

Incorporated in the Cayman Islands with limited liability Stock Code: 896



2023/2024

# CONTENTS

INTRODUCTION	2
About this Report	3
Reporting Framework and Principles	4
Managing Director's Message	8
General Manager's Message	10
About Hanison	12
2023/2024 at a Glance	14
Opportunities and Challenges in our Future	16
VISION OF SUSTAINABILITY	20
Board Statement on Sustainability	22
Corporate Social Responsibility (CSR) and Sustainability Policy Statement	23
Our Focus	24
Our Strategy	29
KEY AREAS	33
Net-zero	34
Circularity	38
Change-builders: our People	42
CATALYSTS FOR SUSTAINABLE CHANGE	52
Governance Structure	53
Innovation	55
TRANSCENDING OUR STRATEGY	59
Our Operational Footprint	60
BEYOND OUR OPERATIONAL BOUNDARIES	64
Our Customers	65
Community	67
APPENDICES	70
Awards, Recognitions and Charters	71
Certificates	73
Key Performance Indicators	74
HKEX ESG Reporting Guide Content Index	79
Global Reporting Initiative (GRI) Standards Content Index	82
Assurance Statements	87



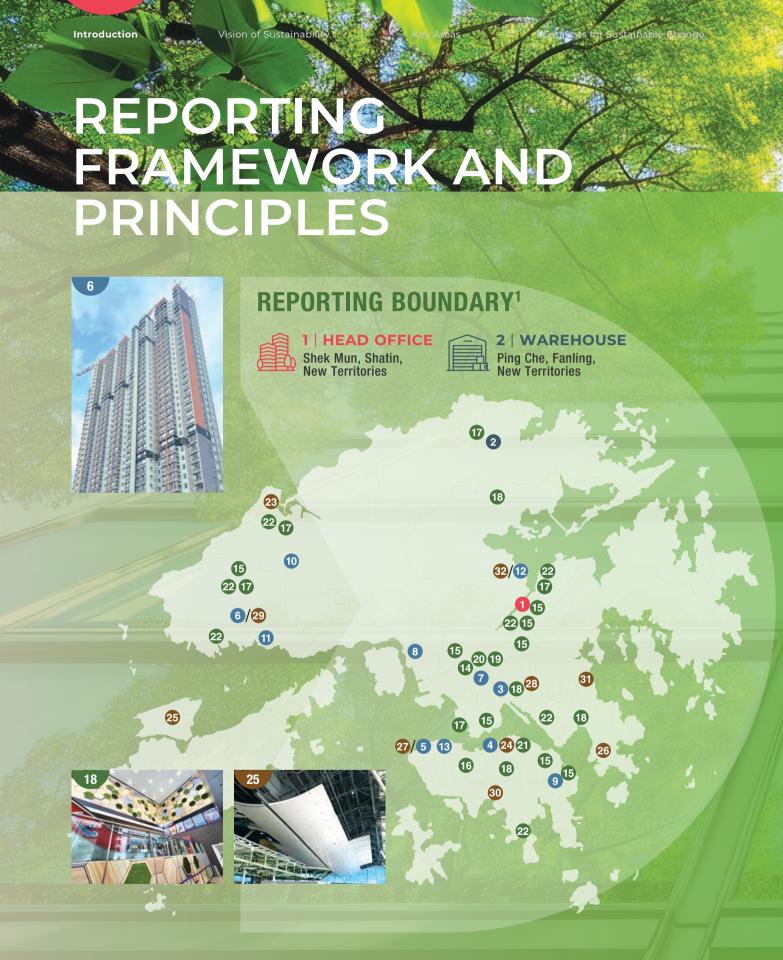
# ABOUT THIS REPORT

Hanison Construction Holdings Limited (the "Company") and its subsidiaries (collectively the "Group" or "Hanison") is pleased to present our latest Environmental, Social, and Governance (ESG) Report 2023/2024 (the "Report"), marking over a decade of steadfast commitment to transparent and comprehensive ESG reporting. For more than ten years, we have consistently strived to refine our practices, enhance our performance, and expand our disclosures, aiming to meet the ever-evolving expectations of our stakeholders and the challenges of a dynamic landscape. Our Report reflects our ongoing dedication to not only maintaining but also elevating our standards in all aspects of ESG and sustainability.

# **KEY SUBSIDIARIES UNDER THE GROUP**



In this Report, we provide a comprehensive overview of our approach to sustainability and how it is woven into our Group's strategy. Through innovation and implementation of effective strategies to drive sustainable growth, we aim to continue demonstrating our commitment to responsible business practices and long-term value creation.



<sup>&</sup>lt;sup>1</sup> Projects with insignificant impacts or data not under the Group's control are not covered in the reporting boundary. For the details of in-scope projects, please refer to our 2023/2024 Annual Report.





# **CONSTRUCTION DIVISION**

- 3 Transitional housing at Area 1B2, Muk On Street, Kai Tak for Tung Wah Group of Hospitals
- 4 Public housing development at Java Road, North Point, Hong Kong
- 5 Proposed residential and commercial development at Nos. 33-47 Catchick Street, Kennedy Town, Hong Kong
- 6 Public housing development at Hin Fat Lane, Tuen Mun, New Territories
- 7 Proposed residential development at No. 57A Nga Tsin Wai Road, Kowloon Tong, Kowloon
- 8 Proposed industrial redevelopment at No. 22 Yip Shing Street, Kwai Chung, New Territories
- 9 Proposed industrial redevelopment at No. 18 Lee Chung Street, Chai Wan, Hong Kong
- 10 Proposed residential development at Lot No. 2143 in D.D. 121, Tong Yan San Tsuen, Yuen Long, New Territories
- 11 Residential development at Tuen Mun Town Lot No. 496, So Kwun Wat, Tuen Mun, New Territories
- 12 Hong Kong Science Park Expansion Stage 2 (SPX2) Building 12W-A
- **13** Proposed commercial development at Nos. 92-103A Connaught Road West and Nos. 91, 99 and 101 Des Voeux Road West, Hong Kong



# INTERIOR & RENOVATION DIVISION

- 14 City University of Hong Kong
- 15 Shopping centres of Leung King, Kwong Yuen, Sha Kok, Chuk Yuen, Oi Man, Un Chau, Oi Tung and Siu Sai Wan
- 16 Hong Kong Housing Authority Hong Kong Island and Islands (2)
- 17 Shopping centres, car parks, markets and cooked-food stalls in Tin Shui Wai, Tuen Mun, New Territories North and Ma On Shan (Region 1) for the Link
- 18 Shopping centres, car parks, markets and cooked-food stalls for Hong Kong Island, Kowloon East, New Territories East and Tseung Kwan 0 (Region 2) for the Link
- **19** Hong Kong Baptist University
- 20 Sir Run Run Shaw Building, Cha Chi-Ming Science Tower and Fong Shu Chuen Library, Level 5 of Oen Hall Building at Hong Kong Baptist University
- 21 North Point Methodist Church at 11 Cheung Hong Street, North Point, Hong Kong
- 22 Shopping centres of Tin Shui, Butterfly, Leung King, Chung On, Sha Kok, Tsui Ping and Stanley



## **BUILDING MATERIALS DIVISION**

- 23 A swimming pool complex and open space in Area 107, Tin Shui Wai, New Territories
- 24 Public housing development at Java Road, North Point, Hong Kong
- 25 Hong Kong International Airport Terminal 2 expansion works
- 26 Proposed residential development at TKOTL 70RP, Phase 11, Lohas Park, Tseung Kwan 0, New Territories
- 27 Proposed residential and commercial development at Nos. 33-47 Catchick Street, Kennedy Town, Hong Kong
- **28** Central Kowloon Route Building, electrical and mechanical works
- 29 Public housing development at Hin Fat Lane, Tuen Mun, New Territories
- 30 Proposed property development at Wong Chuk Hang Station, Package Three, Aberdeen Inland Lot No.467, Site C
- **31** The Physical Sciences and Technologies Building (New Research Building 1) at The Hong Kong University of Science and Technology
- 32 Centralised General Research Laboratory Complex (Block 2) at Area 39, The Chinese University of Hong Kong

Catalysts for Sustainable Change



# REPORTING SCOPE AND PERIOD

The Report concludes the Group's ESG achievement and performance during the financial year from 1 April 2023 to 31 March 2024 (the "Year"). There are no significant changes in the previous reporting period in terms of scope, which covers the major business units of the Group operated in Hong Kong, including the Head Office, Warehouse and all project sites managed by HCCL, HCL, HIRL, and TBML contributing over 78.64% of revenue of the Group. In the future, the Group plans on enhancing transparency and disclosure by gradually broadening its coverage across its entire business spectrum with the goal of offering clearer, more transparent insights into our ESG and sustainability efforts and performance in the coming years.



# REPORTING FRAMEWORK AND STANDARDS

The Report complies with the ESG Reporting Guide (the "ESG Guide") disclosure obligations from financial years commencing on or after 1 July 2020 set out in Appendix C2 (previously Appendix 27) of the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited ("HKEX"). The Report also contains an alignment table with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (the "GRI Standards") 2021, cross-referencing the SDGs, and utilises diversified methodologies aligned with the inclusion of international best practices to measure the key aspects of sustainability and ESG performance and ensure comparability. For more details about the alignment table, please refer to the HKEX ESG Guide Content Index and GRI Standards Content Index respectively in the Appendices section of the Report.

The preparation of this Report has adopted the following reporting principles in adherence to and in compliance with the HKEX ESG Guide and references the GRI Standards' guidelines to ensure accountability of our ESG performance and augment transparency of our ESG disclosures.

STAKEHOLDER INCLUSIVENESS AND MATERIALITY	Stakeholder engagement and inclusion were key in conducting the materiality assessment that shaped the Report, helping to highlight, prioritise, and present the most material ESG and sustainability issues.
BALANCE AND COMPLETENESS	The Report is structured to present a balanced, neutral, impartial, and comprehensive view of the Group's ESG performance, providing readers with the essential information required to evaluate the Group's efforts objectively.
CONSISTENCY, COMPARABILITY, AND CLARITY	The methodologies and presentation formats within the Report remain consistent where possible, with enhancements made where necessary. Comparisons of performance data over time are available.
ACCURACY AND RELIABILITY	The contents of the Report have been reviewed by our CSR and Sustainability Committee and approved by the Board of Directors (the "Board") of the Company in June 2024. The contents have also been verified by independent certification bodies.
QUANTIFICATION	Quantitative information is presented whenever feasible, accompanied by descriptions of the methodologies, assumptions and sources of the standards adopted.



# REPORT ASSURANCE

This Report, the 11th annual individual ESG report, has been verified by the independent certification bodies, namely, Hong Kong Quality Assurance Agency (HKQAA) and Hong Kong Certification Services International Limited, to conduct the Report's content verification and greenhouse gas (GHG) emissions verification respectively. Thus, the trustworthiness of the Report is ensured in accordance with the ESG Guide and GRI Standards 2021. Please refer to the Assurance Statements in the Appendices section of the Report for details.



Catalysts for Sustainable Change

# MANAGING DIRECTOR'S MESSAGE

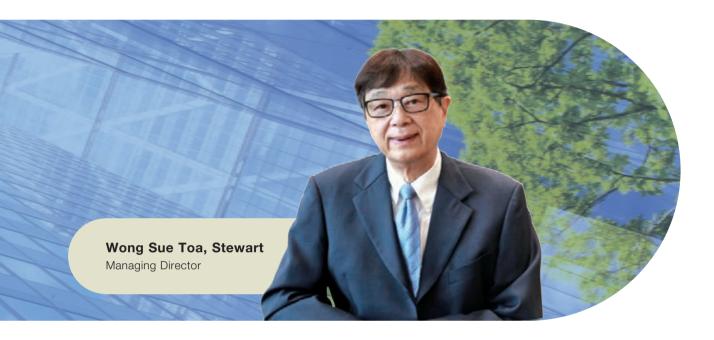


Stepping into a new decade in our sustainability journey, we stand at the threshold of a new era: one marked by commitment, innovation, and a steadfast dedication to sustainability. As we present the Group's latest ESG Report, it is an opportune moment to reflect on the broader landscape of our industry, particularly in the realm of regulatory trends and updates which are shaping our operational and strategic decisions.

The global and local regulatory environment for the construction industry is increasingly focused on sustainability and safety, driven by an urgent need to address climate change and urban development impacts. In Hong Kong, the HKSAR Government's Climate Action Plan 2050 articulates a clear pathway towards carbon neutrality, setting ambitious targets that influence every sector; as an industry with a sizable footprint, the construction industry is no exception. This plan is underpinned

by stringent regulations aimed at reducing GHG emissions, enhancing energy efficiency, and promoting renewable energy use in all new and existing buildings. Reflecting the ambition of the Climate Action Plan 2050, the Construction Industry Council (CIC) in Hong Kong has continued to promote Smart Construction, emphasising not only the use of sustainable technology but also the adherence to stricter safety and environmental standards. From the use of Modular Integrated Construction (MiC) techniques to advancing Building Information Modelling (BIM) technology, there are many innovative avenues to reduce construction waste, minimise environmental disruption on-site, and make strategic planning more precise and efficient.

At Hanison, these regulatory trends and updates are woven into the fabric of our operational strategies. In this Report, we further explored the risks and challenges but also the prospects and opportunities provided by climate change. We proactively seek to adopt advanced technologies



and methodologies that align with these new standards as well as explore others that bring us beyond. Our significant investment in ecofriendly building methods and technology, and the implementation of MiC and BIM are direct responses to these regulatory pushes. Such advancements not only ensure compliance but also position us as a leader in sustainable construction practices. We have successfully integrated MiC into our project. This Year, our dedication to aligning with regulatory standards and exceeding them where possible was notably recognised with a Silver Award of New Works Projects – Outstanding Contractor (Building) of Quality Public Housing Construction and Maintenance Awards 2023 from the Hong Kong Housing Authority for our public housing projects. This award is a testament to our commitment to quality and sustainability, proving that regulatory compliance does not limit excellence but rather enhances it.

While environmental concerns are at the forefront of international and local trends, we cannot forget the importance of people, whether it be health, safety, development, or more. I extend my heartfelt gratitude to and pride in our team members across all departments for their dedication and adaptability in navigating these regulatory landscapes. Their efforts are fundamental to our success and our ability to meet these stringent standards. To our partners and stakeholders, your continued support and collaboration are invaluable as we strive to not only meet but exceed the expectations set before us by regulatory bodies.

As we look to the future, Hanison remains committed to staying ahead of regulatory changes, anticipating the needs of the environment and our communities, and leading the way in sustainable construction innovation. We view these regulations not as hurdles but as opportunities to lead, innovate, and inspire within our industry and beyond. Thank you for your trust and partnership in this sustainable journey towards a more livable and responsible future.

# GENERAL MANAGER'S MESSAGE

Vision of Sustainability



The construction industry in Hong Kong is currently navigating a complex landscape shaped by strict regulations, ambitious sustainability commitments, and innovative advancements. Governed by comprehensive laws that ensure safety, quality, and environmental stewardship, the sector is under significant scrutiny to align with the HKSAR Government's targets towards carbon neutrality by 2050. The increasing integration of green building standards and the adoption of advanced technologies aimed at reducing the environmental impact of construction activities reflects this commitment. This backdrop sets the stage for the Group's endeavours and strategic directions.

We have taken proactive steps to fortify our internal development through targeted training programs designed to elevate our team's expertise in sustainable practices. This initiative ensures that our workforce is well-prepared to meet and surpass our sustainability objectives.

Our commitment to sustainability is reflected in our adoption of cutting-edge construction techniques and the integration of sustainable technologies into our projects. In the expansion of the Hong Kong Science Park, we leverage high-performance materials and smart building technologies that contribute to energy efficiency and waste reduction. This project is pivotal as it incorporates advanced sustainable technologies, including energy-efficient building materials and systems that significantly reduce the operational carbon footprint. Our first MiC project for the transitional housing at Area 1B2, Muk On Street, Kai Tak for Tung Wah Group of Hospitals, is a testament



to our commitment to innovative construction methods, integrating MiC and BIM to minimise waste and improve efficiency.

While COVID-19 has passed by, the importance of the health, safety, and well-being of our employees is ever-present in our strategies. In addition to the foundation of ensuring employee well-being, improving our talent pipeline strategies is consistently in place. By taking measures to empower our employees, we are building a more skilled and motivated workforce ready to tackle the challenges of tomorrow. Our all-rounded investment in the development of employees, especially the sports team formed by young talents, brings splendid recognition to Hanison. In the Year, we have obtained awards, namely, JobsDB - The Hong Kong HR Awards 2023/24 HR Innovator of the Year presented by JobsDB by SEEK, the Champion in Men's Doubles Group A and 1st Runner-up in Men's Singles Group A of

Table Tennis Competition of the Corporate Games 2023, presented by Leisure and Cultural Services Department, and the Best Practices Showcase in the SportsHour Company Scheme 2023-25, presented by InspiringHK Sports Foundation.

In 2024, Hanison remains dedicated to advancing our sustainability agenda. Through strategic investments in technology, innovation, and our people, we are partnering with stakeholders in setting new benchmarks in the construction industry for ESG performance. We appreciate the continued support from all our stakeholders as we strive to create sustainable value and contribute positively to an eco-friendly and prosperous future.



Incorporated in 2001 and publicly listed on the Main Board of HKEX since 2002, Hanison Construction Holdings Limited (Stock Code: 896) is a leading construction project management company based in Hong Kong, committed to creating sustainable value to its stakeholders. Hanison is dedicated to enhancing its primary business operations in construction, interior and renovation, and building materials within Hong Kong, and continues to drive the industry forward by utilising the latest innovative design and construction technology to build healthy and ecofriendly commercial and residential projects for both the public and private sectors.

To diversify operational risks and create synergies, Hanison has strategically invested in property development, property investment, property agency and management, and health products businesses. These investments have generated a stable recurring income stream for the Group. As a responsible corporate citizen, Hanison prioritises sustainability and strives to promote positive impacts for sustainable development both environmentally and socially, while maximising long-term benefits for its stakeholders. For more information on Hanison's business portfolio, please refer to our 2023/2024 Annual Report.

Vision of Sustainability





# OPPORTUNITIES AND CHALLENGES IN OUR FUTURE

# **CHALLENGES**

Hanison operates in a complex ecosystem, part of a network of people, groups, organisations, and industries. In addition, the Group relies on nature and its essential resources to continue operating successfully. Numerous interrelated environmental and social challenges pose a significant threat to both human society and the planet as a whole.

