KS 金城 1963 KUM SHING



Sustainability in Action

2023/2024

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Message from the Chairman & CEO

Welcome to Kum Shing's 2023/24 Sustainability Report.

This Report captures our actions and aspirations towards sustainability. We provide a transparent and balanced overview of our current progress and strategic plan for environmental, social, and governance aspects, supported by widely recognised reporting frameworks. It also reflects our steadfast commitment to sustainability and our dedication to building a sustainable society.

Our Report is structured around three key pillars: Responsible Governance, Social Impacts, and Environmental Stewardship. These chapters encapsulate our values and show the tangible impacts of our activities and projects on the environment, our people, and the community.

As an energy infrastructure specialist in Hong Kong, we recognise our crucial role in shaping a sustainable future. Sustainability isn't just a fundamental principle guiding our operations, it's a catalyst for our success. Our sustainability strategic plan serves as a compass, steering our people and our business towards fulfilling our commitments.

Our longevity in the industry is a testament to the strong relationships we've cultivated with our clients, partners, employees, and the community.

Aware of our environmental, social, and corporate governance responsibilities, we understand that our success is intrinsically linked to our ability to create positive impacts while growing our business responsibly.

I extend my heartfelt gratitude to our clients, partners, employees, and collaborators for your unwavering support. As we forge ahead, we acknowledge that there's still work to do and much more to achieve. We're committed to continuously improving our performance in key areas.

Building a truly sustainable future presents both challenge and tremendous opportunities. By upholding our spirit of excellence, embracing innovation, and learning from experience, we'll continue to overcome new challenges and progress along our sustainability path.

I invite you to explore our achievements in 2023/24 and join us on our journey towards a sustainable future.



Rex Wong JP
Chairman & CEO

About this Report



IN THIS SECTION

Reporting Boundary
Reporting Frameworks
Reporting Principles
Confirmation and Approval
Contact Details

This Sustainability Report provides an overview of Kum Shing Group Limited's aspirations and actions in environmental, social, and governance aspects for its key stakeholders, including employees, clients, business partners, suppliers, and the communities where it operates.

Kum Shing Group Limited ("Kum Shing" or "the Group") is pleased to publish its annual Sustainability Report (the "Report") to outline its approach to sustainability, including strategies, policies, practices, and performances. This Report is prepared in English and is available on the corporate website (www.kumshing.com.hk).

Reporting Boundary

This Report covers the material issues identified for key business segments of Kum Shing from 1 April 2023 to 31 March 2024 ("Year", "FY2023/24" or "2023/24"). General disclosures and social key performance indicators ("KPIs") cover the corporate office, depot, and project operations of six subsidiaries of the Group in Hong Kong under four business segments, which contributed to the majority of the Group's total revenue for the Year. The Property Development segment in Mainland China is excluded. Environmental KPIs cover the headquarters office and depot operations, while some selected KPIs for project operations are disclosed.

Business Segments	Subsidiaries of the Group
Engineering, Procurement & Construction	• Kum Shing (K.F.) Construction Company Limited ("KFC") • Kum Shing Engineering Company Limited ("KSE") • Kum Shing E & M Limited ("KEM")
Logistics	• Pro Logistics Limited ("PLL")
Talent Supply	• EnGenius Personnel Consultancy Limited ("ENG") *Newly included for FY2023/24*
Consulting and Technology	• Hong Kong Energy Infrastructure Limited ("HEI") *Newly included for FY2023/24*

The Group reviews its business operations and development and makes adjustments to the reporting boundary as appropriate, ensuring its material impacts are covered.

Reporting Frameworks

Sustainability Reporting

This Report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021 ("GRI Standards"). The GRI is an international independent organisation providing widely used standards for sustainability reporting. We have also prepared this Report with reference to the Hong Kong Exchanges and Clearing Limited (HKEX) Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide"), which is adopted by major clients of Kum Shing. For details, please refer to Appendix C: Content Indices.

Greenhouse Gas ("GHG") Emissions Data

Our GHG emissions are reported with reference to the GHG Protocol published by World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the International Standard for GHG Emissions ISO 14064-1:2018, and the relevant local statutory guidelines where applicable.

Reporting Principles

We have applied the reporting principles as recommended by GRI Standards and HKEX ESG Reporting Guide during the preparation of this Report:

Materiality	We identified material sustainability issues through conducting a materiality assessment and made key disclosures in this Report.
Consistency	We adopt consistent methodologies in preparing the Sustainability Report and data, to allow meaningful comparisons over time.
Balance	We presented our sustainability performance in an objective manner for unbiased and comprehensive disclosure.
Quantitative	We record and disclose quantitative data where feasible, including information on the standards, methodologies, assumptions, and sources of conversion factors.

Confirmation and Approval

We acknowledge our responsibility to ensure the accuracy and reliability of the Sustainability Report. All information in this Report is sourced from the internal policy documents and statistical data of the Group. This Report has been reviewed and approved by the Board of Directors.

Contact Details

We welcome and value your feedback and suggestions on our Sustainability Report or sustainability performance.

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About Kum Shing



IN THIS SECTION

Who We Are
How We Act
What We Do

Kum Shing has been playing a leading role in the development, operation, and maintenance of Hong Kong's energy infrastructure for decades. We are deeply committed to improving the quality of urban living in a smart, sustainable city.

Who We Are

Since its establishment in 1963, Kum Shing has emerged as the private enterprise headquartered in Hong Kong capable of providing solutions encompassing power generation, transmission, distribution, and utilisation throughout the city. Benefiting from our in-depth understanding of infrastructure related challenges and ability to follow through, we actively offer comprehensive and multidisciplinary construction and engineering solutions for clients in the power utilities, transportation and public sector, and departments of the HKSAR Government in Hong Kong, aiding the provision of quality and reliable infrastructure for society.

In the face of latest economic and technology trends, Kum Shing has invested substantially to integrate technology and design with its core business to help develop Hong Kong into a smarter and more sustainable city. Kum Shing is also actively exploring opportunities to expand regionally, through its consulting and investment arm, to engage in projects relating to infrastructure development.

Watch Our Corporate Video

How We Act

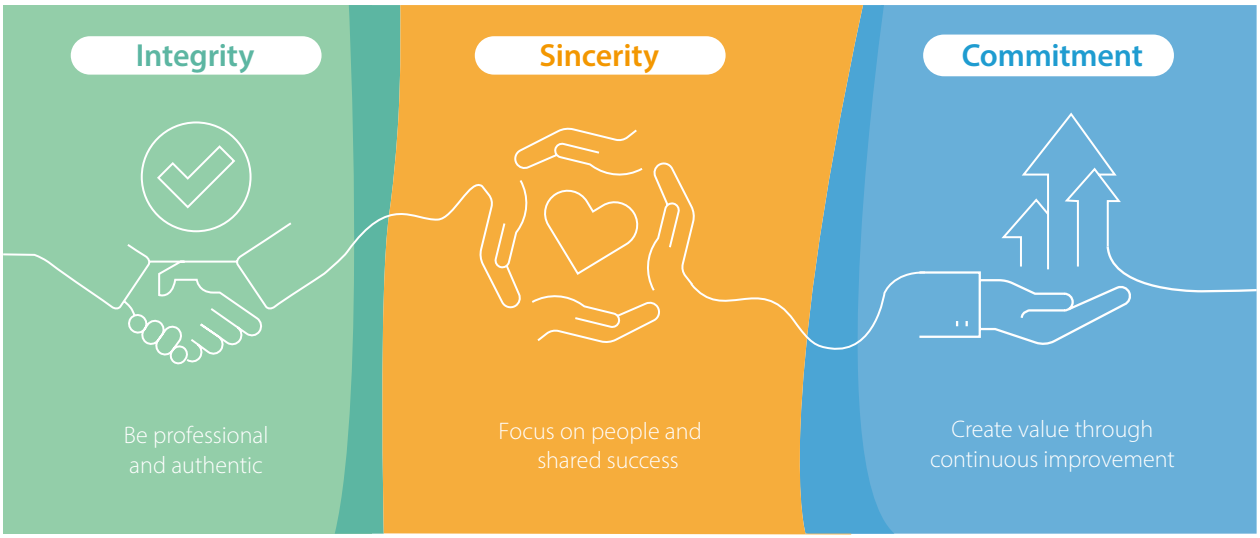
Vision

To enhance urban living in a smart and sustainable city through the development, operation and maintenance of power, transportation, and environmental assets in the Greater Bay Area.

Mission

We provide leading safety, high reliability and value-for-money solutions to build enduring trust with our clients, colleagues and other stakeholders.

Core Values

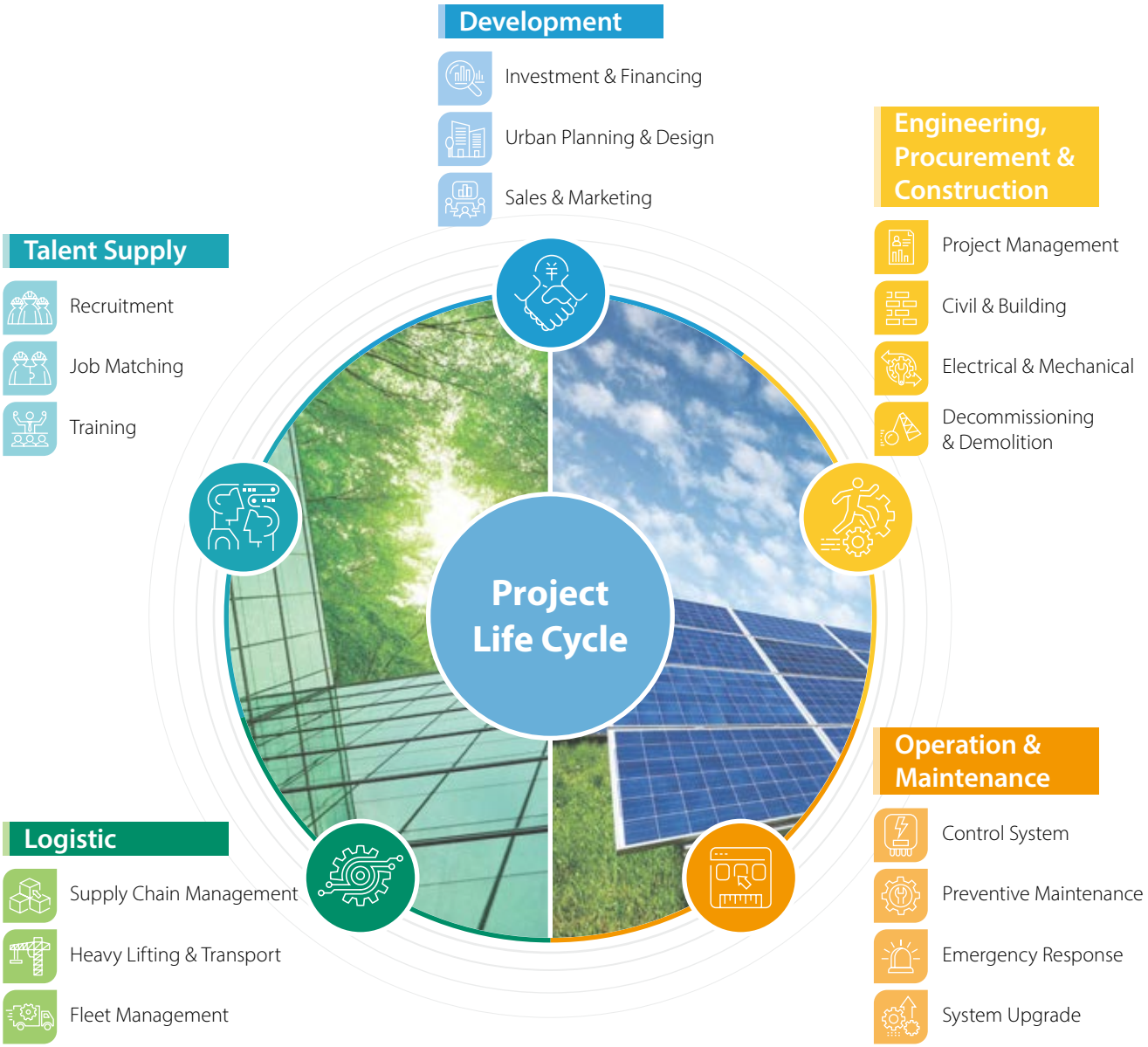


What We Do

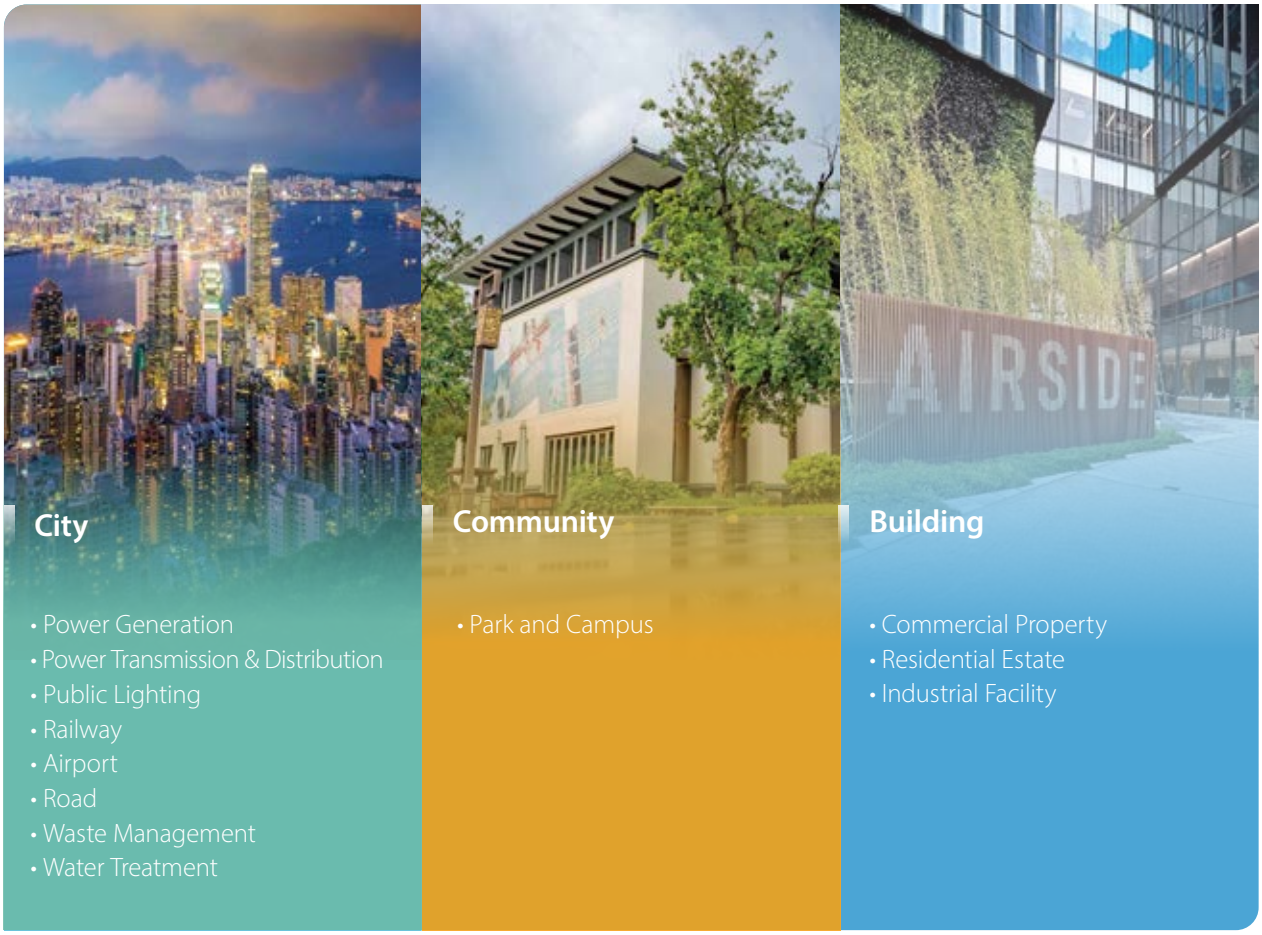
Building on Kum Shing's strong foundations and multidisciplinary strengths in energy infrastructure, we strive to be a trusted partner to our clients, delivering solutions that ensure they meet their business and project objectives.

Our Capabilities and Solutions

We leverage our extensive capabilities to offer a full range of services and solutions to our clients. Our services and solutions not only span across the entire project life cycle, but can also add value to each stage. We also work closely with partners and contractors, pooling our collective expertise and resources to deliver complex projects.



Our Sectors and Activities



City

- Power Generation
- Power Transmission & Distribution
- Public Lighting
- Railway
- Airport
- Road
- Waste Management
- Water Treatment

Community

- Park and Campus

Building

- Commercial Property
- Residential Estate
- Industrial Facility

Project Highlights

Rising greenhouse gas emissions have intensified global warming. This poses serious threats to ecosystems, economies, and human health, prompting global action to mitigate and adapt to climate change. In response, the government released "Hong Kong's Climate Action Plan 2050", aiming for "Zero-carbon Emissions • Liveable City • Sustainable Development". Kum Shing is actively working towards this common goal through comprehensive suite of services and solutions for a more sustainable and climate-resilient future.

City

Kum Shing is dedicated to fostering quality, reliable, sustainable, and resilient infrastructure through our projects, in support of city development and decarbonisation. We work to provide reliable, modern energy services and foster safe, eco-friendly transport systems and waste management facilities. Our goal is to enhance the quality of life and accelerate the low-carbon transition for the city we serve.

Power Generation

Our activities

- Power plants
- Emissions control
- Maintenance services

Over the years, Kum Shing has participated in numerous power plant projects, witnessing the shift of local power plants towards green energy and contributing to the reduction of carbon emissions. Major projects include emissions control, coal mill and boiler maintenance, and the installation of new generation units.

Accelerating Energy Transition in Hong Kong

New Gas-fired Generation Units in Tuen Mun

In 2019, electricity generation was the largest source of carbon emissions in Hong Kong, accounting for 66% of the total. Hong Kong's current fuel mix for electricity generation primarily relies on fossil fuels. The government aims for carbon neutrality before 2050 and to cut carbon emissions by 50% from 2005 levels before 2035. To meet these targets, it will eliminate coal for electricity by 2035 and accelerate low- and zero-carbon energy adoption. This transition requires developing and implementing new equipment and infrastructure.

Our Role

Kum Shing assisted a power utility in constructing new gas-fired units for the D1 and D2 Projects at



Black Point, Tuen Mun. Our team installed plants and equipment, including gas turbine, generator, Heat Recovery Steam Generator (HRSG), steam turbine, and electrical, control and instrumentation equipment.



Challenges

- **Technical complexity:** Addressing the technical challenges associated with integrating new gas-fired units into existing infrastructure. The entire process involves multiple stages—demolition, lifting, transportation, installation, and alignment, each demanding specialised knowledge and expertise, meticulous attention to detail, and high-level coordination among team members.
- **Large-scale and heavy lifting:** Managing complex and time-intensive processes, from planning to execution for moving hefty equipment, which are uncommon in Hong Kong.
- **Site constraints:** Managing the logistics and spatial limitations within an existing power station, including the coordination of deliveries, storage of materials, and movement of personnel and equipment.
- **Project timeline:** Adhering to a strict project timeline to minimise disruptions to the power station's operations and ensure the new units are completed and operational as scheduled.
- **Quality requirements:** Implementing rigorous quality control measures to ensure all work meets the specified standards and requirements, and the reliable and efficient operation of the new units upon completion. Managing the large quantity of project documents and submissions.
- **Coordination with stakeholders:** Working closely with the power utility, subcontractors, suppliers, and other stakeholders to ensure seamless communication and coordination throughout the project.

Solutions

- **Project planning and management:** A comprehensive project schedule was developed for progress monitoring. Delivery and storage of materials, space usage, and coordination of personnel and equipment were optimised through detailed planning and staging of work activities.
- **Technical capabilities:** A team of experts with specialised knowledge and expertise were formed, and ongoing training and support were provided to ensure all personnel were equipped to handle complex tasks. Thorough assessments and simulations were conducted to anticipate and mitigate technical challenges. Our team transported and installed more than 1,200 packages of major components.
- **Large-scale and heavy lifting:** Detailed planning and coordination of lifting operations were implemented, along with securing specialised heavy lifting equipment and expertise. Safety protocols for handling oversized loads were also ensured. A special floating crane, with a 900-ton capacity, was used to hoist the new gas turbine engine, generator, HRSG heat surface modules, and over 1,200 packages of major components. The gas turbine engine weighed 450 tons—heavier than a fully loaded Boeing 747 Jumbo Jet. For the placement of HRSG heat surface modules, three large hoisting cranes were used to safely lift these huge units into place. Each module, standing as tall as a 10-storey building, was the longest component of the entire project and weighed over 300 tons.



- **Quality assurance:** Robust quality management was implemented to ensure precise execution. Document management system was utilised to organise, track, and control all project documents. Our team adopted stringent alignment guidelines for equipment and pipe jointing and used advanced technologies, to achieve accurate, error-free results. The Combined Cycle Gas Turbine (CCGT) project team established strict alignment guidelines, regulated to within 0.01 mm (1/100 mm). For example, our team aligned the gas turbine engine, one of the primary units weighing over 460 tons, in just six weeks.

- **Stakeholder communication:** Regular communication channels were established to keep all key parties informed and foster cooperation.

Impacts

First CCGT project in China utilising **H-class** gas turbine technology

Completed the alignment process in just **6 weeks**

Increased natural gas in our client's fuel mix from **below 30% in 2019** to **around 50%** when the new D1 unit began operation **in 2020**

Installed additional gas-fired generation units for D2 in 2022, contributing to cleaner energy transition and carbon neutrality

Re-provision of Open Cycle Gas Turbine on Lamma Island

Demolition of three retired gas turbine units and construction of new open cycle gas turbines, including demolition and installation of gas turbine, generator, HRSG, steam turbine, and transformers, at the power station on Lamma Island for a power utility



Power Transmission and Distribution

Our activities

- Transformers and substation erection
- Trenchless construction works
- Overhead line works
- Underground cabling works
- Distribution cable jointing and termination works
- Maintenance and emergency and repair services for equipment and circuits
- Patrol services for power line damage prevention
- Project and equipment asset management services
- Meter replacement and smart meter installation
- Consultancy

Kum Shing offers comprehensive engineering services for Hong Kong's electricity supply network, covering transmission and distribution circuits from 400kV to LV. These services include design, construction, maintenance, and emergency repairs for transmission and distribution overhead lines, cable route selection, trenching and laying works, jointing and termination of cables, project management, and equipment asset management.

Watch the energy hero video

Aiding Reliable Power Supply

Overhead Lines and Underground Cables in Kowloon and the New Territories

Watch the overhead line project video

Watch the distribution circuits project video

Our Role

Kum Shing provides construction, maintenance, and emergency repair services for distribution overhead lines and underground cables in Kowloon and the New Territories for a power utility. In addition, we offer cable trenching and the associated installation services, which include excavation, cable laying, and reinstatement.





Challenges

Overhead Lines

- **Geographical constraints:** Navigating the varied terrain, such as rugged terrain and steep slope, in the suburban and rural areas complicate the processes of installation and maintenance, as well as transporting materials and equipment.
- **Accessibility:** Reaching and servicing overhead lines in remote or hard-to-reach locations with dense vegetation and limited accessibility.
- **Weather conditions:** Exposure to extreme weather events, such as cold and extremely hot weather, fierce typhoons and heavy rainfall, increases the risk of disruptions and outages.
- **Rapid response:** Mobilising workers and necessary equipment and materials quickly to address emergency repair needs, especially during or after extreme weather events.

Underground Cables

- **Subsurface obstacles:** Complex subsurface conditions, with a maze of existing utilities and potential archaeological remains, complicate trench excavation for routing, installations, maintenance, and jointing of underground cables.
- **Limited space:** High-rise buildings and congested road networks result in limited site area and challenges for the logistic and storage of equipment and materials.
- **Urban density:** The high population density heightens the need for stringent safety measures and minimising disruptions to the public during the construction phase.

Solutions

- **Online project management:** Developing and deploying online systems with web and mobile applications for project teams and frontline workers, aiming to streamline and enhance site work planning and workflow, quality, health and safety, and environmental management, and project information management.

Overhead Lines

- **Route mapping and planning:** Utilising mapping and maintaining an inventory of routes for reaching overhead lines in difficult-to-access locations.
- **Skilled workforce and specialised equipment:** Specialised equipment and training are provided to technicians to enhance their ability to safely

Underground Cables

- **Engineering technologies:** Subsurface surveys are conducted using advanced technologies such as Ground Penetrating Radar (GPR). Trenchless technologies are adopted as alternative solutions where conventional open-cut trenching method is infeasible due to various site and spatial constraints. This can also minimise disruption to the surrounding infrastructure and environment.

access and urgently repair the power circuits or equipment in hard-to-reach areas and under adverse weather conditions.

- **Regular inspections and preventive maintenance:** Conducting regular inspections, patrol services, and preventive maintenance activities to ensure the stability and reliability of power lines.

- **Contingency planning and emergency response:** Robust contingency planning, 24/7 standby services, and emergency repair services, are in place to quickly respond and deploy to any emergency calls.

- **Logistics management:** Meticulous project planning and management streamline logistics, aiding the fitting and timeliness of the necessary equipment and materials within the confined work areas and tight time span.

- **Stakeholder communication:** Our team collaborates and coordinates with relevant parties to avoid disruptions and ensure the safety of the workers and the public during the construction phase. Trenching ambassadors are appointed for sites where construction works is expected to significantly impact the neighbouring stakeholders, taking care of the communities and responding to their feedback.

Impacts

Help the power utility achieve world-class supply reliability of over **99.999%** and shorten the restoration time as much as possible

Manage **100+ active construction sites** for power lines every day

Construct, maintain, and overhaul **630+** overhead line poles and **15,000+** cable joints cum terminations each year

Lay **600+** km transmission and distribution cables each year, ensuring each installation is done securely and expertly

Meter Replacement and Smart Meter Installation in North District



Our Role

Kum Shing undertakes the meter replacement and smart meter installation in North District for a power utility. The project covers a wide variety of buildings and facilities, such as residential, commercial and industrial buildings, institutions, community facilities, villages, streetlights, transmitting stations, and temples.

Challenges

- **Diverse property types:** Meter installation requires a temporary power supply closure. The diversity of property types requires tailored approaches to coordinate and schedule works without disrupting the daily activities of various end users, such as residents and businesses, with varying needs and preferences.
- **Accessibility and weather conditions:** Accessing steep slopes and remote locations present logistical challenges. Scheduling indoor and outdoor installation work around weather conditions is necessary to ensure worker safety and project continuity.
- **Logistics and resource management:** Managing the logistics of transporting and storing large quantities of meters and installation equipment require efficient planning and resource allocation. This ensures the right meter is available when and where it is needed.
- **Quality requirements:** Stringent requirements on meter replacement and installation are necessary for accurate billing and system monitoring. Ensuring the whole process is completed accurately and error-free, from meter assignment, installation, testing, to integration, is crucial.

