

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 **2021**
環境、社會及管治報告



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AB Builders Group Limited (the “Company”) with its subsidiaries (hereafter “AB Builders”, the “Group”, “we” or “our”) has been one of the major contractors in Macau for over 20 years. Our scope of services covers structural works, including substructure and superstructure works, and fitting-out works of our subsidiary — San Fong Seng Construction & Engineering Company Limited, a company incorporated in Macau. In 2019, the Group successfully expanded its business to Hong Kong to provide building construction and engineering services by acquiring a 60% equity interest in Lap Polly Engineering Company Limited, a company incorporated in Hong Kong and has a principal business operation in Hong Kong.

We are committed to building a long-lasting relationship with stakeholders and the community by incorporating environmental, social and governance (“ESG”) principles and approaches into our business operation. The Group is pleased to publish our fourth ESG report (the “Report”) summarizing our ESG performance and initiatives.

Scope of Report

The Report examines the Group’s ESG management approaches, environmental and social performance and material topics during the year from 1 January 2021 to 31 December 2021 (the “Reporting Period”, “2021”) with the scope of the Group’s core operations by its subsidiaries:

- San Fong Seng Construction & Engineering Company Limited located in Macau; and
- Lap Polly Engineering Company Limited located in Hong Kong

This Report focuses on our major construction business. Unless otherwise specified, the scope of data will be the same as previous years. The Company will continue to review the scope of reporting regularly according to our materiality principles and the key stakeholders’ opinions, and will extend the scope in the future if necessary.

Reporting Standard

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HKEx”).





ABOUT THIS REPORT



Reporting Principles

During the preparation process, the Group adheres to the fundamental reporting principles, namely materiality, quantitative, balance and consistency, as outlined in the HKEx ESG Reporting Guide.

Materiality	Quantitative
We performed a materiality assessment to determine the material ESG aspects to us and guide the focus of this Report. The materiality matrix and details of stakeholder engagement are illustrated in the section, Stakeholder Engagement and Materiality Assessment of this Report.	All of the disclosed information, environmental and social key performance indicators (“KPIs”) were collected and calculated according to a series of standardised methodologies which are illustrated in the relevant sections.
Balance	Consistency
The board of directors (the “Board”) has acknowledged its responsibility to oversee the Company’s sustainable development and review the truthfulness, accuracy and completeness of this Report. This Report has been prepared without bias.	Unless otherwise specified, this Report has been prepared in the same way in terms of the reporting scope and methodologies when compared to those in previous years. We adopted a consistent environmental and social data management approach to allow a fair comparison of our performance over time.

Contact & Feedback

The Group strives to build a trusted relationship with the community. We formulate our business strategies 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 infoservice@abbuildersgroup.com.



OUR SUSTAINABILITY APPROACH

As a responsible Macau enterprise that focuses on civil and building construction business, we are deeply committed to achieving our missions by providing superb services and a harmonious working environment for our customers and employees respectively. With our motto "Honesty, Customer-orientated, and Good Services", the Group maintains the highest standard of business ethics to become a trustworthy business partner.

Our Values — SFSCE



Under our corporate values, the Group has been driven to optimise our performance in caring for our employees, services and product responsibility, ethical business, environmental sustainability and community participation.





OUR SUSTAINABILITY APPROACH



Sustainability Governance

The Group has established its ESG strategy to clearly set out the Company’s ESG vision and mission, commitment and management approach, and the responsibility of the Board and other relevant personnel. Our ESG management is led by the Board, which has the responsibility to oversee the Group’s governance and is supported by the other key roles as shown below:

Role	Responsibilities
The Board	<ul style="list-style-type: none"> Evaluate and determine the Group’s ESG-related risks and opportunities. Ensure that appropriate and effective ESG risk management and internal control systems are in place. Approve ESG-related disclosures including ESG report. Set up the Group’s ESG management approach, strategy, priorities and objectives. Review the Group’s ESG practices and performance against ESG-related goals and targets regularly.
Top Management	<ul style="list-style-type: none"> Report significant ESG findings to the Board Formulate and enhance the Company’s ESG strategy, policy and targets to ensure compliance with relevant laws and statutory requirements. Provide the resources (e.g. human resources, equipment, technology, methodology and financial resources) needed for the establishment, implementation, maintenance and continual improvement of the ESG strategy.
Environmental Management Representative (Environmental Sector)	<ul style="list-style-type: none"> Determine and ensure that the resources needed for the establishment, implementation, maintenance and continual improvement of the environmental management system. Ensure that environmental management system (“EMS”) is established, implemented, maintained and continually improved under the requirements of the international standard of the environmental management system. Address the risks and opportunities related to our environmental aspects, compliance obligations and other issues and requirements identified.
Other Relevant Management Personnel	<ul style="list-style-type: none"> Monitor the Group’s organizational ESG performance through related meetings and approve related documents. Manage the overall operation of each department. Ensure all work-related programs and guidelines have been set, controlled, implemented and delivered to the employees. Liaise with government departments to coordinate safety regulations regularly. Monitor the progress of environmental targets set for each department.



We also incorporated Environmental Policy into our EMS and stipulated our ESG management structure in the Environmental Management Manual, in order to manage the environmental issues and ensure our operations abide by related environmental laws and policies.

Our Environmental Policy

- To maintain our leading position in the market by identifying customers' requirements and expectations in order to provide the most trustworthy and quality services
- To provide quality solutions in achieving the customers' satisfaction by thorough communication
- To provide appropriate working environments with adequate resources including facilities, equipment and materials as well as appropriate training to enable our staff to deliver excellent services
- To provide management framework with clear environmental and safety objectives and targets, and commit to continual improvement, focusing on topics pertinent to all our business which include protection of environment, mitigation and prevention of pollution, consideration of entire life cycle, sustainable resource use, prevention of injury and ill health, compliance with environmental and safety legislation and regulations
- To stringently review the quality, environmental and safety objectives and targets in our operations annually to ensure the alignment with our Company Values — SFSCCE

ESG Risk Management

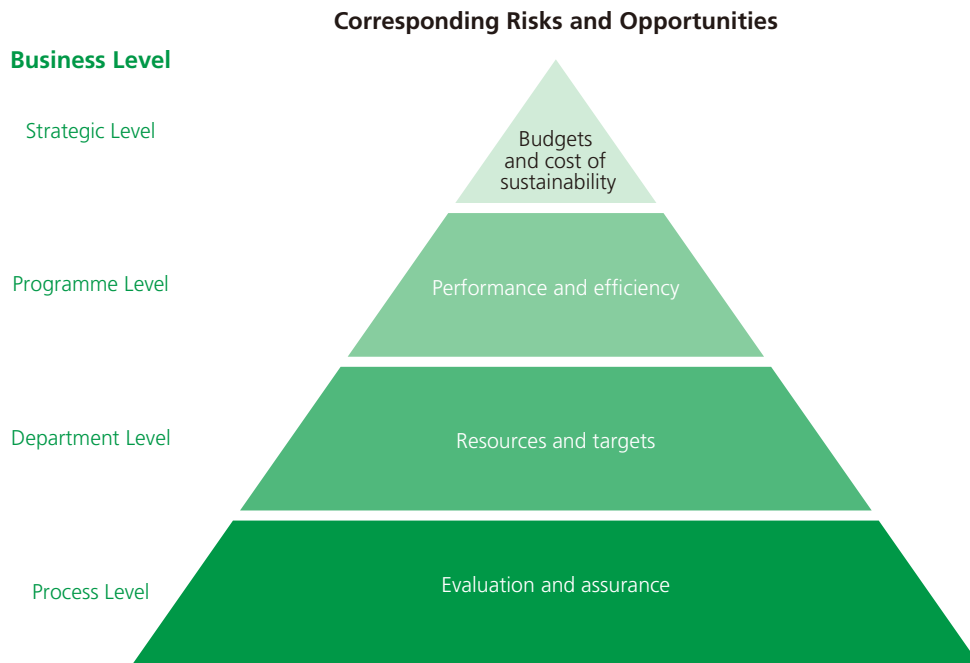
The Board is responsible for the ultimate ESG risk management of the Group whilst the Board and the audit committee are delegated with the power to oversee and review the Group's ESG risk management system, internal control system and activity on an ongoing basis. Risk Management Policies have been established, aiming to ensure the organisation capabilities and resources are being identified and allocated in an efficient and effective manner, as well as aligning with the Group's values.

