

Vision Fame International Holding Limited 允升國際控股有限公司

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

2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CONTENTS

02	Introduction
03	Sustainability Governance
04	Reporting Scope
05	Reporting Framework
05	Reporting Period
06	Stakeholder Engagement
07	Materiality Assessment
08	Contact Us
09	Chairman's Statement
10	A. Environmental
19	B. Social
26	Summary of KPIs
29	The ESG Reporting Guide Content Index of the Stock Exchange of Hong Kong Limited

INTRODUCTION

Vision Fame International Holding Limited (the “Company”, together with its subsidiaries, the “Group” and “Vision Fame”) is principally engaged as a main contractor in the (i) provision of building construction services, (ii) alterations, renovation, upgrading and fitting-out (“A&A”) works, (iii) property maintenance services and (iv) graphene production and trading of materials. The Group has expanded its business to Macau in 2006 and further to Singapore in 2008. Currently, the Group operates in Hong Kong, Macau, Singapore and Mainland China.

The subsidiary of the Group, Wan Chung Construction Company Limited (“Wan Chung”), provides the Group’s (i) building construction services, (ii) alterations, renovation, upgrading and fitting-out (“A&A”) works, and (iii) property maintenance services. Wan Chung is currently on both the Contractor List and the Specialist List maintained by the Works Branch of the Development Bureau and has been a Group C contractor for building works since July 1992. Group C contractors are the highest-ranking contractors in terms of tender’s limits for public works contracts and can tender for any value exceeding HK\$300 million. In addition, Wan Chung is qualified as one of the Repair and Restoration of Historic Buildings specialist contractors that is allowed to carry out works related to both Chinese style and Western style historic buildings and is one of the Group I Turn-Key Interior Design and Fitting-out Works specialist contractors.

Wan Chung is a current holder of the following licences:

Authority	Approved Contractor List	Category	Status	Effective Date
Building Department	Registered General Building Contractor	—	—	26/10/1999
Works Branch, Development Bureau	Building Works	Group C	Confirmed	25/07/1992
Hong Kong Housing Authority	Building (New Works)	NW 1	Confirmed	08/06/1998
Hong Kong Housing Authority	Maintenance Works	M2	Confirmed	27/05/2010
Works Branch, Development Bureau	Specialist Contractor for Turn-key Interior Design and Fitting Out	Group I	Listed	27/12/1995
Works Branch, Development Bureau	Site Formation	Group B	Probation	10/07/1998
Works Branch, Development Bureau	Specialist Contractor for Repair and Restoration of Historic Buildings	—	Listed	09/02/1999
Works Branch, Development Bureau	Specialist Contractor for Plumbing Installation	Group I	Listed	27/03/2015

This Environmental, Social and Governance Report (the “ESG Report”) summarises the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

SUSTAINABILITY GOVERNANCE

GOVERNANCE STRUCTURE

Sound corporate governance and operation practices are fundamental to the Group’s sustainability governance and long-term development. The board of directors (the “Board”) has the ultimate responsibility for the oversight of the Group’s policies, initiatives and performance on ESG.

To effectively embed sustainability to day-to-day operations in the projects, the Group has established Site Safety and Environmental Management Committee to monitor the adequacy of control measures of project site safety and arrange regular safety inspections. To coordinate management approaches to environmental and social matters in relation to the Group’s operations, it is in the Group’s plan to strengthen the sustainability governance structure by formulating an ESG committee in the coming years. This allows for more in-depth insights into developing more actionable and relevant ESG policies and initiatives.

SUSTAINABILITY RISK MANAGEMENT

The Group values risk management by continuously maintaining and enhancing the effectiveness of the internal control systems. The Board has the responsibility to maintain a sound and effective risk management and internal control systems. In order to strengthen the effectiveness of risk management, the Group has established Risk Management Plan to review and monitor risks that endanger the achievement of business objectives.

The Risk Management Plan shows the Group’s risk management process, which includes identifying risks, analysing risks, evaluating risks, tracking risks, controlling risks and communicating and documenting risks.

Risk Management Process	Measures
Identifying Risks	Identify the risks in the operation process through workshop or meeting. Identified risks should be recorded in the list within 2 days.
Analysing Risks	All risks will be assessed from two factors, severity and likelihood.
Evaluating Risks	The project manager should determine whether to keep the risks or transfer to external organisations that can handle the risks.
Tracking Risks	The risk manager should prepare the report that describes the risk mitigation status to the project manager during the weekly project meeting.
Controlling Risks	The project manager should determine whether to start the control measures based on the level of risk.
Communicating and Documenting Risks	All risk assessment should be documented in the risk assessment report.

REPORTING SCOPE

This ESG Report focuses on the Group’s business segments pertaining to the (i) provision of building construction services, (ii) alterations, renovation, upgrading and fitting-out (“A&A”) works, and (iii) property maintenance services in Hong Kong, where its principal business location is located. Therefore, and as mentioned above, the report will focus on the ESG performance arising from the provision of services by the Group’s subsidiary — Wan Chung. The ESG Report covers the environmental and social performances at the Hong Kong headquarters and the four projects (“Projects”). The key performance indicators (“KPIs”) gathered are shown in the ESG Report and are supplemented by explanatory notes to establish benchmarks. The Group will, according to its business development, continue to improve and enhance the disclosure of the upcoming ESG reports, which may include other business areas of the Group, such as trading of materials.

This report is available in both Chinese and English, and has been published on the website of the Group at www.visionfame.com and the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) at www.hkexnews.hk.

Business Segments	Projects
Alteration, Renovation and Fitting-out Works	1) Construction of New Storage Building at Tseung Kwan O Store and Shek Wu Hui Depot for CLP Power Hong Kong Limited 2) Contract C5466.B-18C Provision of Public Toilet at YMT
Property Maintenance	3) Term Contract for the Alterations, Additions, Maintenance and Repair of Buildings and Lands and Other Properties for which the Architectural Services Department (Property Services Branch) is responsible for the Government of the Hong Kong SAR (Designated Contract Area: Sham Shui Po, Tsuen Wan and Kwai Tsing) (Contract No. TC E941) 4) Hospital Authority Term Contract for Minor Works 2018 (HA-TMC-029) for Kowloon East and Kowloon Central Clusters

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange.

Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 33 to 43 of the Annual Report 2020.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures taken by the Group during the financial year ended 31 March 2020 (“FY2020”).

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. The Group maintains close communication with its key stakeholders, including but not limited to, the Stock Exchange, government and regulatory authorities, shareholders and investors, employees, customers, suppliers and sub-contractors, media and the public and community.

Stakeholders' expectations have been taken into consideration by utilising diversified engagement methods and communication channels as shown below:

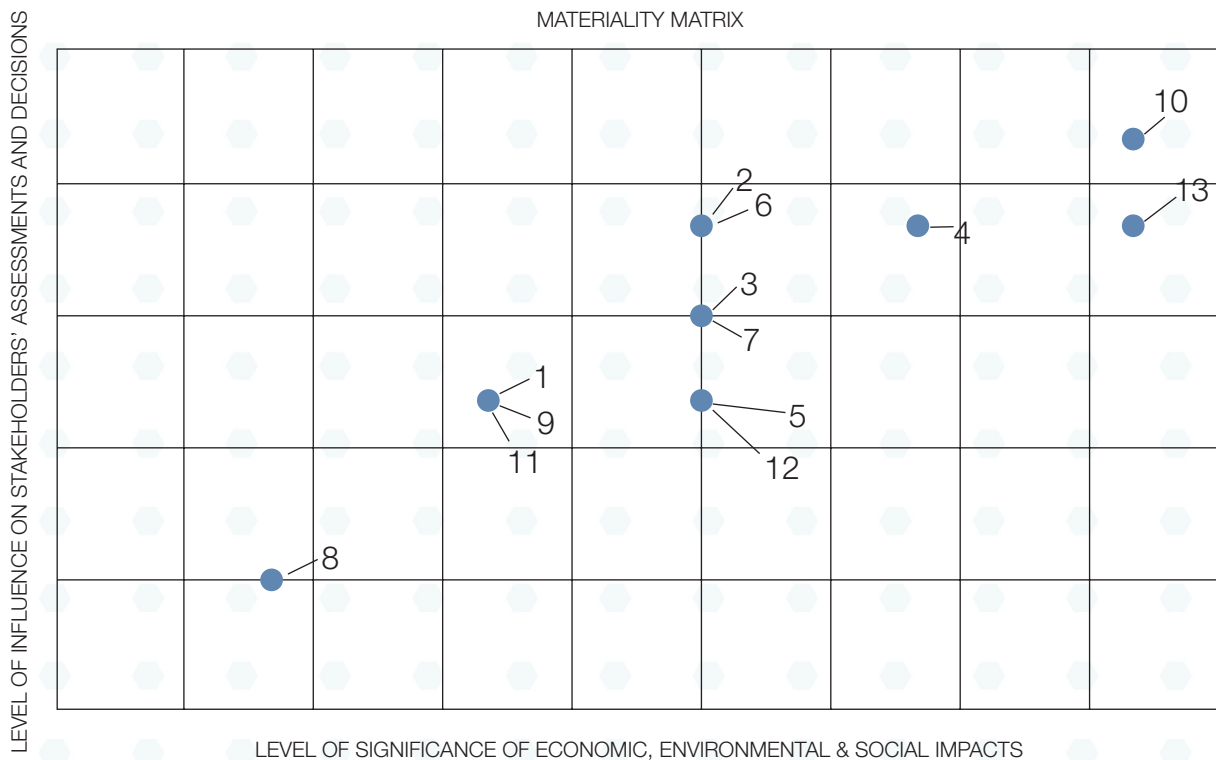
Stakeholders	Communication Channels	Expectations
The Stock Exchange	<ul style="list-style-type: none"> • The Stock Exchange website • Training and seminars • Announcements and circulars 	<ul style="list-style-type: none"> • Compliance with Listing Rules and other relevant ordinances
Government and other regulatory authorities	<ul style="list-style-type: none"> • Routine reports and site visits • Written or electronic correspondences 	<ul style="list-style-type: none"> • Compliance with local laws and regulations • Stability in business operations
Shareholders and investors	<ul style="list-style-type: none"> • General meeting and other shareholder meetings • Financial reports • Announcements and circulars • Company website 	<ul style="list-style-type: none"> • Sustainable profitability • Corporate governance • Business compliance • Shareholder return
Employees	<ul style="list-style-type: none"> • Training, seminars, and briefing • Employee suggestion boxes • Email and internal memos • Regular general meetings 	<ul style="list-style-type: none"> • Attractive remuneration package, compensation and benefits • Safe working environment • Career development
Customers	<ul style="list-style-type: none"> • Customer service hotline and email 	<ul style="list-style-type: none"> • Customer satisfaction • High-quality services
Suppliers and sub-contractors	<ul style="list-style-type: none"> • Site visits • Engagement and cooperation • Business meetings and discussion 	<ul style="list-style-type: none"> • Fair and open procurement • On-time payment • Sustainable relationship
Media and the public	<ul style="list-style-type: none"> • ESG reports • Newsletters on company website • Reports and announcements 	<ul style="list-style-type: none"> • Transparency of ESG issues and financial disclosure • Legal compliance • Strong corporate governance structure
Community	<ul style="list-style-type: none"> • Community activities • Charitable donations 	<ul style="list-style-type: none"> • Participation in worthy causes • Community development

The Group aims to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced out through a proper communication channel. In the long run, the stakeholders' contribution will aid the Group in improving potentially overlooked ESG performances.

MATERIALITY ASSESSMENT

To ensure that the disclosures in this ESG Report reflect the Group’s effort on sustainability issues, a materiality assessment has been conducted to identify ESG issues that are deemed to be material to different stakeholders. The Board and management responsible for key functions of the Group have participated in the preparation of the ESG Report. They have assisted the Group in reviewing its operations, identifying key ESG issues and assessing its importance to its businesses and stakeholders.

