



**Alliance 友盟**



***Sustainability Report***  
**2021-2022**



***TRANSFORM TODAY***

***CREATE TOMORROW***







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## CEO MESSAGE

As we publish our 2021/2022 Sustainability Report, I am proud to share the progress we have made towards our sustainability goals over the past two years. Our theme this year is **"Transform Today, Create Tomorrow"**, and I believe it perfectly encapsulates the strides we have taken to ensure our business is sustainable for the long term.



### ESG IS THE CORE OF OUR BUSINESS STRATEGIES

Industry stakeholders shall take into account the impact they have on the world and the support to the society as a whole besides their profit margin. As the leader of the industry, we are committed to the highest standard of corporate governance, social responsibility, business ethics and integrity. At Alliance, we integrate ESG into the core of our strategies and operations, and it comes under 4 main aspects — contribution to a low carbon future, commitment to environmental excellence, care for our people and traceability in material sourcing and manufacturing.

We recognize the impact of climate change and the urgent need to reduce our carbon footprint. We have mapped out our sustainable development goals and action plans in "Alliance Sustainability Ambitions 2030" in 2018. I am proud to share with you the progress of our actions in the time of pandemic.

We have committed to the Science Based Targets initiative ("SBTi") as a key step of climate protection ambition to reduce our greenhouse gas emissions. We are on track to meet our targets by adopting sustainable practices in our operations.

We have introduced green logistics by adopting 5-axle concrete mixer trucks, which has increased the load size and allowed us to reduce the number of trips, thereby reducing our carbon footprint and also improving our operational efficiency.

We are implementing an ISO 50001 certified Efficient Energy Management System for all our concrete plants to continuously improve our energy performance. In addition, we have invested in solar panels at our Tsing Yi Production Hub to join the race to net-zero with renewable solar energy.

### UNPRECEDENTED CHALLENGES REPRESENT UNPRECEDENTED OPPORTUNITIES

The Covid-19 pandemic has been a roller coaster ride for all people and businesses in the whole world, and Hong Kong is no exception. It is encouraging to see that Hong Kong is finally moving forward on the path to normalcy. The pandemic has caused disruption around the world, but it could also be an impetus for transformation and opportunities.

Facing the extraordinary challenges of COVID-19, our people have shown remarkable resilience and commitment, supporting each other to sustain our business continuity. We even supported the government by providing around the clock concrete and aggregates supply to support the speedy construction of the six urgent quarantine facilities during the most difficult time of COVID-19 fifth wave in 2022. We adapted to the situation and rose to the challenge. We are part of the Hong Kong community and we strive to provide our full support to Hong Kong. Big thanks to everyone in Alliance for their hard work and sacrifice to make it happen.

### EMBARK ON A NEW CHAPTER OF DIGITALIZATION

Alliance, since our predecessors, has grown hand in hand with the Hong Kong construction industry for over six decades. We pride ourselves as a total solutions provider of ready-mix concrete and aggregates to support our customers to meet any challenging construction requirements. We celebrated the commencement of our new STW2 mega concrete plant in November 2022. This STW2 plant, embracing the latest digital technologies and green features, synergizes with our STW1 and TTS plants and starts a New Chapter of our Tsing Yi Concrete Production Hub. We now have 3 plants with 8 production lines in this Hub forming a smart and highly capable concrete supply chain to support the mega construction projects of Hong Kong in coming years.

We have embarked on our journey of digitalization with our Tsing Yi Production Hub. We deploy AI video analytics to develop a smart control system to ensure the integrity and accuracy of our outbound concrete logistics. Our staff worked from home to carry out concrete batching remotely as a contingency measure during the fifth wave of COVID-19. We have enhanced the process and expanded the scope to implement remote batching for our 8 production lines of the Hub. This has significantly enhanced the reliability and resilience of our concrete production and outbound logistics.

Our e-docket is another important milestone in our journey of automation and digitalization. It is a breakthrough of industry practice and will drive the market trend towards digitalization. This powerful app will provide a seamless experience for our customers with foolproof and touchless goods receipt. It can help to ensure the logistics integrity that the right concrete load is delivered to the right site and to the right loading point. With this app, our customers will have the real-time information of concrete deliveries at the tips of their fingers to make informed decisions. We will continue to explore new technologies and innovative solutions to improve our operations and enhance our customer satisfaction.



## BUILDING A GREEN CONCRETE SUPPLY CHAIN WITH INTEGRITY

We have obtained the highest rankings of green product certification under CIC Green Product Certification Scheme for the products of our Green Concrete Solutions with adoption of quality Secondary Cementitious Materials (SCM) of PFA and GGBS.

Raw materials play a critical role in our concrete product quality. We have embedded transparency and traceability in our raw materials sourcing and manufacturing process to increase visibility, improve quality control, reduce product defects and foster a stronger partnership with our customers and suppliers.

We firmly believe that supply chain traceability and transparency will assure our compliance with regulations, reduce our environmental impact and support our performance with greater social responsibility.

## WE CARE FOR OUR PEOPLE AND THE COMMUNITY

For people, we place strong focus on the well-being of our employees and contract drivers, and on building relationships with the community. We realize the creation of harm-free workplaces and foster a positive work environment for shared purposes, values, and trust.

We strive to improve community engagement by establishing a community liaison group in Tsing Yi, where our concrete production hub is located, to listen to and address any concerns of stakeholders. We also continue our good neighbour practices and support underprivileged groups through various CSR projects. Our "Alliance Run for Hope" virtual charity run events in 2021 and 2022 have raised funds for Po Leung Kuk.

## APPROACHING 20 YEARS OF EXCELLENCE

Next year we will be celebrating 20 years of excellence in supporting the city's sustainable development. It marks an important milestone for Alliance as we look back on our growth, accomplishments and relationships built with our customers, community and all other stakeholders.

Alliance and our people have been evolving continually over the past two decades to stay passionate, innovative and competitive to grow our business in a sustainable way. We take pride in what we did and it harness our power moving forward. I would like to sincerely thank all our people for their hard work and persistence in achieving our goals.

We have embarked on a journey of transformation by embracing digitalization, automation and ESG initiatives. We are confident that our transformation today will help us to create a better tomorrow. By continuing to innovate and adapt, we can build a more resilient and sustainable business that will benefit all our stakeholders for years to come.

And last but not least, I would also like to extend my heartfelt gratitude to our shareholders for their unwavering support and belief in our vision. We will continue to work towards our sustainability goals and create a better tomorrow for our business, our people, and our community.



**VINCENT YU**  
CHIEF EXECUTIVE OFFICER





## FEATURE STORIES

# RIDING OUT THE CHALLENGE – COVID-19 5<sup>TH</sup> WAVE



## HEALTH AND SAFETY FIRST

Business Continuity Plan (BCP) was activated to sustain our operation and protect our staff. Strict COVID-19 measures and special work arrangements included home office, split teams, access control, sanitizing air purifiers, protective materials to operatives and drivers, physical contact restriction, and Rapid Antigen Test as required.



SUPPORT **6**  
QUARANTINE CAMPS



**7X24**  
OPERATION



## PROMOTE TRANSPARENCY AND ENGAGEMENT

Our BCP for the period of the pandemic emphasized communications. Weekly announcements were published to keep all staff posted on the latest disease development and necessary actions. All team managers actively responded to the urgent needs of the team members.

## ACHIEVE THE IMPOSSIBLE - COMMUNITY SUPPORT

During the most difficult time of the fifth wave COVID-19 outbreak in February 2022, we mobilized all resources to support the government to build 6 quarantine camps, quickly. We operated around the clock to supply concrete and aggregate products to all the camp sites as well as related road improvement projects.



## FEATURE STORIES

## NEW PLANT – STW2



- **GRAND OPENING OF STW2**

After tremendous efforts made by the Alliance Team, the construction of the mega STW2 concrete batching plant is completed. The grand opening ceremony was held on 10 November 2022, welcoming more than 200 customers, business partners, suppliers, and friends of Alliance.