Assessment of the internal and external issues is conducted to identify the risk and opportunity through the Group's daily operation for the illustration of the Risk and Opportunity Management which incorporate into the Risk Management Hierarchy to outline the risk and opportunity according to four business levels.



OUR SUSTAINABILITY APPROACH

Risk Management Hierarchy










During the Reporting Period, we have appointed a consultant to perform ESG risk assessment and the identified ESG risks that have been incorporated into our risk management framework. These key risks as shown in the following table were identified. Mitigation measures have been addressed and implemented to reduce the impact of the risks.

Key Risks	Impacts and Our Responses
Widespread Diseases Risk	<p>Impact: The risk of diseases and pandemics can adversely affect the health and safety of the Group’s workforce.</p> <p>Our response: The Group has implemented measures and controls followed by the establishment of the 2019 novel coronavirus (“COVID-19”) Epidemic Prevention and Measures Management Procedures, such as conducting regular disinfection and cleaning, mandating facemask wearing at the office, requesting employees and visitors to declare health status.</p>
Climate Physical Risk	<p>Impact: Climate-related disasters as well as extreme seasonal weather fluctuations can affect the Group’s day-to-day operations and finance.</p> <p>Our response: We have established Emergency Contingency Plan to prevent and respond to environmental threats posed by unforeseeable events. The incorporated climate-related operational and capital expenditures are considered in our financial planning as well as ESG management strategy.</p>



The Group believes that building a sustainable and long-term relationship with stakeholders is the critical factor in an effective ESG strategy. We are committed to establishing various communication channels to gather the expectation and concerns of internal and external stakeholders regarding our ESG performance and business operation.

The following list summarises our communication channels with different stakeholder groups:

Stakeholder Groups	Engagement Channels	Concern Topics
Investors and shareholders 	<ul style="list-style-type: none"> • Company website • Company’s announcements • General meetings • Annual and interim reports 	<ul style="list-style-type: none"> • Profit and return • Compliance obligation • Corporate governance
Customers 	<ul style="list-style-type: none"> • Company website • Customer direct communication • Customer feedback and complaints 	<ul style="list-style-type: none"> • Quality of works • Data security • Environmental-friendly operation
Employees 	<ul style="list-style-type: none"> • Training and orientation • Email and opinion box • Regular meetings • Employee performance evaluation • Employee activities 	<ul style="list-style-type: none"> • Labour rights • Employee remuneration and benefits • Healthy and safe working environment • Training and development
Suppliers and business partners 	<ul style="list-style-type: none"> • Selection assessment • Procurement process • Performance assessment • Regular communication with business partners (e.g. email, meetings, on-site visit etc.) 	<ul style="list-style-type: none"> • Operational efficiency • Stable and trust-worthy business relationship
Government authorities and regulators 	<ul style="list-style-type: none"> • Documented information submission • Compliance inspections and checks • Forums, conferences and workshops 	<ul style="list-style-type: none"> • Compliance • Report and document submission • License registration
Communities and Non-governmental Organisations 	<ul style="list-style-type: none"> • Company website • Community activities • Email and hotline 	<ul style="list-style-type: none"> • Community support • Pollution • Product health and safety
Media 	<ul style="list-style-type: none"> • Company website • Company’s announcements 	<ul style="list-style-type: none"> • Quality of works • Compliance





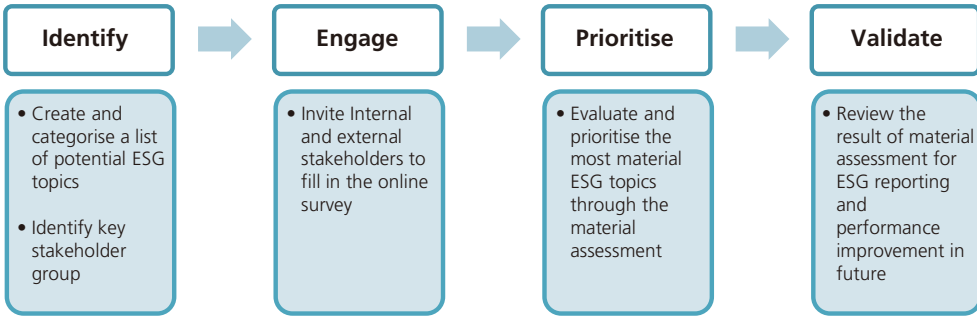
STAKEHOLDER ENGAGEMENT



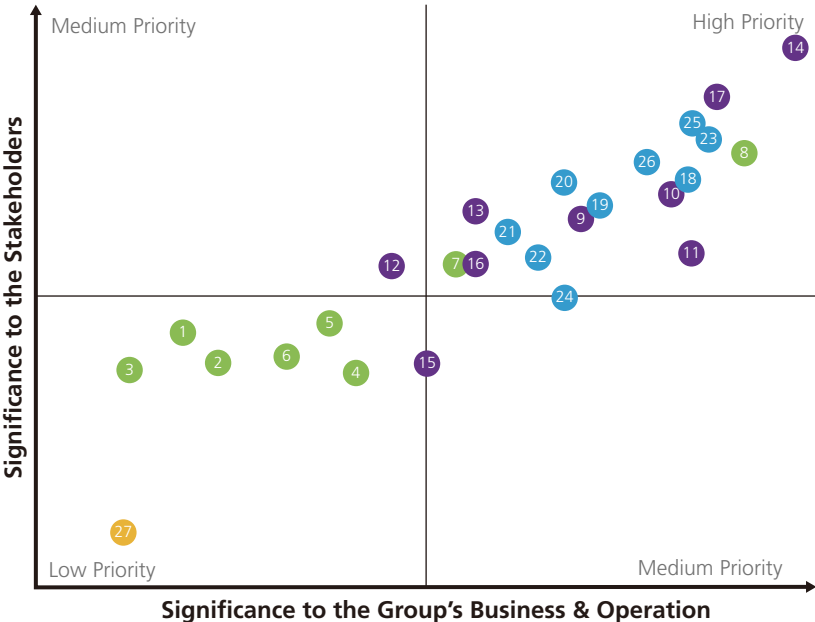
In order to identify the ESG issues that are material to the Group in formulating appropriate ESG strategies on ESG management, we have conducted a materiality assessment in form of an online questionnaire. An independent consultant has been commissioned to conduct a materiality assessment in form of an online questionnaire for AB Builders to formulate strategies for managing the material ESG issues that matter most to the Group.

AB Builders' key stakeholders, including the Board, employees, and suppliers etc., were invited to fill in the online questionnaire consisting of different material ESG issues of the Group. The stakeholders prioritised twenty-seven ESG issues and the results of the survey were analyzed and presented in the below materiality matrix.

