

# AB BUILDERS GROUP LIMITED

# 奧邦建築集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

於開曼群島註冊成立的有限公司

Stock Code 股份代號 : 1615

## Environmental, Social and Governance Report 2019

環境、社會及管治報告



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## ABOUT THIS REPORT

AB Builders Group Limited with its subsidiaries (hereafter “AB Builders”, the “Group”, “we” or “our”) is one of the major contractors in Macau for over 20 years. Our scope of services covers structural works, including substructure and superstructure works (such as foundation works, basement works, piling and pile cap works, and construction of high-rise buildings), and fitting-out works of our subsidiary – San Fong Seng Construction and Engineering Co., Limited, a company incorporated in Macau. Staying at the forefront of construction market in Macau, we are committed to integrating sustainability principles into our strategic planning and daily operation through transparent measures, in view of delivering enduring value to our major stakeholders.

Having a deep ambition to construct long-term trusted ties with our stakeholders in the community, the Group is pleased to publish our second environmental, social and governance (“ESG”) report (the “Report”) summarising our ESG performance and initiatives.

## SCOPE OF THE REPORT

The Report examines the Group’s ESG management approaches, environmental and social performance and material topics during the year from 1st January to 31st December, 2019 (the “Reporting Year”, “2019”) with the scope of our core operations in Macau. Major business activities in Hong Kong are included in the Report in addition to those in Macau since the acquisition of Lap Polly Engineering Company Limited on 10th September 2019.

## REPORTING STANDARD

The Report has been prepared in accordance with the “Comply or Explain” provisions of the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx ESG Reporting Guide”). The Report has been reviewed and approved by the board of directors of the Group.

## CONTACT & FEEDBACK

The Group believes a strong trusted relationship with our community is critical for our business sustainability. We strive to manage the Group for the best interests of our stakeholders; therefore, we treasure your feedback on this ESG report and our sustainability performance. If you have any comments or suggestions, please feel free to contact us via [info@abbuildersgroup.com](mailto:info@abbuildersgroup.com).

## STAKEHOLDER ENGAGEMENT



AB Builders understands the best way to manage its business is having a strong collaboration with its stakeholders; thus values their interests and views, and above all, their participation.

To identify stakeholders' insights and concerns in relevance to business operation, the Group has been maintaining regular communication with the major stakeholders through various channels, which are illustrated in the table below:

Stakeholder groups	Communication channels	Sustainability issues
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company's announcements</li> <li>• General meetings</li> <li>• Annual and interim reports</li> </ul>	<ul style="list-style-type: none"> <li>• Profit and return</li> <li>• Compliance obligation</li> <li>• Corporate governance</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Customer direct communication</li> <li>• Customer feedback and complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of works</li> <li>• Data security</li> <li>• Environmental- friendly operation</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Training and orientation</li> <li>• Emails and opinion box</li> <li>• Regular meetings</li> <li>• Employee performance evaluation</li> <li>• Employee activities</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Training and development</li> <li>• Environmental-friendly operation</li> </ul>
<b>Suppliers and business partners</b>	<ul style="list-style-type: none"> <li>• Selection assessment</li> <li>• Procurement process</li> <li>• Performance assessment</li> <li>• Regular communication with business partners (e.g. emails, meetings, on-site visit etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Operational efficiency</li> </ul>
<b>Government authorities and regulators</b>	<ul style="list-style-type: none"> <li>• Documented information submission</li> <li>• Compliance inspections and checks</li> <li>• Forums, conferences and workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance and reporting</li> </ul>
<b>Non-governmental organizations</b>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Phones</li> <li>• Charity donations</li> </ul>	<ul style="list-style-type: none"> <li>• Community support</li> <li>• Mitigation on pollution and waste</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Community activities</li> </ul>	<ul style="list-style-type: none"> <li>• Community support</li> <li>• Pollution</li> <li>• Product health and safety</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company's announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of works</li> <li>• Compliance</li> </ul>

## MATERIALITY ASSESSMENT



In order to identify the ESG issues that are material to the Group in formulating appropriate ESG strategies on ESG management and determining the direction of the Report, the Group has commissioned an independent consultant to conduct a materiality assessment in form of an online questionnaire. Both our internal and external stakeholders (e.g. board of directors, employees, and suppliers) were invited to fill in the questionnaire and score the identified twenty seven ESG issues in accordance with their relevance and importance to the business operation and the stakeholders themselves respectively. Based on the materiality of each of the ESG issues expressed by the stakeholders, the ESG issues are prioritized and shown in the materiality matrix below. The issues which fell in the upper right corner of the matrix were defined as the topics that matter most to the Group's business operation and our stakeholders are concerned about.

