



GME Group Holdings Limited
駿傑集團控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8188)

2020 Environmental, Social And Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1 ABOUT THIS REPORT

1.1 Business Review

GME Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**” or “**GME**”) is an established subcontractor engaged in civil engineering works operating solely in Hong Kong. The Group is principally engaged in the provision of underground construction services and mainly serves private main contractors in public sector infrastructure projects. The Group offers (i) tunnel construction services (including excavation, shotcreting, shutter design and fabrication, tunnel lining services, advanced and structural works); and (ii) utility construction and others (mainly structural works). For the year ended 31 December 2020 (the “**Reporting Period**”) and the year ended 31 December 2019, the Group was mainly involved in non-tunnel construction works.

Please refer to GME’s website at <http://www.gmekh.com> for more information about the business of the Group.

1.2 Reporting Boundary

This Environmental, Social and Governance (“**ESG**”) Report focuses on the Group’s environmental and social related policies, initiatives and performances arising from its business and operation in the provision of underground construction services in Hong Kong by its indirect wholly-owned subsidiary of the Company, Good Mind Engineering Limited (“**GMEHK**”), which accounted for all the revenue of the Group during the Reporting Period.

1.3 Reporting Framework

This ESG Report is prepared in accordance with Appendix 20 — Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”). A revised ESG Guide containing additional disclosure requirements applies to the Group’s ESG reports for financial years commencing on or after 1 July 2020 (“**Revised ESG Guide**”). Therefore, this ESG Report may not include the additional disclosure requirements under Revised ESG Guide.

The Company considers the maintenance of a high standard of corporate governance important to the continuous growth of the Group. The Company’s corporate governance practices are based on the code provisions as set out in the Corporate Governance Code and Corporate Governance Report as contained in Appendix 15 to the GEM Listing Rules. Information regarding corporate governance of the Group is addressed in the annual report of the Group for the year ended 31 December 2020 dated 23 March 2021 in accordance with Appendix 15 to the GEM Listing Rules.

The reporting principles of materiality, quantitative, balance, and consistency have been strictly applied in determining and compiling the content of this ESG Report.

Materiality The Group conducted regular management meetings and engagements with other stakeholders to conclude materiality assessments for ESG issues. Such ESG issues are prioritised to address the most important topics and are reported to the board of directors of the Company (the “**Board**”) to provide valuable and up-to-date information.

Please refer to the sub-sections below for the details of the stakeholders engagements and the materiality assessments.

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Quantitative	<p>For the key performance indicators (“KPI”) of the environmental section in this ESG Report, quantitative indicators of energy emissions/energy consumption are reported with the relevant standards, definitions, methodologies and calculation methods to provide clear explanations of the Group’s environmental performance and ensure they are numerically comparable over the years.</p> <p>The Board has set up a data collection mechanism for the reporting of the social sections KPI during the Reporting Period.</p>
Balance	<p>The Group reports the ESG information in an unbiased manner with an objective of revealing the potential risks and opportunities associated with each ESG topics in order to maintain credibility of this ESG Report.</p>
Consistency	<p>The Group ensures consistency of the reporting standards, data collection and calculation methods adopted and provides figures of previous years of KPI under this reporting framework to allow meaningful comparison.</p>

1.4 ESG Governance

The Board is responsible for overseeing ESG matters relating to the Group, assessing the potential impacts of ESG issues and managing material ESG issues as part of the risk assessment and internal controls of the Group. The management and the employees of the Group who are responsible for the Group’s key business operations have formed an ESG working group (the “**ESG Working Group**”) to manage and monitor the ESG issues, formulate the Groups’ ESG strategies and prepare this ESG Report.

The Group’s ESG management approach and strategy are summarised as follows:

- Step 1: Identify and evaluate relevant material ESG issues through engagements with stakeholders
- Step 2: Prioritise relevant material ESG issues through materiality assessments
- Step 3: Manage and monitor the material ESG issues
- Step 4: Respond to stakeholders’ feedback

The ESG Working Group reports the assessment results of the ESG issues to the Board. Then, the Board makes recommendation to the ESG Working Group in relation to the general direction of the Group’s ESG strategies and ensures the Group has implemented an effective ESG monitoring system in respect of the Group’s ESG strategies.

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1.5 Stakeholders Engagement

The Group recognises the importance of effective communication with stakeholders in order to achieve long term sustainable development. Therefore, the Group regularly communicates with its key stakeholders, including but not limited to employees, shareholders/investors, customers, suppliers, statutory bodies and the community, through various communication channels and proactively responds to their opinions.

The Group's major communication channels with its key stakeholders, as those who have a significant impact on its business, or which experience significant impacts from its operations, are summarised as follows:

Key stakeholders	Major communication channels
Employees	Performance appraisals Regular departmental meetings
Shareholders/investors	Company's website Annual general meeting Financial reports Announcements and circulars
Customers	Tender meetings Customers satisfaction surveys Progress meetings
Suppliers	Suppliers assessments Site inspections
Statutory bodies	Announcements and circulars Written correspondences
Community	ESG report Charity events

The Group welcomes stakeholders to raise any questions regarding any ESG issues, which will assist the Group in assessing various ESG aspects and defining its business sustainability approach. The Group's ESG approach and performance rely on the valuable feedback from its stakeholders. Written comments or enquiries about ESG may be sent to the Company through the company secretary of the Company ("**Company Secretary**") whose contact details are as follows:

Address: Room 1001-2, 10/F, 148 Electric Road, Hong Kong
Fax: +852 3105 1881
E-mail: companysecretary@gmehk.com

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1.6 Materiality Assessment

Through the engagement of different stakeholders' activities via the communication channels mentioned above, the ESG Working Group has conducted materiality assessments of various ESG aspects by using the materiality matrix, identified material ESG issues and considered their impacts on the stakeholders and their importance and relevance to the Group's operations.