The Group compiled a questionnaire according to the identified material ESG aspects and asked various groups of stakeholders to complete the said questionnaire in order to fully reflect different stakeholders’ opinions. The outcome of the materiality assessment is presented in the form of a materiality matrix and is shown below:



ENVIRONMENTAL

1. Greenhouse Gas (“GHG”) Emissions
2. Waste Management
3. Water Consumption
4. Energy Efficiency

SOCIAL

5. Employees’ Rights and Welfare
6. Occupational Health and Safety Management
7. Training and Development
8. Prevention of Child and Forced Labour
9. Supply Chain Management
10. Building Safety and Quality Control
11. Customer Services and Complaint Management
12. Customer Data Privacy Protection
13. Anti-corruption and Whistle-blowing Mechanism

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or its performances in sustainable development via the following channels:

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CHAIRMAN'S STATEMENT

This year has been a very unpredictable year, marked by the COVID-19 pandemic that have impacted multiple industries including the construction sector. With growing concern over the health and safety of the employees, the Group has taken swift action to strengthen sanitation within the Group's premises and has adopted various precautionary measures, such as temperature screening and providing facemask and hand sanitisers to its employees to minimise the risk of cross-infection.

Despite the changing circumstances, the Group remains focused on delivering high-quality construction services to its clients and providing its employees with a safe working environment while ensuring that sustainability issues are being addressed. With the Board overseeing the Group's policies, initiatives and performance on ESG issues, the Group has clear guidance in its sustainable development. Dedicated committees and personnel have also been established to implement and monitor the adequacy of control measures in order to reduce potential environmental and social risks that the business may have on the environment and the community where it operates.

Moving forward, the Group will place more effort on sustainability issues and will strive to implement more sustainable practices into its daily operations. At the same time, the Group will continue to welcome feedback and suggestions from its stakeholders as they provide the Group with valuable insights into ESG issues.

Chau Chit

Chairman and Chief Executive Officer

Vision Fame International Holding Limited

A. ENVIRONMENTAL

A1. EMISSIONS

As the main contractor in the provision of building construction services, property maintenance services, alterations, renovation, upgrading works and fitting-out works services, the Group realises its business activities may inadvertently impact the environment. The Group is eager to continuously improve existing guidelines and is looking into incorporating new sustainability policies to mitigate potential direct and indirect negative environmental impacts arising from its business operations.

Apart from complying with local statutory requirements, the Group is committed to continuously enhancing its environmental and energy management systems that are certified to international standards ISO 14001:2015 and ISO 50001:2011 respectively. The effective directions and work procedures of the said management systems are detailed in the Environmental Management System Manual and the Energy Management System Manual to improve environmental practices and energy efficiency respectively that the Group's employees are obliged to follow.

In addition to the comprehensive documented manuals for the Group's environmental and energy management systems, the Group has established and annually revises the Environmental Policy Statement, the Energy Policy Statement and the Operational Control Handbook, any revisions will be brought to the notice of employees at all levels. As stated in the Environmental Policy Statement, environmental protection is regarded as a management responsibility in which the Group has a strong commitment to complying with the applicable legal and other requirements. To further enhance the Group's environmental performances, other green measures have also been implemented and will be described in the following sections.

During FY2020, the Group strictly complied with local environmental laws and regulations and was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group including but not limited to, the Air Pollution Control Ordinance, the Noise Control Ordinance, the Waste Disposal Ordinance, the Water Pollution Control Ordinance, and the Environmental Impact Assessment Ordinance of Hong Kong.

Air Emissions

The Air Pollution Control found within the Operational Control Handbook sets out the procedures in managing the air emissions arising out of the business operations, such as monitoring air quality and stockpiling dusty materials. Measures on managing air pollution will be described in "Aspect A3 – The Environmental and Natural Resources" whilst measures on reducing fuel consumption will be described in the following section – "GHG Emissions".

A. ENVIRONMENTAL (Continued)

The principal source of emissions was generated from petrol consumption by vehicles.

Summary of exhaust gases emissions performances:

Exhaust Gases Emissions	Unit	FY2020	FY2019
Nitrogen oxides (NO _x)	kg	11.5	40.3
Sulphur oxides (SO _x)	kg	0.3	2.1
Particulate Matter (PM)	kg	0.9	2.9

GHG Emissions

The principal GHG emissions of the Group were generated from petrol consumption of vehicles and the use of refrigerants (Scope 1), purchased electricity (Scope 2) and paper waste disposal at landfills and electricity used for processing freshwater and sewage by government departments (Scope 3).

Scope 1 – Direct GHG emissions

The Group has adopted the following measures to mitigate direct GHG emissions from petrol consumption by vehicles and the use of refrigerants in its operations:

- Regularly inspect the refrigeration system to ensure the system is leak-tight;
- Switch off the engine whenever the vehicle is idling;
- Plan routes well ahead of time to optimise fuel consumption;
- Purchase motor vehicles of EURO 6 Emission Standard when phasing out old vehicles; and
- Regularly service vehicles to ensure optimal engine performance, reduce smoke emission and fuel use.

Scope 2 – Indirect GHG Emissions

Electricity consumption accounted for the largest percentage of GHG emissions within the Group. The Group has implemented measures to reduce energy consumption, said measures will be mentioned in “Aspect A2 – Use of Resources”.

Scope 3 – Other Indirect GHG Emissions

Office paper waste disposal and electricity used for processing freshwater and sewage accounted for a small percentage of other indirect GHG emissions. Measures implemented to reduce paper waste disposal can be found in “Aspect A2 – Use of Resources”.

Regarding the total GHG emissions, the increase in total GHG emissions in FY2020 was due to an increased disclosure of the use of refrigerant in Scope 1 emissions to allow for a more comprehensive ESG reporting practice. In addition, since the nature of the project varies, the usage of resources and its year-on-year change may not be a clear indicator to reflect the effectiveness of the implemented measures. The Group nevertheless attaches great importance to ensuring that employees are aware of the need to conserve valuable resources. Through the implementation of such measures, employees’ awareness of reducing GHG emissions has been noted to have increased.

