screening new suppliers or evaluating supplier annual performance.

GENERAL DISCLOSURE AND KPIS (Continued)

- Actions taken to address significant actual and potential negative environmental and social impacts identified in the supply chain to prevent, mitigate, or remedy the impacts include improving the Group's procurement practices, adjusting performance expectations, continuous capacity building, training or instruction programs, process re-engineering, as well as terminating supplier relationships.
- Corrective action plans are required to be documented and followed up by procurement managers, such activities include documenting remediation action plan with time frame, following up with partners in the supply chain, and reviewing the result of remediation. Consequences for non-compliance can lead to temporary suspension of supplier relationships or permanent termination of supplier relationships depending on the severity and willingness of suppliers to remedy the negative impacts.
- Leading indicators used to inform management and other stakeholders including suppliers about supply chain performance include hazardous material content, post-consumer recycled content, emission per unit produced, bio-based or energy-efficient products, healthcare benefits, number of accidents or deaths per man-hour, financial health, and ISO 9001 certification.

KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored

This KPI is concerned specifically with green procurement, and is complementary to KPI B5.2 and linked with KPI B5.3.

The following are our practices including green procurement adopted, implemented and monitored by the Group:

- Green procurement refers to purchasing products and services that cause minimal adverse environmental impacts. It incorporates human health and environmental concerns into the search for high quality products and services at competitive prices. In addition to avoiding single-use disposable items, the Group identifies products with improved recyclability, high recycled content, reduced packing and greater durability; with greater energy efficiency; resulting in reduced water consumption; utilizing clean technology or clean fuels; emitting fewer irritating or toxic substances during installation or use; or resulting in smaller production of toxic substances, or of less toxic substance, upon disposal.
- Environmentally preferable products are defined as products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.
- Procurement managers are responsible for identifying environmental and social risks along the supply chain, prioritizing risks associated with suppliers, conducting supplier screening, performing due diligence, participating supplier selection, evaluating supplier performance, and taking actions to address the significant actual and potential negative environmental and social impacts identified in the supply chain and to prevent, mitigate, or remedy the negative impacts. Procurement managers report to chief executive officer for issues or deficiencies and remediation to be taken.
- The system used to screen new suppliers comprises of environmental and social criteria for benchmark including environmentally preferable products and services, risk assessment process, supplier prioritization policies, due diligence including supplier background check, and supplier selection decision making procedures.
- Criteria for selecting suppliers based on preferable environmental impacts include environmentally preferable products and services, management systems and training to address environmental risks associated with production, greenhouse gas emissions and energy usage, air emissions, water management, waste management, packaging, pollution prevention, raw materials, and local impact of transportation modes.

GENERAL DISCLOSURE AND KPIS (Continued)

- Leading indicators used to inform management and other stakeholders including suppliers about supply chain performance include hazardous material content, post-consumer recycled content, emission per unit produced, and bio-based or energy-efficient products.

Aspect B6: Product Responsibility

Product responsibility refers to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

■ Health and Safety

The Group is fully responsible for our applicable products, projects and services, including health and safety relating to our applicable products, projects and services. We ensure health and safety relating to our applicable products, projects and services from the following areas: project design to ensure health and safety, selection of raw materials with health and safety consideration, quality control during the business processes, health and safety check for applicable finished products, projects and services, proper delivery and after-delivery services.

Building safety and quality control is particularly important to the Group's construction business. Wan Chung Construction Company Limited, one of our subsidiaries, has been certified by internationally recognised organizations for its quality, environmental, energy as well as health and safety management systems.

■ Advertising

The Group understands our customers' rights and is committed to providing accurate product and service information for customers in connection with their purchase or consumption decision. The Group requires careful review of advertising material to protect customers' interest.

■ Labelling

The Group requires that labelling is accurate, legitimate, clear, and not misleading, and intellectual property rights are protected.

■ Privacy Matters

The Group is committed to protecting customer data and privacy information and keeping business information confidential. Training to employees in this regard and proper information system security are required.

■ Methods of Redress

Although we ensure the quality of our applicable products and services, at the same time, the Group requires that applicable products or services with quality, safety, or health issues should be returned or compensated in accordance with terms of sales or services. Return, recall, or compensation of applicable products and services is required to be offered to all customers who are affected with consistent treatment and procedures.

KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons

For the year ended 31 March 2024, volume of recalled products is nil, and percentage of products sold or shipped subject to recall is nil. For the year ended 31 March 2023, there were no products subject to any product recalls due to health and safety reasons.