Solutions

- **Comprehensive scheduling:** A comprehensive scheduling mechanism is implemented to coordinate temporary power supply closures and meter installations. This includes pre-work communications, site inspections, advance notifications to end users, and flexible installation times, including midnight, that best suit their specific needs and preferences, to minimise disruptions. Contingency plans are available to accommodate weather related issues and maintain project timelines.
- **Coordination with stakeholders:** Effective communication and coordination with a wide range of stakeholders, such as property owners and occupants, facility managers, local authorities, and community leaders, is crucial for smooth project execution. This ensures everyone is adequately informed about the timing and duration of power outages, minimising inconvenience. For projects that involve numerous affected parties, a collaborative effort from everyone is required to manage the logistics and address any concerns that may arise during the installation phase.



- **Online management system:** An online meter management system with web and mobile applications is developed for project teams and frontline workers, streamlining and enhancing inventory management, work scheduling and tracking, logistics, and quality management. Key features include:

Inventory management

Digitalise and effectively manage records of old and new meters, each with a specific seal number, allowing real-time and precise meter identification and traceability

Work scheduling and tracking

Schedule daily meter replacement works, remotely monitor work progress and completion verification in real-time, and optimise workforce and resource allocation

On-site information collection

Utilise mobile devices to collect and digitalise on-site information, such as photos of old and new meters, seal numbers, and meter readings, to facilitate validation and enhance accuracy

Quality control

Trigger auto-notifications that promptly alert workers of any discrepancies or errors, to minimise mistakes and reduce rework

- **Logistics and resource management:** Centralised storage facilities, along with the online management system, efficiently handle the transportation and storage of meters and installation equipment. Specialised equipment and careful planning ensure safe and effective access to hard-to-reach locations.

- **Quality assurance:** A comprehensive quality assurance program oversees the entire process, from logistics and resource management to testing of each meter installation. Detailed records are kept to track the work process, with any issues promptly addressed to ensure accuracy and reliability.

Impacts

80,000+ smart meters installed since 2019

550,000+ meters replaced since 2019

Public Lighting

Our activities

- Public lighting systems
- Energy saving solutions
- Smart lamppost and management systems

Since 1982, Kum Shing has been a contractor for public lighting engineering projects in Hong Kong, providing management, operation, installation, and maintenance services for the government and public utilities' public lighting systems.

Brightening Up Hong Kong through a Smart Approach

Public Lighting System on Hong Kong Island and Islands

Street lighting primarily ensures adequate illumination on roads for safety and security. These lamps require regular maintenance to guarantee reliable operation. In addition, enhancing energy-saving management and the energy efficiency of infrastructure is a key focus in Hong Kong's decarbonisation efforts. The government aims to establish a more energy-efficient, durable, and environmentally friendly public lighting system, and is exploring new technologies aligned with smart city and innovation initiatives to enhance public lighting.



Our Role

Kum Shing has participated in the design, management, operation, installation, and maintenance of public lighting system on Hong Kong Island and islands. It also involves the development and implementation of a smart lighting management system, which is the first large-scale deployment of its kind in Hong Kong.

Challenges

- **Complex urban environment:** Designing a smart lighting management system for mass deployment that can integrate seamlessly with the dense and diverse urban landscape of Hong Kong Island and other islands.

- **Compatibility:** Adapting the system and devices to ensure compatibility with the local environment and existing telecom network infrastructure, while customising to meet client's specific localisation requirements.

- **Centralised management:** Designing a central management system ("CMS") capable of efficiently collecting, processing, and analysing large volumes of data from numerous sensors and devices, enabling comprehensive monitoring and control of the entire lighting network. Developing an intuitive and user-friendly interface for the operators to manage the system effectively.

- **Cybersecurity:** Requiring robust security measures that comply with the government's stringent requirements for cloud data, protecting the system against potential cyber threats and unauthorised access.

- **Congested traffic:** Managing traffic arrangements for installation to minimise disruption to daily activities and traffic flow.

Solutions

- **Smart Lighting Management System:** This includes a massive smart system that monitors lamppost performance. Each lamppost is equipped a control node, all of which are connected to the CMS. Key features include:



Asset management
Digitalise and effectively manage 20,000+ public lighting assets

Round-the-clock monitoring
Remote status monitoring of public lighting infrastructure

Remote control
On, off, dimming for group and individual lampposts

Customisable scheduling
Schedule activities for group and individual lampposts

Intelligent data analysis
Automated alert system and long-term health analysis

Energy saving
Adaptive brightness for optimal energy conservation

Lighting fault tracking
Locate failure locations and reduce troubleshooting and maintenance response times

Preventive maintenance
Trigger alarms for site inspection and maintenance before lighting faults occur

- **Data security:** Adapting the data security management of the system, such as encryption methods, data transfer, and access controls, to ensure compatibility with the government's cloud infrastructure.

- **Work scheduling:** Scheduling installation within five-hour window at night and implementing temporary traffic arrangement to avoid disruptions to daytime traffic flow, maintaining a balance between project progress and public convenience.

Impacts

14,000+ control nodes installed on street lampposts for **smart lighting management** since project commencement

8,000+ control nodes to be installed by 2025

Road Lighting System for the Hong Kong-Zhuhai-Macao Bridge

Design, supply, and installation services for the road lighting system, high-mast lighting system and electrical installation, in the areas of the Hong Kong Boundary Crossing Facilities of the Hong Kong-Zhuhai-Macao Bridge, and vehicular clearance plazas and a number of ancillary buildings and facilities



Railway

Our activities

- Power supply works
- Signaling systems
- Facility upgrades and maintenance
- Railway upgrades and maintenance
- Facility management services

Since 2008, Kum Shing has been providing engineering services for the railway infrastructure in Hong Kong. Through seamless cooperation between our multi-professional teams, Kum Shing offers comprehensive services for the entire railway network. We have participated in numerous projects, contributing our expertise in civil, electrical and mechanical engineering, and have provided facility management.

Watch the railway engineering expertise video

Strengthening Connectivity through Railway Network Expansion



The government's "Railway Development Strategy 2014" ("RDS 2014") and "Hong Kong Major Transport Infrastructure Development Blueprint" propose the extension of Hong Kong's railway network. Since 2023, we have been actively involved in three important projects under the RDS 2014: Tung Chung Line Extension, Tuen Mun South Extension, and Kwu Tung Station on the East Rail Line.

Tung Chung Line Extension

Power Supply System

Engineering works for the power supply system of the Tung Chung Line Extension, Siu Ho Wan Depot Phase 1 and Oyster Bay Station, including design, supply, installation, testing, commissioning and maintenance



Advance Works at Tung Chung Station

Advance works to the existing station facilities, particularly plant rooms, to enable the early completion of critical plant rooms to facilitate the Tung Chung Line Extension

East Rail Line

Advance Works at Kwu Tung Station for East Rail Line Protection

Advance works to the existing railway facilities, including installation of Auto Deformation and Monitoring System (ADMS), trackside steel walkways, cable brackets and fire mains, and diversion of cables within the tunnels



Tuen Ma Line and Tuen Mun South Extension

Power Supply System and Trackside Auxiliaries

Engineering works for the power supply system and trackside auxiliaries for the Tuen Mun South Extension and Hung Shui Kiu Station, including design, supply, installation, testing and commissioning



Tuen Ma Line

Advance Works for Hung Shui Kiu Station

Watch the project video

Our Role

To support the Hung Shui Kiu/Ha Tsuen New Development Area and districts nearby, a new station in Hung Shui Kiu will be built on the existing Tuen Ma Line. Kum Shing is responsible for the advance works, paving the way for client to assemble the main structure of the station.

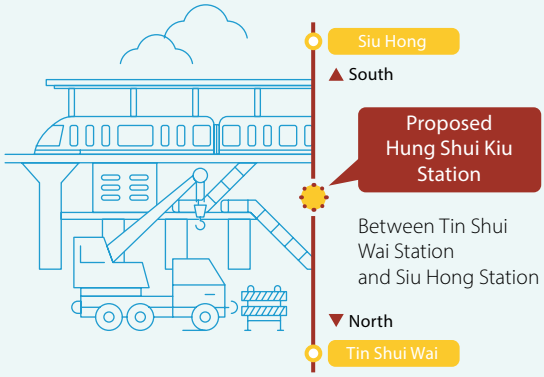
Challenges

- **Operational continuity:** The new station will be situated on the viaduct section between Tin Shui Wai and Siu Hong stations. Ensuring minimal disruption to the existing Tuen Ma Line operations while carrying out construction works requires careful planning and execution.

- **Technical complexity:** The project marks the first time of constructing a station on an elevated section with ongoing railway operations. This requires cutting a 400-meter-long parapet into 140 pieces, weighing a total of 350 tons, to build the station platform. Our team must work within the limited space of an active railway environment.



- **Time constraints:** Adhering to strict project timelines while working within limited windows of opportunity—only during non-operational hours or planned closures, with merely six hours available per week.



- **Safety considerations:** Implementing stringent safety measures to protect workers, railway staff, and passengers, given the proximity of construction activities to live railway operations.

- **Environmental considerations:** Minimising the environmental impact of construction activities, particularly noise pollution in urban areas.

Solutions

- **Project planning and monitoring:** Major works were executed during the "golden two hours" at night, requiring meticulous preparation. A comprehensive work plan and project management tools were implemented, which included working according to a preset schedule and following a minute-by-minute program.

- **Precautionary procedures:** Every task underwent rigorous review and approval process. Our team conducted extensive, physical trials to validate proposed methods and safety measures, and made necessary adjustments based on identified issues.



- **Engineering technologies:** Design for Manufacture and Assembly (DfMA) was utilised to create a custom, project-specific steel parapet cutting working platform. The installation and use of this platform were trialed at the factory, minimising on-site testing and assembly. During cutting works, temporary guardrails were installed alongside existing traffic lanes.

- **Safety control:** A comprehensive safety management plan was developed, accompanied by diverse training activities. Beyond standard training, VR safety simulations and "safety breaks" for both day and night shifts were introduced to reinforce safety awareness. To encourage safe practices, a safety performance points system was implemented. Wireless remote-control wire saws were employed to improve safety management.

- **Noise assessment and mitigation:** Noise assessment and trial of noise reduction measures were conducted to minimise the impacts of cutting, drilling and walkway modification. Retractable noise enclosures were used for construction works. Electric power cutting machines and battery-powered tools were adopted to avoid using generators on site.



- **Communication with stakeholders:** Engagement with nearby village residents was carried out to address concerns and minimise disruptions.

Impacts

The **first time** of railway viaduct modification work **carried out during active railway operations** without service interruption

A **400-meter**-long parapet, weighing a total of **350 tons**, being cut into **140 pieces**, using a custom, project-specific steel parapet cutting working platform

Modification Works for Locomotives

Modification works for 16 locomotives at Pat Heung Depot and Tai Wai Depot, aiming to enhance performance of their parking brake system, ensuring safe operation on the Tuen Ma Line, which includes a newly opened section with a steep gradient



Airport

Our activities

- Power supply works
- Equipment control and data acquisition
- Bagging handling systems

Harnessing the unique benefits of the Hong Kong-Zhuhai-Macao Bridge bridgehead economy, Hong Kong International Airport (HKIA) is set to evolve into a new landmark for travellers and residents, serving as a prominent hub for high-value cargo to drive local and regional business growth. Kum Shing offers a range of services to the airport, contributing expertise in power supply works and signalling systems. In addition to critical infrastructure services, we provide facility upgrades and maintenance, and facility management services, supporting safe and reliable operations.

Realising the Airport City Vision

Baggage Handling System



Hong Kong is transforming HKIA from a city airport into an Airport City, to create greater value for the city and future generations. This vision involves extensive development of many aspects of HKIA, making it a driver for local economic growth and contributing to the synergistic economic development in the Greater Bay area and beyond.

The Third Runway, commissioned in 2022, marks a key milestone in HKIA's expansion into a Three-runway System (3RS). This will substantially increase the airport's handling capacity, enable it to meet long-term air traffic demand. Expanding terminal capacity and enriching the passenger experience are crucial for managing the expanded operations.

Our Role

Kum Shing undertakes the installation of the high-speed baggage handling system (BHS) linking Terminal 2 and the new concourse, which includes the installation of mechanical, electrical, and control devices.

Challenges

- **Space constraints:** Optimising the limited space available in the terminal infrastructure. Coordinating with various departments for the installation sequence and maximising logistic capacity in the congested area.
- **Complex assembly:** Assembly of the system involves numerous components and intricate pathways. Ensuring that all parts are correctly installed and aligned. Providing a highly accurate and durable system following the design and instructions.
- **Quality requirements:** Meeting stringent quality standards of every aspect of the installation, ensuring the functionality and reliability of the BHS for handling the increased passenger and baggage throughput of the expanded Terminal 2.

Solutions

- **Site assessment:** Our team conduct a thorough site assessment and adopt necessary electrical, and mechanical solutions and technologies to address site conditions and requirements.
- **Modular and phased approach:** We develop a step-by-step assembly plan and make use of prefabricated components and off-site assembly, reducing the duration and complexity of the on-site work.
- **Engineering technologies:** We adopt advanced modeling and simulation tools to thoroughly test and validate the proposed BHS solutions, ensuring its seamless integration and reliable operation.
- **Quality assurance:** We adopt detailed quality assurance processes and undertake thorough testing and commissioning of BHS equipment and materials, ensuring all components and systems are well-integrated and meet the required quality standards for airport operations.

Impacts

The BHS project is currently underway with the following goals:

Lay **18.7 km** of conveyor lines for seamless baggage transfer

Install a system designed to handle **9,600** bags per hour

Achieve rapid luggage transportation at speeds of **25–36 km/h**

Traction Power Supply for Automated People Mover System

Modification works for the traction power supply system of Automated People Mover (APM) System's Terminal 1 Line at HKIA, including the design, supply, and installation of essential equipment



Road

Our activities

- Pedestrian footbridges and carriageways
- Roadside planters, footpaths, signage and road markings
- Street lighting and tunnel lighting
- CCTV systems
- Street fire hydrants

With vase expertise in civil and building works, Kum Shing has a robust portfolio in roadwork construction. We assist our clients in implementing essential precautionary measures, executing excavation and lateral support works, and making modifications. These include design, construction, and preparation of required government submissions, all tailored to the actual site conditions and construction sequences, ensuring a quality living environment for the community.

Power System Upgrade along Shing Mun Tunnels

Demolition of the existing HV and LV power supply systems and provision of a completely new power supply system in the tunnels buildings, including HV switchboards, transformers, LV switchboards, generators, power cables, busducts, signal cables, and all associated accessories and fixings



Power Supply System Upgrade at Cheung Tsing Tunnel

Design, procurement and construction for the replacement of high voltage power supply system



Road Construction at LOHAS Park

Construction of carriageways, roadside planters and footpaths, signages, road markings, street lightings, CCTV systems, and landscaping



Waste Management

Our activities

- Chemical waste treatment facilities
- Waste-to-energy solutions

The government's Waste Blueprint for Hong Kong 2035 aims to address waste management challenges through waste reduction, material separation and recycling, and developing waste-to-energy facilities, ultimately reducing reliance on landfills. Kum Shing is dedicated to supporting waste reduction by providing advanced chemical waste treatment and waste-to-energy solutions, aiming to improve public quality of life and contribute to environmental sustainability in Hong Kong.

Achieving Sustainable Chemical Waste Management

Chemical Waste Treatment Centre in Tsing Yi



Improper disposal of hazardous waste poses significant threats to humans, animals, and the environment, necessitating special management safeguards. With increasing chemical waste due to population growth, new facilities are needed to effectively manage and treat hazardous materials, minimising adverse effects on public health and the environment.

Our Role

Since 2020, Kum Shing has been collaborating with our joint venture ("JV") partner under a design-build-operate contract for the government's Chemical Waste Treatment Centre (CWTC). The project involves the replacement of an incineration line, clinical waste sterilisation system (CWSS) and pressurised gas cylinder treatment facility. It also includes replacing various major equipment, to enhance the facility for future needs.

Challenges

- **Site constraints:** Challenging brownfield site, remaining plant in operation, and the logistical challenge of mobilising lifting resources.
- **Technical complexity:** Constructing a modern and environmentally friendly incinerator is a complex task that involves intricate processes and requires specialised expertise and coordination among multiple disciplines.
- **Quality requirements:** Maintaining high standards of quality assurance throughout the project lifecycle, from design and construction to operation, to meet the rigorous requirements.

Solutions

- **Project planning and management:** We extensively utilised Asset Information Modeling (AIM) and Building Information Modelling (BIM) techniques, which allowed us to meticulously plan and manage every aspect of the project. This also helped improve the operational efficiency of the existing facilities.
- **Technical capabilities:** Coordinating logistics and mobilising lifting resources require careful execution. We lifted and installed three large-scale waste heat boilers, weighing more than 150 tons in total, during the construction phase.
- **Quality assurance:** Our team sprinted against the clock, leveraging their expertise and experience to ensure precise task completion.



- **Environmental considerations:** The project includes a waste-to-energy solution that uses heat from incineration to provide partial energy supply for CWTC's operations. Waste heat boilers convert hot exhaust gases to steam, driving turbine and generator to produce power.

Impacts

This project marks a breakthrough in several areas. The installation and implementation of the new generation CWSS, the largest of its kind in Asia, enables non-stop handling of clinical waste surges during the maintenance period of the existing incinerator, and even during the epidemic.

The first and only integrated hazardous waste treatment facility in Hong Kong

100,000 tonnes chemical waste*

3,696 tonnes clinical waste*

Mercury waste equivalent of **3.5** million pieces of lamps*

31,781 MWh (energy recovered in 2022)

Watch the project video

* Annual designed treatment capacity

Water

Our activities

- Sewage systems
- Sewage treatment facilities
- Waste-to-energy solutions

Hong Kong is committed to top-notch sewage treatment services by embracing various treatment processes and advanced technologies. As our population and economy continue to grow, the strain on our water quality will increase. Hong Kong needs to keep expanding the sewerage system and enhancing sewage treatment facilities to safeguard our water quality. Kum Shing collaborates closely with our clients to provide sewage treatment infrastructure solutions. Our services cover civil and building engineering, and electrical and mechanical engineering.

Advancing Sewage Treatment for Cleaner Water

Sewage Treatment Works in Sha Tau Kok

Watch the project video



Our Role

In line with the development and expected increase in sewage flow in the Sha Tau Kok area, Kum Shing has established a JV with its partner, assisting the government on the expansion of the sewage treatment plant in Sha Tau Kok. This involves the construction of a temporary sewage treatment plant in the area. It is a multidisciplinary project covering various disciplines including civil, structural, electrical and mechanical engineering, and a range of construction activities.

Challenges

- **Limited space:** Reconstructing the sewerage treatment plant with the provision of a temporary treatment plant within the same, small footprint, without any interruptions to sewage treatment services.
- **Schedule adherence:** Meeting project deadlines to ensure timely delivery, including adhering to a tight construction program for the design, build and commissioning of temporary sewerage treatment plant.
- **Pilot project for Construction 2.0:** Being selected as a pilot project for implementing Construction 2.0, an initiative by the government to strengthen the city's regional leadership in construction.

Solutions

- **Project scheduling and monitoring:** A phased construction approach was adopted to accommodate the temporary treatment plant while concurrently building the permanent sewage treatment plant, ensuring continuous operation of sewage treatment. The Digital Works Supervision System (DWSS), a component of Construction 2.0, was implemented to improve the standard and efficiency of work supervision, while enhancing the quality and safety of works.
- **Partnership among parties:** Strong communication and coordination were established and maintained with client and consultant, addressing potential conflicts and ensuring cohesive project execution.
- **Engineering technologies:** Modular Integrated Construction (MiC) and DfMA were adopted to enhance productivity, reduce on-site construction time and optimise land use. These methods were applied to constructing the project site office, temporary sewage treatment plant and the structure of sewage treatment plant. Enhanced Modular Mechanical, Electrical, and Plumbing Integrated Construction (EMMiC) was utilised to streamline the integration of the plant's electrical and mechanical equipment. Additionally, Horizontal Directional Drilling (HDD) two-way drilling technique was employed for the submerged drainage outfall, speeding up project execution.





Impacts

Piloted and deployed various innovative solutions to optimise construction processes and boost efficiency

Commissioned a temporary sewage treatment plant in **<18 months** after contract commencement

Constructed a **1.7km** submerged sewerage pipe

Received numerous project awards, including the Contract Innovation of the Year award in the NEC Martin Barnes Awards 2021, and the UNSDG Achievement Awards 2023 Hong Kong – Recognised Project

Sewage Treatment Plant in Sha Tin

Construction of a combined heat and power generation unit, including a desulfurisation system, biogas pre-treatment unit, and other related facilities, which makes use of the biogas from the sludge treatment process for electricity and heat generation, achieving waste-to-energy conversion





Upgrade of West Kowloon-Tsuen Wan Sewage System

Replacement of aging sewers in Tsuen Wan, Kowloon City, Kwai Chung, Sham Shui Po, and Cheung Sha Wan, where BIM and various trenchless construction methods are adopted to minimise the impacts to traffic and the public



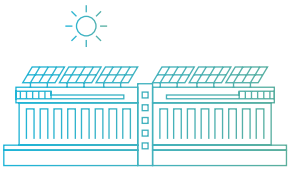
Community

Our activities

- Community and institution facilities
- Solar power generation systems
- Battery energy storage systems (BESS)
- Site formation
- Engineering infrastructure works

Kum Shing aspires to collaborate with society to create a green and sustainable future, playing an active role in supporting Hong Kong's journey towards carbon neutrality. We are committed to the communities we serve, delivering projects that contribute to decarbonisation and the development and growth of society.

Promoting Renewable Energy Utilisation



Rooftop Solar Panels at Local University

Our Role

Kum Shing undertook the design, building, and installation of a large-scale solar photovoltaic (PV) system on the rooftops of six buildings at a local university campus. This helped the university to reduce reliance on non-renewable energy sources.



Challenges

- **Structural constraints:** Ensuring that the rooftops of all six buildings could support the additional weight of the PV panels and related infrastructure without compromising structural integrity.
- **Space constraints:** Maximising the available rooftop space to achieve the desired energy output while considering existing rooftop structures and equipment.
- **Weather conditions:** Designing the PV system to withstand local weather conditions, including strong winds, heavy rain, and high humidity, which are common in Hong Kong.
- **Efficiency and aesthetics:** Balancing the efficiency of the PV system with aesthetic

considerations, ensuring that the installation does not detract from the visual appeal of the university buildings.

- **Electrical integration:** Integrating the PV system with the existing electrical infrastructure of the university, ensuring seamless energy flow.
- **Maintenance access:** Designing the system in a way that allows for easy access for maintenance and repairs without requiring significant disruptions or additional costs.
- **Coordination with university operations:** Minimising disruptions to university operations and scheduling the installation work around academic activities and events.

Solutions

- **Structural assessment:** A structural assessment was conducted to guarantee structural integrity. Advanced simulation tools were used to optimise the placement of PV panels, maximising energy output while accommodating existing rooftop structures and equipment.
- **PV selection:** The PV system was designed with robust materials and mounting systems to withstand strong winds and heavy rain. Additionally, corrosion-resistant materials were used to combat high humidity, ensuring long-term durability. High efficiency monocrystalline PV modules were used, which significantly increasing energy output compared to traditional modules. These modules come with a performance guarantee of up to 30 years.
- **Design for maintenance:** The design included strategically placed access points and walkways to facilitate easy maintenance and repairs. This ensured that maintenance activities could be performed without significant disruptions or additional costs.
- **Planning and communication:** Detailed scheduling and close communication with university administration were essential. Installation work was planned during off-peak hours and academic breaks to minimise disruptions to university activities.

Impacts

676 PV panels installed

400+ MWh of clean energy generated annually

150+ tonnes CO_2e emissions avoided annually

Equivalent to what **6,500+** trees would absorb annually[1]

10,000+ students benefit from the installation as a live education tool

[1] Assumed each planted tree absorbs 23 kg CO_2 per year.

High Voltage Cables on Slope for University

Diversion of 400kV high-voltage cables, collectively weighing nearly 100 tons, on slope near Oi Man Estate to support the campus expansion of a university



Archaeological Survey for Sha Tin to Central Link

Watch the project video

Archaeological survey for providing information to assess the feasibility of constructing a pedestrian subway connecting Sung Wong Toi Station and Pak Tai Street, and its possible route, in preparation for the construction of the Shatin to Central Link



Building

Our activities

- Building facility upgrades and maintenance
- Building facility management services
- Electric vehicle charging facilities
- Electric vehicle charging services

Improving energy saving management and energy efficiency of buildings is a pivotal goal in the government decarbonisation agenda. Kum Shing strives to promote the adoption of renewable energy and the optimisation of energy performance through a range of services that cater to both building infrastructures and electric vehicles.

Driving Electric Vehicle Adoption

The government aims for zero carbon emissions from vehicles and transport sector by 2050. Popularising electric vehicles ("EVs") and new energy transport as effective alternatives to traditional fossil-fuel transport will be a key measure. It is crucial to develop EV charging infrastructure to keep up with rising EV sales.

EV Charging Infrastructure for Residential Buildings

The government has introduced the "EV-charging at Home Subsidy Scheme" (EHSS) to subsidise the installation of EV charging infrastructure in car parks of existing private residential buildings, making it easier for EV owners to set up chargers at home.



Our Role

Kum Shing is responsible for installation of EV charging infrastructure in car parks of various existing private residential buildings across Hong Kong.

Challenges

- **Space and time constraints:** Navigating space constraints in crowded car parks to accommodate the installation of EV charging infrastructure, and adhering to tight schedule to minimise disruptions to existing operations.

- **Existing infrastructure:** Integrating new EV charging infrastructure with existing building structures and ensuring the electrical systems are capable of handling the additional load.

- **Coordination with stakeholders:** Coordinating with stakeholders such as property management and residents, to minimise disruptions during installation and address any concerns raised by the community.

Solutions

- **Site assessment and planning:** Site assessments are conducted to identify optimal locations for EV charging infrastructure. Detailed plans that consider space constraints and existing infrastructure are developed, ensuring efficient use of available space. Compatibility checks and tests are conducted to ensure seamless integration of electrical and mechanical components with the existing infrastructure.



- **Project scheduling and management:** To minimise disruptions, a phased installation approach is implemented, such as scheduling work during off-peak hours and providing advance notice to residents. Temporary barriers and signage are used to ensure safety and clear communication.