A. ENVIRONMENTAL (Continued)

Summary of GHG emissions performances:

Indicator ¹	Unit ²	FY2020	FY2019
Scope 1 – Direct GHG Emissions	tCO₂e	569.3	75.2³
• Fuel consumption for corporate-owned vehicles		56.3	75.2
• Use of refrigerant		513.0	N/A
Scope 2 – Energy Indirect GHG Emissions	tCO₂e	154.4	227.8
• Purchased electricity			
Scope 3 – Other Indirect GHG Emissions	tCO₂e	21.6	41.5⁴
• Paper waste disposal		18.5	
• Business air travel		3.0	
• Electricity used for processing freshwater and sewage by government departments		0.1	
Total GHG Emissions	tCO₂e	745.3	344.5
Intensity⁵	tCO₂e/million revenue (HK\$)	0.8	0.3⁶

Notes:

- GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5), the HK Electric Investments Sustainability Report 2019 published by the HK Electric and the Sustainability Report 2019 published by the CLP Power Hong Kong Limited.
- tCO₂e is defined as tonnes of carbon dioxide equivalent.
- Figure only included petrol and diesel consumption by company-owned vehicles.
- Breakdown of the data was not provided in FY2019.
- For FY2020, the Group recorded a revenue of approximately HK\$924 million (FY2019: approximately HK\$1,070 million) for the reporting scope. These data are used for calculating other intensity data.
- Figure has been adjusted to represent the intensity of the total GHG emissions at the Hong Kong headquarters and the five projects defined in the ESG Report 2019. This calculation method is also used for calculating other FY2019 intensity data.

Sewage Discharges into Water and Land

Some on-site activities carried out by the Group produce wastewater. Therefore, the Group has established the detailed Water Pollution Control that can be found in the Operational Control Handbook to regulate the discharge of effluents and minimise the impact on water quality. Guidelines for the licence application on the discharge of effluents, if necessary, are also stated in the same handbook.

A. ENVIRONMENTAL (Continued)

Suspended solids and pH levels are monitored at least once a month to ensure water quality is not compromised and that timely actions can be taken to rectify the situation should deterioration in water quality be readily detected. The Group also sets up wastewater treatment systems, consisting of sedimentation tanks, automatically controlled chemical coagulation units and automatically control pH units, at construction sites to collect and treat wastewater. The said systems also ensure that the treated wastewater meets the prescribed effluent standards established by the government before discharging to the government sewage disposal works. Sewage discharge into land was insignificant.

Waste Management

Hazardous Waste Management

Only an insignificant amount of hazardous wastes was generated by the Group at the headquarters and one of the project sites. The major hazardous wastes produced were toners and spent fluorescent tubes. The Group arranges the collection of spent fluorescent tubes with a licenced Chemical Waste Collector for proper disposal, whereas used toner cartridges are collected by the manufacturer. In FY2020, approximately all of the hazardous wastes generated by the Group were lawfully disposed of by contracted third parties. The Group remains vigilant to the management of proper hazardous waste disposal and ensures that the disposal process complies with statutory requirements.

Summary of major hazardous waste generation:

Types of waste	Unit	FY2020	FY2019
Toner	tonnes	0.12	0.15
Spent fluorescent tubes	tonnes	0.10	0.07
Total hazardous waste	tonnes	0.22	0.22
Intensity	tonnes/million revenue (HK\$)	0.0002	0.0002⁷

Note:

- Figure has been adjusted to represent the intensity of the hazardous waste disposal at the Hong Kong headquarters and the five projects defined in the ESG Report 2019. This calculation method is also used for calculating other FY2019 intensity data.

Non-hazardous Waste Management

Non-hazardous wastes were mainly generated from site clearance, excavation, refurbishment, renovation, demolition and road works. The principal non-hazardous wastes were 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.

The Group has developed a comprehensive framework outlining the requirements of waste collection, storage, transport, treatment and disposal. 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. To avoid illegal dumping, a Trip-Ticket System is implemented to monitor the waste material delivery record to ensure proper disposal of C&D materials for the building and construction businesses.

A. ENVIRONMENTAL (Continued)

The Group remains conscious of the annual non-hazardous waste disposal amount and attaches great importance to educating its employees on the importance of reducing waste production where possible. As stated in the Environmental Policy Statement, the Group is focused on ensuring the efforts on source reduction, recycling or reuse and proper waste disposal procedures. To play an active part in reducing construction and office waste, the Group has adopted the following measures:

- Prioritise the use of prefabrication elements;
- Promote source separation of waste and other resources at construction sites;
- Reduce the use of single-use disposable items;
- Place a collection box next to printers for reusable paper and recycle used paper;
- Print electronic correspondences only when necessary; and
- Recycle office and electronic equipment after their life cycle.

The amount of construction wastes generated differs project from project, since the nature of each project varies. The Group nevertheless places strong emphasis on the implementation of both hazardous and non-hazardous waste management measures. Through these implementations, employees' awareness of waste management has been increased.

Summary of major non-hazardous waste disposal performances:

Category of waste	Unit	FY2020	FY2019
Inert C&D waste	tonnes	1,245.0	8,897
Non-inert C&D waste	tonnes	1,122.0	12,265
Mixed C&D waste	tonnes	217.2	0
General waste	tonnes	2.2	1.9
Office paper	tonnes	3.8 ⁸	6.9
Total non-hazardous waste	tonnes	2,590.2	21,170.8
Intensity	tonnes/million revenue (HK\$)	2.8	19.8⁹

Notes:

8. Figure excludes 1.3 tonnes of paper that were recycled.

9. Figure has been adjusted to represent the intensity of the non-hazardous waste disposal amount at the Hong Kong headquarters and the five projects defined in the ESG Report 2019. This calculation method is also used for calculating other FY2019 intensity data.

A. ENVIRONMENTAL (Continued)

A2. USE OF RESOURCES

The Group recognises its responsibility to take the initiative in efficiently utilising finite resources. The Group's Environmental Management System Manual and the Energy Management System, the Environmental Policy Statement, the Energy Policy Statement and the Operational Control Handbook all govern the use of the above-mentioned resources. Furthermore, the Group has introduced green measures to manage the use of resources such as electricity, water and construction materials by all its employees, measures on reducing non-hazardous waste have been mentioned in the preceding "Waste Management" section.

Energy Efficiency

Energy usage is monitored in the Group's business operations, the monitoring procedures are detailed in the Energy Management System Manual that conforms to the ISO 50001:2011. In addition, the Group has established the Energy Policy Statement, which is annually reviewed and revised, to identify substantial energy consumption and optimise energy performance. Among others, the Group is committed to identifying and seeking achievable reductions in substantial energy consumption and improving the construction process to reduce energy consumption.