Steps To Conduct A Materiality Assessment

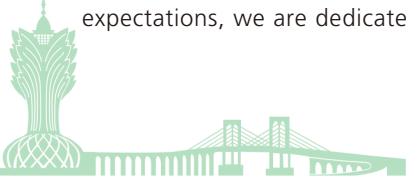


After conducting desktop research, a number of environmental, social and operating topics were selected for for materiality assessment. The significance of the topics for the Group and its stakeholders was assessed to help the Group understand the gap between its development direction and the stakeholders’ expectations. The ESG topics are prioritised and shown in the materiality matrix below. The significance of the ESG issues to stakeholders and the Group’s business operation increases from the lower-left corner to the upper right corner.



Environment		Employment		Operation	
1	Air emission	9	Labour rights	18	Customer satisfaction
2	Greenhouse gas emission	10	Labour management relations	19	Customer service quality and 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 and 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
Community		17	Prevention of child and forced labor	26	Socio-economic compliance
27	Community support				

For better strategic planning and resource allocation, we categorized those ESG topics into three categories: high, medium and low. The topics in the upper right corner of the matrix were defined as those that are most important to the Group’s business operations and our stakeholders. Recognizing our stakeholders’ expectations, we are dedicated to enhancing our ESG performance, governance, and policies.





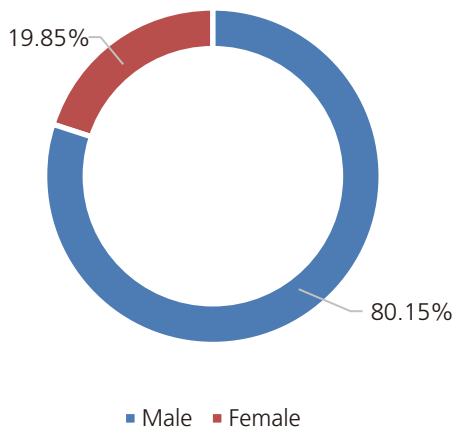
CARE FOR OUR EMPLOYEES



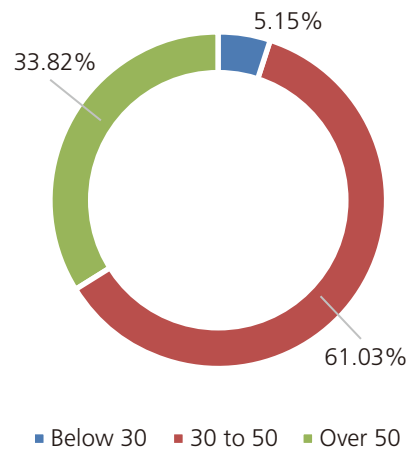
People at AB Builders are our most significant assets, as their hard work and contributions are the driving force of our business success. With an increasing focus on labour-related issues such as occupational health and safety, the prevention of child labour and forced labour, labour rights, labour-management relations, and non-discrimination, the Group is committed to investing a significant number of resources in enhancing employees' career development and well-being. We also place a strong focus on safeguarding their health and safety to ensure employees can fully leverage their strengths and development potential.

As of 31 December 2021, the Group had 136 employees in total. The composition of the Group's employees by gender, age group, employment type and geographic region are as follows:

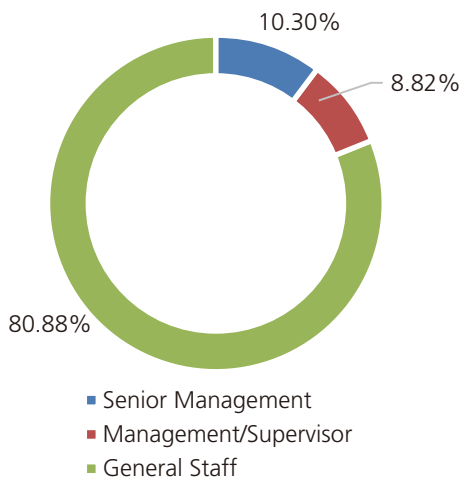
By Gender



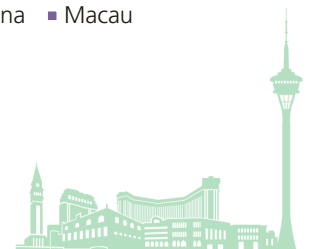
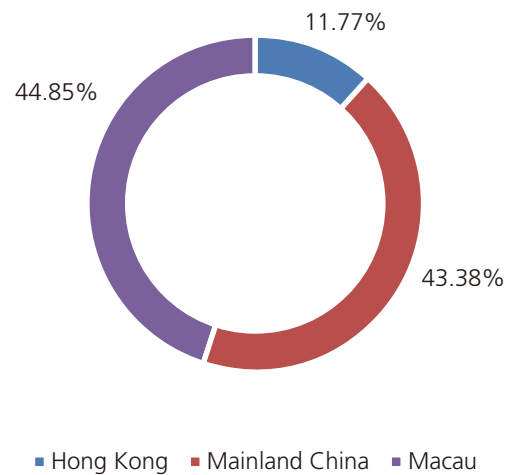
By Age Group



By Employment Type



By Geographical Distribution





During the Reporting Period, the turnover rate of is 44.12%¹. The detailed breakdown is presented in the table below:

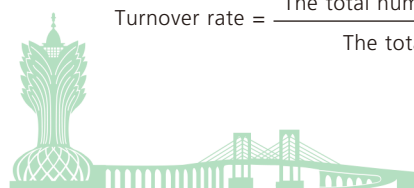
Category	Sub-category	2021 (%)
By Gender	Male	44.55%
	Female	62.50%
By Age Group	< 30 years old	100.00%
	30–50 years old	48.65%
	> 50 years old	38.64%
By Geographical Region	Hong Kong	114.29%
	Mainland China	49.15%
	Macau	44.07%

Employee Remuneration and Welfare

The Company recognizes that delivering competitive remuneration packages is the best approach to recognize and retain our valuable employees. Thus, we design and implement competitive remuneration packages to attract, motivate and retain talent, consisting of a mix of base salary and short or long-term incentive plans, such as discretionary bonuses for employees with extraordinary work performance. We routinely monitor and evaluate market trends and industry practices to ensure compliance with the latest laws and regulations.

¹ The turnover rate is calculated by using the formula below:

$$\text{Turnover rate} = \frac{\text{The total number of employee who left during the Reporting Period}}{\text{The total number of employee as at 31 December 2021}} \times 100\%$$





CARE FOR OUR EMPLOYEES



The Group strives to create a supportive working environment for our employees by giving them the flexibility to manage their special life needs and their work. To attract and retain high-quality talents in the competitive workplace, we offer a range of benefits for employees apart from offering paid annual leaves and statutory holidays. Besides, we support work-life balance by implementing regular working hours and prohibiting overtime. Examples of benefits include but not limited to:

Paid Leaves	
Sick Leave	Maternity Leave
Bereavement Leave	Paternity Leave
Marriage Leave	Jury Duty Leave
Fund Contributions	
Mandatory Provident Fund (HK)	
Other Benefits	
Medical Benefits	Personal Accident Insurance
Year-end Bonus	

During the Reporting Period, the Group had no material non-compliance with applicable laws relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and child and forced labour in Hong Kong and Macau, such as Employment Ordinance of Hong Kong, Occupational Safety and Health Ordinance of Hong Kong and the Regulation on Prohibition of Illegal Work of Macau.