During the Reporting Period, the Group has identified the following material ESG issues:

ESG aspects	Material ESG issues	Materiality matrix label
A. Environment		
A1. Emissions	A1.1 Air Pollutant and Greenhouse Gas Emissions A1.2 Dust Emissions A1.3 Waste Management A1.4 Noise Abatement A1.5 Wastewater Management	1 2 3 4 5
A2. Use of Resources	A2.1 Energy Efficient Initiative A2.2 Waste Reduction Initiative	6 7
A3. The Environment and Natural Resources	A3.1 Construction Impact Control	8
A4. Climate Change	A4.1 Climate Risk Management	9
B. Social		
B1. Employment	B1.1 Employment Practices	10
B2. Health and Safety	B2.1 Employee Protection	11
B3. Development and Training	B3.1 Vocational Training and Career Development	12
B4. Labour Standards	B4.1 Proscription of Child and Forced Labour	13
B5. Supply Chain Management	B5.1 Supplier Selection	14
B6. Product Responsibility	B6.1 Quality Management B6.2 Customer Data Protection	15 16
B7. Anti-corruption	B7.1 Corporate Integrity	17
B8. Community Investment	B8.1 Community Contribution	18

External assessment (impact on stakeholders)	Crucial	5						
		4						
		3						
	Not relevant	2						
		1						
		0						
		0	1	2	3	4	5	
		Not relevant			Crucial			
		Internal assessment (impact on the Group's business)						

1.7 Approval

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2 ENVIRONMENT CONSCIOUSNESS

2.1 Environmental Policy and Management System

GME is well aware of its environmental footprints and is dedicated to implement relevant mitigation measures to improve its environmental performance. The Group is committed to reducing the environmental impact of its activities. In line with its environmental consciousness approach, the Group has set up the following environmental policies and management systems relating to its construction activities which are in line with the relevant environmental laws, regulations and requirements:

- Operate in manners pursuant to local environmental laws and regulations
- Integrate pollution control, conservation of resources and waste reduction practices in all operations through rapid communications with main contractors
- Implement environmental-friendly workplace policies to engage employees in sustainable environment practices and raise their awareness in environmental protection
- Establish environmental objectives and review those objectives with targets to continuously improve GME's environmental-friendly workplace policies

The principles of the environmental-friendly workplace policies aimed at improving the Group's environmental consciousness for future sustainability and managing the Group's emissions and resources by applying the concept of 4Rs in the Group's operations, i.e. reduce, reuse, recycle and replace.

Prior to undertaking construction activities that are conducted under the guidance of method statements, GME had assessed the risks of the identified environmental impacts and programmed appropriate measures to limit and mitigate the influence accordingly. The environmental impacts vary according to the nature and the scope of work of the Group's construction activities. Therefore, the measures to limit and mitigate such impacts also vary with different projects. For these reasons, the KPI disclosed in this ESG report in relation to the ESG aspects represent the Group's overall performance based on the construction activities mix during the Reporting Period. The comparative figures of such KPI for the corresponding year in 2019 may have different construction activities mix. Please refer to the section headed "Business Review" above for details of the construction activities.

During the Reporting Period, the Group had complied with the applicable environmental laws and regulations related to air pollutant and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.

The Board is now formulating environmental targets to better guide and manage particular impacts of the environmental issues, including but not limited to the emission, reduction of hazardous and non-hazardous wastes. Such targets will be disclosed in the next ESG Report for the year ending 31 December 2021.

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2.2 Emissions Management

Air Pollutant and Greenhouse Gas Emissions

The Group's main source of air emissions are carbon dioxide and greenhouse gas generated by fuel-powered machinery and vehicles usage on operation sites, and electricity consumption in the office. The volume of air pollutant and greenhouse gas emissions vary according to the nature and the scope of construction activities. For these reasons, the Group carefully calculates the planned machinery hours usage before the commencement of construction activities. Besides, the Group uses approved or exempted Non-road Mobile Machinery (NRMMs) when necessary. Moreover, the workers are asked to avoid queuing of trucks and idling of machines on site to lower unnecessary emissions. At the same time, the technical staff of the Group works closely with the main contractors to monitor gaseous emissions.

Regarding the emissions associated, the Group has implemented mitigation measures, including but not limited to the application of low-emission equipment and ultra-low-sulfur diesel as fuel. This fuel in turn has allowed equipment to fulfil emissions standards. The Group has also monitored the gaseous emissions regularly to ensure compliance with the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong).

Overview of Energy Consumption

	2020 kWh	2019 kWh
Electricity	34,261	36,002
Diesel ⁽¹⁾	2,923,197	644,565
Petrol ⁽¹⁾	160,873	209,196
Total Energy Consumption	3,118,331	889,763

Note ⁽¹⁾: The calculation method and emission factors used are referenced from 《附件8、中國陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》.

The increase in the total energy consumption by 2,228,568 kWh or approximately 250.40% was mainly due to the increase in the diesel consumption during the Reporting Period. Most of the diesel was used in the newly acquired machinery for the Group's excavation and lateral support ("ELS") tunnel project. Major ELS works for this project has commenced in 2020, which resulted in the higher consumption of diesel.

The decrease in petrol consumption was mainly due to the decrease in the travel mileage on the Group's owned motor vehicles during the Reporting Period. Mitigation measures were taken to minimise the environmental impact, including but not limited to (i) conducting regular and proper maintenance of the motor vehicles; (ii) switching off the motor vehicles when idling; and (iii) planning the route ahead of time so that the employees can travel to the construction site together to reduce the motor vehicle usage.

The decrease in electricity consumption was mainly due to the implementation of the environmental-friendly workplace policies, which is mentioned in the section of the effective resources management below.

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Overview of Greenhouse Gas ("GHG") and Other Air Pollutant Emissions ⁽²⁾

	2020 Tonne of CO ₂ equivalent	2019 Tonne of CO ₂ equivalent
Scope 1 Direct GHG Emission	814	231
Scope 2 Indirect GHG Emission	27	28
Total GHG Emissions	841	259
NO _x Emission	7.94	1.87
PM Emission	0.51	0.11

Note ⁽²⁾: The calculation method and emission factors used are referenced from EMEP/EEA air pollutant emission inventory guidebook 2016 (passenger cars, light commercial trucks, heavy duty vehicles including buses and motor cycles).