An energy management team, consisting of employees from different departments, has been set up to closely monitor and set up achievable targets for the energy consumption. Anomaly in electricity consumption will be investigated to find out the root cause and preventive measures will be taken. To ensure that good energy management practices across the Group's operations, training on environment management system implementation and energy awareness are provided for relevant employees.

The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Switch off all idle machineries, appliances and unnecessary lightings upon leaving the construction sites and the headquarters;
- Use LED lights instead of T5 or T8 lamps;
- Purchase equipment with high energy efficiency on the replacement of old equipment; and
- Post eye-catching reminders near lights switches and electrical appliances as a reminder to employees.

Total energy consumption decreased by approximately 34.9% from approximately 640.1MWh in FY2019 to approximately 416.7MWh in FY2020. The decrease signifies that the implementation of the aforementioned energy-saving measures was effective in increasing the performance and employee's awareness of energy conservation.

A. ENVIRONMENTAL (Continued)

Summary of energy consumption performances:

Types of energy	Unit	FY2020	FY2019
Direct energy consumption	MWh	205.0	194.3
• Petrol		205.0	190.4
• Diesel		—	3.9
Indirect energy consumption	MWh	211.7	445.8
• Electricity		211.7	445.8
Total energy consumption	MWh	416.7	640.1
Intensity	MWh/million revenue (HK\$)	0.5	0.6¹⁰

Note:

10. Figure has been adjusted to represent the intensity of energy consumption at the Hong Kong headquarters and the five projects defined in the ESG Report 2019. This calculation method is also used for calculating other FY2019 intensity data.

Water Consumption

The Group actively promotes the importance of water conservation to its employees. The Group has adopted the following water conservation measures and methods:

- Run water consumption analysis of individual supply points;
- Establish wastewater treatment facilities to treat sediment-laden wastewater to levels suitable for use in some of the general site works such as wheel washing, dust suppression and general cleaning;
- Implement a sprinkler system in construction sites to minimise water consumption and optimise dust suppression;
- Post water-saving banners around the Group's premises; and
- Regularly inspect water taps to prevent leakage and install low-flow aerators on all faucets and dual-flush water cistern in toilets in washrooms where possible.

The significant decrease in water consumption was due to the completion of the project pertaining to the Building and Other Construction Related Business in FY2019. Through the implementation of said water-saving measures, employees' awareness of water conservation has been increased. Given the geographical location of the business operations, the Group did not encounter any problem in sourcing water that was fit for purpose.

A. ENVIRONMENTAL (Continued)

Summary of water consumption performance:

Indicator	Unit	FY2020	FY2019
Total water consumption	m ³	148.4	1,866
Intensity	m ³ /million revenue (HK\$)	0.2	1.7 ¹¹

Note:

11. Figure has been adjusted to represent the intensity of water consumption at the Hong Kong headquarters and the five projects defined in the ESG Report 2019. This calculation method is also used for calculating other FY2019 intensity data.

Use of Packaging Material

Due to the Group's business nature, the Group's operations were not involved in any use of packaging materials for finished products.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group is committed to further minimising negative environmental impacts in its business operations, save for the previously mentioned aspects. The Operational Control Handbook has a dedicated section that governs air pollution control and noise control, guidelines are also provided to control vibration during the use of machines. The Group regularly assesses the environmental risks of its business model, adopts preventive measures to reduce risks and ensures compliance with relevant laws and regulations.

Air Pollution Control

Air quality is governed under the provisions of the Air Pollution Control Ordinance. Relevant measures have been established to ensure that air quality in the construction sites will 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 vehicle is washed immediately before leaving the construction site. For vehicles that are loaded with dusty materials, the load will be covered entirely by clean impervious sheeting to ensure that the dusty materials do not leak from the vehicle.

Noise Control

Noise would inevitably be generated given that the Group's business nature. To minimise noise pollution and potential disturbance to the nearby community, the Group has implemented a number of measures to reduce and control the noise level.

A. ENVIRONMENTAL (Continued)

Noise control measures for common noisy measures have been set up and are detailed in the Operational Control Handbook. Noise level is monitored at least once a month to ensure that the noise level is not higher than the prescribed level under the Noise Control Ordinance. In addition, monitoring noise level will ensure that any deteriorating environment could be readily detected and timely action can be taken to rectify the situation. If the noise level is higher than the acceptable noise level, a background noise assessment will be conducted. Then, noise mapping, a reasonably accurate sketch showing the relative position of all noise sources and items of a reasonable size, will be made. Measurement at the assessment points shall be conducted again to see whether the control measures have taken effect to reduce the unacceptable noise level.

The handbook also details prioritising the selection of quiet equipment (such as low-noise transformers, air receivers, or hand-held breakers) over the cheaper type which may require additional costly noise and vibration control and its strategy in placing the said equipment to strategically reduce nuisance to the surrounding environment.

Vibration Control

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

B. SOCIAL

B1. EMPLOYMENT

Human resources serve as the foundation for the continuous development of the Group. The Group attaches great importance to its employees' contribution and dedication to sustainable business development. Employment policies are formally documented in the Employee Handbook, covering recruitment, remuneration and benefits, promotion and dismissal, equal opportunities and anti-discrimination, etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards.

During FY2020, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance, the Employee Compensation Ordinance and the Sex Discrimination Ordinance of Hong Kong. As at 31 March 2020, the Group had a total of 165 employees in the reported segments.

Recruitment, Promotion and Performance Appraisal

The Group believes that employees are its most valuable assets. Employees are recruited via a robust, transparent and fair recruitment process based solely on their experience and suitability for the positions, regardless of their age, religion, ethnicity, origin, gender identity, physical disability and marital status, etc.

The Group assesses the performance of the employees on an annual basis, the results of which are used in their annual salary review and promotion appraisal. The Group also gives preference to internal promotion to encourage consistent and continuous effort.

Unreasonable dismissal under any circumstances is strictly prohibited, dismissal would be based on reasonable and lawful grounds supported by internal policies of the Group. Exit interviews are conducted with the resigned staff to collect opinions for any possible improvements on the Group's policies.