This KPI is concerned with the efficacy of consumer protection measures implemented by the Group, in accordance with relevant consumer protection laws and regulations. Product recall is a process of requesting consumers to return, exchange, or replace a product after defects have been discovered that could hinder performance, harm consumers, or give rise to legal issues for the producers.

GENERAL DISCLOSURE AND KPIS (Continued)

KPI B6.2 Number of products and service related complaints received and how they are dealt with

	2024 (Number of cases)	2023 (Number of cases)
Number of complaints received	—	—
Number of complaints responded	—	—
Number of complaints resolved	—	—
Number of complaints repeated	—	—
	(Days)	(Days)
Response time	—	—
	(Percent)	(Percent)
Response rate	—	—
Resolution rate	—	—
Repeat rate	—	—

This KPI is concerned with consumer satisfaction for the Group's applicable products, projects ,and services.

We receive enquiries and feedback from our customers in various forms. Customer complaints are the gaps between what our business promises in terms of the products, projects or services and what our customers get. It is the discrepancy between how customers perceive the brand, products, projects or services and where they fail to get the desired product, projects or service experience. Customer complaints can be different types, it could be related to improper communication, internal processes or poor quality or service.

Practice adopted by the Group is that the Group defines roles and responsibilities for handling customer complaints, specifies reporting channel from staff who respond complaints to management, follows assessment and investigation procedures, monitors the resolution of complaints with satisfaction, and trains staff to learn from complaints. To inform management and other stakeholders including customers about customer service performance, above indicators are used for this purpose.

KPI B6.3 Description of practices relating to observing and protecting intellectual property rights

This KPI is concerned with the ability to respect, protect and promote intellectual property rights. Intellectual property refers to a group of separate intangible property rights, including trademarks, patents, copyright, designs, plant varieties and the layout design of integrated circuits in accordance with relevant laws and regulations in the jurisdictions in which we operate. For the purpose of this KPI, intellectual property rights belong to the Group, its associates, related parties in supply chain, or unrelated third parties.

GENERAL DISCLOSURE AND KPIS (Continued)

The following are practices adopted by the Group to protect or promote intellectual property rights: we have established policies, procedures, and controls to observe, respect, promote, and protect intellectual property rights which are either owned by the Group or by suppliers, including patents, licenses, copyright, and trademarks, and design rights. Working with legal counsel and procurement managers, our chief executive officer is overall responsible for the protection or promotion of intellectual property rights to avoid infringing our or others' intellectual property rights. We monitor the prompt registration of intellectual property rights owned by us as well as the prompt understanding of intellectual property rights owned by suppliers in connection with products we sell. Indicators used to inform management and other stakeholders including suppliers or customers are number of infringements detected, and number of infringements removed.

KPI B6.4 Description of quality assurance process and recall procedures

This KPI is concerned with quality management. Quality assurance is part of quality management focusing on providing confidence that quality requirements are fulfilled.

The following are quality assurance practices adopted by the Group: our objective is to demonstrate our ability to consistently provide applicable products, projects and services that meet customers' and applicable statutory and regulatory requirements and enhance customer satisfaction through the effective application of the system, including process for improvement of the system and the assurance of conformity to customers' and applicable statutory and regulatory requirements. Our quality management system ensures quality requirements are met through quality assurance process covering applicable product, projects, or service planning, procurement, acceptance, delivery, after-delivery service, improvement, and training. Chief executive officer is responsible for overall monitoring of quality assurance with support from relevant heads of operating units.

The Group has demonstrated the commitment with respect to customer focus by ensuring that customer and applicable statutory and regulatory requirements are determined, understood and consistently met; the risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed; the focus on enhancing customer satisfaction is maintained; and quality assurance and recall policies and procedures are followed.

Quality requirements for applicable products, projects and services comprise requirements specified by the customers including requirements for delivery and post-delivery activities; requirements not stated by customers, but necessary for the specified or intended use; requirements of the Group; statutory and regulatory requirements applicable to the products, projects and services; and contract or order requirements differing from those previously expressed.

The Group ensures through verification or other activities that externally provided processes, products and services conform to our quality requirements when products and services from external providers are intended for incorporation into the Group's own applicable products, projects and services; products and services are provided directly to the customers by external providers on behalf of the Group; a process, or part of a process, is provided by an external provider as a result of a decision by the Group.