- **Stakeholder communication:** Regular meetings and communication channels are established with various stakeholders, such as government department, property management, consultant, carpark owners and residents, to schedule installations, ensure smooth project execution and address concerns promptly.



Impacts

20+ EHSS projects awarded across Hong Kong Island, Kowloon, the New Territories and Islands District

4,700+ EV charging infrastructure involved

EV Charging Services for Electric Public Light Buses

Installation, operation and maintenance of EV fast charging facilities at Kowloon Tong (Suffolk Road) public transport interchange station for electric public light buses, including 300 kW pantograph and 150 kW liquid-cooled plug-in DC fast charging stations, integrated with cloud management system



"ZETTA": EV Charging Solutions for All

Watch the ZETTA video

Drawing from its experience in overseeing one of the largest commercial EV fleets in Hong Kong and propelled by the vision for a sustainable smart city, Kum Shing launched the "ZETTA" EV fast charging services in 2023, aiming to support Hong Kong's commercial fleet communities in their transition to electric mobility. This initiative is a collaborated effort with the transportation industry, technology sector, and a myriad of stakeholders, all working together for Hong Kong's EV transition.



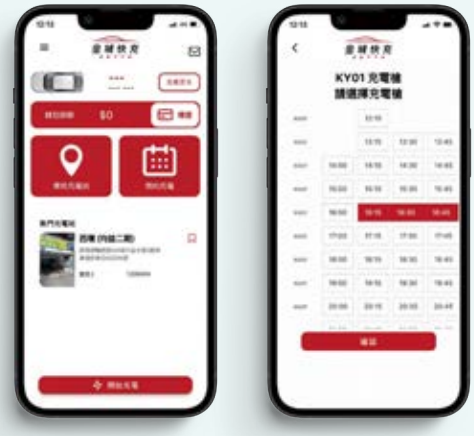
Hassle-free Experience for Everyone

ZETTA aims to create a robust and far-reaching EV charging network in Hong Kong, delivering seamless, top-notch, and dependable fast charging and group charging services for commercial fleets, taxis, various public transportation options, and private EV owners.

Scan to download ZETTA app

IOS users

Android users



Features:

Public and Fleet On-the-Go charging

- Faster charging speeds with ZETTA's fast and ultra-fast chargers
- Group charging solution with load management maximising parking spots served
- Compact size of branch charging units allowing flexible utilisation of parking spaces
- Fast and ultra-fast chargers suitable for high-usage EV users, such as fleets, public transportation, and taxis

User-Centric Platform

- "ZETTA" mobile application designed for a seamless, user-friendly experience to boost user satisfaction and engagement
- Offer practical functions such as online booking, in-app wallet, and top-up functions with real-time monitoring of charging status
- Provide basic and advanced charging options with flexible pricing models to align with market preferences

We continuously foster standardisation and multi-platform connectivity through partnerships with industry players. This enables us to enhance the charging network for users and make the most of charging resources in Hong Kong.





Approach to Sustainability



IN THIS SECTION

Sustainability Strategy
Sustainability Governance
Stakeholder Engagement
Materiality Assessment

Kum Shing's commitment to sustainability is steadfast and forms a fundamental aspect of its corporate value. Our approach to sustainability involves taking decisive, well-planned steps, and working closely with our stakeholders towards our sustainability goals.

Sustainability Governance

Governance Structure

To incorporate sustainable practices within Kum Shing, the advancement of sustainability needs to be a shared responsibility across our organisation. Representatives from various business functions or departments at different levels participate in our sustainability governance structures. The roles and responsibilities at each level are clearly defined, with the executive level bearing overall responsibility.

This governance structure ensures that diverse perspectives are considered and our sustainability initiatives are inclusive and comprehensive. This approach is crucial in driving our sustainability agenda forward and achieving our sustainability goals.





The Board of Directors (the "Board")

The Board, being the highest governance body of Kum Shing, has the overall responsibility for sustainability and climate related matters and ensures such are incorporated into the Group's governance, strategy, decision making, risk management, and reporting. The Board is composed of Executive Directors and Non-executive Directors.

The Group Executive Management Committee (the "GEMC")

Appointed by the Group's Chief Executive Office ("CEO"), the members of the GEMC are senior management team executives who ensure the Group's sustainability goals and strategies are effectively managed and delivered.

The Sustainability Committee

The Sustainability Committee, appointed by the Board, undertakes the responsibility of overseeing the management of the Group's sustainability and climate related matters, and advising the Board and the GEMC on these matters. It is chaired by the CEO and composed of the key Executive Directors of the GEMC, and senior management of key Business Support Functions.

As detailed in the Terms of Reference, the Sustainability Committee meets at least annually and has the following roles and responsibilities:

- To develop and refine sustainability and climate related strategies, goals, policies, and practices, and make recommendations to the GEMC
- To identify and review the sustainability and climate related issues, risks, and opportunities for the GEMC's oversight
- To monitor and evaluate sustainability and climate related performance, and recommend improvement strategies
- To review, evaluate and approve stakeholder engagement, materiality assessment and Sustainability Report
- To provide updates to the GEMC on sustainability and climate related matters

The Sustainability Working Groups

To effectively address various sustainability aspects, five dedicated Sustainability Working Groups will be formed under the Sustainability Committee.



These working groups will consist of representatives from a variety of Business Support Functions, Business Line Departments and Business Development Units. These representatives will utilise their professional expertise, industry knowledge, and operational understanding to develop practical and effective sustainability initiatives. Their key roles and responsibilities include:

- To facilitate the development and implementation of sustainability strategy, action plan, and performance targets
- To share good practices on sustainability management and reporting
- To review and recommend improvements to existing policies and practices
- To collect sustainability information and data for disclosure

Sustainability Policies

Kum Shing's governance framework and policies seamlessly integrate our mission, values, and sustainability commitments into our daily operations. These not only ensure compliance with all relevant laws, regulations, and ethical business practices, but also create a robust structure for consistent decision-making and guide our sustainability efforts. A comprehensive set of procedures and guidelines further reinforce these principles, fostering a culture of responsible and accountable practices throughout the organisation.

The Group policies apply to Kum Shing and its operating subsidiaries to ensure consistent adherence to the standards. These policies are regularly reviewed and effectively communicated to our employees, who are expected to comply with them. Board members and employees are required to annually declare their understanding of and commitment to adhere to the policies. We encourage JV project companies and business partners, including subcontractors, suppliers, and service providers, to align with the principles and commitments outlined in our policies, fostering a shared dedication to responsible practices.



Sustainability Strategy

Sustainability Strategic Plan

Our sustainability approach is built on three strategic pillars, which are the foundation of our corporate responsibility: Responsible Governance, Social Impacts, and Environmental Stewardship. They convey our dedication to ethical management, people, society, and the environment to our stakeholders. Prioritising these areas guides our sustainability efforts and provides a framework for continuous improvements in sustainability management.



Responsible Governance

- Progressing in sound corporate governance and sustainability governance
- Strengthening compliance and risk management
- Driving digital transformation and innovation

Social Impacts

- Strengthening quality and customer satisfaction
- Strengthening people's health and safety, attracting and retaining talent, fostering personal and professional enrichment and diversity, equity and inclusion
- Supporting the community where we operate
- Contributing to the advancement and growth of society through quality, sustainable infrastructure

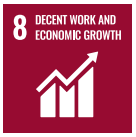
Environmental Stewardship

- Reducing environmental impacts where we operate
- Fighting climate change and improving resilience and adaptive capacity

We embrace the international initiative for sustainable development, the United Nations Sustainable Development Goals ("SDGs") as part of the United Nations 2030 Agenda. This initiative aims to provide a shared blueprint for peace and prosperity for people and the planet. Out of 17 SDGs, we consider 10 to be relevant to our businesses and strategies, where we can make an impact. Our sustainability approach also aligns with these SDGs and is structured around specific goals contribute to them.

SDGs		Our Goals	Contributing to the SDGs	Relevant Chapters/ Sections in this Report
	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	• Collaborate with our stakeholders along value chain to support SDGs	• Foster partnerships with stakeholders • Integrate SDG consideration into business practices and decision-making processes	• Approach to Sustainability • Responsible Governance • Social Impacts: People • Social Impacts: Clients and Suppliers • Environmental Stewardship
Strategic Pillar: Responsible Governance				
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	• Contribute to quality, reliable, sustainable and resilient infrastructure through our projects, to support societal development • Support the upgrade of technological capabilities and innovation among the industry	• Deliver quality and reliable services to our clients • Support and participate in industry exchange initiatives, embracing industry trends and contributing to industry transition	• About Kum Shing – What We Do • Social Impacts: Clients and Suppliers – Quality Management
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• Uphold and strengthen corporate governance	• Develop sustainability risk management and mitigation • Strengthen anti-corruption management and training	• Responsible Governance – Risk Management; Business Ethics and Integrity

SDGs		Our Goals	Contributing to the SDGs	Relevant Chapters/ Sections in this Report
Strategic Pillar: Social Impacts				
	Ensure healthy lives and promote well-being for all at all ages	• Strengthen occupational health and safety of employees and workers • Foster employee well-being	• Implement safety assurance program and safety competency training • Explore and implement safety innovation technologies • Offer sports and wellness activities to employees	• Social Impacts: People – Talent Acquisition and Management; Occupational Health and Safety
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Equip youth and adults with technical and vocational skills, including persons with disabilities • Promote sustainable development and sustainable lifestyles • Support youth education	• Provide quality technical and vocational training schemes and programs • Ensure equal safety training available in various languages • Engage employees through various sustainability communications • Offer education scholarships	• Social Impacts: People – Talent Development; Occupational Health and Safety • Social Impacts: Community – Community Investment Highlights
	Achieve gender equality and empower all women and girls	• Attract and retain women among our industry • Promote women's participation and equal opportunities for leadership	• Encourage more women into the workforce among the industry • Promote gender diversity and women empowerment in our operations	• Social Impacts: People – Talent Acquisition and Management
	Ensure access to affordable, reliable, sustainable and modern energy for all	• Contribute to reliable and modern energy services through our projects • Promote the adoption of renewable energy and improvement in energy efficiency	• Deliver quality and reliable services to our clients	• About Kum Shing – What We Do

SDGs		Our Goals	Contributing to the SDGs	Relevant Chapters/ Sections in this Report
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Promote employment, particularly in the industry, and ethical working environments for employees and workers	• Provide manpower resources and workforce solutions, focusing on specialised talents of all levels of engineering and management, to our clients • Strengthen recruitment strategies and channels • Provide internship and graduate opportunities • Hire retirees and people with disabilities • Protect labour rights and promote safe and secure working environments	• About Kum Shing – What We Do • Social Impacts: People – Talent Acquisition and Management; Talent Development
	Make cities and human settlements inclusive, safe, resilient and sustainable	• Contribute to safe, accessible and sustainable transport systems and waste management facilities	• Deliver quality and reliable services to our clients • Provide EV charging points in our facilities • Progress in sustainable waste management	• About Kum Shing – What We Do • Social Impacts: Clients and Suppliers – Quality Management • Environmental Stewardship – Resources Optimisation
Strategic Pillar: Environmental Stewardship				
	Take urgent action to combat climate change and its impacts	• Take actions to combat climate change and enhance resilience and adaptive capacity	• Prepare for the assessment of climate risks and opportunities • Develop decarbonisation strategies in support of our decarbonisation goal • Conduct carbon assessment according to ISO14064-1:2018 standard • Electrify company fleet through introducing EVs • Enhance employee awareness of climate change through various sustainability communications	• Environmental Stewardship – Environmental Management; Climate Change

United Nations SDG Achievement Awards Hong Kong 2023

Kum Shing has joined the "UNSDG Achievement Awards Hong Kong" organised and staged by the Green Council. The awards recognise organisations demonstrating exceptional performance in business practices and sustainability projects that meet SDGs. Two of Kum Shing's projects received recognition in the awards.

ZETTA Project – Kum Shing's new energy business

Outstanding Impact Project Award

Individual SDG Award for Goal 9: Industry, Innovation, and Infrastructure

Sewage Treatment Works in Sha Tau Kok - Kum Shing's JV Project

Recognised Project

We will continue to review our sustainability strategy to ensure it aligns with our business objectives and stakeholders' concerns. We are currently working on action plan and targets for improvements, in line with the strategic pillars and relevant SDGs.

Sustainability Competence

Driving our sustainability agenda forward and achieving our sustainability goals requires a strong culture of sustainability. We believe in the power of collaboration and are committed to working with employees, clients, suppliers, and other stakeholders across the value chain. This collaborative spirit fosters a culture of sustainability awareness and responsibility, enhancing the effectiveness of our sustainability approach and helping us achieve our goals.

To build capacity for sustainability, we have launched training and engagement activities for various stakeholder groups, ranging from our employees to our clients and partners.

Management Training Workshops

Raising top and senior management's awareness and understanding of sustainability knowledge and trends

Cross-functional Working Groups

Building inter-departmental connections and networks for discussions on sustainability matters

Sustainability Communications

Enhancing employees' awareness and understanding of sustainability issues through various communications, such as newsletters and staff activities





Client Engagement

Staying updated with client expectations and exchanging ideas through site visits, meetings, and dialogues



Subcontractor Engagement

Enhancing safety and sustainability awareness through seminars, annual Health, Safety, Environmental and Quality ("HSEQ") Convention, and regular meetings and dialogues



Industry Campaigns

Supporting and participating in sustainability related campaigned organised within the construction industry to promote its sustainable development



HKCA ESG Recognition Scheme

To foster a sustainable culture at the construction sites, Kum Shing has joined the "ESG Recognition Scheme" implemented by the Hong Kong Construction Association (HKCA). This involves three construction sites and over 250 workers.

ESG Recognition Scheme
可持續發展嘉許計劃

Through the scheme, we encourage frontline workers to take environmental, social, governance ("ESG") actions in their daily routines, such as participating in safety training and drills, recycling, and staying hydrated to prevent heatstroke. Our workers have responded enthusiastically, recording over 10,000 ESG actions since last year.

Stakeholder Engagement

We believe in open, transparent, and timely communication with stakeholders throughout the value chain. This fosters trust and collaboration, aiding us in achieving operational excellence and sustainability. Regular engagement with our stakeholders helps us understand their views and expectations on our operations and development. This informs our business strategy, enabling us to create long-term value for our stakeholders.

We consistently interact with our key stakeholders through a variety of channels:

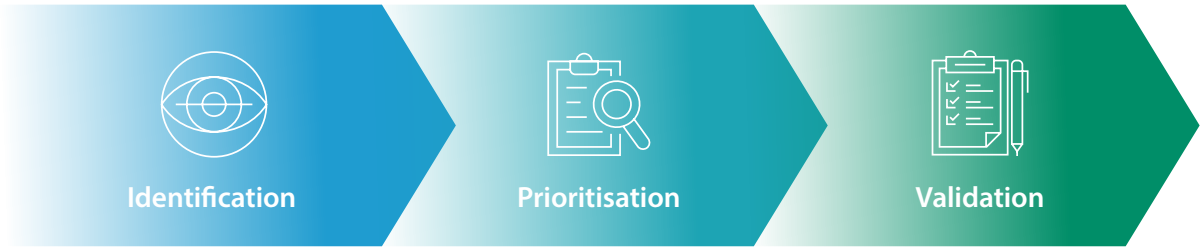
Value Chain	Stakeholder Groups	Engagement Channels
Upstream	Suppliers Business Partners	• Regular meetings and dialogues • Performance assessments • Site visits • Supplier day • Seminars (e.g., subcontractors' annual HSEQ convention) • Surveys (e.g., safety climate survey)
	Employees	• Talks and meetings • Corporate/employee activities and events • Performance appraisals • Employee surveys and discussions • Top management communication sessions • Feedback channels • Training and seminars • Corporate intranet • Internal publications (e.g., newsletters) • Social media platforms (e.g., LinkedIn, YouTube, WeChat)
Downstream	Clients	• Client meetings and dialogues • Site visits • Surveys (e.g., customer satisfaction survey) • Corporate website • Corporate publications • Social media platforms (e.g., LinkedIn, YouTube, WeChat)
	Communities	• Volunteer services • Community programs and activities • Corporate website • Corporate publications • Social media platforms (e.g., LinkedIn, YouTube, WeChat)

Materiality Assessment

We conducted a materiality assessment in FY2022/23 to align our Sustainability Report with global best practices of sustainability reporting and management. The assessment deepens our understanding of Kum Shing's sustainability issues that its stakeholders concern. It aids in the development and refinement of our sustainability approach and daily practices, ensuring that we consider the material risks and opportunities ahead. To continually review and assess sustainability issues material to Kum Shing, we will conduct another materiality assessment that consider both financial materiality and impact materiality.

Assessment Process

We adopted a three-step process for materiality assessment in FY2022/23: Identification, Prioritisation, and Validation. This process was facilitated by an independent third-party consultancy.



Identification

- A list of 33 sustainability issues relevant to Kum Shing in the aspects of economy, environment and society was developed, based on the GRI Standards and HKEX ESG Reporting Guide

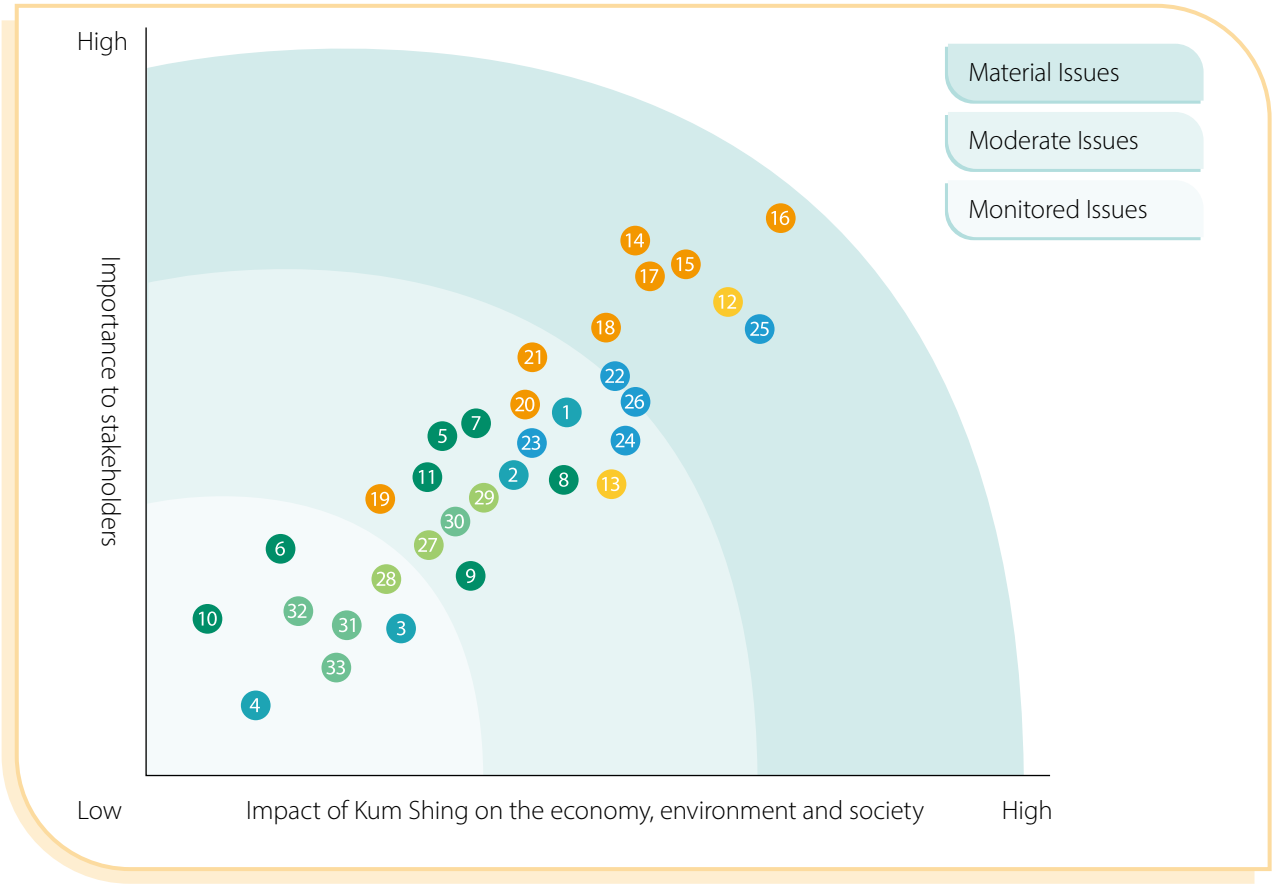
Prioritisation

- Internal stakeholders were invited to complete an online survey to gather their views on each issue.
- The importance of issues to stakeholders, and the positive and negative impacts of Kum Shing on the economy, environment and society, were evaluated.
- Views on both perspectives were assessed to determine the overall materiality level of each issue. A materiality matrix and a prioritised list of sustainability issues were developed.

Validation

- The results of materiality assessment were reviewed and confirmed by the Sustainability Committee.

Materiality Matrix



Economy

1. Direct economic value
2. Financial risks and opportunities due to climate change
3. Indirect economic impacts
4. Economic impacts of procurement practices

Environment

5. Greenhouse gases and other air emissions
6. Water and effluents
7. Waste
8. Energy
9. Materials
10. Biodiversity
11. Climate change

Society – Business Ethics

12. Anti-corruption
13. Prevention of anti-competitive practices

Society – Employees

14. Employment management system
15. Employer-employee relations
16. Occupational health and safety
17. Training and development
18. Diversity, equal opportunity and non-discrimination
19. Respect for the rights of association and collective bargaining
20. Prevention of child labour or forced labour
21. Respect for human rights

Society – Customers

22. Product and service health and safety
23. Responsible marketing communications
24. Quality management and after-sales service
25. Data privacy
26. Protection of intellectual property rights

Society – Suppliers

27. Supplier environmental assessment
28. Supplier social assessment
29. Sustainable procurement

Society – Community

30. Community impact assessment and management
31. Community investment
32. Respect for indigenous rights
33. Participation in public policy

Material Issues and Impacts

We identified nine material issues through the materiality assessment and this Report covers all material issues as shown below:

	Material Issues	Impact Boundaries by Stakeholder Group				Impacts and Responses in the Relevant Chapters
		Suppliers & Business Partners	Employees	Clients	Community	
16	Occupational health and safety	✓	✓			Social Impacts: People – Occupational Health and Safety; Talent Acquisition and Management; Talent Development
15	Employer-employee relations		✓			
14	Employment management system		✓			
17	Training and development		✓			
18	Diversity, equal opportunity and non-discrimination	✓	✓			
22	Product and service health and safety	✓	✓	✓	✓	Social Impacts: Client and Suppliers – Quality Management; Supply Chain Management
12	Anti-corruption	✓	✓	✓		Responsible Governance – Business Ethics and Integrity; Information Security and Privacy
25	Data privacy	✓	✓	✓		
26	Protection of intellectual property rights	✓	✓	✓		

Responsible Governance



IN THIS SECTION

Corporate Governance
Risk Management
Legal Compliance
Business Ethics and Integrity
Information Security and Privacy
Innovation and Professionalism

We place great emphasis on good corporate governance, business ethics, transparency, accountability, and integrity. Believing that these values are critical for long-term business success and building trust with stakeholders, we strive to uphold them in every aspect of our operations.

Corporate Governance

Governance Structure and Composition

The Board is Kum Shing's highest governance body. Comprising Executive Directors and Non-executive Directors, the Board provides oversight and strategic direction to the Group for long-term value creation and sustainable business goals. The Board's leadership also steer the Group's towards responsible operations and the highest standards of ethics and integrity.

The Board comprises six members, who together possess a range of expertise, competencies and experience, backgrounds, cultures, and genders, ensuring the proper functioning of the Board. All Board members are required to annually declare their direct or indirect interests and those of their connected entities.

The Board



Executive Directors

Mr WONG Siu Han Rex JP | Chairman

Chairman & Chief Executive Officer

BArch, BFA, MSc, EMBA, BEAM Pro, LEED AP, Reg. Architect (US)



Titles and Qualifications

- Registered Architect, US
- LEED AP, US Green Building Council
- BEAM Pro, Hong Kong Green Building Council

Other Service

- Hong Kong Housing Authority (Member)
- The City University of Hong Kong (Council Member)
- Occupational Safety and Health Council (Member)
- Construction Industry Council (Member)
- CIC-Zero Carbon Park (Board Member)
- New Energy Transport Fund Steering Committee (Member)
- Committee on Self-Financing Post-secondary Education (Member)
- Hong Kong Housing Society (Member)
- Hong Kong Construction Association (First Vice-President)

Past Experience

Mr Rex Wong JP has 20 years of experience in energy and environmental infrastructure development and corporate management. He joined Kum Shing as Project Manager in 2008 and was promoted to Deputy Chief Executive Officer in 2015. Having demonstrated competent leadership by securing important business and transformation opportunities, he was promoted to Chief Executive Officer in 2019.

In 2020, Mr Wong was appointed as a Justice of the Peace by the Hong Kong Government. In 2022, he received the Young Industrialist Award of Hong Kong from the Federation of Hong Kong Industries.

Ir KO Chi Wai Gary

Executive Director & Chief Operating Officer

BSc (Hons), MA, MBA, CEng, R.P.E., FHKIE, FIET



Titles and Qualifications

- Chartered Electrical Engineer
- Registered Professional Engineer
- Registered Electrical Worker (Grade H & C)
- Fellow of The Hong Kong Institution of Engineers
- Fellow of The Institution of Engineering and Technology
- Professor-level Senior Engineer

Other Service

- The Lift and Escalator Safety Advisory Committee (Chairman)
- The Hong Kong Electrical & Mechanical Contractors' Association (President)
- The Hong Kong Federation of Electrical & Mechanical Contractors (Vice President)
- The Hong Kong & Kowloon Electrical Engineering & Appliances Trade Workers Union (Honorary Advisor)
- Admissions, Budgets and Allocations Committee of The Community Chest (Vice Chairman)
- HKSAR Election Committee (Member)

Past Experience

Ir Gary Ko joined Kum Shing as a Contracts Manager in 1991 and was appointed Executive Director and Chief Operating Officer in 2004. Prior to joining Kum Shing, he has worked for China Light & Power.

In the industry, Ir Ko served as both a Council Member and Chairman of five different Divisions/Committees of The Hong Kong Institution of Engineers. He was also a member of the Election Committees for the Chief Executive Election of the HKSAR and the National People's Congress in 2011 and 2021.

