AESO HOLDING LIMITED
艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

2025
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THE GROUP

Aeso Holding Limited ("**Aeso**", or the "**Group**") is principally engaged in the provision of fitting-out work for construction of newly built commercial premises and residential developments and renovation (including alteration and addition) work for existing commercial premises in Hong Kong. In the fiscal year, the Group submitted tenders amounting to approximately HK$1,380.4 million and 2 projects were awarded. The corporate objectives of the Group are to achieve sustainable growth in its business and financial performance, to actively expand and strengthen its market position in Hong Kong, and to expand its business portfolio.

ABOUT THIS REPORT

As the seventh Environmental, Social and Governance ("**ESG**") Report (the "**ESG Report**") published by the Group, this ESG Report continues to disclose the policies, practices, targets and performances of the Group in terms of the ESG aspects. The ESG Report aims at enabling all stakeholders to understand the progress and sustainability directions of the Group. The ESG Report is available in both Chinese and English, and has been published on the website of the Group at aeso.hk and the SEHK's website at www.hkexnews.hk.

The ESG Report focuses on the Group's business in renovation project and fitting-out project between 1 April 2024 and 31 March 2025 (the "**Reporting Period**" or "**2024/25**") and covers the operation of the office located in Hong Kong. While this ESG Report does not cover some of Aeso's business, it is on the Group's agenda to extend the scope of the ESG Report in the future.

Reporting Principles

The preparation and presentation of related information in this ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 to the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company has prepared this Report to meet the "Comply or Explain" provisions, of which mandatory Key Performance Indicators (KPIs) are disclosed. The four reporting principles, namely the principles of materiality, quantitative, balance and consistency, form the backbone of this ESG Report.

1. Materiality: ESG issues that have major impacts on investors and other stakeholders must be set out in this ESG Report.

2. Quantitative: If the key performance indicators (KPIs) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information.

3. Balance: This ESG Report must provide an unbiased picture of the ESG performance of the Company. It should avoid selecting, omitting, or presenting formants that may inappropriately influence a decision or judgement of the readers.

4. Consistency: This ESG Report should use consistent statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the ESG Report.

Confirmation and Approval

This ESG Report's data was gathered by the Group in compliance with pertinent internal regulations and is derived from official papers, statistical data, management, and operation information. To guarantee that all of the data included in this ESG Report is as accurate and trustworthy as possible, the Group has set up internal controls and a rigorous review procedure. The ESG Report has been approved by Aeso's board (the "**Board**") of directors (the "**Directors**").

BOARD STATEMENT OF ESG GOVERNANCE

Being a responsible corporate citizen is a long-term commitment that calls for constant improvement in order to control waste from our operations, use resources efficiently, give our staff a safe and empowered work environment, and consistently interact with our stakeholders. The Group understands that attaining financial success and making a positive impact on society for a better world are not mutually exclusive but rather go hand in hand with being a sustainable business. In order to accomplish both short- and long-term commercial objectives, the Group is dedicated to upholding the highest standards of corporate and ESG governance. We are aware that the ESG-related concerns could present both commercial possibilities and possible threats.

The Board is ultimately in charge of directing the Group's ESG efforts, policies, and performance, as well as developing the Group's ESG strategy. In addition to making sure that suitable and efficient internal control and ESG risk management mechanisms are in place, the Board is in charge of assessing and identifying the Group's ESG-related risks. By establishing ESG policies and programmes, overseeing their execution, and keeping an eye on ESG performance, the Board guides and leads management. The Board is still looking for ways to improve the Group's ESG governance.

To demonstrate our commitment to transparency and accountability, our Group has established an ESG Working Group, which comprises our Senior Operating Manager and representatives from various departments including the Account, Human Resources and Admin team. The ESG Working Group has delegated the responsibility of coordinating the implementation of the Group's ESG policies under the supervision by the Chairman. The ESG Working Group reviews ESG affairs regularly, including environmental protection, employment and labour practices, operating practices, and community investment, and implements appropriate measures to enhance the ESG performance of the Group.

To integrate ESG issues into key governance process, the Group has established sets of internal policies and manual in different aspects to manage and govern ESG issues. To efficiently manage the risks and capitalise on the business opportunities brought by ESG issues, the ESG Working Group will conduct a comprehensive review on its day-to-day operations and incorporate ESG material issues in its risk management and assessment as to ensure timely responses and effective policies for ESG issues and risks are in place. For the daily operation, our Senior Operating Manager works closely with the Account, HR & Admin team under supervision by the ESG Working Group to perform the duties.

The performance and progress of the ESG-related targets and all identified sustainability risks and opportunities which may impact the Group are reported to the Board at least on an annual basis during the annual meetings. The progress of implementation and the performance of the goals and targets should be closely reviewed by the Group from time to time. If the progress falls short of expectations or changes in business operations, it may be necessary to make changes and communicate the goals and targets with key stakeholders.