The Group ensures that products, projects or services that do not conform to our quality requirements are identified, controlled to prevent their unintended use or delivery, corrective actions are taken, and the consequences are dealt with, including recall or redress to all customers affected consistently. Our recall procedures include collection of information on product safety or quality issues, determination whether products are required to be recalled, formation of a team in charge of recall, setting apart affected products in our control, notification to all customers affected, monitoring recall process with consistent treatment, controlling of recalled products, and correcting the cause of the recall.

GENERAL DISCLOSURE AND KPIS (Continued)

Indicators used to inform management and other stakeholders such as customers and suppliers about quality issues and corrective actions in the event that sub-standard products reach the marketplace and need to be recalled are defects per hundred units, defective rate, recall notification rate, and time for completion of recall.

KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored

This KPI is concerned with protection of consumer privacy in the context of networked data and globalized corporate activities that expose the Group to risks of personal data leakage and misuse or unauthorized access.

Personal data means information which relates to a living individual and can be used to identify the individual. For our Hong Kong operation, the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong protects the privacy of individuals in relation to personal data, and outlines how data users should collect, handle and use personal data. For Mainland China operation, the Group observes Cybersecurity Law, Data Security Law, as well as Personal Information Protection Law of the People's Republic of China.

The Group also takes note of the European Union's General Data Protection Regulation ("GDPR") which comes into force on 25 May 2018. One of the key developments introduced under the GDPR is the explicit requirement of compliance by organizations established in non-European Union jurisdictions in specified circumstances. With our diversified business and transaction models, GDPR is predicted to be applicable to us from time to time.

The following are practices adopted, implemented, and monitored by the Group to protect personal data:

- The Group has established consumer data protection and privacy policies covering the entire operation. The consumer data and personal information are only used under the consent of providers in the proper context only for authorized business purposes and are accessible only to those staff who have a legitimate need to know. We keep consumer data and personal information, if applicable, only so long as we need it to provide products and services to our customers as well as procure products and services from our suppliers. When we no longer need to use such data or information and there is no need for us to keep them to comply with our legal or regulatory obligations, we either remove them from our systems or depersonalize them. Providers have options in relation to the data or information that we have, such as access, alteration, deletion, objection to us processing such data or information, and requesting more details about the data or information we collect and how and why we use or share it, if applicable.
- Our head of retail operations is in charge of our compliance of consumer data protection and privacy policies, our relevant heads of operating units are responsible for implementation of such policies, they are reporting to chief executive officer who is responsible for monitoring the compliance of such policies.
- We have conducted training to staff on consumer data protection and privacy policies and compliance with such policies.
- The Group imposes zero-tolerance policy on the breach of consumer data protection and privacy policies, disciplinary actions including possible termination of employment are taken to penalize such breach.
- Our consumer data protection and privacy policies are transparently available to customers and suppliers for the nature and use of collected information and how private data is collected, used, retained and processed.

GENERAL DISCLOSURE AND KPIS (Continued)

- Consumer data and private information are collected in a lawful and fair way, for a purpose directly related to the nature of our business, function, or operation activity; data or information subjects are notified of the purpose and the classes of persons to whom the data may be transferred; data or information are accurate and not kept for a period longer than is necessary to fulfil the purpose for which they are used; data or information is used for the purpose for which the data are collected or for a directly related purpose with the consent from the providers; data or information collection is necessary but not excessive; practical steps are taken to safeguard data or information from unauthorized or accidental access, processing, erasure, loss or use; consumer data and private information policies and practices are available to providers regarding the types of data or information held for process and how they are used; and providers are given access to data and information to allow them to make corrections if they are inaccurate.
 - Leading indicators used to inform management and other stakeholders including suppliers and customers about performance on compliance with consumer data protection and privacy policies are number of breaches, severity of breaches, time to detect breaches, time to resolve breaches, and number of customers affected.
- **Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group**
For the year ended 31 March 2024, there were no confirmed non-compliance incidents or grievances in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Aspect B7: Anti-corruption

The Group established anti-corruption policies to prohibit employees from receiving any advantages offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties, and prohibit any activities involving conflicts of interest, bribery, extortion, fraud, and money laundering. The Group encourages employees, customers, suppliers, or other parties to report incidents relating to any conflicts of interest, bribery, extortion, fraud and money laundering.

KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period and the outcomes of the cases

For the year ended 31 March 2024, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

	2024 (Cases)	2023 (Cases)
Number of concluded legal cases regarding corruption	—	—
	(HK\$)	(HK\$)
Outcome of concluded legal cases regarding corruption (Amount of fines, penalties or financial impact of sanctions)	—	—

This KPI is concerned with confirmed incidents of corruption perpetrated by the Group or its employees. This KPI covers the Group and all employees who engaged in a direct employment with the Group.

GENERAL DISCLOSURE AND KPIS (Continued)

Corruption refers to the abuse of entrusted power for private gain and can be instigated by individuals or organizations such as bribery facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the Group's business. This may include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage or that may result in moral pressure to receive such an advantage.

Concluded legal cases refers to a government, regulatory, industry association, self-regulatory, or a similar body, or the Group itself has determined there was a case of corruption. A case in the appeals process is only considered concluded once there has been a ruling on the appeal.

KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored

This KPI concerns the anti-corruption and bribery policies and procedures the Group has in place to comply with and/or complement legal requirements.

Whistle-blowing refers to when one reports insider knowledge of illegal activities occurring within the Group. Whistle-blowers can be employees, suppliers, contractors, clients, or any individuals who become aware of illegal or immoral business activities.

The following are relevant preventative measures and whistle-blowing practices adopted, implemented, and monitored by the Group:

- Anti-corruption policy, whistle-blowing policy, and anti-corruption management system are established to cover the entire operation of the Group concerning bribes in any form including kickbacks, political contributions, charitable contributions and sponsorship.

Our anti-corruption policy states the objective which is to prohibit corruption, bribery, or malpractice; requirement for the compliance with anti-corruption laws and regulations; establishment of an anti-corruption management system to instil an anti-bribery culture within the Group and implement appropriate controls, which in turn increase the chance of detecting corruption and bribery and reduce these incidences.

Our whistle-blowing policy states the activities that constitute misconduct or malpractice, false report, making a report, reporting channel, confidentiality, and investigation procedures.

- With reference to ISO 37001, anti-bribery management system including risk assessment has been adopted.
- Our legal counsel is responsible for the adoption of preventive measures and whistle-blowing procedures, our relevant heads of operating units are responsible for implementation of such measures and procedures; they are reporting to chief executive officer who is responsible for monitoring the compliance with such measures and procedures.
- We take preventive measures to narrow down the possibilities of corrupt behaviour, such as resolving conflict of interest, restrictions on receiving gifts or entertainment, and procedures to monitor compliance with prohibitions and restrictions, and performance of duties. Such preventive measures enhance integrity requirements for directors and staff concerning offering and acceptance of advantages and entertainment, and manage conflict of interest.

GENERAL DISCLOSURE AND KPIS (Continued)

- We design and implement corruption prevention controls on high-risk areas or procedures, such as requesting for multiple quotations for purchasing items, authorization of supplier selection, preparation of bank reconciliation, and setting different authorization limits.
- Channels for reporting on corruption or irregularities flow directly to a designated independent compliance function which has been actively communicated and can easily be accessed.
- The Group transparently makes our anti-bribery and anti-corruption policies and procedures available for the access of relevant stakeholders including employees. Incidents, substantiated incidents, details of charitable contributions and sponsorship are also accessible to relevant stakeholders.
- Leading indicators used to inform management and other stakeholders including investors about the Group's performance on preventive measures and whistle-blowing procedures are number of whistle-blowing incidents reported, number of whistle-blowing incidents concluded, and termination of employees as a result of corruption.
- We set out clear and measurable targets that there is the least circumvention of our preventive measures or whistle-blowing procedures for the forthcoming years to facilitate continuous monitoring of our anti-bribery and anti-corruption practice.

KPI B7.3 Description of anti-corruption training provided to directors and staff

For the year ended 31 March 2024, we provided 3 anti-corruption training sessions to directors and staff with a total of 4 hours of anti-corruption training to 8 directors and 28 staff members, the numbers of directors and staff members represent 100% and 15% of directors and staff members attended the training respectively. Out of the 28 staff members trained, 10 staff members were from management, 3 staff members were from operation, 10 staff members were from project office, 2 staff members were from building upgrading department, 1 staff member was from compliance department, and 2 staff members were from safety, health and environment department.

For the year ended 31 March 2023, the Group's directors and employees have attended 11.5 hours and 25 hours of anti-corruption training respectively.

This KPI concerns anti-corruption training, which is essential for creating a healthy corporate culture.