### Stage 1

- Identify and map a list of ESG topics
- Identify key stakeholder group

### Stage 2

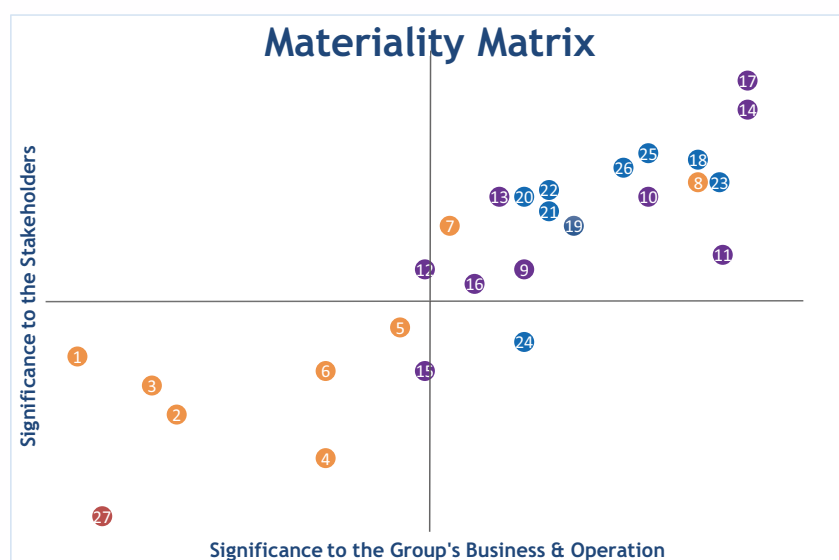
- Conduct stakeholder engagement exercise

### Stage 3

- Prioritize the most material ESG topics by materiality assessment
- Review the result of materiality assessment for ESG report disclosure and ESG performance improvement in future

## MATERIALITY ASSESSMENT

The materiality matrix is shown below based on the received responses and analysis results.



Environment	Social	
	Employment	Operation
1. Air emission	9. Labour rights	18. Customer satisfaction
2. Greenhouse gas emission	10. Labour-management relations	19. Customer service quality & complaints handling
3. Climate change	11. Employee retention	20. Customer health and safety
4. Energy efficiency	12. Diversity and equal opportunity	21. Marketing and product and service labelling compliance
5. Water & effluents	13. Non-discrimination	22. Intellectual property
6. Use of materials	14. Occupational health and safety	23. Customer privacy and data protection
7. Waste management	15. Employee training	24. Responsible supply chain management
8. Environmental compliance	16. Employee development	25. Business ethics
	17. Prevention of child labour & forced labour	26. Socio-economic compliance
		Community
		27. Community investment

According to the results of the materiality matrix, the Group should focus on prevention of child labour & forced labour, occupational health and safety, customer satisfaction, customer privacy and data protection, employee retention, environmental compliance, business ethics, socio-economic compliance, labour-management relations, intellectual property, customer service quality & complaints handling, marketing and product and service labelling, customer health and safety, non-discrimination, labour rights, waste management, and employee development. Looking forward, the Group will continue to review and develop corresponding ESG policies and targets, as well as optimizing the ESG reporting disclosure in order to pursue continuous improvement in our ESG performance in future.



## RESPECTING OUR EMPLOYEES



AB Builders believes attracting and retaining talents is the key to our business sustainable development; thus, employment conditions and standards have always been our prime concerns. With a focus on the career development and physical and mental health of our employees, we are committed to maintaining a quality workplace that values diversity, cooperation, learning, respect and trust.

### EMPLOYMENT STANDARDS AND BENEFITS

The Group believes competitive remuneration packages are crucial to motivate and retain our talents. We review the remuneration packages annually to ensure its competitiveness in the market. Discretionary bonus is also offered to employees with outstanding performance. Apart from the statutory holidays and paid annual leave, we also provide additional benefits, including sick leave, maternity leave, work injury leave, additional company holidays, and health insurance. Furthermore, we have established fixed working hours and working overtime is not encouraged. Prior approval from project managers is required and compensation is granted for all overtime work.

Besides, the Group seeks to foster a diverse workplace and prohibits any forms of discrimination, and insists that talents are hired, remunerated and promoted solely based on their abilities, aptitude and knowledge. There is zero tolerance for discrimination or harassment based on age, gender, race, disability, marital status or other non-work related reasons. Meanwhile, AB Builders is committed to providing equal opportunities for all employees in all aspects of their work, from recruitment, training to performance evaluation. Employees of all rankings are entitled to equal opportunities for training to ensure that they have adequate opportunities in career development.