Scope 1 direct GHG emission represented the direct emission from the source owned or controlled by the Group, which included the construction machineries and motor vehicles. Scope 2 indirect GHG emission represented the indirect emission from the source resulted from the purchase of electricity consumed by the Group. Therefore, the increase in the total GHG emissions was mainly due to the increase in the consumption of the diesel as mentioned above.

Overview of Energy Intensity and GHG Intensity

Energy Intensity	Unit	2020	2019
Revenue ⁽³⁾	HK\$ million	135	81
Total Energy Consumption	kWh	3,118,331	889,763
Energy Intensity (Total Energy Consumption/Revenue ⁽³⁾)		23,099	10,985
GHG Intensity	Unit	2020	2019
Revenue ⁽³⁾	HK\$ million	135	81
Total GHG Emissions	Tonne	841	259
Energy Intensity (Total GHG Emissions/Revenue ⁽³⁾)		6.23	3.20

Note ⁽³⁾: The revenue of the Group was extracted from the annual report of the Group for the year ended 31 December 2020.

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Dust Management

Dust and debris are identified as a major pollutant generated during the excavation process of constructions. Dust containment solutions including dust suppression by use of water, dust control curtains and application of low-dust equipment were therefore implemented to minimise the impact. In close collaboration with the main contractors, the Group has also conducted regular dust monitoring. In case of dust level exceeding the compliance limit, proper corrective measures will be taken to control it.

Waste Management

During the Reporting Period, the Group's projects mainly focused on non-tunnel construction works. Therefore, hazardous waste was not material to the Group's operations. In case there is any hazardous waste produced, the Group must engage a qualified chemical waste collector to handle such waste, which is in compliance with the relevant environmental regulations and rules.

The Group has identified two main categories of non-hazardous waste: construction and demolition waste and general refuse.

Construction and Demolition Waste

Construction wastes are categorised into inert and non-inert construction and demolition ("**C&D**") waste at the construction sites. Inert C&D waste is mainly generated from excavation which contains soil, concrete and debris. It is often reusable in the later stage of constructions. Non-inert C&D waste consists of metals, wood and general refuse. Recyclable non-inert C&D waste is reused when applicable while other non-recyclable materials are collected by waste handling company and sent to landfill.

Through close cooperation with the main contractors, GME has implemented its waste management policy in accordance with the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) to assist the Group to manage and record waste generated over the construction period effectively. The policy includes the following key principles:

- Quantify materials required and prevent over purchasing
- Store materials by type accordingly and avoid deterioration
- Reuse materials where possible to minimise waste

Office Refuse

The Group is committed to promoting waste reduction and recycling in the office. To effectively manage waste, the Group has designated an area for placing waste recycling facilities and engaged employees to support such initiative. Endorsed in the environmental-friendly workplace policies, the Group has disclosed and implemented the followings to reduce waste and promote recycling:

- Reuse single-side printed paper
- Put mis-printed or waste papers in the recycle paper box near the photocopier to encourage reuse
- Store surplus materials for future use
- Reuse stationery supplies such as envelope and document folders
- Assign an area and place recycling bins to collect recyclable wastes

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Overview of Waste Generation

The following table contains the overall waste generation during the Reporting Period:

	2020 Tonne	2019 Tonne
C&D Waste	75	252
General Refuse	73	66
Total	148	318

Waste generated on site and from office is systematically collected with appropriate segregation and sorting on site prior to disposal, in accordance with local regulatory requirements. All practicable steps are taken to minimise general refuse and waste.

The decrease in C&D waste was mainly due to the decrease in soil excavated from the Group's operation for landfilling during the Reporting Period. The soil excavated from the tunnel construction projects was temporarily stored at the construction site for future backfill.

The Group is dedicated to continuously looking into possibilities of enhancing waste management practices. During the Reporting Period, waste has been managed in accordance with relevant laws and regulations.

Noise Abatement

With close cooperation with the main contractors, the Group had ensured that the construction sites were installed with noise barriers and had monitored the noise levels to ensure they did not exceed the compliance level stipulated in the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) and distract the surroundings. Furthermore, construction workers were guided to take appropriate and proactive measures such as avoiding machine idling during high noise level activities to minimise the impact of noise pollutions, especially in noise-sensitive areas.

Wastewater Management

The wastewater generated mainly comes from tunnel excavation, shotcreting and dust suppression activities. These wastewater discharges often contain mixed pollutants such as suspended solids and chemical components. GME understands the importance of managing wastewater discharge to prevent contamination of the nearby water bodies. The Group tends to minimise the water consumption whenever possible. During the Reporting Period, the Group was mainly involved in the non-tunnel construction works. Therefore, wastewater was not material to the Group's operation. Wastewater generated is collected and treated in strict compliance with the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong).

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Climate Change

The Group is committed to providing information, training, and resources to preserve natural resources due to the increasing awareness of the impact of climate change. GME operates solely in Hong Kong. The rising temperature, more frequent heavy rain and extreme weather may affect the Group's operation. Therefore, the Group is committed to implementing and maintaining a high standard of emissions management to protect the environment. The Group continues to provide workers training for the prevention of heatstroke, resting kiosks, and other facilities for workers to cope with the challenge of construction works during the hot weather in Hong Kong. Besides, the Group secures sufficient materials and builds temporary structures to prevent losses resulting from the heavy rain. The Group's climate change policy in response to climate risk management will be discussed in the next ESG Report for the year ending 31 December 2021.

2.3 Effective Resources Management

Energy Usage

Reduction of energy usage is a major part of the Group's environmental management approach. The Group strives to comply with all energy requirements while implementing proactive measures to save energy generated from fuels and electricity. GME has adopted energy efficient machinery which lowers the emissions and energy usage comparing to normal machinery having the same output. Maintenance was carried out frequently to optimise machinery performance and fuel usage efficiency.