Stakeholder Engagement

An assessment of the Group's possible risks and business possibilities, as well as the identification of business opportunities and their mitigation, are made easier with the involvement of the stakeholders. Comprehending the perspectives of stakeholders enables the Group to enhance its ability to meet their requirements and expectations through its business practices. It also facilitates the management of diverse stakeholders' viewpoints through various communication channels, including the company website, letters, fax, emails, calls, and meetings. The following are the main stakeholder groups for the Group.

External Stakeholders	Internal Stakeholders
• Shareholders	• Board of Directors
• Clients	• Employees
• Suppliers and Sub-contractors	
• Bankers	
• Professional Consultants	

MATERIALITY ASSESSMENT

The Group recognized the critical ESG concerns that are significant to the Group's business and implemented the notion of materiality in ESG reporting. The Group conducted its yearly internal materiality review throughout the Reporting Period. Finding important and pertinent ESG topics for the Group's operations is the aim of the materiality evaluation. We used the ESG Reporting Guide as a reference to determine potential material subjects for disclosure in the ESG Report and to establish potential topics for evaluation. The ESG concerns indicated in the table below have been given top priority by the Group and are the main subject of this ESG report.

Aspects	Material ESG Issues
A. Environmental Aspect	
A1. Emissions	• Waste management
A2. Use of Resources	• Energy consumption and efficiency
	• Water consumption
B. Social Aspect	
B1. Employment	• Employee welfare
	• Talent attraction and retention
B2. Health and Safety	• Occupational health and safety
	• Safe working environment
B3. Development and Training	• Development and training
B5. Supply Chain Management	• Supply chain management
B6. Product Responsibility	• Quality assurance
	• Customer satisfaction
B7. Anti-corruption	• Corporate governance
	• Anti-corruption

ENVIRONMENTAL ASPECTS

Emissions

Since the Group primarily does renovation and fit-out work, Aeso places a high value on minimising emissions, resource waste, and the negative effects of daily operations on the environment. The Group works to standardise environmental management approaches by adopting our internal "Environmental Policy," which is a set of general environmental guidelines with standard operating instructions for employees to follow. This ensures that the environmental management procedures of all employees and projects are in compliance.

During the Reporting Period, the Group did not violate any environmental protection laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes, including but not limited to Air pollution Control Ordnance (Cap. 311), Noise Control Ordinance (Cap. 400), Waste Disposal Ordinance (Cap. 354) and Water Pollution Ordinance (Cap. 358).

Air Emissions

The major sources of air pollutants, which include the emission of Sulphur Oxides (SO_x), Nitrogen Oxide (NO_x) and Respirable suspended particles (RSP), come from the fossil fuels used by mobile vehicles. The Group has arranged regular maintenance and proper tuning for the vehicles to maximise the fuel efficiency. The Group has also encouraged the employees to take public transportation or share transport and replace highly polluting vehicles with more environmentally-friendly vehicles.

The types of emissions and respective emissions data	**2024/25**	2023/24	**Unit**
Nitrogen Oxides (NO_x)	**22.0**	20.7	Kg
Sulphur Oxides (SO_x)	**0.2**	0.2	Kg
Respirable Suspended Particles (RSP)	**1.6**	1.5	Kg

Greenhouse Gas Emissions

The primary sources of greenhouse gas ("**GHG**") emissions come from direct emissions through the fuel combustion of company-owned vehicles (Scope 1 emissions) and indirect emissions through electricity consumption (Scope 2 emissions). The amount of Scope 1 emissions was 38.1 tonnes of carbon dioxide-equivalent ("**CO_2-e**"), accounting for approximately 56.5% of the Group's total emissions. Indirect emissions from electricity consumption account for the rest of the Group's GHG emissions.

During the Reporting Period, the total GHG emissions were 67.5 tonnes of CO_2-e and the GHG intensity was 0.012 tonnes of CO_2-e per square foot of floor area. The Group will continue to assess and monitor its emissions for establishing a carbon reduction strategy in the future. The Group targets to reduce 5% of the GHG intensity in scope 1 and 2 in 2027/28 with baseline year of 2022/23 by reducing carbon footprint to address climate change.

Greenhouse gas emissions in total and intensity	2024/25	2023/24	Unit
Scope 1 emissions	**38.1**	35.8	Tonnes CO_2-e
Scope 2 emissions	**28.5**	31.4	Tonnes CO_2-e
Scope 3 emissions	**0.9**	1.0	Tonnes CO_2-e
Total greenhouse gas emissions	**67.5**	68.2	Tonnes CO_2-e
Intensity (by floor area)	**0.012**	0.012	Tonnes CO_2-e/sq. ft.

Waste Management

To collect various waste types, such as recyclable and non-recyclable materials, the group places clearly marked trash cans. When feasible, recyclables should be separated from other waste and transported to landfills using labelled bins. If necessary, non-recyclable materials will be taken to the landfills. The Waste Disposal Ordinance shall be strictly adhered to by all waste disposal procedures thanks to the efforts of designated staff.