- **GAME CHANGER CONCRETE PLANT**

STW2 Plant, has embraced the latest digital technologies such as AI video analytics and smart control systems and green features all of which starts a New Chapter of our Tsing Yi Concrete Production Hub.



- **GREEN AND SAFE WORKSITE**

When designing the STW2 Plant, we put people at the core of our consideration. The Green Office environment offers our plant staff a pleasant working space. The safety facilities such as auto-cleaning system for conveyor belts, and all the tailored safety working platforms ensured the health and safety of our colleagues whilst working in STW2 Plant.



- **CARE ABOUT THE COMMUNITY AND THE ENVIRONMENT**

The auto-truck washing system, dust extraction facilities, wastewater treatment plants and recycling system, and the digital air quality monitoring system, are investments made to protect the communities from any environmental impacts that may come from our operations.



- **STRENGTHENED THE TSING YI CONCRETE PRODUCTION HUB**

The STW2 mega plant is phase III of our Tsing Yi Concrete Production Hub, the commencement of which was the STW Plant in 2016 and the TTS Plant in 2017. With the STW2 Plant, altogether we have 8 production lines producing over 8,000m<sup>3</sup> a day, forming a highly capable and efficient concrete supply chain to support any mega construction projects in Hong Kong.





## FEATURE STORIES

## NET-ZERO 2050

## • SCOPE 1

## EMISSION REDUCTION

- Emissions from fossil fuel consumption by delivery trucks
  - Use B5 biodiesel
  - Gradually replace truck fleet with EURO VI 5-axle 10m<sup>3</sup> concrete mixer trucks
- Optimized the efficiency of materials and concrete delivery, and accelerated the transition to new energy vehicles

## GREEN QUARRY PRACTICES

## OPTIMIZED LOGISTICS

## ENERGY MANAGEMENT

## SOLAR PV SYSTEM

## • SCOPE 2

## EMISSION REDUCTION

- Keep enhancing the energy efficiency of our worksites via ISO50001 Energy Management System
- Installed solar PV systems in our concrete batching plants to promote renewable energy
- All 3 plants with solar PV systems together can generate 150,000 kWh annually

## TRANSITION TO NEW ENERGY TRANSPORTATION



## CARBON OFFSETTING

- Offset **14,204 tonnes** of carbon emissions from fuel consumption via purchase of carbon credit from selected VCS projects\*
- Purchased **1,640 carbon credits** to make STW2 Plant a carbon neutral construction project
- Offer carbon neutrality service to concrete customers



## ACHIEVE NET-ZERO 2050

- Set challenging carbon reduction targets backed up by strategic plans in our operation



## SCIENCE-BASED TARGET

- Committed the Science-Based Target that aims to **reduce >30%** of Scope 1 & 2 Carbon Emissions by 2030 as an interim target before we achieve net-zero by 2050
- Committed to collaborate with the entire value chain to further reduce the Scope 3 emissions

## CIRCULAR ECONOMY

## • SCOPE 3

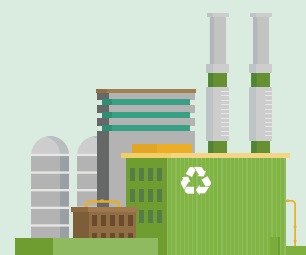
## EMISSION REDUCTION

- Offer Green Concrete Solutions with certified low-carbon concrete products and services that support green building projects
- Apply recycled materials such as PFA, GGBS, silica fume and recycled aggregates in low carbon concrete mixes



## INDUSTRIAL PHASES

Recycling of waste materials from industrial process



## END OF LIFE

Recycling of construction and demolition waste



## BUILDING IN USE

Green building development



## CERTIFIED GREEN PRODUCTS

Low carbon concrete & concrete delivery

\* For detail please visit [www.shell.com/naturebasedsolutions](http://www.shell.com/naturebasedsolutions).



## FEATURE STORIES

## RUN FOR HOPE



## RUN FOR HOPE

The social distancing concern amid the COVID-19 pandemic didn't stop us from doing our CSR activities together. We created the 1<sup>st</sup> virtual run, the Run for Hope in 2021 and have made it an annual event for the Alliance community. Together we break through our targets, together we give support to those in need.



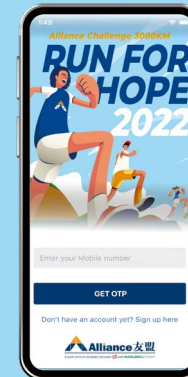
## RUN FOR HEALTH

The Alliance runners completed more than 3,000km in 2021. In 2022, more than 70 runners joined the event and completed 10,567km within 3 months. To complete such a distance, running or walking became daily routine of some employees.



## RUN FOR FUN

Further to the success of the Run for Hope held in 2021, in 2022 we created a fully digitalized event with a designated mobile App. The event App enabled participants to design their own cartoon character, submit run records, upload photos as well as checking the real time runner ranking and total distance achieved.



## RUN FOR CHARITY

The Run for Hope is not only an activity to encourage employees to do more exercise, it is an event to support vulnerable groups in our community. From 2021-2022 we donated altogether \$200,000 to Po Leung Kuk, supporting their services to different vulnerable groups.





## KEY ACHIEVEMENT



### ACCIDENT RATES (Direct Employees)

**0** Fatalities

**0** LTI



### CARBON REDUCTION

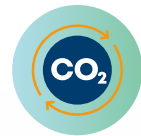
**15.73** %

From 2018 (base-year)



### TRUCK FLEET WITH AI EQUIPMENT INSTALLED:

**18** %



### CARBON OFFSET

**15,844**

tons CO2-e



### WASTE MANAGEMENT

Waste Concrete/Reclaimed:

**1,505** tons

Wastewater Recycled:

**261,087** m<sup>3</sup>



### RENEWABLE ENERGY DEVELOPMENT

Set up solar power panels in

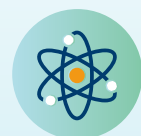
**3** plants

Estimated annual electricity  
generation

**150,000** kWh



EXPANDED THE TSING YI  
CONCRETE PRODUCTION  
HUB BY BUILDING  
**NEW STW2 PLANT**



### COMMITTED TO

**SCIENCE-BASED  
TARGETS**



### AWARD RECOGNITION

#### Recognition Program for Organisations 2022

- Management Award for Net-Zero Contribution – Visionary Blueprint towards Net-Zero
- Pioneering Organisation in Net-Zero Contribution (Alliance)
- Pioneering Organisation in Net-Zero Contribution (STW2 Plant)
- Leadership Award for Net-Zero Contribution (CEO)

#### HERA Award 2022

- Commendation for the Best Sustainability Report for Non-listed Companies

#### Proactive Safety Contractor Award

#### HKCA Safe Supervisors Award

#### HKCA Safe Person-in-Charge Award

#### 15 Years Caring Company

#### Social Capital Builder (SCB) Awards 2022

#### Happy Company Award 2022

#### Say Yes to Breastfeeding Campaign Certificate



# ABOUT ALLIANCE

Alliance Construction Materials Limited (“Alliance”) is the leading concrete and aggregates total solutions provider in Hong Kong. Having grown hand in hand with Hong Kong since the early 1960s, Alliance has evolved as a joint venture since 2004, owned by CK Infrastructure Holdings Limited (“CKI”) and HeidelbergCement Group.

We give full support to the city’s development by contributing to a wide range of government and commercial construction projects. The customer-centric culture built in Alliance adds real value to our customers, helping them to achieve the most challenging project goals. We strive to be the preferred partner for the region’s leading developers, contractors, and other industry players with our sustainable rock reserve, strong production and logistic capability, digitalized processes, and technical expertise. We are also committed to building a sustainable future by enabling a circular economy in our entire operation, and developing green and value-added products with sustainability benefits.