The Group has gradually installed environmental friendly LED lighting fixtures in the office. In addition, the following measures have been adopted as required under GME's environmental-friendly workplace policies:

- Switch off electrical appliances when they are not in use
- Maintain the temperature of the air conditioner at 25 degrees Celsius
- Purchase electrical appliances with Grade 1 or 2 energy label
- Use energy-saving fluorescence or LED lighting fixtures

Water Consumption

During the Reporting Period, the Group's projects mainly focused on non-tunnel construction works and water was provided by the main contractors for floor cooling and washing purposes. Therefore, water consumption is not material to the Group's operations. In addition, the majority of the water supply facilities are provided and managed by main contractors. Therefore, the procurement of suitable water sources is not material to the Group.

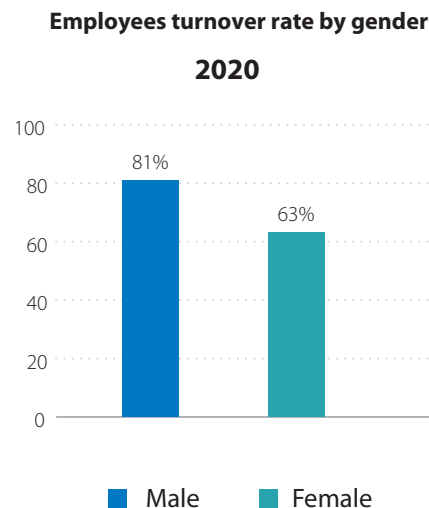
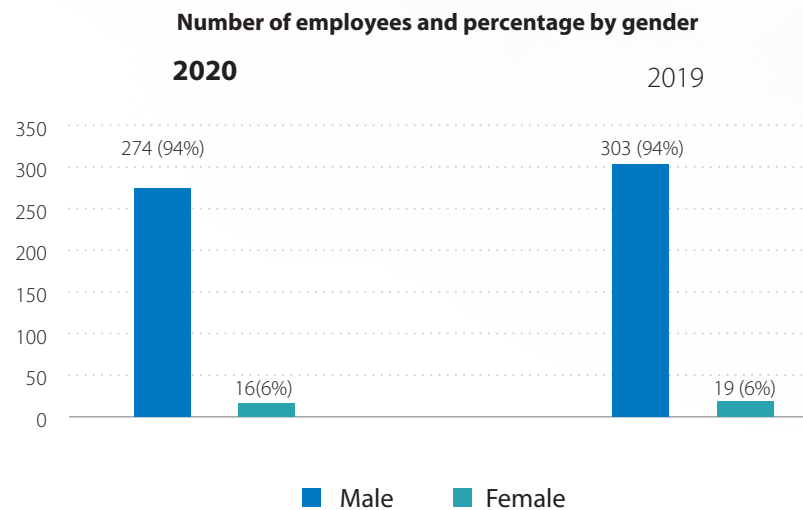
In relation to utilising water resources, GME has implemented best practices for water usage in its operations. As for eliminating unnecessary use of fresh water, wastewater is treated and recycled on sites in accordance with the instructions from the main contractors, and sprayed and used for concrete cooling and equipment washing.

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3 SOCIAL PERFORMANCE

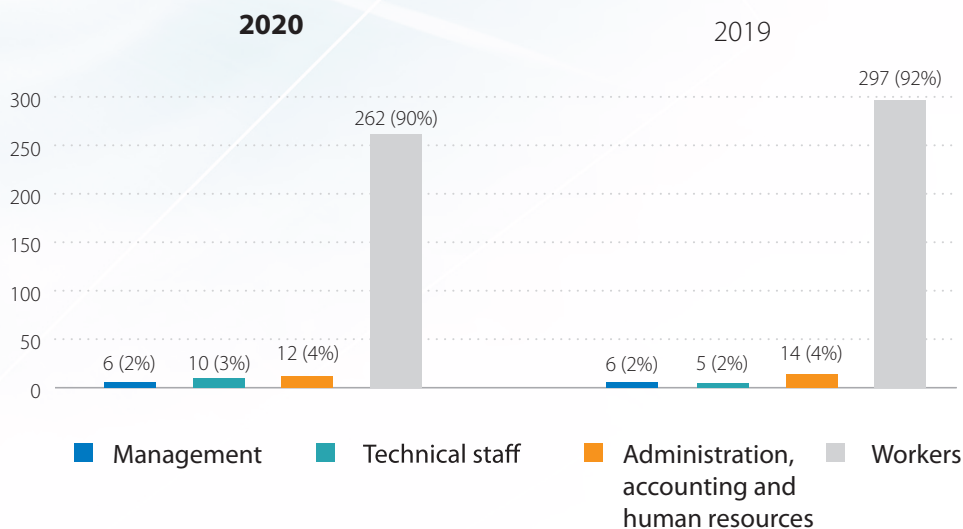
3.1 Employment and Talent Development

The Group believes business can be sustained with a supportive and dynamic team and thus, places great emphasis on talent acquisition and development in order to pool suitable talents together and take its success to the next level. The Group is committed to maintaining a diverse workforce in terms of age, gender, family status, nationality and race. Starting with recruitment and promotion policies to conducting appraisals, GME has continued to develop talents and bring out their full potential through strategic job assignment that recognises their strengths and talents. Below are the statistics of the Group's employment profile for the Reporting Period.