According to the Intergovernmental Panel on Climate Change (IPCC), human-induced global warming has already resulted in an average increase of 1.1-1.2°C above pre-industrial levels.<sup>2</sup> This warming is driving significant changes in our climate, adversely affecting our oceans, lands, and the atmosphere in the form of extreme weather, such as floods, landslides, droughts, wildfires, and more. These changes are detrimental to various habitats and the natural systems that are vital for life on Earth. As we continue to witness these devastating effects of climate change and global warming, it has become clear that these threats potentially not only puzzle a significant risk to business operations, but also to humanity as a whole. Although there were no significant disruptions as a result of these effects to our construction business in Hong Kong during the Year, we recognise that our stakeholders are increasingly concerned about the seen and imminent impact and importance of climate change.

Adding on to the environmental front, social challenges are deeply intertwined with environmental issues. Climate change impacts agricultural productivity and access to clean water, directly affecting food security and livelihoods. particularly in vulnerable communities. Widening economic disparities, which could lead to social instabilities, health inequalities, corrupt practices, and more remains an issue prevalent globally. The Group recognises that by integrating social responsibility into our business model, it can contribute to more resilient and equitable communities. This holistic approach not only helps mitigate the risks posed by social and environmental challenges but also aligns with Hanison's commitment to sustainable development and excellence, and corporate citizenship.

# TCFD CLIMATE ASSESSMENT

In response to the various challenges and issues, we have referenced the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD) to reduce and ideally mitigate climate change impacts. Acknowledging the potential disruptions such as infrastructure damage and power outages, we are focusing on identifying and assessing risks and opportunities linked to climate resilience. Our actions include setting environmental targets and adopting proactive measures to address known and potential influence due to climate change, thereby enhancing our sustainability and reducing associated risks.

<sup>&</sup>lt;sup>2</sup> https://www.ipcc.ch/report/ar6/wg1/downloads/outreach/IPCC\_AR6\_WGI\_SummaryForAll.pdf

# **PHYSICAL RISKS**

# **RISK TYPE**

# POTENTIAL CONSEQUENCES

# **MITIGATE MEASURES**

# ACUTE PHYSICAL CHANGES

i.e. increased intensity and frequency of extreme weather events such as typhoons, flooding, intense precipitation

- Significant damage to construction sites, and possible damage to equipment and machinery, delaying projects and increasing costs due to repairs and extended timelines
- Affected operations schedule as possibility of the shortage in electricity
- Raised expenditure on insurance premiums and expenses
- Increased the cost spending on mitigated measures and protective measures on safety and health due to potentiality of frequent health and safety incidents
- Floodgates at entrances at low-lying areas
- Typhoon nets, water cut-out sensors installation
- Submersible pumps are equipped to remove flood water
- Remote-monitored sensors to warn staff of flooding
- Indoor rest spaces with air conditioner provided to workers
- Heat stress assessment reports for different trade of work to prevent heat stroke of employees
- Ice pads and portable fans are provided for employees

# CHRONIC PHYSICAL RISKS

e.g. changes in rainfall patterns, sea levels rise, rise in average temperature

- Caused damaging in constructing buildings and assets which might reduce valuation and asset values
- Increased in operating and maintenance costs
- Increasing temperatures can affect employees' health and safety, potentially reducing productivity and increasing cooling costs
- Increasing temperatures may affect the curing of construction materials like concrete, delaying projects

### TRANSITIONAL RISKS

## **RISK TYPE**

Vision of Sustainability

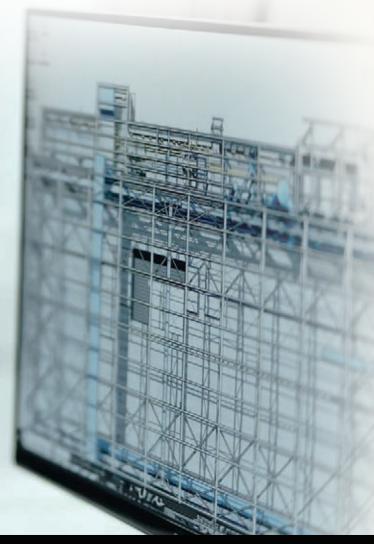
# POTENTIAL CONSEQUENCES

# **MITIGATE MEASURES**

# TRANSITIONAL RISKS

Such as policies and legal requirements, and technology

- Global and local policies and regulations are expected to be increasingly strict, increasing operating costs and investments caused by enhancement of requirement of technology and renewable energy usage, as well as the demand for renewable energy, in order to reduce carbon emissions
- Application of technology brings upgrade of existing tools and systems which increases operating costs while increasing efficiency
- Environmental targets set with 10 years frame from base year 2017/2018, in response to Hong Kong's Climate Action Plan 2030+ and 2050
- Measures and technologies applied in sites and offices



# **OPPORTUNITIES**

Keeping our operations within planetary boundaries and actively identifying and addressing social needs could lead to a sustainable future, achieving a point where people and the planet are thriving. With the continued research and development of new key technologies and advancements in the construction industry, we are more than willing to adopt and optimistic that the risks of extreme weather due to climate change can be alleviated. As such, we continue to identify, invest in, and implement new technologies and methods that can offer innovative, efficient, and sustainable solutions to clients, potentially creating new revenue streams.

Retrofitting existing buildings with energyefficient materials and technologies can create
new business opportunities for the construction
industry. The HKSAR Government's initiatives to
promote energy efficiency in buildings have already
spurred a burgeoning market for such retrofits,
presenting construction companies with significant
opportunities.



As climate change intensifies, the demand for infrastructure capable of withstanding its adverse effects is also continuing to increase. This trend provides a fertile ground for construction firms specialising in the design and development of climate-resilient infrastructure. Emerging technologies such as MiC, which allows for more controlled, efficient, and flexible building processes, and the use of advanced materials like high-performance concrete and corrosion-resistant alloys, can be key to developing such infrastructure. Common Data Environment (CDE) is another technology, among others, being used in construction project management.

We are committed to integrating sustainable strategies and practices into our business operations, and we believe that this is essential for long-term success. Our commitment helps us manage the risks associated with volatile supply chains and control expenses by reducing our reliance on expensive raw materials. Achieving

our sustainability goals and targets enables us to complete projects that support a sustainable, low-carbon economy, and prepares us for future environmental and regulatory changes.

Addressing our stakeholders' concerns and continuing to allocate capital effectively helps ensure that we remain a responsible and sustainable business, even in the face of uncertain and challenging environmental conditions. By embracing innovative solutions, we expect that we can not only expand our market reach but also contribute to the global effort towards waste reduction, resource conservation and sustainability.

# VISION OF SUSTAINABILITY

At Hanison, we envision our projects not just as buildings or infrastructures but as integral parts of vibrant, sustainable communities. Our vision to be a renowned, creative, and socially responsible key player in the construction and property development sectors is deeply intertwined with our commitment to sustainability. Our understanding of sustainability transcends environmental compliance, it involves a holistic approach that considers social, economic, and environmental dimensions. This comprehensive perspective ensures that we not only contribute to but lead the transformation towards a more sustainable and resilient construction industry in Hong Kong and beyond.

As we look to the future, sustainability remains an integral part of our corporate philosophy. Our vision is not only to adapt to the changing landscapes of regulations and stakeholder expectations but to be ahead of the curve in defining what it means to be a leader in sustainable construction and property development. With each project and through every innovation, we aim to set new standards for what is possible, to strive to not only meet but exceed the expectations for sustainability in the industry, thereby securing a thriving future for our stakeholders and the planet.



To be a renowned, creative and socially responsible key player in building construction, property development, and other businesses.

# Mission

- To develop our business in pursuit of excellence;
- To commit providing superior service and dedication to continuous improvement;
- To create values for all stakeholders;
- To grow our people with commitment.

# Values

### "EPIC" for Serving Clients

- Excellence
- Professionalism
- Integrity
- Care

### "TIPS" for Business Development

- Teamwork
- Innovation
- Partnership
- Sustainability

HANISON, A GREEN AND SOCIALLY RESPONSIBLE BUILDER IN HONG KONG

Sustainability Journey



# **BOARD STATEMENT** ON SUSTAINABILITY

Vision of Sustainability

Hanison values ESG as an ongoing commitment and has been supporting its sustainable growth. The Board has overall responsibility for the Group's ESG management and reporting of relevant development, integrating governance on ESG into the Group's corporate structure and business operations so as to alert the ESG risks and achieve sustainability, generating added values for stakeholders.

Reporting to the Board every year and regular updating the Managing Director, one of the Board members, the CSR and Sustainability Committee established since 2013, being a delegated body of the Board, is comprising of the subsidiary directors from key business divisions and representatives of supporting departments. The CSR and Sustainability Committee helps formulate the Group's ESG roadmap and strategy, facilitate the execution of annual action plans, key performance indicators and initiatives, and oversee the management of associated activities and risks with deliberation on both short-term and long-term impacts of CSR/ESG/sustainability towards the Group's development.

Benchmarked with and made reference to various international and local standards and guidelines, Hanison obligates and determines to continuously monitor, accomplish, and evaluate the groupwide ESG strategic perspective in maximising sustainable benefits to our stakeholders, contributing to the environment we live and the community we serve.

Demonstrating our devoted effort on ESG as a responsible corporate player, the relevant ESG initiatives and targets including operating practices, people, environment and community are fully committed and supported by various internal committees or work groups in the Group in order to address the concerns of a diverse range of stakeholders. Through the annual stakeholder engagement exercise, i.e. questionnaire survey, the outcomes of the survey are reviewed by the CSR and Sustainability Committee; the material issues identified and prioritised are to be incorporated into the ESG strategies.

On the journey to strengthen our commitment on ESG topics, as a group focusing on construction business, Hanison understands the stakeholders' concerns about the environment, thus various environmental targets are set, climate risks and impacts are identified for the transition to zerocarbon ultimately in the long run. Enhancement on broadening the composition of the CSR and Sustainability Committee and ongoing revisiting current practices will be addressed whenever seen necessary as a continuous improvement in sustainability performance.

# CSR AND SUSTAINABILITY POLICY STATEMENT

Recognising as a green and socially responsible construction project management group and a good corporate citizen, Hanison embraces sustainability as one of our core business values with an aim to create a brighter and greener prospect for the long-term benefits of our stakeholders and the territory of Hong Kong.

Hanison is committed to upholding the high level of corporate governance and integrate sustainability into every facet of our business. With growing concerns in climate change, increasing climate adaptation and resilience, and managing the correlative risks proactively become the Group's priority. Hanison considers it as our responsibility to adopt low carbon construction facilitating with advanced technology use to mitigate the environmental impacts of our business, while caring our people by providing a safe and healthy working environment, well-being and talent development. We are also dedicated to engaging our stakeholders actively, managing the risks associated with supply chain, operating our business with integrity and professionalism, and delivering quality and reliable services and products, while contributing to the sustainable development of communities and creating shared value.

To fulfil our commitments, we strive to adhere to sustainability principles in every aspect of our business from strategic planning, day-to-day management and operations, decision-making and corresponding execution of various kinds. This policy statement serves to provide directional guidance for adopting appropriate policies and systems, guidelines and codes, standards, procedures and practices throughout the Group. The management team of the Group shall take full responsibility to oversee, facilitate, coordinate, and monitor so as to ensure the effective implementation of this policy statement.

# OUR FOCUS

Vision of Sustainability

Hanison continuously works to be a renowned, creative, and socially responsible key player in the building construction, interior and renovation, and building materials businesses. Our focus aligns with our strategic commitment to not only advance in our industry but to do so while significantly enhancing our ESG performance. To better identify our key focus areas, the Group conducted a materiality assessment.

# MATERIALITY ASSESSMENT

During the Year, a stakeholder engagement exercise was set to understand the various trends and expectations of different groups of stakeholders and to better identify, prioritise, and verify the material ESG issues and risks of the Group so as to better define our focus to incorporate into our ESG strategies. Materiality assessments in sustainability practices are dynamic processes that necessitate ongoing review and adaptation to reflect the evolving priorities and concerns of stakeholders, as well as changes in environmental, social, and economic contexts. Over time, what is considered material, issues that can significantly impact an organisation's business performance and are important to stakeholder decision-making, can shift due to various factors such as regulatory changes, technological advancements, market trends, or societal expectations. It is important to stay aligned with these shifts to ensure that the Group's sustainability efforts remain relevant and effective. Therefore, as part of the Year's materiality assessment, the Group has re-examined the list of material topics presented to stakeholders and made additions or subtractions accordingly.

MATERIALITY ASSESSMENT PROCESS				
UNDERSTANDING stakeholders' expectations of relevant trends and aspects	Sustainability and ESG-related issues, risks, and trends were compiled and presented to a wide range of stakeholders through various channels. Engaging these stakeholders allowed us to better understand their perspectives and expectations regarding sustainability and ESG in our businesses.			
IDENTIFYING key ESG issues	A stakeholder engagement exercise was conducted in the form of a quantitative online survey with collected responses from internal and external groups of stakeholders.			
PRIORITISING material ESG issues	Stakeholders' feedback via stakeholder engagement exercise was then consolidated to identify the stakeholder-considered ESG issues material to business operations.			
VALIDATING the result	The result of material ESG issues and materiality assessment will be reviewed and approved by the CSR and Sustainability Committee and the Board.			

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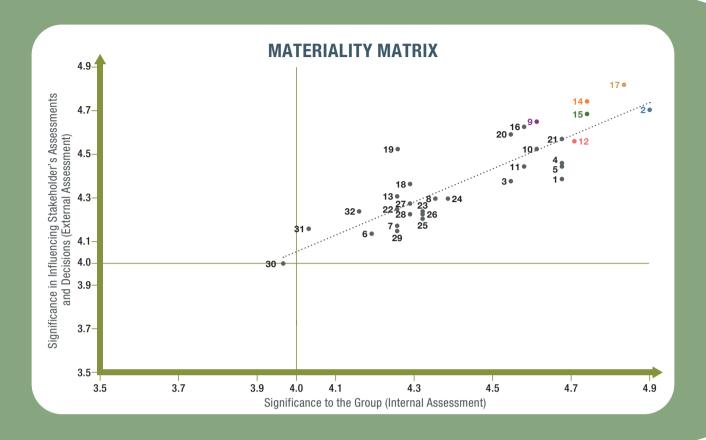
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ANTI-CORRUPTION

The following materiality matrix was plotted using the results collected from the materiality assessment survey shared with the Group's stakeholders during the Year (the "MA Survey"). In recognition of the changing landscape of both the Group's businesses and as a whole, the inclusion of new topics was presented as part of the materiality assessment for the Year. This inclusion empowers the Group to proactively respond to risks and opportunities, maintain compliance with current and anticipated regulations, and build stronger relationships with stakeholders by addressing their current concerns. The methodology for the plotting of the matrix was the same as previous financial year, in which all issues achieved an average score of 4.42 on the importance or relevance scale (from 1 being the least important to 5 the most important), a notable increase from the previous financial year (4.02). The six most material issues considered in the Report also had an increase in average score, scoring over 4.72 (compared to the previous financial year: 4.28). There were several changes to the topics themselves, the ordering, and the degree of importance placed. The results of the Year's materiality assessment alongside the list of material issues have been presented to, reviewed, and endorsed by the CSR and Sustainability Committee and the Board.





# **ESG ISSUES FOR ASSESSMENT**

- Corporate Governance
- 2 Anti-corruption
- 3 Anti-competitive Behaviour
- 4 Risk Management
- 5 Economic Performance
- Sustainable and Green Finance
- 7 Innovation
- Intellectual Property (IP) Rights
- 9 Data Privacy and Security
- 10 Quality Management and Assurance
- Client Satisfaction
- 12 Customer Health and Safety
- 13 Responsible Supply Chain Management
- 14 Employee Compensation and Benefits, Well-being and Engagement
- Talent Attraction, Retention, Performance Management and Employment
- 16 Employee Training and Development

- 17 Occupational Health and Safety
- 18 Diversity and Inclusion
- 19 Human Rights
- 20 Non-discrimination
- 21 Prevention of Child Labour and Forced Labour
- 22 Climate Adaptation and Resilience
- 23 Decarbonisation in Construction Materials
- 24 Sustainable Resource Use
- 25 Decarbonisation in Construction Energy
- 26 Waste and Circularity
- 27 GHGs and Air Emissions
- 28 Water Conservation
- 29 Green Building Certification
- 30 Biodiversity
- 31 Community Investment and Engagement
- 32 Impacts on Local Communities



The resulting materiality matrix of the MA Survey showcases an overall snapshot of the ESG issues relating to the Group's business operations. For the Year's stakeholder engagement exercise, we increased the number of stakeholders invited for a total of 674 stakeholders, of which 64 were internal stakeholder (including employees; managerial grade or above) and 610 were external stakeholders (including general level employees, business partners, representatives of government authorities and non-governmental organisations (NGOs)). The MA Survey was completed by a total of 119 internal and external stakeholders, ranking the significance and importance of a total of 32 ESG-related issues relevant to the Group's business. The 32 ESG-related issues presented in the MA Survey have changed notably from previous financial years' issues, with some being new additions (as mentioned previously) and others being variations of previous material issues.

The overall response rate for the MA Survey was 17.66%. The outcomes of the MA Survey are reviewed by the CSR and Sustainability Committee; the identified and prioritised material issues will be more deeply integrated into our ESG strategies as a key component of our broader sustainability vision and objectives.

Reviewing the Year's materiality assessment's outcomes, the Group understands that the topics of Occupational Health and Safety and Anti-Corruption are industry-wide high-risk concerns, with the remaining being related to Human Capital. However, as the construction industry has an undeniable tie to the environmental impact, the eco-friendly aspects cannot be ignored. The topics of net-zero, circularity, and more are all significant upcoming issues that are being increasingly emphasised in not just the construction industry, but across all businesses. As such, Hanison is also placing emphasis on these as key areas.

# STAKEHOLDER ENGAGEMENT

Vision of Sustainability

Stakeholders, whether external or internal, are all of the utmost importance to the Group; therefore, the Group acknowledges the indisputable need for communication with our stakeholders on a regular basis via various channels to better identify, understand, and act upon their expectations and priorities on ESG-related strategies, initiatives, and overall performance.