## KEY DEVELOPMENT AND SUSTAINABILITY MILESTONES

### Key Development Milestones



- Establishment of Pioneer Concrete (HK) and Ready Mixed Concrete (HK) Ltd. (RMC)



- Establishment of Alliance Construction Materials Ltd. (Merger of Pioneer and RMC)

2004

2007

2008



- Started Carbon Footprint calculation and set carbon reduction targets

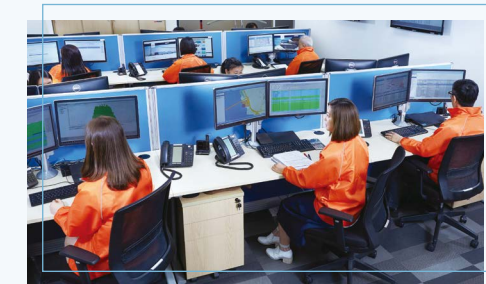
2010

- Started to upgrade the trucks to EURO V



2011

- First to set up Customer Service Centre in the industry



- Started our voluntary reporting on Sustainability
- Obtained the 1st Concrete Product Carbon Footprint Mark from SGS



2013

- Started the ISO14064 GHG Verification
- Developed the Concrete Carbon Footprint Calculator to support customers' low carbon purchase



- Completed the Rehabilitation Works of Shek O Quarry

1960s

### Sustainability Milestones

- Development of the Integrated Management System (IMS)
- Obtained the ISO9001, ISO14001 & OHSAS18001 certificates





KEY DEVELOPMENT AND SUSTAINABILITY MILESTONES

Key Development Milestones



- Opening of STW concrete plant, Phase 1 of Alliance's Tsing Yi Concrete Production Hub



- Opening of TTS concrete plant, Phase 2 of Alliance's Tsing Yi Concrete Production Hub
- Completed the rehabilitation of Anderson Road Quarry

- Implemented the BCP plan to combat COVID-19

2015

- Established the energy management system and obtained the ISO50001 Certification



2016

2017

- Completed the replacement of mixer truck fleet to EURO V



2018

- Determined the "Alliance's Sustainability Journey 2030"

2019

- Introduced new recycled aggregates for construction usage
- Signed up to BEC's Low Carbon Charter



2020

2021

- Installed solar PV system in Yuen Long and Tsing Tim Street plant
- The first in the industry to issue Type III Environmental Product Declaration (EPD) for concrete product.
- Added new Euro VI five-axle trucks to the truck fleet
- Launched new SAP system and customer portal – Hub



2022

- Opening of STW2 concrete plant, Phase 3 of Alliance's Tsing Yi Concrete Production Hub



- Committed to Science Based Targets
- Installed solar PV system in STW2 plant
- Partnered with Shell Hong Kong to reduce the Scope 1 emission
- Launched new eDocket Customer app

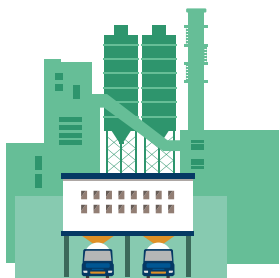


Sustainability Milestones



OUR BUSINESS & OPERATIONS

Concrete Solutions



4M

m<sup>3</sup>  
concrete annual  
production

6

concrete  
plants

13\*

production lines

Aggregates Solutions

70M

tonnes of rock reserve

2

quarries  
for aggregates supply  
in the PRC

3

local depots  
for aggregates business



Customer Centric Services



1

HOKLAS  
accredited laboratory

1<sup>st</sup>

in the industry  
to setup Customer  
Service Centre in 2011

247

full-time employees

176

contract drivers



\* Data as at 31 December 2022

OUR AMBITION

Purpose

To build a great, liveable city through sustainable concrete & aggregates solutions.

Vision

To be the most preferred choice of developers and contractors regarding concrete and aggregates solutions in Hong Kong.

Mission

Continuously raise the bar of customer experience by embedding customer centricity in all our functions, driving commercial excellence, strengthening our operational capabilities, striving product innovation, and leveraging on digitalization to maximize the success of our target customers in a socially and environmentally sustainable way.

Strategic Pillars

Underpinned by the four sustainability pillars of PEOPLE, COMMUNITY, RESOURCES, and INNOVATION, we put in place 8 strategic pillars that help realize our purpose and drive our long-term success.

Strategic Pillars



Decarbonization



Customer Centricity



Commercial  
Excellence



Digitalization



People



Resources



Community



Innovation



Production  
Capabilities



Logistics  
Capabilities



Product  
Innovation



Operational  
Excellence



# AMBITIONS 2030

In 2018, we introduced the Alliance Sustainability Ambitions 2030 (Ambitions 2030), a key step to outline the long-term strategic plans for the realization of our sustainability goals. The Ambitions 2030 includes four sustainability pillars – PEOPLE, COMMUNITY, RESOURCES and INNOVATION. These pillars resulted from the previous stakeholder engagement, in which our stakeholders identified the major concerns and offered suggestions for our sustainable growth. The effort we made under these pillars address the key issues underlined by our parent companies' sustainability policy, the Hong Kong Government's Climate Action Plan 2050, and United Nations (UN)'s 2030 Agenda for Sustainable Development. Despite the challenges over the last two years, we persisted in our actions on the four pillars and pleased to say that we are making progress.



SUSTAINABILITY MANAGEMENT APPROACH

The Ambitions 2030 plan will help us to achieve the purpose of building a great, liveable city through sustainable concrete and aggregates solutions. Our approach is to fully embed sustainability into our business. Integrating sustainability risks and opportunities in our corporate governance framework was the first step, we also developed a focused plan to work towards the priority goals under the four pillars – PEOPLE, COMMUNITY, RESOURCES and INNOVATION. We have been reviewing and monitoring the performance and progress since we launched this 12 years plan.

Our Ambitions 2030 strategies echo the global and local sustainability pledges. We support the Sustainable Development Goals (SDGs) of the UN's 2030 Agenda for Sustainable Development. In response to the Hong Kong Government's Climate Action Plan 2050, which aims to achieve carbon neutrality before 2050, we have implemented decarbonisation strategies and measures in different aspects of our operations. We also committed to Science Based Targets in 2022.

The 9 global goals (SDGs) that align with our Sustainable Development Policy.



MATERIAL TO BUILD OUR FUTURE

The Ambitions 2030 plan also reflects our efforts to achieve the purpose of our shareholder Heidelberg Materials – “Material to Build Our Future”, that is shaping significant development worldwide. The strategic pillars of our Ambitions 2030 also emphasize the laying of a solid foundation for the future. We have modified the Ambitions 2030 plan to ensure our actions align with our parent company’ policies and drive transformation towards sustainability.

Shape Significant  
DEVELOPMENT IN  
HONG KONG

Deliver Long-term  
FINANCIAL PERFORMANCE

MATERIAL  
TO BUILD OUR FUTURE

To be the leader in the industry on  
the path to  
CARBON-NEUTRALITY

Progressive minds with the  
ambition to drive  
TRANSFORMATION

OUR PROGRESS

The 5 prioritized aspects in Ambitions 2030 concluded our stakeholders' major concern, our progress in 2021 – 2022 is as follows:

Governance

We aimed to foster sustainability and create sustainable value through good corporate governance.

Strengthen the Sustainability Governance

- Reorganized the sustainability governance structure
- Reviewed and issued additional ESG policies for addressing material sustainability aspects
- Enhanced the provision of ESG training to employees

People

People in our sustainability strategies means treating people responsibly, taking care of people's wellbeing, and valuing people's contribution.

Creation of Harm Free Workplace

- Implementation of dynamic risk assessment
- Application of AI analytic, automation, for safety risks and hazards prevention
- Upgrade site traffic & visitors safety management control
- Application of mobile App & E-training for enhancing OSH communications

Resources

Our ultimate goal is to decouple our business growth from consumption of finite natural resources while contributing to Net-Zero 2050.

Aggregates Reserve

- Implementation of green quarry practices in quarry sites
- Aggregates depots at strategic locations in Hong Kong
- Increased aggregates storage capacity in Tsing Yi Concrete Production Hub
- Enhancement of cross boundary logistics
- Special arrangements during long holidays

Innovation

The sustainability-driven innovation is shaping our prospects in the market.