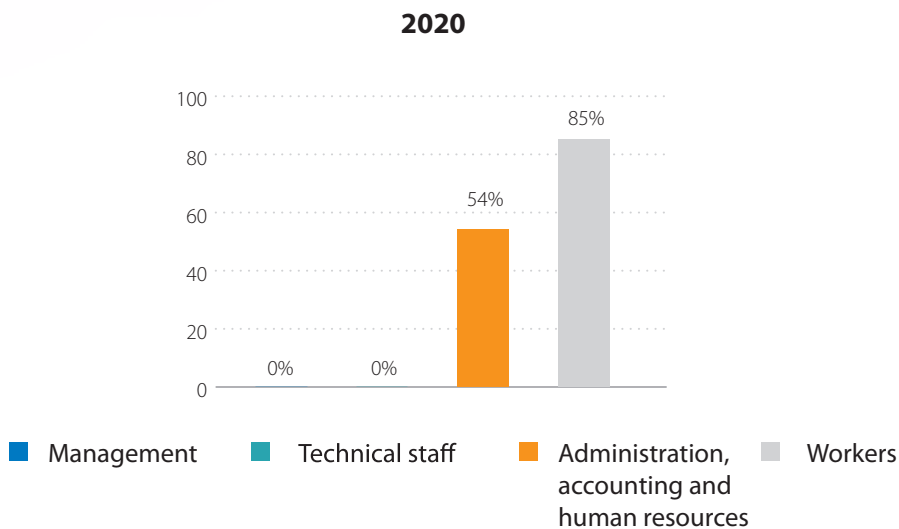


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Number of employees and percentage by professional profile



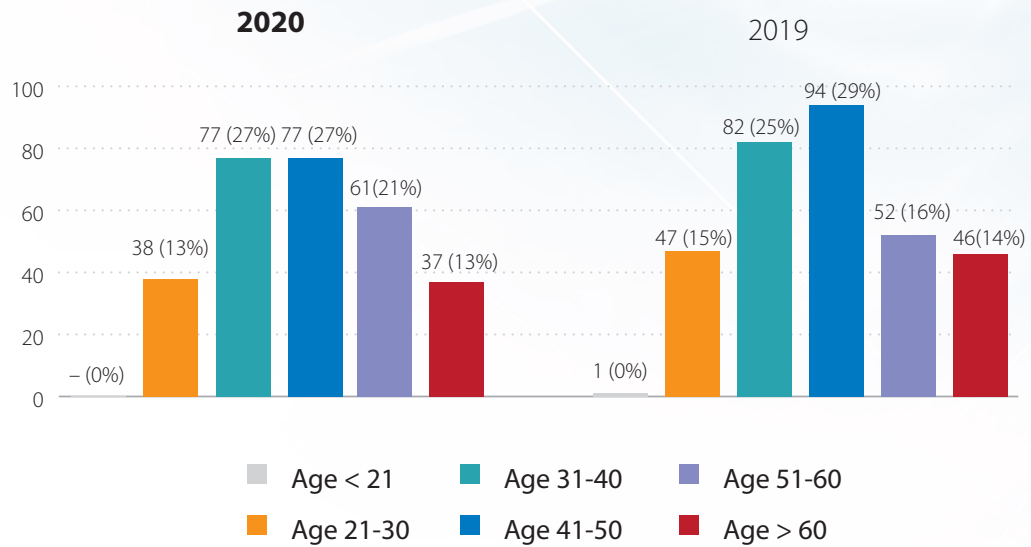
Employees turnover rate by professional profile



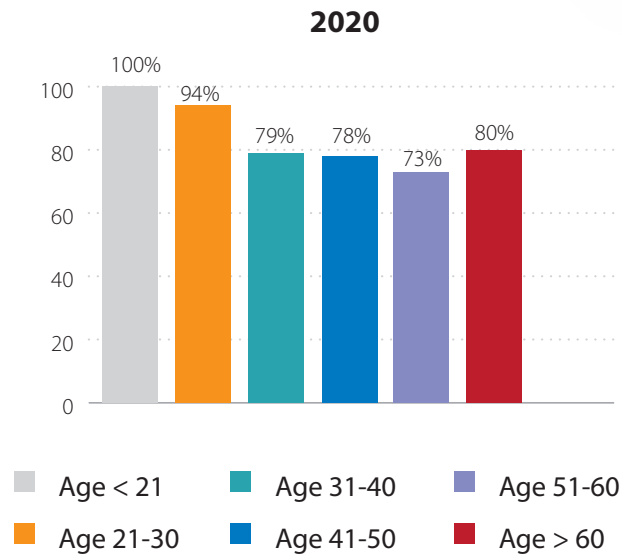
Due to the nature of the project mix, the Group engaged more subcontractors and employed more skilled workers for specific scope of works such as the ELS project. Therefore, the employment turnover rate of workers was high during the Reporting Period. The high turnover rate of administrative staff was due to the natural wastage and staff re-deployment during the Reporting Period.

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Number of employees and percentage by age



Employees turnover rate by age group



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Employment Practices

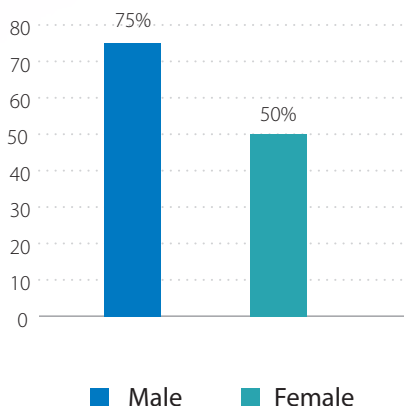
GME is devoted to create a harmonious working environment where the staff feels comfortable to adapt to and strive at. All candidates and employees were solely assessed based on their capabilities and qualifications. The human resources department of the Group is responsible for maintaining the fairness of the recruitment procedures including the avoidance of discrimination in all practices. In accordance with applicable local laws, all staff were also offered with reasonable remunerable packages according to their experiences and performances. Reasonable working hours and annual leaves were provided to staff to encourage a work-life balance. Dismissal of an employee's contract shall be enforced in line with the Employee Handbook of the Group, which is in accordance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

Vocational Training and Career Development

The Group considers staff as the Group's foundation to sustain future development. For this instance, GME encourages staff to build up their capacities and refine their skills, knowledge and competence in order to be capable of leading the Group to achieve its business excellence. Based on the job nature and role, employees were provided with relevant vocational trainings sponsored by the Group to strengthen their skills and expertise in their duties and talents.