Ms WONG Pui Gee Ann

Executive Director & Chief Financial Officer

BA (Hons), HKICPA



Titles and Qualifications

- Certified Public Accountant, The Hong Kong Institute of Certified Public Accountants
- Member of The Hong Kong Institute of Directors

Other Service

- The Association of Hong Kong Professionals (Vice Chairman & Secretary)

Past Experience

Ms Ann Wong joined Kum Shing as a Non-Executive Director in 2013 and became an Executive Director in 2015. Currently, she leads the Corporate's Finance, Internal Audit, Company Secretary, & New Ventures functions.

Prior to joining Kum Shing, Ms Wong held various roles, including managerial positions, at Ernst & Young and Cathay Pacific Airways. These experiences honed her skills in auditing and project management.

Non-executive Directors

Mr WONG Siu Kei Ivan JP | Vice Chairman

Non-executive Director

BA, BComm, MBA, MHKIoD, IMA



Titles and Qualifications

- Master of Business Administration (M.B.A.)
- Bachelor of Arts (B.A.) in Economics
- Bachelor of Commerce (B.Comm.) in Accounting
- Fellow of The Hong Kong Institute of Directors

Other Service

- Government Boards and Committees
  - Elected member of The HKSAR Election Committee
  - Committee member of The Guangdong Provincial CPPCC
- Community
  - Chairman of The Hong Kong United Foundation
  - Deputy Chairman of The Lok Sin Tong Benevolent Society
- Industry and commerce
  - Standing committee of The HK Chinese General Chamber of Commerce
  - Standing committee of The HK Chinese Importers' & Exporters' Association
- Education
  - Board member of The HK Baptist University Foundation
  - Council member of The Lingnan University

- Youth
  - President of The Hong Kong United Youth Association
  - Deputy President of The Centum Charitas Foundation

- Culture and Sport
  - Council member of The Hong Kong Repertory Theatre
  - Board member of The Hong Kong Football Association

Past Experience

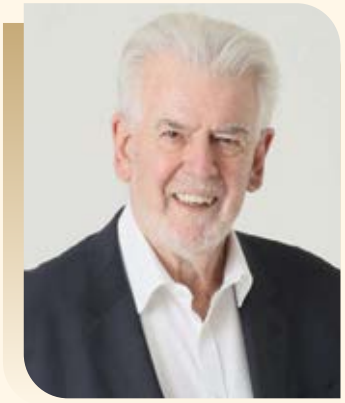
Mr Ivan Wong JP is a seasoned consultant and advisor in the field of Governance, both private and public sector. He strives to advance the good code of governance over his 20 years of work experience, including but not limited to the field of HKSAR ASB, executive and non-executive corporate directorship, NGO, new media channel, thinktank, charitable foundation, art and sport, university and school's council and court, youth development, etc.

Mr Wong currently serves as the Chairman of Hong Kong United Foundation. The Foundation focus its effort in developing China-based contents and channels, with the aim to storytell all global citizens, both nationally and internationally.

Ir SAUNDERS Stewart MBE

Non-executive Director

MBE, BSc (Eng), Dip MS, CEng, MITE, MBIM



Titles and Qualifications

- Chartered Engineer
- Member of The Institution of Engineering and Technology
- Member of British Institute of Management

Other Service

- Hong Kong Scottish Rugby Football Club (Founder & President)

Past Experience

Prior to joining Kum Shing, Ir Saunders served in the UK's Electricity Supply Industry for over 40 years. He held senior positions in Engineering, Marketing, and Customer Service at both Scottish Power and MANWEB. While Managing Director of MANWEB, he was awarded an MBE for his services to the UK's Electricity Industry.

From 1997 to 1999, Ir Saunders was seconded from Scottish Power to CLP to manage a Business Change Programme. He returned to Hong Kong in 2002 as CLP's Chief Operating Officer, overseeing Generation, Transmission, Distribution, Marketing, and Customer Service Operations. Upon retiring in 2007, he founded ScotHong Management Consultants Ltd., offering management and organisational development services, including strategic, operational, and safety mentoring.

In 2018, the University of Strathclyde conferred upon him the honorary degree of Doctor of the University. Ir Saunders is a former Chairman of the Scottish Business Group at the British Chamber of Commerce and a former Chieftain of the Hong Kong St. Andrew's Society.

Ir CHAI Sung Veng John SBS

Non-executive Director

BSc (Eng), FHKIE, FHKIHT



Titles and Qualifications

- Fellow of The Hong Kong Institution of Engineers
- Fellow of Hong Kong Institution of Highways and Transportation

Other Service

- Building Information Modelling Appeal Board of the Construction Industry Council (Chairman)
- Hong Kong Institution of Highways and Transportation (Hon. Auditor)

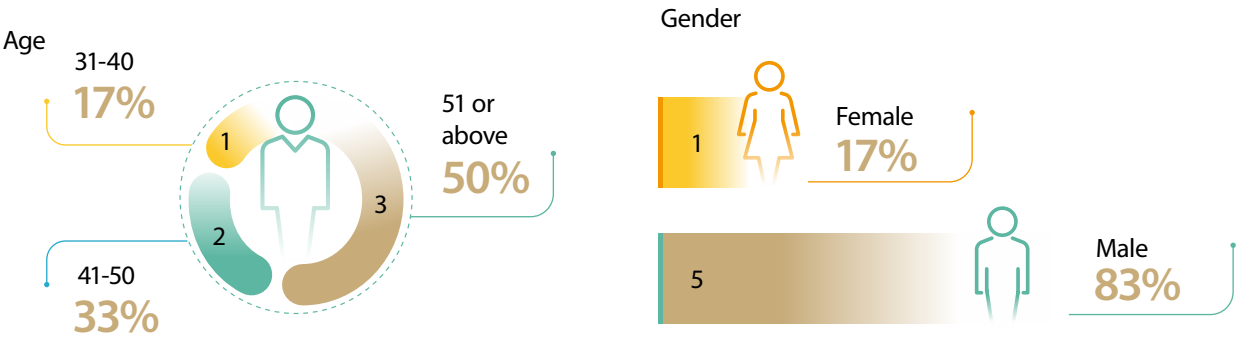
Past Experience

Ir John Chai joined Kum Shing in 2017 as Senior Advisor. He provides professional advice on the development of the corporation's engineering and construction business.

Ir Chai served in various government departments for 33 years and held the position of Director of the Civil Engineering and Development Department from 2005 to 2011. Prior to joining Kum Shing, Ir Chai was the Executive Director, Projects of Airport Authority Hong Kong, where he was responsible for planning, developing and implementing numerous airport expansion projects including the three-runway system. He has accumulated over 40 years of professional experience managing large infrastructure projects.

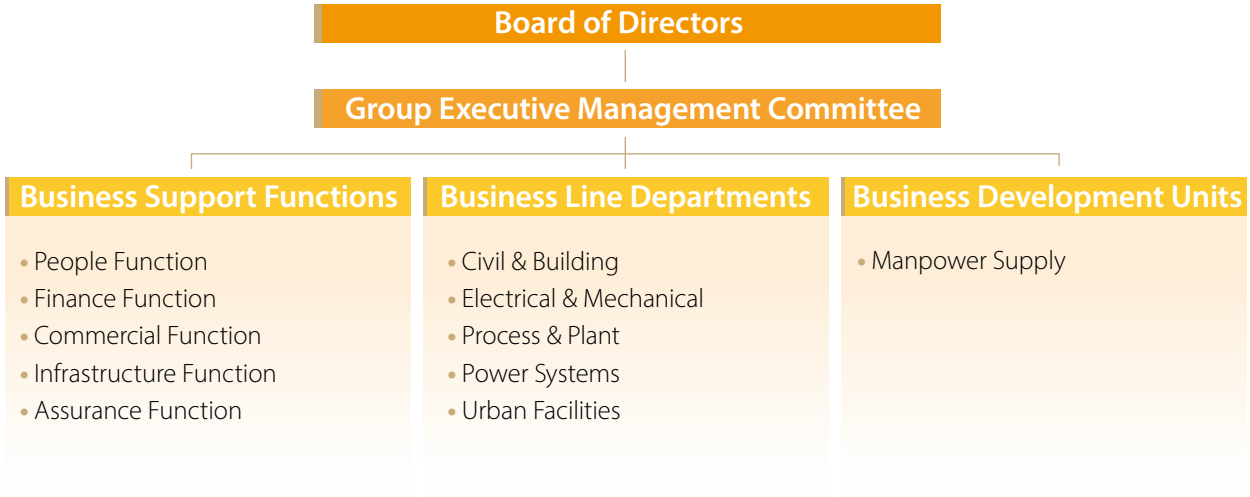
Gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service are considered when reviewing the Board's composition. The performance of the Board is reviewed each year based on a number of factors. During the Year, Board members have served terms ranging from 5 to 10 years.

Board Composition



The CEO has overall executive responsibility for the Group's operations, including carrying out duties or functions delegated by the Board. He ensures alignment of overall strategy and objectives across business functions, departments and units with an aim to achieving business and financial goals of the Group, ensuring statutory and procedural compliance and mitigate risks.

Chaired by the CEO, GEMC is responsible for the assurance of the Group's business strategies and objectives being executed in a timely and effective manner through their leadership in respective Business Support Functions, Business Line Departments, and Business Development Units. For details of GEMC members, please refer to the Corporate Website (www.kumshing.com.hk/ks_new/about-ks/ks-leadership/).



Remuneration Policy

We believe that fair and properly structured remuneration can align the interests of Directors, senior management, and employees with those of the Group and its shareholders. The Group's People Function, as delegated by the Board, scrutinises the remuneration policies and other related matters within the Group, including the remuneration of the Executive Directors, senior management, and employees. The remuneration packages include fixed and variable components. The variable components, such as performance bonuses and incentive bonuses, are linked to the Group's business performance and individual performance.

To encourage commitment and continuous improvement, the remuneration and incentives are based on objective criteria, reflecting performance, complexity, responsibility, and value creation. The remuneration packages are regularly assessed for appropriateness to the role and responsibility, with reference to major industry players or comparable companies.

Risk Management

Risk Management Framework

Effective risk management is a foundation of good corporate governance and the long-term growth and success of the Group. The risk management framework and procedures are overseen by the GEMC. At the strategic level, macro risks are identified and evaluated, while the risks associated with health, safety and environment are specifically monitored at the operational level.

Material Risks

The following table provides an overview of the key risks for the Year, and how we manage the risks.

Regulatory Compliance Risk Description Non-compliance with the latest changes in applicable laws and regulations where we operate may result in penalties, claims or reputational damage.	Key Mitigations • Regularly review applicable laws and regulations to stay informed about current and upcoming changes • Keep all relevant parties informed of the latest changes in statutory and regulatory requirements through regular meetings and discussions • Provide periodic training to Business Line Department Heads and Project Managers on project-specific regulations and compliance requirements • Obtain relevant certifications, such as ISO standards, to demonstrate commitment to compliance and sound practices in certain areas

New Client

Risk Description

Risk of delayed or inadequate response to new client requirements and expectations during the initial onboarding, potentially impacting client satisfaction, overall experience, and retention.

Key Mitigations

- Conduct a detailed study to identify specific client requirements during the tendering phase
- Develop a custom mobilisation plan at Director-in-charge level to handle new client requests and meet their expectations
- Establish clear communication channels and maintain close contact with new clients to ensure their inquiries and requirements are promptly addressed
- Regularly collect and act on client feedback to identify and address any issues arise in the onboarding process

Technology and Innovation

Risk Description

Inability to align technical and innovation capabilities with current market needs, coupled with ineffective development and implementation of technological solutions for services, potentially reducing productivity and competitive advantages and limiting business opportunities.

Key Mitigations

- Conduct market research and participate in industry exchange initiatives to ensure technological adoptions align with current and emerging market demands
- Foster information exchange and provide training opportunities to keep staff updated on the latest technological advancements and market trends

Climate Change

Risk Description

Increased frequency and severity of extreme weather events, such as heatwaves, storms, floods, due to climate change, potentially creating unfavorable and hazardous working conditions, and causing disruption of normal business operations, reduced productivity and potential damage to infrastructure and equipment.

Key Mitigations

- Establish and regularly update guidelines and work plans for various adverse weather scenarios at corporate and project levels
- Educate staff and workers on recognising signs of heat-related illnesses, proper use of protective equipment, and emergency procedures during extremely hot weather or other extreme weather events

Moving forward, we plan to integrate sustainability issues into our risk management system. This will enable a more comprehensive identification, assessment, and mitigation of sustainability related risks and opportunities, strengthening our responses to emerging challenges and business resilience.

Legal Compliance

Violations of laws and regulations could pose adverse impacts on our business operations, performance, financial position, and reputation. We put in place internal policies, guidelines, and procedures to ensure we operate in compliance with all applicable laws and regulations and ethical business practices.

Aspects		Number of Cases
Governance	Anti-corruption	No reported cases
	Information security and privacy	No reported cases
Social	Employment practices and labour standards	No reported cases
	Occupational health and safety	No reported cases
	Product and service responsibility (including health and safety impacts of products and services)	No reported cases
Environment		No reported cases

Business Ethics and Integrity

As part of our commitment to ethical business conduct, we strictly prohibit any form of corruption, bribery, extortion, fraud, and money laundering. Employees at all levels are required to adhere to the Anti-fraud Policy and the Code of Conduct and take steps to prevent violations. Board members and employees are required to annually acknowledge their understanding of and commitment to upholding these policies and declare conflict of interest. We periodically distribute the Vendor Code of Conduct, outlining our business ethics standards, to active suppliers and subcontractors. In addition, we incorporate it into our purchase agreements, service agreements and purchase orders.

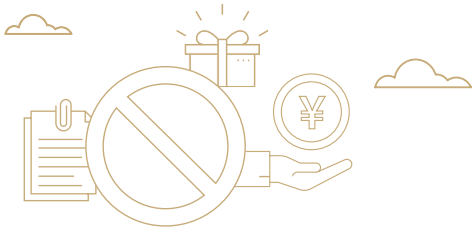
Construction Industry Integrity Charter

We have participated in the "Construction Industry Integrity Charter 2.0", jointly introduced by the HKSAR Development Bureau, the Independent Commission Against Corruption (ICAC), and the Construction Industry Council (CIC). As part of this commitment, Kum Shing has pledged to implement robust corporate governance and internal control measures across its business processes. We are also dedicated to strictly enforcing integrity policies and providing comprehensive integrity training to senior management.

Anti-corruption and Ethics

Guidelines on dealing with situations involving potential corruption are provided. These include, but are not limited to:

- avoidance of conflict of interests;
- prohibited payments and offers;
- restrictions on gifts and hospitality; and
- proper handling of company information, records, and assets.



Construction Industry Integrity Training

To foster a culture of ethical behavior and prevent misconduct, training is another critical component of our efforts. We have an online training in collaboration with ICAC that is mandatory for new employees and directors. The training facilitates their understanding of our policies and their roles and responsibilities in combating corrupt practices. In late 2023, we arranged a refresher training for all employees.



Whistleblowing

We value integrity and transparency as crucial elements in building trust with our stakeholders. As such, we have established the Whistleblowing Policy and procedures that enable employees and other stakeholders, including suppliers, business partners, clients, and other stakeholders, to raise concerns about any misconduct, malpractice, or irregularity through a confidential reporting channel.

Once a report is received, an assessment will be conducted to decide whether the case will proceed to investigation. All reports and investigations will be dealt with promptly and fairly, following the appropriate procedures. The identities and information reported are treated with strict confidentiality and are only disclosed when required by law or regulation, or when referred to the appropriate regulators or law enforcement authorities. This ensures whistleblowers can report any concerns or issues without fear of reprisals.

During the Year, there were no confirmed legal cases of corruption brought against the Group or its employees.

Information Security and Privacy

At Kum Shing, we take information security and data privacy seriously and make every effort to keep our data safe. We are deeply committed to upholding industry standards in these areas. Our Information Security Policy and internal guidelines provide clear direction for employees on all aspects of data management, including collection, storage, usage, and disposal. These policies establish well-defined responsibilities to ensure that sensitive data is handled securely at every stage of its life cycle.

To safeguard both client and internal confidential data, we have implemented a robust Information Security Management System (ISMS) aligned with the ISO/IEC 27001:2022 standard. This ensures our procedures for protecting sensitive information are in line with industry best practices. Our ISMS covers 93 controls addressing a range of risks, from data breaches to emerging cybersecurity threats.

Our Infrastructure Function has implemented physical, electronic, and managerial controls to limit access to sensitive information on a "need-to-know" and "need-to-use" basis. Access to critical areas such as server rooms is strictly regulated and monitored, allowing only authorised personnel. Electronic access is also restricted to authorised staff, with measures in place to prevent data loss or theft. To reduce the risk of unauthorised actions, we regularly review access rights and system data policy to ensure segregation of duties among different individuals. Additionally, we provide employees with regular information security updates and awareness training on key topics such as phishing, social engineering, and data handling best practices, equipping all staff to recognise and respond to potential security threats.

To protect departments handling sensitive or confidential information, the Infrastructure Function has reviewed and revamped the network infrastructure backbone. This includes implementing enhanced measures, such as advanced firewall protections, intrusion detection systems, network segmentation, and multi-factor authentication. Additionally, we conduct regular penetration tests and review vulnerability scans to assess the effectiveness of our security controls and identify areas for improvement.

Our data breach team, consisting of an Executive Director appointed by the CEO, the Head of Brand, Marketing and Communications, and the Head of IT, is responsible for managing internal reports regarding actual or potential data protection incidents. The team will develop appropriate action plans and decisions and notify individuals who may be affected.

At ZETTA, our newly established energy business, we have implemented a Personal Data Privacy Policy and Statement. This serves to communicate our data collection objectives and ensure we obtain customers' informed consent prior to utilising their personal information.

Cybersecurity Training

In today's digital age, cybersecurity threats are more sophisticated and prevalent than ever. To foster a security-conscious culture throughout Kum Shing, we provide mandatory cybersecurity training for all employees on a quarterly basis. The online training series educates our employees on the latest cybersecurity threats, offers practical tips on identifying and preventing cyberattacks, and ensures that they understand the importance of keeping data safe.

ISO/IEC 27001 Information Security Management Certification



Kum Shing has implemented an ISMS and is determined to pursue ISO/IEC 27001 certification in FY2024/25. By achieving certification, we aim to demonstrate our commitment to industry best practices in information security. It will also ensure the confidentiality, integrity, and availability of our information assets, while assuring our clients and stakeholders of our mature security controls. The certification process will involve a comprehensive audit of our information security policies, processes, and procedures to align with the ISO/IEC 27001 framework.

We promote and protect intellectual property ("IP") rights and prohibit misuse and unauthorised disclosure violation of IP related laws and regulations. To prevent infringement of privacy and intellectual property rights, the Infrastructure Function will thoroughly check the integrity of new software application before release for use.

During the Year, there were no substantiated complaints concerning breaches of client privacy and losses of client data.

Innovation and Professionalism

Kum Shing embraces innovation and professionalism as key pillars for its future and sustainability. Our commitment to these principles is reflected in our daily operations, where we continuously strive to integrate advanced technologies and innovative practices.

Our approach to fostering a culture of innovation is rooted in the 3Cs:

Culture	emphasising beliefs, ethics, and attitudes
Creativity	encouraging imagination, inspiration, and idea generation
Collaboration	fostering teamwork, partnerships, and co-creation

To bring these principles to life, we leverage our in-house expertise while also collaborating with various suppliers, technology partners, and government initiatives. This has enabled us to implement over 30 innovative initiatives, bringing substantial benefits to different departments and functions. Through these initiatives, we continue to create impact and deliver value to our clients.

Our innovation journey focuses on the following key areas that are transforming our operations and services:

Smart Construction | **Smart Safety** | **Smart Mobility**

Implementing these across Kum Shing's diverse, unique project portfolio requires a strategic, phased approach, strong leadership, and continuous adaptation. We have been actively fostering innovation and tailoring new approaches and advanced technologies to fit the unique requirements and conditions of various project types and scales.

Smart Construction

BIM

BIM can enhance the quality of information and decision-making in construction. It improves time and cost monitoring, operation and maintenance planning, and long-term asset management.



Project Highlights:
Railway; Waste Management; Water

Off-site Construction

Off-site construction using DfMA and MiC is increasingly impacting the construction industry. These technologies have been proven to reduce costs while boosting productivity and improving safety, quality, and sustainability performance.



Project Highlights:
Railway; Water

Smart Safety

Smart Site Safety System (4S)

The 4S system has proven instrumental in the early identification of potentially dangerous incidents or hazards, allowing for immediate follow-up mitigation actions.



Project Highlights:
Safety Technologies and Innovation

Smart Confined Space Management and Monitoring

Modern approaches to confined space safety are enhanced by technology and AI applications, making the operations safer and more efficient.



Project Highlights:
Safety Technologies and Innovation

Smart Mobility

EV Charging Infrastructure

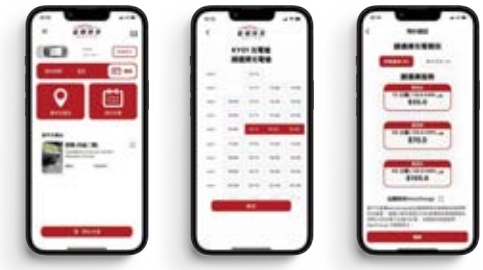
Providing EV charging infrastructure encourages the adoption of electric vehicles, supporting smart city's and smart mobility's goal of environmental friendliness in transport.



Project Highlights:
Building

EV Fast Charging Solutions

Providing fast and ultra-fast charging solutions with a user-friendly platform, enabling efficient charging for and promoting wider EV adoption in commercial fleet communities.



Project Highlights:
Building

Corporate Innovation Index



The Corporate Innovation Index ("CII") is co-launched by the Chinese University of Hong Kong and The Hong Kong General Chamber of Commerce, in response to the government's mission to develop Hong Kong into an innovation hub. Kum Shing has undertaken the CII 2023 survey, which assesses and benchmarks our innovation performance against participating companies.

We see this as both a self-evaluation and a catalyst for driving positive change in our innovation capabilities. This provides us with an opportunity to gain insights into our current strategies, identify improvement areas, and discover ways to enhance our innovation management. By engaging in this assessment, we demonstrate our dedication to continuous improvement and our willingness to adapt to the ever-changing landscape of innovations.

Social Impacts: People



IN THIS SECTION

Talent Acquisition and Management
Talent Development
Occupational Health and Safety

Putting people at the heart of our business, we strive to foster a safe, inclusive, and harmonious workplace that attracts, nurtures, and retains our talented team.

Talent Acquisition and Management

Attracting and retaining highly skilled professionals is critical factor influencing an organisation's ability to innovate, grow, and maintain a competitive edge in today's volatile environment. Our talent acquisition process is designed to find who align with our purpose and ready to grow with us. We are committed to ensuring fairness and transparency throughout the entire process, from initial screening to final selection.

Targeted Recruitment Campaigns



- Collaborated with academic and educational institutions in career fairs and campus recruitment events to attract young talents in Hong Kong and Mainland China



- Participated in the Hong Kong Construction Association Young Members Society (HKCAYMS) Recruitment Fair to connect with young job seekers



- Partnered with the Employees Retraining Board (ERB) to co-run a tailor-made training course, identifying potential candidates cable laying and jointing roles



- Teamed up with The Association of Electrical and Mechanical Engineering (Hong Kong) (EMHK) to organise recruitment events connecting with Electrical Technicians

Employer Brand Positioning

Boosted our employer brand by leveraging social media platforms to showcase our company culture, values, and unique propositions

LinkedIn | WeChat | Youtube

Employee Referral Program

Implemented an employee referral program with incentives for successful referrals, leveraging our existing workforce's networks to identify potential talent



We offer competitive remuneration packages and incentives to attract, retain, and motivate talented individuals that have a strong interest in the construction industry. Remuneration and compensation packages, and other benefits are regularly reviewed based on the objective criteria and industry and market trends.

To foster a motivating workplace, managerial staff and their team members are encouraged to communicate openly and provide constructive feedback in day-to-day operation. Mid-year performance reviews and annual performance assessments are conducted to ensure alignment with objectives and evaluate individual performance. We offer performance-based bonuses and incentive bonuses to reward and motivate employees for their contributions.

Employee Benefits

Paid leaves

- Full pay sick leave, maternity and paternity leave
- Marriage leave
- Bereavement leave
- Examination leave
- Volunteer leave
- Leave early on holidays

Medical care

- Employee medical insurance and dependent subsidies
- Health check-up

Professional development

- Learning subsidy
- Professional qualification and membership subsidy
- Special competence allowance

Appreciations

- Long service award and reward
- CEO's recognition and reward
- Birthday pack

To safeguard the rights of our employees, we have a set of human resources policies, procedures, and practices in place. These cover compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, non-discrimination and anti-harassment, labour standards, and benefits and welfare.

We prioritise transparency, ensuring all employees clearly understand our human resources policies and our expectations. Our Employee Handbook and human resources codes are communicated to both new hires and existing employees through various channels, including onboarding, corporate intranet, and annual declaration exercise.

Employees can raise their concerns to their respective Head of Department, the Head of Human Resources, or directly to the Group's CEO if the concerns involve the Head of Human Resources.

Employee Engagement and Wellbeing

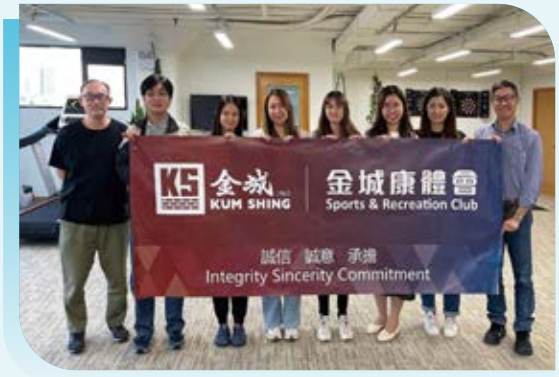
We engage our employees and make them feel connected through fostering open two-way communications, a supportive corporate culture, and a positive and cohesive working environment.



> By promoting health and well-being of our employees, we are not just building a stronger company, but contributing to a more sustainable society. We encourage our staff to lead active, balanced lives. Team sports are one of our key initiatives, enhancing both physical fitness and team bonds.
>
> **Chairman & CEO** *Rex Wong JP*

Sports & Recreation Club

The Kum Shing Sports & Recreation Club, with representatives from various departments and grades on its executive committee, organises a wide range of staff activities, including sports like running and hiking, and arts and volunteering. These activities promote physical well-being, creativity, teamwork, and community engagement, fostering a holistic sense of growth and well-being within Kum Shing.