Digitalization Transformation

- SAP went live
- Developed and implemented Remote Batching in Tsing Yi Concrete Production Hub
- Rolled out Concrete Delivery Management system, Customer Hub & E- docket system
- Mobile Apps for drivers and customers

Community

To realize our purpose of building a great liveable city we aimed to impact positively the communities.

Community Engagement

- Community liaison group established in Tsing Yi where our concrete production hub is located

Supports to Contract Drivers

- Provision of auto truck washing system and robotic arm to ease the difficulties of drivers' manual handling works
- Engaged professional driving school for provision of driving safety training to drivers
- Application of mobile App for enhancing communications with drivers

Addressing Climate Change Threat

- Committed SBTi
- Continuous improvement of worksites' energy efficiency
- Replacement of EURO VI 5-axle 10m³ mixer trucks for enhancing fuel consumption efficiency of mixer truck fleet
- Installed the 3rd solar PV system at newly commenced STW2 plant
- Offered Green Concrete Solutions to customers
- Started the transition to new energy transportation
- R&D and Certification of low carbon concrete products
- Carbon offset

Improvement by Technologies and Innovation

- Application of AI analytic to enhance the concrete truck loading process
- To improve the despatching efficiency of concrete batching plants by Express Lane
- Precise Temperature System (PTS) enhanced the quality control of temperature control concrete
- Application of AI analytic to improve site safety control and driving safety standard
- Air quality monitoring sensor and auto-sprinkler system for prevention of environmental impacts

Good Neighbour Practices

- Upgrading of noise mitigation measures in Tsing Tim Street Plant
- Introduction of auto-truck washing system and air quality monitoring sensors in STW2 Plant
- Provide road cleaning service in areas close to our Tsing Yi Concrete Production Hub

Talent Recruitment and Retention

- Refined management trainee program emphasized employee engagement and participation

Recycling & Reuse Practices

- Wastewater recycling system provided in all sites
- Improved concrete mix design to facilitate the application of recycled materials in concrete
- Arrangement to recycle aggregates that extracted from plant washout and returned concrete

CSR

- Alliance Run for Hope held and raised \$200,000 for Po Leung Kuk

Health & Wellbeing

- Workplace hygiene measures, provision of health protection facilities and all the social distancing measures during COVID-19 prevented the spread of disease in the workplaces
- Provision of free medical check and seasonal flu vaccination to employees and contract drivers
- Promotion of mental health

Green Office Initiatives

- Green Office Program launched in Head Office

Progress Key

- Just Started
- Tackling Challenges
- Keep Improving
- Seeking Breakthrough
- Continuing Good Work



STAKEHOLDER ENGAGEMENT & MATERIALITY PROCESS

STAKEHOLDER ENGAGEMENT

Engaging our stakeholders proactively will help us to stay ahead and better prepared to deal with the risks in the long run and ensure the Company’s sustainable development. Therefore, we engage with them in a regular manner through different methods and channels to understand their concern, expectations and priorities. These engagement activities are based on the guidelines of the GRI materiality process.

Our Stakeholders

We tailor-made the appropriate engagement methods for all internal and external stakeholders, and actively communicate with them to collect their feedback.



SHAREHOLDERS

- Meetings
- Interviews
- Business reports
- Sustainability reports



CUSTOMERS

- Sales meetings
- Interviews
- Customer relations management activities
- Sustainability reports



EMPLOYEES

- Staff activities
- Monthly meetings
- Management workshops
- Interviews
- Online survey
- Training and development program
- Sustainability reports



BUSINESS PARTNERS

- Meetings
- Interviews
- Industry conferences
- Online survey
- Partnering program
- Sustainability reports



SUPPLIERS

- Meetings
- Supplier audits
- Online survey
- Contracts and agreements
- Sustainability reports



COMMUNITIES

- Community group discussion
- Corporate responsibility initiatives
- Company website
- Complaint hotline
- Sustainability reports



NGO & INSTITUTIONS

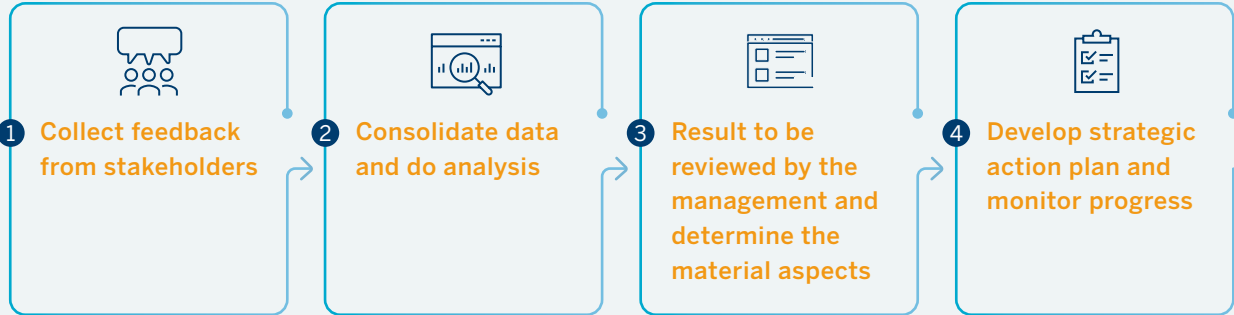
- Sustainability workshops
- Interviews
- CSR activities
- Environmental Impact Assessment
- Sustainability reports



AUTHORITIES

- Interviews
- Industry conferences and seminars
- Audits
- Regulatory compliance reports
- Sustainability reports

Our Engagement Process



The stakeholder engagement process is not confined solely to ESG issues, as the exercise is crucial to the Company’s business and operation. As different stakeholder groups have different interests and perspectives, an all-rounded stakeholder engagement unveils the key issues affecting the Company’s long-term development. When the most material aspects were identified, they will be consolidated into different

pillars of our Ambitions 2030 and thereby the stakeholder engagement informs business strategy. The material issues reviewed and confirmed by our management will be assessed and addressed with the support from our governance committees, the business units, employees and other key stakeholders. These actions will be integrated to become part of the Company’s daily operation.



MAJOR FEEDBACK RECEIVED

Sustainability Priorities

Stakeholders considered the sustainability priorities we identified in last reporting are still valid and agreed with the strategic actions we determined under the Ambitions 2030.

Climate Change Threat

All stakeholders recognized the increasing climate change threat and suggested Alliance to accelerate our climate actions.

Low Carbon Solutions

Developers are looking for more low carbon construction materials. They understood the application of recycled materials such as GGBS can reduce the embodied carbon of concrete. They also considered the cost for using low carbon materials vs the green value that may be generated from low carbon products. For contractors, they welcome more green solutions on products and logistics offered by Alliance, so that their carbon footprint from building materials can be reduced and they can support their customers' green building rating.

Legal Compliance

Stakeholders from government department appreciated Alliance takes up advocacy role in the industry to promote good environmental practices and suggested that operators in the polluting industries like concrete should go beyond legal compliance and emphasized the importance of obtaining "social license".

Waste Reduction and Recycling

Waste reduction is one of Hong Kong's top environmental issues, stakeholders suggested Alliance to look into opportunities from wasted materials recycling. Contractors are happy to have concrete product options made with recycled aggregates.

Health, Safety and Environment (HSE) Performance

Application of new technologies for improving HSE performance was supported by stakeholders. Some stakeholders even consider it a solution for tackling the difficulties in employing labors.

Impact to the Community

Most of our stakeholders consider maintaining a high level of truck cleanliness and road safety of Alliance's truck fleet are essential to building a harmonious community and improving Alliance's brand image. These HSE actions will reduce the negative impact to the community.

Digitalization and Transparency

Digitalization transformation was widely discussed with different stakeholders. They considered it a "must have" for all organizations in all sectors. The contractors appreciate Alliance's proactive moves to promote E-Docket customer app and look forward to fully digitalized ordering and delivery processes, e.g online ordering and GPS truck tracking. These will help enhancing Alliance's operational transparency.