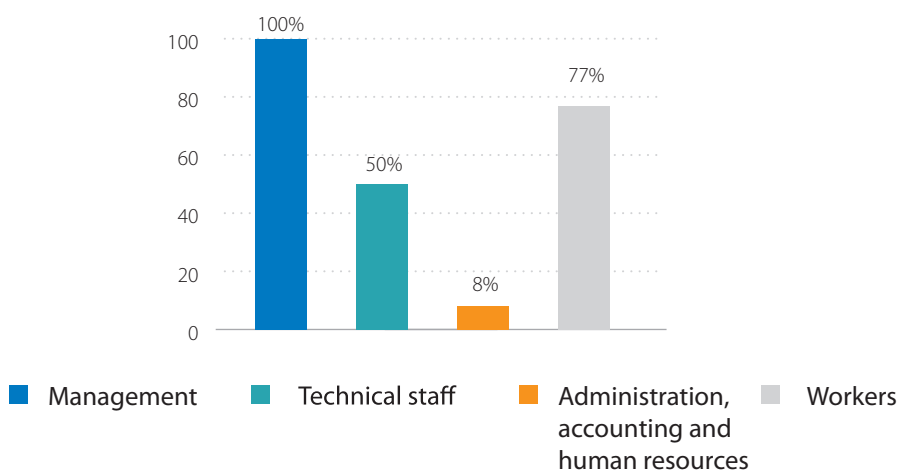
Employees trained by gender

2020



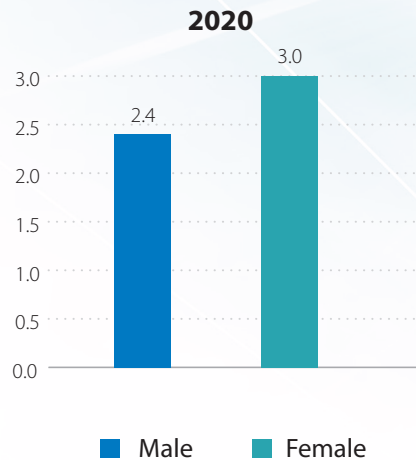
Employees trained by professional profile

2020

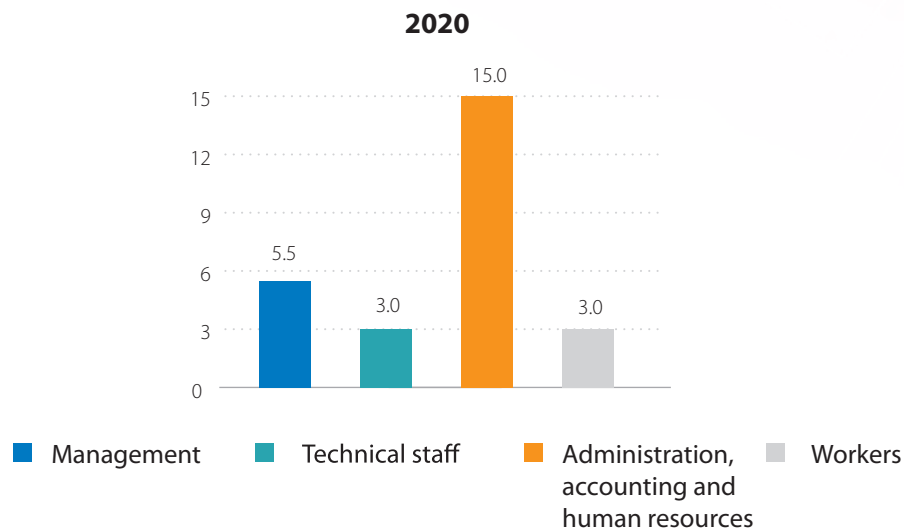


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Average training hours completed per employee by gender



Average training hours completed per employee by professional profile



Labour Standards

GME has continually taken positive actions to ensure equal opportunities in the conduct of employment activities. The human resources department of the Group sternly rejects the recruitment of child and forced labour to protect the human rights of the employees by screening candidates at all workplaces including the construction sites.

During the Reporting Period, the Group has complied with all relevant employment laws and regulation, including the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

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3.2 Workplace Health and Safety

In order to create a low-risk environment, the Group provides a healthy and safe workplace for its employees and continuously reviews and improves its health and safety policies from time to time to minimise occupational risks where possible.

Health and Safety Policies

The Group's health and safety policies are as follows:

- Establish a culture that promotes employee wellness and health
- Provide medical examinations for workers to assure their health status if deemed required
- Implement and maintain improvement plans and practices regarding to key improvement areas
- Furnish necessary safety information and provide relevant trainings
- Increase employees' health and safety awareness and knowledge through regular communications
- Ensure commitment from all employees and all levels of management
- Require business partners to meet the same health and safety standard

Employee protection

GME has adopted various safety measures at construction sites, which are in line with the main contractors' high standards of health and safety practices, to safeguard its employees from workplace injuries. Such measures included but are not limited to:

- Provide adequate training to workers and appoint supervisors coaching them on safe postures for lifting heavy or bulky objects
- Pre-check and ensure machines are only operated by professionally trained workers
- Conduct regular maintenance on machinery to prevent malfunctions
- Properly stack construction materials to prevent them from sliding or collapsing where overhead work is being performed
- Erect warning signs in working areas with potential occupational risks

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Construction Safety Review

The Group is conscious of workers' safety and will continue to reform related practices where possible to safeguard workers' safety. During the Reporting Period, the Group appointed an independent consultant to review the construction sites' safety.

The lost time injuries frequency rate ("**LTIFR**") was approximately 2.2 for the year ended 31 December 2020 (2019 approximately: 2.9). LTIFR is a frequency rate that shows how many lost time injuries occurred over a specified time (e.g. per 1,000,000 hours) worked in a period. The LTIFR mentioned above is calculated by multiplying the number of lost time injuries of the Group that occurred during the relevant calendar year by 1,000,000 divided by the number of hours worked by site workers over the same calendar year. It is assumed that the working hour of each worker is ten hours per day. The number of working days for the year ended 31 December 2020 was 354 days (2019: 351 days). The decrease in LTIFR was due to the decrease in the number of lost time injuries during the Reporting Period.