## **ENGAGEMENT CHANNELS**



### **EMPLOYEES**

- Internal Memos and e-mails
- Staff Handbook
- Intranet
- Surveys (Biennial Employee Experience Survey and Annual MA Survey)
- Meetings
- Workshops
- New Staff Orientation (NSO)
- Performance Appraisal
- Whistleblowing Channels
- · Biannual Hanison Staff Newsletter
- Staff Engagement Activities
- Employee Volunteering
- Social Media



## SUPPLIERS/ SUBCONTRACTORS

- MA Survey
- Workshops
- Biannual Appraisal
- Assessments
- Inspections or Visits
- Social Media



# **GOVERNMENT AUTHORITIES/** INDUSTRY ASSOCIATIONS

- MA Survey
- Meetings
- · Awards, Recognitions and Charters
- Seminars and Activities
- Donation and Sponsorship
- Social Media



- Surveys
- Contracts
- Meetings
- Project Reports
- Corporate Events
- Social Media



### **SHAREHOLDERS**

- Annual General Meeting
- Announcements
- Annual and Interim Reports
- Corporate Website
- Enquiry Hotline and e-mails
- Social Media



## NGOs/COMMUNITIES

- MA Survey
- Enquiry Hotline and e-mails
- Community Relations Officer
- Site Relations Activities
- CSR Events
- Hanison Corporate Volunteer Team
- · Awards, Recognitions and Charters
- Donation and Sponsorship
- Social Media

# **OUR STRATEGY**

Our strategic approach integrates sustainability into every facet of our operations. By aligning our business model with the principles of the circular economy, we focus on reducing resource use, minimising waste, and enhancing the sustainability of materials throughout the lifecycle of our projects. This strategy is embedded within our core business processes, from the initial design and planning stages through to construction and eventual decommissioning, ensuring that sustainability is not an afterthought but a fundamental criterion of our project management philosophy.

Steering our sustainability efforts towards excellence, the Group has identified and actively contributed to four key ESG strategic areas:

Operating Practices, People, Environment, and Community. This focus is aimed at hastening our progress towards ESG objectives and enhancing our overall ESG performance through effective

and efficient implementation. The Board has delegated numerous committees and working groups at Hanison, consisting of directors and various subject matter experts (SMEs) or specialists from key business divisions, to address ESG issues and risks in a professional and timely manner, enhancing sustainability-related practices using a systematic approach. Our performance is benchmarked against and aligned with the Sustainable Development Goals (SDGs) set by the United Nations and the HKEX's ESG Guide set out in Appendix C2. Of the 17 SDGs. Hanison's ESG strategic areas and operations align with 10 Goals; more information regarding these relevant goals is presented in the corresponding section of the Report. In addition, our ESG performance has made reference to the GRI Standards in table format, which is indicated in the Appendices section of the Report.



**Vision of Sustainability** 

### **ESG STRATEGIC AREAS** Committee/Working System/Standard Policy/Statement/Guideline Group/Taskforce **OPERATING** • ISO 9001 • Safety, Environment, Whistleblowing Policy **PRACTICES** Quality, Energy, Quality Board Statement on Security (SEQES) Management Sustainability Committee System CSR and Sustainability Policy Innovation and Statement Development • Integrated (Quality and Environmental) Management Committee System Policy Crisis Management · Code of Conduct Team • Notice to Contractors/ Consultants relating to Hanison's Code of Ethics (the "Supplier Code of Ethics") Crisis Management Policy Statement Information Technology (IT) Policy **PEOPLE** Employee Relations • ISO 45001 Whistleblowing Policy and Communications Occupational • Board Statement on Health and Safety Committee Sustainability • Training Committee Management CSR and Sustainability Policy • SEQES Committee System Statement • CSR and Staff Handbook Sustainability · Code of Conduct Committee • Occupational Safety and Health Anti-pandemic Taskforce No Alcohol and Drug Policy Anti-smoking Policy **ENVIRONMENT** • SEQES Committee • ISO 14001 Whistleblowing Policy • CSR and • Board Statement on Environmental Sustainability Management Sustainability Committee System (EMS) CSR and Sustainability Policy Environmental Target • ISO 50001 Statement Working Group Energy EnMS Policy (ETWG) Management • Integrated (Quality and System (EnMS) Environmental) Management System Policy **COMMUNITY** • CSR and • HKQAA CSR Whistleblowing Policy Sustainability Advocate Mark Board Statement on Committee Sustainability CSR and Sustainability Policy Statement

# **KEY PRINCIPLES**

Hanison is dedicated to integrating key sustainability principles into every facet of our operations, influencing our corporate culture and interactions with clients, partners, and the community. Transparency and accountability are crucial to our strategy, evidenced by our commitment to continuous improvement and open communication of our sustainability progress, guided by international standards.

The Group's corporate ethos is rooted in ethical business practices, maintaining high levels of integrity and transparency throughout our operations, including supply chain management. We work to ensure all partners comply with our stringent sustainability and ethical standards, aiming to redefine ethical conduct in the construction industry through advocacy for fair labour practices and equitable treatment. Recognising that achieving our sustainability goals requires collaboration, we engage with suppliers, introduce new technologies with partners, and work closely with communities, regulators, and other stakeholders to innovate and drive regulatory advancements, underscoring the importance of both internal and external stakeholder engagement for success.

The Group is committed to taking a proactive stance toward climate action in particular and continue to review our internal environmental protection practices across all operations, from implementing and adhering to rigorous policies and targets, to educating our employees through conducting green-related training and communication channels. Hanison strives for continuous excellence in our sustainability performance through collaborative efforts with our business partners and clients aimed at the ultimate goal of achieving sustainability.

The Group's sustainable business practices involve environmental-related initiatives that comply with all applicable laws and regulations. Within our Construction Division and the Interior & Renovation Division, we have established Environmental Management Systems (EMS) and Energy Management Systems (EnMS) that comply with ISO 14001:2015 and ISO 50001:2018 standards, respectively. These systems are crucial in driving our efforts to mitigate environmental impacts. During the Year, there were no significant cases subject to non-compliance regarding environmental laws and regulations.

# SAFEGUARDING OUR ENVIRONMENT THROUGH INITIATIVES

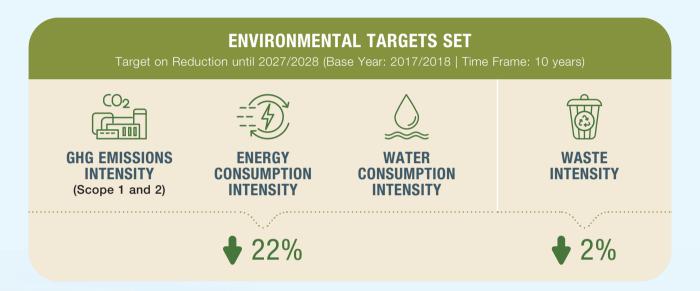
Our environmental initiatives and stewardship are centred around 3 core directions: green buildings, innovation and technologies, and environmental targets.



# **ENVIRONMENTAL TARGETS**

**Vision of Sustainability** 

The Group established the ETWG in 2021 to comply with the mandatory disclosure requirements on environmental targets in the HKEX's ESG Guide and to work towards achieving our vision. The ETWG set environmental targets based on the S.M.A.R.T principles, i.e. specific, measurable, attainable, relevant and time-bound, which include benchmarking against international and industry standards to continuously improve our environmental performance. Our commitment to setting environmental targets and accelerating efforts toward climate action is expressed in the Board Statement on Sustainability, which has been endorsed by the Board. The ETWG continues to communicate and implement measures throughout the value chain, regularly evaluate and monitor performance against the base year and targets, to ensure that we stay on track to achieve all environmental targets.



By aligning our environmental measures with the Group's green policies, the targets established by the ETWG, and the ISO 14001:2015 EMS certification, the Group has made steady progress towards achieving environmental targets.





# **NET-ZERO**

As mentioned in the Opportunities and Challenges section, the average global surface temperature has already increased by more than 1.1°C, with rises in both the frequency and intensity of extreme weather events. This rise in temperature and increase in extreme weather events is attributed to the accumulation of GHGs in our atmosphere and the impacts of climate change are affecting natural systems and people alike around the world.

Net-zero refers to the balance between the amount of GHG emissions produced and the amount removed from the atmosphere. Achieving net-zero is crucial in the global fight against climate change, aiming to stabilise and eventually reduce global temperatures in accordance with the Paris Agreement. This agreement, signed by 196 countries, targets limiting global warming to well below 2°C above pre-industrial levels, aiming for 1.5°C to significantly reduce the risks and impacts of climate change. Approximately 42.30% of the world's annual CO<sub>2</sub> emissions is generated by the built environment<sup>3</sup> and emissions from the production of cement, iron, steel, and aluminium used for infrastructure account for roughly 7.30% of the annual global CO emissions.4 The Group recognises that netzero emissions is a key issue that must be addressed. For Hanison, committing to netzero is not merely a regulatory compliance issue but a core aspect of our strategic vision for sustainable development. It involves rethinking and innovating our operational strategies, engaging with global sustainability trends, and contributing to the collective effort of securing a sustainable future for all.

# **GHG EMISSIONS**

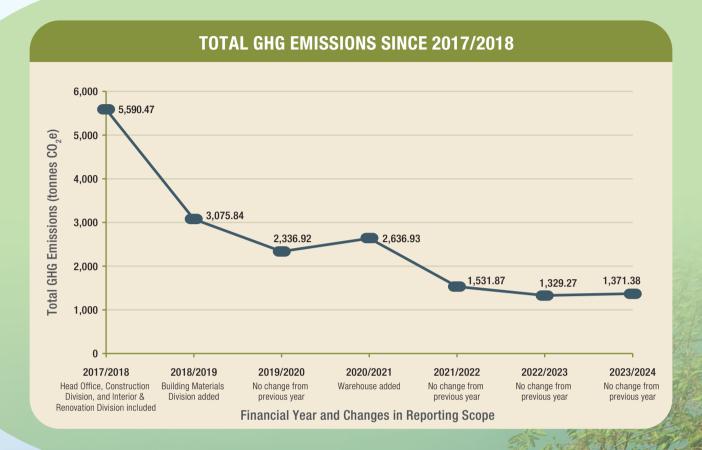
Hanison's operational GHG Emissions stem from Scope 1 and Scope 2 Emissions, we keep exploring the possibility of extension of GHG Emissions (Scope 3) but we understand that our upstream and downstream GHG Emissions (Scope 3) should account for the majority of our total GHG emissions. As such, to enhance transparency, the Group is working to broaden our monitoring and reporting of Scope 3 emissions data. We are constantly seeking new ways of integrating practices that reduce GHG emissions across all levels of our operations, from utilising streamlined planning in our constructions to implementing energyefficient technologies and waste reduction strategies. Our goal is to lead our peers to decrease our carbon footprint and demonstrate that sustainable operations are both viable and profitable.

In accordance with the reporting scope outlined in the Report, an independent certification body, i.e. the Hong Kong Certification Services International Limited, has successfully conducted verification of the GHG emissions for the Year.



https://www.architecture2030.org/why-the-builtenvironment/

https://www.architecture2030.org/why-the-builtenvironment/why-infrastructure/



	0004/0000		
<b>/</b> 	2021/2022	2022/2023	2023/2024
DIRECT GHG EMISSIONS (SCOPE 1)	<b>455.03</b> tonnes CO <sub>2</sub> e	<b>361.53</b> tonnes CO <sub>2</sub> e	<b>530.59</b> tonnes CO <sub>2</sub> e
ENERGY INDIRECT GHG EMISSIONS (SCOPE 2)	<b>822.61</b> tonnes CO <sub>2</sub> e	<b>796.36</b> tonnes CO <sub>2</sub> e	<b>636.96</b> tonnes CO <sub>2</sub> e
OTHER INDIRECT GHG EMISSIONS (SCOPE 3)	<b>254.23</b> tonnes CO <sub>2</sub> e	<b>171.38</b> tonnes CO <sub>2</sub> e	<b>203.83</b> tonnes CO <sub>2</sub> e
TOTAL GHG EMISSIONS (Scope 1, 2, and 3)	<b>1,531.87</b> tonnes CO <sub>2</sub> e	<b>1,329.27</b> tonnes CO <sub>2</sub> e	<b>1,371.38</b> tonnes CO <sub>2</sub> e
GHG EMISSIONS INTENSITY	<b>1.06</b> tonnes CO <sub>2</sub> e/ revenue in HK\$ million	<b>1.11</b> tonnes CO <sub>2</sub> e/ revenue in HK\$ million	1.04 tonnes CO <sub>2</sub> e/ revenue in HK\$ million

### **ENERGY**

The efficient and responsible use of energy forms a cornerstone of the Group's net-zero strategy. The Group understands that the use of energy is a material environmental topic for most businesses, and we strive to conduct examinations of our energy inputs to fully understand the specifics and patterns of our energy consumption. This analysis informs our need to shift towards cleaner and more sustainable energy sources, such as electricity from renewable sources and biodiesel, in line with global efforts to reduce GHG emissions. The combustion of fossil fuels, a primary source of GHG emissions, is a well-known contributor to climate change, and exploring transitioning to cleaner energy options allows us to significantly reduce our environmental footprint.

In addition to adopting cleaner energy sources, Hanison is committed to enhancing energy efficiency across all aspects of our operations. We have implemented a suite of energy-saving policies, systems, and technologies designed to minimise waste and optimise energy use. These initiatives range from installing energyefficient lighting and heating, ventilation, and air conditioning (HVAC) systems in our buildings to adopting smart building technologies that automate and optimise energy consumption. Not only do we contribute to the mitigation of climate change by improving our energy efficiency, but we also align our operational practices with our overarching goal of achieving net-zero emissions. Through these concerted efforts, Hanison is not only adhering to responsible energy usage practices but also aims to set a benchmark in the industry for sustainability and environmental stewardship.

The Group has appointed a certified third party to conduct annual energy audits for the Construction Division annually, specifically monitoring the consumption of energy-intensive machinery.



Enertainer is used to store the excessive electricity, mainly powering the tower cranes.

	2021/2022	2022/2023	2023/2024
TOTAL ENERGY CONSUMPTION	<b>3,470.57</b> MWh	<b>3,075.01</b> MWh	<b>3,532.37</b> MWh
ENERGY CONSUMPTION INTENSITY	<b>2,410.12</b> kWh/revenue in HK\$ million	<b>2,571.51</b> kWh/revenue in HK\$ million	<b>2,689.28</b> kWh/revenue in HK\$ million

# **ELECTRICITY CONSUMPTION**

	2021/2022	2022/2023	2023/2024
HEAD OFFICE	<b>410,333.92</b> kWh	<b>391,156.47</b> kWh	<b>435,187.71</b> kWh
CONSTRUCTION DIVISION (SITES)	<b>1,289,828.00</b> kWh	<b>1,270,311.00</b> kWh	<b>988,316.00</b> kWh
INTERIOR & RENOVATION DIVISION (SITES)	<b>0.00</b> kWh	<b>0.00</b> kWh	<b>5,309.00</b> kWh
TOTAL ELECTRICITY CONSUMPTION	<b>1,700,161.92</b> kWh	<b>1,661,467.47</b> kWh	1,428,812.71 kWh

# **FUEL CONSUMPTION**

	2021/2022	2022/2023	2023/2024
HEAD OFFICE	<b>47,897.30</b> litres	<b>84,045.28</b> litres	<b>65,887.26</b> litres
CONSTRUCTION DIVISION (SITES)	<b>122,354.12</b> litres	<b>52,366.00</b> litres	<b>134,053.00</b> litres
INTERIOR & RENOVATION DIVISION (SITES)	<b>0.00</b> litre	<b>0.00</b> litre	<b>0.00</b> litre
TOTAL FUEL CONSUMPTION	<b>170,251.42</b> litres	<b>136,411.28</b> litres	199,940.26 litres

# PERCENTAGE OF SUSTAINABLE FUEL CONSUMPTION

	2021/2022	2022/2023	2023/2024
B5 BIODIESEL	<b>27.07%</b> of Total Fuel Consumption	<b>27.91%</b> of Total Fuel Consumption	<b>18.32%</b> of Total Fuel Consumption

# CIRCULARITY

Circularity, or the circular economy, is aimed at eliminating waste and the continual use of resources and is tied to the concept of netzero. This model is particularly pertinent to the construction industry, which traditionally generates significant waste and consumes vast quantities of materials. The construction sector is one of the largest consumers of raw materials globally and is responsible for a considerable portion of waste generation. Hanison aims to disrupt this trend by looking into and implementing plans to design out waste, keep products and materials in use, and effectively use natural resources. This approach not only helps in reducing our environmental footprint but also aligns with global sustainability goals and the increasing regulatory focus on resource efficiency and waste reduction.

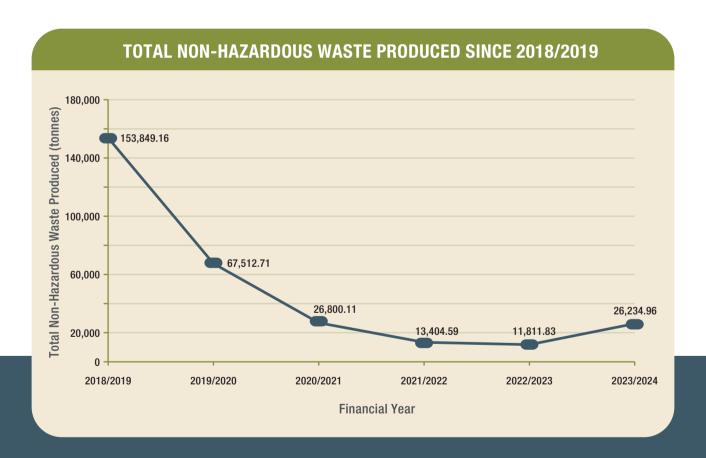


# **WASTE**

The Group recognises the importance of circularity in minimising environmental impact, particularly in the resource-intensive construction industry. Our focus is on reducing waste at its source and enhancing our recycling and repurposing efforts to decrease overall waste generation and improve resource efficiency. To manage waste effectively, the Group has continued to implement protocols for sorting and segregating materials at our construction sites, in accordance with legal and contractual obligations. These practices not only help us comply with regulations but also support the broader goals of the circular economy by reducing the need for new materials and minimising waste. Additionally, we track waste disposal data at our Head Office, an initiative that started in the financial year 2020/2021. This effort complements our ongoing employee education through green workshops, trainings, introduction of the Group's sustainability in NSO, to promote waste reduction strategies and encourage a culture of sustainability across the Group. Through these actions. Hanison is committed to leading in sustainability within the construction sector, prioritising waste reduction and efficient resource use to drive progress towards a more sustainable future.