Any forms of child labour, illegal workers and forced labour are strictly prohibited in our business operations. All candidates qualified for employment must have reached the statutory required age and have been in possession of valid identification documents. All employees are required to enter into labour contracts for the prevention of forced labour and are employed on a voluntary and equal basis. We have clearly set out the Group's rules, requirements and expectations for employees in the Staff Handbook. A whistleblowing system is in place with a dedicated team to investigate any unfair treatment and take appropriate actions.

During the Reporting Year, the Group strictly complies with Labour Relations Law in Macau and Employment Ordinance in Hong Kong relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, foreign labour policy, and child and forced labour. We have developed and implemented a series of employment-related policies which are stipulated in the Staff Handbook and organized training to interpret and explain relevant policy contents to each new comer regularly. Any possible improprieties reported will be investigated, and disciplinary actions may be taken, and even be reported to the authorities in case of severe violations.

## RESPECTING OUR EMPLOYEES

### HEALTHY AND SAFE WORKPLACE

Construction industry is always be regarded as a high-risk industry with much higher accident rate and fatalities than other industries in Macau and in Hong Kong. Therefore, we pay special attention to occupational health and safety in our construction sites with "Safety First and Prevention-oriented" being our mission. The Group's building activities and fitting-out projects have obtained the certification of OHSAS 18001 Occupational Health and Safety Management System, which systemically identifies, manages and mitigates safety risks in the construction process. In order to minimize occupational injury and illness at root, we raise staff awareness on safe operation through regular training, especially for the new hires to ensure regulatory compliance.



A Safety Management Team which is comprised of a project manager, a site manager, a safety officer, a project supervisor and an equipment officer has been formed for implementing and supervising safety measures in each construction site. Occupational health and safety objectives are established and reviewed regularly by the Team. It is also responsible for regular and irregular safety inspection and supervision in the sites, particularly inspecting the electrical circuits, mechanical power and identifying operational violations to eliminate casualties attributed to electric shock and machine malfunction.

#### Safety Objectives

- Zero death and significant casualties
- Zero mechanical, fire and poisoning incident
- Less than 1% minor casualties



## RESPECTING OUR EMPLOYEES

The Group has also adopted a range of measures to create a safe workplace and protect employees from occupational hazards. We conduct hazard identification regularly and perform rectification promptly if applicable. All of the construction personnel are provided with protective equipment, such as safety helmets, belts and nets. To improve the safety awareness and knowledge on safe operation of workers, Project Safety Induction Training which includes the use of personal protective equipment, inherent hazards in the sites, emergency procedures and first-aid facilities are arranged for new comers. Safety signs and safety notice boards are placed in conspicuous areas. All of the work injury cases are required to be reported and investigated by the Safety Department. In addition, emergency drills are held regularly to ensure employees are familiarized with evacuation routes, skills of evacuation, and proper application of relevant equipment to handle in emergency situations. Emergency preparedness plans are in place to guide our employees to report, respond and investigate in various emergency situations. For office operation, we carry out periodic cleaning and maintenance, and maintain a satisfactory air quality by placing plants and banning smoking in office.

We have also extended our stringent safety standards to our subcontractors, demanding them to carry out the same set of precautionary measures. During the Reporting Year, there were no material non-compliance cases relating to occupational health and safety identified.

## DEVELOPMENT AND TRAINING

AB Builders firmly believes that professional competency and development of our employees serve pivotal roles in our substantial business growth, and it is indispensable to cultivate a learning-centric corporate culture and offer diversified training sessions for our people.





## RESPECTING OUR EMPLOYEES

During the Reporting Year, we have made extensive investment in employees' competency, including both internal and external training for employees and sponsoring external courses to fully unleash their talent and values. Various development opportunities are provided and tailored for different departments and rankings to attain work skills and nurture their leadership skills and work etiquette. We also offer training sessions for employees to adapt to current regulations and practices, business environment and the Group's business direction and strategy.