During the Reporting Period, the lost days due to the work injury of the Group was 10 and the lost day rate of the Group was approximately 4.3. The lost day rate is calculated by multiplying the number of lost days due to the work injury of the Group that occurred during the relevant calendar year by 200,000 divided by the number of hours worked by site workers over the same calendar year.

During the Reporting Period, the Group's operations have complied with all relevant laws and regulations relating to workplace health and safety, including the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

3.3 Product and Service Management

GME treasures the trust that the Group has built with its valuable customers based on the quality products and services that were delivered to them, and the Group treats it as an incentive for its continuous growth and mastery of its craft.

Quality Management

GME is committed to providing exquisite products and services with its sustained efforts. Complying with ISO 9001:2015, the Quality Management System ("**QMS**") has been established and applied on management activities, resources management, product realisation and quality control.

Under the guidance of QMS, each project is carefully supervised to guarantee the services provided by GME meet its customers' expectations including completion within the agreed timeframe and budget and compliance of applicable regulations.

Customer Data Protection

The Group cares about customers' privacy rights and takes related issues seriously. Daily operations are guided by and recorded through the Document, Data and Record Control Procedures and Management System Record List to safeguard customers' intellectual property rights.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with the regulations and laws concerning healthy and safety, advertising, labelling and privacy matters of its products and services provided.

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Supply Chain Management

The Group greatly appreciates the support from a diverse pool of committed suppliers. The Group recognises their importance in providing construction materials and equipment in premium business quality, and the Group is committed to engaging them to contribute to a better future together.

During the Reporting Period, the Group had 190 suppliers in Hong Kong. A comprehensive QMS was implemented to monitor the supplier selection and procurement processes. The suppliers are assessed in numerous criteria including environmental and social aspects and inspections are conducted to further assure suppliers' overall rating. Apart from meeting the Group's quality requirements in all aspects, suppliers are also required to meet GME ethical standards in order to become a qualified supplier.

GME pays extra attention to construction materials sourcing in order to secure product stability and safety. In this regard, the Group either sends the material samples obtained from qualified suppliers to laboratories to conduct quality tests or request suppliers to provide test reports. The samples that fail to pass such tests would be returned to the suppliers.

Corporate Integrity

The Group is dedicated in upholding its integrity and fairness in the entire operation. Any form of corruption activities is strictly prohibited and this is clearly communicated to staff at all levels and suppliers to ensure business professionalism in making decisions. For the purpose of monitoring corporate ethics, GME has implemented the Code of Conduct and Employee Handbook which encapsulated proper procedures to follow to avoid related legal and ethical issues, including bribery, extortion, fraud and money laundering. Staff and suppliers must declare conflicts of interests.

The Group has adopted a whistle-blowing policy whereby stakeholders are encouraged to report to the Company Secretary any suspected misconduct, malpractice, impropriety or unethical and unfair treatment without fear of reprisal. All cases reported are strictly confidential and investigations will be carried out thoroughly in a sensitive manner. In case of any violation found, the Group shall handle in accordance with the applicable laws and undertake disciplinary actions as necessary.

During the Reporting Period, the Group was not aware of any breach of laws and regulations relating to anti-corruption.

3.4 Community Contribution

The Group is devoted in contributing to the betterment of society where we operate. Embracing the culture of giving back to the community, we actively worked with non-profit organisations and participated in fund-raising activities, and provided financial support to the socially vulnerable groups. During the Reporting Period, the Group participated in and supported a flag selling fund raising campaign for a local charitable organisation in Hong Kong that provides multifaceted and quality social, educational, recreational and cultural services.

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4. PERFORMANCE TABLE

The following tables summarise the key KPI in respect of the environmental and social performance of the Group during the Reporting Period and their comparative figures for the corresponding year in 2019, which have been disclosed in the sections headed "Environmental Consciousness" and "Social Performance" of this ESG Report.

4.1 Environmental Performance

Overview of Energy Consumption	2020 kWh	2019 kWh
Electricity	34,261	36,002
Diesel ⁽¹⁾	2,923,197	644,565
Petrol ⁽¹⁾	160,873	209,196
Total Energy Consumption	3,118,331	889,763

Note ⁽¹⁾: The calculation method and emission factors used are referenced from 《附件8、中國陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》.

Overview of GHG and other Air Pollutant Emissions ⁽²⁾	2020 Tonne of CO ₂ equivalent	2019 Tonne of CO ₂ equivalent
Scope 1 Direct GHG Emission	814	231
Scope 2 Indirect GHG Emission	27	28
Total GHG Emissions	841	259
NO _x Emission	7.94	1.87
PM Emission	0.51	0.11

Note ⁽²⁾: The calculation method and emission factors used are referenced from EMEP/EEA air pollutant emission inventory guidebook 2016 (passenger cars, light commercial trucks, heavy duty vehicles including buses and motor cycles).

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Energy Intensity	Unit	2020	2019
Revenue ⁽³⁾	HK\$ million	135	81
Total Energy Consumption	kWh	3,118,331	889,763
Energy Intensity (Total Energy Consumption/Revenue ⁽³⁾)		23,099	10,985

GHG Intensity	Unit	2020	2019
Revenue ⁽³⁾	HK\$ million	135	81
Total GHG Emissions	Tonne	841	259
Energy Intensity (Total GHG Emissions/Revenue ⁽³⁾)		6.23	3.20

Note ⁽³⁾: The revenue of the Group was extracted from the annual report of the Group for the year ended 31 December 2020.