The scope of training covers the fraud and bribery risks, and compliance with laws, regulations, code of conduct, anti-corruption policy, and anti-bribery policy, which are relevant and appropriate to the roles of audiences. Audiences include directors, staff, and applicable business partners. The means of training are live presentation, group-internet based (webcast) courses, or self-study courses. As a result of the training conducted, a culture of integrity, transparency, openness and compliance, as well as ethical behaviour in the workplace is noticeably enhanced. Communication and training build the internal and external awareness and the necessary capacity to combat corruption.

▪ **Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group**

For the year ended 31 March 2024, there were no confirmed non-compliance incidents or grievances in relation to bribery, extortion, fraud and money laundering.

GENERAL DISCLOSURE AND KPIS (Continued)

COMMUNITY

Aspect B8: Community Investment

The Group is committed to contributing to the communities in which we operate, including community engagement to understand the needs of communities, and to ensure the Group's activities take into consideration of the communities' interest.

The Group actively encourages its employees to participate in a diverse range of community services and voluntary events by providing paid time off and subsidies to employees. The Group has allocated its community engagement on different fronts with the goal of building an inclusive society.

In the year ended 31 March 2024, Wan Chung Construction Company Limited, one of our subsidiaries, was awarded with 15 Years Plus Caring Company Logo by The Hong Kong Council of Social Service for its commitment in caring for the community, the employees and the environment over the past years. The Group continues to make its contribution to people living in the underprivileged communities in the coming future, including the homeless or low-income families, and adults with special needs.

- **Labour Needs**

The Group strives to enlarge the business operation so that we can hire more workers to utilize communities' available labour resources.

- **Community Activities**

The Group encourages employees to participate in community activities, such as community health initiatives, sports, cultural activities, education and volunteer work. Charitable donations made by the Group for the year ended 31 March 2024 is HK\$27,448 (2023: HK\$32,000).



(Blood donation and volunteer activities)

GENERAL DISCLOSURE AND KPIS (Continued)

■ Environmental Protection

All employees of the Group are encouraged to participate in environmental protection activities and raise the environmental awareness of people in the communities.

KPI B8.1 Focus areas of contribution

Local communities are persons or groups of persons living and working in any areas that are economically, socially or environmentally impacted either positively or negatively by the Group's operations. The local community can range from persons living adjacent to the Group's operations, to those living at a distance who are still likely to be impacted by these operations.

- We invest in local communities with the focus areas of education, culture as well as health among education, environmental concerns, labour needs, health, culture, and sport.
- We identify activities or initiatives to invest in education, culture as well as health of people living in the local communities.
- The beneficiaries are people living in the communities of Hong Kong, Kowloon and New Territories.
- The investments are intended to help avoid or mitigate negative impacts that the Group's operations or other issues have on local communities in connection with environmental or social impacts arising from our operations.
- Partner organizations are involved, they are selected based on the common goals or objectives of focus areas shared and managed to achieve the vision and value of partner organisations, and monitored for the consistent objectives and achievements among us.
- The investments are part of our ongoing program to contribute to the local communities for achieving our environmental and social objectives.
- Leading indicators used to inform management and other stakeholders including local community representatives about the Group's performance are volunteer hours, donations in cash, donations in kind, and public disclosure of results of environmental and social impact assessments, if applicable.

KPI B8.2 Resources contributed to the focus area

During the year ended 31 March 2024, the Group's resources contributed to the following focus areas: health for the community of Hong Kong, Kowloon, New Territories with donation of HK\$20,626 and volunteer hours of 68 hours; culture for the community of Hong Kong, Kowloon, New Territories with donation of HK\$6,822 and volunteer hours of 30 hours; and education for the community of Hong Kong, Kowloon, New Territories with volunteer hours of 3 hours.

During the year ended 31 March 2023, the Group has contributed approximately HK\$32,000 and approximately 125 hours of community services to the following organizations for different community activities: International Social Service Hong Kong Branch for dragon boat festival gift bag donation; The Hong Kong Association for the Spastic Children ("SAHK") East Kowloon Parents' Resource Centre for trip to Mui Wo; SAHK for charity concert ticket donation; SAHK Erik Kvan Workshop for Christmas gathering at Erik; E.F.C.C. Jachin Church for historical theatre ticket donation; YMCA for construction industry Lu Ban Meal Action 2023; New Home Association for COVID-19 antigen rapid test kit donation; Hong Kong Children & Youth Services for E-coupon donation; and YMCA for elderly home visit.