Occasionally, designated staff members are tasked with making sure that all fees and levies, as well as any other pertinent procedures under the Waste Disposal Ordinance, are completely followed in order to carry out the site work for the Group. Because of the nature of our business, the Group did not produce a substantial volume of hazardous wastes during the Reporting Period from our operations.

With an objective to waste generation along our business operations as minimal, the Group has a waste management policy in place, by the adoption of the '4R Principles – Reduce, Reuse, Replace and Recycle', to achieve a green operation. Apart from domestic waste, most of the waste are recycled and reused.

In the Reporting Period, the Group's operations produced a total of 0.616 tonnes of non-hazardous wastes, which mainly consist of waste paper and general waste generated by the office operation. 196 kg of non-hazardous waste, including paper and carton, was recycled. 420 kg of non-recyclable domestic wastes were sent to landfill. The Group did not generate a significant level of hazardous waste during the Reporting Period. The Group has set a target of reducing waste intensity by 5% by 2027/28 with the baseline year in 2022/23.

Non-hazardous waste	2024/25	2023/24	Unit
Non-hazardous waste			
Total non-hazardous waste produced	**0.616**	0.302	tonnes
Intensity (by floor area)	**0.109**	0.054	Kg/sq. ft.

Use of Resources

The Group is dedicated to minimizing the amount of resources it uses in its day-to-day activities, including water, petrol, and electricity. The office manual and internal environmental policy both include a list of pertinent metrics. The Group does not find the use of packaging materials to be a significant issue, nor does the amount used, given the nature of the business.

Electricity	• The use of energy-efficient products, such as LED lights, energy-saving appliances and/or new energy vehicles, are highly encouraged. • The temperature of the air-conditioning system in the office should be maintained at 24–25 degree Celsius. • Employees should switch off computers and all the electrical appliances (e.g. lighting, printer, copier, A/C thermostat, chiller switch inside cabinet) when not in use.
Water	• Employee engagement activities are carried out under the theme of "water saving". • The faucet shall be tightly closed after use and any dripping found should be fixed immediately.
Paper	• Recyclable paper recommended by EPD are adopted for the paper use in office. • Double-side printing are encouraged to reduce wastage if printing is necessary. • Envelopes, folders and blank on the used paper should be reused and utilized. • Paper disposal/obsoleted catalogues or samples should be kept separately for recycle use to collector/recycler recommended by EPD.

Energy Consumption

The primary type of energy consumption was the fuel use of mobile vehicles, accounting for around 75% of total energy consumption. The second largest type of energy consumption was purchased electricity, accounting for around 25% of total energy consumption.

During the Reporting Period, the total energy consumption was 705.87 GJ; the energy intensity was 0.125 GJ per square foot of floor area as recorded. Details of energy use are listed below:

Direct and/or indirect energy consumption by type	**2024/25**	2023/24	**Unit**
Direct energy consumption – Petrol	**470.65**	666.70	GJ
Direct energy consumption – Diesel	**64.33**	12.40	GJ
Indirect energy consumption	**170.89**	166.13	GJ
Total energy consumption	**705.87**	845.16	GJ
Intensity (by floor area)	**0.125**	0.150	GJ/sq. ft.

The Group is targeted to closely monitor the energy intensity and ensure its consumption is in line with business growth. Regular review will be conducted on our energy objectives and targets to seek continuous improvement in the Group's energy performance. The Group has initiated a reduction target of 5% energy consumption intensity by 2027/28, compared with the baseline year of 2022/23.

Water Consumption

During the Reporting Period, the Group mainly sourced sufficient water from municipal supplies and faced no issue in sourcing water. The total water consumption of the Group was 38 m^3 while the water intensity was 0.007 m^3 per square foot of floor area.

The Group aims to achieve a 5% reduction in water intensity by 2027/28, compared with the baseline year of 2022/23. The Group will continue to promote reasonable water use initiatives and water-saving measures among its employees.

Water consumption in total and intensity	2024/25	2023/24	Unit
Total water consumption	**38.0**	46.0	M^3
Intensity (by floor area)	**0.007**	0.008	M^3/sq. ft.

The Environment and Natural Resources

There were no activities carried out by the Group that would have had a major effect on the environment or natural resources. As a responsible member of this industry, the Group will continue to be aware of the possible environmental effects of the construction sector while also making an effort to minimize emissions and pollution into the environment.

Dust Control

In the course of its regular business, the Group complies with all applicable environmental laws and rules, such as the Air Pollution Control (Construction Dust) Regulations. Before loading and unloading, any dusty items will, if needed, be watered to control dust. Vehicles carrying dusty loads are covered with tarps, and facilities for washing vehicles are available at every site exit to remove dusty particles from the vehicle body and wheels. In order to reduce the dust emissions generated during operations, the Group has adopted the following methods:

- Putting up filtration nets around the construction sites to reduce the spread of dust;
- Watering dusty materials during the loading and unloading process; and
- Fitting in sprinklers to clean the dust on the vehicle at the exit of the construction site.