Employees' Rights and Welfare

To attract and retain outstanding employees, the remuneration policy of the Group will be regularly reviewed. Remuneration is determined by employees' job-related skills, qualifications, experiences, capability, work performances and the prevailing market conditions. Apart from the Mandatory Provident Fund Scheme ("MPF") and other statutory benefits, employees are also entitled to the group medical insurance scheme upon completion of the probationary period. In addition to the leave entitlement stipulated in the Employment Ordinance, the Group also offers other types of leaves such as paid marriage leave.

Official working hours and rest periods are clearly stated in the Employee Handbook and are in accordance with the local employment laws.

Diversity, Equal Opportunities and Anti-discrimination

The Group understands that employment diversity can bring broader development opportunities to the Group. It is of the Group's firm belief that all employees should have the right to work in an environment free of discrimination, harassment, victimisation and vilification. Therefore, the Group is committed to creating and maintaining an inclusive and collaborative workplace culture. In addition, the Group states its zero-tolerance stance on any aforementioned behaviours in the workplace of any form.

B. SOCIAL (Continued)

B2. HEALTH AND SAFETY

The Group places a high priority on providing employees with a safe and healthy working environment. The Group has established an occupational health and safety (“OHS”) management system for its staff that is in accordance with the OHSAS 18001:2007. In order to protect employees from occupational hazards, arrangements and precautionary measures are detailed in the Occupational Health and Safety Management Manual and OHS Policy Statement and are designed to eliminate or control the hazards to ensure high occupational safety and health standard is maintained in the course of operations.

During FY2020, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the Occupational Safety and Health Ordinance, the Factories and Industrial Undertakings Ordinance, the Employees Compensation Ordinance and the Building Ordinance of Hong Kong. During FY2020, there were no reported cases of work-related fatalities and 4 lost days due to work injury.

Occupational Health and Safety Management

All employees in the construction sites must complete the mandatory basic safety training course for the construction industry under the Factories and Industrial Undertakings (Amendment) Ordinance 1999 and hold the relevant valid Labour Department Recognised “Green Card”. Furthermore, they shall receive “site-specific induction training” within 2 working days of any such employee commencing work in the construction sites. Thereafter, the said employee shall be given refresher talks at intervals of 6 months depending on the amount of changes to the site condition. An outline of the talk and its updates shall be provided to the Supervising Officer for approval.

To maintain a safe and healthy environment, a director is being appointed to be the Chairman of the Safety, Health and Environmental Management Committee, who is mainly responsible for supporting, promoting, implementing, monitoring and reviewing the performance and objectives. Employees are also encouraged to raise their concerns or express their views on occupational health and safety of the Group via the Committee.

Further OHS measures have been implemented to reduce associated risks:

- Provide occupational health and safety training activities for all employees, such as Safety Night, Safety Sharing, Tool-Box Talk and Green Card Training;
- Ensure that the OHS Management System and OHS Policy Statement are complying with related laws and regulations and are being reviewed annually;
- Employee should wear appropriate personal protective equipment in the workplace; and
- Employee cannot operate high-risk machines, vehicles and equipment without permission.

The outstanding performance of the Group on site safety was well recognised. In FY2020, the Group was awarded the Contractor Safety Performance award – Civil and Building Refurbishment Works Project (Safety Classification 2) launched by MTR Corporation Limited. Moreover, the Group won the Bronze Prize in the Minor Renovation and Maintenance Work Category of the Construction Industry Safety Award Scheme 2019/2020. In the future, the Group will continue to work diligently and uphold its safety-first culture.

B. SOCIAL (Continued)

Measures specifically targeted at COVID-19

Since outbreak of COVID-19 epidemic, the Group has become highly conscious of the potential health and safety impacts that may bring to its employees and customers. Apart from strengthening sanitation at the Group's premises and construction sites, the Group has also adopted precautionary measures such as temperature screening before entering the premises and providing employees with sufficient epidemic prevention supplies, including face masks and hand sanitisers.

B3. DEVELOPMENT AND TRAINING

Training and Development

Training and continuous development are indispensable to the career development of the Group's employees. Various internal and external training programmes are provided by the Group, such as Wan Chung Academy and Learning Organisation Training. These training programmes provide a platform for employees to share their business insight, work, communication and presentation skills with other employees. Through active sharing and collaboration, not only do employees benefit from the experiences and skills shared, a harmonious workplace can also be nurtured. In addition, orientation training is held for newcomers to understand the company policies, culture and business nature.

The Group holds a firm belief that the provision of training opportunities and continuous career development to its employees, which strengthens the professional capabilities and growth of the employees and retains high-calibre talent, provides a solid foundation for the Group's continuing success. At the same time, it also supports the sustainable growth of business and maintenance of the Group's competitive edge in the industry.

B4. LABOUR STANDARDS

Prevention of Child and Forced Labour

The Group guarantees that no employee will be forced to work against his/her will or be coerced to work. The recruitment of child labour is strictly prohibited. All employees recruited by the Group are above 18 years old. The human resources department ensures that their identity documents are carefully checked to verify the personal data submitted during the process.

The Group prevents possible situation of forced labours by maintaining the exit channel of employees. Exit interviews are conducted with resigned employees to understand the reasons for resignation and to further review company policy and benefits. Besides, HR department conducts staff counselling or interview during the employment period in case any forced labour cases happen in the workplace.

During FY2020, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance of Hong Kong.

B. SOCIAL (Continued)

B5. SUPPLY CHAIN MANAGEMENT

When procuring materials and parts to complete the projects, the Group first considers the specific requirement set out in the contracts by its customers. Therefore, procuring specific materials under a rigid procurement process policy may not be desirable.

For procurement of goods and services other than the aforementioned, the Group takes into account all suppliers' competence (including any required qualification of persons), track record, prevailing market price and delivery time. Procedures on the selection of supplier and sub-contractor, performance evaluation and re-evaluation are documented in the Quality Management Service Manual. Where possible, the Group strives not to over-rely on a particular supplier by maintaining more than one supplier for each type of goods or services provided in order to ensure the stability of the supply chain. The Group endeavours to support local economies and prioritises the procurement of local and regional construction materials to lower the carbon footprint generated through transportation. In addition, when sourcing materials, preference is given to suppliers who can provide sustainable and local material options. The Group will conduct an appraisal on the approved list of suppliers and sub-contractors annually or after completion of their contract. Those who performed poorly will be disqualified from the approved list subject to approval by the Chief Quantity Surveyor.