Healthy and Safe Workplace

With an increased focus on labour-related issues such as occupational health and safety, the prevention of child labour and forced labour, labour rights, labour-management relations, and non-discrimination, the Group is committed to investing a significant number of resources in maintaining a workplace free of occupational dangers for better management of occupational health and safety issues. Besides, we place a strong emphasis on maintaining excellent employment standards and providing a pleasant and productive environment.

With that in mind, we designed the EHS Management System to maintain a workplace free of occupational dangers for better management of occupational health and safety issues. Our building construction works and fit-out projects have implemented the ISO 45001: 2018 certified Occupational Health and Safety (“OHS”) Management System, which can systematically manage the processes of identification, management, and mitigation of safety risks throughout our construction and maintenance works, adhering to the “Safety First and Prevention-oriented” approach across our business operations.



ISO 45001: 2018 OHS Management System for Macau and Hong Kong Subsidiaries

Before creating appropriate safety measures and in-house rules, a comprehensive set of EHS policies is developed to identify all possible risks, such as fire safety procedures and hazardous waste. Hazard identification and risk assessment are undertaken regularly as well.



CARE FOR OUR EMPLOYEES

Implementation & Supervision	<ul style="list-style-type: none"> Safety Team, comprised of the Group’s employees from management level to on-site supervisors, has been established in all of our construction sites Establish and review OHS objectives and strategy regularly Carry out regular and irregular on-site safety inspection and supervision to identify operational violations Have at least one appointed competent person to inspect high risk works
Staff Awareness	<ul style="list-style-type: none"> All employees are required to attend and pass a product safety inspection induction training Regular refresh training on machinery operation, fire safety, industrial safety and the latest regulatory standards Provide protective equipment for construction workers Set up eye-catching signs and safety notices in conspicuous area
Risk Minimisation	<ul style="list-style-type: none"> Hold emergency drills regularly to ensure employees are familiar with evacuation routes Establish an emergency contingency plan Carry out thorough investigation plan for any unfortunate event of work injuries

Our strict safety standards are extended to our subcontractors who must follow the same level of preventive safety measures as we do. In 2021, there were no work-related fatalities and lost days due to work injuries. The Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, including Occupational Safety and Health Ordinance (Hong Kong) and Legal Regime on Compensation for Damage Arising From Work Accidents and Occupational Disease (Macau).

	2021	2020	2019
Work-related fatalities	–	–	–
Lost day(s) due to work injuries ²	–	–	–

² The data in 2019 and 2020 are not available. Internal data collection system was refined in 2021.





Epidemic Control & Prevention

In response to the continuous sprawl of COVID-19, the Group has formulated the COVID-19 Epidemic Prevention and Measures Management Procedures and established the Internal Epidemic Prevention team headed by the human resource department and administrative department to support daily operations in the ever-changing COVID-19 situation. A general and emergency hotline is established for our employees to report any urgent situations in facilitating rapid communication and better preparation of the response plan.

Strict disinfection and hygiene measures are carried out in the workplace to protect our employees from the disease. During the Reporting Period, we continued to perform controls and measures for all employees and visitors, including restricting the external meeting, requiring our staff and visitors to measure body temperature at checkpoints before entering the Group's premises, conducting regular disinfection and cleaning, mandating face mask wearing at the office, requesting employees and visitors to declare health status.

Equal Employment

Respectful and professional behaviour have been the building blocks to promote the Group's goal while minimising disagreements and boosting our brand. To foster a diverse and inclusive workplace, as stipulated in our Employee Handbook and Code of Conduct, the Group firmly prohibits any type of discrimination or harassment based on race, gender, religion, age, nationality, ethnic origin, marital status or disability, or any other non-work-related characteristics. All employees are treated equally and fairly, with all employment decisions made entirely based on their abilities, aptitude, and expertise throughout recruitment, training, performance evaluation, promotion, and other related elements.

Labour Standards

As stipulated in our Employment Policy and Employee Handbook, we provide guidelines on human resources management, including recruitment, working hours, rest periods, attendance, performance appraisal and promotion, termination, workplace discipline, and other employee benefits and welfare.

Another major focus of our employment ethics is the protection of human rights. The Group's policy is to uphold and advocate the preservation of internationally recognized human rights in the workplace, and we are dedicated to doing so. In any of our operations, we do not allow the use of child labour, forced labour, or coercion, including physical punishment.





CARE FOR OUR EMPLOYEES



The Staff Handbook sets out our requirements and expectations on how to protect labour rights and effectively prevent and remediate any child labour case in our Group. We are committed to abiding by the following practices:

- Implementing background and document check for every employee during the recruitment stage to ensure they have reached the statutory age for working
- Requiring employees to sign a legally binding employment contract before the start of employment
- Establishing a whistleblowing system to monitor any unfair treatment

If any child labour is discovered, a remedial procedure will be carried out to offer as much assistance as possible and alleviate any potential negative impacts on them. After receiving suspicious cases, a specialised team is formed to conduct rapid investigations and take relevant measures.

Furthermore, we verify that all of our employees work in a consensual manner and are not subject to any sort of forced labour. To report any suspected forced labour situation, we offer grievance channels to our employees, followed by a diligent review of the employees' allegations. The same procedure does not only apply to the Group, but also to our supply chain. If child or forced labour is uncovered in our supply chain, swift redress will be demanded. Failure to improve will result in the business partnership being terminated.

A number of policies covering recruitment and dismissal, performance evaluation and promotion, attendance management, salary and benefits, and employee conduct have been devised and defined in the Staff Handbook to appropriately manage all employment-related concerns. All employees are educated on the Group's employment standards, as well as their rights and obligations, through regular training. If any probable misbehaviour is discovered, an investigation will be performed immediately, and disciplinary steps may be taken, as well as reporting to authorities in the case of serious infractions.

In 2021, the Group was not aware of any material non-compliance with the Law or any regulations relating to child and forced labour in Hong Kong and Macau, including Hong Kong Employment of Young Persons (Industry) Regulation and Macau Labor Law.

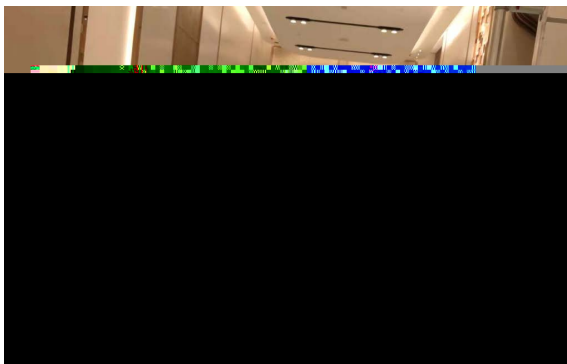
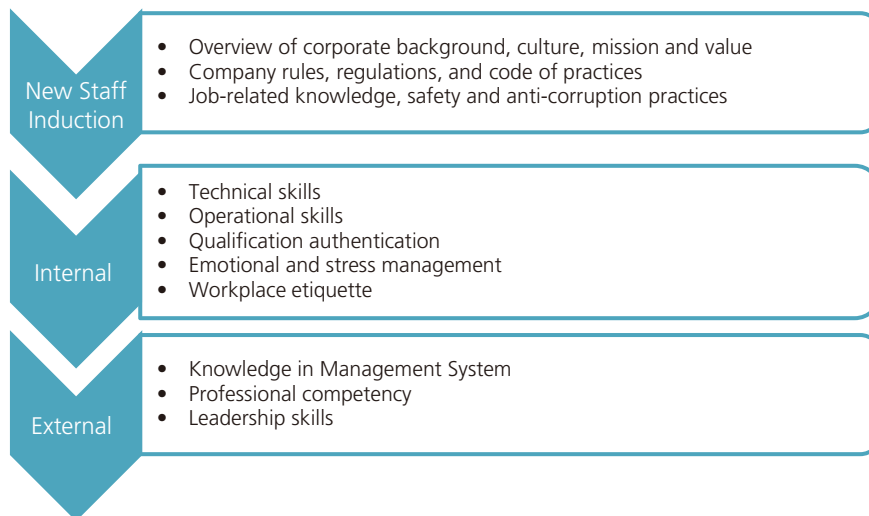




Development and Training

We are convinced that the professional competency and growth of our employees are critical to the business’s success. In addition, cultivating a continuous development culture and unleashing our employees’ potential is critical. As a result, AB Builders endeavours to foster a learning-centred company culture. We actively encourage our employees to further develop their talents and potentials by providing a variety of training programmes and creating a virtuous rivalry among our staff, allowing them to grow with us.

