



HING MING HOLDINGS LIMITED 興銘控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8425

2022 Environmental, Social and Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

SCOPE

This report was approved by the board of directors (the “**Board**”) of Hing Ming Holdings Limited (the “**Company**”) and aims to provide a balanced representation of the efforts made by the Company and its subsidiaries (the “**Group**”) on corporate social responsibility and covers its operations in the business of provision of rental services of temporary suspended working platforms and other equipment such as tower cranes and generators; and the trading of equipment and spare parts including permanent suspended working platforms, motors and wire rope for the year ended 31 March 2022 (the “**Year**”). In compliance with the extended disclosure requirements of the applicable Environmental, Social and Governance (“**ESG**”) Reporting Guide, certain disclosures and key performance indicators together with their comparative figures are added to this report. Apart from that, there are no significant changes in the scope of this report from that of ESG report for the year ended 31 March 2021.

REPORTING FRAMEWORK

This report is prepared in accordance with the ESG Reporting Guide as set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

GOVERNANCE OF ESG MATTERS

To demonstrate our commitment to transparency and accountability, the Group verified on the efficacy of ESG risk management and internal control systems and has established an ESG working group, which has clear terms of reference that set out the powers delegated to it by the Board. The Board assumes full responsibility for the Group’s ESG matters, and is responsible for reviewing ESG-related matters on a regular basis, identifying and assessing related risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. In addition, the Board regularly reviews the performance of the Group against ESG-related targets and reviews and approves the disclosures in ESG reports.

The ESG working group is responsible for formulating relevant ESG policies and management procedures in line with the framework and objectives set out by the Board and implementing daily ESG work across our business operation, including evaluating the stakeholders’ needs and expectations with timely response, identifying ESG-related risks and opportunities pertain to the business operations, monitoring the environmental and social performance in our departmental units and reporting status of the Group’s ESG related matters to the Board on a regular basis.

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REPORTING PRINCIPLES

This report follows the ESG Reporting Guide and applies the following principles:

Reporting principles	Application in this report
Materiality	The Group's stakeholders are engaged in the identification of ESG issues that matter most from their perspectives. The Group assessed the materiality of those ESG issues based on the corresponding risks posed on the sustainability on the Group's businesses. Material ESG issues were identified and prioritized and are disclosed in this report.
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption, where applicable, are disclosed in the respective sections in this report.
Consistency	Unless stated otherwise, the Group applies consistent methodology in compiling the ESG data reported to ensure meaningful comparison of ESG performance over time and between entities. Any change in methods or KPIs used is explained.

CORPORATE SOCIAL RESPONSIBILITY VISION, POLICY AND STRATEGY

The Group views corporate social responsibility ("CSR") as a business philosophy that creates sustainable value for shareholders by embracing opportunities and managing risks deriving from economic, environmental and social developments. The Group also believes that the ability to identify, assess and manage ESG considerations in our business activities is vital to creating intrinsic value to the Group in the long run. Hence, ESG considerations are an integral part of our CSR objectives and the Group has adopted CSR Policy in respect of the environmental, social and governance dimensions that aims to integrate CSR seamlessly into the Group's business strategies and management approach.

The Group's CSR Policy describes our long-term approach to specific issues in the four cornerstones: Marketplace, Workplace, Community and Environment, which is instrumental in enabling our business to operate in a sustainable manner. Within each of the cornerstones, core principles and pragmatic objectives provide guidance on practicing CSR in our daily operations.

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS

Strategies

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

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Objectives

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

Environmental objectives:

- Add environmentally friendly elements to our daily service and operation activities;
- Reduce greenhouse gas emissions;
- Use energy and resources efficiently; and
- Continuously improve waste management

Social objectives:

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

Approach

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

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

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Environmental and social management system comprises:

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

Measures for the achievement of environmental and social objectives are:

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

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

SUSTAINABLE DEVELOPMENT

Aspiring to persist as the leading temporary suspended working platform rental service provider in Hong Kong, the Group strives to operate its business in an economic, social and environmentally sustainable manner. Continuously resolute in providing good quality products and outstanding services, the Group firmly recognizes the importance of balancing its business objectives with the stewardship of natural environment, the need to meet market demand for resources, and the need to build a more prosperous and sustainable society.