Social Gatherings



Staff Party



Long Service Awardees Gathering



Coffee Gathering with CEO



Ice-cream Distribution

New Born Babies Celebration

Festive Celebrations



Dragon Boat Festival



Lunar New Year Celebration

Mid-Autumn Festival Celebration

Festive Gift Distribution

Family-centric Activities



Parent-child Day



Parent-child Workshops

Sports Teams



Basketball Team



Running Team

Football Team

Dragon Boat Team

Wellness Activities



Stretching Class



Charity Trail Marathon

Healthy Talks

Charity Hiking

Yoga Class

Charity Race

We offer a range of facilities and equipment and relaxation spaces to enhance and safeguard the well-being of our employees. At our offices, we prioritise maintaining good ergonomics, lighting, and indoor air quality, while monitoring noise levels. Air purifiers have been put in place throughout the workspace.

Our dedicated team continually evaluates and updates these amenities, ensuring they not only meet but anticipate the evolving expectations of our diverse workforce. To continually improve our efforts in this area, we conduct employee surveys that include targeted questions about wellbeing. These aim to gather feedback and suggestions on various aspects of the working environment and the facilities we offer.

Wellness Hub

The Wellness Hub aims to encourage employees to achieve work-life balance by providing a space to relax, socialise, and engage in activities. This area is designed to promote interaction, relaxation, and exercise for our staff. It is equipped with exercise bikes, basic gym equipment, dart machines, and a pantry with a vending machine. To support breastfeeding mothers, there is a private lactation room with a dedicated refrigerator.



Diversity, Equity and Inclusion

We value a diverse, equitable and inclusive workplace, believing it is essential for attracting and retaining talents and fostering overall performance. The principles of diversity, equity, and inclusion ("DEI") are upheld in all aspects of employment, including recruitment, remuneration, training and development. We have zero tolerance for harassment and discrimination on the grounds of gender, marital status, pregnancy, family status, race, religion, disability, or age. These are outlined in our Human Resources Policy, Employee Handbook, and Code of Harassment-free Workplace.

Promoting Gender Diversity

The construction and engineering industry has traditionally been male-dominated. To attract and retain more females in the field, we strive to promote gender diversity and empower women professionals throughout our operations.

Busting Industry Stereotypes

Misconceptions that often discourage female participation in the industry may include assumptions about the nature of work, physical demands, and workplace culture. Kum Shing implements various strategies to create a more inclusive environment for female employees. We employ female employees and project members across diverse roles, such as engineer, environmental officer, safety officer, land surveyor, and works supervisor.



Awareness Campaign

Since 2020, Kum Shing has been participating in "Dream Girls", a group of young women from various construction fields and core professions. Positioning as the KOL for the industry, the group aims to debunk myths and reshape public perception of women in construction.

Winny Chan, Senior Safety Supervisor, and Michelle Ying, Graduate Engineer at Kum Shing, are members of Dream Girls. Together with their peers, they share their daily work, professional knowledge, fun facts, and experiences on the dedicated social media page and in magazines. This not only showcases the diverse range of roles available for all genders in the industry, but also highlights the stimulating and rewarding aspects of projects.



Female employees are showcased within the organisation through internal and external communications, such as corporate newsletters, featuring their interviews, career paths and contributions, to promote their visibility.

Mentorship and Professional Development

To support and advance women's careers in male-dominated industry, we have mentorship programs pairing female employees with experienced professionals and encourage their participation in professional training through sponsorship program.

Two years ago, I joined Kum Shing through the Scheme "A" Graduate Training program. The company provides extensive support for this initiative, offering me opportunities to work across various departments and accumulate knowledge in different aspects of the business. Although the typical ratio of men to women at project sites is around 9:1, our male colleagues are generally willing to give guidance and support, regardless of gender.

This approach has significantly enhanced my training experience. As a committee member of the Kum Shing Young Professional Club, I recently participated in an eye-opening exchange tour to Taiwan. We visited power plants, an incineration facility, and industry partners—an experience that truly broadened my horizons.



Michelle Ying
Graduate Engineer





Winny Chan
Senior Safety Supervisor

Having been with Kum Shing for six years, I am thrilled to have discovered my career direction and achieved personal growth. While I previously interned at a consulting company, I have found working at Kum Shing more challenging and rewarding. Here, I communicate with a diverse range of people—not just colleagues and clients, but also various organisations and government departments. Compared to my experience at the consulting company, this work is much more meaningful to me.

After completing a professional diploma in occupational safety and health, I plan to pursue a master's degree in environmental studies or courses related to arboriculture.

Appropriate Facilities and Equipment

In addition to ensuring the availability of properly fitting personal protective equipment (PPE) in women's sizes, we provide separate, well-maintained washrooms and changing facilities at project sites for female employees to ensure their privacy and comfort. Some sites even offer project staff and workers bathing rooms and air-conditioned cargo toilet.



Supporting Retiring and Non-Local Employees

At Kum Shing, we place immense value on the skills, expertise, and diverse experiences of our workforce. We are committed to fostering an inclusive environment that provides equal opportunities to people from diverse backgrounds and at different career stages.

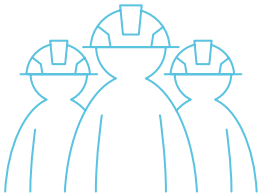


Renewed **48** contracts for employees reaching **retirement age**

We appreciate the practical knowledge and wisdom that older workers bring to our organisation. Their experience benefits both seasoned professionals and younger team members through fostering knowledge transfer and a multi-generational workforce. To accommodate the varying needs of our workforce, especially our more experienced employees, we offer flexible work options such as part-time or project-based work, allowing retirees to continue contributing without the demands of full-time employment. During the Year, we renewed the employment contract of 48 employees reaching retirement age, to retain their unique perspectives and expertise in our workforce and facilitate knowledge transfer.

Our non-Chinese colleagues, who constitute about 5% of the total workforce, come from Britain, Southeast Asia, and other Asian countries. Their presence not only contributes to a more inclusive and dynamic work environment but also enhances our global perspective.

To support our diverse workforce, we offer multilingual safety training to ensure crucial information is communicated to construction workers of various ethnicities.



5% non-Chinese colleagues





Supporting Recruitment of Non-local Vocational Talents

Kum Shing is participating in the Vocational Professionals Admission Scheme (VPAS) organised by Vocational Training Council (VTC). This scheme offers non-local students internship opportunities and scholarships to study in Hong Kong and subsequently work here. It helps the industry attract new technicians and professional talent from overseas.



Human Rights and Labour Standards

We respect and uphold human rights in our workplace and business activities, and encourage our JV companies, business partners, and suppliers to adhere to the same principles. Our Corporate Sustainability Policy and Human Rights Policy outline our commitment to upholding human rights in employment matters. These include rights at work, non-discrimination, civil liberties and freedom of speech, freedom of association and collective bargaining, grievance procedures, and occupational health and safety. These policies are available on our corporate intranet.

We adopt a zero-tolerance approach to all forms of unethical employment practices in any of our operations and our supply chain. This includes child labour, illegal and forced labour, and human trafficking. To prevent such practices, we undertake stringent checks to verify the authenticity of identity documents and implement control procedures during our selection and employment processes. We provide reasonable notice of significant operational changes to employees in accordance with laws and regulations, corporate policies, and employment contracts.

Talent Development

Kum Shing embraces the "Focus on People" principle and strives to build a strong talent pipeline by offering diverse career paths, development programs, training, coaching, and support structures. Our approach includes flexible upskilling opportunities, professional challenges, and exposure to industry organisations and professional institutions, fostering a varied workforce. Various training programs benefit both staff and industry professionals, helping them adapt to the dynamic business environment.

Developing Our Employees

We foster employee growth and promote ongoing development through diverse training initiatives. These equip our employees with the knowledge and skills needed to excel in their roles and enhance their capabilities.

New Staff

- Orientation training
- Compliance training
- Job-specific training

General Staff

- Technical and soft skill training
- Qualification and license training
- Formal training of Engineering Program (HKIE Scheme "A")
- Apprenticeship Training Scheme
- Compliance training
- Health and safety refreshers training
- Knowledge sharing and learning

Managerial Staff

- Leadership and management skill training
- Project management competence training
- Performance management training
- Knowledge sharing and learning

Senior Management

- Executive leadership training
- Advanced skill training
- Tailored training and development plan for individuals

To encourage staff to pursue further studies, we have updated our learning subsidy policy during the Year. Employees can now use their two-year cumulative subsidy amount in one go. In addition, we have introduced pre-approved courses—specific programs offered by recognised institutions, to encourage self-initiated learning and streamline applications.

Project Management Training Program

In addition to supporting and subsidising staff to attend professional project management programs and obtain qualifications as in the past, we arrange NEC4 ECC Project Manager Accreditation training for managerial staff to address emerging needs in the construction industry. This program aims to strengthen the professional knowledge of project managers from Business Line Departments.



Themed Training Sessions

- Human Resources
- Information Security
- Occupational Health and Safety
- Anti-corruption
- Legal

Management Skill Training

Newly promoted staff or those expected to advance to managerial positions undergo training activities and recognised courses designed to enhance their supervisory capabilities, develop leadership skills, and foster effective team management. These not only improve their managerial competencies, but also provide crucial support for their long-term career growth and advancement within the organisation.

Knowledge Sharing and Learning

To enhance employees' professional knowledge and foster a culture of peer learning, we host sharing and learning sessions on a regular basis. These sessions often take place in a relaxed, informal setting, complete with some food and beverages. Speakers from internal departments and external sources share engaging topics to broaden employees' knowledge. The sessions explore a diverse range of subjects, such as current industry trends, project management techniques, innovations, AI, and sustainability.



We believe in providing our young professionals with ample opportunities to excel and make a positive impact in their fields. Our development initiatives extend beyond day-to-day operations. For example, young engineers have been appointed to chair the Sports & Recreation Club and the Young Professional Club, where they can hone their leadership and coordination skills. In addition, we have invited young managers to attend senior management retreats. There, they engage in discussions with leaders from all departments and functions, gaining insights into strategic planning and alignment in various areas while sharpening their critical thinking and problem-solving abilities.

HKIE Scheme "A" Graduate Training Program

We offer young engineering talents the HKIE accredited Scheme "A" Training Program in Civil, Electrical and Mechanical disciplines, along with a comprehensive and promised career plan. This long-running program provides thorough on-the-job training and coaching, job rotation across various business sectors based on training plans, plus exciting and challenging career exposure opportunities. To motivate young engineers to further their professional development, we are among the first in the industry to offer a postgraduate scholarship of up to HKD120,000 for Scheme "A" graduates, in addition to the company's learning subsidy they are already entitled to.



Young Professional Club

The Kum Shing Young Professional Club nurtures young engineers through a network of seniors and peers within the Group, providing a platform to showcase their talents. Through various training activities and study tours, it enables members to engage with local professionals across different locations. These initiatives aim to enhance skills, broaden horizons, and promote mutual development between the young engineers and the Group.

Exploring Construction Innovations in the Greater Bay Area

In May 2023, club members joined a delegation organised by the Institution of Civil Engineers Hong Kong Association to explore large-scale projects and visit high-tech construction enterprises in the Greater Bay Area.

A highlight of the trip was the Construction Robot Research Centre in Guangzhou, which specialises in developing smart robots for various construction tasks. These robots handle material transportation, wall building, and concrete grinding more effectively and efficiently.

Club members also visited the China Mobile 5G Innovation Centre. Additionally, they joined The Institution of Engineering and Technology Hong Kong for an exchange visit at the Dongguan Keiyip Electrical Equipment Centre.





Grooming High-potential Employees

Identifying and developing high-potential employees is vital for organisational success. We have mechanisms in place to identify these employees and evaluation systems to track their progress, adjusting development plans as needed. We foster a growth-oriented environment and align high-potential employee development with our Group's long-term goals and succession planning.

Management Trainee

Our Management Trainee Program is designed to nurture high-potential individuals into accomplished business leaders who share common values. The 30-month fast-track program offers participants the opportunity to explore various Business Line Departments and Business Support Functions. They can hone their skills and gain hands-on experience in areas aligned with their interests. Participants can also benefit from comprehensive development, including executive coaching, mentorship, and buddy support. This well-structured experience offers both internal and external growth opportunities.



Senior Leadership

We identify high-potential and committed talents across all departments and functions who could be prepared or even fast-tracked for senior leadership positions. Our approach includes competence evaluation by direct supervisors and senior executives, and performance reviews and feedback. For each potential candidate, we tailor and track development plans, outlining learning, mentoring, coaching, and stretch assignments.



A high-potential employee is often paired with a seasoned leader who can provide guidance, share experiences, and offer valuable insights into navigating the complexities of senior roles. The coaching focuses on developing crucial leadership and management skills, strategic thinking and decision-making abilities. Carefully chosen projects or roles push the individual beyond their comfort zones, allowing them to apply their skills in new contexts and develop critical competencies required for senior positions.

Executive Leadership

Executive development is a critical part of succession planning and business continuity. It involves systematic mechanism and continuous activities, including on-the-job and off-the-job learning programmes. These initiatives enhance the competence of targeted internal candidates, preparing them

for high-level responsibilities. Our Executive Development Programme aims to meet both personal development aspirations of individual executives and the needs of the business.

The People Function works closely with the CEO and the executive leadership to identify and create fit-for-the-purpose training plans to develop committed, high-potential employees, primarily within the senior management, to be future-ready successor candidates for crucial top management positions.

Nurturing the Young and Skilled Workers

As a thought leader in the field of energy infrastructure, Kum Shing demonstrates an unwavering commitment to the future of the industry. Recognising well-trained, innovative individuals are crucial for the growth and sustainability of the industry, we prioritise nurturing fresh talents and developing skilled workers.

Kum Shing has been accredited as Manpower Developers under the "ERB Manpower Developer Award Scheme" 2024-2026. This scheme recognises organisations that demonstrate outstanding achievements in manpower training and development. The accreditation demonstrates Kum Shing shares a common social value of prioritising workforce training and development through various activities aimed at enhancing the quality of human resources in Hong Kong.



KS Academy

Established since 2008, the KS Academy aims to equip frontline workers with appropriate training for the growing and complex construction industry and empower young talents to be future-ready. It leverages Kum Shing's core competencies to offers diverse training programs in multiple engineering fields, allowing participants to obtain skilled worker registration qualifications upon completion and assessment. The curriculum was revitalised in 2021 to incorporate more up-to-date skills. Tailored technical courses include power networks, overhead line operations, trenching and cable laying.



Diploma Apprenticeship and Industrial Attachment Programs

This program offers practical work experience to diploma and higher diploma graduates, allowing participants to apply the skills and knowledge learned in school. Kum Shing has partnered with the VTC to provide additional support and job opportunities for students in the Civil Engineering Department. This collaboration enables us to build stronger connections with young aspiring engineers.



Internship Programs

The 6-week summer internship program is open to all students pursuing STEM related disciplines with a diploma or higher. The program offers three key features: personal mentorship, cross-departmental work experience, and the chance to interact with the CEO and senior management. Interns will gain valuable job exposure and expand their networks to prepare for post-graduation career planning. Additionally, to develop future talent pipelines, we offer part-time internship opportunities throughout the year for students enrolled in tertiary institutions.



Occupational Health and Safety

At Kum Shing, we place the utmost importance on safeguarding the health, safety and well-being of our valued employees and workers. Our commitment to safety extends beyond our immediate workforce to encompass our subcontractors as well. To ensure that our stringent health and safety standards are consistently upheld throughout our operations, we have implemented a comprehensive approach.

We uphold our health and safety standards in managing our subcontractor through incorporating HSEQ related clauses into supplier contracts for major projects. During the engagement processes, we evaluate and manage our subcontractors' HSEQ performance through various programs and systems, such as periodic audits and merit/demerit systems. This proactive approach not only reinforces our commitment to maintaining a safe work environment but also ensures our subcontractors fully align with our safety-first philosophy.

Integrated Management System

To achieve our "zero harm" goal, we have in place a robust HSEQ management system, certified to ISO 45001:2018 standard. Led by the Group's Chief Operating Officer ("COO"), the Corporate HSEQ Committee is responsible for maintaining this system and overseeing HSEQ matters, with support from the Assurance Function. The committee comprises members from all levels of the organisation, including key representatives of the GEMC, senior management from key Business Line Departments and Business Support Functions, and frontline staff. This ensures involvement throughout the organisation. The committee meets monthly and reports regularly to the GEMC.

The GEMC	• Ensure the effectiveness and continual improvement of the HSEQ management system and maintain statutory compliance
Corporate HSEQ Committee	• Oversee the effectiveness of the HSEQ management system, policies, programs, and performance • Conduct regular meetings and report to top management on HSEQ performance
Assurance Function	• Develop and implement HSEQ Policies, procedures, and programs • Provide training and guidance to employees on safety best practices • Investigate incidents and accidents, and report to top management • Organise audits and report on HSEQ performance to the GEMC • Ensure compliance with applicable HSEQ regulations and standards • Maintain a proactive HSEQ culture within the Group • Foster safety culture, and plan and organise HSEQ improvement programs • Provide recommendations on HSEQ management
Business Line Department Heads and Project Managers	• Ensure compliance with the integrated management system across departments and projects • Identify and assess HSE risks specific to project operations • Provide training and guidance on HSEQ requirements to departmental staff and project members • Investigate and report on incidents, accidents and near misses within departments and projects • Foster HSEQ culture within departments and projects • Monitor the progress and effectiveness of HSEQ measure implementation
Safety Officers	• Identify and assess HSE risks specific to project operations • Implement HSE mitigation measures and provide recommendations • Train and guide project members on HSE requirements • Investigate and report on incidents, accidents and near misses within projects • Foster HSEQ culture through promotional activities within projects • Support the Assurance Function, Business Line Department Heads and Project Managers on HSEQ matters

Independent Oversight

External Assurance

Guidelines and Procedures

The management system works alongside our Corporate Occupational Health and Safety Policy and a set of internal guidelines and procedures. We communicate these standards to our employees and workers through meetings and training sessions and other means, to mitigate and manage risks associated with our offices and project sites.

Risk-based Management

Project Risk Management

Systematic project risk assessment is carried out during the project planning and execution phases, to identify and evaluate potential safety hazards and risks associated with a project and develop mitigation measures. For high-risk work activities identified through this assessment, comprehensive control measures and procedures are implemented to either eliminate or minimise the associated risks.

Highlights of Safety Measures:



Elimination / Substitution

- Introduce lifting trucks equipped with stability control systems that continuously monitor and display safe working loads for various outrigger extensions and lifting conditions
- Develop an excavator-mounted hydraulic winch for cable laying works to enhance safety and housekeeping conditions
- Introduce aerial working platforms equipped with automatic moment limiter and boom profile monitor system for overhead line works to reduce the risks associated with working at heights
- Utilise powered cargo stair climbers to reduce manual handling risks
- Use wireless remote-controlled wire saw, allowing operators to control cutting operations from a safe distance
- Eliminate the use of thermoplastic paint, generator, and road marking removal machines for temporary traffic arrangements



Engineering Controls

- Provide quick-setup and secure railing for trenching works
- Provide temporary barriers along lifting trucks to prevent falls from height

Administrative Controls

- Enhance site work planning with improved excavation plan for trenching works, which includes considerations for site layout arrangement, high-risk tasks, and workforce competency
- Establish and implement clear demarcation of fatal zone and separation between workers and plants
- Introduce AI-powered monitoring and alert system to monitor and identify potential safety risks in various environments and automatically send instant alerts, such as when detecting workers entering danger zones

PPE

- Provide safety helmets with protective visors to workers who perform drilling tasks
- Provide personal rechargeable battery-powered fans to reduce risk of heat stroke

Dynamic Risk Management

Dynamic risk assessment is conducted daily before any work begins and in real-time during the course of work activities. It aims to continuously evaluate and manage risks as they arise or evolve. The project work team is responsible for identifying and assessing new or changing hazards, risks or unsafe conditions that may emerge during work.

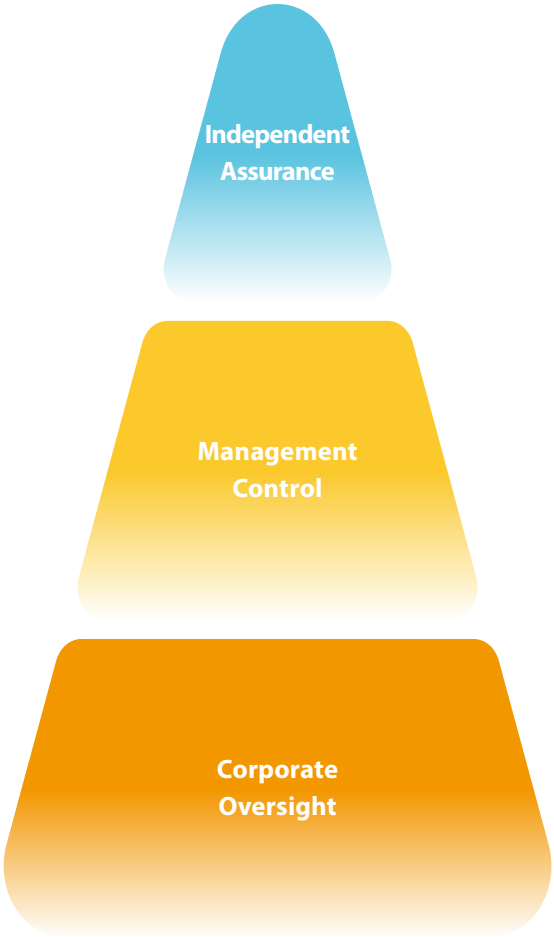
Work team members are encouraged to communicate openly and effectively, sharing observations, concerns, and insights about safety risks. This approach promotes shared responsibility for safety and helps in making quick, informed decisions to implement appropriate control measures based on risk evaluation.

A field control safety briefing takes place daily at the project site before work starts. This briefing communicates and reinforces safety measures, addresses specific hazards, and fosters a safety-conscious culture among workers. An end-of-work review monitors the effectiveness of implemented control measures and adjusts them as needed.



Assurance Program

Our Safety Assurance Program monitors and ensures effective risk controls are in place while driving continual improvement. It provides essential management information, helping us make informed decisions.



Independent Assurance

Program
- Internal IMS audits by the Group's corporate audit team
- Independent external audits

Purpose
- Provide thorough and objective examination, reinforcing our commitment to maintaining the highest standards of workplace safety and continuous improvement in our safety management systems

Management Control

Program
- Safety walks by project management staff and senior management

Purpose
- Allow for direct observation and assessment of safety practices, fostering a culture of vigilance and accountability throughout the organisation

Corporate Oversight

Program
- Cold-eye reviews by the Group's independent safety team
- Safe System of Work ("SSoW") assessment by the Group's corporate independent assessor

Purpose
- Offer an objective analysis of our safety systems, identifying potential areas for improvement and validating our existing safety measures
- Serve as crucial checks and balances, reinforcing our safety culture

In addition to regular safety inspections, managerial staff and senior management conduct safety walks. These walks serve multiple purposes:

- serve as a visible demonstration of the Group's commitment to fostering robust safety culture
- ensure effective health and safety management



- provide an opportunity for management to engage directly with employees, subcontractors, and visitors, gathering first-hand feedback and insights

This collaborative approach helps create a dynamic and responsive safety environment.

Staff	Frequency	Objective
Project Management	Twice a month	Ensure safety controls are in place and identify improvement areas
Senior Management and the GEMC (project operations), including COO and CEO	Monthly	Ensure the effectiveness of the health and safety management system and implementation of improvement measures, and monitor project safety performance
Senior Management and the GEMC (non-project operations)	Quarterly	Continuously enhance awareness towards the importance of health and safety management and the Group's practices





Safety Technologies and Innovation

Smart Site Safety System (4S)

The 4S system has demonstrated efficacy in promptly identifying potential safety risks and hazards, facilitating swift implementation of mitigation strategies. By analysing data from the system, we can pinpoint the root causes of safety concerns, enabling us to develop and carry out targeted improvement initiatives.

Kum Shing demonstrates its dedication to the Smart Site Safety System Labelling Scheme (4S Labelling Scheme), an initiative led by the HKSAR Development Bureau and the CIC, by applying the 4S elements in various private and public sector projects. Notable examples include the Sewage Treatment Works in Sha Tau Kok, the Power Supply System Upgrade at Cheung Tsing Tunnel, and the Re-provision of Open Cycle Gas Turbine on Lamma Island.



Highlights of 4S Initiatives

Centralised Management Platform

- Serve as the one-stop comprehensive workspace for generating and managing safety alerts from multiple devices, enabling us to take immediate and targeted actions in response to potential hazards and abnormalities identified
- Collect valuable data with robust record-keeping capabilities that provides crucial insights for analysis and identifying improvement areas, allowing us to make informed decisions, implement long-term remediation strategies, and enhance overall project performance
- Facilitate effective supervision and communication by providing real-time tracking of workers' location and status, and instant updates on site conditions and utilities, ensuring efficient coordination and enabling prompt and proactive measures

Digitised Tracking System

- Utilise sensors and monitoring systems to track and analyse environmental conditions, guaranteeing a safe and secure work atmosphere
- Enable real-time tracking of site plants, powered tools, and ladders, keeping their test certification, examination, and maintenance status up to date
- Generate automatic alerts when any plant, powered tool or ladder has outdated certification or is overdue for examination, checking or maintenance, prompting timely actions to maintain equipment safety and compliance

Digitalised permit-to-work System for High Risk Activities

- Offer on-line, real-time platform for the application, issuance, and tracking of permit-to-work or permit to move and operate for high-risk activities, such as hot work, work with electrical hazards, work in lift shafts, lifting operations, and use of ladder for work above ground
- Automatically generate alert messages when any permit-to-work or permit to move and operate expires, ensuring timely renewal and compliance

Hazardous Areas Access Control

- Implement an automated access control and warning system to prevent unauthorised opening of locked covers, doorways, and barriers to hazardous areas within the site
- Employ a smart-lock system to restrict access to hazardous areas and utilise infra-red sensors surrounding hazardous areas to promptly alert workers of potential dangers

Unsafe Acts/ Dangerous Situation Alert

Mobile Plant Operation Danger Zone

- Install a 360° camera, sensors, and automated warning system on site plants to detect any site personnel encroaching the mobile plant danger zone perimeter
- Provide a visual alert by flashing warning lights on the plant operating dash board and deliver an audio sound alert with an automated warning message via speaker or headphone, ensuring the operator is aware of the potential dangers

Smart Monitoring Devices for Workers and Frontline Site Personnel

Smart Safety Helmet and Smart Watch

- Equipped with sensors and cameras for the health and location monitoring, and an SOS button and broadcasting system
- Track real-time body vital signs and environmental factors, triggering early warning alerts at different levels, such as proximity warnings for danger or restricted areas, ensuring workers are not exposed to excessive stress or hazardous conditions
- Detect accidental falls or standstill situations, enabling prompt assistance and intervention

Safety Monitoring System using Artificial Intelligence

- Record and analyse videos in real-time using AI engine modules designed to detect, identify and classify various unsafe and abnormal scenarios:
  - access to restricted zones and danger zones
  - workers in close proximity to site plant and vehicles
  - potential collisions
  - workers and other personnel not wearing the required PPE
  - workers working at height
- Trigger instant alerts with photo records, enabling prompt response and intervention to mitigate the impact of unforeseen events

Confined Space Monitoring System

- Employ AI surveillance cameras to detect the presence of PPE and monitor standstill motion within confined spaces
- Implement real-time site worker counting and location tracking specifically for monitoring workers inside confined spaces
- Ensure PPE compliance and enable prompt response to standstill or emergencies within confined spaces

Safety Training with Virtual Reality Technology

- Integrate virtual simulations into on-site safety induction training on topics, such as working at height and electrical installation dismantling, to:
  - provide an immersive learning environment that replicates real-life site situations
  - provide a safe and effective training experience, allowing workers to experience and react to potential hazards in a controlled setting
  - enhance safety training by fostering practical knowledge, situational awareness, and proactive hazard response







Smart Confined Space Management and Monitoring

The self-developed Smart Confined Space Management and Monitoring ("CsMon") platform and mobile app combine IoT, LoRa wireless communication, AI, Bluetooth, and cloud computing to enable comprehensive safety controls and emergency management in confined space operations.