Noise Pollution

The Group will ensure the site of project is under Designated Areas in accordance with Noise Control Ordinance (Cap. 400). In hopes of reducing the impacts of noise pollution, regular noise level surveys using a calibrated industrial grade noise level meter are undertaken for respective areas or activities suspected of generating excessive noise levels.

Climate Change

Global climate change has emerged as a significant environmental issue that could impact people's health, safety, and working conditions. The Group is aware that the business operation may face various risks and opportunities associated to climate change. The Group has evaluated the effects of climate change and reviewed the way business is now conducted.

The physical risks associated with extreme weather events and rising temperatures are the main risks associated with climate change. Extreme weather will have an impact on the Group's services due to the acute physical dangers, as it poses a threat to staff safety and may cause damage to the operational locations. The revenue of the Group may be directly impacted negatively by the non-performance and postponed performances. The Group will assess current operating arrangements and plans for inclement weather in order to minimise the effects of extreme weather events and safeguard property and employee safety.

Climate change will also bring about chronic physical risks, such as rising temperature and shift in rain patterns. Constant high temperatures affect the environment and the workplace condition for onsite workers, thus lowering the productivity. The operating cost may increase to provide sufficient water supplies and cooling systems.

In the future, the Group will continue to evaluate the potential impacts of climate-related risks and update the mitigation plan if necessary. The Group will look for better alternatives to reduce the greenhouse gas emissions at the same time.

SOCIAL ASPECTS

Employment and Labour Practices

Employment

The Group is dedicated to offering a peaceful workplace where each worker's rights are upheld for every employee. The Group additionally prioritises the professional development of its staff members as well as their health and safety.

Human Resources and Payroll Policy has been formulated to standardize the Group's principles on recruitment, promotion, compensation, anti-discrimination, benefits and welfare. Different health and medical scheme is provided to the staffs according to their position and year of service.

Recruitment and Promotion

Every year, department heads should evaluate staff performance in order to help management and staff communicate about goals and accomplishments of the individual. Promotions, pay increases, and bonus distributions shall be made in accordance with each employee's yearly performance review.

Compensation and Dismissal

Unless otherwise stipulated in the Employment Contract, employment with the Group may be terminated by either the Group or employee by giving the other party due notice or payment in lieu of notice. The Group strictly prohibits any kind of unfair or unreasonable dismissals.

Equal Opportunity and Diversity

The Group is aware that every employee deserves equitable treatment. The Group does not discriminate on the basis of race, colour, religion, disability, national origin, genetic information, sex (including pregnancy), age, sexual orientation, gender (including gender identity and expression), marital status, protected veterans status, citizenship status, or any other characteristic protected by applicable law in the recruitment, promotion, termination, or training processes.

If anyone who have concerns about any types of discrimination in the workplace, they are strongly encouraged to report the issues to their supervisors or HR department without fear of retaliation. All employees found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment. Suggestions or comments on the company management can be delivered to the Department Head via meeting email or letter.

Working Hours and Rest Periods

The Group promotes a balanced lifestyle and provides employees with different leave opportunities. All employees are eligible for 7-day paid annual leave in each calendar year and annual leave can increase to a maximum of 17 days according to the employees' length of services. In addition to annual leave, Aeso also provides employees with Family Leave, Maternity Leave, Study Leave, etc.

The Group abides by the employment laws and regulations, including but not limited to the Employment Ordinance (Cap. 57), the Employee Compensation Ordinance (Cap. 282), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Personal Data (Privacy) Ordinance (Cap. 486), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) and Minimum Wage Ordinance (Cap. 608). During the Reporting Period, the Group was not involved in any material non-compliance with the laws and regulations relating to employment. Breakdown of the employee by gender, age group, employee category and function during the Reporting Period are presented in the charts below.

Total workforce		**2024/25**	2023/24	**Unit**
Total number of employees		**37**	45	Employee
By Gender	Male	**29**	36	Employee
	Female	**8**	9	Employee
By employment type	Full-time	**36**	44	Employee
	Part-time	**1**	1	Employee
By age group	<=30 years old	**3**	8	Employee
	31-40 years old	**9**	12	Employee
	41-50 years old	**16**	16	Employee
	>50 years old	**9**	9	Employee
By employment category	Managerial	**6**	7	Employee
	Senior	**11**	12	Employee
	Middle	**16**	16	Employee
	Junior	**4**	10	Employee
By function	Executive	**6**	7	Employee
	Technical	**11**	15	Employee
	Administrative	**7**	8	Employee
	Production	**13**	15	Employee
By geographical region	Hong Kong	**37**	45	Employee