Overall waste	2020 Tonne	2019 Tonne
C&D Waste	75	252
General Refuse	73	66
Total	148	318

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4.2 Social Performance

	2020 No. of people	2019 No. of people
Employees by Gender		
Male	274	303
Female	16	19
Employees by Professional Profile		
Management	6	6
Technical staff	10	5
Administration, accounting and human resources	12	14
Workers	262	297
Employees by Age		
Age <21	0	1
Age 21–30	38	47
Age 31–40	77	82
Age 41–50	77	94
Age 51–60	61	52
Age >60	37	46
Occupational Health and Safety		
Number of work-related fatalities (No. of people)	0	0
LTIFR ⁽⁴⁾	2.2	2.9

Note ⁽⁴⁾: LTIFR is a frequency rate that shows how many lost time injuries occurred over a specified time (e.g. per 1,000,000 hours) worked in a period. The LTIFR mentioned above is calculated by multiplying the number of lost time injuries of the Group that occurred during the relevant calendar year by 1,000,000 divided by the number of hours worked by site workers over the same calendar year. It is assumed that the working hour of each worker is ten hours per day. The number of working days for the year ended 31 December 2020 was 354 days (2019: 351 days).

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	2020 %
Employees Turnover Rate by Gender	
Male	81
Female	63
Employees Turnover Rate by Professional Profile	
Management	0
Technical staff	0
Administration, accounting and human resources	54
Workers	85
Employees Turnover Rate by Age	
Age <21	100
Age 21–30	94
Age 31–40	79
Age 41–50	78
Age 51–60	73
Age >60	80

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	2020 %
Employees Trained by Gender	
Male	75
Female	50
Employees Trained by Professional Profile	
Management	100
Technical staff	50
Administration, accounting and human resources	8
Workers	77

	2020 Hours
Average Training Hours Completed per Employee by Gender	
Male	2.4
Female	3.0
Average Training Hours Completed by Professional Profile	
Management	5.5
Technical staff	3.0
Administration, accounting and human resources	15.0
Workers	3.0

	2020
Occupational Health and Safety	
Loss Date Rate ⁽⁵⁾	4.3

Note⁽⁵⁾: The lost day rate is calculated by multiplying the number of lost days due to the work injury of the Group that occurred during the relevant calendar year by 200,000 divided by the number of hours worked by site workers over the same calendar year.

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5 THE STOCK EXCHANGE'S ESG GUIDE INDEX

This ESG Report may not include the additional disclosure requirements under Revised ESG Guide.

Aspect/Description/KPI	Statement/Section	Page No.
A. Environmental		
A1 Emissions		
A1 General Disclosure	Emissions Management	8
A1.1 The types of emissions and respective emissions data	Emissions Management	8
A1.2 Greenhouse gas emissions in total and intensity	Emissions Management – Air Pollutant and Greenhouse Gas Emissions	8
A1.3 Total hazardous waste produced and intensity	Emissions Management – Waste Management	10
A1.4 Total non-hazardous waste produced and intensity	Emissions Management – Waste Management; Waste intensity does not reflect the Group's environmental performance as the quantity was dependent on the type of project and construction activities mix involved during the Reporting Period.	10
A1.5 Description of measures to mitigate emissions and results achieved	Emissions Management	8
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Emissions Management – Waste Management	10
A2 Use of Resources		
A2 General Disclosure	Effective Resources Management	12
A2.1 Direct and/or indirect energy consumption by type in total and intensity	Emissions Management	8
A2.2 Water consumption in total and intensity	Effective Resources Management	12
A2.3 Description of energy use efficiency initiatives and results achieved	Effective Resources Management	12

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Aspect/Description/KPI	Statement/Section	Page No.
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Effective Resources Management	12
A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced	The Group is principally engaged in the provision of underground construction services. Therefore, packaging material is not material to the Group's operations.	N/A
A3 The Environment and Natural Resources		
A3 General Disclosure	Environment Consciousness	7
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environment Consciousness	7
B. Social		
B1 Employment		
B1 General Disclosure	Employment and Talent Development	13
B1.1 Total workforce by gender, employment type, age group and geographical region	Employment and Talent Development	13
B1.2 Employee turnover rate by gender, age group and geographical region	Employment and Talent Development	13
B2 Health and Safety		
B2 General Disclosure	Workplace Health and Safety	18
B2.1 Number and rate of work-related fatalities	Workplace Health and Safety — Construction Safety Review	19
B2.2 Lost days due to work injury	Workplace Health and Safety — Construction Safety Review	19
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Workplace Health and Safety	18

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Aspect/Description/KPI	Statement/Section	Page No.
B3 Development and Training		
B3 General Disclosure	Employment and Talent Development	13
B3.1 The percentage of employees trained by gender and employee category	Vocational Training and Career Development	16
B3.2 The average training hours completed per employee by gender and employee category	Vocational Training and Career Development	17
B4 Labour Standards		
B4 General Disclosure	Employment and Talent Development	13
B4.1 Description of measures to review employment practices to avoid child and forced labour	Employment and Talent Development	13
B4.2 Description of steps taken to eliminate such practices when discovered	Employment and Talent Development	13
B5 Supply Chain Management		
B5 General Disclosure	Product and Service Management	19
B5.1 Number of suppliers by geographical region	Product and Service Management	19
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Product and Service Management	19
B6 Product Responsibility		
B6 General Disclosure	Product and Service Management	19
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	During the Reporting Period, the Group was not aware of any products recall due to safety and health reasons.	N/A
B6.2 Number of products and service related complaints received and how they are dealt with	During the Reporting Period, the Group was not aware of any product and service related complaints.	N/A

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Aspect/Description/KPI	Statement/Section	Page No.
B6.3 Description of practices relating to observing and protecting intellectual property rights	Intellectual property rights are non-material issue to the Group's operations.	N/A
B6.4 Description of quality assurance process and recall procedures	Product and Service Management	19
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Product and Service Management	19
B7 Anti-Corruption		
B7 General Disclosure	Product and Service Management; During the Reporting Period, the Group was not aware of any breach of laws and regulations relating to anti-corruption.	19
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	Product and Service Management; There was no concluded legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period.	19
B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Product and Service Management	19
B8 Community Investment		
B8 General Disclosure	Community Contribution	20
B8.1 Focus areas of contribution	Community Contribution	20
B8.2 Resources contributed (e.g. money or time) to the focus area	Community Contribution	20

Remarks:

N/A: not applicable