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STAKEHOLDERS ENGAGEMENT AND MATERIALITY

In order to create sustainable growth and long-term value for its stakeholders, who comprise the Group's employees, investors, customers and the wider community, the Group endeavors to address their expectations and concerns through regular communication. The Group continues to involve stakeholders on an ongoing basis to understand their views and collect their expectations and concerns regarding significant ESG related matters of the Group's businesses, which are evaluated, prioritized and incorporated into our ESG strategy, including the setting of practicable ESG targets. Our communication channels with our stakeholders include company website, annual general meeting, business meetings and staff meetings. Based on the stakeholders' feedback, the material environmental and social issues were identified as follows:

- Employee welfare;
- Environmental compliance;
- Greenhouse gas emissions;
- Occupational health and safety;
- Labour standard;
- Training and development;
- Product quality; and
- Supply chain management

ENVIRONMENTAL

The Group integrates considerations of environmental preservation into its business and is dedicated to continuously improving environmental performance in conformity with all applicable laws and regulations in Hong Kong.

EMISSIONS

The Group's business predominantly focuses on rental services with respect to temporary suspended working platforms and other equipment and trading services with respect to equipment and spare parts including permanent suspended working platforms, motors and wire rope.

Being a responsible rental services provider, the Group strives to implement every possible measure to conserve energy in its business through increasing the energy efficiency of machineries and equipment sold or leased by the Group. As such, the Group strictly adheres to the Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong) when applicable, which regulates the emissions of non-road mobile machinery including suspended working platforms. Also, the Group ensures that machineries sold or leased are approved with the Non-Road Mobile Machinery (NRMM) label issued by the Environmental Protection Department of Hong Kong, when applicable.

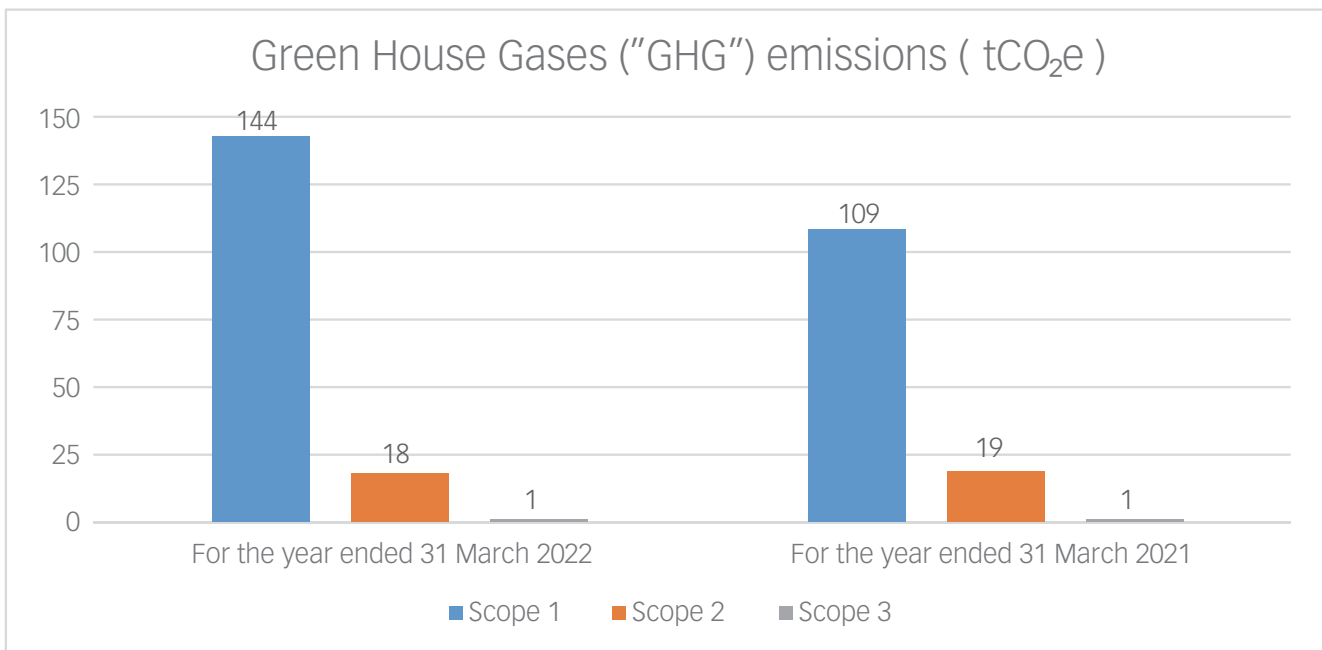
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Air and Greenhouse Gas Emissions

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

- *Air and Greenhouse Gas Emissions from Production*
In view of the Group's business nature, there were no air and greenhouse gas emissions from production.
- *Air and Greenhouse Gas Emissions from Vehicles*
The Group believes that green transportation brings benefits, which include reduction of transportation costs and reduction of energy consumption and pollution. As such, the Group encourages optimising transportation routes, high filling rate or carpooling and proper tire pressure to achieve efficiency. The Group reminds employees to consider environmental impact in their commuting decisions to reduce air and greenhouse emissions.