#### **NON-HAZARDOUS WASTE PRODUCED**

	2021/2022	2022/2023	2023/2024
GENERAL WASTE IN HEAD OFFICE	<b>5.37</b> tonnes	<b>5.53</b> tonnes	<b>5.39</b> tonnes
CONSTRUCTION DIVISION (SITES)	<b>13,024.82</b> tonnes	<b>11,408.44</b> tonnes	<b>21,294.74</b> tonnes
INTERIOR & RENOVATION DIVISION (SITES)	<b>379.77</b> tonnes	<b>403.39</b> tonnes	<b>4,934.83</b> tonnes
TOTAL AMOUNT OF NON-HAZARDOUS WASTE PRODUCED	<b>13,404.59</b> tonnes	<b>11,811.83</b> tonnes	<b>26,234.96</b> tonnes
PERCENTAGE OF CONSTRUCTION WASTE SENT TO FILL BANKS AND SORTING FACILITIES	81.68%	89.52%	82.60%



#### **HAZARDOUS WASTE**

As a responsible organisation, we are acutely aware of the risks that hazardous waste poses to health, safety, and the environment. To mitigate these risks, we ensure that all hazardous waste generated in our offices, including fluorescent lamps and electrical equipment, is handled with the utmost care. We engage only licensed and qualified waste collectors to manage the pickup and disposal of such materials. This practice not only ensures compliance with environmental regulations but also safeguards our community and the ecosystem from potential harm caused by improper waste handling.

Vision of Sustainability



#### RECYCLING

A key aspect of advancing towards a circular economy is waste recycling. The Group recognises that while recycling technologies have significantly evolved, not all waste types are able to be processed. This understanding drives our continuous pursuit of improvement opportunities in waste management. Recycling remains a key strategy in our waste reduction efforts, and we actively seek ways to leverage it to minimise our environmental footprint. By integrating robust recycling protocols into our environmental policies, we ensure that both our office environments and construction sites adhere to best practices in waste management and contribute to our goals.

To reinforce a green corporate culture among our employees, we employ multiple strategies aimed

play a crucial role in this effort. Hanison educates employees green conservation concept through various training and activities. Sharing green tips via internal communication email, producing sustainability-related video and promoting sustainability via social media mark effective communications to our stakeholders. Additionally, the Group participates in public recycling campaigns to raise awareness of the importance of incorporating recycling practices into all industries.

Through these collective efforts, we aim to foster an environmentally conscious workforce that actively contributes to our sustainability objectives.



### **RECYCLING MEASURES TAKEN**



ALUMINIUM CANS AND PLASTIC BOTTLE RECYCLING



TRI-COLOURED RECYCLING BINS



**CARDBOARD RECYCLING** 



### **RECYCLABLES COLLECTED**

	2021/2022	2022/2023	2023/2024
RECYCLED WASTE PAPER	<b>10.03</b> tonnes	<b>4.41</b> tonnes	<b>4.46</b> tonnes
RECYCLED METAL	<b>371.49</b> tonnes	<b>77.47</b> tonnes	<b>341.25</b> tonnes
RECYCLED CONCRETE	<b>566.90</b> tonnes	<b>435.98</b> tonnes	<b>246.26</b> tonnes

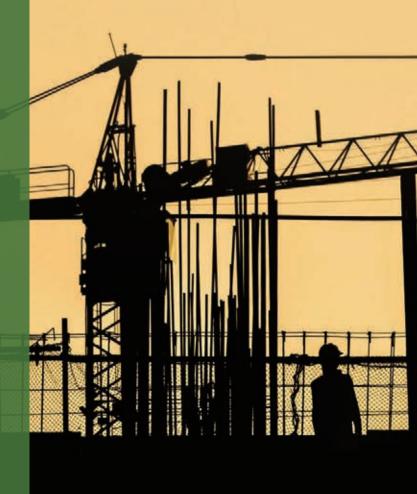


# CHANGE-BUILDERS: OUR PEOPLE

Our people, in every capacity and like in construction industry, are the change-builders, who drive Hanison's success and shape the evolution of our business practices. Our strength and capacity for innovation stems from the entire ecosystem of stakeholders, from our employees to our customers. We see every interaction and relationship as an opportunity to explore, challenge, learn and grow together, fostering a frank and collaborative environment that advances our shared goals for sustainability and innovation.

As the cornerstones of our success and the true change-builders, our people possess unique skills, diverse perspectives, and collective commitment to excellence that not only drive our day-to-day operations but also shape the future of our enterprise. Recognising the critical role that our employees play, we place significant importance in their development and well-being, striving to foster an environment where they can thrive both professionally and personally. This approach is rooted in the understanding that when our people grow, so does our business. We empower our employees to take initiative, innovate, and lead projects that push the boundaries of what is possible in the construction and property development sectors. Their ability to adapt and innovate ensures that we remain at the forefront of the industry, continually improving our processes and outcomes in line with our sustainability and growth objectives.

Our employees are change-builders who are integral to driving sustainable practices within the industry. Their active participation in our sustainability initiatives is crucial as we strive to meet our ESG and sustainability goals. By examining ways to involve them in the decision-making process, from the grassroots to the boardroom, we harness their insights and energies in crafting solutions that have a positive impact on the community and the environment. This inclusive approach not solely enhances our operational effectiveness but also strengthens our commitment to ethical practices and community engagement. As change-builders, the dedication and proactive engagement of our employees are instrumental in building a resilient and sustainable business that not only anticipates and reacts to changes within the market but also actively contributes to societal well-being.



### **EMPLOYMENT**

#### **KEY EMPLOYEE FIGURES**

### THE GROUP'S TOTAL WORKFORCE5



526 (96.87%)

Number of Employees

By Grade and Gender

402 4 (74.03%) (25.97%)

By Age

Full-time

Director

Manager

Part-time

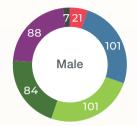
Senior Manager

17	(3.13%)	

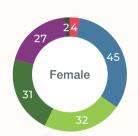
		25 or below
14	$\bigcirc$	26 - 35
		36 - 45
16	2	46 - 55



91 35







### **VOLUNTARY TURNOVER** RATES (VTR)

Assistant Manager or below

Labour and Contract

Technical Assistant

By Age	and	Gender

25 or below	23.53%	80.00%
26 - 35	39.57%	39.47%
36 - 45	30.27%	31.58%
46 - 55	27.33%	10.71%
56 - 65	14.19%	21.43%
66 or above	18.18%	0.00%

# By Business Division



28.25%



19.72%



Interior & Renovation

35.29%

### Return to Work Rate

Parental Leave

Out of 402 entitled male employees took paternity leave

Out of 141 entitled female employees took maternity leave

**Building Materials** Division

Division

61.40%

Employees are defined as persons who are in a direct employment relationship with the Group or its subsidiaries. The Group's total workforce includes employees hired for all operations, including Construction Division, Interior & Renovation Division, Building Materials Division, Property Investment Division, Property Development Division, Property Agency and Management Division, and Health Products Division. Workers hired by subcontractors are not included in the Group's HR data record system. The employee numbers are expressed in the number of headcounts as of 31 March 2024.

The VTR reflects the number of employees who leave employment voluntarily.

#### **BENEFITS**

Hanison provides a wide range of market-driven benefits for eligible full-time employees, primarily aimed at enhancing staff well-being and ensuring the retention and attraction of talent. These fringe benefits encompass protective insurance, statutory-based leave, family-friendly leave, health checkups, discretionary bonuses, generous retirement coverage, share option schemes, gifts for employees' weddings and newborns, among other initiatives. During the Year, we have newly instituted a 5-day workweek for our sites, which serves as a pioneer, among few others, in construction industry so as to facilitate work-life balance further.

# OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is not just a regulatory requirement for the Group; it is a cornerstone of our operational ethos. In previous years, it was one of our most significant material topics but this Year, it has been risen to become the most material topic as a result of the stakeholder engagement exercise; this underscores our commitment to continuously enhancing the quality and capability of our safety practices. The Group is dedicated to maintaining an exceptionally high standard of occupational health and safety across all our target groups,

including our employees, subcontractors, and the broader community. Our efforts are guided by compliance to legal and regulatory frameworks, as well as our well-established Occupational Safety and Health Policy. Our occupational health and safety management system certified by the robust ISO 45001:2018 standard was applied to all types of work and activities covering our construction sites in an effort to strive for safety and hygiene excellence.

In our pursuit to exceed basic compliance and foster a safer workplace, in addition to safetyrelated training, regular meetings, audits and inspections, Hanison integrates advanced technologies and innovative solutions that contribute to reducing risks and minimising preventive occupational injuries. For instance, the use of battery-powered transportation robots equipped with remote safe lifting hooks on our projects not only boosts productivity but also significantly enhances the safety of our work environments. These technologies are part of our strategic approach to health and safety management, which prioritises the well-being of every individual associated with our operations. By continuously improving our safety measures and adopting cutting-edge solutions, we are in stringent partnership with the advanced standards in occupational health and safety within the industry.



Haulerbot

### **SAFETY PERFORMANCE**

As previously mentioned, the Group's dedication to achieving the highest standards of workplace safety is unwavering; we continue to explore potential areas to implement and refine measures aimed at mitigating the risks inherent in our operations. Hanison strives to not only ensure the protection of our valued employees but also set a benchmark for safety within the construction industry.

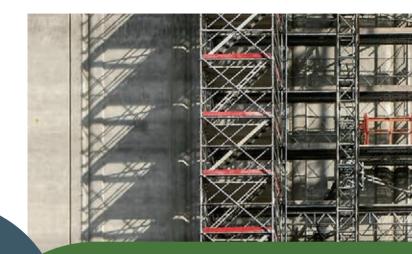


CIC "Life First" 2023 Walk the Talk Award Silver Award



	ACCIDENT RATE PER 1,000 WORKERS	DAYS LOST DUE TO THE WORK INJURIES <sup>8</sup>
CONSTRUCTION DIVISION	8.19	2,841
INTERIOR & RENOVATION DIVISION	7.28	536
BUILDING MATERIALS DIVISION	0.00	0

WORK-RELATED FATALITIES IN THE PAST 5 YEARS 0





Link CAPEX Contractors Construction Site Safety Award 2023 Bronze Award



We adopt the same definition of work-related injuries that are reportable under the Employees' Construction Ordinance (Cap. 282), i.e. resulting in incapability for more than three days.

Some of the lost days may be due to the work injuries that occurred in 2022/2023.

### SAFEGUARDING EMPLOYEE HEALTH

Vision of Sustainability

Over the last decade, Hanison has upheld a smoke-free work environment, implementing a rigorous Anti-Smoking Policy to protect employee health and mitigate the hazards associated with second-hand smoke. In collaboration with the Lok Sin Tong Benevolent Society Kowloon, an NGO, Hanison has actively supported the "Smoking Cessation Program in Workplace" since its inception in 2013.



Anti-smoking education to employees on construction site

Additionally, the Group enforces the No Alcohol and Drug Policy to further ensure the well-being of its workforce. To promote physical health and mental wellness, Hanison establishes various sports team such as table tennis, football, and participates in various industry and corporate sports tournaments. To engage employees enjoying exercise with their families, the registration fee of walking initiatives, running competition and other sporting events was sponsored by the Group. Hanison also encourages participation in first aid course and health talk, and holds various mental relieving workshops, to bolster support for employees' physical and mental health within the workplace.



Employees and their families' participation in FOODSPORT Hunger Run

# DIVERSITY, EQUITY AND INCLUSION

Fostering a culture of diversity, equity and inclusion (DEI) is an important aspect of success in leading business entities. The Group recognises this, and is dedicated to further promoting DEI. We actively endeavour to challenge the traditional male dominance within our industry by enforcing a strict policy against discrimination, working to ensure inclusivity across various dimensions, such as gender, ethnicity, age, family status, religion, and disability. Hanison firmly believes that the work environment should not only be free from harassment but also rich in DEI. Our commitment is deeply embedded in our Human Capital Management (HCM) policies, which support our

core principles of equality across the organisation. Even though our Board currently has an average age of over 50, we are prepared to make necessary adjustments in our governance to reflect a more diverse and gender-balanced board in line with upcoming legislative changes. This readiness to evolve not only keeps us compliant with emerging regulations but also enhances the multiplicity of thought and leadership within our Group.

REPORTED CASES IN CONNECTION TO THE CORE LOCAL LEGISLATIONS OF DISCRIMINATION IN THE YEAR<sup>9</sup>

0

Includes the Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), and Race Discrimination Ordinance (Cap. 602).

### CHILD AND FORCED LABOUR

In the materiality assessment for the Year, Child and Forced Labour was one of the topics that was of concern to the Group's stakeholders. We maintain a strong commitment to upholding human rights, and as a responsible entity in the construction industry of Hong Kong, we have a zerotolerance policy towards child and forced labour in our operations and throughout our supply chain. This stance is in strict adherence to the Employment Ordinance (Cap. 57) and other applicable legal standards, ensuring that our practices are not only ethical but also compliant with local and international regulations. The vigilance in enforcing these standards is critical, even in regions like Hong Kong where the risk of such unethical practices is considered low.

During the Year, Hanison has successfully and consistently maintained a record free of any incidents or legal actions related to child and forced labour. This achievement underscores our effective management and operational frameworks, which are designed to rigorously monitor and prevent any form of labour abuse within our organisation and its associated networks. Our proactive measures and ongoing diligence reflect our corporate responsibility efforts, reinforcing our commitment to ethical labour practices and the protection of all individuals within our sphere of influence.



### **NURTURING OUR PEOPLE**

As the pledge of our Group is rooted in our people, Hanison is committed to excellence in fostering the growth and development of our talents. This philosophy not only sustains our succession plan and thus talent retention, but it also makes us an employer of choice. We are dedicated to building a workforce that is efficient, skilled, and aligned with our mission to "grow our people with commitment". Each year, our Human Resources (HR) Team carefully formulates an annual training plan based on a yearly comprehensive training needs analysis, supported by resources approved by the Training Committee. This focused approach is key to concentrating on the real needs of competence, unlocking the potential of our employees and driving organisational success.

As COVID-19-related restrictions have been eased. our HR Team has effectively collaborated with both internal and external training providers to refine the methods adopted during the pandemic, including more flexible options like remote virtual and hybrid sessions. This ensures accessibility and convenience for all eligible staff members while maintaining high training standards. Additionally, our established performance management system, which involves detailed annual reviews covering salary, bonuses, promotions, and evaluations of new hires through mandatory formal performance appraisals, underpins our strategy for talent development and retention. This comprehensive and adaptive approach is vital for nurturing and maintaining high-calibre talent, pivotal to the Group's long-term success.





### **TECHNICAL COURSES**

- BIM
- MiC



### **OTHERS**

- Management
- HR Management



Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillation (AED) Training

#### **EMPLOYEE TRAINING OVERVIEW**<sup>10</sup>

	EMPLOYEES TRAINED BY GENDER (PERSONS)	TRAINING HOURS BY GENDER (HOURS)
MALE	149	763.00
FEMALE	54	251.25
TOTAL	203	1,014.25

TOTAL TRAINING Hours	1,014.25 hours
PERCENTAGE OF EMPLOYEES TRAINED <sup>11</sup>	36.25%
AVERAGE TRAINING HOURS PER EMPLOYEE <sup>12</sup>	1.81 hour

# **EMPLOYEES TRAINED**

BY GENDER AND GRADE (PERSONS)13

	MALE	FEMALE
DIRECTOR	7	0
SENIOR MANAGER	6	0
MANAGER	14	6
ASSISTANT MANAGER OR BELOW	118	46
LABOUR AND CONTRACT TECHNICAL ASSISTANT	4	2

### **AVERAGE TRAINING HOURS**

PER EMPLOYEE TRAINED BY GENDER AND GRADE (HOURS)13

	MALE	FEMALE
DIRECTOR	2.88	0.00
SENIOR MANAGER	2.03	0.00
MANAGER	3.07	10.61
ASSISTANT MANAGER OR BELOW	2.35	1.82
LABOUR AND CONTRACT TECHNICAL ASSISTANT	0.07	0.07

<sup>10</sup> The training-related figures and all related calculations used were based on the records in the calendar year ended on 31 December 2023, which is in line with the Group's HR data record system.

The percentage of employees trained: number of employees who took part in training/total number of employees (560) at the end of 2023 x 100%.

<sup>12</sup> The average training hours per employee: total number of training hours/total number of employees (560) at the end of 2023.

<sup>13</sup> For the details of employees trained in relevant categories and average training hours per employee in relevant categories, please refer to the Key Performance Indicators of the Appendices section of this Report.

# EMPLOYEE COMMUNICATION AND ENGAGEMENT

Maintaining strong employer-employee relations is crucial to the success of Hanison. Its importance is recognised time and again, and reflected in the inclusion of Employee Compensation and Benefits, Well-being and Engagement as one of the most material topics for our stakeholders. The Group works to achieve effective relations through consistent and effective communication and engagement with our employees. Continuous interaction helps us grasp the needs and desires of our talent, boosting morale and fostering a positive

mindset. The Group actively promotes employee well-being, recognises achievements, and ensures vital communication, all contributing to a satisfying and productive work environment. Hanison shares corporate updates with employees through newsletters sending, as well as seeks feedback from employees through regular focus groups and Employee Experience Survey. The Group was awarded the Happy Company 10 Years+ in 2024.

#### **WELL-BEING**



Leather workshop



Christmas wreath workshop

#### RECOGNITIONS





Long Service Award presentation to the employees with 30-year (left) and 25-year (right) service in Hanison



Staff Appreciation Award presentation

# **CASE STUDY**

### Succession of Youth for Sustainable Growth

#### All-rounded Youth Development at Hanison

Hanison is deeply committed to the development of our younger talents, recognising that their growth is integral to our future success. Through a variety of corporate activities including but not limited to on-the-job (OTJ) and competence based training (CBT) courses, the Group actively encourages their participation, providing them with opportunities to enhance both their technical and social skills. Our investment in sports teams, for example, is not just about physical health but also about cultivating leadership, teamwork, and strategic thinking, and sense of belonging to Hanison.

# **Table Tennis Competition of the Corporate Games 2023**



Men's Doubles Group A Champion



Men's Singles Group A 1st Runner-up

With the designated HR team for training and development and the policy of training sponsorship, our employees are well-supported and equipped to fulfil the competence of professional engineer in the Hong Kong Institution of Engineers (HKIE) Scheme A Training and Graduate Trainee Programme, so as to develop on a professional goal-driven career path.

Apart from the professional development, Hanison encourages young talents to engage in corporate activities for creating unique memories and lightening fruitful work life.

A strong emphasis is also placed on inclusive communication efforts. In addition to scheduled Engineer Supervisor's meetings and mentorship program between directors and young trainees, the focus groups are primarily composed of younger employees. This approach not only fosters a culture of open dialogue and collaboration but also ensures that their new and unique perspectives are incorporated into our strategic processes, thereby enhancing their engagement and investment in our corporate mission. The Group's leadership also engages with the younger employees, where the young professionals can receive direct feedback and guidance on their career progression.