An annual training plan is developed in accordance with the Group’s strategy, departmental demands, job requirements, and personal needs in order to manage our training programmes systematically. To help them quickly adapt to their new working environment, all newcomers are given induction training to learn about the Company’s culture, internal rules, regulations, and statutory standards, among other things. Internal training programmes, such as toolbox presentations, are also planned for onsite staff to acquire the essential skills and knowledge to fulfil their duties. We encourage employees to improve their work-related skills and knowledge by financing tuition fees for external training programmes, in addition to internal training possibilities. Our varied development options, which are methodically planned to promote technical abilities, leadership skills, and work etiquette, are available to employees of all ranks across multiple business functions.



Internal Training: Technical skills workshop



CARE FOR OUR EMPLOYEES

As at 31 December 2021, we have offered 193 hours of training to the employees.

	2021
Total number of hours of training received by employees	193
Average training hours per employee	1.42
Percentage of employees trained	5.15

Average training hours and breakdown for employees trained(%)³

By gender		
Male	1.27	71.43%
Female	2.04	28.57%
By employment category		
Senior management	3.93	28.57%
Management/supervisor	5.83	14.29%
General staff	0.62	57.14%

Relationship with Employees

We are committed to encouraging work-life balance since we recognize the importance of maintaining employees' mental and physical wellness. We are dedicated to helping all our workers to thrive in challenging situations, aiding them to adapt to changes and enhancing their resiliency. We believe a more inclusive and harmonious workplace can create synergy in our firm. By establishing conveniently available communication channels such as staff meetings and regular internal activities, we can gain our employees' trust and foster their sense of belonging.



The internal activities for employees in 2021

³ Percentage of employees who received training is calculated by dividing the number of trained employees of each category by total trained employees.





Services and Product Excellence

We understand that high construction quality is the critical factor in achieving success in our business. It links to building safety and client satisfaction therefore, we put a great emphasis on attaining services and product excellence and building customer loyalty at every stage, from suppliers through customer engagement to after-sales services, adhering to our business philosophy.

Business Philosophy		
Stay Focused and be Professional	Quality First	Strive for Continuous Innovation

Our Quality Management System (“QMS”), which has been certified to the international standard ISO 9001:2015, provides a framework for establishing quality policies and objectives, as well as corrective and preventive actions for our construction activities. The Top Management is responsible for determining quality targets and policies in order not only to meet, but exceed customer expectations in terms of product quality, safety, sustainability, cost, delivery, and value. A Quality Management Team, consisting of a QMS Manager and an Internal Control Officer, has also been formed to oversee the implementation, maintenance, and continuous improvement of the QMS, as well as to ensure that the Group adheres to all applicable laws and standards. Furthermore, the Group organises tests, such as indoor air quality tests, soil sampling, and safety assessments, by a third party to guarantee that regulatory criteria and client requirements are met.

The policy of correcting any non-conformity is in place as a last line of defence for the quality of our products and services. If our output does not match the criteria of our stakeholders, swift action will be taken to investigate and fix the situation in order to improve the system’s effectiveness. In addition to that, AB Builders works to improve our product standards regularly. Standards and targets on sales, production efficiency, and rework rate are specified after discussing with our stakeholders about their expectations via various communication channels to improve our QMS performance. Apart from that, internal communication training is provided to all levels of workers, as well as suppliers and subcontractors, to ensure that everyone understands and follows the rules.

In 2021, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising and labelling matters of products and services in Hong Kong and Macau, including the Hong Kong Trade Descriptions Ordinance.





SERVICES AND PRODUCT RESPONSIBILITY



Customer Services

Comments and feedbacks are the keys to improving the performance and services of our services. Requirements for Product and Services (Customer Requirements) have been addressed as part of QMS system to understand customers' perceptions and monitor whether the Company has met their requirements. We conduct meetings and survey to collect feedback from clients on the user experience and quality of the product and services. All feedback are treated as the cornerstone for optimising our products and services quality and efficiency. Several communication channels, including client meetings, hotlines, and email, are established for our clients to express their expectations and opinions. Customer complaints, whether received in writing, verbally or electronically are immediately forwarded to the delegated staff assigned by the Top Management for action. Customer survey data along with other customer feedback, including written or verbal complaints and information collected via the customer feedback form, are reviewed by the delegated staff assigned by the Top Management who initiates appropriate corrective actions.

During the Reporting Period, we were not aware of any material breach of relevant laws and regulations relating to health and product safety, including the Hong Kong Consumer Goods Safety Ordinance.

Privacy Protection

The Group recognizes the value of privacy to all individuals, including customers and employees. Concerning the problem of confidentiality, AB Builders maintains strict control over our employees' actions by establishing a confidential information policy that is detailed in the Staff Handbook. Employees are expected to follow all applicable policies. Without approval from management or customers, employees are not allowed to copy, upload, or divulge restricted material. In addition, before working or collaborating, all employees and vendors must sign a legally binding non-disclosure agreement. If the Group's Confidential Policy is violated, disciplinary steps such as dismissal and termination of supply and subcontracting contracts will be taken.

In 2021, the Group was not aware of any material non-compliance with laws and regulations relating to privacy matters in Hong Kong and Macau, including Personal Data (Privacy) Ordinance of Hong Kong.





We invest time and effort in overseeing the ethics and compliance function across the organization and promoting a culture of ethical corporate behaviour by partnering between divisions to create awareness about the importance of ethics and compliance. A Code of Conduct (“The Code”) has been developed to provide clear guidelines based on the Company’s legal and ethical professional conduct regulations for employees to follow.

Anti-corruption

The Code has been established to provide instructions based on the Group’s principles and beliefs regarding business ethics to all workers in order to govern their behaviour. All employees are expected not to solicit or receive any gifts, rewards or advantages from any parties, including government officials, as specified in the Policy. The Anti-money Laundering and Anti-fraud Policy prohibit and restricts such wrongdoings that may harm the Group’s reputation and benefits. According to the policy, AB Builders’ Top Management is responsible for reporting business integrity components in the yearly corporate risk assessment to eliminate any potential misbehaviour risks. Violating the Code will be subject to disciplinary actions, or even penalties imposed by relevant local authorities.

To evaluate candidates’ backgrounds and protect AB Builders from any hazards, a complete employee background check system is implemented prior to employment and advancement. As mentioned in the Staff Development section, all employees are expected to undertake particular training relevant to the Policy and the Code before the commencement of work to ensure that they are fully aware of the Group’s corporate ethical standards.