An overview of carbon footprint for the Group's operations in Hong Kong is summarised as follows:



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Overview of carbon footprint for Hong Kong operations

GHG emissions	For the year ended 31 March		Variance Increase/ (decrease)
	2022 tCO ₂ e	2021 tCO ₂ e	
Scope 1: Direct emissions ²			
– Carbon dioxide	144	109	32%
Scope 2: Indirect emissions ³			
– Carbon dioxide	18	19	(5%)
Scope 3: Other indirect emissions ⁴			
– Carbon dioxide	1	1	–
Total GHG emissions (Scope 1+2+3)	163	129	26%
GHG emissions intensity⁵			
Per revenue (HK\$ million)	2.2	2.5	(12%)

Notes:

1. The above calculation is based on the reference and tools provided by the Environmental Protection Department of Hong Kong. <https://www.carbon-footprint.hk>.
2. Scope 1 refers to direct GHG emissions such as fuel consumption.
3. Scope 2 refers to indirect GHG emissions from consumption of purchased electricity.
4. Scope 3 refers to other indirect GHG emissions from paper purchased, electricity used for processing fresh water and sewage by government departments and business air travel by employee.
5. GHG emissions intensity is calculated by dividing the total GHG emissions by the Group's revenue. The Group's revenue for the years ended 31 March 2022 and 2021 is approximately HK\$75 million and HK\$52 million, respectively.

The primary sources of GHG emissions from the Group's trading and rental business are fuel used for its motor vehicles, machineries and equipment and consumption of electricity for its office operations. The Group has directed efforts to monitor and minimize its mobile fuel, stationary fuel and electricity usage in its workplace by the use of energy efficient motor vehicles and office equipment as well as by encouraging its employees to share rides where possible and to keep the indoor temperature within the office at 24 to 26 degrees Celsius. As a result, the Group's GHG emissions intensity decreased by approximately 12% from 2.5 tCO₂e per HK\$1 million of revenue for the year ended 31 March 2021 to approximately 2.2 tCO₂e per HK\$1 million of revenue for the Year.

The Group will continue to explore and evaluate the possibility of carbon reduction through the use of cleaner source of energy and more efficient use of its transportation capacity, where the situations permit. The Group targets to reduce its GHG emission intensity.

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Emissions from vehicles

Types of emissions	For the year ended 31 March	
	2022 (g)	2021 (g)
NO _x	4,437	2,293
SO ₂	2,140	1,504
Particulate Matter ("PM")	356	213

Generation of Hazardous Waste and Non-hazardous Waste

The Group is not aware of any hazardous waste generated from its activities during the Year. Non-hazardous waste generated from the Group's activities is minimal. The Group continuously monitors the potential impacts of its activities on the environment.

No non-compliance with the laws and regulations in Hong Kong relating to air and greenhouse gas emission, discharges into water and land, and generation of hazardous and non-hazardous waste that have or may result in significant impact on the Group during the Year was identified.

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ENERGY CONSUMPTION

The Group is eminently devoted towards promoting a sustainable working and living environment through continuous emissions reduction and effective use of resources by introducing various guidelines pertaining to the efficient utilization of resources. Details of the Group's total use of resources by category are summarized as follows:

Total use of resources by category

	For the year ended 31 March		Variance Increase/ (decrease)
	2022 (kWh) ¹	2021 (kWh) ¹	
Electricity	47,519	37,015	28%
Fuel	558,849	434,768	29%
Total energy consumption	606,368	471,783	29%
Energy consumption intensity²			
Per revenue (HK\$ million)	8,085	9,073	(11%)
	2022 Sheet (kg)	2021 Sheet (kg)	Increase/ (decrease)
Paper	33,150 (165)	33,102 (165)	–
Paper consumption intensity³			
Per employee	975 (5)	1,068 (5)	(16%)

Notes:

1. The energy consumption unit is converted to kWh. The conversion rate is based on the reference and tool provided by https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/app2_envirokpis.pdf?la=en.
2. Energy consumption intensity is calculated by dividing the total energy consumption by the Group's revenue.
3. Paper consumption intensity is calculated by dividing the paper consumption by the number of employees. The number of employees as at 31 March 2022 and 2021 is 34 and 31 respectively.

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The Group's energy consumption from fuel increased by approximately 29% from approximately 434,768 kWh for the year ended 31 March 2021 to approximately 558,849 kWh for the Year, which accounts for approximately 92% (2021: 92%) of the Group's total energy consumption. The overall energy consumption intensity of the Group decreased by approximately 11% from approximately 9,073 kWh per HK\$1 million of revenue for the year ended 31 March 2021 to approximately 8,085 kWh per HK\$1 million of revenue for the Year.