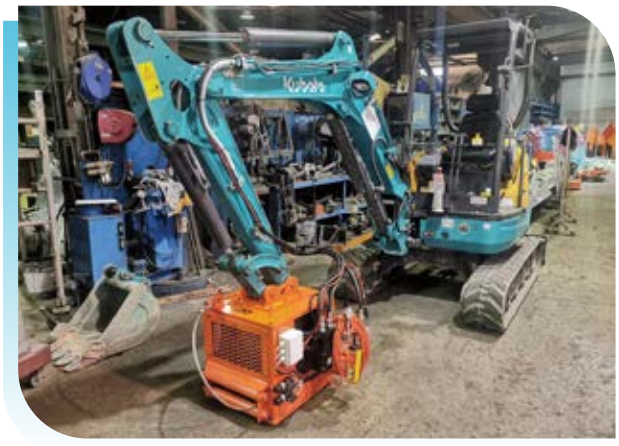
It offers real-time tracking and display of critical information, including hazardous gases, temperature, humidity, airflow, and water levels. This ensures compliance, automates safety incident monitoring, provides real-time worker visibility, enables customised emergency responses, and leverages data analytics for risk prediction and mitigation planning.

Worker competency are critical when dealing with confined space works. The platform includes features such as procedures checking, competency and compliance verification, environment monitoring, alerts, site video surveillance, and event logging. These features enhance situational awareness for workers both inside and outside the confined space.



Safety Fund

To drive and support safety initiatives, a safety fund of HK$10 million was established in FY2019/20. This fund aims to provide financial support for both the development of safety ideas and the implementation of safety projects. Since then, over 20 health and safety projects have received grants totalling approximately HK$3 million. Key projects include developing CsMon, introducing powered cargo stair climber, implementing hydraulic winch for cable laying works, quick-install temporary lorry guardrails, quick-install reusable road markings for temporary traffic arrangements, and introducing virtual reality safety training.





HSE Innovation and Technology Award

We have implemented an HSE Innovation and Technology Award, a recognition program that encourages safety leadership and innovative approaches to workplace safety and technological advancements within our organisation. Key projects include remote camera for site surveys in under-platform voids (confined spaces) and solar-powered evaporative cooling system for warehouse. Several projects that received support from the safety fund were also recognised with this award.

Proactive Safety Culture

Fostering Engagement and Accountability

To foster active participation and promote a culture of accountability for safety practices throughout the organisation, we establish clear, comprehensive safety roles and responsibilities within the project team. Utilising a safety performance points system, an individual merit/demerit system, in various projects, we hold individuals accountable for their behaviour and practices. This system rewards positive safety behaviours while promptly and fairly addressing unsafe practices, helping us track and evaluate safety compliance.

A Best Site Safety Initiative Award program is implemented to recognise and encourage outstanding safety practices within our organisation. This initiative promotes safety awareness, fosters innovation in safety protocols, and highlight exemplary safety efforts across sites. By acknowledging and rewarding best practices in site safety, we motivate our teams to prioritise safety and facilitate company-wide sharing of successful strategies. Key projects include shaft lifting safety warning device, cable laying conveyor, powered cargo stair climber, and campervan.

Encouraging Proactive Reporting

We implement a Proactive Reporting Incentive Program, a reward-based initiative aimed at fostering safety culture. It encourages employees to report near-misses and share positive actions that enhance workplace health and safety. Quarterly, we select the best reports for formal acknowledgement and rewards. Annually, we give additional recognition and rewards to the year's top reports. This program encourages active reporting and recognises employees' contributions to a safer work environment. It also helps us identify risks and prevent accidents proactively.



Strengthening Incident Investigation and Analysis

Kum Shing implements a formal process for investigating safety incidents and accidents. We adhere to internal guidelines and procedures for conducting and managing these investigations. The incident's classification level determines the composition of the investigation team or panel. This ensures we allocate suitable expertise and resources to each case.

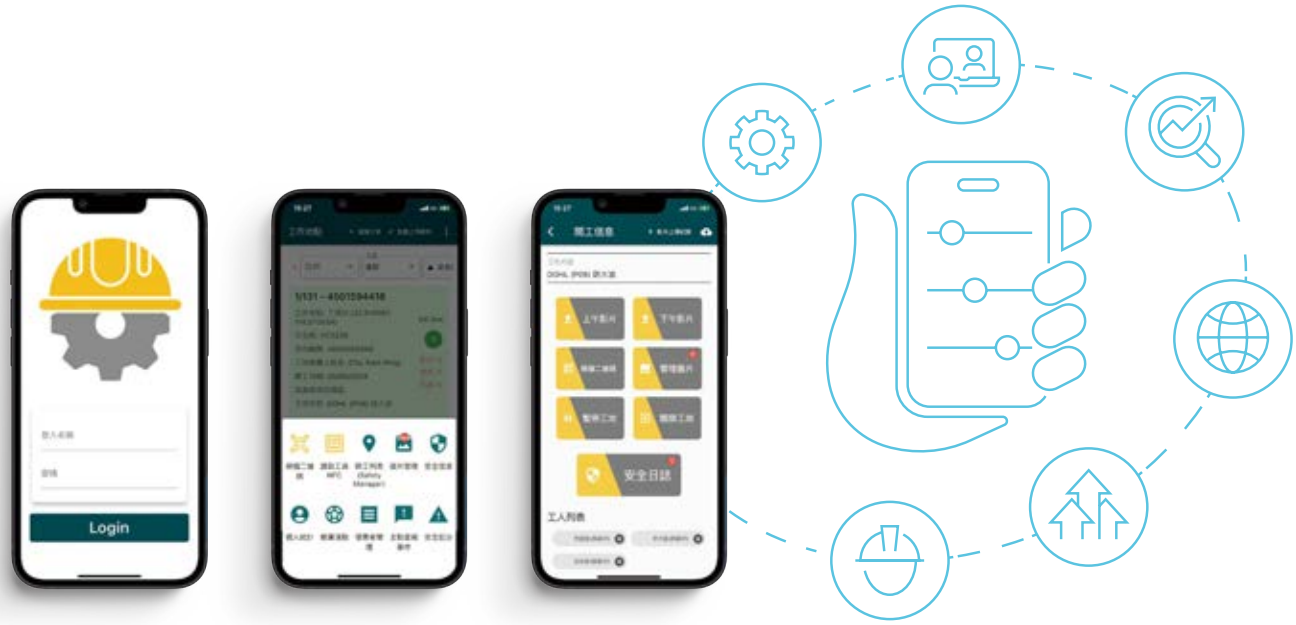
The investigation process aims to identify the underlying deficiencies and factors contributing to the incidents, and appropriate corrective actions. Following an investigation, the findings and remedial action plan will be submitted to the Corporate HSEQ Committee and top management for approval. Once approved, we share the results with relevant stakeholders, implement necessary improvements, and review the effectiveness of the actions taken, to prevent similar incidents in the future.

Performance Monitoring and Evaluation

We gather feedback and suggestions on occupational health and safety matters from employees, subcontractors and visitors through various channels, such as safety walks, training sessions, and suggestion boxes. This input enables continuous improvement of our management system.

Online Platform for Comprehensive Safety Records

CyView is our online HSE platform designed to enhance workplace safety and efficiency. It offers multiple functions and centralises HSE processes, enabling us to maintain safety standards while reducing administrative tasks. Accessible via electronic devices, it facilitates seamless coordination and communication among project stakeholders, including the Assurance Function, project teams, and subcontractors, fostering a collaborative approach to create a safer work environment.



Key Features of CyView

Real-time Worksite Visibility

- Provide immediate visibility into on-site conditions and activities
- Enhance site HSE monitoring to minimise risk of accidents or incidents

Plant and Equipment Management

- Track certification status of machinery and equipment
- Ensure proper inspection, maintenance, and certification

Workers' Competency Verification

- Allow workers to update competency records via mobile app
- Automatically populates information from captured images
- Eliminate manual data entry to save time and effort and to reduce errors and omissions

Training Management

- Track and manage employee training requirements
- Provide visibility into training completion status
- Show upcoming training sessions and refresher courses
- Ensure personnel have necessary skills and knowledge
- Conduct competency assessment of personnel

Safety Communication

- Safety Bulletin Board acts as a central hub for communicating safety information, updates, and announcements to the project stakeholders
- Safety Broadcast timely shares important messages and critical information with workers, who receive notifications through mobile devices
- Improve information dissemination efficiency
- Enhance overall safety culture

Document Management

- Streamline manual documentation processes
- Centralise safety-related information
- Enable easy retrieval of critical documents
- Improve efficiency and reduce administrative burdens

Data-driven Monitoring and Analysis

We have established the Safety Performance Index to effectively measure and evaluate the safety performance of different projects and the entire organisation. This index provides a comprehensive view of our safety performance, encompassing key metrics and both leading and lagging indicators. Using these indicators, we can pinpoint areas for improvement, set safety goals, and track our progress over time. This data-driven approach enables us to make informed decisions, allocate resources effectively, and continuously enhance our safety culture and practices.

To ensure transparency and accessibility, both project management and senior management have access to the safety performance dashboard. This allows closely monitoring of safety performance, ensuring prompt action when necessary. Additionally, the safety performance is regularly reported to senior management. This reporting mechanism allows for a thorough review of the Group's safety performance, facilitating strategic discussions and the implementation of necessary improvements.

Training and Promotions

We identify and deliver training and promotional activities to equip new and existing employees with essential knowledge of work-related hazards, risks and control measures.

Routine Safety Training

Our routine safety training is designed to foster a culture of workplace safety and preparedness, ensuring our employees and workers are well-equipped to maintain a safe working environment.

Orientation training
for new staff and workers

On-the-job training
conducted both in-house and external experts

Coaching
led by suitably qualified mentors

Multilingual safety training
for workers of various ethnicities

Regular drills
to reinforce practical safety skills related to fire, typhoon and heavy rainstorm, personal injury, heatstroke, chemical and hazardous material spill, electrical shock

Intra- and inter-organisational learning
through secondment to partner organisations or project sites

Regular refresher courses
to maintain up-to-date safety knowledge and tackle new risks

Project-specific safety modules
tailored to unique workplace environments

Four-level Safety Training

To enhance safety competence across employees and workers at all levels, safety training is customised into four tiers.

Senior Management	• Periodic safety management training • Annual safety seminar
Project Management	• Periodic safety management training • Annual safety seminar
Supervisory Staff	• Periodic safety supervisory training • Routine safety training
General Staff and Workers	• Safety induction training • Technical training • Specific safety skills training • Routine safety briefings

Annual HSEQ Convention

Safety Sharing

Valuable lessons from industry failures and recent safety incidents are communicated to employees and workers through various channels. These include safety alert newsletters, all-level meetings, project team briefings, and routine safety training sessions. Through these methods, we ensure crucial safety information reaches all relevant personnel.

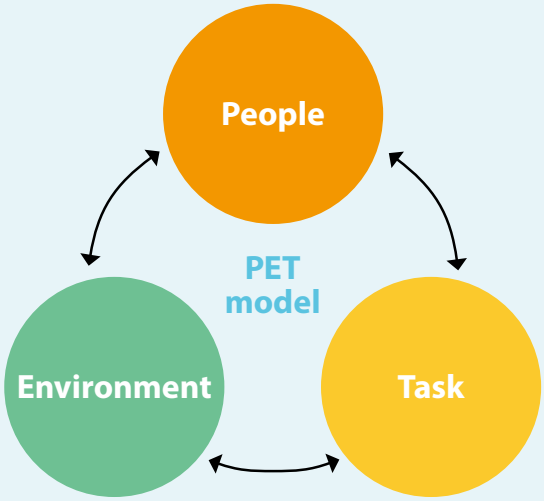
Sharing these insights keeps individuals informed about potential risks, preventive measures, and best practices. It fosters a culture of continuous learning and heightened awareness, empowering employees at all levels to make informed decisions, encouraging them to approach their work with a safety-first mindset. This drives them to take proactive steps to enhance safety, thereby reducing the occurrence of preventable incidents.



Situational Awareness in Projects: Implementing the "PET" Approach

On top of our regular training programs, since 2021 we have been actively promoting and implementing the concept of situational awareness through the People, Environment, and Task ("PET") model for our major projects.

This approach provides a more robust framework for enhancing our safety protocols and protecting our workers from potential workplace hazards. By focusing on People, Environment, and Task, we create a more holistic safety strategy addressing the complex, dynamic nature of our work environments.



The PET model encourages our employees to constantly assess and re-evaluate their surroundings, their colleagues' actions, and the specific tasks at hand, thereby fostering a culture of proactive safety management and risk mitigation.

1,400+ Uniting for Safety at SHEQ Convention 2023

The 2023 SHEQ Convention concluded with over 1,400 participants in attendance, including staff, frontline workers, management, and representatives from clients and subcontractors.

The convention's theme was "Situational Awareness". Guest speakers shared insights on enhancing situational awareness to prevent industrial accidents in the workplace. Beyond safety, the convention explored diverse topics, such as heat stroke prevention, cardiovascular health, environmental protection, and sustainable construction.



Emergency Preparedness

Our Emergency Management Plan implemented at the corporate level provides a framework for emergency procedures, strategies, and prevention measures for various incidents. It aims to reduce the likelihood and impact of the incident, safeguarding employees and information assets. This plan enables quick, systematic emergency handling and resolution, facilitating rapid operational recovery.

The composition and the roles and responsibilities of each member of the emergency response team are clearly defined. The emergency response team oversees emergency management protocols, facilitates external and internal communication during incidents, maintains essential communication infrastructure, and controls and coordinates incidents in real time to reduce their impact.

Our emergency response framework incorporates a four-level action system. This allows for precise categorisation and assessment of incidents based on their severity and the required response. By evaluating each incident, we determine the most appropriate action level, enabling us to implement tailored and swift response plans, thereby reducing the impact on our operations, employees and assets.

Specific emergency plans are developed and implemented for major projects, considering the unique challenges and potential risks associated with each undertaking. These tailored plans address project-specific emergencies, ensuring a focused approach to incident mitigation and response.

Social Impacts:
Clients and Suppliers



IN THIS SECTION

Quality Management
Supply Chain Management

We endeavour to deliver excellent quality services to clients with our three core values of Integrity, Sincerity, and Commitment, and meet their needs in the evolving market landscape.

Quality Management

Integrated Management System

We are committed to consistently delivering products and services that meet their requirements to our clients. To ensure consistent quality, we implement quality policies and procedures and adopt a robust HSEQ management system certified to ISO 9001:2015 standard. The Corporate HSEQ Committee oversees the management system and quality related matters.

Our quality management system incorporates three key principles: risk-based thinking, Plan-Do-Check-Act (PDCA), and the process approach.

Process Approach	• Establish clear procedures and guidelines that define the interconnected activities and controls necessary for delivering our products and services
Risk-based Thinking	• Identify potential positive and negative operational risks in business operations • Define the extent of process planning and controls needed based on the identified risks
PDCA	• Define a set of measurable quality objectives • Monitor and measure the processes and results against quality policy, objectives, and requirements • Report results to the GEMC • Take actions to continually improve quality performance and formulate improvement strategies

Quality Management in Projects

Quality management is a critical aspect of successful projects. It encompasses processes and activities that ensure our project meets specified quality requirements and stakeholder needs. These stakeholders include the immediate client, the ultimate client or end-user, and the regulatory authorities. Our quality management approach incorporates several key elements in projects.

Quality Planning	• Understand the project's quality standards, contractual specifications, and acceptance criteria • Define quality-related roles and responsibilities for project team members • Develop quality management plans, project plans or programs at various levels, work sequences or method statements, and corresponding quality control measures
Quality Control	• Implement pre-defined on-site and off-site inspections and testing activities to verify that the work meets the specified quality requirements • Take prompt and appropriate actions to rectify quality issues and work-related non-conformities when identified
Quality Assurance	• Conduct regular monitoring activities throughout the project life cycle, such as site walks and audits by qualified personnel • Provide essential training to project personnel and frontline workers, ensuring they can perform their tasks to the required standards

Continual Improvement	• Review the effectiveness of the project's quality management system in projects and identify opportunities for improvement • Apply lessons learned and best practices from previous projects to enhance quality management processes • Cultivate a culture of quality and continual improvement among the project team beyond compliance

For highlights of quality control and assurance in projects, please refer to Project Highlights.

Our vendor control process involves vendor selection, project management, and performance evaluation. During the tender and project execution phases, we strategically plan, source, and select suitable, qualified subcontractors meeting both project and contractual requirements.

Throughout the project life cycle, our project personnel closely monitor subcontractors' workmanship and performance. This oversight includes regular progress reviews, on-site inspections, HSEQ audits, and measurement of KPIs.

Active subcontractors undergo an annual performance evaluation by designated personnel. The results help identify top performers, address performance gaps, and inform future vendor selection and management decisions.

For details on supplier management, please refer to Supply Chain Management.

Technological and Innovative Capabilities

We are dedicated to embracing innovation and technologies to enhance our services for clients, addressing their evolving needs in a dynamic market. We continuously advance our technological capabilities, exploring and leveraging the potential of next-generation and emerging technologies.

By leveraging BIM and off-site construction, including DfMA and MiC, in various projects, we can enhance project quality management processes. For details, please refer to Innovation and Professionalism.

Advanced Quality Control	• Controlled manufacturing environments enable the implementation of more rigorous and systematic quality control procedures, resulting in higher quality outputs
Reduced On-site Errors	• By minimising on-site assembly and construction activities, there is less room for human error, weather-related issues, and other on-site variables that can affect quality
Comprehensive Testing	• Modules or components can undergo thorough testing in the factory before being transported to the site
Increased Productivity	• Factory-based production allows for higher efficiency and productivity, leading to faster project delivery times
Reduced Community Disruption	• Shorter construction times and reduced on-site activities minimise disruptions to local communities

Client Satisfaction

In our Integrated Management System, we collect and measure client satisfaction through multiple channels, including project meetings, client surveys, performance appraisals, and feedback. The Assurance Function is responsible for collecting, analysing, and monitoring this information. If any unsatisfactory issues or client complaints arise, the COO-led Assurance Function will review and investigate the matter, then take prompt and long-term actions to address and resolve the issue. During the Year, there were no justified written complaints from client regarding our services.

Marketing Communications

Valuing honesty, openness, and transparency in our corporate communications, we ensure the integrity and accuracy of production data through established management requirements and procedures. Corporate communications materials are reviewed by management prior to publication.

Supply Chain Management

We strive to build long-term relationships with our partners and suppliers, fostering mutual benefit and prosperity while promoting good working practices throughout the supply chain. By actively engaging with our suppliers, we are working together to create a more responsible and sustainable future.

Supplier Management

Our procurement processes, supplier selection, management and evaluation are guided by a set of internal policies and procedures. To enhance the monitoring and management of sustainability risks along the supply chain, we have a Vendor Code of Conduct in place. In addition to incorporating this code into our purchase agreements, service agreements, and purchase orders, we periodically distribute the code to active suppliers and subcontractors. This ensures our sustainability standards are clearly communicated across all vendor relationships. Key subcontractors must comply with these sustainability requirements and sign an acknowledgement at the time of engagement.

Supplier Registration	• In the process of evaluation and approval of a new supplier or subcontractor, we take into account their technical capabilities, product or service quality, and HSE performance, in addition to other qualification requirements. • Only approved suppliers or subcontractors will be used for the purchase of products or services.
Supplier Selection	• We ensure suppliers and subcontractors compete in a fair and equal environment. • Our expectations and requirements for suppliers and subcontractors are incorporated into our quotations, tender documents, and contracts. • Suppliers may be requested to present HSEQ related certificates. Preference will be given to those with better HSEQ performance, or those supplying environment-friendly products or services.
Supplier Management	• We maintain close monitoring and regular communications with suppliers and subcontractors throughout the project life cycle or contract period.
Supplier Evaluation	• The HSEQ performance of active suppliers and subcontractors is evaluated annually. • In the case of unsatisfactory performance observed, we will require the suppliers or subcontractors to take immediate action.

Sustainable Procurement

Our Sustainable Purchasing Policy and procurement procedures include guidelines for sustainable procurement. At the project level, we evaluate environmental impact throughout all stages of a project's life cycle, beginning with raw material acquisition. Preference ratings will be given to suppliers and subcontractors with better HSEQ performance, or those supplying environment-friendly products or services. We prioritise green procurement by purchasing tools and equipment with higher resource efficiency, and sourcing materials locally when possible. This approach reduces transportation related carbon emissions and supports the local economy.

Social Impacts: Community



IN THIS SECTION

Commitment to Community Investment
Community Investment Highlights

Being a socially responsible company, we are driven to create shared values for stakeholders and bring positive impacts to the communities we serve.

Commitment to Community Investment

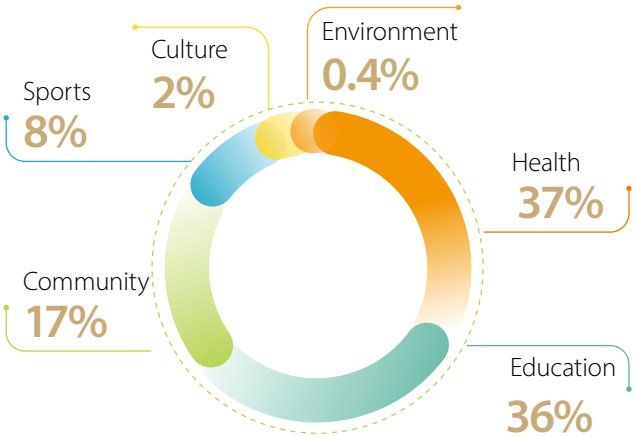
Our approach to community investment goes beyond providing quality, reliable services. We engage in initiatives that contribute to the society. As outlined in our Corporate Sustainability Policy and Community Investment Policy, we are dedicated to a variety of community engagement and investment initiatives, such as community projects, charity work, volunteer services, donations and sponsorships.

A Working Group on Community will be formed to develop and implement community investment strategies. This working group will review and identify focus areas, beneficiaries, and create action plans. For details, please refer to Sustainability Governance.



During the Year, our donations and sponsorships totaled HK$ **6.88** million, a significant increase from the previous year.

Breakdown of Donations and Sponsorships



Community Investment Highlights

Dental Care: Donation Supports New Clinic Bringing Quality Services

Kum Shing donated to Lok Sin Tong's newly opened dental clinic in Mong Kok. Named Lok Sin Tong EnGenius Dental Clinic, it has been providing affordable, high-quality, and professional dental services to the public since late 2023.



Children's Health: Donation Supports Charity's Efforts in Rare Disease Care

Kum Shing donated to Lifewire, a charitable organisation dedicated to protect disenfranchised children in the community. It raises funds to provide urgent medical care for children with rare diseases and to support patients' long-term medical needs.



Education: Scholarship Empowers the Next Generation

Kum Shing continued its commitment to supporting the next generation through various educational initiatives. We provide scholarships to academically outstanding students at the Hong Kong Baptist University Affiliated School Wong Kam Fai Secondary and Primary School, enabling them to pursue further studies at top overseas universities. Additionally, Kum Shing sponsored fencing training for the school. We also offer scholarships to students at The Hong Kong Polytechnic University.



Senior Welfare: Collaborative Initiative Provides Warm Meals

The Kum Shing Volunteer Team collaborated with a social enterprise restaurant to distribute hot meals to the elderly. This effort was part of the Construction Industry Sports & Volunteering Programme organised by the CIC.



Community Service: Employees and Families Unite for a Cause

Kum Shing has been a long-standing supporter of the Community Chest "Walk for Millions". Our CEO, along with over 70 staff members, participated in the 2-hour, 6-km charity walk from the Hong Kong-Zhuhai-Macao Bridge to the Hong Kong Link Road. Employees and their families enjoyed the scenic landscape while exercising, making a joint effort to promote work-life balance and social responsibility.



Rural Development: Walkathon Promotes Rural Revitalisation

We joined the "Xing Wu Zhi" Walk for Rural Revitalisation 2024, organised by the Wu Zhi Qiao (Bridge to China) Charitable Foundation (WZQ). The event raised funds for youth and rural development in Hong Kong and mainland China. Since 2007, WZQ has been promoting youth volunteerism in countryside conservation and rural revitalisation, emphasising sustainable development.



The Kum Shing team embraced a low-carbon approach by hiking through three old Hakka villages in Sha Tau Kok: Kuk Po, Mui Tsz Lam, and Lai Chi Wo. Guided by WZQ youth docents, we had a valuable opportunity to learn about these villages' customs, traditions, and histories. This meaningful event provided insights into rural heritage and sustainable development efforts.

Sustainability: CEO Shares Sustainability Strategies at Construction Forum

Our CEO attended the "CIC Global Construction Sustainability Forum and Exhibition" as a guest speaker. The event was co-organised by the HKSAR Development Bureau and CIC. It aims to promote sustainable construction practices, helping Hong Kong, China, and the world achieve carbon neutrality and sustainable development. CEO shared strategies to drive sustainability in Hong Kong's construction industry.



Waste Reduction: Charity Initiative Supports Surplus Edible Food Rescue

Kum Shing joined hands with corporations, celebrities, and sports elites to support the "100KM Treadmill Charity Challenge" organised by the Kai Tak Sports Initiative, the first indoor large-scale ultra-marathon relay in Hong Kong for a charitable cause. The event created several world records defined by United Nations' SDGs. Food donations in the equivalence to the finished distance were donated to Food Angel for those in need. We are delighted to be certified as a participant in the UNSDG World Record, notably as the first for a "different types of diversity team participated treadmill running relay".