### Induction

- Overview of corporate background, culture, mission and vision
- Company rules, regulations and code of practices
- Job-related knowledge, safety and anti-corruption practices

### Internal

- Technical skills
- Operational skills
- Qualification authentication
- Emotional and stress management
- Workplace etiquette

### External

- Knowledge in management system
- Professional competency
- Leadership skills

## RESPECTING OUR EMPLOYEES

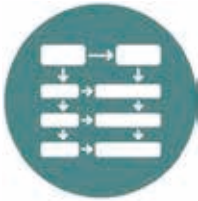
### HARMONIOUS WORKING ENVIRONMENT

Besides, the Group promotes a cohesive and harmonious labour and management relationship with the belief that mutual trust is the pre-requisite of employees' loyalty. We communicate with our staff through holding staff meeting and gathering regularly. During the Reporting Year, we have organized a wide range of activities, including sport events, cooking lessons and festive gatherings. Through all these events, our teams have enjoyed a work-life balance, developed a strong bond among themselves and cultivated a sense of belonging through constant learning and sharing experience with each other.



## SATISFYING OUR CUSTOMERS

### SUPPLY CHAIN MANAGEMENT



Supply chain management is crucial for the Group's operational efficiency and construction project quality. Therefore, we closely collaborate with our qualified suppliers and sub-contractors to align with our standards and requirements as well as strengthening the quality, environmental awareness and safety.

All of the potential new suppliers and sub-contractors are required to pass our stringent evaluation before entering into cooperation. A vetting process is conducted in respect of the business licenses, accreditations and qualifications of suppliers to ensure suppliers' competency, experience and their compliance with our quality requirements. Product samplings and assessments are also carried out by our procurement department. In addition, their environmental impact, safety, anti-bribery policy and corruption risk management are reviewed and assessed. Suppliers and sub-contractors can only be included in our qualified vendor list after fulfilling our requirements and passing the evaluation procedures.

For existing suppliers, annual performance reviews are conducted, assessing their product quality, service performance, material safety and process monitoring. The materials procured from suppliers and project works performed by sub-contractors are under periodic checks and monitors. Suppliers who fail to meet the standards should implement corrective actions promptly, and we will discontinue the business cooperation if they cannot pass our evaluation consecutively.

## SATISFYING OUR CUSTOMERS

## SERVICES/PRODUCT EXCELLENCE



Quality is one of the critical factors in the success of our construction projects. We place strong emphasis on securing product superiority in every single stage, from engaging suppliers and clients, business operation, after-sales services, to driving customer satisfaction. We strictly abide by the relevant national laws and regulations regarding product quality, safety management and customer privacy.

We have established a quality management system (“QMS”) which is certified with the international standard of ISO 9001 for our building activities and construction works. It prescribes our requirements on enhancement of customers’ experience, defect prevention, product innovation and continual improvement of our QMS. We have adopted quality control procedures such as regular monitoring, inspection and testing in every stage of the construction, recording data and controlling non-conforming works.





## SATISFYING OUR CUSTOMERS

In terms of product quality and safety, a Quality Management Team has been formed for the establishment, implementation, maintenance and continual improvement of our QMS. The team is comprised of a dedicated QMS manager and an internal control officer, operating under the direction of the Managing Directors. Quality objectives and policies are implemented and reviewed annually by the team aiming to comply with all relevant law and standards and to continuously improve our project quality and cost effectiveness. It is also responsible for the inspection, supervision and evaluation of all on-site quality matters. Apart from regular inspection of the effectiveness of the QMS, compliance and safety check of projects such as air quality, safety system and soil test are conducted by independent third party professionals prior to handing to our clients to ensure the fulfilment beyond both the standards of product specifications and customer requirements.

Policy of nonconformity is in place to identify any violations or performance that does not meet our stakeholders' expectations and to take prompt actions to investigate and correct the situation for our integrity of the QMS. Quality targets, including sales, production efficiency and rework rate have been established to monitor our QMS effectiveness. We also engage in regular communication with our stakeholders, including employees, customers, suppliers and sub-contractors through various communications channels to keep abreast of their expectation on our project quality and be well informed of our stringent standards. Training are provided to employees, suppliers and sub-contractors to raise their awareness and make sure they understand and comply with the standards.

During the Reporting Year, there is no material breach of relevant laws and regulations pertaining to health and safety, advertising, and labelling matters relating to products and services provided.

## PRIVACY

We are committed to building mutual trust with our customers at all times. Understanding how indispensable privacy means to our clients, we always identify it as an issue of critical concern. All of our staff are required to follow general provision of confidential information protection stipulated in the Staff Handbook. Employees are prohibited from copying, transferring and disclosing the restricted information without prior consent from the management or customers. In addition, all employees and suppliers are demanded to sign the non-disclosure agreement before entering into contracts. Violation of the company policy is subject to dismissal or other disciplinary actions.

During the Reporting Year, the Group did not identify any material non-compliance of applicable laws and regulations relating to privacy matters.