The Group's paper consumption increased from 33,102 sheets (165 kg) for the year ended 31 March 2021 to 33,150 sheets (165 kg) for the Year.

The Group targets to reduce its overall energy consumption intensity and paper consumption intensity.

WASTE MANAGEMENT

The Group adopts waste management policy of reduce, reuse, recycle and replace where possible. For example, to reduce waste, the used metal components of temporary suspended working platforms are disposed at a low price or at no cost to recycling companies.

WATER MANAGEMENT

The principal activities of the Group do not involve production, hence water usage and use of packaging material for finished products are minimal. As water is used mainly for domestic purpose at the Group's office, the Group does not have any concern in sourcing water that is fit for such purpose.

USE OF RESOURCES

The Group is committed to promoting employees' environmental awareness and optimizing natural resources utilization among the Group. The Group will continue to make every effort to alleviate its environmental impact by properly maintaining vehicles and encouraging environmentally friendly driving behaviours. For example, drivers are encouraged to drive at a reasonable speed to avoid sudden braking, and to switch off engine while waiting. The Group will also continue to promote its guidelines on best practices for efficient use and conservation of resources in the office workplace, which include the use of energy saving lighting, e-statements and duplex print, separation of paper and tins for recycle purpose, as well as video conferencing as a substitute for overseas or cross-border business trips to reduce carbon footprints from flights, trains or other vehicles, where possible. In addition, the Group will continue to promote proper waste management and water saving behaviour under its overall environmental management agenda.

The Group preserves the environment and natural resources indirectly through providing rental services of temporary suspended working platforms and other equipment such as tower cranes and generators. Temporary suspended working platforms act as a substitute for traditional bamboo shed, which can significantly reduce wastes produced by traditional scaffolding. For example, according to the Construction Innovative Environmental Practices issued by the Hong Kong Construction Association, the use of temporary suspended working platforms for installation of a 22-floor high tower lift can prevent 1,200 meters of bamboo from landfill disposal.

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CLIMATE CHANGE

The Group has considered the physical risk which include acute risk like increasing heavy rainstorm, wildfire, hot weather; chronic risk including rise in sea level. While the acute risk will post immediate safety issues to our staff, the Group has followed and will continue to follow strictly on the relevant notice and/or guidelines issued by the local government bodies in which we operate to ensure staff safety. The Group will review the existing measures for adverse weather conditions and ensure the safety of the employees. For transitional risk, the Group has considered the policy and legal risk, which the government will impose more laws and regulation on the emissions and energy usage, as we have minimal usage on energy and minimal emissions due to our business nature, the Group considers the risk is relatively low, however, the Group will continue to monitor the potential risks of climate change and its impacts on the Group's operations and customers, and devise and implement preventive and emergency measures accordingly.

SOCIAL

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group's workforce is its most valuable asset and is the key to its long-term growth and prosperity. The remarkable development of the Group in recent years is a concrete proof of the contribution from its professional and experienced employees. Therefore, the development and maintenance of its human resources through attracting and retaining appropriate and suitable talents have equally profound effect on maintaining competitiveness within the industry and delivering excellent services to clients. For this reason, the Group is committed to providing a healthy, safe, and friendly working environment for all of its employees.

The Group recognizes, rewards and remunerates its employees based on factors such as qualifications and years of experience, with competitive remuneration package, and welfare and benefits included in its comprehensive labour management policies.

The Group firmly believes that a diversified workforce can congregate a mix of talents of different skills, experience and knowledge, which in turn strengthens the Group's competitiveness, supports innovation capability and fulfills contemporary business challenges. The Group respects diversity across all levels by offering equal employment opportunities to all candidates and not differentiating them on the basis of factors, including but not limited to gender, race, age, and religion. The Group has thus formulated and implemented equal opportunity and non-discrimination policies and practices for recruitment and promotion.

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For the Group's long-term success in the industry, the Group has a series of well-established promotion and succession programs to ensure professional knowledge and experience from its existing employees are inherited by its new employees. In addition, ongoing performance reviews and annual appraisal policies are well in place to ensure all employees are provided with equal career development opportunities.

The Group adheres strictly to all laws and regulations in relation to employment such as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong).