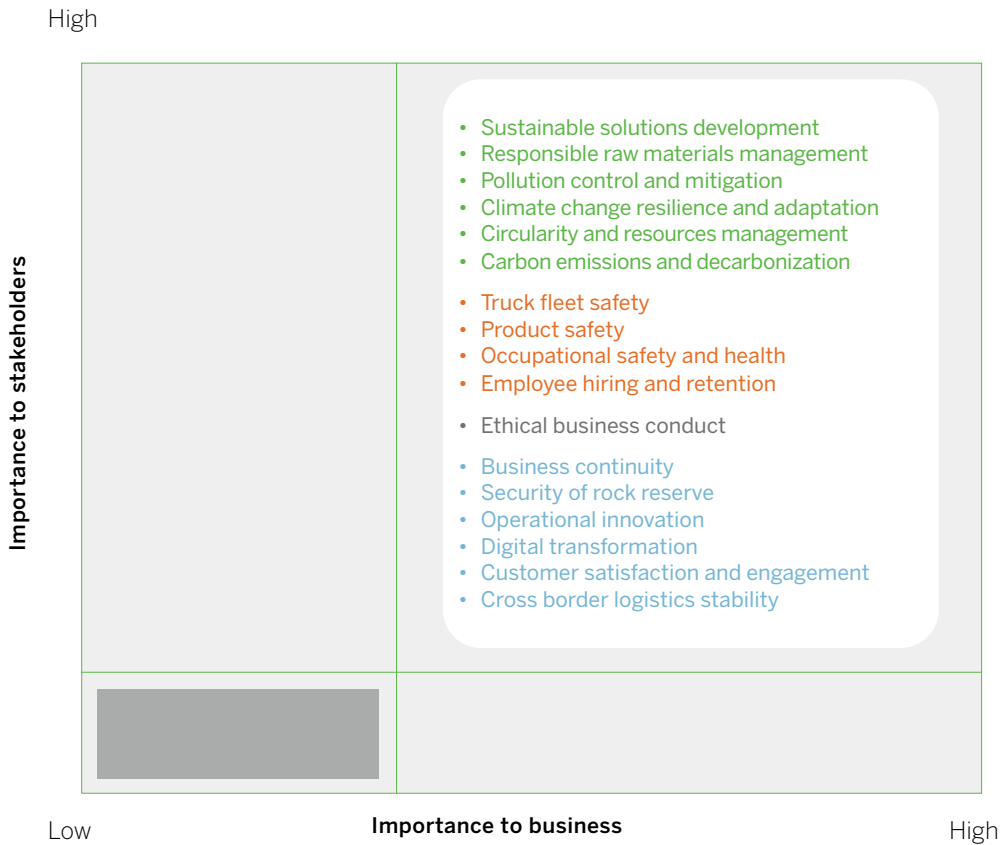


MATERIALITY PROCESS

Based on the past stakeholder engagement process, we have consolidated all related sustainability items under the 4 aspects of Environment, Social, Governance and Economic. These aspects can echo with our Ambitions 2030 plan. After identifying the most material issues from the latest stakeholder engagement, we can determine plans and actions for addressing them in each Ambitions 2030 strategic focus.

Materiality Matrix

The materiality matrix set out below reflects the results of the stakeholder engagement and materiality review for the reporting period.



- Environment Priorities
- Social Priorities
- Governance Priorities
- Economic Priorities

- Other less material issues are:
- Biodiversity and habitat conservation
  - Community engagement
  - Corporate social responsibilities
  - Diversity and equality
  - Employee development
  - Human rights
  - New industry trend management
  - Responsible sourcing
  - Transparency in sustainability
  - Use of new & renewable energy



WAY FORWARD



We will continue to engage our stakeholders and review all the material aspects under the Ambitions 2030 framework to adjust our strategic goals and actions from now to 2030.





## PEOPLE

### • Realize “Vision Zero”

By Integrating digitalization into HSE management, enhance the safety performance and create zero harm workplace using advanced technologies, streamlined processes and big data analysis.

### • Enhance Training and Development

Continue to provide job training and safety training to all employees especially the newcomers. Develop e-learning station to cater larger groups and improve efficiency, offer tailored development plan to support their growth.

### • Promote Caring Culture

Support the employees' emotional and physical needs to create caring culture. Besides ensure employees' health and safety at work, implement other caring policies to enhance their sense of belonging, make them feel respected and valued.

### • Encourage Engagement

Facilitate a collaborative work culture via two ways communications and employee consultation. Value their feedback and let them play a part in shaping the Company's future.



## RESOURCES

### • Persist Low Carbon Operation

Drive carbon reduction in different aspects of the business, set aggressive decarbonization targets, develop concrete plans to enhance energy efficiency and reduce carbon emissions from all 3 scopes.

### • Develop Green Products

Offer verified green products and support responsible purchase via low carbon products development, recycled product solution, product environmental declaration and carbon offset service ensuring credibility and transparency of the carbon credits.

### • Secure Aggregates Reserve

Ensure the quality and traceability of the aggregates reserve by partnering with responsible quarry operators, seek new solutions to improve cross-country logistics.

### • Strengthen Waste Management

Enable a circular economy via process enhancement, advanced waste treatment and recycling. Initiate new measures to cut waste from the source.



## COMMUNITY

### • Be a Good Neighbour

Continue effort in environmental protection, public safety, continue all socially responsible practices. Drive low carbon operation beyond compliance and understand the needs of the communities.

### • Community Support

Address urgent needs of the society by our products and service. Support underprivileged groups by financial assistance or organizing charity events.

### • Encourage Volunteering

Initiate new CSR activities and increase employee involvement. Promote internal and external volunteering services.

### • Improve Communications

Through regular communications and engagement activities understanding of the needs of the community.



## INNOVATION

### • Digitalize Operation

Improve operation efficiency and streamline operation processes via automation and other new technologies including artificial intelligence and apps.

### • Enhance Safety Standard

Upgrade plant and truck safety by adopting advanced technologies, improve performance in the long run by constant review and big data analysis.

### • Develop Value-added Products

Invest in R&D, seek breakthrough in developing value-added products with low carbon features, high performance, and other sustainability benefits.

### • Foster Innovative Culture

Encourage creative ideas from employees through internal communications and innovation campaigns. Value the suggestion from the employees and allocate resources to realize the outstanding proposals.