Focus Group – Tea Gathering and Internal Communication Forum



Young talented MC at annual dinner



Ambassador from Hanison in university career fair and talk



Hanison Band at annual dinner

### **Hanison Young Professional Committee (YPC)**

In 2018, Hanison established the YPC, an internal group of our young professionals, including graduate engineers, trainees, and eligible younger colleagues. The committee has now extended to the entire Group's under-30 employees. Formed with the purpose of facilitating professional growth and community involvement in this group of individuals, the YPC embodies our commitment to nurturing the next generation of employees within Hanison. The aim is to develop key competencies among its members, such as project management, communication, teamwork, creativity, and leadership, through the planning and execution of an annual community investment project. Not only does this project serve as a platform for professional development but also significantly contributes to societal well-being.

This Year, a highlight of the YPC's annual activities is the "Hanison YPC Food Recycling Experiential Tour", conducted in partnership with the People Service Centre. This initiative involves our members together with their families in direct community service, focusing on food waste collection, screening, and redistribution. Aimed at addressing resource misallocation, this food recycling project benefits the elderly and low-income families in the district.





"Hanison YPC Food Recycling Experiential Tour"

# CATALYSTS FOR SUSTAINABLE CHANGE

# GOVERNANCE STRUCTURE

Hanison is fully committed to sustainability and places a strong emphasis on sustainability governance. Our dedication to and success in aligning our business operations and community contributes to robust ESG governance strategies and frameworks reflecting our aspirations and responsibility. Continuously pushing the boundaries of our sustainable development, we embody sustainability as a core value of the Group.

### **BOARD ENGAGEMENT**

The Board has the overall responsibility of overseeing and managing ESG and sustainabilityrelated risks through integrating governance in ESG into the Group's corporate structure and business operations. The Board is also responsible for the reporting of relevant ESG and sustainability development to communicate ESG risks and sustainability initiatives to stakeholders. In January 2022, the board-level engagement in ESG was enhanced through the first issuing of the Board Statement on Sustainability to demonstrate our commitment and dedication to sustainability. The statement elaborates upon the Board's accountability for the Group's ESG strategies and ESG report approval, and is updated and reviewed annually.

# CSR AND SUSTAINABILITY COMMITTEE

The CSR and Sustainability Committee (formerly the "CSR Committee"), established in 2013, is a delegated body of the Board and is required to conduct regular reporting to the Managing Director, who reports to the Board. The Committee is chaired by a director, facilitated and convened by the Head of CSR and Communications, and comprises subsidiary directors from various key business divisions and representatives of supporting departments with the support of various committees and working groups. The

Committee meets three to four times annually to formulate the Group's ESG roadmap and strategy, facilitate the execution of annual action plans, review key performance indicators and initiatives, and track progress in achieving sustainability and ESG-related targets to ensure that sustainability principles are embedded in daily business operations and the decision-making process. These activities are conducted with the intention of creating values on both short-term and long-term impacts of ESG and sustainability towards the Group's development in accordance with compliance.

### **RISK MANAGEMENT**

The Group understands that relevant ESG risks have the potential to affect, and therefore are of concern to, our valuable stakeholders. Thus the Group is highly attentive and aware of these risks, dedicating the necessary effort to overseeing and addressing these risks. The Risk Management Committee, Audit Committee, and other operating units are supported. Reviewing our well-established risk management and internal control systems regularly has assured the effectiveness of the Group's internal control and regulatory risk management. For further details of our risk management, please refer to the Group's 2023/2024 Annual Report.

### **ANTI-CORRUPTION**

The complications of the supply chain in the construction industry involving extremely large sums of money and labour creates a high risk of corruption or attempted corruption. As one of the most material topics to our stakeholder groups this Year, anti-corruption is a very important topic to the Group. We believe that goodwill is constructed from fair, honest, trustworthy, and transparent business practices that are critical to achieving long running and sustainable success in business. From the complexity and opaqueness of the supply chain in the construction industry to the day-today business operations. Hanison is committed to abiding by an extremely high standard of business integrity and ethics with zero tolerance in any area of corruption, including but not limited to bribery, extortion, fraud, and money laundering. In accordance with the Prevention of Bribery Ordinance (Cap. 201), Hanison has established the Code of Conduct and Supplier Code of Ethics which are applicable to all companies of the Group.

As such, all employees are prohibited from soliciting, accepting or offering illegal advantages, presents or entertainment in any kind of form from business partners, including but not limited to suppliers and subcontractors. These measures are for preventing actual and perceived conflicts of interests. All employees must strictly comply with relevant laws and regulations. To maintain high standards of business ethics, corporate governance, and responsible business practices, the Group's Whistleblowing Policy provides a confidential communication channel for employees to report their concerns on any suspected cases of misconduct, malpractice, impropriety, irregularity, or non-compliance found within the Group. Fair investigation of whistle-blowers and timely followup actions will be taken against substantiated allegations or complaints. During the Year, the Group did not receive any concluded legal cases regarding corruption in which employees were involved or brought against the Group.

A compulsory training session conducted by the Independent Commission Against Corruption (ICAC) is provided for all newcomers. Furthermore, enhanced training sessions are provided for senior-ranked employees, including directors, intermittently. Employees receive anti-corruption and integrity training from time to time. In 2023, induction or refresher training sessions on anti-corruption and integrity were provided to employees including six directors<sup>14</sup>, comprising 42.86% of the total number of the Group's directors.

# ANTI-COMPETITIVE BEHAVIOUR

The Group strictly prohibits any anti-competitive behaviour during tendering, subletting and procurement processes in order to maintain fairness and integrity in compliance with the Competition Ordinance (Cap. 619). As a key component to building a strong, cautious, and prudent value chain, fairness is an important consideration to the Group. During the Year, the Group received no suspected and reported cases pertaining to misuse of market power.

# ENVIRONMENTAL COMPLIANCE

During the Year, the Group remained in compliance with all applicable environmental laws and regulations related to air pollution, water pollution, general waste, and chemical waste. Our dedication to environmental stewardship is demonstrated by our efforts to reduce any negative impacts on the community. No fine in a noncompliance case was reported during the Year.

The training-related figures and all related calculations used were based on the records in the calendar year ended on 31 December 2023, which is in line with the Group's HR data record system.

# **INTELLECTUAL PROPERTY (IP) RIGHTS**

Valuing data privacy and respecting IP rights are top priorities for our Group, reflected in the outcome of our materiality assessment. It is the obligation of our employees to safeguard the IP rights specified in the IP protection policy outlined in our Staff Handbook and Supplier Code of Ethics, while also fully complying with all relevant laws and regulations. When it comes to software and hardware licences, our IT Department and employees must ensure that their daily practices are both lawful and ethical. They are required to comply with the Copyright Ordinance (Cap. 528) and follow the corresponding policies and procedures established by the Group.

# **QUALITY MANAGEMENT AND ASSURANCE**

In recognition of the importance of ensuring excellence, the Group has implemented the Quality Management System, so as to meet contractual requirements and to meet all requirements of ISO 9001:2015 Standards; all employees are required to work in accordance with the quality assurance-related policies, process and recall procedures specified in the Quality Manual, Standard Operating Procedures and associated Work Instructions.

# INNOVATION

Innovation is at the heart of Hanison's sustainability vision. From adopting cutting-edge technologies to incorporating new strategies into our businesses, we constantly endeavour to be pioneers in the continuously adapting world. We constantly look for new technologies to significantly enhance the efficiency, safety, and reduction of the environmental footprint of our construction projects. These technologies, coupled with precise planning and waste minimisation, are instrumental in advancing our goals of reducing GHG emissions and other environmental impacts, and are key to helping the Group align with our sustainability targets.



# **CASE STUDY**

# Modular Integrated Construction (MiC) – Kai Tak

In the Group's ongoing commitment to innovation and operational efficiency, we are proud to announce the successful implementation of MiC technology in the project of the transitional housing at Area 1B2, Muk On Street, Kai Tak for Tung Wah Group of Hospitals. This initiative marks Hanison's first venture into MiC, seamlessly integrated with BIM technologies, setting a new benchmark for construction efficiency within our portfolio.





Bulk production of MiC in factory in mainland China



Well-protected mock-ups for delivering to sites

The Kai Tak project, completed and occupied in early 2024, represents a significant milestone in our construction practices, having been delivered in just about 15 months – a timeline substantially shorter than typical industry standards. This acceleration not only significantly reduced the waiting time for public housing but also played a crucial role in addressing the pressing land and housing shortage in Hong Kong, thereby enhancing community well-being.

Utilising 4D simulations, our team was able to meticulously plan and visualise the entire assembly sequence of the project right from its initial phases. This advanced planning facilitated a streamlined and precise coordination of style, quantity, and the production sequence of the modules. These components were efficiently produced and assembled in a controlled factory environment before being transported to the site. This method ensured that every aspect of production and delivery was aligned with the construction schedule on site, thereby improving the overall project coordination, management, and execution.

The combined use of MiC and BIM technologies has proven crucial in tackling project flow challenges, allowing for better prediction and management of project timelines and resources. The strategic use of this new technology has allowed us to overcome traditional construction bottlenecks, enhancing overall project execution and coordination. The strategic integration of MiC and BIM technologies not only exemplifies the Group's commitment to pioneering sustainable construction practices but also underscores our dedication to improving the quality and timelines of our projects, ultimately benefiting the communities we serve.

# **CASE STUDY**

# **Hong Kong Science Park**

The Group continuously seeks innovative and adaptive solutions to improve the performance, operational efficiency, design excellence, and safety of our projects. One such case would be the integration of leading technologies into our project, the Hong Kong Science Park Expansion Stage 2 (SPX2) Building 12W-A – Laboratory. A central integration of this project is the adoption and application of BIM, which encompasses a comprehensive suite of tools and processes, including a CDE, Design Authoring, and advanced 3D Construction Coordination. Our BIM approach integrates Sustainability Evaluation, Cost Estimation through 5D Quantity Take-Off (QTO), and Phase Planning with 4D Modelling, providing a dynamic visualisation of the construction sequence. This visualisation can allow for better site logistics, utilisation, and overall planning. This detailed planning extends to Site Utilisation and As-Built Modelling, ensuring meticulous oversight throughout the lifecycle of the building.



In parallel, the Digital Works Supervision System (DWSS) is also being implemented to enhance quality control, safety, and reporting. This system includes modules for daily site records, safety inspections, and labour returns, all aimed at maintaining high standards of site management and worker safety. To further enhance our commitment to safety, the Group has also implemented the Smart Site Safety System (SSSS), which introduces a Centralised Management Platform (CMP), integrating technologies such as Smart Lock Control and Tower Crane Alerts, alongside innovative tools like Smart Watches and Virtual Reality (VR) Training for confined spaces. These technologies not only enhance safety but also ensure seamless operations and risk management.



Confined space data monitoring



Smart lock for prohibition of entry to dangerous zone

# **BEAM PLUS NEW BUILDINGS ASSESSMENT**

We are pleased to share that our dedication to sustainable construction has been recognised with significant accolades. Our EIGHT STAR STREET project in Wan Chai, Hong Kong, was awarded the BEAM Plus New Buildings Version 1.2 Final Platinum, reflecting our commitment to environmental sustainability and innovation in green building practices. Additionally, our Tai Po Tung Cheong Street Leisure Building Project in Tai Po, New Territories, Hong Kong was awarded the BEAM Plus New Buildings Version 1.2 Final Gold certification. These achievements highlight our capability to meet and surpass rigorous environmental standards, underscoring our role in enhancing the sustainability of urban developments; they also serve to reaffirm our continuous commitment to sustainable building excellence.





EIGHT STAR STREET







Tai Po Tung Cheong Street Leisure Building



# OUR OPERATIONAL FOOTPRINT

When examining the Group's operations, we recognise that our activities can result in impacts to a variety of ecosystems and stakeholders beyond the key aspects mentioned earlier in the Report. To enhance our reporting on these subjects and broader operational matters, we have incorporated data guidelines from multiple standards to improve the transparency of our operational footprint.

### **WATER**

At Hanison, we recognise the importance of responsible water management given the potential adverse impacts of water overuse and contamination. Although Hong Kong's water supply remains stable, we are committed to reducing our environmental footprint; our initiatives include employing wastewater reuse systems to repurpose surface runoff and grey water for construction site operations, and utilising rainwater harvesting for cooling systems and toilet flushing. We remain dedicated to continuously improving our water management practices to ensure sustainable usage.



#### **WATER CONSUMPTION SINCE 2020/2021**

	2020/2021	2021/2022	2022/2023	2023/2024
HEAD OFFICE	<b>539.72</b> m <sup>3</sup>	<b>503.95</b> m <sup>3</sup>	<b>500.65</b> m <sup>3</sup>	476.18 m³
CONSTRUCTION DIVISION (SITES)	<b>31,396.68</b> m³	<b>23,399.00</b> m³	<b>24,362.15</b> m³	<b>22,104.00</b> m³
INTERIOR & RENOVATION DIVISION (SITES)	<b>2,669.45</b> m <sup>3</sup>	<b>0.00</b> m³	<b>0.00</b> m³	<b>5.00</b> m³
TOTAL WATER CONSUMPTION	<b>34,605.85</b> m <sup>3</sup>	<b>23,902.95</b> m³	<b>24,862.80</b> m³	<b>22,585.18</b> m³
WATER CONSUMPTION INTENSITY	<b>24.85</b> m³/ revenue in HK\$ million	<b>16.60</b> m³/ revenue in HK\$ million	<b>20.79</b> m <sup>3</sup> / revenue in HK\$ million	17.19 m³/ revenue in HK\$ million

### **AIR EMISSIONS**

The Group has continued to monitor and manage our environmental impact in the topic of air emissions by collecting detailed data on the mileage and fuel consumption of the Group's mobile vehicles. This initiative is part of our broader effort to accurately track and report air emissions. Our analysis this Year revealed that there was no significant impact as a result of air emissions from the Group during the Year. The three electric vans purchased in previous financial year have been in use in our operations; additionally, three new private electric vehicles (EVs) were purchased for general office use.

AIR POLLUTANTS	AIR EMISSIONS	
NITROGEN OXIDES (NO <sub>x</sub> )	<b>0.63</b> tonnes	
SULPHUR OXIDES (SO <sub>x</sub> )	<b>0.0009</b> tonnes	
PARTICULATE MATTER (PM)	0.05 tonnes	

### **MATERIALS**

The Group is acutely aware of the increasing demand for natural resources and the subsequent strain this places on ecosystems, as well as the individuals and animals involved in resource extraction and processing. In the construction sector, where material use is inevitable and integral to operations, we prioritise minimising our consumption and enhancing the efficacy of our recycling efforts. Our approach is centred around efficient waste and resource management to reduce the environmental impact of our operations.

To optimise our use of materials and minimise waste, we employ advanced technological solutions such as BIM. This technology allows

us to detect potential design conflicts early in the planning stage, thereby preventing overuse of materials during construction. Additionally, we have integrated Enterprise Resource Planning (ERP) systems across our construction operations. This implementation enables us to meticulously gather, record, manage, and analyse data concerning material usage and procurement. These tools and strategies are vital components of our commitment to not only increasing recycling rates but also reducing unnecessary material wastage, aligning with our sustainability goals and reducing our overall environmental footprint.

#### **MATERIALS USED**

	2021/2022	2022/2023	2023/2024
STEEL	<b>6,444.42</b> tonnes	<b>6,304.20</b> tonnes	<b>4,396.72</b> tonnes
CONCRETE	<b>51,596.16</b> tonnes	<b>54,615.36</b> tonnes	<b>22,801.40</b> tonnes
PAPER	<b>17.17</b> tonnes	<b>13.96</b> tonnes	<b>7.92</b> tonnes

### **PROCUREMENT**

The supply chain is a critical component across all industries, encompassing a diverse network of stakeholders including subcontractors, material suppliers, consultants, and other service providers. Therefore, the Group places a high priority on integrating sustainability and ESG measures into supply chain management to ensure a transparent yet efficient construction process. Our approach to sourcing, selecting, and engaging suppliers is governed by principles of fairness, cost-effectiveness, environmental sustainability, and transparency. The introduction of digital solutions, such as ERP systems, has revolutionised how we monitor resource use and verify the credentials of our suppliers and subcontractors. This digitalisation facilitates the precise tracking and management of supply chain activities, enhancing overall efficiency and accountability.

To maintain consistent quality and performance standards, we employ performance appraisals to assess the contributions of our suppliers and subcontractors. Moving forward, the Group is committed to continuously monitoring, maintaining, and enhancing these procedures to improve transparency and ensure the highest standards of operation within our supply chain.