Employee turnover rate		2024/25	2023/24	Unit
Total employee turnover rate		**56**	22	%
By Gender	Male	**58**	22	%
	Female	**47**	22	%
By employment type	Full-time	**55**	20	%
	Part-time	**100**	100	%
By age group	<=30 years old	**73**	38	%
	31-40 years old	**95**	8	%
	41-50 years old	**13**	25	%
	>50 years old	**78**	22	%
By employee category	Managerial	**15**	0	%
	Senior	**26**	17	%
	Middle	**63**	13	%
	Junior	**129**	60	%
By geographical region	Hong Kong	**56**	22	%

Health and Safety

The Group strives for a healthy workforce by offering respectable working conditions, establishing a safe and healthy work environment, and attending to the welfare of its staff members. In order to guarantee that the working environment in locations where the Group works complies with acknowledged occupational safety and health requirements, Aeso produced The Health and Safety Plan. From senior management to frontline supervisory levels, the Group pledges to make safety and health management one of their top priorities.

Safety Meeting

In order to ensure the health and safety of the staff, the Group conducts different types of health and safety meetings on a regular basis, such as the Site Safety Committee Meeting, Weekly Safety Meeting, Weekly Subcontractor Meeting, and Bi-weekly Site Progress Meeting. The purpose of the meetings is to provide chances for the staff to discuss the overall safety performance, prevent injuries and seek rooms for improvements.

Health and Safety Training

To improve employees' knowledge of safety and their capacity to handle emergency circumstances, the Group has routinely conducted various forms of health and safety training, including Safety Induction Training, Specific Training, and Safety Management Training. The principal contractor will give new hires and personnel, including those from subcontractors, induction safety training. The Site Agent or Site Supervisor keeps all pertinent training records on site.

Safety Inspection

In order to ensure employee's health and safety during the operation process, Aeso has implemented inspection systems, such as the Daily Safety Inspection, Weekly Safety Inspection and Joint Safety Inspection. Safety Officers are also deployed to monitor and suggest suitable measures to be taken in related to safety and environmental issues.

Inspection Types	Measures
Daily Safety Inspection	• The Site Agent/Supervisor is required to have onsite inspection inspecting every day to identify the risk factors of the site and ensure that the site conditions meet the expectations of employees and requirements of laws and regulations. • The Site Agent/Supervisor should guide the workers with correct working methods.
Weekly/Joint Safety Inspection	• The Group invites representatives of the subcontractor and client to join the weekly safety inspection to identify defects, unsafe conditions and practices, and breaches of statutory or safety plan requirements. • Any safety risk found in the inspection shall be notified to Safety Ambassador and the responsible subcontractors for immediate correction.

In addition, in order to ensure the health and safety of employees during work, the Group will provide employees with personal protective equipment based on the actual situation. Employees must wear appropriate safety equipment, such as safety helmets, eye protectors, safety belts, safety shoes and reflective vests, when performing certain tasks. The Site Agent is responsible for checking the status of the personal protective equipment monthly. If any damage is found, it should be replaced immediately. Fans are also provided for on-sit staff to enhance air flow and promote heat dissipation in the outdoor working environment under hot weather.

Risk control measures are specified for the foreseeable hazardous operations, such as working at height, electrical installation, welding and cutting operations and exposure to noise and dust. Emergency drills such as fire, typhoon, rainstorm, serious accident, shall be conducted quarterly basis and all persons on site are invited to attend accordingly.

The Group abides by laws and regulations related to health and safety, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509), Employees' Compensation Ordinance (Cap. 282), Fire Services Ordinance (Cap. 95) and Building Ordinance (Cap. 123). During the past three years, including the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury and did not identify any material non-compliance with laws and regulations relevant to the health and safety of employees.

Development and Training

The Group feels that it is our duty to give workers training opportunities so they can acquire the skills and information necessary to do their jobs at work. This is beneficial to employees' career growth in addition to being essential to the Group's strategic goals.

The Human Resources and Payroll Policy stipulates that all employees need to conduct performance evaluation once a year, in order to provide an opportunity for everyone to evaluate the daily performance of each employee. The evaluation form should be prepared by department head and confirmed by individual staff after discussion. All evaluation forms must be kept confidentially.

Internal training programme will be arranged by the department head according to the need of the employees. Apart from the internal training programme, any training course upgrading staffs' ability relating the job duties is highly encouraged. Subsidization can be provided by Group case by case. During the Reporting Period, 81% of the employees received training and the average training hour was 3.1 hours per employee.