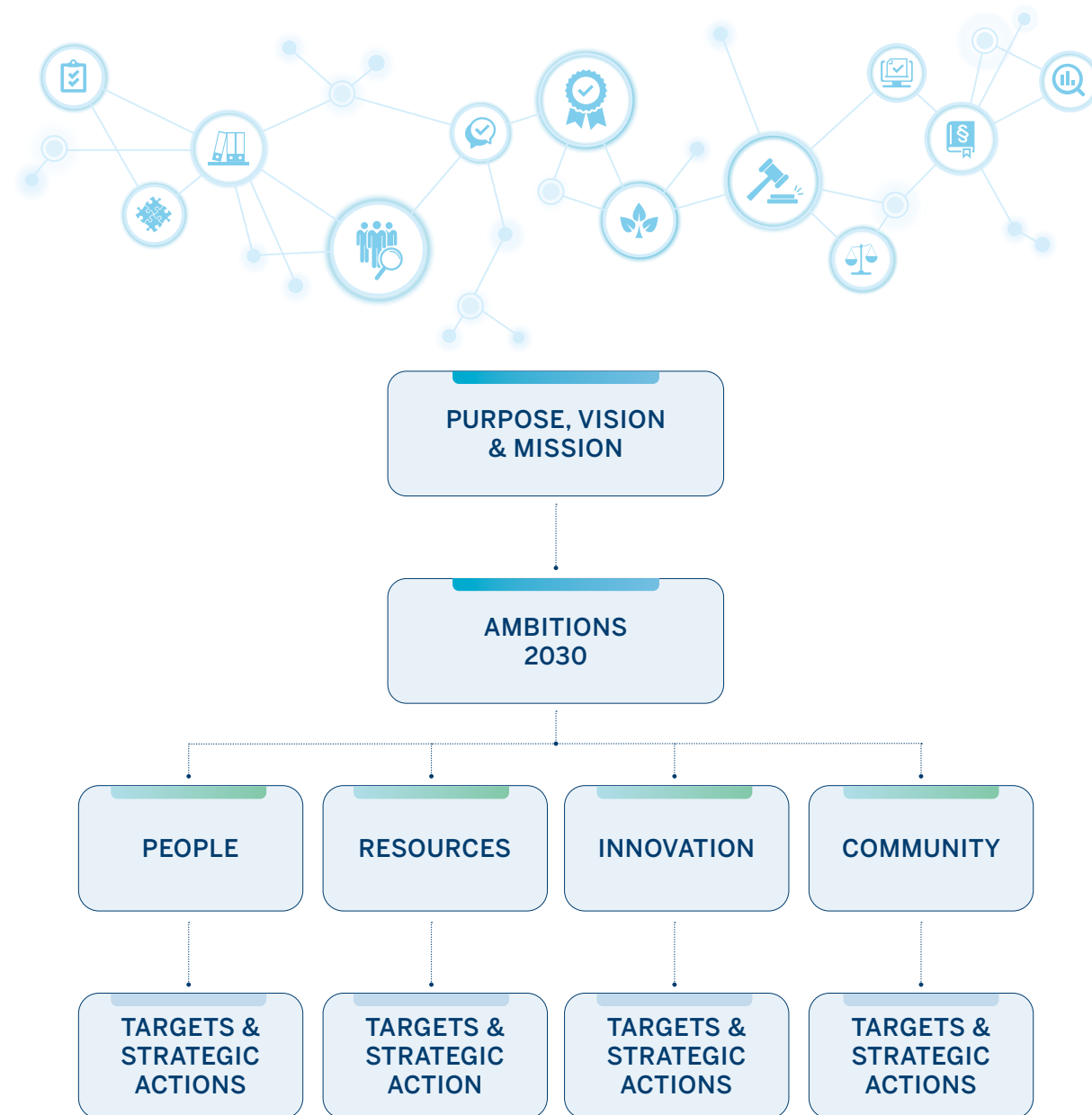
# GOVERNANCE

To ensure successful integration and effective management of sustainability within Alliance, we put in place a robust governance structure that is supported by a committed leadership, a clear direction and strategic influence from stakeholder input. Being a joint venture company, we have support from both parent companies, while our strategic sustainability planning is also influenced by the policy and direction they set.

The well-defined structure of responsibilities, the internal reporting and auditing support Alliance's ability to live up to the good intentions and ambitions that are embedded in these parent companies' policies as well as the policies we set ourselves.



## SUSTAINABILITY MANAGEMENT STRUCTURE



Alliance is a leading aggregates and concrete total solutions provider in Hong Kong, and for more than a decade our sustainability journey and sustainability management has been driven by our purpose of “contribute to building a livable city Hong Kong”. We take our social and environmental impacts seriously as we aim to be a trustworthy, purposeful business with an ethical culture.

We seek to create profitable solutions to the people and planet, as such when we determined our Ambitions 2030 in 2018 our sustainability priorities and all the strategic actions were aimed around global issues such as climate change, public health crisis, resources shortage, as well as local pressing issues such as waste reduction, younger talents development, digitalization transformation and responsible sourcing, since we aim to impact positively our stakeholders and the society as a whole.

## NEW ESG TEAM AND POLICIES

Within the reporting period we re-organized our sustainability management structure. The Head of ESG was appointed in 2022 who leads a dedicated team working with the leadership of Alliance for the acceleration of ESG management and the full integration of sustainability into all business functions.

We established the Sustainability Committee that supports the Board of Directors with overseeing the sustainability management within Alliance. The Committee bridges the Board of Directors and the Risk Management Steering Committee that executes the Company’s sustainability policies, strategies, and targets. Ensuring that sustainability matters such as the risks and opportunities that impact the business, and the strategy and planning for addressing material sustainability aspects will have the highest level of attention. While the monitoring of the progress of all the determined strategic actions is also taken up by the Committee.

### REVIEW OF ESG POLICIES

We reviewed thoroughly our ESG policies in 2022. In addition to the existing policies such as the OSH policy, environmental policy, and Code of Conduct, we issued new policies that include Climate Policy, Water Policy, Biodiversity Policy, Responsible Sourcing Policy, and Human Rights Policy in order to communicate more precisely our intention and commitment towards these material sustainability aspects. The sustainability management structure coupled with the ESG policies define the process for us to set purpose, duties to ensure fidelity to purpose, and standards for purpose to adhere to.

### IMPROVE STAKEHOLDER ENGAGEMENT

We continued our active engagement with stakeholders to develop a range of relationships that align around our purpose and to support its delivery. For example, we set up the Sai Tso Wan Liaison Group and invited major operators on Sai Tso Wan Road where our Tsing Yi Concrete Production Hub is located. This community liaison group provides a platform for discussing any community issues, it also enables us to listen to any concerns our neighboring communities may have.

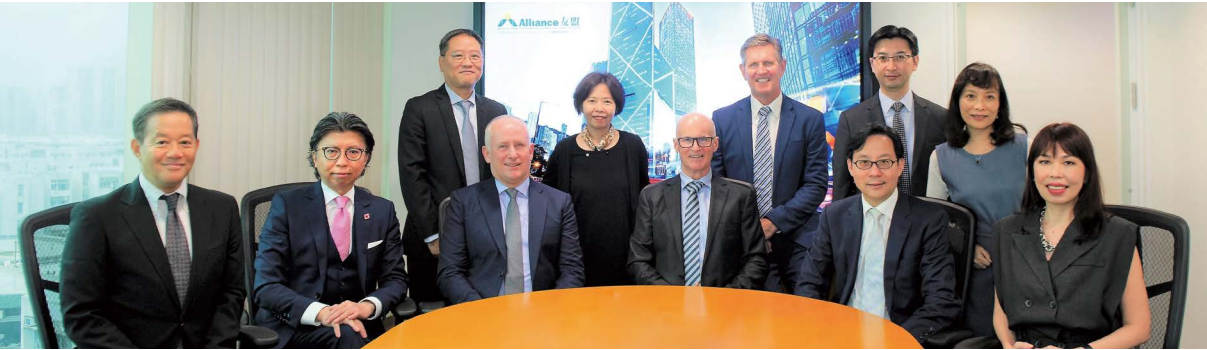
Our sustainability performance is monitored at the highest level by the Sustainability Committee and the Board of Directors. Through the bi-annual Sustainability Report and the on-going stakeholder engagement we invite stakeholders to keep track of progress and performance of our sustainability management.



# GOVERNANCE STRUCTURE



Our Corporate Governance has a strong foundation that contributes to not only corporate prosperity but also to our responsibility. In sustainability management, our corporate governance is to focus on the realization of our purpose that impacts positively our stakeholders. Our sustainability management involves setting our strategic goals and actions. The governance structure enables the top management to keep track of our attainment of goals, they supervise the management and communicate with our stakeholders about our performance and stewardship of the environment and our communities.



The Board of Directors and Executive Committee Members\*:  
(back, from left to right) Mr. Ross Chow, Ms. Ophelia Ng, Mr. Brad Kininmonth, Mr. Noel Wong, Ms. Lilian Wong  
(front, from left to right) Mr. Eddy Tsang, Mr. Vincent Yu, Mr. Kevin Gluskie, Mr. David Hogan, Mr. Ivan Chan, Ms. Sim Soek Peng  
*\*The Company's Board of Directors and Executive Committee Members also include Mr. Angus Ng, who did not join the group photo.*

The overall management of Alliance's business is vested on the Board of Directors and the Executive Committee. Appointed by the shareholders, the Chairman of the Board provides leadership to, and overseeing the functioning of the Board to ensure that it acts in the best interest of Alliance.