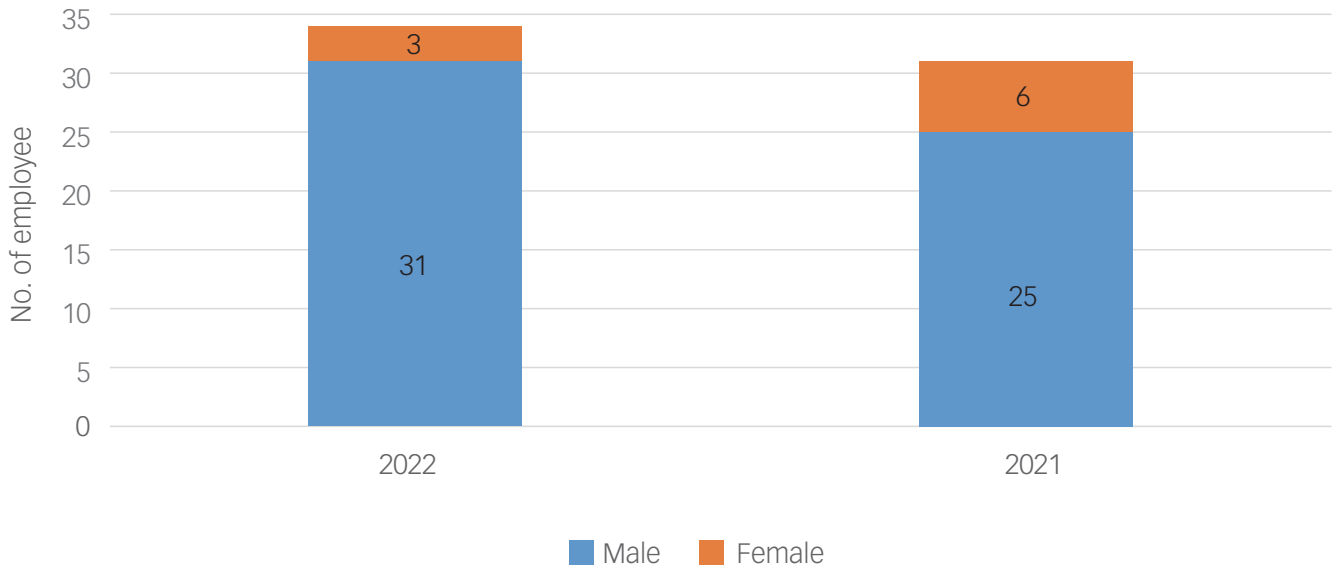
No non-compliance with the laws and regulations in Hong Kong relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have resulted or may result in significant impact on the Group was identified during the Year.

The Group had a total of 34 and 31 employees (excluding non-executive directors and independent non-executive directors of the Company) as at 31 March 2022 and 2021 and the Group's workforce composition as at 31 March 2022 and 2021 are as follows:

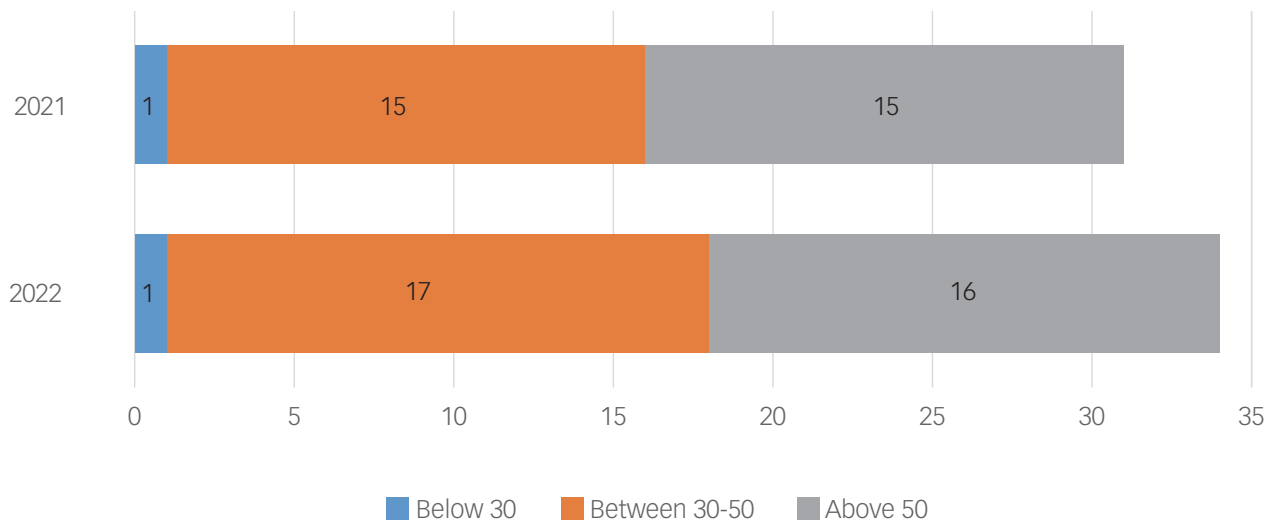
	2022	2021
Number of employees		
By gender		
Male	31	25
Female	3	6
By age group		
Below 30	1	1
30 to 50	17	15
Above 50	16	15
By region		
Hong Kong	34	31
By employment contract		
Permanent	34	31
Temporary/Part-time	–	–