Percentage of trained employees		**2024/25**	2023/24	**Unit**
Percentage of trained employees		**81**	62	%
By Gender	Male	**79**	67	%
	Female	**88**	44	%
By employee category	Managerial	**100**	86	%
	Senior	**100**	75	%
	Middle	**75**	81	%
	Junior	**25**	0	%
By function	Executive	**100**	86	%
	Technical	**73**	73	%
	Administrative	**43**	25	%
	Production	**100**	60	%

Average training hours completed		**2024/25**	2023/24	**Unit**
Average training hours per employee		**3.1**	1.6	Hour/employee
By Gender	Male	**3.3**	1.8	Hour/employee
	Female	**2.4**	0.8	Hour/employee
By employee category	Managerial	**3.8**	3.3	Hour/employee
	Senior	**3.5**	1.8	Hour/employee
	Middle	**2.5**	1.8	Hour/employee
	Junior	**1.0**	0.0	Hour/employee
By function	Executive	**3.8**	3.3	Hour/employee
	Technical	**3.3**	2.5	Hour/employee
	Administrative	**2.0**	0.5	Hour/employee
	Production	**2.8**	0.6	Hour/employee

Labour Standards

The Group understands that the use of child labour and forced labour are acts that undermine basic human rights.

During the recruitment process, the Group shall verify that the applicant's age complies with applicable laws and regulations by examining the applicant's ID card, as specified in the Human Resources and Payroll Policy. The Group also upholds the employees' ability to resign from their jobs with advance notice. Employment with any of these applicants shall be terminated immediately in the event that there are any instances of forced labour, child labour, or illegal immigrant labour on staff. The Group would be in charge of the inquiry as well.

The Group abides by the relevant laws and regulations, including but not limited to the Employment Ordinance. During the Reporting Period, the Group was not involved in any non-compliance cases relating to child labour and forced labour, including the Employment Ordinance (Cap. 57) and the Immigration Ordinance (Cap. 115).

Operating Practices

As a responsible enterprise, it is the Group's duty to provide high quality services and show its business ethics. Therefore, Aeso has formulated a series of policies on product responsibility, supply chain management and anti-corruption to ensure that the Group's operations meet the requirements of all parties.

Supply Chain Management

The Group is aware that supply chain management affects the calibre of services the Group offers. Aeso evaluates suppliers' experience, product availability, job quality, timeliness of completion for previous projects, reputation, and safety performance in addition to price. The Group purchases its supplies from certified vendors whose goods adhere to local operating regions' environmental and social laws and regulations. The purpose of the Purchase & Payment Policy is to handle pertinent matters and enhance the impartiality and openness of purchasing operations.

Relevant documents, including Business Registration, Certification and so on, should be submitted to the Quantity Surveyor for assessment when the Group begins to inspect new suppliers. After conducting the assessment, eligible new supplier or subcontractors should be added to the Approved List of Supplier/Subcontractor. The Group maintains an Approved List of Supplier/Subcontractor for purchasing goods/subletting from approved supplier/subcontractor who deliver goods and services at acceptable quality standard.

To promote environmentally preferable products and services when selecting suppliers and subcontractors, suppliers and subcontractors with certain environmental and social responsibility accreditation or no previous record of violation in environmental and social issues will be given preference when the same package was offered by the potential suppliers and subcontractors.

To ensure the quality of the services provided, Aeso will evaluate all suppliers and subcontractors annually in November to check if their services can meet the Group's standards. The Quantity Surveyor or HR and Admin Manager assesses the performance of the supplier/subcontractor in the previous year based on the quality of works and services provided and safety performance, etc. Any unqualified supplier or subcontractor is removed from the Approved List of Supplier/Subcontractor.

In addition, the Group supplies its subcontractors with its safety manual on workplace safety and organizes relevant safety training sessions to ensure that their safety standard complies with the requirement of the Group. The Group will brief its measures to subcontractors before the commencement of work and monitor their compliance with such measures on an on-going basis at work sites.

During the Reporting Period, the total number of the suppliers was 942. The Group gives priority to local suppliers when developing businesses all over the country in order to create employment opportunities for local communities and fulfil corporate social responsibility. 98% of the suppliers are located in Hong Kong and the rest are located in China and Taiwan.

Supply Chain Management		2024/25	2023/24	Unit
Number of suppliers by geographical region				
Total number of suppliers		**942**	920	Supplier
By geographical region	Hong Kong	**924**	904	Supplier
	China	**16**	15	Supplier
	Taiwan	**1**	1	Supplier
	Italy	**1**	0	Supplier

Product Responsibility

The Group's various sites of operation have passed internal policies, such as Quality Management Plan and Intellectual Property Rights – Trade Marks Policy and Procedures, to ensure that the product quality, intellectual property and customer's privacy protection complies with relevant laws and regulations.

Product Responsibility	2024/25	2023/24	Unit
Percentage of total products sold or shipped subject to recalls	**0**	0	%
Number of products and service-related complaints received	**0**	0	No.

Quality Assurance

The Group established the Project Management Policy and Quality Management Plan to provide guidance on the project management procedures.