Delegated by the Board of Directors, the Sustainability Committee was established in 2022 to oversee the sustainability management. The objectives of the Committee are:

- a. Determine the strategic direction and management approach of sustainability management that align with the policies of both shareholders,
- b. Ensuring sustainability will be fully integrated into core business functions and processes,
- c. Ensuring active engagement of stakeholders such as customers for focused efforts that generate mutual benefits, and
- d. To monitor the implementation of sustainability policies, programs and initiatives that support the attainment of business goals.

The Risk Management Steering Committee which is chaired by the CEO and comprises of senior management members of Alliance is responsible for the execution of sustainability policies, strategies, and targets. The Committee drives the implementation of strategic actions and other sustainability programs through functional teams within the organization. Internal auditors are appointed for evaluation of performance and the compliance to applicable standards and requirements.

Being a joint-venture company Alliance is subject to a series of audits and controls by auditors from both shareholders to ensure the legal compliance and the adherence to the sustainability policies.

Regarding legal compliance, we consider the legal requirements as a baseline as we strive to operate to the highest possible standards. The ESG policies communicate clearly our commitment towards material sustainability aspects, while providing direction and guidance to all Alliance members to exercise due diligence and adhere to ethical business principles. Our Compliance Officer who reports directly to the Executive Committee is not only a gate keeper for our corporate governance policies, but he also coordinates with relevant legal parties and external experts for the training and promotion of legal compliance and ethical business enhancing the awareness of senior management and our employees.

The Ethics Hotline is a "whistleblowing" mechanism which enables employees and other persons an anonymous reporting means to report improprieties such as workplace bullying, harassment, and unlawful or unethical business practices.



## SHARING

MESSAGE  
FROM HEAD  
OF ESG

MR. SK WU

Global issues like climate change and the COVID-19 pandemic let us know that we have to accelerate all sustainability actions to curb these crises before it's too late. "Business as usual" is no more a viable option. The Ambitions 2030 we determined in 2018 and the associated strategic actions are a commitment as well as real actions we have for tackling these pressing issues that guide the needed transformation of Alliance. The re-structure of our sustainability governance structure in 2022 is a means to accelerate the integration of sustainability management into all business functions which aims at responding to sharply increasing expectations pertaining to material sustainability issues, and in the long run will enable Alliance to turn risks into opportunities under such a turbulent environment.

I am honored to be appointed as the Head of ESG in 2022. The creation of this leadership position within Alliance reflects the inextricable role that ESG will play in Alliance's success and how we are going to shape the Company for the future. Right after the setup of a dedicated ESG Team we established the Sustainability Committee at the most senior level, reviewed the ESG policies and determined the reporting requirements. At present we are improving the ESG data consolidation and verification process. All these are foundations for further improvement of the sustainability management within Alliance.

The transition to a net zero carbon future is one of the greatest challenges ahead. While it is perceived by many organizations and individuals that it's a slow-moving problem that requires a long journey to find solutions, the accelerated temperature rise, and all the resulted impacts shown that the need for solutions is becoming more urgent. Our initiative to collaborate with stakeholders along the supply chain driving the low carbon concrete solutions, new energy transportation, circular economy, and responsible sourcing, is vital to our strategy as we are part of the solution to climate change.

At Alliance, we accept our advocacy role in the industry. Under the fast changing landscape that is impacted by all the global issues, we understand that we have to lead in the face of many unknown factors, challenging us to exert the expertise and skills that make us the market leader.

Sustainability is a journey that requires enthusiasm from all Alliance members, and the engagement of all stakeholders. I look forward to work together with all of you to realize our purpose.



# INTERVIEW WITH NEW COMPLIANCE OFFICER



MR. NOEL WONG



**How do you understand your role as the Compliance Officer in Alliance?**

Compliance Officer is not a new role in Alliance. Following the retirement of Mr. Nelson Pang, the former Compliance Officer, I was appointed to take up this role since Feb. 2022. To my understanding the Compliance Officer's role in Alliance is more than a 'gate keeper' to ensure the compliance to statutory compliances, legislation requirements and ethical business standards, but also needs to proactively promote employees' ethical conduct, the importance of compliance and to encourage an ethical culture within the organization.

As the leader in the compliance function, I have to stay on top of the latest laws, regulations, and business trends and to translate these into practical requirements and procedures for the operations of the organization.

Education is another essential area for me to focus on as we must ensure employees are equipped with necessary knowledge and to have thorough understanding of the Company policies and relevant regulations as well as their underlying principles. We introduced an enhanced E-learning platform earlier this year to facilitate the regular provision of training to employees.



**What is our management approach in business ethics?**

To carry out business with ethical business conduct is our guiding principle. We set legal compliance as a baseline and strive to exercise highest possible standards in everything we do. Our ESG policies give all Alliance members clear directions on how our businesses should be carried out. The robust control procedures and reporting requirements we put in place in different processes according to the risk level we assessed, govern our ethical business practices while providing guidelines for employees to follow when carrying out businesses. Through provision of training and the continuous promotion of ethical business conduct we aim to foster an ethical culture within the organization. However, we'll never underestimate the possibility of unlawful or unethical incidents from happening and their consequences. The Ethics Hotline we established is a whistle blowing mechanism that enables anonymous reporting of any unlawful or unethical incidents for timely and strictly handling.



**Under the current market landscape what are the major challenges and opportunities in corporate governance and compliance?**

In addition to the competition law which we have established robust system and procedures to ensure its full compliance, the compliance risks associated with climate change threat cannot be underestimated. Resulting from a rapidly growing concern towards climate change, demand for green or sustainable products and services has increased in recent years. While it creates opportunities for the construction materials industries, to prevent greenwashing that misleads consumers and erodes trust in products and services with sustainable value becomes a prominent challenge. We disclose our carbon footprint data via the independently verified sustainability report and to have our low carbon concrete products certified the CIC Carbon labels are examples of how we ensure provision of adequate and accurate information for customers.

Since the formation of Alliance in 2004, we have incorporated the human rights principles into our Guiding Principles. Influenced by our parent companies we issued our human rights policy in 2022. We provide clear direction in this policy to prohibit any unlawful employment and the respect of employment rights. These are important principles for the prevention of modern slavery which is a global concern.

Digitalization transformation comes with IT compliance and risks. On one hand we must ensure IT cybersecurity and adopt every strategy to protect the business environment, while we also need to make every effort to deploy defined infrastructure that protects stored data and its privacy.

Hong Kong is an international city, from the perspective of legal compliance, not only do we need to comply with local laws, international legal requirements such as the UN sanction requirements are also applied. With the support from parent companies for monitoring of applicable sanction requirements, and the control procedures we put in place in purchasing process we can ensure the compliance to applicable requirements.



# PEOPLE

We believe a thriving workforce is key to operational excellence. Having a workplace where employees feel safe, engaged, cared for, and fulfilled paves the path to achieving our business objectives and Ambition 2030.

By constantly improving our proactive risk management culture, all staff, lorry owned drivers, and anyone working within Alliance's sites are covered by our Integrated Management System compliant to ISO 45001:2018, F&IUO (CAP 59) and OSHO (CAP 509). They are also engaged in identifying, mitigating and preventing negative OSH impacts directly linked to our operation, contractors and suppliers.

With the pandemic over the past years, lives and work of our employees were affected. Working under the new normal was inevitable and new work modes are adopted. Supporting our staff to minimize impacts of COVID-19 to their personal health and health of their family, Vaccination Leave was arranged, and all staff regularly provided with surgical mask and RAT for early detection of infection. Air purifiers are also in place at all work sites coupling with stringent social distancing and workplace hygiene arrangements.

Uniting our staff at all offices and work sites, each is engaged one way or another for our health & safety, environmental, and sustainability initiatives. New staff are given challenging tasks to take the lead in improvement projects and staff from multi-functions were involved in generating new ideas for enhancing our performance. Aligning all minds and efforts, innovations, new technologies and digitalized means of work were adopted, supporting our people to work safely and be actively engaged in meaningful activities.