## PROTECTING THE ENVIRONMENT



As a contractor, we consume vast amount of natural resources and our operation activities pose huge impacts on our natural environment, for example air pollution and waste production. The Group unwaveringly pursues breakthroughs in setting itself on a green path and integrates environmental sustainability as a priority into our operational, construction and supply chain strategies to satisfy needs and expectations of our stakeholders at reduced costs and risks.

AB Builders is committed to implementing prompt actions to lift our environmental performance in the aspects of trimming our overall greenhouse gas emission, resource and energy consumption, and waste production. Therefore, a comprehensive environmental management system ("EMS") which is certified with the ISO 14001:2015 has been established to identify, manage and mitigate the environmental risks generated by our building and operational processes.



## PROTECTING THE ENVIRONMENT

Besides, an Environmental Management Team has been set up for the establishment, implementation, maintenance and continual improvement of our EMS. The team is comprised of management personnel from various departments, operating under the direction of the Managing Director. Environmental objectives and policies are established and reviewed regularly with the aims to comply with all relevant environmental laws and regulations, and to identify opportunities for enhancing resource efficiency, reducing environmental footprint and raising employees' environmental awareness. A dedicated EMS manager is also appointed for training, follow-up, inspection, supervision and evaluation of environmental matters, such as the progress of our environmental targets and environmental risks. Policy of nonconformity is in place to identify any violations or performance that does not meet our stakeholders' expectations and we will take prompt actions to investigate and correct the situation for our integrity of the EMS.

During the Reporting Year, the Group was not aware of any significant non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of waste and use of resources in Macau and in Hong Kong. For materiality purpose, the environmental performance illustrated in this ESG report, including energy usage and emission data, has been drawn based on 15 construction projects in Macau and 4 projects in Hong Kong, together with our offices, accounting for over 95% of our work portfolio. Compared to 2018 which only covers 9 construction projects and an office in Macau, we conduct more construction projects and additionally include business activities in Hong Kong this year. Therefore, the increase in emission, and resource and energy consumption is attributed to the expansion of business and the increase of the number of construction projects.

### AIR AND GREENHOUSE GAS EMISSIONS

The Group's major emission sources include the emission from structured works and fitting-out works projects as well as vehicle emissions. In general, the key air pollutants generated include nitrogen oxides, sulphur oxides, particulate matter and dust. We have implemented various measures in the identified sources, such as the use of non-road mobile machinery with certified labels. In order to reduce dust diffusion, we sprinkle water and utilize dustproof canvas in construction sites.

Air Emissions <sup>1</sup>	Unit	FY2019	FY2018
Nitrogen Oxides	kg	1.82	1.72
Sulphur Oxides	kg	0.04	0.04
Particulate Matter	kg	1.21	0.43
Dust	kg	4.50	4.10

<sup>1</sup> The calculation is based on the "How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx.

## PROTECTING THE ENVIRONMENT

The Group's GHG emissions are mainly generated by the use of purchased electricity, combustion of vehicle fuels, and generation of electricity from diesel at certain construction sites. During the Reporting Year, a total of 226.89 tonnes of carbon dioxide equivalent ("tCO<sub>2</sub>e") has been emitted with an intensity of 1.35 tCO<sub>2</sub>e per full-time employee ("FTE"). The increase in emissions is mainly due to the expansion of business and increase of the number of construction projects.

Greenhouse Gas Emissions	Unit	FY2019	FY2018
Scope 1 <sup>2</sup>	tCO <sub>2</sub> e	52.25	21.42
Scope 2 <sup>3</sup>	tCO <sub>2</sub> e	174.64	51.93
Scope 3 <sup>4</sup>	tCO <sub>2</sub> e	– (No air travel record in FY2019)	3.13
<b>Total</b>	tCO <sub>2</sub> e	<b>226.89</b>	<b>76.48</b>
Intensity	tCO <sub>2</sub> e per FTE	<b>1.35</b>	<b>0.33</b>

<sup>2</sup> Scope 1: Direct GHG emissions are from the combustion of mobile fuels and stationary fuels, and the use of refrigerants. The calculation is using the published emission factors from the guidance worksheets of World Resources Institute's GHG Protocol Tool for Mobile Combustion and the GHG Protocol Tool for Stationary Combustion.

<sup>3</sup> Scope 2: Energy indirect GHG emissions are from the use of purchased electricity. The calculation is based on the published emission factors of CEM Sustainability Report in Macau and CLP Sustainability Report in Hong Kong.

<sup>4</sup> Scope 3: Other indirect GHG emissions are from business air travels by the Group's employees.