The Group is aware that supply chain management affects the calibre of services the Group offers. Aeso evaluates suppliers' experience, product availability, job quality, timeliness of completion for previous projects, reputation, and safety performances in addition to price. The Group purchases its supplies from certified vendors whose goods adhere to local operating regions' environmental and social laws and regulations. The purpose of the Purchase & Payment Policy is to handle pertinent matters and enhance the impartiality and openness of purchasing operations.

The purpose of the Group is to provide its customers with satisfactory services under regulatory and statutory requirements. Therefore, the Group has established an internal management system, and determined the major roles, responsibilities and authorities as follows.

Position	Duty
Project Director	• To organize management review meetings • To provide sufficient resources for the project operation
Project Manager	• To review and approve the project inspection and test plan • To communicate with clients and subcontractors if necessary • To ensure that the client's requirements and government's specification are met
Site Agent	• To manage subcontractors to ensure that their works are properly performed • To ensure that company policies are effectively enforced • To perform material inspection, workmanship inspection and final inspection before handover to clients

Complaint Handling

Members of the project team are also trained in managing complaints. When the public, government, or client files a complaint via phone, fax, letter, or verbal communication, the project director will file the complaint against the non-conformance record, look into the reasons, and offer suitable remedies. The monthly Site Safety Committee Meeting is the appropriate place to address and take further action on complaints and suggestions that have been received.

Protection on Intellectual Property Rights

The internal Intellectual Property Rights – Trade Marks Policy and Procedures provide operating instructions for employees to follow so that the registration and ongoing protection procedures of intellectual property rights – trademarks are conformed. Registration of trademarks ensures the exclusive right to use the trademark in relation to the goods and services for which the mark is registered.

Protection on Data and Privacy

The Group respects personal data and is committed to full implementation and compliance with the data protection principles and all relevant provisions of the Hong Kong Personal Data (Privacy) Ordinance. Data is classified according to the sensitive levels, and corresponding protection measures will be taken for different types of data. Customer data is strictly protected by regulations, company policies or contractual language. Directors and staff should not disclose any classified information of the Group without authorization or misuse any Company information (e.g. unauthorized sale of the information). Access to customer data and private information is restricted to authorized individuals only.

The Group did not have any non-compliance with applicable laws and regulations regarding health and safety, advertising, labelling and privacy matters related to services offered during the Reporting Period.

Anti-corruption

The Group does not accept any kind of corruption, including bribery, extortion, fraud, or money laundering. Instead, it conducts business with honesty and equity. The Group created its Code of Conduct to outline its policies for handling conflicts of interest and accepting advantages when conducting business.

In conducting all business or affairs of the Company, all directors and employees must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong and must not:

- solicit or accept any advantage from others as a reward for or inducement to doing any act or showing favour in relation to the Company's business or affairs, or offer any advantage to an agent of another as a reward for or inducement to doing any act or showing favour in relation to his principal's business or affairs;

- offer any advantage to any public servant (including Government/public body employee) as a reward for or inducement to his performing any act in his official capacity or his showing any favour or providing any assistance in business dealing with the Government/a public body; or

- offer any advantage to any staff of a Government department or public body while they are having business dealing with the latter.

Director and employees are required to decline an offer of advantage if acceptance could affect his/her objectivity in conducting the Group's business or induce him/her to act against the interest of the Group, or acceptance will likely lead to perception or allegation of impropriety. The Group strictly prohibits employees from offering, requesting and accepting gifts to and from third parties, except for the following cases:

- Symbolic souvenir or promotional gift of a nominal value;

- Holiday gifts subject to a maximum limited of 1,000 HKD; or

- Discounts and special offers given by third parties, on the condition equally applicable to other general customers.

Directors and staff should avoid any conflict of interest situation or perception of such conflict. If any employee is found to have taken part in any corruption activities, the Group will immediately terminate his or her contract and report to appropriate authority if necessary.

Any enquiries about this Code or reports of possible breaches of this Code should be made to General Manager. In cases of suspected corruption or other criminal offences, a report should be made to the appropriate authority.

In order to encourage our employees to report illegality, irregularity, malpractice, unethical or inappropriate conducts, which may damage the Group's interests, we established whistle-blowing policy and implement procedures for our employees to report improprieties via a confidential reporting channel to the extent that is made possible to all employees. Any reports of possible breaches of the internal Code of Conduct should be made to General Manager. In cases of suspected corruption or other criminal offences, a report should be made to the appropriate authority.

The Group offers induction training on the internal Code of Conduct to all new hires in order to fortify its anti-corruption practices and raise employee knowledge of conflicts of interest and integrity issues. Supervisors and managers are also responsible for making sure that the workers they are in charge of comprehend and abide by the internal code of conduct.

The Group conducted the following anti-corruption training sessions during the reporting period:

1. Anti-Corruption Legislations and Integrity Requirements for Consultants, Contractors and Sub-Contractors Webinar,
2. Introduction of Corruption Prone Areas and Preventive Measures in Construction Industry Webinar, and
3. Integrity Management Training with NEC Content Webinar.