B6. PRODUCT RESPONSIBILITY

During FY2020, the Group was not aware of any non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress that would have a significant impact on the Group, including but not limited to the Personal Data (Privacy) Ordinance of Hong Kong. During FY2020, the Group did not receive any cases of product or service-related complaints, nor was it subjected to any product recalls.

Building Safety and Quality Control

This topic is particularly material to the Group's business segment — the provision of building construction services, property maintenance services, alterations, renovation, upgrading works and fitting-out works services. Wan Chung is certified by internationally recognised systems for quality, environmental, energy as well as health and safety management systems of ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001.

In particular, the Quality Manual was established and developed in accordance with the standard and requirement of ISO 9001:2015 and the operation needs of the current business activities. The Quality Manual set out guidelines for each department's responsibilities towards ensuring quality service and details their general objectives, the role and duties of each employee, arrangement and procedures for quality monitoring and control, all with a view to enable Wan Chung to effectively become a quality and customer-oriented company.

The management systems are regularly reviewed taking into account employees' and other stakeholders' feedback to ensure continuous improvement in safeguarding their health and safety. Workers and subcontractors are duly notified of the management system and are required to follow such procedures.

B. SOCIAL (Continued)

Furthermore, appropriate training is provided to the relevant workers to assist them in performing their duties and responsibility competently. In doing so, the quality of construction projects can be guaranteed. Relevant guidelines are stated in the Quality Management System Manual that conforms with ISO 9001. Training contents are regularly updated to be in line with the industrial standard and provide maximum benefit to the employees.

Customer Services and Complaint Management

The quality of the products and services rendered and customer satisfaction go hand in hand. Feedbacks and complaints from the Group's customers are highly valued as it is of vital importance to the continuous development of the Group. The Group has established procedures on the communication method and frequency and handling any feedback with its clients in the Quality Manual. Should the Group receive any complaints, the Group will strive to act in a timely manner to resolve the issue with effective corrective actions. In addition, complaints of significant weight received will be discussed and reviewed by the management during regular meetings to prevent re-occurrence. During FY2020, the Group has not received any form of complaints from its customers in respect of the products/services provided.

Customer Data Privacy Protection

The Group endeavours to protect the legitimate rights and interests of its customers. Unauthorised access and dissemination of customers' sensitive information is strictly prohibited unless employees are under the legal obligation to do so. Only authorised personnel are permitted to access the clients' information database and they are entitled to access the information on a need-to-know basis. Guidelines on the control, verification, storage and protection of all customer property which included intellectual property and personal data have been stated in the Code of Conduct.

Intellectual Property ("IP") Rights

The Group is committed to a high level of legal and ethical standards in the conduct of its business and acknowledges the importance of protecting IP rights. The Group has implemented the Intellectual Property Policy, requiring the Group's employees, subcontractors and suppliers to comply with relevant laws, regulations and other international conventions in relation to IP rights. Furthermore, the Group requires employees to comply with applicable legal requirements relating to the collection, processing, disclosure and use of personal data, and to respect confidential information received during the course of business.

Advertising and Labelling

Due to the Group's business nature, the Group considers that it has an insignificant amount of business dealing in relation to advertising and labelling matters.

B7. ANTI-CORRUPTION

During FY2020, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to the Prevention of Bribery Ordinance of Hong Kong. During FY2020, there were no concluded legal cases regarding any forms of fraud brought against the Group or its employees.

B. SOCIAL (Continued)

Anti-corruption

To ensure the continued development of the Group's culture of accountability and integrity, anti-bribery, fraud and corruption in any form or in relation to any parties are all strictly prohibited. In addition, employees are required to abide by the guidelines set out in the Code of Conduct and the Employee Handbook during daily operation. All employees are prohibited from accepting any advantages from other bodies except promotional gifts, or souvenirs with a maximum limit of HK\$500 in value. The Group recognises that refusing gifts or money may cause disrespect under special circumstances, the employee may accept it and such courtesies to the Human Resources Department. Failure to do so might lead to disciplinary action, including termination of appointment.

Whistle-blowing Mechanism

The Group has established a comprehensive Whistle-blowing Policy Manual, which fosters and maintains a safe environment where employees can voice out their concerns. Under the said manual, the Group details well-defined and accessible channels for reporting fraud, corruption, dishonest practice or other similar matter, and how the investigative process will take place upon a receiving a complaint. The actions to be taken by the Group after investigations include disciplinary action, termination of employment or preventive action. Cases of suspected corruption or other criminal offences will be reported to ICAC or other relevant regulators or authorities. Once the matter is referred to the regulators or authorities, the Group will not be able to take further action on the matter.

The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

The audit committee (the "Audit Committee") is responsible for monitoring and regularly reviewing the said policy and the services provided by the independent third party. Any subsequent amendment of this Policy shall be reviewed by the Audit Committee and approved by the Board.

B8. COMMUNITY INVESTMENT

The Group is committed to driving positive change in the communities where it operates and fostering a sense of social responsibility within the Group's structure. Therefore, the Group has established the Corporate Social Responsibility Statement to show support and emphasis on the importance of giving back to society. The Group actively encourages its employees to participate in a diverse range of community service and voluntary events by provisioning paid time-off and subsidies to employees. The Group has also allocated its community engagement on different fronts with the goal of building an inclusive society.

In FY2020, Wan Chung has contributed more than 900 hours and more than HK\$34,000 in community service and has participated in events ranging from elderly home visits, flag days, charity campaigns for people with disabilities to blood donation.