In order to maintain a corruption-free workplace, we encourage employees to ask questions or report issues through the Group’s defined protocols and reporting channels. Employees are encouraged to express concerns with their managers about any potential issues in the event of any suspicious occurrences in person, by letter, or by email. Employees may also anonymously express concerns about business practices through the whistle-blower system.

To reinforce the execution of our anti-corruption practices, training programs and relevant materials on anti-corruption are arranged for our employees at all levels. During the Reporting Period, training materials were sent to the Top Management and all staff to refresh their knowledge on the Group’s standards on business ethics.

Apart from employees, a Code of Integrity has now been expanded to include suppliers and business partners. We will investigate their background and policies on ethical operation before entering into a contract with us.

In 2021, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering, including the Hong Kong Prevention of Bribery Ordinance and the Macau Prevention and Suppression of the Crime of Money Laundering. There was no legal case regarding corrupt practices brought against the Group or our employees.



Intellectual Property Rights Protection

AB Builders places a high emphasis on intellectual property as it looks to the future. Employees are obliged to protect their intellectual property while also respecting the intellectual property rights of others. The Company's intellectual property is protected by patents, copyrights, trademarks, private information, associated contract rights, and other types of legal protection.

Employees are required to obey their contracts with the Company regarding intellectual property by obtaining licenses or other permissions as appropriate. Breaching the Code will result in serious consequences beyond the Company's disciplinary actions.

In 2021, the Group was not aware of any material non-compliance with laws and regulations relating to IP rights in Hong Kong and Macau, including Copyright Ordinance (Hong Kong) and The Industrial Property Code (Macau).

Collaborating with Our Suppliers

We believe a holistic supply chain management can help the Group improve its operating efficiency while also ensuring the quality of its constructions. Thus, we follow strict procedures for selecting and managing suppliers and subcontractors in order to meet AB Builders' standards and needs.

Before signing a contract, all possible new suppliers and subcontractors must pass our rigorous evaluation. A screening process is undertaken in regard to their product and service quality, company licenses, accreditations, and other qualifications to ensure they are qualified and compliant. At the same time, our Procurement Department performs product sampling and evaluation in order to avoid purchasing ineffective products. Suppliers and subcontractors will only be selected as official business partners if they meet all of our standards during the screening process.

Furthermore, an annual performance evaluation is in place for our existing business partners to assess their qualifications. Product quality, delivery time, after-sales service, and other factors are taken into account. Materials obtained from manufacturers and subcontractors are likewise subjected to product sampling. Those who perform poorly will be given the opportunity to improve their performance. Those consistently fail to meet our requirements; on the other hand, will have their contracts terminated.





As of 31 December 2021, the Group had a total of 150 suppliers globally, including those from Asia and the United States. All of them were under the policies of supplier management mentioned above. The distribution of suppliers by geographical region is illustrated below:

Number of Suppliers by Geographical Region	
Hong Kong	115
Macau	18
USA	7
Mainland China	6
Singapore	4

Sustainable Procurement

The Group is committed to supporting ethical procurement practices. When generating purchase orders, we take into account the product’s environmental criteria in order to protect health of end-users and avoid negative environmental consequences. Supplier’s and service providers’ environmental management systems, policies, and compliance status are assessed using a unique environmental performance evaluation form. A copy of AB Builders’ environmental standards and regulations will be supplied to the business partner for further implementation after the formation of a stable cooperation relationship. To avoid harming the environment, the Group is also committed to prohibiting the use of non-environmentally friendly items such as ozone-depleting refrigerants and illegal pesticides.



ENVIRONMENTAL SUSTAINABILITY

As a contractor, AB Builders is acutely aware of its environmental duties. During the course of our operations, we will unavoidably consume natural resources and emit greenhouse gases (“GHG”). The Group is dedicated to achieving a balance between company revenues and long-term development. We have integrated the notion of environmental sustainability across our entire business operation from the production chain, including building activities, to the supplier and subcontractor management, or even to become a green pioneer in the industry.

An ISO 14001:2015 certified EMS has been established to identify, manage, and mitigate the environmental risks generated by our building and operational processes, as well as provide a framework for setting specific and measurable environmental objectives. This helps strategically improve our environmental performance in the areas of reducing our overall GHG emissions, resource and energy consumption, and waste production. Environmental policies and objectives are reviewed regularly to ensure full compliance with legislative requirements and standards.



ISO 14001:2015 Certifications for Macau and Hong Kong Subsidiaries

In 2021, we were not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, generation of waste and use of resources in Hong Kong and Macau.





Environmental Targets

In 2021, the Group has established the middle-term targets as below.

Aspect	Target
Non-hazardous waste	Total non-hazardous waste Intensity to be reduced by 13% by 2030 from a 2020 base year.
Hazardous waste	Total hazardous waste Intensity to be reduced by 40% by 2030 from a 2018 base year.
Emission	Total GHG Intensity to be reduced by 19% by 2030 from a 2019 base year.
Energy	Electricity Intensity to be reduced by 10% by 2030 from a 2020 base year.
Water	Water Intensity to be reduced by 60% by 2030 from a 2019 base year.

Waste Management

Despite the fact that construction waste is ubiquitous in the business, AB Builders makes every effort to reduce our waste generation. Domestic waste and discarded paper, as well as construction wastes such as concrete rubble, pebbles, gypsum boards, and waste iron, are the most typical types of waste generated throughout our business. All of our employees and subcontractors are required to do source separation by using designated waste collection bins for inert and non-inert material. To avoid damaging the environment, all garbage is stored in specified locations. To optimize the utilization of trash before disposal and eliminate wasteful ordering for inert materials, a 2R concept (i.e. reuse and recycle) is in place for recyclable inert waste such as concrete debris.

Hazardous waste is inevitably produced during the construction works and fitting work. Scrap metal, waste chemicals and paint are the main waste being generated during the business operation. Procedures to handle hazardous waste have been endorsed to comply with the relevant law requirements and reduce the impact on the environment. Qualified service providers are hired to take charge of the waste handling and disposal procedures.

During the Reporting Period, the Group generated 36.66 tonnes of non-hazardous waste, with an intensity of 0.27 tonnes per full-time employee, and 1.87 tonnes of hazardous waste, with an intensity of 0.01 Kilogram per full-time employee. The Group was not involved in any breaches of relevant laws and regulations relating to the generation and discharge of hazardous waste and non-hazardous waste that had a significant impact on the Group.





ENVIRONMENTAL SUSTAINABILITY



Non-hazardous Waste ⁴	Unit	2021 ⁵	2020	2019
Domestic Waste	Tonnes	15.88	7.77	6.36
Waste Paper	Tonnes	20.78	24.89	21.42
Glass	Tonnes	–	–	1.62
Concrete	Tonnes	–	345.14	105.64
Gypsum Board	Tonnes	–	0.09	7.05
Stone	Tonnes	–	–	130.00
Waste Iron	Tonnes	–	–	10.00
Total	Tonnes	36.66	377.89	282.09
Intensity	Tonnes per FTE	0.27	2.59	1.68

Hazardous Waste ⁶	Unit	2021	2020	2019
Scrap Metal	Tonnes	0.76	0.60	3.39
Chemical Waste	Tonnes	0.08	0.26	1.33
Paint	Tonnes	1.03	1.64	–
Total	Tonnes	1.87	2.50	4.72
Intensity	Tonnes per FTE	0.01	0.02	0.03

⁴ For 2020, no glass, stone nor waste metal was disposed of. No stone nor waste metal was disposed in 2018.