## PROTECTING THE ENVIRONMENT

### WASTE MANAGEMENT

As a contractor, the Group creates a significant amount of construction waste, including concrete, stone, gypsum boards and waste iron, apart from the disposal of paper and domestic waste. All of the waste is segregated and stored in designated areas to prevent contaminating surrounding areas. Inert substances that are in good conditions will be reused. Landfilling and incineration are our main waste disposal methods. During the Reporting Year, non-hazardous waste being disposed of was 282.09 tonnes, with an intensity of 1.68 tonnes per full-time employee.

Non-Hazardous Waste	Unit	FY2019	FY2018
Domestic Waste	Tonnes	6.36	4.60
Waste Paper	Tonnes	21.42	17.14
Glass	Tonnes	1.62	0.52
Concrete	Tonnes	105.64	300.50
Gypsum Board	Tonnes	7.05	73.00
Stone	Tonnes	130.00	–
Waste Iron	Tonnes	10.00	–
<b>Total</b>	Tonnes	<b>282.09</b>	<b>395.76</b>
Intensity	Tonnes per FTE	<b>1.68</b>	<b>1.69</b>

The Group has inevitably generated certain amount of hazardous waste, including scrap metal and chemical waste in construction works. All of the hazardous waste is properly labelled and stored in sealed containers to avoid leakage. During the Reporting Year, we generated 4.72 tonnes of hazardous waste, with an intensity of 0.03 tonnes per full-time employee.

Hazardous Waste	Unit	FY2019	FY2018
Scrap Metal	Tonnes	3.39	5.89
Chemical Waste	Tonnes	1.33	0.49
<b>Total</b>	Tonnes	<b>4.72</b>	<b>6.38</b>
Intensity	Tonnes per FTE	<b>0.03</b>	<b>0.03</b>

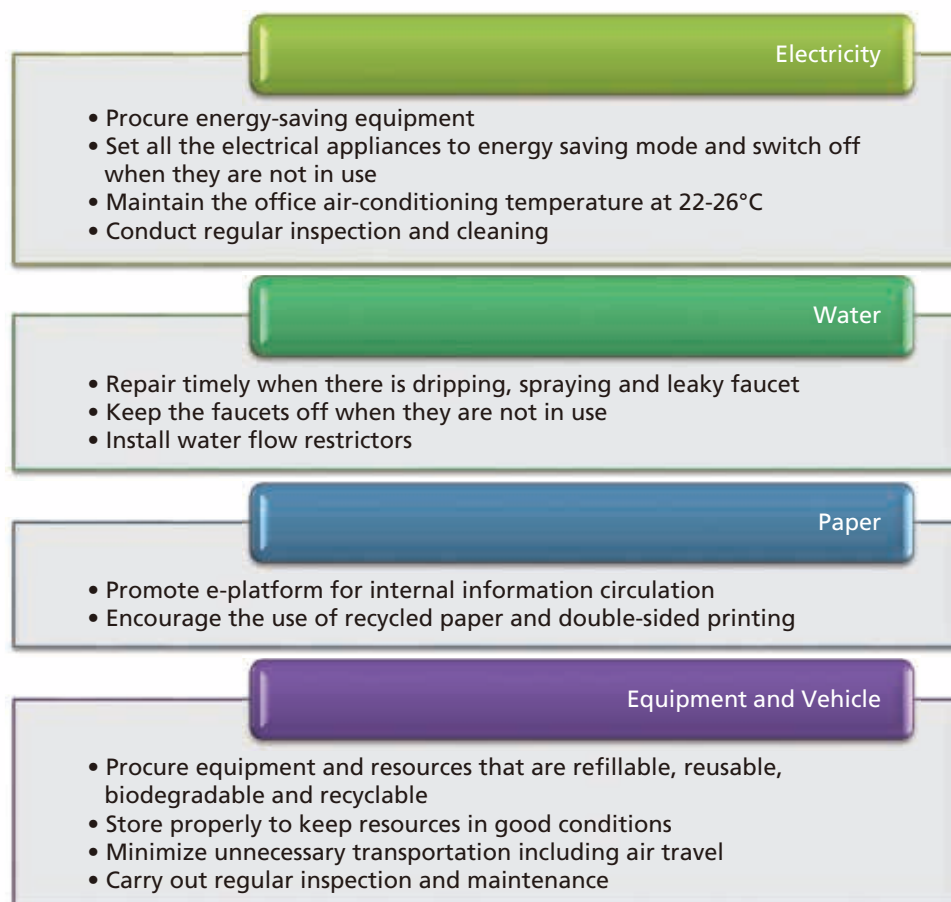
## PROTECTING THE ENVIRONMENT

### NOISE CONTROL

As the Group understands the noise we generate during the construction process may pose disturbance to nearby residents, we have implemented sufficient noise control measures for noise and vibration arising from construction sites. Soundproofing materials have been installed for equipment that generates large amount of sound and it is operated in its optimum speed to reduce sound generation. We also procure machines that operate in a lower noise level. In addition, the health and safety of the construction staff are always our top concern. Hence, all workers exposed to noise are provided with ample protective equipment and relevant training.