B. SOCIAL (Continued)



Employees visiting the elderly at the “Love, Pass it On — Visit the Elderly” event

SUMMARY OF KPIs

PART A. ENVIRONMENTAL

			FY2019	FY2020
			Unit	
Emissions				
Air Emissions	NO _x	kg	40.3	11.5
	SO _x	kg	2.1	0.3
	PM	kg	2.9	0.9
GHG Emissions	Total	tCO ₂ e	344.5	745.3
	Scope 1	tCO ₂ e	75.2	569.3
	Scope 2	tCO ₂ e	227.8	154.4
	Scope 3	tCO ₂ e	41.5	21.6
Intensity		tCO ₂ e/million revenue (HK\$)	0.3	0.8
Hazardous Waste	Total	tonnes	0.22	0.22
	Intensity		tonnes/million revenue (HK\$)	0.0002
Non-hazardous Waste	Total	tonnes	21,170.8	2,590.2
	Intensity		tonnes/million revenue (HK\$)	19.8
Use of Resources				
Energy Consumption	Total	MWh	640.1	416.7
	Direct	MWh	194.3	205.0
	Indirect	MWh	445.8	211.7
Intensity		MWh/million revenue (HK\$)	0.6	0.5
Water Consumption	Total	m ³	1,866	148.4
	Intensity		m ³ /million revenue (HK\$)	1.7

SUMMARY OF KPIs (Continued)

PART B. SOCIAL

Employment	FY2019	FY2020
Total number of employees	159	165
By gender		
Male	116	116
Female	43	49
By age group		
Under 30	31	34
30 to 40	28	27
41 to 50	54	53
Over 50	46	51
By region		
Hong Kong	159	165
By employment type		
Permanent	157	159
Part-time	2	6
By employment category		
C-level Executives	0	5
Senior Management	15	8
Middle Management	24	25
General Employees	120	127
Employment Turnover	FY2019	FY2020
By gender		
Male	39.00%	31.03%
Female	46.50%	20.41%
By age group		
Under 30	100% ¹²	58.82%
30 to 40	53.57% ¹²	44.44%
41 to 50	24.07% ¹²	15.09%
Over 50	15.22% ¹²	11.76%
By region		
Hong Kong	41.00%	27.88%
Health and Safety Indicators	FY2019	FY2020
Number and rate of work-related fatalities	0, 0%	0, 0%
Number of work-related Injury	9	1
Number of lost days due to work injury	998	4

Note:

12. Figures were adjusted due to a change in calculation method, the updated method aligns with the guideline "How to prepare an ESG report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

SUMMARY OF KPIs (Continued)

Development and Training Indicators¹³	FY2019	FY2020
Total number of hours of internal training received by employees	4,040.25	1,428.87
Total number of employees trained	181	186
Percentage of employees trained by gender		
Male	71.27%	70.97%
Female	28.73%	29.03%
Percentage of employees trained by employee category		
C-level Executives	0	1.61%
Senior Management	8.29%	3.23%
Middle Management	15.47%	11.83%
General Employees	76.24%	83.33%
Average hours of training per employee by gender		
Male	21.92	8.72
Female	34.83	8.52
Average hours of training per employee by employment category		
C-level Executives	0	38.40
Senior Management	49.70	22.00
Middle Management	39.90	21.92
General Employees	19.48	4.04
Product Responsibility Indicators		
	FY2019	FY2020
Total number of products subject to recalls for safety and health reason	0	0
Total number of complaints received	0	0
Anti-corruption Indicators		
	FY2019	FY2020
Number of concluded legal cases	0	0
Community Indicators		
	FY2019	FY2020
Charitable donation amount	N/A	HK\$34,000.00
Hours volunteered	N/A	909.58

Note:

13. Figures were adjusted due to a change in calculation method, the updated method aligns with the guideline "How to prepare an ESG report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

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

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1 (“comply or explain”)	The types of emissions and respective emissions data.	Emissions — Air Emissions, Summary of KPIs
KPI A1.2 (“comply or explain”)	GHG emissions in total (in tonnes) and intensity.	Emissions — GHG Emissions, Summary of KPIs
KPI A1.3 (“comply or explain”)	Total hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management, Summary of KPIs
KPI A1.4 (“comply or explain”)	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management, Summary of KPIs
KPI A1.5 (“comply or explain”)	Description of reduction initiatives and results achieved.	Emissions — Air Emissions, GHG Emissions
KPI A1.6 (“comply or explain”)	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions — Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1 (“comply or explain”)	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources — Energy Efficiency, Summary of KPIs
KPI A2.2 (“comply or explain”)	Water consumption in total and intensity.	Use of Resources — Water Consumption, Summary of KPIs
KPI A2.3 (“comply or explain”)	Description of energy use efficiency initiatives and results achieved.	Use of Resources — Energy Efficiency
KPI A2.4 (“comply or explain”)	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources — Water Consumption
KPI A2.5 (“comply or explain”)	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources — Use of Packaging Material Not applicable — Explained

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED (Continued)

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer’s significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1 (“comply or explain”)	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources — Air Pollution Control, Noise Control, Vibration Control
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1 (Recommended Disclosure)	Total workforce by gender, employment type, age group and geographical region.	Summary of KPIs
KPI B1.2 (Recommended Disclosure)	Employee turnover rate by gender, age group and geographical region.	Summary of KPIs
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1 (Recommended Disclosure)	Number and rate of work-related fatalities.	Health and Safety, Summary of KPIs
KPI B2.2 (Recommended Disclosure)	Lost days due to work injury.	Health and Safety, Summary of KPIs
KPI B2.3 (Recommended Disclosure)	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety – Occupational Health and Safety Management

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED (Continued)

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1 (Recommended Disclosure)	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Summary of KPIs
KPI B3.2 (Recommended Disclosure)	The average training hours completed per employee by gender and employee category.	Summary of KPIs
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1 (Recommended Disclosure)	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2 (Recommended Disclosure)	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.2 (Recommended Disclosure)	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED (Continued)

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	Product Responsibility
KPI B6.1 (Recommended Disclosure)	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility, Summary of KPIs
KPI B6.2 (Recommended Disclosure)	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility, Summary of KPIs
KPI B6.3 (Recommended Disclosure)	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4 (Recommended Disclosure)	Description of quality assurance process and recall procedures.	Product Responsibility – Building Safety and Quality Control Recall procedures are not considered material to the Group’s operations.
KPI B6.5 (Recommended Disclosure)	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility – Customer Data Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	Anti-corruption
KPI B7.1 (Recommended Disclosure)	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption, Summary of KPIs
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Community Investment
KPI B8.1 (Recommended Disclosure)	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment, Summary of KPIs
KPI B8.2 (Recommended Disclosure)	Resources contributed (e.g. money or time) to the focus area.	Community Investment, Summary of KPIs