#### MANAGING ESG RISKS ALONG THE SUPPLY CHAIN



REGISTRATION QUESTIONNAIRE OR PRE-QUALIFICATION ASSESSMENT



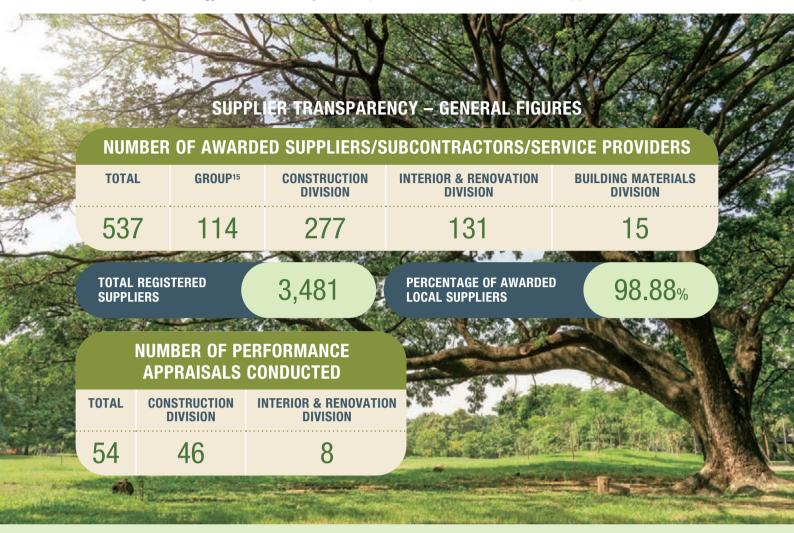
SUPPLIERS CODE OF ETHICS OR GUIDANCE NOTE



INSPECTIONS OR FACTORY VISITS



SUPPLIER OR SUBCONTRACTOR PERFORMANCE APPRAISAL

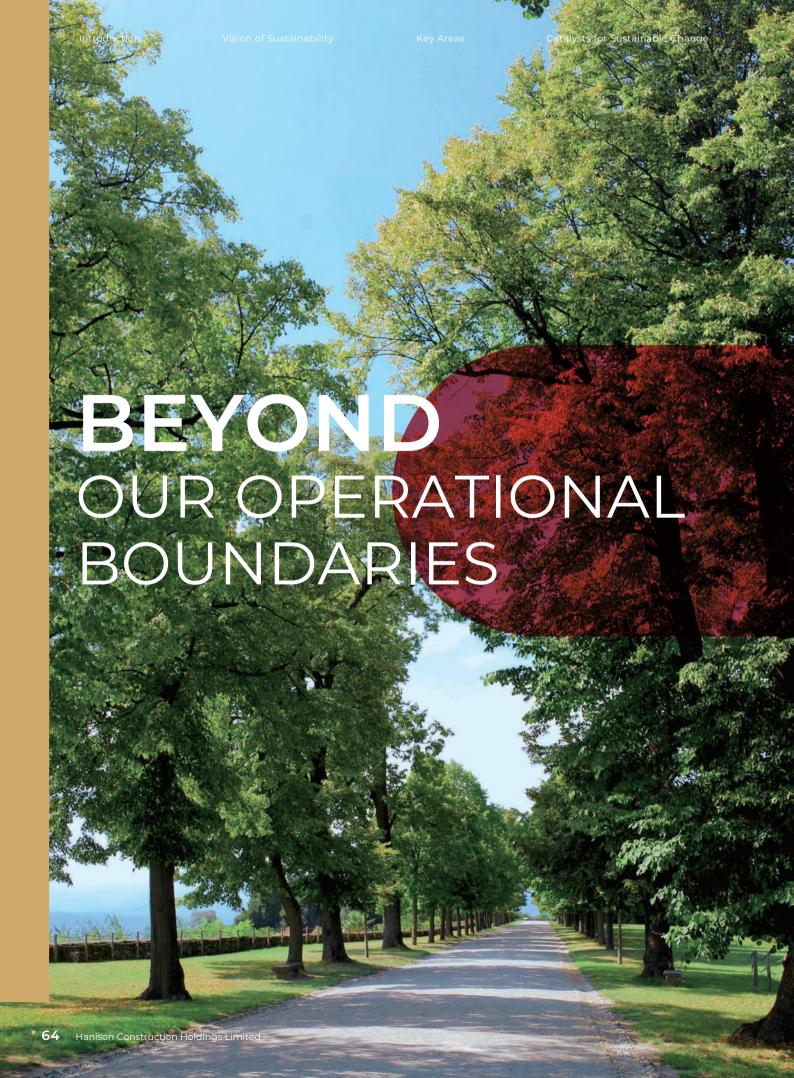


### **GREEN PROCUREMENT**

The Group's commitment to environmental stewardship is also reflected in our tendering practices. At Hanison, we are acutely aware of the finite nature of natural resources and the pressing need to foster a circular economy. To this end, we actively promote the integration of environmental considerations into our procurement processes. We prioritise the incorporation of the 4R Principles – Reduce, Reuse, Recycle, and Recover – across operations to enhance sustainability. Beyond these principles, we advocate for the use of recyclable, biodegradable, and Forest Stewardship Council (FSC)-certified products within our Head Office and on construction sites. Environmental criteria

are embedded in our tender documents to ensure that our suppliers and subcontractors align with our vision, commitments, and targets. Those who demonstrate a strong commitment to environmental practices, evidenced through certifications like the ISO 14001 EMS Standard, are given preference and priority. Furthermore, we emphasise the importance of sourcing from local suppliers to reduce our carbon footprint. Additionally, we ensure that our employees receive periodic training on environmental issues to deepen their understanding of sustainable practices, thus empowering them to contribute more effectively to our environmental goals.

<sup>&</sup>lt;sup>15</sup> In this Report, we have expanded the scope to include all supporting departments within the Group.



# **OUR CUSTOMERS**

Our customers, being our foundations of businesses and with their diverse needs and insights, play a pivotal role in informing our strategies and pushing us towards greater heights. By actively listening and responding to their feedback, we ensure that our projects not only meet but exceed their expectations, thereby enhancing customer satisfaction and loyalty. This dynamic exchange between the Group and our customers helps us to continuously refine our offerings and approach, ensuring that we remain adaptive and forward-thinking in an everchanging market. As with any business, our customers are a top priority therefore, the Group places significant importance on providing quality solutions and services. We acknowledge the critical role of embedding sustainable practices within the construction industry to aid in transforming Hong Kong into a more sustainable city. The Group continues to work towards becoming pioneers in the construction industry's move towards a climate-resilient built environment. Through collaboration with our customers, we aim to accomplish the ambitious sustainability objectives and set an example for others to follow.

### PRODUCT RESPONSIBILITY

The Group greatly values client satisfaction and considers all complaints as opportunities for continuous improvement. We engage our customers to obtain feedback about our service quality and take all complaints and non-conformities seriously. All such instances are formally recorded and reported to the site seniors and the project management team for follow-up investigation and resolution.

During the Year, none of our projects were subjected to recalls due to quality issues or safety and health concerns. We are committed to adopting the highest standards of quality and safety in our operations to ensure excellence. Hanison does not engage in labelling or advertising practices in our construction business – our focus should always be on delivering exceptional services to our clients in a responsible manner.

### **CUSTOMER AND DATA PRIVACY**

As one of the most relevant material topics to our stakeholders, customer and data privacy are very important to Hanison. The Group strictly adheres to the Personal Data (Privacy) Ordinance (Cap. 486) and relevant regulations to prevent breaches and protect the confidentiality of sensitive and personal data collected from our business partners and clients. Our employees are prohibited from disclosing such information without proper authorisation, and any breaches will result in disciplinary or legal actions. During the Year, there were no privacy complaints related to the products and services we provided.

# **CUSTOMER SATISFACTION**

By thoroughly understanding the needs and expectations of our customers, the Group is better equipped to not only fulfil but surpass those expectations. Gaining this understanding allows us to offer outstanding services that achieve high levels of customer satisfaction. As a result, maintaining effective and frequent communication and the cultivation of long-lasting relationships is essential for the Group's success. In addition to providing exceptional services, we also prioritise our clients' sustainability goals. By working closely with our customers, we can identify opportunities to incorporate sustainable practices into their projects. Furthermore, this collaborative approach enables us to tailor our solutions more precisely, ensuring that they not only meet but advance the specific environmental objectives of each client. This alignment enhances project outcomes and supports our broader commitment to environmental stewardship, positioning us as a partner of choice in an increasingly eco-conscious market. Embedding sustainability into our core operations and client interactions allows the Group to foster a culture of responsibility and innovation that benefits both our clients and the planet.



# COMMUNITY

Hanison is deeply committed to fulfilling its role as a socially responsible corporate citizen, with a strong focus on the sustainable development of the communities where we operate. We actively support various community engagement initiatives and philanthropic efforts that align with our corporate values and adhere to best practices. Our goal is to generate a positive social impact, contributing to the wellbeing and resilience of these communities. The Group recognises that the success of our business is intimately linked to the vitality of the communities we serve. Hence, we place great importance on creating social value through active community service and responsible engagement, aiming to foster a sustainable society.

Our approach to community engagement involves a thorough understanding of local needs, which enables us to address areas lacking sufficient support. We foster a volunteerism culture within the Group, encouraging employee involvement in activities that aid crucial demographic groups, including the elderly and youth. Through our support of local volunteer actions and targeted donations, Hanison is dedicated to fostering positive changes and cultivating more cohesive communities. These efforts underscore our commitment to ensuring that our business presence positively impacts and contributes to long-term community benefits.

# COMMUNITY PROJECTS AND EFFORTS

In response to Hong Kong's critical food waste issue contrasting against widespread food scarcity among families, the Group took a bold step forward in November 2023 by initiating a street food recycling project partnered with People Service Centre. The aim was to tackle the pressing issue of resource misallocation by salvaging and redistributing leftover food, allocating them instead to those in need, significantly cutting down on resource wastage, and elevating community awareness around critical environmental and social issues.

This Year, we further expanded our impact through a strategic partnership with the Chinese Young Men's Christian Association (YMCA) of Hong Kong. Together in December 2023, we jointly launched the "Nutritious and Economical – A New Generation" corporate volunteer initiative, a campaign that infused the spirit of Christmas into the lives of children from subdivided flats and low-income families, while also advocating for healthy dietary habits and the importance of sustainable living. A very successful event, our corporate volunteers, alongside young participants, engaged in creating nutritious snacks and unique, ecofriendly dried flower holiday decorations.



Hanison Corporate Volunteer Team sharing love and joy to children during Christmas

In January 2024, addressing the isolated conditions of Hong Kong's elderly population, we launched another trailblazing initiative: "Relax & Move: Empowering Wellness". This program was designed to break the cycle of social isolation among the elderly by encouraging them to engage actively with their community. Our efforts fostered new friendships and support networks, contributing to their mental and physical well-being. The initiative included physical activities led by our enthusiastic corporate volunteers, followed by interactive social sessions to deepen our understanding of the seniors' needs and enhance their quality of life.

Vision of Sustainability

Through these initiatives, the Group not only demonstrates corporate responsibility but also leads by example in integrating sustainability into core business strategies. We are committed to pioneering solutions that address both environmental and social challenges, setting new standards for corporate sustainability and community engagement.



Grinder with dust collection



Noise barrier to minimise nuisance



Volunteers and elderlies partnership in stretching exercise

# **IMPACTS ON LOCAL COMMUNITIES**

The Group acknowledges the potential negative impacts of construction operations on local communities, particularly in dense urban environments and near sensitive locations. To mitigate these effects, we have implemented a series of proactive measures. Safety enhancements include the use of collision avoidance systems for tower cranes and the installation of proper hoardings that segregate construction activities from public areas. For sites adjacent to popular public trails like the entrance to MacLehose Trail Section 10, the installation of barriers, mirrors, LED displays, and automatic pedestrian barriers are in place to ensure both pedestrian and vehicular safety.



Recognising the importance of cultural and community sensitivity, the Group takes extra precautions near heritage sites and residential facilities; this includes employing heritage consultants for monthly assessments near historical sites like the Hong Kong Castle Peak Dragon Kiln and engaging with local community centres, such as the Fu Hong Society Yau Chong Home, to implement noise barriers and hold regular meetings to address any concerns. These measures are complemented by environmental measures like dust suppression systems, noise barriers, and mosquito fogging to minimise our ecological footprint.

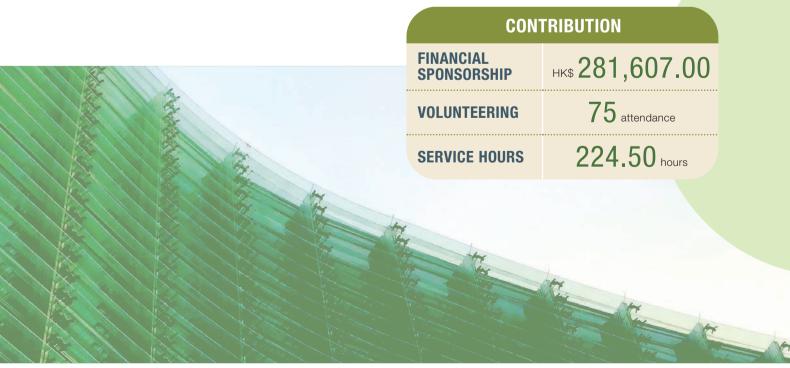
# DONATION AND SPONSORSHIP

The Group's donation and sponsorship initiatives are centred on aiding two primary demographics: youth and the elderly. We channel support towards youth to help meet their educational and developmental needs, as well as assist with and towards the elderly to ensure they have access to basic necessities and to improve their overall well-being. As the global population ages, we acknowledge the crucial role of nurturing young individuals to become future leaders who will champion the needs and rights of the elderly.

In organising our corporate activities, we also consider sustainability and initiatives in an effort to minimise our negative footprint. As such, for our events, excessive food is donated to organisations like Food Angel, who work toward minimising food waste at source, addressing hunger, combating poverty, and teaching the next generation the importance of conserving resources and safeguarding the environment.

# **VOLUNTEERING**

The volunteering was primarily through a series of workshops that encompassed a diverse array of community-centric events, designed to promote cultural engagement, skill development, and social responsibility. These include cultural celebrations such as the Dragon Boat Festival and the Mid-Autumn Festival, and community engagement workshops that focus on ceramic arts, offering participants a chance to learn and practise this craft under the guidance of skilled ceramic artists. The workshops collectively aim to strengthen community bonding, enhance life skills, and promote cultural appreciation and environmental stewardship among participants including the Group's employees.





## AWARDS, RECOGNITIONS AND CHARTERS

### AWARDS AND RECOGNITIONS



Quality Public Housing Construction and Maintenance Awards 2023 New Works Projects -Outstanding Contractor (Building) Silver Award

Hong Kong Housing Authority

Awarded to HCCL



Quality Public Housing
Construction and Maintenance
Awards 2023
New Works Projects Outstanding Contractor:
(Use of BIM at Construction Stage
(Main Contractor))
Merit Award

Hong Kong Housing Authority

Awarded to HCCL



Table Tennis Competition of the Corporate Games 2023 Men's Doubles Group A Champion

Leisure and Cultural Services
Department
Awarded to HCHL



Table Tennis Competition of the Corporate Games 2023 Men's Singles Group A 1st Runner-up

Leisure and Cultural Services
Department
Awarded to HCHL



SportsHour Company Scheme 2023-25 Best Practices Showcase

InspiringHK Sports Foundation

Awarded to HCHL



Construction Industry
Table Tennis Competition 2023
Men's Singles (Youth Group)
Champion

Construction Industry Council

Awarded to HCCL



Construction Industry Table Tennis Competition 2023 Men's Singles (Youth Group) 3<sup>rd</sup> Runner up

Construction Industry Council

Awarded to HCCL



JobsDB - The Hong Kong HR Awards 2023/24 -HR Innovator of the Year

JobsDB by SEEK

Awarded to HCHL



"Life First" 2023 Walk the Talk Award Silver Award

Construction Industry Council

Awarded to HCCL



Link CAPEX Contractors Construction Site Safety Award 2023 Bronze Award

LINK
Awarded to HIRL



Hong Kong Green and Sustainability Contribution Awards 2023 Outstanding Award for Contribution to Livable City Construction -Promote Safe Construction

HKQAA

Awarded to HCCL



Hong Kong Green and Sustainability Contribution Awards 2023 Outstanding Award for Contribution to Livable City Construction -Promote Eco-friendly Construction

HKQAA

Awarded to HCCL

### AWARDS AND RECOGNITIONS

**BEAM Plus New Buildings Version 1.2 Final Platinum** 

Hong Kong Green Building Council Limited Awarded to HCCL

**BEAM Plus New Buildings Version 1.2 Final Gold** 

Hong Kong Green Building Council Limited Awarded to HCCL

**Construction Industry Machinery Operation** Competition 2023 Mini/Skid Loader Operation Competition 1st Runner-up Construction Industry Council Awarded to HCCL

**Gold Seal for Contribution to Livable City Construction – Promote Safe Construction** HKQAA

Awarded to HCCL HKQAA

**Gold Seal for Contribution to Livable City Construction – Promote Eco-friendly** Construction

Awarded to HCCL

**HKCA Proactive Safety Contractor Award 2022** Hong Kong Construction Association Awarded to HCCL, HIRL

**HKCA Safe Person-in-Charge Award for the** Year 2022

Hong Kong Construction Association Awarded to HCCL, HIRL

**Quality Public Housing Construction and** 

**Maintenance Awards 2023 New Works Projects – Outstanding Worker Award** Hona Kona Housing Authority Awarded to HCCL

Happy Company 10 Years+ **Promoting Happiness Index Foundation** Awarded to HCHL

**CSR Advocate Mark** HKQAA Awarded to HCHL, HCCL, HCL, HIRL, TBML **HKCA Safe Supervisor Award for** the Year 2022

Hong Kong Construction Association Awarded to HCCL, HIRL

**Indoor Air Quality Certificate (Excellent Class) Environmental Protection Department** Awarded to HCHL

Caring Company 15+ The Hong Kong Council of Social Service Awarded to HCCL

Y-Care CSR Scheme 2023 Perfect Match Partner Chinese YMCA of Hong Kong Awarded to HIRL

**HKCA Hong Kong Construction Environmental Awards 2023 Environmental Merit Award** Hong Kong Construction Association Awarded to HCCL

**Good MPF Employer Award 2022-23** Mandatory Provident Fund Schemes Authority Awarded to HCCL, HCL, HIRL, TBML

Caring Company 5+ The Hong Kong Council of Social Service Awarded to HCHL, HIRL

**Community Caring Award** Hong Kong Children & Youth Services Awarded to HCCL

### **CHARTERS**

**ESG Pledge** 

The Chinese Manufacturers' Association of Hong Kong Awarded to HCHL

Joyful@Healthy Workplace Charter Occupational Safety and Health Council Awarded to HCHL, HCCL, HIRL

**Sustainable Construction Charter** Construction Industry Council Awarded to HCHL

**Mental Health Workplace Charter** Occupational Safety and Health Council Awarded to HCHL, HIRL

**Construction Digitalisation Charter** Construction Industry Council Awarded to HCCL

<sup>&</sup>quot;HCHL" denotes Hanison Construction Holdings Limited

## **CERTIFICATES**

### Hong Kong Certification Services International Limited

### **HKOAA**

ISO 50001:2018 Energy Management System ISO 45001:2018
Occupational Health
and Safety
Management System

ISO 14001:2015 Environmental Management System ISO 9001:2015
Quality Management
System



ISO 50001: 2018 Certificate No.: CC 468 (since 2013)



ISO 45001: 2018 Certificate No.: CC 7645 (OHSAS 18001:2007, since 2007)



ISO 14001: 2015 Certificate No.: CC 2269 (since 2002)



ISO 9001: 2015 Certificate No.: CC 314 (since 1995)

### **Hanison Construction Company Limited**



ISO 50001: 2018 Certificate No.: CC 469 (since 2013)



ISO 45001: 2018 Certificate No.: CC 7646 (OHSAS 18001:2007, since 2007)



ISO 14001: 2015 Certificate No.: CC 2270 (since 2002)



ISO 9001: 2015 Certificate No.: CC 1270 (since 1998)

### **Hanison Contractors Limited**



Certificate No.: CC 7647 (OHSAS 18001:2007, since 2007)