### USE OF RESOURCES

AB Builders believes that behaviour change and consistent actions over time can minimize our corporate environmental footprint. Therefore, we encourage our employees to adopt a sustainable lifestyle by introducing green policies in both our office and construction sites for saving energy and resources and recycling waste.



## PROTECTING THE ENVIRONMENT

During the Reporting Year, the selected construction sites and offices consumed a total of 202,843.31 kWh of electricity, 17,270 litres of diesel, 2,433 litres of unleaded petrol, 4,550.37 cubic metres of water and 2.02 tonnes of paper.

Energy and Resources	Unit	FY2019	FY2018
Electricity	kWh	202,843.31	61,964.59
Intensity	kWh per FTE	1,207.40	264.81
Stationary Fuel – Diesel	Litres	17,270.00	–
Intensity	Litres per FTE	102.80	–
Mobile Fuel – Unleaded Gasoline	Litres	2,433.00	2,302.00
Intensity	Litres per FTE	14.48	9.84
Mobile Fuel – Diesel	Litres	–	140.00
Intensity	Litres per FTE	–	0.60
Total Energy Consumption <sup>5</sup>	GJ	1,433.79	303.57
Water <sup>6</sup>	m <sup>3</sup>	4,550.37	3,075.09
Intensity	m <sup>3</sup> per FTE	27.09	13.14
Paper	Tonnes	2.02	3.55
Intensity	Tonnes per FTE	0.01	0.02

Furthermore, the Group utilized a total of 24.07 tonnes of packaging materials with an intensity of 0.14 tonnes per full-time employee during the Reporting Year.

Packaging Materials	Unit	FY2019	FY2018
Carton box	Tonnes	5.04	6.50
Wooden box	Tonnes	16.09	17.50
Plastic strapping	Tonnes	0.07	0.27
Wooden board	Tonnes	2.11	0.70
Metal	Tonnes	0.64	2.00
Tile paper	Tonnes	0.12	–
<b>Total</b>	Tonnes	<b>24.07</b>	<b>26.97</b>
Intensity	Tonnes per FTE	0.14	0.12

<sup>5</sup> The conversion factors from volumetric units of unleaded petrol and diesel oil consumption to energy units are in reference to CDP Technical note: Conversion of fuel data to MWh.

<sup>6</sup> In FY2019, there was no issue in sourcing water.





## PROTECTING THE ENVIRONMENT

### THE ENVIRONMENT AND NATURAL RESOURCES

The alarming trend of climate change lately has brought us unprecedented concern on environmental stewardship. The Group stays proactive in managing emerging environmental risks and advancing our performance in pursuit of long-term and sustainable operation.

The Group's construction activities inevitably consume certain amount of natural resources and pose impacts on the natural environment. Therefore, apart from integrating sustainability principles into our operations, we conduct prudent selection on building materials to ensure only materials with minimal environmental repercussions are procured. We place strong emphasis on suppliers' environmental management during our selection, such as their system accreditation, environmental management objectives and environmental performance. We are committed to sustainable operation from the commencement of our construction process.

The Group also takes emergency handling seriously upon the occurrence of environmental risks. An Environmental Emergency Preparedness and Response Plan, which stipulates reporting channels, emergency responses and investigation ways, is in place for our workers to follow in case of emergencies. The plan is set up based on environmental risks and conditions that may vary during construction, including identified man-made and natural workplace environmental hazard sources, such as fire, explosion, typhoon and chemical leakage. In order to ensure our workers are familiarised with the precautionary measures, we offer training and emergency drills regularly.

## BUSINESS INTEGRITY



As an ethical corporate, the Group upholds the highest level of business integrity and takes a zero-tolerance approach to acts of corruption, bribery, extortion and fraud as described in the Code of Conduct. The Group strictly abides by all of the relevant laws and regulations, including Anti-Money Laundering and Combating the Financing of Terrorism Notice of Macau and Prevention of Bribery Ordinance (Cap.201) of the HKSAR.