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Workforce by Gender as at 31 March 2022 and 2021



Workforce by Age Group as at 31 March 2022 and 2021



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During the years ended 31 March 2022 and 2021, a total of 8 and 13 employees left the Group respectively, representing total turnover rate of employees of 24% and 42% for the years ended 31 March 2022 and 2021 respectively. Further employee turnover rates by various categories are shown below:

	2022	2021
Number of employee turnover:		
By gender		
Male	4	12
Female	4	1
By age group		
Below 30	1	6
30 to 50	4	2
Above 50	3	5
By region		
Hong Kong	8	13
Employee turnover rate (%) #		
By gender		
Male	13%	48%
Female	133%	17%
By age group		
Below 30	100%	600%
30 to 50	24%	13%
Above 50	19%	33%
By region		
Hong Kong	24%	42%

Employee turnover rates are calculated by number of employee turnover during the year in their specified categories over the number of employees as at that year end in their specified categories

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Health and Safety

Health and safety are always of paramount importance. Due to the nature of works in construction sites, risks of accidents or injuries are inherent. To minimize occupational accidents and to provide a safe and secure working environment, the Group is highly committed to complying with applicable laws and regulations in the industry such as the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong), the Construction Sites (Safety) Regulations (Chapter 59I of the Laws of Hong Kong), and the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

The Group has strictly complied with the requirements of the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), and has arranged insurance coverage for its employees. The Group believes the current insurance coverage is adequate and consistent with the industry norm, after taking into account the prevailing industry practices and the Group's current operations.

The Group takes every possible measure to attain the goal of zero injury in construction sites. The Group's recent efforts in this regard include:

1. establishing and regularly reviewing safety rules and policies and closely monitoring the implementation of such rules and policies;
2. reviewing reports of major accidents and incidents and using statistics to identify trends and monitor safety performance;
3. reviewing the effectiveness and sufficiency of safety training; and
4. continuously monitoring changes to relevant laws and regulations in Hong Kong and updating codes on safety issues.

The Group is dedicated to implementing sound safety management and thus offers hazard identification trainings to all employees, in which the individuals are trained to determine potential health risks and apply preventive measures to resolve such issues. Also, all necessary safety rules and policies are posted on conspicuous notice boards. Technicians are required to perform routine checks for every platform in use, and to wear safety helmets, footwear, gloves and safety belts when working in platforms and construction sites. All technicians are required to complete safety induction trainings before commencing work.

The outbreak of COVID-19 pandemic caused tremendous impact to the world in 2020. During the Year, the Group have taken many immediate measures to fight against the pandemic and ensured employees' safety by checking their body temperature, disinfecting public spaces and providing surgical masks and alcohol hand rub.

There were no work-related fatalities in the Group in each of the past three years including this reporting year (2021: nil). The Group had no lost days due to work injury for the years ended 31 March 2022 and 2021.

During the Year, no non-compliance with the laws and regulations in Hong Kong relating to providing a safe working environment and protecting employees from occupational hazards that have resulted or may result in significant impact on the Group was identified.

Development and Training

The Group trusts that growth of employees remains key to sustaining market leadership. It is imperative to cultivate a learning culture within the Group and to encourage continual education and development in order for its employees to be well-equipped and competent in delivering high quality services and products to customers, and to raise their occupational safety awareness.

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New employees are provided with on-board training to familiarize with the culture, business and operation of the Group. Also, for technical positions such as technical support, every newly-hired employee will be provided with pre-job technical training to enhance their professional skills. The Group welcomes every staff to join training programmes according to their respective job duties and positions. The Group's human resources department would review all staff applications from the staffs and assign each staff to the most suitable training and development programme.

During the years ended 31 March 2022 and 2021, a total of 134 manhours and 963 manhours of training were provided to employees of the Group respectively representing an average of approximately 4 hours and approximately 31 hours of training per employee as at 31 March 2022 and 2021 respectively. The total number of employees who took part in those trainings were 8 and 3 for the years ended 31 March 2022 and 2021 respectively, representing approximately 24% and approximately 10% of total employees as at 31 March 2022 and 2021 respectively. Further development and training data by various categories are shown below:

	2022	2021
Total number of hours of training received by employees	134	963
Percentage of employees trained#:		
By gender		
Male	100%	67%
Female	–	33%
By employee category		
Senior management	–	–
Middle management	25%	–
Others	75%	100%

Percentage of employees trained are calculated by number of employees trained in their specified categories over the total number of employees trained

	2022	2021
Average training hours completed per employee^:		
By gender		
Male	4	38
Female	–	1
By employee category		
Senior management	–	–
Middle management	4	–
Others	5	44

^ Average training hours are calculated by total number of hours trained during the year in their specified categories over the number of employees as at that year end in their specified categories

During the Year, the Group did not experience any strike or labour dispute which had a material effect on the business of the Group.