ISO 14001: 2015 Certificate No.: CC 3344 (since 2007)



ISO 9001: 2015 Certificate No.: CC 2111 (since 2001)

### **Hanison Interior & Renovation Limited**

## **KEY PERFORMANCE INDICATORS**

Vision of Sustainability

		EN	/IRONN	/IENTAL	. PERFO	ORMAN	CE			
	UNIT	2	021/202	22	2	022/202	3	2	023/202	4
EMISSIONS										
Greenhouse Gas (G	HG) Emission	s								
Total GHG Emissions	Tonnes of CO <sub>2</sub> equivalent (tonnes CO <sub>2</sub> e)		1,531.87			1,329.27		1,371.38		
Direct GHG Emissions (Scope 1)	tonnes CO <sub>2</sub> e		455.03	• • • • • • • • • • • • • • • •	361.53				530.59	• • • • • • • • • • • • •
Energy Indirect GHG Emissions (Scope 2)	tonnes CO <sub>2</sub> e	• • • • • • • • • • • • •	822.61			796.36			636.96	• • • • • • • • • • • • •
Other Indirect GHG Emissions (Scope 3)	tonnes CO <sub>2</sub> e	• • • • • • • • • • • •	254.23	• • • • • • • • • • • • •	••••••	171.38		•••••	203.83	• • • • • • • • • •
GHG Emissions Intensity	tonnes CO <sub>2</sub> e / revenue in HK\$ million		1.06			1.11			1.04	
Air Emissions										
Nitrogen Oxides (NO <sub>x</sub> )	tonnes		0.84			0.75	• • • • • • • • • • • • • • • • • • • •		0.63	•••••
Sulphur Oxides (SO <sub>x</sub> )	tonnes		0.0015		0.0013			0.0009		
Particulate Matter (PM)	tonnes		0.06		0.06			0.05		
Waste										
Chemical Waste	kg		832.00			0.00			0.00	• • • • • • • • • • • • • • • • • • • •
General Waste	kg		5,370.10			5,529.73			5,393.99	• • • • • • • • • • • • •
Total Construction Waste			13,404.59		11,811.83			26,229.57		
Construction Waste Intensity	tonnes/revenue in HK\$ million	•••••	9.88	• • • • • • • • • • • • • • • • • • • •	9.88			22.42		
Construction Waste Sent to Fill Banks and Sorting Facilities	%		81.68			89.52		82.60		
Construction Waste Disposal Methods by Business Division		CON		I&R	CON		I&R	CON		I&R
Sent to Landfills	tonnes	2,418.7	4	37.09	1,081.3	6	156.77	2,550.3	7 2	2,014.00
Sent to Fill Banks and Sorting Facilities	tonnes	10,606.0	8	342.68	10,327.0	08	246.62	18,744.3	37 2	2,920.83
<b>USE OF RESOUR</b>	CES									
Energy										
Total Energy Consumption	MWh		3,470.57			3,075.01			3,532.37	
Energy Consumption Intensity	kWh/revenue in HK\$ million		2,410.12			2,571.51		2,689.28		• • • • • • • • • • • • • • • • • • • •
Energy Consumption Type by Location		НО	CON (Sites)	I&R (Sites)	НО	CON (Sites)	I&R (Sites)	НО	CON (Sites)	I&R (Sites)
Fuel Consumption	litre	47,897.30	122,354.12	0.00	84,045.28	52,366.00	0.00	65,887.26	134,053.00	0.00
Electricity Consumption	kWh	410,333.92	1,289,828.00	0.00	391,156.47	1,270,311.00	0.00	435,187.71	988,316.00	5,309.00

HO: Head Office CON: Construction Division I&R: Interior & Renovation Division

		EN	/IRONN	IENTAL	. PERF	ORMAN	CE				
	UNIT	2	2021/2022			2022/2023			023/202	4	
Water											
<b>Total Water Consumption</b>	m³		23,902.95			24,862.80			22,585.18		
Water Consumption Intensity	m³/revenue in HK\$ million		16.60			20.79			17.19		
Water Consumption by Location		НО	CON (Sites)	I&R (Sites)	НО	CON (Sites)	I&R (Sites)	НО	CON (Sites)	I&R (Sites)	
Water Consumption	m³	503.95	23,399.00	0.00	500.65	24,362.15	0.00	476.18	22,104.00	5.00	
Use of Materials											
Use of Materials by Location		НО	CON (Sites)	I&R (Sites)	НО	CON (Sites)	I&R (Sites)	НО	CON (Sites)	I&R (Sites)	
Steel	tonnes	N/A	6,444.42	0.00	N/A	6,304.20	0.00	N/A	4,396.72	0.00	
Concrete	tonnes	N/A	51,477.12	119.04	N/A	54,615.36	0.00	N/A	22,801.40	0.00	
Paper	tonnes		17.17	• • • • • • • • • • • • • • • • • • • •	13.96			7.92			
Recyclables											
Printer Cartridges and Toner Bottles	pieces		530		220			318			
Desktop Computers	pieces		43			45			12		
Monitors	pieces		38			39			43		
Uninterruptible Power Supply	pieces		10			10			0		
Waste Paper	tonnes		10.03			4.41			4.46		
Metal	tonnes		371.49	• • • • • • • • • • • • • • • • • • • •		77.47	• • • • • • • • • • • • • • • • • • • •	341.25			
Concrete	tonnes	• • • • • • • • • • • •	566.90	• • • • • • • • • • • •		435.98	• • • • • • • • • • • •	246.26			

### Notes:

- "HO" denotes the Group's Head Office and Warehouse (Warehouse was included starting from 2020/2021 onwards); "CON" denotes Construction Division which comprises HCCL and HCL; and "I&R" denotes Interior & Renovation Division which comprises HIRL.
- The GHG covered in the calculation of GHG emissions include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, and SF<sub>6</sub>.
- 3. The emission factors and Global Warming Potential (GWP) used in the calculation of GHG emissions have been made reference to applicable local and international guidelines and standards, such as Guidelines to Account for and Report on Greenhouse Gas, Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, and the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.
- Direct GHG emissions (Scope 1) cover combustion of fuels for energy generation and mobile combustion, fugitive emissions (CO<sub>2</sub> fire extinguisher, refrigerant) and process emissions (acetylene combustion).
- 5. Energy indirect GHG emissions (Scope 2) cover electricity purchased for the operations at sites and offices.
- 6. Other indirect GHG emissions (Scope 3) cover a) transportation of major construction materials and C&D waste within Hong Kong; b) electricity used for fresh water processing and sewage treatment; c) major construction materials used (reinforced steel and concrete); and d) methane gas generation at landfills in Hong Kong due to disposal of paper waste.
- 7. Revenues generated from the Construction Division, Interior & Renovation Division, and Building Materials Division are taken into account for the calculation of GHG emissions intensity, energy consumption intensity, and water consumption intensity. Construction waste intensity is calculated based on the revenue generated from Construction Division and Interior & Renovation Division only.

- During the Year, the calculation method of air emissions was optimised with fuel consumption of petrol and diesel (nonrenewable fuels) and nil renewable fuel consumption recorded.
- 9. Head Office of the Group is shared by various business divisions, some of which are out of the reporting scope. Only the data of electricity and water consumed by Construction Division, Interior & Renovation Division, and Building Materials Division are reported. The calculation of electricity and water consumption of the three mentioned divisions located in Head Office is based on the respective proportion of floor areas each division occupies.
- The fuel consumption under Head Office was attributed to the fuel consumed by mobile vehicles.
- The conversion factor used for converting fuel consumption data from litre to kWh unit is sourced from the Energy Statistics Manual from the International Energy Agency.
- Building Materials Division operates projects in the sites owned and controlled by the main contractor, thus data of waste, electricity, and water consumption are not available.
- 13. There is no fuel consumption nor sale of energy in form of heating, cooling and steam during the Year.
- 14. Steel and concrete are the two major non-renewable materials in the Group's primary building projects.
- 15. There is no water consumption from areas with water stress.

				SOCI	AL P	ERFOR	MAN	CE					
	UNIT		2021	/2022			2022	/2023			2023	/2024	
EMPLOYMEN <sup>1</sup>	r												
Workforce													
Total Workforce	persons		4	80			4	47			5	43	
Workforce by Gender													
Male (M)	persons		3	43			3	30			4	02	
Female (F)	persons		1	37			1	17			1	41	
Workforce by Employ	ment Type and	Gender (for	2020/21 0	nwards)									
Full-time	persons (M:F)		468 (3	40:128)			437 (3	26:111)			526 (3	96:130)	
Part-time	persons (M:F)		12	(3:9)			10	(4:6)			17 (	6:11)	
					By Busi	ness Divi	sion						
Workforce by Grade and Gender		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Director	persons (M:F)	16 (16:0)	9	3	2	15 (15:0)	6	3	2	14 (14:0)	6	2	2
Senior Manager	persons (M:F)	18 (16:2)	13	0	0	19 (17:2)	16	0	0	18 (16:2)	15	0	0
Manager	persons (M:F)	23 (22:1)	20	2	2	26 (20:6)	17	2	3	31 (24:7)	19	6	2
Assistant Manager or below	persons (M:F)	356 (251:105)	233	34	26	310 (226:84)	203	30	23	354 (257:97)	234	37	31
Labour and Contract Technical Assistant	persons (M:F)	67 (38:29)	32	26	0	77 (52:25)	31	26	12	126 (91:35)	25	48	40
Workforce by Age and	d Gender												
25 or below	persons (M:F)	28 (15:13)	21	2	2	18 (12:6)	11	1	2	25 (21:4)	14	4	2
26 - 35	persons (M:F)	137 (99:38)	87	18	13	118 (86:32)	75	14	14	146 (101:45)	87	26	20
36 - 45	persons (M:F)	108 (77:31)	68	13	7	108 (84:24)	66	17	8	133 (101:32)	73	23	15
46 - 55	persons (M:F)	99 (72:27)	62	14	6	102 (77:25)	56	13	12	115 (84:31)	59	16	21
56 - 65	persons (M:F)	101 (76:25)	65	18	2	96 (67:29)	60	16	4	115 (88:27)	60	22	17
66 or above	persons (M:F)	7 (4:3)	4	0	0	5 (4:1)	5	0	0	9 (7:2)	6	2	0
<b>Voluntary Turno</b>	ver Rate (V	TR)											
					By Busi	ness Divi	sion						
		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Total VTR	%	30.00	28.00	27.83	42.11	21.53	15.92	37.80	22.86	28.25	19.72	35.29	61.40
VTR by Age													
25 or below	%	55.17	40.82	66.67	0.00	63.64	45.16	66.67	66.67	36.36	46.15	0.00	0.00
26 - 35	%	39.26	34.48	71.43	46.15	38.43	29.63	90.32	35.71	39.54	34.57	50.00	41.18
36 - 45	%	32.91	26.85	34.78	66.67	20.09	12.03	24.24	26.67	30.58	19.86	45.00	86.96
46 - 55	%	20.00	22.90	0.00	0.00	5.94	3.39	14.81	0.00	23.04	3.42	27.59	87.50
56 - 65	%	18.87	21.43	5.71	66.67	8.12	8.00	18.18	0.00	16.11	11.57	21.05	28.57
66 or above	%	15.38	28.57	0.00	0.00	16.67	0.00	0.00	0.00	14.29	0.00	0.00	0.00
VTR by Gender													
Male	%	40.67	39.53	35.71	80.00	18.40	13.65	36.00	22.95	28.10	19.16	33. 90	68.63
Female	%	25.43	23.85	25.29	34.04	29.80	22.22	44.44	22.22	28.68	21.33	40.00	0.00
Parental Leave	and Return	to Work I	tate		_	. 0							
					_	Gender							
Employee Taken	persons	Ma			nale 3	Ma E	ale 3		nale 4	Ma 5			nale 2
Parental Leave	0/	400	00	40	2.00	400				400	00	404	
Return to Work Rate Retention Rate	%	100 100			0.00 7.67	100			.00	100			0.00
		100		01		100		70		.00		30	

				SOCI	AL P	ERFOF	RMAN	CE					
	UNIT		2021/	2022			2022	/2023			2023	/2024	
HEALTH AND	SAFETY												
Safety		_											
Work-related Fatalities	cases		(	)			0			0			
Work-related Fatality Rate	%	••••••	0.0	00	• • • • • • • • •	0.00			0.00				
					By Busi	ness Divi	sion						
		CON	18	.R	BM	CON	18	kR	BM	CON	18	kR .	BM
Accident Rate	per thousand workers	12.15	0.0	00	0.00	16.51	33	.93	0.00	8.19	7.	28	0.00
Days Lost due to Work Injuries	days	2,355	16	32	0	1,724	29	94	0	2,841	5	36	0
DEVELOPMEN	T AND TR	AINING											
Training													
Employees Trained	persons (%)		149 (2	29.62)			138 (	30.13)			203 (	36.25)	
Average Training Hours per Employee	hours		6.1	28	••••••		4.	45	• • • • • • • • • • • • • • • • • • • •		1.	81	•
					By Busi	ness Divi	sion						
Employees Trained by Gender		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Male	persons (%)	116 (32.95)	98 (41.53)	6 (11.76)	9 (40.91)	109 (32.44)	83 (39.34)	6 (11.32)	8 (22.22)	149 (35.73)	115 (51.57)	20 (31.75)	13 (15.85
- emale	persons (%)	33 (21.85)	25 (28.09)	1 (6.25)	1 (16.67)	29 (23.77)	16 (21.05)	2 (16.67)	0 (0.00)	54 (37.76)	43 (54.43)	9 (34.62)	2 (25.00
Employees Trained by	y Grade												
Director	persons (%)	2 (12.50)	2 (28.57)	0 (0.00)	0 (0.00)	9 (56.25)	7 (100.00)	2 (66.67)	0 (0.00)	7 (50.00)	3 (50.00)	2 (100.00)	1 (50.00
Senior Manager	persons (%)	5 (27.78)	5 (38.46)	0 (0.00)	0 (0.00)	6 (31.58)	6 (37.50)	0 (0.00)	0 (0.00)	6 (33.33)	6 (46.15)	0 (0.00)	0.00
Manager	persons (%)	6 (26.09)	6 (37.50)	0 (0.00)	0 (0.00)	10 (35.71)	8 (42.11)	0 (0.00)	0 (0.00)	20 (64.52)	13 (68.42)	5 (83.33)	2 (100.0
Assistant Manager or below	persons (%)	135 (36.59)	109 (43.78)	7 (20.00)	10 (16.39)	112 (35.33)	77 (36.15)	6 (18.75)	(33.33)	164 (46.20)	133 (56.60)	19 (52.78)	12 (40.00
Labour and Contract Technical Assistant		1 (1.30)	1 (2.50)	0 (0.00)	0 (0.00)	1 (1.28)	(3.13)	0 (0.00)	0 (0.00)	6 (4.23)	3 (10.34)	3 (6.67)	(0.00)
Total Training Hours I	į.	0.550.05	0.050.00	00.00	450.00	1 00 1 05	4 500 75	474 00	00.50	700 00	00107	00.07	00.5
Male	hours	2,559.00	2,250.00	93.00	150.00	1,824.25	1,590.75	171.00	36.50	763.00	604.25	90.25	28.00
Female Nuorono Troining Hou	hours	600.00	549.00	30.00	3.00	213.75	190.75	3.50	0.00	251.25	182.25	24.00	5.50
Average Training Hou	1.			4.00	0.00	E 40	7.54	0.00	4.04	4.00	0.74	4.40	0.01
Male	hours	7.27	9.53	1.82	6.82	5.43	7.54	3.23	1.01	1.83	2.71	1.43	0.34
Female Nyorago Training Hou	hours	3.97	6.17	1.88	0.50	1.75	2.51	0.29	0.00	1.76	2.31	0.92	0.69
Average Training Hou Director	1.		10.26	0.00	0.00	5.50	11.57	0 20	0.00	2 00	4.04	2.00	6.00
Director	hours	4.53	10.36	0.00	0.00	5.50	11.57	2.33	0.00	2.88	4.04	2.00	6.00
Senior Manager	hours	4.25	5.88	0.00	0.00	1.50	1.72	0.00	0.00	1.81	2.50	0.00	0.00
Manager Assistant Manager	hours	6.00 7.76	0.55	0.00	0.00	4.67	6.62	0.00	0.00	4.77	6.08	1.92	0.50
assistant Manager or below	hours	7.76	10.06	3.51	6.38	5.62	7.23	5.23	1.52	2.21	2.60	2.66	0.68
Labour and Contract Technical Assistant	hours	0.09	0.18	0.00	0.00	0.10	0.25	0.00	0.00	0.07	0.14	0.07	0.00

	SOCIAL PERFORMANCE												
	UNIT		2021/2022			2022/2023			2023/2024				
SUPPLY CHAI	N MANAG	EMENT	ENT .										
Suppliers													
Registered Suppliers	no.		1,9	)69			3,3	389			3,4	181	
Percentage of Local Suppliers	%		100.00			100.00			99.88				
					By Busin	ness Divi	sion						
		Group	CON	I&R	BM	Group	CON	I&R	BM	Group	CON	I&R	BM
Awarded Suppliers / Subcontractor/ Service Providers (Percentage of Local Suppliers)	no. (%)	58 (100.00)	126 (100.00)	22 (100.00)	10 (100.00)	84 (100.00)	171 (100.00)	62 (100.00)	10 (100.00)	114 (98.8)	277 (100.00)	131 (100.00)	15 (100.00)

### Notes:

- "CON" denotes Construction Division which comprises HCCL and HCL; "I&R" denotes Interior & Renovation Division which comprises HIRL; and "BM" denotes Building Materials Division which comprises TBML.
- 2. Employees are defined as persons who are in direct employment relationship with the Group or its subsidiaries. The Group's total workforce includes employees hired under all operations including Construction Division, Interior & Renovation Division, Building Materials Division, Property Investment Division, Property Development Division, Property Agency and Management Division, and Health Products Division. Workers hired by subcontractors are not included in the Group's HR data record system. The employee numbers are expressed in the number of headcounts as of 31 March 2024.
- 3. The training-related figures and calculations are based on the records in the calendar year ended on 31 December 2023, which aligns with the Group's HR data record system.
- 4. The VTR reflects the number of employees who leaves employment voluntarily.
- The percentage of employees trained in relevant categories: number of employees trained in the specified category/number of employees in the specified category at the end of 2023 x 100%.
- The average number of training hours per employee in relevant categories: total number of training hours for employees in the specified category/number of employees in the specified category at the end of 2023.
- 7. Retention is defined as the employees who were still employed 12 months after returning to work from parental leave.
- We adopt the same definition of work-related injuries that are reportable under the Employees' Compensation Ordinance (Cap. 282) i.e. resulting in incapability for more than three days.
- Local supplier is defined as an organisation or a person that provides a product or service to the Group, and its business is based in Hong Kong.
- Each business entity operates its supply chain management independently, thus the suppliers' figures of the Group's subsidiaries does not be included in the suppliers' figures of the Group.

# HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Reference Section/ Supplementary Information	Page Number
A. ENVIRONMENTA	L		
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Net-zero Governance Structure Our Operational Footprint  During the Year, there was only one minor case subject to non-compliance regarding environmental laws and regulations. This case was acquitted and resulted in no fines.	34-37 53-55 60-63
KPI A1.1	The types of emissions and respective emissions data.	Net-zero Our Operational Footprint Key Performance Indicators	34-37 60-63 74-78
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Net-zero Key Performance Indicators	34-37 74-78
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Circularity Key Performance Indicators	38-41 74-78
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Circularity Key Performance Indicators	38-41 74-78
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Our Strategy Net-zero	29-32 34-37
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Circularity	38-41
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Net-zero Our Operational Footprint	34-37 60-63
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2023/2024 at a Glance Net-zero Key Performance Indicators	14-15 34-37 74-78
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2023/2024 at a Glance Our Operational Footprint Key Performance Indicators	14-15 60-63 74-78
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Net-zero	34-37
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Our Strategy Our Operational Footprint	29-32 60-63
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable under the reporting scope	N/A
Aspect A3: The Environment a	and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Operational Footprint	60-63
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Operational Footprint	60-63
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Opportunities and Challenges in our Future	16-19
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Opportunities and Challenges in our Future	16-19

Subject Areas, Aspects, General Disclosures and KPIs	Description	Reference Section/ Supplementary Information	Page Number
B. SOCIAL			
<b>Employment and Labo</b>	ur Practices		
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.	Change-builders: our People	42-51
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Change-builders: our People Key Performance Indicators	42-51 74-78
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Change-builders: our People Key Performance Indicators	42-51 74-78
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.	Change-builders: our People	42-51
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2023/2024 at a Glance Change-builders: our People Key Performance Indicators	14-15 42-51 74-78
KPI B2.2	Lost days due to work injury.	Change-builders: our People Key Performance Indicators	42-51 74-78
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Change-builders: our People	42-51
Aspect B3: Development and	Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Change-builders: our People	42-51
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Change-builders: our People Key Performance Indicators	42-51 74-78
KPI B3.2	The average training hours completed per employee by gender and employee category.	Change-builders: our People Key Performance Indicators	42-51 74-78
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.	Change-builders: our People	42-51
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Change-builders: our People	42-51
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Change-builders: our People	42-51
<b>Operating Practices</b>			
Aspect B5: Supply Chain Man	ı Taranının de la taranın	Our On water 15	00.00
General Disclosure KPI B5.1	Policies on managing environmental and social risks of the supply chain.  Number of suppliers by geographical region.	Our Operational Footprint Our Operational Footprint	60-63 60-63
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.	Key Performance Indicators  Our Operational Footprint	74-78 60-63
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Operational Footprint	60-63
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Operational Footprint	60-63

Subject Areas, Aspects, General Disclosures and KPIs	Description	Reference Section/ Supplementary Information	Page Number
Aspect B6: Product Responsib	ility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Customers	65-66
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our Customers	65-66
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Customers	65-66
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Governance Structure	53-55
KPI B6.4	Description of quality assurance process and recall procedures.	Governance Structure	53-55
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our Customers	65-66
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Governance Structure	53-55
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2023/2024 at a Glance Governance Structure	14-15 53-55
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Governance Structure	53-55
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Governance Structure	53-55
Community			
Aspect B8: Community Invest	ment		
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	67-69
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Change-builders: our People Community	42-51 67-69
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community	67-69

## **GLOBAL REPORTING INITIATIVE (GRI) STANDARDS**

Statement of Use The Group has reported in accordance with the GRI Standards for the period from 1 April 2023 to 31 March 2024 GRI 1 used GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Reference Section/ Supplementary Information	Page Number
GENERAL DISCI	LOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	About this Report About Hanison	3 12-13
	2-2 Entities included in the organization's sustainability reporting 2-3 Reporting period, frequency and contact point	Reporting Framework and Principles Reporting Framework and Principles Contact Us	4-7 4-7 Inside Back Cover
	2-4 Restatements of information	Nil	N/A
	2-5 External assurance	Reporting Framework and Principles Assurance Statements	4-7 87-88
	2-6 Activities, value chain and other business relationships	About Hanison Our Customers	12-13 65-66
	2-7 Employees	Change-builders: our People	42-51
	2-8 Workers who are not employees 2-9 Governance structure and composition	Not applicable  Governance Structure  2023/2024 Annual Report – Board Composition	N/A 53-55 N/A
	2-10 Nomination and selection of the highest governance body	2023/2024 Annual Report – Nomination Committee	N/A
	2-11 Chair of the highest governance body	2023/2024 Annual Report – Chairman and Managing Director	N/A
	2-12 Role of the highest governance body in overseeing the management of impacts	2023/2024 Annual Report – Board of Directors	N/A
	2-13 Delegation of responsibility for managing impacts	2023/2024 Annual Report – Board of Directors	N/A
	2-14 Role of the highest governance body in sustainability reporting	Reporting Framework and Principles Board Statement on Sustainability Our Focus Governance Structure	4-7 22 24-28 53-55
	2-15 Conflicts of interest	2023/2024 Annual Report – Board of Directors	N/A
	2-16 Communication of critical concerns	2023/2024 Annual Report – Board of Directors	N/A
	2-17 Collective knowledge of the highest governance body	2023/2024 Annual Report – Board of Directors	N/A
	2-18 Evaluation of the performance of the highest governance body	2023/2024 Annual Report – Board of Directors	N/A
	2-19 Remuneration policies	2023/2024 Annual Report – Employees and Remuneration Policy	N/A
	2-20 Process to determine remuneration	2023/2024 Annual Report  - Employees and Remuneration Policy  - Remuneration Committee	N/A
	2-21 Annual total compensation ratio	2023/2024 Annual Report – Directors' and Employees' Emoluments	N/A
	2-22 Statement on sustainable development strategy	Board Statement on Sustainability CSR and Sustainability Policy Statement	22 23
	2-23 Policy commitments	Board Statement on Sustainability CSR and Sustainability Policy Statement	22 23
	2-24 Embedding policy commitments	Board Statement on Sustainability CSR and Sustainability Policy Statement Governance Structure	22 23 53-55

GRI Standard/ Other Source	Disclosure	Reference Section/ Supplementary Information	Page Number
	2-25 Processes to remediate negative impacts	Governance Structure 2023/2024 Annual Report – Risk Management and Internal Control	53-55 N/A
	2-26 Mechanisms for seeking advice and raising concerns	Our Focus Governance Structure	24-28 53-55
	2-27 Compliance with laws and regulations	Governance Structure 2023/2024 Annual Report – Compliance with Corporate Governance Code  During the Year, there was only one minor case subject to non-compliance regarding environmental laws and regulations. This case was acquitted and resulted in no fines.	53-55 N/A
	2-28 Membership associations	Hong Kong Construction Association Hong Kong Industrial Safety Association Hong Kong Green Building Council Hong Kong Architectural Ceiling Association	N/A
	2-29 Approach to stakeholder engagement	Our Focus	24-28
	2-30 Collective bargaining agreements	Nil	N/A
MATERIAL TOPI	ics		
GRI 3: Material Topics	3-1 Process to determine material topics	Our Focus	24-28
2021	3-2 List of material topics	Our Focus	24-28
Economic performa		04110040	24 20
GRI 3: Material Topics 2021	3-3 Management of material topics	2023/2024 Annual Report  - Chairman's Statement  - Operations Review  - Financial Review  Not a material issue but data available and historically reported	N/A
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2023/2024 Annual Report  - Financial Highlights  - Chairman's Statement	N/A
	201-2 Financial implications and other risks and opportunities due to climate change	Information unavailable/incomplete	N/A
	201-3 Defined benefit plan obligations and other retirement plans	2023/2024 Annual Report – Retirement Benefits Schemes	N/A
	201-4 Financial assistance received from government	Not applicable	N/A
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	2023/2024 Annual Report – Employees and Remuneration Policy Not a material issue but data available and historically reported	N/A
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable	N/A
	202-2 Proportion of senior management hired from the local community	All senior management (director grade) are hired from local community of significant locations of operation, i.e. Hong Kong.	N/A
Procurement pract	ices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Operational Footprint Not a material issue but data available and historically reported	60-63
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Our Operational Footprint	60-63

Beyond Our Operational Boundaries

GRI Standard/ Other Source	Disclosure	Reference Section/ Supplementary Information	Page Number
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Structure	53-55
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	Not applicable Governance Structure Governance Structure	N/A 53-55 53-55
Anti-competitive b			
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Structure	53-55
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance Structure	53-55
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Operational Footprint Not a material issue but data available and historically reported	60-63
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Circularity Our Operational Footprint Key Performance Indicators	38-41 60-63 74-78
	301-2 Recycled input materials used	Not applicable	N/A
	301-3 Reclaimed products and their packaging materials	Not applicable	N/A
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Net-zero	34-37
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2023/2024 at a Glance Net-zero Key Performance Indicators  Non-renewable fuel types used include diesel and petrol.	14-15 34-37 74-78
	302-2 Energy consumption outside of the organization	Information unavailable/incomplete	N/A
	302-3 Energy intensity	2023/2024 at a Glance Net-zero Key Performance Indicators	14-15 34-37 74-78
	302-4 Reduction of energy consumption	Not applicable	N/A
	302-5 Reductions in energy requirements of products and services	Not applicable	N/A
Water and effluent			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Operational Footprint  Not a material issue but data available and historically reported	60-63
GRI 303: Water and	303-1 Interactions with water as a shared resource	Not applicable	N/A
Effluents 2018	303-2 Management of water discharge-related impacts	Not applicable	N/A
	303-3 Water withdrawal	Information unavailable/incomplete	N/A
	303-4 Water discharge	Information unavailable/incomplete	N/A
	303-5 Water consumption	2023/2024 at a Glance Our Operational Footprint Key Performance Indicators	14-15 60-63 74-78
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Net-zero Our Operational Footprint Not a material issue but data available and historically reported	34-37 60-63

GRI Standard/ Other Source	Disclosure	Reference Section/ Supplementary Information	Page Number
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Net-zero Key Performance Indicators	34-37 74-78
	305-2 Energy indirect (Scope 2) GHG emissions	Net-zero Key Performance Indicators	34-37 74-78
	305-3 Other indirect (Scope 3) GHG emissions	Net-zero Key Performance Indicators	34-37 74-78
	305-4 GHG emissions intensity	2023/2024 at a Glance Net-zero Key Performance Indicators	14-15 34-37 74-78
	305-5 Reduction of GHG emissions	Net-zero	34-37
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable	N/A
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Not applicable	N/A
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Circularity  Not a material issue but data available and historically reported	38-41
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Information unavailable/incomplete	N/A
	306-2 Management of significant waste-related impacts	Circularity	38-41
	306-3 Waste generated	2023/2024 at a Glance Circularity Key Performance Indicators	14-15 38-41 74-78
	306-4 Waste diverted from disposal	Circularity	38-41
	306-5 Waste directed to disposal	•••••	38-41
Employment	500-5 Waste directed to disposal	Circularity	30-41
GRI 3: Material Topics 2021	3-3 Management of material topics	Change-builders: our People	42-51
GRI 401: Employment	401-1 New employee hires and employee turnover	Not applicable	N/A
2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Change-builders: our People	42-51
	401-3 Parental leave	Change-builders: our People Key Performance Indicators	42-51 74-78
Occupational healt	h and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Change-builders: our People	42-51
GRI 403: Occupational	403-1 Occupational health and safety management system	Change-builders: our People	42-51
Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	Not applicable	N/A
2018	403-3 Occupational health services	Not applicable	N/A
	403-4 Worker participation, consultation, and communication on occupational health and safety	Change-builders: our People	42-51
	403-5 Worker training on occupational health and safety	Change-builders: our People	42-51
	403-6 Promotion of worker health	Change-builders: our People	42-51
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Change-builders: our People	42-51
	403-8 Workers covered by an occupational health and safety management system	Change-builders: our People	42-51
	403-9 Work-related injuries	Change-builders: our People Key Performance Indicators  Thorough investigative process is carried out for every incident which covers necessary information of the	42-51 74-78
	402 10 Work related ill beath	injuries and fatalities.	NI/A
	403-10 Work-related ill health	Not applicable	N/A

GRI Standard/ Other Source	Disclosure	Reference Section/ Supplementary Information	Page Number
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Change-builders: our People	42-51
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Change-builders: our People Key Performance Indicators	42-51 74-78
	404-2 Programs for upgrading employee skills and transition assistance programs	Change-builders: our People  No such transition assistance programs has been given to leaving employees due to retirement or termination of employment involuntarily.	42-51
	404-3 Percentage of employees receiving regular performance and career development reviews	Change-builders: our People Key Performance Indicators	42-51 74-78
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Change-builders: our People Not a material issue but data available and historically reported	42-51
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Change-builders: our People Key Performance Indicators 2023/2024 Annual Report – Board Diversity	42-51 74-78 N/A
	405-2 Ratio of basic salary and remuneration of women to men	Information unavailable/incomplete	N/A
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Change-builders: our People Not a material issue but data available and historically reported	42-51
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Nil	N/A
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Change-builders: our People  Not a material issue but data available and historically reported	42-51
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Change-builders: our People	42-51
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Change-builders: our People Not a material issue but data available and historically reported	42-51
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Change-builders: our People	42-51
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Not a material issue but data available and historically reported	67-69
GRI 413: Local Communities 2016	413-10perations with local community engagement, impact assessments, and development programs	100%	N/A
	413-2 Operations with significant actual and potential negative impacts on local communities	No significant negative impacts on the local communities	N/A
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Customers	65-66
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints	N/A

### **ASSURANCE STATEMENTS**



GHG Verification Statement: VC 002/2024

1

The inventory of greenhouse gas emission in the reporting period from 1st April 2023 to 31st March 2024 of

Hanison Construction Company Limited,

Hanison Contractors Limited,

Hanison Interior & Renovation Limited,

Trigon Building Materials Limited and

### construction sites

Addresses were listed on the subsequent pages

has been verified in accordance with ISO 14064-3: 2019 and the GHG Programme, namely the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Industrial Purposes) in Hong Kong, 2010 edition, by EMSD and Environmental Protection Department" and meet the requirements of

### ISO 14064-1: 2018 Standard

From the Reporting Organization,
Direct GHG Emissions:
Energy Indirect GHG Emissions:
Other Indirect GHG Emissions
Total GHG Emissions:

Quantity of Emissions 530.59 Tonnes of CO2e 636.96 Tonnes of CO2e 203.83 Tonnes of CO2e 1371.38 Tonnes of CO2e

Authorized by

Verified by

Raymond Chang

14 May 2024

Page 1 of 5 (Total 5. pages)

Hong Kong Certification Services International Limited 香港認証服務國際有限公司

Room 1605, 16/F Austin Tower, 22-26 Austin Avenue, Tsim Sha Tsui, Kowloon, H.K. Tel: 2377 9547 Fax: 2957 8951 e-mail: hkcsi@hkcsi.com



14907531-VFR



### VERIFICATION STATEMENT

#### Scope and Objective of Verification

Hong Kong Quality Assurance Agency ("HKQAA") has been engaged by Hanison Construction Holdings Limited ("HCHL") (Stock Code: 896) to undertake an independent verification of its Environmental, Social and Governance Report 2023/2024 ("the Report"). The Report stated the economic, environmental and social performance of HCHL in the period of 1st April 2023 to 31st March 2024 for its major operations in Hong Kong. The reporting scope covers HCHL's operations in Hong Kong including the head office and warehouse as well as project sites operated under Hanison Construction Company Limited ("HCL"), Hanison Contractors Limited ("HCL"), Hanison Interior and Renovation Limited ("HIRL"), and Trigon Building Materials Limited ("TBML").

The aim of this verification is to provide reasonable assurance on the reliability of the report content. The Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") 2021 and Appendix C2 "Environmental, Social and Governance Reporting Guide" ("ESG Guide") of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited ("SEHK").

### Level of Assurance and Methodology

The process applied in this verification was based on the "International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the GRI Standards 2021 and the ESG Guide of the SEHK.

The verification process included verifying information relevant to reporting and management procedures, including stakeholder engagement methods and results, and materiality assessment processes. In addition, the systems and processes for collecting, collating and reporting sustainability performance data were verified. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

### Independence

HCHL is responsible for the collection and presentation of the information presented. HKQAA did not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from HCHL. There was no relationship between HKQAA and HCHL that would affect the independence of HKQAA for providing the verification service.

### Conclusion

Based on the verification results, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards 2021 and the ESG Guide of the SEHK;
- The Report illustrates the sustainability performance of HCHL in a balanced, clear, comparable and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of HCHL and the construction companies, and discloses transparently their sustainability performance that is commensurate with their sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

P C Chan Chief Executive Officer 12 June 2024

### **CONTACT US**

The Group values stakeholders' views and suggestions. Please share your feedback on the Report and sustainability-related matters with our CSR and Communications Department.

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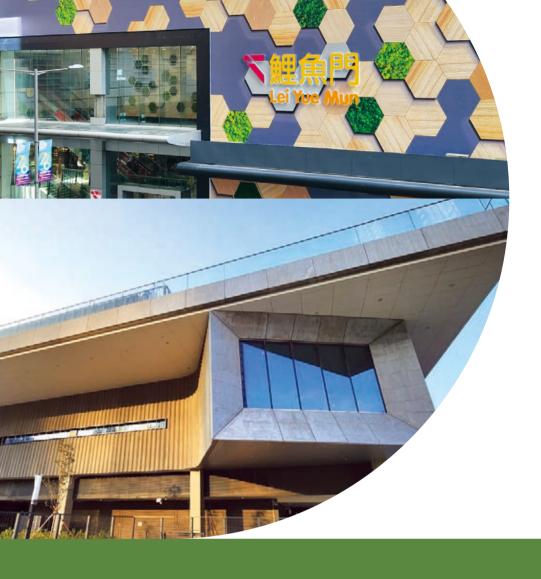
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The English version of this Report shall prevail whenever there is a discrepancy between the English and the Chinese versions.





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