During the Reporting Period, there were no cases of non-compliance related to anti-corruption laws and regulations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) and other national or regional laws and regulations. During the Reporting Period, the Group was not involved in any cases of non-compliance or legal cases in relation to corruption.

Anti-Corruption	**2024/25**	2023/24	**Unit**
Number of concluded legal cases regarding corruption	**0**	0	Case
Number of anti-corruption training sessions	**3**	0	Case

Community

Community Investment

The Group values its community investments greatly and works to give it back through a variety of channels, including cooperation, capacity-building programmes, and community service. The Group has developed a policy on community investment, sponsorship, and donation that outlines the two main areas of community investment that the Group prioritises: education and development, as well as community wellbeing.

For community wellness, the Group endeavors to improve quality of living for the communities by any means that serve the needs of the poverty, elderly, disabled, or in economic difficulties, including programme created growth opportunities, healthcare, food and resources, etc.

The Group always cares about society and participates in various charitable events throughout the year. During the year, the Group donated and the employees to volunteer at the “Diabetes Foot Ulcer Prevention Program” and JC Charities Trust Grant Kick-Off Ceremony of “Say No To Drugs” Path Builders For Youth Project organized by Rotary Club of Admirty, and Benji’s Christmas Party for taking care of kids for families in need organized by Benji’s Centre.

The Group always seeks to promote community service and contribute to the local community.

The Group also believes in investing in sports, education and development, especially to the youth for cultivating the leaders to lead the community in this ever-changing world. The Group supports training and skills development to the sectors with difficulties in learning physically and economically. During the Reporting Period, the Group made a charitable donation of HK$10,000 worth of mooncakes to Benji's centre and also volunteered for 60 hours at events organized by the Benji centre. The Group's contribution demonstrates their commitment to supporting local communities, promoting healthy lifestyles, and fostering sportsmanship.

Community Investment	**2024/25**	2023/24	**Unit**
Resources contributed to focus area			
Total amount of donation in cash	**10,000**	9,000	HKD
Total voluntary hours	**60**	30	hour

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs		Disclosure Requirements	Sections
1	Governance Structure	disclosure of the board's oversight of ESG issues;	Board Statement of ESG Governance
		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	Board Statement of ESG Governance
		how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement of ESG Governance
	Reporting Principles	Description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report	About This Report
	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. If there is a change in the scope, the issuer should explain the difference and reason for the change	About This Report
	Environmental Aspect A1: Emissions		
A1	General Disclosure	Policies	Emissions
		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.	Emissions
A1.1		The types of emissions and respective emissions data.	Emissions
A1.2		Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.5		Description of emission target(s) set and steps taken to achieve them.	Emissions
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.	Waste Management

KPIs		Disclosure Requirements	Sections
A2	Use of Resource		
A2	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption
A2.1		Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
A2.2		Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
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.	Water Consumption
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials
A3	The Environment and Natural Resources		
A3	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4	Climate Change		
A4	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
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.	Climate Change

KPIs		Disclosure Requirements	Sections
	Social		
B1	Employment		
B1	General Disclosure	Policies	Employment
		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, antidiscrimination, and other benefits and welfare.	Employment
B1.1		Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
B1.2		Employee turnover rate by gender, age group and geographical region.	Employment
B2	Health and Safety		
B2	General Disclosure	Policies	Health and Safety
		compliance with relevant laws and regulations that have a significant impact on the issuer	Health and Safety
B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2		Lost days due to work injury.	Health and Safety
B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3	Development and Training		
B3	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
B3.2		The average training hours completed per employee by gender and employee category.	Development and Training

KPIs		Disclosure Requirements	Sections
B4	Labour standards		
B4	General Disclosure	Policies	Labour standards
		compliance with relevant laws and regulations that have a significant impact on the issuer	Labour standards
B4.1		Description of measures to review employment practices to avoid child and forced labour.	Labour standards
B4.2		Description of steps taken to eliminate such practices when discovered.	Labour standards
B5	Supply chain management		
B5	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
B5.1		Number of suppliers by geographical region.	Supply chain management
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.	Supply chain management
B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
B6	Product Responsibility		
B6	General Disclosure	Policies	Product Responsibility
		compliance with relevant laws and regulations that have a significant impact on the issuer	Product Responsibility
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2		Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3		Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4		Description of quality assurance process and recall procedures.	Product Responsibility
B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

KPIs		Disclosure Requirements	Sections
B7	Anti-corruption		
B7	General Disclosure	Policies	Anti-corruption
		compliance with relevant laws and regulations that have a significant impact on the issuer	Anti-corruption
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.	Anti-corruption
B7.2		Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3		Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8	Community investment		
B8	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.	Community investment
B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment
B8.2		Resources contributed (e.g. money or time) to the focus area.	Community investment