Poverty Alleviation: Professional Services Support Trailwalker Fundraising Event

Kum Shing has been the official Engineering Consultant for the Oxfam Trailwalker (OTW), one of the largest hiking fundraisers in Hong Kong, for years. During OTW 2023, Kum Shing installed electricity along the 100KM trail and provided logistic assistance to ensure event organisers could distribute supplies to the hikers throughout the experience while maintaining the safety of the hikers. Our staff also participated in the Sowers Action Challenging 12 Hours race, competing in the Corporate Teams 26KM category, and earning a bronze medal.



Environmental Stewardship



IN THIS SECTION

Environmental Management
Climate Change
Resources Optimisation

To contribute to Hong Kong's target to reach carbon neutrality by 2050, Kum Shing strives to responsibly manage and reduce the carbon footprint and environmental impact of its operations, and offer green and sustainable solutions to the value chain.

Environmental Management

We are committed to fighting climate change, managing and reducing our emissions, and using resources responsibly and efficiently. This is outlined in our Corporate Environmental Policy and Climate Change Policy. Under the leadership of COO, the Corporate HSEQ Committee is responsible for maintaining the HSEQ Management System, with support from the Assurance Function. The Corporate HSEQ Committee comprises managerial representatives of Business Line Departments, Business Support Functions, and Business Development Units.

Integrated Management System

Our approach is supported by a HSEQ management system, which is certified to the ISO 14001:2015 standard. It ensures we maintain compliance with environmental regulations, effectively manage environmental risks and impacts, and consistently enhance our environmental performance through ongoing improvements.

Environmental Management in Projects

At the start of each project, we identify environmental aspects that can be controlled and influenced, and then review their potential impacts. To address these, we implement appropriate on-site control and mitigation measures to prevent, control, minimise, and mitigate the identified environmental impacts.

Environmental Awareness

Achieving sustainable development requires collective action. We endeavour to raise awareness among our stakeholders, including employees, suppliers, and business partners, and encourage them to embrace sustainability practices through newsletters, various engagements and training sessions. For details, please refer to Sustainability Competence.

Climate Change

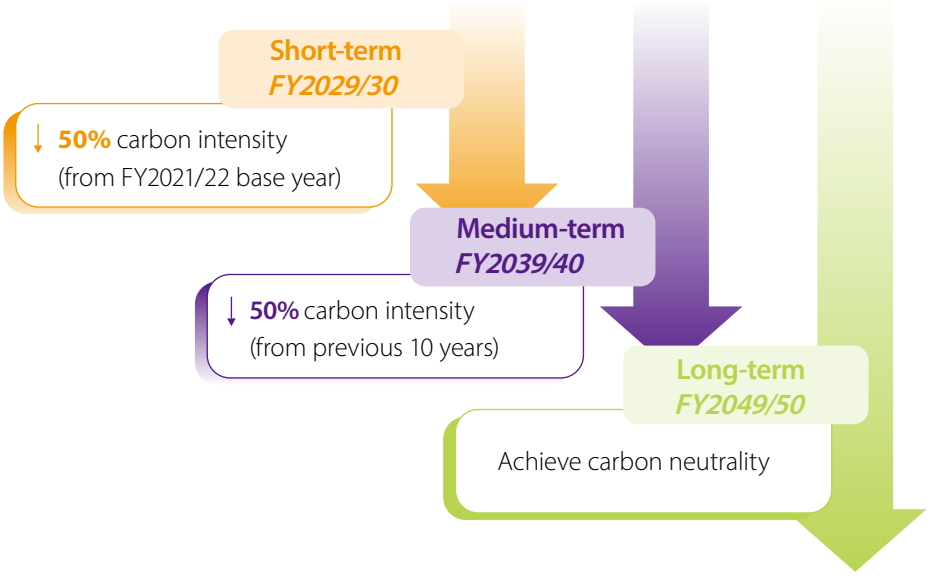
Governance

Climate change poses one of the greatest challenges to the global community today. Our Climate Change Policy outlines our commitment and approach to combating this issue and addressing the climate related risks and opportunities we encounter in our business operations. The Board holds overall responsibility for climate related matters, ensuring their integration into governance, strategy, decision making, risk management, and reporting. To strengthen oversight and management of these matters, we have the GEMC, which reports to the Board, and the Sustainability Committee. A Working Group on Environmental and Climate will be formed to facilitate the development and implementation of climate change strategies, targets, and action plans. For details, please refer to Sustainability Governance.

Strategy

We believe climate mitigation and adaptation are vital for its long-term sustainability. As a first step, we will identify potential physical and transition risks, and opportunities, posed by climate change to our operations, to create a climate risk register. Next, we will develop a climate change strategy and transition plan aimed at improving our resilience and adaptive capacity.

A decarbonisation plan will be a key part of the mitigation strategy. We have established the carbon neutrality goal across the short, medium, and long-term horizons. This marks an important starting point in our journey towards decarbonisation.



We remain fully committed to investing in carbon reduction efforts and the transition to carbon neutrality, despite the potential challenges and uncertainties ahead. Key carbon reduction opportunities for our office, depot and project operations focus on:

Office and Depot Operations

- Conduct energy audits and adopt energy saving measures
- Perform electrification of operational assets and vehicle fleet
- Implement energy management system and practices in line with international practices
- Implement green procurement
- Scale up the utilisation of renewable energy for headquarters

Project Operations

- Extend GHG inventory assessment to selected or major projects
- Adopt smart construction or installation technologies and low-carbon materials on site
- Phase out diesel mobile generators
- Prioritise the use of locally sourced materials, plants or machinery to reduce transportation from points of material production to project sites
- Increase the use of electric plant and machinery
- Reduce waste generation

The carbon neutrality goal set the stage for developing specific decarbonisation targets and their corresponding action plans. For details on the decarbonisation actions, please refer to Resources Optimisation.

Risk Management

In an era of increasing climate uncertainty, effective climate change risk management is not just an environmental imperative but a business necessity. With it, we will be better equipped to face climate-related disruptions, adapt to changing market conditions and client preferences, and ensure long-term sustainability and viability of the Group.

The GEMC oversees the risk management framework and procedures. Prior to identifying group-wide climate risks and opportunities, climate related physical and transition risks have been incorporated as new risk factors at the operational level. For details, please refer to Risk Management.

Metrics and Targets

GHG Inventory and Energy Consumption

We have been calculating the GHG emissions since FY2021/22. That year, a third-party independent verification was conducted to ensure data credibility. We compile an annual GHG inventory. Our current scope encompasses Scope 1 and 2 emissions, and emissions from selected Scope 3 categories for the Group's headquarters office and depot operations. Selected Scope 3 categories of project operations are also included.

To measure emissions along our value chain, identify the most emissions-intensive activities, and establish mitigation measures aligned with our carbon neutrality goal, we plan to extend the GHG assessment to project operations and conduct a more comprehensive screening of Scope 3 emissions.

For the GHG emissions and energy consumption performance, please refer to Appendix A: Key Statistics – Environmental Performance.

Resources Optimisation

Sustainable Construction

Construction Technologies and Innovation

By leveraging BIM and off-site construction, including DfMA and MiC, we can implement more environmentally responsible construction practices throughout the project life cycle in various projects.

BIM	Off-site Construction
• Reduce material waste by precise quantity estimation and clash detection • Reduce on-site waste by facilitating prefabrication • Improve energy efficiency and through optimised designs, modelling, and construction processes • Minimise resource consumption through efficient scheduling and logistics	• Reduce waste generation through precise manufacturing in controlled factory environments • Lower carbon emissions by minimising on-site activities and transportation needs • Improve energy efficiency through factory-based production with better control over consumption • Optimise resource utilisation through precise manufacturing techniques and quality control measures.
Project Highlights: Waste Management, Water	Project Highlights: Railway, Water

Construction of Site Office using MiC

MiC was adopted for the construction of site office of the Public Lighting System Project in Kowloon and New Territories East.



Low-carbon Materials

To achieve sustainable production, we use low-carbon materials with high recycled content in our projects whenever possible. For example, we incorporate fences made from recycled materials.

Wall Panels from Recycled Materials

Wall panels, made from palm fibre waste and other recycled materials like coal ash and slag, are used in constructing the site office building. These eco-friendly, low-carbon building materials produce only 10% of the carbon emissions generated by traditional cement materials during manufacturing.





Gradual Electrification of Plant and Machinery

This transition involves replacing traditional fossil fuel-powered machinery with electric alternatives. It offers several environmental benefits, including reduced carbon emissions, improved air quality on construction sites, increased energy efficiency, and decreased noise pollution. These enhances worker comfort and community relations.

We aim for a gradual increase in the use of electric plant and machinery, retaining fossil fuel-powered machines only for specialised applications where electric alternatives are not yet viable. We regularly review our current plant and equipment and conduct market research to identify suitable candidates for electrification.

Electric Alternatives for Smaller Equipment

We have introduced electric alternatives for smaller equipment, such as handheld tools and road maintenance vehicles with arrow signs. We will continue to explore larger electric equipment options as technology advances and becomes more cost-effective.



Sustainable Mobility

Gradual Electrification of Vehicle Fleet

We are committed to transitioning our fleet to electric vehicles as part of our decarbonisation strategy. Kum Shing currently operates more than 40 electric vehicles, which represents 10% of the fleet, for daily business operations. To support this transition, we have installed charging stations in the car parks at our headquarters and various site offices. This infrastructure supports our current electric vehicles and paves the way for future expansion of our electric fleet. We will continue to replace fossil fuel-powered vehicles with electric vehicles.



Eco-driving Promotion

Eco-driving helps reduce fuel consumption and carbon emissions. We organise eco-driving seminars to make employees and drivers aware of the impact of route optimisation and their driving behaviours on fuel conservation and vehicle efficiency. It provides them with tips on how to drive eco-efficiently.



Energy Efficiency

Energy consumption accounts for a great proportion of carbon emissions, making energy management crucial for our decarbonisation efforts. We foster practices that enhance energy efficiency and reduce energy consumption.

Air-conditioning	• Optimise the temperature settings and start times of air-conditioners • Install windows insulations to reduce direct sunlight and the need for air-conditioning • Add ceiling fans to complement air-conditioners for improving cooling efficiency • Perform routine cleaning and maintenance of air-conditioning systems, fan coil units, and dust filters
Lighting	• Switch to LED lights • Optimise lighting hours
Office Equipment	• Give priority to purchasing electronic and electrical appliances with higher energy efficiency



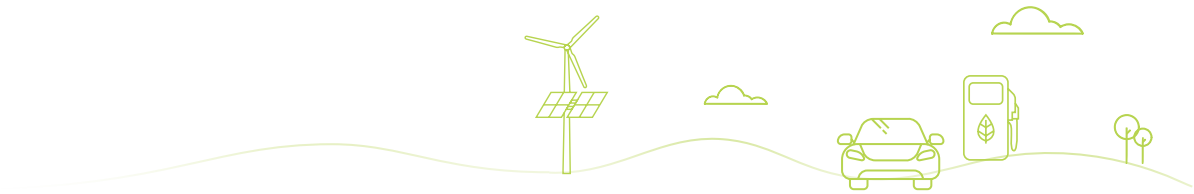


Renewable Energy

We promote the development of solar energy infrastructure and the use of renewable energy in our operations:

- Install solar panels at headquarters, site offices, and site carpark shelters
- Adopt solar-powered equipment, such as CCTVs and flashing LED traffic signal lights
- Set up solar- and wind-powered lampposts





Using Solar Energy

Headquarters Office

In 2021, we installed 1,109 solar panels on the rooftop of our headquarters' office building. The 423kW PV system generates 385,048 kWh solar energy during the Year. We consumed 175,318 kWh of generated solar energy, covering about 19.2% of our headquarters' initial electricity consumption.



Site Offices

The site office of the Public Lighting System in Kowloon and New Territories East project serves as an example. In 2023, 84 solar panels were installed on its rooftop, creating a 46.2kW PV system. This generates 42,092 kWh solar energy during the Year, reducing the site office's initial electricity consumption by approximately 18.7%.



Waste Management

Our waste management approach is guided by the waste management hierarchy—prevent, reduce, reuse, recycle, recover, and dispose, to minimise waste generation in our offices and project sites. We manage all hazardous and non-hazardous waste in compliance with statutory requirements. Licensed contractors collect and properly treat the waste through disposal or recycling. Recycling facilities are set up at our headquarters, depot, and project sites to collect and sort recyclables.

Prevent and Reduce	• Adopt Ground Penetrating Radar (GPR) for subsurface surveys and trenchless technologies for underground cable works, to minimise excavation, soil removal and disposal, and material waste • Use reusable road markings for temporary traffic arrangements • Utilise BIM and off-site construction technologies to reduce material waste and on-site waste
Reuse	• Reuse excavated soil for on-site backfilling • Reuse cable drums for underground cable works
Recycle	• Recycle materials from office and project operations - Paper and cardboard, plastics, metal, and rechargeable batteries - Coffee grounds - Small electrical appliances - All-in-one computers, desktops, laptops, notebooks, and monitors - Toner cartridges - Barriers and water barriers - Uniforms and safety helmets - Yard waste

Water Management

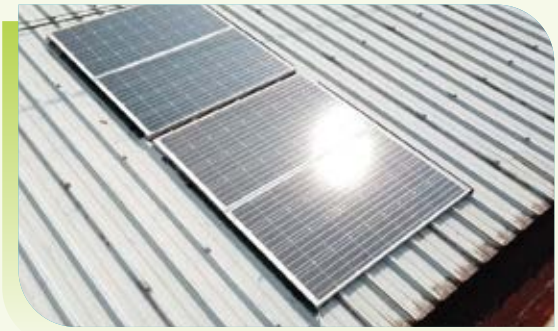
Water is an essential, precious resource we rely on every day, while managing sewage is a challenge for all communities. We are committed to responsible water consumption and improving its efficiency. In addition, we ensure compliance with statutory requirements for treated wastewater discharge.

Fresh Water	• Install dual-flush toilets and water saving taps to optimise water flow rates • Conduct regular inspections and maintenance of water pumps and pipes to prevent water leakages • Set up rainwater harvesting systems for rainwater collection and reuse
Wastewater	• Install sedimentation tanks at project sites to remove solid particles from wastewater before discharge

Rainwater Harvesting for Solar-powered Evaporative Cooling System at Warehouse

A rainwater collection system is installed at the warehouse of overhead line works to capture and store rainwater. This is complemented by the integration of a solar PV system to power the evaporative cooling equipment that utilises the collected rainwater. Most of the system is made from recycled materials. This setup enhances cooling efficiency, creating a more comfortable working environment while reducing water and energy consumption.

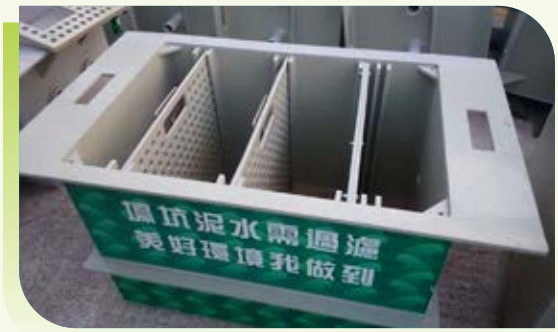




Custom-made Portable Sedimentation Tank for Trenching Works

Trenching in open public areas is common in our projects, but space constraints often make using standard sedimentation tanks challenging. We custom-made a portable sedimentation tank for confined sites. It is operable by one worker and can be linked with other tanks in different combinations to enhance sedimentation performance.





Vegetation Protection

For projects involving vegetation transplantation and relocation, we implement protection and re-establishment measures. These ensure the health and survival of plants during the process and in their new locations.

Trees Transplanting and Relocation

As part of the Advance Works at Kwu Tung Station for the East Rail Line Protection, our team transplanted and relocated a total of 13 trees. This delicate operation involved carefully uprooting the trees from their original locations, implementing protective measures during transportation, and re-establishing them in their new designated locations.



Soil and Rootball Preservation	• Retain the soil around the rootball to protect the tree's root system during transplantation
Moisture Retention	• Implement measures, such as wrapping, to prevent moisture loss from the rootball
Pruning and Crown Reduction	• Carefully prune the tree to reduce stress on the root system and improve its chances of survival in the new location
Damage Prevention	• Implement protective measures during the lifting and transportation process to prevent mechanical damage and moisture loss
Monitoring and Aftercare	• Regularly monitor the tree for signs of stress or disease, and provide appropriate care, such as watering, weeding, fertilisation and pest management

Appendixes

Appendix A: Key Statistics

Environmental Performance

GHG Emissions[2]

Indicator	Unit	2023/24	2022/23	2021/22
Total GHG emissions	Tonnes CO_2e	2,135.54	2,636.41	2,200.75
Scope 1 & 2 GHG emissions	Tonnes CO_2e	1,890.50	1,517.58	1,976.22
Scope 1 – Direct GHG emissions[3]	Tonnes CO_2e	1,602.80	1,266.74	1,673.41
Scope 2 – Energy indirect GHG emissions[4]	Tonnes CO_2e	287.70	250.84	302.81
Scope 3 – Other indirect GHG emissions[5]	Tonnes CO_2e	245.04	1,118.83	224.52
GHG intensity	Tonnes CO_2e/HKD million revenue	0.83	1.38	1.44
GHG intensity	Tonnes CO_2e/employee	1.71	2.12	2.06
Scope 1 & 2 GHG intensity	Tonnes CO_2e/HKD million revenue	0.73	0.80	1.29
Scope 1 & 2 GHG intensity	Tonnes CO_2e/employee	1.52	1.22	1.85

Air Emissions[6]

Indicator	Unit	2023/24	2022/23
Nitrogen oxides (NO_X)	kg	4,474.11	4,928.05
Sulphur oxides (SO_X)	kg	8.68	7.25
Particulate matter (PM)	kg	658.93	615.49

[2] GHG inventory was calculated in accordance with ISO14064:2018 "Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". Global Warming Potential (GWP) values referenced "Sixth Assessment Report" by IPCC.

[3] Scope 1 – Direct GHG emissions from company-owned vehicles, and cooling and fire extinguishing equipment at headquarters office and depot. The increase in 2023/24 was mainly due to the installation of new air-conditioners at headquarters office.

[4] Scope 2 – Indirect GHG emissions from purchased electricity for headquarters office and depot.

[5] Scope 3 – Other indirect GHG emissions from fresh water and sewage processing for headquarters office and depot, waste collected at headquarters office and depot for recycling and landfills, purchased paper, as well as outsourced shuttle bus services, outsourced ferry services, and purchased barriers and water barriers for project use. The decrease in 2023/24 was mainly due to a reduction in outsourced ferry services.

[6] Major source of air emissions included company-owned vehicles. Air emissions were calculated in accordance with "Appendix 2: Reporting Guidance on Environmental KPIs" by HKEX.

Waste

Indicator	Unit	2023/24	2022/23
Total hazardous waste generated[7]	Tonnes	2.32	0.08
Recycled	Tonnes	2.30	0.08
Landfilled	Tonnes	0.01	–
Hazardous waste intensity	Tonnes/HKD '000 million revenue	0.89	0.04
Hazardous waste intensity	Tonnes/'000 employee	1.85	0.06
Total non-hazardous waste generated[8]	Tonnes	17.89	21.43
Recycled	Tonnes	9.38	11.17
Landfilled	Tonnes	8.51	10.25
Non-hazardous waste intensity	Tonnes/HKD million revenue	0.01	0.01
Non-hazardous waste intensity	Tonnes/employee	0.01	0.02

Construction Waste (Project Operations)

Indicator	Unit	2023/24	2022/23
Total construction waste generated	Tonnes	61,373.50	48,300.00
Inert construction waste	Tonnes	56,176.80	46,818.00
Non-inert construction waste	Tonnes	5,196.70	1,482.00

Energy[9]

Indicator	Unit	2023/24	2022/23
Total energy consumption	GWh	6,662.27	5,597.51
Direct energy consumption			
Diesel	GWh	3,310.23	2,864.57
Petrol	GWh	2,439.02	1,939.27
Indirect energy consumption			
Purchased electricity	GWh	737.69	643.18
Renewable energy	GWh	175.32	150.47
Energy intensity	GWh/HKD million revenue	2.57	2.93
Energy intensity	GWh/employee	5.35	4.50

[7] Hazardous waste generated in 2023/24 included electronic waste at headquarters office collected by qualified licensee for recycling and toner cartridges sent to vendor's recycling program. The figures in 2022/23 only included toner cartridges.

[8] Non-hazardous waste recycled included paper, plastics, metals, and others (e.g., coffee grounds).

[9] Energy consumptions were calculated in accordance with "Appendix 2: Reporting Guidance on Environmental KPIs" by HKEX.

Water

Indicator	Unit	2023/24	2022/23
Total water consumption	m^3	2,454.67	2,383.79
Water consumption intensity	m^3/HKD million revenue	0.95	1.25
Water consumption intensity	m^3/employee	1.97	1.92

Social Performance

Current Employees[10]

	2023/24	2022/23
Total number of current employees (headcount)	**1,246**	**1,244**
By gender		
Male	1,010	1,029
Female	236	215
By age group		
30 or under	194	213
Male	156	176
Female	38	37
31 – 40	285	292
Male	214	225
Female	71	67
41 – 50	356	335
Male	271	264
Female	85	71
51 or above	411	404
Male	369	364
Female	42	40
By employee category		
Senior Management	40	28
Male	35	24
Female	5	4
Managerial & Professional Staff	116	106
Male	91	85
Female	25	21

[10] Total number of current employees hired by KFC, KSE, KEM, PLL, ENG and HEI of the Group at the end of the Year, excluding the Board, 116 secondees employed by KFC and KSE, and 690 secondees employed by ENG.

	2023/24	2022/23
Supervisory & Proficient Staff	204	183
Male	150	137
Female	54	46
General & Skilled Staff	545	500
Male	412	381
Female	133	119
Workers	341	427
Male	322	402
Female	19	25
By employment type		
Full-time	1,233	1,239
Male	997	1,024
Female	236	215
Part-time	13	4
Male	12	4
Female	1	0
Non-guaranteed hours	0	1
Male	0	1
Female	0	0
By employment contract		
Permanent	936	819
Male	733	648
Female	203	171
Contract basis	310	425
Male	278	381
Female	32	44

Other Workers[11]

	2023/24	2022/23
Total number of other workers (full time equivalent)	**1,648**	**1,645**
By most common types of workers		
Subcontractors' workforce for construction works	1,648	1,645

[11] Total number of other workers (subcontractors' workforce for construction works) of the Group at the end of the Year.

Headcount Staff[12]

	2023/24
Total number of headcount staff (headcount)	**791**
By gender	
Male	593
Female	198
By age group	
30 or under	147
Male	117
Female	30
31 – 40	215
Male	147
Female	68
41 – 50	247
Male	175
Female	72
51 or above	182
Male	154
Female	28
By employee category	
Senior Management	40
Male	35
Female	5
Managerial & Professional Staff	116
Male	91
Female	25
Supervisory & Proficient Staff	204
Male	150
Female	54
General & Skilled Staff	431
Male	317
Female	114

[12] Total number of headcount staff hired by KFC, KSE, KEM, PLL, ENG and HEI of the Group at the end of the Year. Data on new hires, employee turnover, training and development, ratio of basic salary of female employees to male employees, parental leave, and anti-corruption training applies only to headcount staff, to facilitate target-setting and action planning.

	2023/24
By employment type	
Full-time	790
Male	591
Female	199
Part-time	1
Male	1
Female	0
Non-guaranteed hours	0
Male	0
Female	0
By employment contract	
Permanent	751
Male	556
Female	195
Contract basis	40
Male	38
Female	2

New Hires (Headcount Staff)[13]

	2023/24	
Total number and rate of new hires	**194**	**24.53%**
By gender		
Male	137	23.10%
Female	57	28.79%
By age group		
30 or under	44	29.93%
31 – 40	66	30.70%
41 – 50	53	21.46%
51 or above	31	17.03%
By employee category		
Senior Management	7	17.50%
Managerial & Professional Staff	38	32.76%
Supervisory & Proficient Staff	54	26.47%
General & Skilled Staff	95	22.04%

[13] New hire rate = number of new headcount staff of the category/total number of headcount staff of the category at the end of the Year x 100%.

Employee Turnover (Headcount Staff)[14]

	2023/24	
Total number and rate of employee turnover	**136**	**17.19%**
By gender		
Male	108	18.21%
Female	28	14.14%
By age group		
30 or under	30	20.41%
31 – 40	42	19.53%
41 – 50	30	12.15%
51 or above	34	18.68%
By employee category		
Senior Management	2	5.00%
Managerial & Professional Staff	26	22.41%
Supervisory & Proficient Staff	36	17.65%
General & Skilled Staff	72	16.71%

Training and Development (Headcount Staff)

	2023/24	
Total number and rate of employees received training[15]	**733**	**92.67%**
By gender		
Male	543	91.57%
Female	190	95.96%
By employee category		
Senior Management	40	100%
Managerial & Professional Staff	116	100%
Supervisory & Proficient Staff	202	99.02%
General & Skilled Staff	375	87.01%
Total and average training hours[16]	**11,834.00**	**14.96**
By gender		
Male	8,642.00	14.57
Female	3,192.00	16.12

[14] Employee turnover rate = number of turnover of headcount staff of the category/total number of headcount staff of the category at the end of the Year x 100%.

[15] Employee training rate = number of headcount staff of the category received training/total number of headcount staff of the category at the end of the Year.

[16] Average training hours = total hours of training received by headcount staff of the category/total number of headcount staff of the category at the end of the Year.

	2023/24	
By employee category		
Senior Management	1,252.00	31.30
Managerial & Professional Staff	2,593.00	22.35
Supervisory & Proficient Staff	2,863.00	14.03
General & Skilled Staff	5,126.00	11.89
Total number and rate of employees subject to annual performance and career development review[17]	**791**	**100%**
By gender		
Male	593	100%
Female	198	100%
By employee category		
Senior Management	40	100%
Managerial & Professional Staff	116	100%
Supervisory & Proficient Staff	204	100%
General & Skilled Staff	431	100%
Total number and rate of employees received annual performance and career development review[18]	**754**	**95.32%**
By gender		
Male	576	97.13%
Female	178	89.90%
By employee category		
Senior Management	40	100%
Managerial & Professional Staff	105	90.52%
Supervisory & Proficient Staff	193	94.61%
General & Skilled Staff	416	96.52%

Ratio of Basic Salary of Female Employees to Male Employees (Headcount Staff)[19]

	2023/24
By employee category	
Managerial & Professional Staff	1: 1.17
Supervisory & Proficient Staff	1: 1.28
General & Skilled Staff	1: 1.21

[17] Rate of employee subject to annual performance and career development review = number of headcount staff subject to annual performance and career development review in the category/total number of headcount staff of the category at the end of the Year.