During the Reporting Year, the Group confirmed that there were no breaches of relevant laws and regulations, and no concluded legal cases regarding corruption practices were brought against the Group or our employees.

### ANTI-CORRUPTION

Our employees are strictly prohibited from offering or accepting any forms of advantages such as gifts, entertainment, rewards and commission under any circumstances. We have anti-money laundering and anti-fraud policy and the code of conduct stipulated in the staff handbook, and we require all employees to read the relevant contents and sign the declaration. Infringement of the Group's policy is subject to dismissal or other disciplinary actions. Apart from employees, we extend our ethical standard to our customers, sub-contractors, suppliers and all other business affiliates. Their background and policies on ethical operation are investigated before entering into a contract with us.

The Group strives to construct a corruption-free workplace culture and has set up a whistle-blowing system, in which the identities of whistle-blowers and reporting information are kept in strict confidentiality. A telephone hotline and an email box have been set up for employees to report any misconducts with name or anonymously. All suspected cases on bribery, extortion, fraud, money-laundering and competitive behaviour will be investigated promptly by our investigation team. We will report the cases to relevant authorities (e.g. ICAC and CCAC) for further handling under any necessary circumstances. To further enhance the Group's anti-corruption system, we also organize training relating to our businesses for different level of staff.

### CONFIDENTIALITY AND CONFLICT OF INTERESTS

The Group is also aware of issues of conflict of interests, accepting advantages, confidential and sensitive information and insider trading; thus, appropriate actions in dealing with the mentioned situations are well defined and stipulated in the Code of Conduct. Employees are expected to declare any actual or potential conflict of interests and shall decline any offers of advantage if acceptance could affect their objectivity in conducting the Group's business. Furthermore, all non-disclosed business information, including customer data and project and operation related information, information about the Group's intellectual property, is regarded as confidential information. Employees, suppliers and sub-contractors who are involved in handling this information are required to sign the Non-disclosure Agreement to prevent misuse and leakage of private and confidential information.

## ENGAGING THE COMMUNITY



AB Builders believes winning trust from the communities where we operate and winning their recognition of the Group's contribution are essential to our sustainable business development. As a socially responsible enterprise, we undertake the mission to promote the harmonious development of community. We encourage employees to participate in volunteer work and support community investment and development.

The Group considers community care and social and industry contribution as core responsibilities that form part of the Group's long-term development. During the Reporting Year, we focus on supporting charity organizations by purchasing charity lotteries. Besides, our management team is also dedicated to contributing to the advancement of construction industry in Macau, and is keen on sharing our experience and insights with our peers for a better construction industry.

## HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>Aspect A: Environment</b>		
<b>A1 Emissions</b>	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul> <p>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	Protecting the Environment – Air and Greenhouse Gas Emission
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Protecting the Environment – Air and Greenhouse Gas Emission
<b>KPI A1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Air and Greenhouse Gas Emission
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Waste Management
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Waste Management
<b>KPI A1.5</b>	Description of measures to mitigate emissions and results achieved.	Protecting the Environment – Air and Greenhouse Gas Emission
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Protecting the Environment – Waste Management
<b>A2 Use of Resources</b>	<p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Protecting the Environment – Resource Management
<b>KPI A2.1</b>	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).	Protecting the Environment – Resource Management

## HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Protecting the Environment – Resource Management
<b>KPI A2.3</b>	Description of energy use efficiency initiatives and results achieved.	Protecting the Environment – Resource Management
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Protecting the Environment – Resource Management
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Protecting the Environment – Resource Management
<b>A3 The Environment and Natural Resources</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	Protecting the Environment – The Environment and Natural Resources
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting the Environment – The Environment and Natural Resources
<b>Aspect B: Social</b>		
<b>B1 Employment</b>	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Respecting our Employees – Employment Practices
<b>B2 Health and Safety</b>	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Respecting our Employees – Healthy and Safe Workplace
<b>B3 Development and Training</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Respecting our Employees – Development and Training

## HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
<b>B4 Labour Standards</b>	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Respecting our Employees – Employment Practices
<b>B5 Supply Chain Management</b>	Policies on managing environmental and social risks of the supply chain.	Satisfying our Customers – Supply Chain Management
<b>B6 Product Responsibility</b>	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Satisfying our Customers – Service/Product Excellence, Privacy
<b>B7 Anti-corruption</b>	Information on:  (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Integrity
<b>B8 Community Investment</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Engaging the Community



**AB BUILDERS GROUP LIMITED**  
**奧邦建築集團有限公司**