⁵ For 2021, the intensity per FTE is reduced because there were no glass, concrete, gypsum board, stone nor waste iron being disposed in all business operation.

⁶ For 2019, there was no disposed paint.



Air Emission and Greenhouse Gas Emissions

Our business operations, including construction work and fitting-out works, produce different air pollutants. In 2021, the emission of major air pollutants including particulate matter and dust were identified and measured. Various steps have been deployed to the identified sources in order to mitigate our air pollutant emissions at the source. For example, water spraying is applied during drilling, cutting, breaking, or grinding construction materials or constructing structures process for dust suppression. Simultaneously, dusty material stockpiles are covered with impermeable sheets as a dust-prevention strategy.

Air Emissions ⁷	Unit	2021	2020	2019
Nitrogen Oxides	kg	1.00	1.68	1.82
Sulphur Oxides	kg	0.03	0.04	0.04
Particulate Matter	kg	0.89	3.23	1.21
Dust	kg	8.18	12.69	4.50
Total	kg	10.1	17.64	7.57

In 2021, the total GHG emission was 58.29 tonnes of carbon dioxide equivalent (“tonnes CO₂e”). The major GHG source in our business comes from the consumption of electricity (Scope 2 Emission), which accounts for 53.11 tonnes CO₂e or approximately 91.11% of the total emission. Please refer to the Use of Energy section for more information on our GHG reduction measures.

Greenhouse Gas Emissions ⁸	Unit	2021	2020	2019
Scope 1 ⁹	tCO ₂ e	4.74	29.62	52.25
Scope 2 ¹⁰	tCO ₂ e	53.11	150.28	174.64
Scope 3 ¹¹	tCO ₂ e	0.43	0.41	–
Total	tCO ₂ e	58.28 ¹²	180.31	226.89
Intensity	tCO ₂ e per FTE	0.43	1.23	1.35

⁷ The calculation is based on the ‘How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs’ published by HKEx.

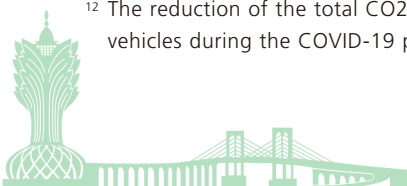
⁸ The calculation of Scope 1, 2, 3 emissions is based on the “How to prepare an ESG Report? Appendix 2: Reporting Guidance on Environmental KPIs” published by HKEx.

⁹ For 2021, Scope 1 emission was attributed to fuel combustion of vehicles.

¹⁰ For 2021, Scope 2 emission was attributed to the use of purchased electricity.

¹¹ For 2021, Scope 3 emission was attributed to paper disposal, water consumption, and sewage treatment of the Hong Kong office. For 2021, no business travel trip nor other related emission was recorded.

¹² The reduction of the total CO₂e emission is due to the reduction of the consumption of electricity and fuel combustion of vehicles during the COVID-19 pandemic.





ENVIRONMENTAL SUSTAINABILITY



Use of Resources

Natural resources are both scarce and vital for our everyday operations. As a result, achieving energy and resource efficiency is of paramount importance to the Group. The Green Policies have been implemented for both the offices and the building sites to encourage our employees to join us on our sustainable journey from the beginning. Green Office Guideline has also been established to give all employees instructions and guidance to adopt the green practices in the office. Examples of the practices are as follows:

Green Office Guideline

RESOURCES	GREEN PRACTICES
Paper	<ul style="list-style-type: none"> Promote the use of recycled paper & double-sided printing practice Switch internal circular into digital forms Reduce unnecessary use of paper Reuse of recycled envelopes for internal documents
Office Supplies	<ul style="list-style-type: none"> Reuse carton boxes, plastic containers, and other possible items Promote the use of reusable utilities Adopt green procurement principle Incorporate indoor plant In office design

Energy Usage

In office and construction sites, our business operations contribute to the use of electricity and fuels, such as unleaded petrol. To control the use of energy usage, Green Office Guideline and EMS manual have included the good practices of energy saving which are monitored by the Environmental Management Team. Examples of the good practices are as follows:

ASPECT	MEASURES
Electricity	<ul style="list-style-type: none"> Switch off office equipment that is not in use Use appliances with automatically switch-off control functions to avoid leaving appliances in standby mode for a long period Set and maintain air-conditioned room temperature between 22°C and 25.5°C





During the Reporting Period, electricity was the main source of energy consumption in our construction sites and office, in which we consumed about 76,788.00 MWh with an intensity of 564.62 kWh per FTE.

Energy and Resources	Unit	2021 ¹³	2020	2019
Direct Energy — Mobile and Stationery Fuel				
Stationary Fuel — Diesel	Litres	–	1,996.00	17,270.00
Intensity	Litres per FTE	–	13.67	102.80
Mobile Fuel — Unleaded Petrol	Litres	2,006.93	2,240.52	2,433.00
Intensity	Litres per FTE	14.76	15.35	14.48
Mobile Fuel — Diesel ¹⁴	Litres	–	6,970.00	–
Intensity	Litres per FTE	–	47.74	–
Total consumption	Litres	2,006.93	11,206.52	19,703.00
Indirect Energy				
Electricity	kWh	76,788.00	186,876.00	202,843.31
Intensity	kWh per FTE	564.62	1,279.97	1,207.40

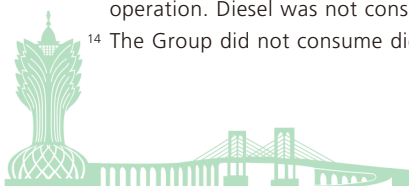
Water Usage

Construction works are the main sources of the Group’s water consumption. In order to reduce the use of water resources, controls and measures have been addressed in EMS which aims to encourage all the staff to adopt the good practices in business operation. Examples are as follows:

ASPECT	MEASURES
Water	<ul style="list-style-type: none"> • Avoid washing up under running taps • Make use of showerheads to reduce water usage • Fix leaking taps and replace parts timely

¹³ In 2021, the Group did not consume diesel as stationery fuel as no stationery machinery was involved in business operation. Diesel was not consumed as mobile fuel.

¹⁴ The Group did not consume diesel as mobile fuel in 2019 and 2021.





ENVIRONMENTAL SUSTAINABILITY



During the Reporting Period, a total of approximately 1,418.00 m³ of water was consumed by the Group, with an intensity of 10.43 m³ per FTE. There was no water sourcing issue during the Reporting Period as all of the water purchased for all business activities was supplied by the local water supply authority.

Resources	Unit	2021	2020	2019
Water ¹⁵	m ³	1,418.00	2,048.00	4,550.37
Intensity	m ³ per FTE	10.43	13.51	27.09
Discharged Wastewater ¹⁶	m ³	102.0	121.00	–

Packaging Materials and Other Materials Usage

The packaging materials consumed by construction sites are under stringent control by managing the inventory. All the site representatives are required to record all incoming and outgoing materials, as well as monitor the monthly consumption.

During the Reporting Period, a total of approximately 4.73 tonnes of packing materials was consumed, with an intensity of 0.03 tonnes per FTE; while a total of approximately 2.68 tonnes of paper was consumed.