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Labour Standards

The Group is committed towards the growth and well-being of its employees. The Group's guidelines on staff recruitment and avoidance of unlawful employment policy outlines the Group's obligations as a responsible employer and the procedure necessary to ensure all candidates are treated equally and employment is compliant with local laws and regulations.

Information such as statement on work hours, pay and performance issues, policies on benefits, trainings, leave and disciplinary procedures and possible sanction are clearly stated on a written employee hand book provided in the national language of the employees.

The Group prohibits any employment which would constitute child labour and forced labour. The Group has implemented employment policies which are in strict adherence of the local employment laws and regulations. All the laws and regulations in Hong Kong pertaining to the prevention of child and forced labour are strictly followed. Prior to any confirmation of employment of the Group, our human resources department will require job applicants to provide valid identity documents to verify that the applicants are lawfully employable and ensure full compliance with relevant laws and regulations that prohibit child and forced labour. If any violations were to be detected, the Group would immediately cease any labour activities. Any false documents would be considered fraudulent and the Group would have the right to terminate the labour contract immediately. The Group will regularly review the employees' information to ensure there is no violation of any regulations and policies.

Any act of misconduct, such as sexual harassment, is seriously prohibited. Grievance mechanisms and disciplinary procedures are also set in place to enhance transparency and to ensure adequate governance of the Group. The Group adheres strictly to the Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) and has taken appropriate measures to ensure that no illegal workers are employed.

During the Year, no violation of related laws and regulations in Hong Kong relating to preventing child labour and forced labour that have resulted or may result in significant impact on the Group was identified.

OPERATING PRACTICES

Supply Chain Management

The Group believes that building stable and mutually trusted relationships with suppliers is imperative in managing potential environmental and social risks while enhancing operational efficiency and securing the long run prosperity of the Group.

For this purpose, the Group closely collaborates with stakeholders along the supply chain to improve overall environmental, social, and governance performance and to ensure all supply chain management processes are in line with the best practice incorporated. The Group's approach to this includes developing good relationships with suppliers based on honesty, fairness and mutual trust, and procuring only from suppliers on its approved list of suppliers. Major materials that the Group purchases are materials or parts and equipment for tower crane for its provision of the rental services.

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As of 31 March 2022, we had 14 suppliers (2021: 14 suppliers) mainly located in the following regions.

Region	Number of Suppliers in	
	2022	2021
Europe	5	5
Hong Kong	6	6
The PRC	2	2
Others	1	1
	14	14

The Group expects the suppliers to implement good employment measures by dealing with their employees fairly and reasonably, respecting employees' rights and providing employees with an environment free from discrimination, child labour and forced labour. The suppliers also need to adhere to transparent business processes and high standards of conduct which they have to avoid conflicts of interest and prohibit corruption and bribery. Before making any procurement decisions, the Group will conduct due diligence and assessments on suppliers to avoid environmental and social risks along the supply chain. Suppliers are chosen mainly based on their service or product quality, price, reputation, financial background, sustainability and social responsibility track record (including environmental friendliness) and delivery time. The Group regularly conducts performance reviews with major suppliers and communicates with them for rectification and improvements.

During the Year, the Group was not aware that any key suppliers had any significant actual and potential negative impact on business ethics, environmental protection, human rights and labour practices, nor did any of them have any non-compliance incident in respect of human rights issues.

Product Responsibility

With a strong determination in provision of equipment with high degree of safety, quality and reliability, and delivery of excellent and professional services, the Group adopts dual-controls in product quality management through stringent quality control in the procurement process and equipment maintenance. The Group also closely monitors the level of customer satisfaction for continual self-improvement. The Group is committed to consistently delivering high quality products and offering superior services, and thus adheres strictly to all applicable laws and regulations in Hong Kong on the safety of its rental equipment.

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Incoming Quality Control

The Group enhances sustainable performance through aligning its goal with suppliers. A comprehensive supplier monitoring mechanism has been duly established and put into practice as baseline management to assure that the quality of equipment supplied to the customers are stringently controlled and monitored. The Group insists to purchase materials, temporary and permanent suspended working platforms and spare parts only from the list of approved suppliers, for which all suppliers are subject to a thorough assessment process and supplier performance review. All these measures are to ensure that the Group's rental equipment are of good design and good quality, and all machineries are made of appropriate material, properly installed and maintained.