[18] Rate of employee received annual performance and career development review = number of headcount staff received annual performance and career development review in the category/number of headcount staff subject to annual performance and career development review in the category at the end of the Year.

[19] Basic salary means fixed, minimum amount paid to a headcount staff for performing his or her duties, excluding any additional remuneration, such as payments for overtime working or bonuses.

Parental Leave (Headcount Staff)

	2023/24
Total number of employees that were entitled to parental leave	**660**
Male	500
Female	160
Total number of employees that took parental leave	**12**
Male	11
Female	1
Total number of employees that should return to work after parental leave ended	**12**
Male	11
Female	1
Total number of employees that returned to work after parental leave ended	**11**
Male	10
Female	1
Return to work rate of employees that took parental leave[20]	**91.67%**
Male	90.91%
Female	100%
Total number of employees that returned to work from parental leave in the prior year	**6**
Male	6
Female	0
Total number of employees retained 12 months after returning to work from parental leave in the prior year	**6**
Male	6
Female	0
Retention rate of employees that took parental leave[21]	**100%**
Male	100%
Female	–

Anti-corruption (Directors and Headcount Staff)

	2023/24	
Total number and rate of directors or employees received anti-corruption training[22]	**554**	**69.77%**
By category		
The Board & Senior Management	39	84.78%
Managerial & Professional Staff	97	83.62%
Supervisory & Proficient Staff	170	83.33%
General & Skilled Staff	248	57.54%

[20] Return to work rate of employees that took parental leave = total number of headcount staff that returned to work after parental leave ended/ total number of headcount staff that should return to work after parental leave ended x 100%.

[21] Retention rate of employees that took parental leave = total number of headcount staff retained 12 months after returning to work from parental leave in the prior year/total number of headcount staff that returned to work from parental leave in the prior year x 100%.

[22] Rate of directors or employees received anti-corruption training = number of directors or headcount staff trained in the category/total number of directors or headcount staff of the category at the end of the Year x 100%.

	2023/24	
Total and average training hours on anti-corruption[23]	**136.62**	**0.17**
By category		
The Board & Senior Management	15.34	0.33
Managerial & Professional Staff	34.37	0.30
Supervisory & Proficient Staff	38.00	0.19
General & Skilled Staff	48.91	0.11

Occupational Health and Safety (Current Employees)[24]

	2023/24	2022/23
Employees covered by an occupational health and safety management system (headcount)		
Total number of employees covered by the system that has been internally audited and certified by an external party	1,246	1,244
Work-related fatalities		
Total number of work-related fatalities	0	0
Rate (per 200,000 hours worked)	0	0
Rate (per 1,000 employees)	0	0
High-consequence work-related injuries		
Total number of high-consequence work-related injuries	0	0
Rate (per 200,000 hours worked)	0	0
Rate (per 1,000 employees)	0	0
Recordable work-related injuries (including fatalities)		
Total number of recordable work-related injuries[25]	2	5
Rate (per 200,000 hours worked)[26]	0.12	0.31
Rate (per 1,000 employees)[27]	1.61	4.02
Days away from work injuries (number of personnel)[28]	2	5
Work-related ill health		
Total number of work-related ill health	0	0
Number of hours worked[29]		
Total number of hours worked	3,207,204	3,202,056

[23] Average training hours on anti-corruption = total hours of training received by directors or headcount staff of the category/total number of directors or headcount staff of the category at the end of the Year.

[24] Data on occupational health and safety for current employees in 2022/23 were adjusted and restated due to updated calculation methods.

[25] Main types of recordable work-related injuries for current employees were hand injury in 2023/24 and manual handling in 2022/23.

[26] Rate of recordable work-related injuries per 200,000 hours worked for employees = number of recordable work-related injuries for current employees/number of hours worked for current employees x 200,000.

[27] Rate of recordable work-related injuries per 1,000 employees = number of recordable work-related injuries for current employees/total number of current employees at the end of the Year x 1,000.

[28] "Days Away From Work Injuries" refers to the number of personnel who sustains work-related injury and is unfit to perform any work on any day after the occurrence of the injury. "Any day" is any calendar day which includes rest days, weekend days, leave days, public holidays or days after ceasing employment. It does not include the day the injury incident occurred. "Days Away From Work Injuries" excludes fatalities which were included in "Lost Time Injury".

[29] Number of hours worked for employees = total number of current employees at the end of the Year x 9 hours per day x 286 days.

Occupational Health and Safety (Other Workers)[30]

	2023/24	2022/23
Other workers covered by an occupational health and safety management system (full time equivalent)		
Total number of other workers covered by the system that has been internally audited and certified by an external party	1,648	1,645
Work-related fatalities		
Total number of work-related fatalities[31]	0	1
Rate (per 200,000 hours worked)[32]	0	0.05
Rate (per 1,000 other workers)[33]	0	0.68
High-consequence work-related injuries		
Total number of high-consequence work-related injuries	0	0
Rate (per 200,000 hours worked)	0	0
Rate (per 1,000 other workers)	0	0
Recordable work-related injuries		
Total number of recordable work-related injuries[34]	10	11
Rate (per 200,000 hours worked)[35]	0.50	0.58
Rate (per 1,000 other workers)[36]	6.38	7.49
Days away from work injuries (number of personnel)	10	11
Work-related ill health		
Total number of work-related ill health	0	0
Number of hours worked[37]		
Total number of hours worked	4,036,032	3,781,206

[30] The scope of other workers included subcontractors' workforce for construction works. Data on occupational health and safety for other workers in 2022/23 were adjusted and restated due to updated calculation methods, and one late-reported recordable work-related injury was added.

[31] The case of work-related fatality in 2022/23 was related to supplier's logistic worker fell from height.

[32] Rate of work-related fatalities per 200,000 hours worked for other workers = number of work-related fatalities for other workers/number of hours worked for other workers x 200,000.

[33] Rate of work-related fatalities per 1,000 other workers = number of work-related fatalities for other workers/total average number of other workers during the Year x 1,000.

[34] Main types of recordable work-related injuries for other workers were manual handling in 2023/24 and 2022/23.

[35] Rate of recordable work-related injuries per 200,000 hours worked for other workers = number of recordable work-related injuries for other workers/number of hours worked for other workers x 200,000.

[36] Rate of recordable work-related injuries per 1,000 other workers = number of recordable work-related injuries for other workers/total average number of other workers during the Year x 1,000.

[37] Number of hours worked for other workers = total average number of other workers during the Year x 9 hours per day x 286 days.

Occupational Health and Safety (Current Employees and Other Workers Combined)[38]

	2023/24	2022/23
Employees and other workers covered by an occupational health and safety management system		
Total number of employees and other workers covered by the system that has been internally audited and certified by an external party	2,894	2,889
Work-related fatalities		
Total number of work-related fatalities	0	1
Rate (per 200,000 hours worked)[39]	0	0.03
Rate (per 1,000 employees and other workers)[40]	0	0.37
High-consequence work-related injuries		
Total number of high-consequence work-related injuries	0	0
Rate (per 200,000 hours worked)	0	0
Rate (per 1,000 employees and other workers)	0	0
Recordable work-related injuries		
Total number of recordable work-related injuries	12	16
Rate (per 200,000 hours worked)[41]	0.33	0.46
Rate (per 1,000 employees and other workers)[42]	4.26	5.90
Days away from work injuries (number of personnel)	12	16
Work-related ill health		
Total number of work-related ill health	0	0
Number of hours worked[43]		
Total number of hours worked	7,243,236	6,983,262

[38] Data on occupational health and safety for current employees and other workers in 2022/23 were adjusted and restated due to updated calculation methods, and one late-reported recordable work-related injury for other workers was added.

[39] Rate of work-related fatalities per 200,000 hours worked for employees and other workers = number of work-related fatalities for current employees and other workers/number of hours worked for current employees and other workers x 200,000.

[40] Rate of work-related fatalities per 1,000 employees and other workers = number of work-related fatalities for current employees and other workers/total number of current employees at the end of the Year and total average number of other workers during the Year during the Year x 1,000.

[41] Rate of recordable work-related injuries per 200,000 hours worked for employees and other workers = number of recordable work-related injuries for current employees and other workers/number of hours worked for current employees and other workers x 200,000.

[42] Rate of recordable work-related injuries per 1,000 employees and other workers = number of recordable work-related injuries for current employees and other workers/total number of current employees at the end of the Year and total average number of other workers during the Year x 1,000.

[43] Number of hours worked for employees and other workers = total number of current employees at the end of the Year and total average number of other workers during the Year x 9 hours per day x 286 days.

Supply Chain Management

	2023/24	2022/23
Total number of suppliers	**808**	**759**
By category		
Suppliers	363	240
Subcontractors	226	200
Service providers	219	319
By geographical region		
Hong Kong	771	700
Mainland China	7	13
Other regions	30	46
Rate of suppliers where the procurement practices are being implemented	**100%**	**100%**
By geographical region		
Hong Kong	100%	100%
Mainland China	100%	100%
Other regions	100%	100%
Rate of suppliers where the ESG-related practices are being implemented	**100%**	**–**
By geographical region		
Hong Kong	100%	–
Mainland China	100%	–
Other regions	100%	–

Community Investment

	2023/24	2022/23
Total number of employee volunteers	**105**	**40**
By focus area of contribution		
Community	105	10
Culture	–	25
Environment	–	5
Total number of volunteering hours	**390**	**245**
By focus area of contribution		
Community	390	60
Culture	–	150
Environment	–	35
Total amount of donation (HKD)	**6,883,300.00**	**1,095,616**
By focus area of contribution		
Health	2,568,000	66,700
Education	2,458,700	899,650
Community	1,182,600	109,266
Sports	549,000	5,000
Culture	100,000	5,000
Environment	25,000	10,000

Appendix B: Memberships and Major Awards

Association and Membership	
Business Environment Council	Council Member
China Hong Kong Railway Institution	Member
CIE (Hong Kong)	Member
Federation of Hong Kong Industries	Member
Green Council	Member
Hong Kong Construction Association	Council Member
Hong Kong Institution of Highways and Transportation	Member
Hong Kong Waste Management Association	Member
The Chinese General Chamber of Commerce, Hong Kong	Member
The Chinese Manufacturers' Association of Hong Kong	Member
The Hong Kong Electrical & Mechanical Contractors' Association	Member
The Hong Kong Federation of Electrical and Mechanical Contractors	Member
The Hong Kong General Chamber of Commerce	Member
The Hong Kong Management Association	Member
The Hong Kong Registered Contractors Association	Member

Awards and Recognitions	Issuing/Organising Authority
Corporate	
2022-2023 Global Excellence ESG Award • **ESG Award**	Yazhou Zhoukan
Hong Kong Top Brand Awards 2023 • **Hong Kong Top Service Brand Award**	Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong
HKIM Power Brand Award 2022/2023 • **Hong Kong Power Brand 2022/2023**	Hong Kong Institute of Marketing
Outstanding ESG and Smart Living Enterprise 2023 • **Merit**	HK01
TVB ESG Awards 2023 • **ESG Special Recognition Award**	TVB
Project	
22nd Hong Kong Occupational Safety & Health Award • **Outstanding Award – Safety Performance Award** Construction • **Outstanding Award – Rookie Safety Performance Award** Construction	Occupational Safety & Health Council
CLP Grand Recognition Programme 2023 • **Grand Award** 400kV Cable Joint Bay Compartment Transmission Trenching Project • **Excellent Award** DOHL Project	CLP Power













Awards and Recognitions	Issuing/Organising Authority
Considerate Contractors Site Award Scheme 2023 • **Silver** CLP Power Outline Agreement – Distribution Overhead Line Works • **Silver** Distribution Cable Installation Works for CLP Power	HKSAR Development Bureau
Considerate Contractors Site Award Scheme 2023 – Outstanding Environmental Management & Performance • **Silver – Innovation Awards for Safety and Environmental Excellence** Distribution Overhead Line Works for CLP Power • **Bronze – Innovation Awards for Safety and Environmental Excellence** Distribution Cable Installation Works for CLP Power • **Merit – Outstanding Environmental Management and Performance Award** Cable Installation Works for CLP Power	HKSAR Development Bureau
Construction Safety Promotional Campaign 2023 • **Gold** Outstanding Metal Scaffolder in Occupational Safety and Health	Occupational Safety & Health Council
Construction Sites Safety and Housekeeping Award Scheme 2023 • **Meritorious Award – Cat. (a) – Large scale civil works contracts** Expansion of Sha Tau Kok Sewage Treatment Works Phase 1 and Village Sewerage in Tong To	HKSAR Drainage Services Department
Hong Kong Construction Skills Competition 2023 • **1st Runner-up** Metal Scaffolding Competition (Open Group) • **Merit Prize** Metal Scaffolding Competition (Open Group)	Construction Industry Council
United Nations SDG Achievement Awards 2023 • **Individual SDG Award for Goal 9: Industry, Innovation, and Infrastructure** ZETTA • **Outstanding Impact Project Award** ZETTA • **Recognised Project** Expansion of Sha Tau Kok Sewage Treatment Works Phase 1 and Village Sewerage in Tong To	Green Council









Appendix C: Content Indices

GRI Content Index

GRI Standards	Description	Reference/Remarks	Page No.
GRI 2: General Disclosures 2021	2-1 Organisational details	About Kum Shing	8
	2-2 Entities included in the organisation's sustainability reporting	About this Report	5-6
	2-3 Reporting period, frequency and contact point		
	2-4 Restatements of information	There were restatements of data on occupational health and safety for FY2022/23. Appendix A: Key Statistics – Social Performance	127-129
	2-5 External assurance	There was no external assurance for the Year.	–
	2-6 Activities, value chain and other business relationships	About Kum Shing Social Impacts: Clients and Suppliers	8-41 103
	2-7 Employees	Appendix A: Key Statistics – Social Performance	120-122
	2-8 Workers who are not employees		121
	2-9 Governance structure and composition	Responsible Governance – Corporate Governance	58-62
	2-10 Nomination and selection of the highest governance body	Omitted due to confidentiality constraints. As a private company, we considered the details about nomination and selection process of the Board as confidential, and therefore did not publicly disclose such information.	–
	2-11 Chair of the highest governance body	Responsible Governance – Corporate Governance	62
	2-12 Role of the highest governance body in overseeing the management of impacts	Approach to Sustainability – Sustainability Governance	43
	2-13 Delegation of responsibility for managing impacts		43-44
	2-14 Role of the highest governance body in sustainability reporting		43
	2-15 Conflicts of interest	Responsible Governance – Corporate Governance	58
	2-16 Communication of critical concerns	Approach to Sustainability – Sustainability Governance; Stakeholder Engagement	43-44, 53
	2-17 Collective knowledge of the highest governance body	Approach to Sustainability – Sustainability Competence	51-52

GRI Standards	Description	Reference/Remarks	Page No.
	2-18 Evaluation of the performance of the highest governance body	Responsible Governance – Corporate Governance As a private company, we considered the details about the performance evaluation and remuneration of the Board as confidential, and therefore did not publicly disclose such information.	62
	2-19 Remuneration policies		63
	2-20 Process to determine remuneration		
	2-21 Annual total compensation ratio	Omitted due to confidentiality constraints. As a private company, we considered salary related information as confidential, and therefore did not publicly disclose such information.	–
	2-22 Statement on sustainable development strategy	Approach to Sustainability – Sustainability Governance	46-50
	2-23 Policy commitments	Approach to Sustainability – Sustainability Governance Responsible Governance Social Impacts Environmental Stewardship	45
	2-24 Embedding policy commitments		57-117
	2-25 Processes to remediate negative impacts	Responsible Governance – Business Ethics and Integrity Social Impacts: People – Talent Acquisition and Management	66
			73
	2-26 Mechanisms for seeking advice and raising concerns	Approach to Sustainability – Stakeholder Engagement Responsible Governance – Business Ethics and Integrity Social Impacts: People – Talent Acquisition and Management	53
			66
			73
	2-27 Compliance with laws and regulations	Responsible Governance – Legal Compliance	64
	2-28 Membership associations	Appendix B: Memberships and Major Awards	132
	2-29 Approach to stakeholder engagement	Approach to Sustainability – Stakeholder Engagement	53
	2-30 Collective bargaining agreements	The Group did not involve in any collective bargaining agreements for the Year.	–
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Approach to Sustainability – Materiality Assessment	54-56
	3-2 List of material topics		
Economic			
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment Responsible Governance – Business Ethics and Integrity	54-56
			65-66

GRI Standards	Description	Reference/Remarks	Page No.
	205-1 Operations assessed for risks related to corruption	Responsible Governance – Business Ethics and Integrity	65-66
	205-2 Communication and training about anti-corruption policies and procedures		
	205-3 Confirmed incidents of corruption and actions taken		66
Environmental			
GRI 302: Energy 2016	3-3 Management of material topics	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-114, 116
	302-1 Energy consumption within the organisation	Appendix A: Key Statistics – Environmental Performance	119
	302-2 Energy consumption outside of the organisation		
	302-3 Energy intensity		
	302-4 Reduction of energy consumption	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-114, 116
	302-5 Reductions in energy requirements of products and services	Not applicable to our operations.	–
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-111, 115-116
	303-1 Interactions with water as a shared resource	No significant water stress and water discharge were identified in our operations during the Year.	120
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal	Appendix A: Key Statistics – Environmental Performance	120
	303-4 Water discharge		
	303-5 Water consumption		
GRI 305: Emissions 2016	3-3 Management of material topics	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-117
	305-1 Direct (Scope 1) GHG emissions	Appendix A: Key Statistics – Environmental Performance	118
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-117
	305-6 Emissions of ozone-depleting substances (ODS)	ODS were not major emissions in our operations.	–

GRI Standards	Description	Reference/Remarks	Page No.
	305-7 Nitrogen oxides (NO_X), sulphur oxides (SO_X), and other significant air emissions	Appendix A: Key Statistics – Environmental Performance	118
GRI 306: Waste 2020	3-3 Management of material topics	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-112, 115
	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated	Appendix A: Key Statistics – Environmental Performance	119
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Social Impacts: Clients and Suppliers – Supply Chain Management	103
	308-1 New suppliers that were screened using environmental criteria		
	308-2 Negative environmental impacts in the supply chain and actions taken		
Social			
GRI 401: Employment 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment	54-56
		Social Impacts: People – Talent Acquisition and Management	71-73, 79
	401-1 New employee hires and employee turnover	Appendix A: Key Statistics – Social Performance	123-124
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Impacts: People – Talent Acquisition and Management	72
	401-3 Parental leave	Appendix A: Key Statistics – Social Performance	126
GRI 402: Labour/ Management Relations 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment	54-56
		Social Impacts: People – Talent Acquisition and Management	72-75
	402-1 Minimum notice periods regarding operational changes	Social Impacts: People – Talent Acquisition and Management	79
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment	54-56
		Social Impacts: People – Occupational Health and Safety	85-99

GRI Standards	Description	Reference/Remarks	Page No.
	403-1 Occupational health and safety management system	Social Impacts: People – Occupational Health and Safety	85-99
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system	Appendix A: Key Statistics – Social Performance	127-129
	403-9 Work-related injuries		
	403-10 Work-related ill health		
GRI 404: Training and Education 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment Social Impacts: People – Talent Development	54-56 79-85
	404-1 Average hours of training per year per employee	Appendix A: Key Statistics – Social Performance	124-125
	404-2 Programs for upgrading employee skills and transition assistance programs	Social Impacts: People – Talent Development	79-84
	404-3 Percentage of employees receiving regular performance and career development reviews	Appendix A: Key Statistics – Social Performance	125
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment Social Impacts: People – Talent Acquisition and Management	54-56 72-73, 76-79
	405-1 Diversity of governance bodies and employees	Responsible Governance – Corporate Governance Appendix A: Key Statistics – Social Performance	62 120-123
	405-2 Ratio of basic salary and remuneration of women to men	Appendix A: Key Statistics – Social Performance As a private company, we considered salary related information of the Board and senior management as confidential, and therefore did not publicly disclose such information.	125

GRI Standards	Description	Reference/Remarks	Page No.
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment	54-56
		Social Impacts: People – Talent Acquisition and Management	72-73, 76-79
	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination for the Year.	–
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	Social Impacts: People – Talent Acquisition and Management	79
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of association and collective bargaining was not considered material to our operations.	–
GRI 408: Child Labour 2016	3-3 Management of material topics	Social Impacts: People – Talent Acquisition and Management	79
	408-1 Operations and suppliers at significant risk for incidents of child labour	Child labour was not identified as a significant risk in our operations.	–
GRI 409: Forced or Compulsory Labour 2016	3-3 Management of material topics	Social Impacts: People – Talent Acquisition and Management	79
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Forced labour or compulsory labour was not identified as a significant risk in our operations.	–
GRI 413: Local Communities 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment	54-56
		Social Impacts: Community	105-107
	413-1 Operations with local community engagement, impact assessments, and development programs	About Kum Shing – What We Do	9-41
		Social Impacts: Community	105-107
	413-2 Operations with significant actual and potential negative impacts on local communities	Approach to Sustainability – Materiality Assessment	56
		About Kum Shing – What We Do	9-41
		Social Impacts: Community	105-107
		Appendix A: Key Statistics – Social Performance	131
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Social Impacts: Clients and Suppliers – Supply Chain Management	103
	414-1 New suppliers that were screened using social criteria		
	414-2 Negative social impacts in the supply chain and actions taken		
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment	54-56
		Social Impacts: Clients and Suppliers – Quality Management	101-102

GRI Standards	Description	Reference/Remarks	Page No.
	416-1 Assessment of the health and safety impacts of product and service categories	Social Impacts: Clients and Suppliers – Quality Management	101-102
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Responsible Governance – Legal Compliance	64
GRI 417: Marketing and Labelling 2016	3-3 Management of material topics	Social Impacts: Clients and Suppliers – Quality Management	103
	417-1 Requirements for product and service information and labelling	Marketing and labeling were not considered material to our operations	–
	417-2 Incidents of non-compliance concerning product and service information and labelling		
	417-3 Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Approach to Sustainability – Materiality Assessment	54-56
		Responsible Governance – Information Security and Privacy	66-67
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible Governance – Information Security and Privacy	67

HKEX ESG Reporting Guide Content Index

Mandatory Disclosure Requirements	Description	Reference/Remarks	Page No.
MD13 Governance Structure	A statement from the board containing the following elements: (i) A disclosure of the board's oversight of ESG issues. (ii) The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses). (iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Approach to Sustainability – Sustainability Governance	43-56
		Responsible Governance – Risk Management	63-64

Mandatory Disclosure Requirements	Description	Reference/Remarks	Page No.
MD14 Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About this Report – Reporting Frameworks; Report Principles Approach to Sustainability – Materiality Assessment	5-6 54-56
MD 15 Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	About this Report – Reporting Boundary	5

Aspects, General Disclosure and KPIs	Description	Reference/Remarks	Page No.
Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Approach to Sustainability – Sustainability Governance Responsible Governance – Legal Compliance	45 64

Aspects, General Disclosure and KPIs	Description	Reference/Remarks	Page No.
A1.1	The types of emissions and respective emissions data.	Appendix A: Key Statistics – Environmental Performance	118
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.		
A1.3	Total hazardous waste produced and intensity.	Appendix A: Key Statistics – Environmental Performance	119
A1.4	Total non-hazardous waste produced and intensity.		
A1.5	Description of emission target(s) set and steps taken to achieve them.	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-117
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.		109-112, 115
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Approach to Sustainability – Sustainability Governance	45
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Appendix A: Key Statistics – Environmental Performance	119
A2.2	Water consumption in total and intensity.	Appendix A: Key Statistics – Environmental Performance	120
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-114, 116
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.	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation No issue in sourcing water was identified during the Year.	109-111, 115-116
A2.5	Total packaging material used for finished products and per unit produced.	Not applicable to our operations.	–
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Approach to Sustainability – Sustainability Governance	45
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-117

Aspects, General Disclosure and KPIs	Description	Reference/Remarks	Page No.
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Approach to Sustainability – Sustainability Governance	45
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.	Environment Stewardship – Environmental Management; Climate Change; Resources Optimisation	109-117
Social			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Approach to Sustainability – Sustainability Governance Responsible Governance – Legal Compliance	45 64
B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix A: Key Statistics – Social Performance	120-123
B1.2	Employee turnover rate by gender, age group and geographical region.		124
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Approach to Sustainability – Sustainability Governance Responsible Governance – Legal Compliance	45 64
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix A: Key Statistics – Social Performance	127-129
B2.2	Lost days due to work injury.		
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Responsible Governance – Innovation and Professionalism Social Impacts: People – Occupational Health and Safety	68-69 85-99
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Approach to Sustainability – Sustainability Governance Social Impacts: People – Talent Development	45 79-84

Aspects, General Disclosure and KPIs	Description	Reference/Remarks	Page No.
B3.1	The percentage of employees trained by gender and employee category.	Appendix A: Key Statistics – Social Performance	124-125
B3.2	The average training hours completed per employee by gender and employee category.		
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Approach to Sustainability – Sustainability Governance Responsible Governance – Legal Compliance	45 64
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Impacts: People – Talent Acquisition and Management	79
B4.2	Description of steps taken to eliminate such practices when discovered.		
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Approach to Sustainability – Sustainability Governance	45
B5.1	Number of suppliers by geographical region.	Appendix A: Key Statistics – Social Performance	130
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Social Impacts: Clients and Suppliers – Supply Chain Management Appendix A: Key Statistics – Social Performance	103 130
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Approach to Sustainability – Sustainability Governance Responsible Governance – Legal Compliance	45 64

Aspects, General Disclosure and KPIs	Description	Reference/Remarks	Page No.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to our operations.	–
B6.2	Number of products and service-related complaints received and how they are dealt with.	Social Impacts: Clients and Suppliers – Quality Management	103
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Governance – Information Security and Privacy	67
B6.4	Description of quality assurance process and recall procedures.	Social Impacts: Clients and Suppliers – Quality Management	101-103
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Responsible Governance – Information Security and Privacy	66-67
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Approach to Sustainability – Sustainability Governance Responsible Governance – Legal Compliance	45 64
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.	Responsible Governance – Business Ethics and Integrity	66
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		65-66
B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Governance – Business Ethics and Integrity Appendix A: Key Statistics – Social Performance	65 126-127
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Approach to Sustainability – Sustainability Governance Social Impacts: Community	45 105-107
B8.1	Focus areas of contribution.	Social Impacts: Community Appendix A: Key Statistics – Social Performance	105-107
B8.2	Resources contributed to the focus area.		131

STAY TUNED AND FOLLOW US

We welcome and value your feedback and suggestions on our Sustainability Report or sustainability performance.

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