Packaging Materials ¹⁷	Unit	2021	2020	2019
Carton box	Tonnes	2.97	1.72	5.04
Wooden box	Tonnes	1.73	1.63	16.09
Plastic strapping	Tonnes	0.03	0.03	0.07
Wooden board	Tonnes	–	1.60	2.11
Metal	Tonnes	–	0.62	0.64
Tile paper	Tonnes	–	–	0.12
Total	Tonnes	4.73	5.60	24.07
Intensity	Tonnes per FTE	0.03	0.04	0.14

Paper Consumption	Unit	2021	2020	2019
Paper	Tonnes	2.68	2.55	2.02
Intensity	Tonnes per FTE	0.02	0.02	0.01

¹⁵ In 2021, there was no issue in sourcing water.

¹⁶ Records for 2019 were not available.

¹⁷ No wooden board, metal and tile paper was used as packaging in 2021.





The Environmental and Natural Resources

Deal with Climate Change

The Group is committed to establishing climate resilience in the face of climate change. We have assessed and evaluated the potential climate physical and transitional risks to understand the climate risks that we may face and the effects on the Group’s business.

Climate Risks	Impacts
Physical risk	The power supply, property assets and business operation may be affected by extreme weather. For example, floods may occur in a more frequent manner for coastal regions, which may lead to larger expenses for the maintenance of physical assets and recovery of the manufacturing operation.
Transitional risk	More stringent regulatory disclosure requirements and growing expectations from business partners on climate change.

An Emergency Contingency Plan is authorised in order to prevent and respond to environmental threats posed by unforeseeable events. The plan for our personnel to react to accidents specifies reporting channels, emergency responses, and investigation methods during emergencies. The Environmental Manager and Project Manager examine the plan regularly in order to stay on top of the project’s development. Training and emergency drills are supplied to our staff and managers on a regular basis to equip them with the necessary knowledge to help with the plan’s implementation.

Mitigate the Noise Impact

It is critical for the Group to design and implement appropriate noise mitigation measures to prevent nuisance to surrounding noise-sensitive receivers, such as residents and other facility users. AB Builders strictly follows all applicable regulations and legislation in our operating area and ensures that building operations are only carried out within authorised hours.

AB Builders has taken many steps to limit noise and vibration at building sites in addition to complying with the law. We have implemented an administrative control strategy that requires our workers to take breaks in between construction tasks to prevent continuous noise emissions. Furthermore, during our procurement process, machines with quiet engines are favoured and prioritised. Frontline workers and managers are given noise control training to ensure that they understand and follow AB Builders’ internal regulations and standards. Earplugs and other hearing protective equipment are also offered to safeguard their hearing ability.

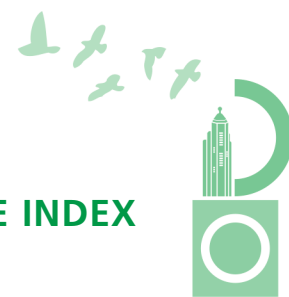




COMMUNITY PARTICIPATION

AB Builders is keen on creating long-term relationship community partnerships as part of our social responsibility. The Group promotes social involvement by engaging with different local stakeholders through developing and investing in community activities in order to maintain a long-term relationship with them. Community care and social contribution are the keys focus of AB Builders, strategic community investment approach. However, due to the concerns under COVID-19, No activity was organised in 2021. The Group will continue to look for opportunities in contributing to the society.



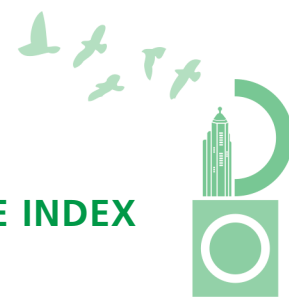


HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
Aspect A: Environment		
A1 Emissions	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NOx, SOx, 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>	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> — Air Emission and Greenhouse Gas Emissions — Waste Management — Use of Resources
KPI A1.1	The types of emissions and respective emissions data.	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> — Air Emission and Greenhouse Gas Emissions
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).	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> — Air Emission and Greenhouse Gas Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> — Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> — Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> — Air Emission and Greenhouse Gas Emissions — Use of Resources
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	<p>ENVIRONMENTAL SUSTAINABILITY</p> <ul style="list-style-type: none"> — Waste Management



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
A2 Use of Resources	<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>	ENVIRONMENTAL SUSTAINABILITY — Use of Resources
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).	ENVIRONMENTAL SUSTAINABILITY — Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL SUSTAINABILITY — Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL SUSTAINABILITY — Use of Resources
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.	ENVIRONMENTAL SUSTAINABILITY — Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	ENVIRONMENTAL SUSTAINABILITY — Use of Resources
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL SUSTAINABILITY — The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL SUSTAINABILITY — The Environment and Natural Resources
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ENVIRONMENTAL SUSTAINABILITY — The Environment and Natural Resources
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.	ENVIRONMENTAL SUSTAINABILITY — The Environment and Natural Resources



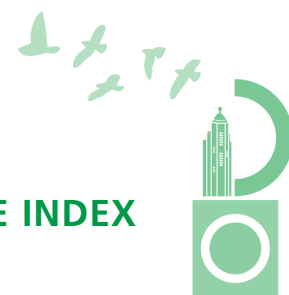


HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
Aspect B: Social		
B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	CARE FOR OUR EMPLOYEES
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	CARE FOR OUR EMPLOYEES
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	CARE FOR OUR EMPLOYEES
B2 Health and Safety	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.	CARE FOR OUR EMPLOYEES — Healthy and Safe Workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	CARE FOR OUR EMPLOYEES — Healthy and Safe Workplace
KPI B2.2	Lost days due to work injury.	CARE FOR OUR EMPLOYEES — Healthy and Safe Workplace
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	CARE FOR OUR EMPLOYEES — Healthy and Safe Workplace
B3 Development and Training	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.	CARE FOR OUR EMPLOYEES — Development and Training



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	CARE FOR OUR EMPLOYEES — Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	CARE FOR OUR EMPLOYEES — Development and Training
B4 Labour Standards	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 or forced labour.	CARE FOR OUR EMPLOYEES — Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	CARE FOR OUR EMPLOYEES — Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	CARE FOR OUR EMPLOYEES — Labour Standards
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	ETHICAL BUSINESS — Collaborating with Our Suppliers
KPI B5.1	Number of suppliers by geographical region.	ETHICAL BUSINESS — Collaborating with Our Suppliers
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	ETHICAL BUSINESS — Collaborating with Our Suppliers
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	ETHICAL BUSINESS — Collaborating with Our Suppliers
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	ETHICAL BUSINESS — Collaborating with Our Suppliers





HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B6 Product Responsibility	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.	SERVICES AND PRODUCT RESPONSIBILITY — Services/Product Excellence — Customer Services — Privacy Protection — Intellectual Property Rights Protection
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	SERVICES AND PRODUCT RESPONSIBILITY According to the Group's business nature, there was no product being delivered or shipped.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	SERVICES AND PRODUCT RESPONSIBILITY — Services/Product Excellence — Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	SERVICES AND PRODUCT RESPONSIBILITY — Services/Product Excellence — Intellectual Property Rights Protection
KPI B6.4	Description of quality assurance process and recall procedures.	SERVICES AND PRODUCT RESPONSIBILITY — Services/Product Excellence
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	SERVICES AND PRODUCT RESPONSIBILITY — Privacy Protection



HKEx ESG REPORTING GUIDE INDEX



HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B7 Anti-corruption	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.	ETHICAL BUSINESS — Anti-corruption
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.	ETHICAL BUSINESS — Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	ETHICAL BUSINESS — Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	ETHICAL BUSINESS — Anti-corruption
B8 Community Investment	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 PARTICIPATION
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	COMMUNITY PARTICIPATION
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	COMMUNITY PARTICIPATION

AB BUILDERS GROUP LIMITED
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