Equipment Quality Control

The Group attaches much attention to the quality and maintenance of its equipment so as to enhance occupational safety and reliability, and ultimately gain prominence among customers. For the temporary suspended working platforms operation, the Group has dedicated a quality assurance team, comprising quality assurance officers and Competent Persons as defined under the Factories and Industrial Undertakings (Suspended Working Platforms) Regulation (Chapter 59AC of the Laws of Hong Kong), to formulate, implement, and monitor systematic quality control policies and standard operating procedures. The Group strictly follows the safe use and operation of temporary suspended working platforms. In that regard, a series of meticulous inspections, testing and examination on specific and regular basis are strictly adhered to by the Group.

Labelling

The Group requires that labelling is accurate, legitimate, clear, and not misleading, and intellectual property rights, if applicable, are protected. We ensure that the information and marketing materials we provided do not contain any misleading content to protect customers' interests and do not contain materials which infringe intellectual property rights.

During the Year, the Group was not aware of any non-compliance with relevant laws, rules and regulations in Hong Kong relating to health and safety, advertising, labelling and privacy matters relating to products and services provided that have resulted or may result in significant impact on the Group since we had imposed a stringent quality control regime.

Privacy Matters

The Group respects customer privacy and strives to safeguard customers' data through adhering to all requirements under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). The Group is committed to protecting customer data and privacy information, and keeping business information confidential. Training to employees in this regard and proper information system security are required. We acknowledge the importance of protecting the privacy and confidentiality of our customers' information. An internal policy which governs the collection, handling, and disclosure of clients' data has been developed and communicated to our staff. The Group has prohibited the use of any personal information of customers by other parties for direct marketing purposes if unlawful or without explicit and implicit consent of customers.

During the Year, no breach of customer privacy or data loss was reported.

Complaint Management

The Group values every feedback from customers and takes them into heart in the process of improving the quality of services and satisfying the needs of existing and potential customers. To encourage customers to share their needs, expectations and views of the services and products provided, various communication channels, such as on-site staff communications with customers, have been established to solicit feedback. As a way of self-improvement, the Group insists in promptly and properly reviewing, reacting and responding to every valuable feedback collected.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group welcomes all feedbacks from customers as it is necessary to improving our products and services. Procedures for handling feedbacks are established. Feedbacks are recorded in detail and appropriate follow-up actions are taken promptly.

The principal activities of the Group do not involve production, hence no recall procedures are applicable.

For the years ended 31 March 2022 and 2021, there were no products sold or shipped subject to recalls for safety and health reasons and there were no products and services related complaints received.

Anti-Corruption

With determination to live up to a high standard of ethics, transparency, responsibility and integrity in every aspect of the Group, robust corporate governance practices have been established and adhered to.

No bribery and corruption are tolerated. The Group aims to carry out its business in a professional and ethical way, and thus takes every possible measure to ensure that all of its operations are in compliance with all applicable laws and regulations in Hong Kong.

A Code of Conduct (the “**Code**”) and various internal guidelines regarding bribery, money-laundering, gifts and entertainment are well in place and are mandatory for every employee to strictly follow. Whistleblowing policy is established to encourage reporting, in real name or anonymously, of any incident of bribery, corruption, extortion, fraud and other acts of dishonesty among the Group. The Board investigates into every reported non-compliance with the Code and internal guidelines and allegations of bribery. Disciplinary action is undertaken against such culpable employee when violation of the Code or internal guidelines is noted. In addition, we provide publications on anti-corruption practices to our directors and senior management personnel regularly.

The Group is not aware of any complaints of corruption against the Group or any of the staff and are no concluded legal cases regarding corrupt practices brought against the Group or its employees during the Year.

During the Year, no non-compliance with the laws and regulations in Hong Kong relating to bribery, extortion, fraud and money laundering that have resulted or may result in significant impact on the Group was identified.

COMMUNITY

Community Investment

The Group believes that a sustainable community plays a vital role in its long-term growth and success. Therefore, the Group has portrayed immense dedication in contributing to the amelioration of the society through collaborating with the local communities it operates in and addressing the community’s needs with focus area of education. During the Year, the Group donated HK\$100,000 to Wan Yan One Family Foundation Limited (2021: the Group donated HK\$100,000 to Wan Yan One Family Foundation Limited).

The Group will continue to participate in a variety of charitable events and encourage its employees to devote time and to actively get involved in community engagements and charity works. The Group believes that such active engagement on the part of the employees is a determinant of increased loyalty towards the organization.