## CREATE POSITIVE SAFETY CULTURE



One essential element in creating zero harm workplace is the type of culture in which our people live. We aim to create a positive atmosphere where our people and business partners are vigilant of health & safety hazards, actively participating in assessments and improvements, and enjoying the benefits from utilizing technology in the workplace.

### DIRECT EMPLOYEE

Fatality



(2004-2022)

LTI



2022

No. of traffic incident

**-17%**

compared with 2017/18

## MIGRATING DIGITALIZATION INTO HSE MANAGEMENT

In this technology era, work processes and activities can be streamlined and simplified with automation and centralized data collection. We adopted new technologies into our HSE management to support our staff to drive forward our Zero Harm ambition.

### Utilizing Ai Camera to Promote Safety Behavior

#### Anti-collision Camera on Loaders

Our operations involve usage of loaders and bobcats on a daily basis, and the nature of the work environment involves heavy traffic and some work areas may have narrow operational spaces, giving rise to collision hazards.

With this AI camera technology installed at all loaders and bobcats, audible alarms and flashing warning signals will be triggered when pedestrian or objects within the zone is detected, enabling early detection of collision hazards and alert operators before an accident happens. With the site traffic management plan, and regular reviews, we can prevent all the loader/ bobcat accidents.



#### PPE Monitoring Camera at Sai Tso Wan Plant

To ensure consistent and persistent implementation of proper work steps, Standard Operation Procedures are put in place. Nonetheless, physical inspection alone would be labour intensive and time-consuming for ensuring compliance, whereas technology can facilitate real time, long hours monitoring with automated analysis. This technology caters to danger zone access detection and instant warning system to assist site management in monitoring high risk areas and PPE utilization, helping to reinforce workforce health & safety behavior.



Adapting to New Era of Digitalized Work Mode

Inspection App

Aiming to identify and remove hazards in a timely manner, the Inspection App on mobile devices allow our line management staff to keep tracking inspection findings and the status of implementation. This application not only reduces paperwork but supports staff to promptly rectify any unsafe conditions, and thereby facilitate our performance review analysis process for the planning of upcoming strategic actions.



Digitalized Training



HSE training has been a fundamental part of our management system. Internal training courses provide by safety officers and tool-box talks are regular exercises that aim to refresh staff with knowledge on a variety of HSE topics. These are arranged as per annual training needs analysis and incorporated into the training plan. External training such as safety supervisor, 5S green belt, ISO system training, etc. are also arranged for staff to participate during paid hours, supporting them to become more competent in performing HSE duties.

During the reporting period, different digitalized training methods had been explored to enhance the effectiveness and efficiency of training with line operatives. E-learning station was set up at our working sites to support staff to complete training at their own pace, with interactive tools to assist them to achieve their learning outcomes. A series of training videos are also adopted into our training program, making HSE training more diverse and user-friendly.

Promoting Safety Awareness and Caring Culture

The world is filled with volatility, uncertainty, complexity and ambiguity, especially with the waves of COVID-19. To thrive in this VUCA world, going beyond protocols is necessary for securing the talents and energy of employees. In the past 2 years, we strived to support staff to maintain a balanced and healthy work-life by fostering caring culture across our offices and working sites. As such, different health promotional and health surveillance activities took place.

Prevention of Heat Illness

Working under hot and humid environment elevates the risk of heat illness and should be avoided. We recognised that such risks not only happen to those working outdoors but also in the indoor plant environment. With an aim to improve workplace quality, equipment and facilities such as cooling fan, mobile air conditioning devices, were provided to staff with regular rest periods to minimize heat stress at work. Promotional activities were carried out with all our line operatives' participation.



Health Assurance at Work

Manual Handling

Manual handling operations could lead to strains and sprains, with long-term mobility impacts to the individual. Collaborating with end-users, new ways of operation were established to eliminate manual handling and associated hazards while still encouraging the promotion of innovations in the workplace.



Noise Improvement

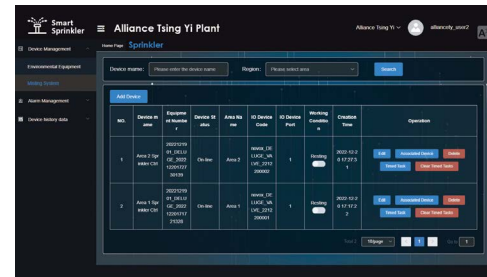
Noise at work can become a nuisance to those working on site and our neighboring communities. Having recognized this challenge from our noise surveillance exercises, a cross-functions project was set in motion with plant office upgrade, equipment relocations and adjustments to reduce the noise level at our plants. We continue to carry out routine noise monitoring and seek ways to improve our workplace environment.





### Dust Suppression

Dust emission mitigation is embedded in daily operations as part of our commitment to protecting the climate and our neighboring communities from environmental pollutants and nuisances. In addition to stringent dust emission controls, air quality samplings and assessments are carried out regularly to detect and rectify abnormalities in a timely manner. Concrete batching plants are also equipped with real time air quality monitoring and automated sprinkler systems, with preventive maintenance of equipment to ensure effective dust suppression.



### Joyful@Healthy Workplace

Having joined the Joyful@Healthy Workplace Charter since 2016, increasing attention and resources are placed on employees' physical, emotional, and mental health. Annual flu vaccine and COVID-19 Vaccination Leave are offered to all staff, and several staff have completed a mental health first aid training course. In-house mental well-being workshop was also conducted, supporting staff to acquire knowledge and awareness on mental health, work stress management and maintaining a balance between work and life.



## Enhancing Transport Safety

To facilitate truck cleanliness and safe driving behavior, new technologies are utilized as part of our fleet management, enhancing transport safety.

### Improving Truck Washing and Prevent Overload

A new Load & Go truck washing system was installed in our new STW2 plant to improve truck cleanliness. To avoid forming hardened concrete inside mixer drums, which may cause overloading and other safety hazards, we introduced the Drumblaster Build Up Control. These new systems offer great help to our drivers to maintain truck cleanliness and loading capability, while helping enhance safety standards.

### Preventing Traffic Incidents

The Advanced Driving Assistance System (ADAS) was installed on our truck fleet providing real time monitoring of road conditions and corresponding driving behavior of truck operators. An audible warning will be triggered alerting drivers before an incident happens, minimizing traffic accidents. Regular driving performance reviews and follow up training will support our endeavor to further improve and promote overall HSE culture and safe operation.

### Engaging Drivers

Truck operators are engaged via different means such as driver's forum, safety seminar, safety messages and videos, and truck inspection. Driver handbook was also issued in 2022 with latest work arrangements and requirements, supporting drivers to operate safely and efficiently.





## SUSTAINING HUMAN CAPITAL



With increasing number of new talents joining the family of Alliance, aligning safety values and establishing coherent safety leadership can be a challenge. Meanwhile, the energy and new ideas from this generation can yield great changes and enhancements. We emphasize employees' engagement at work and ensure they are involved in contributing workplace improvement and fun activities. In the past 2 years, there had been 3 management trainees hired and summer internship positions offered to different institutions.

### CHANGE OF AGE AND GENDER

New Hires of Age  
Below 30:

**+85 %**

Compare with 2017/18

New Hires of  
Female:

**+28 %**

Compare with 2017/18

## EMPLOYEES ENGAGEMENT AND ACTIVE REPORTING

Staff from different levels and functions across Alliance are engaged through bi-monthly IMS committee meeting at the corporate level, chaired by General Manager and at site level chaired by Plant Manager. The engagements include promotional activities, improvement projects, inspections and audits, as well as establishment of SOPs. We seek to facilitate a collaborative work culture and pursue continual improvement by engaging all relevant parties.

### Risks and Hazards Identification and Removal

All our staff are trained with risk assessment techniques and principles of dynamic risk assessment. Safety conversations are carried out by management staffs to reinforce and evaluate staff' understanding and implementation. We also aim to have all job activities covered by risk assessment and all workers are encouraged to report any unsafe conditions or discrepancies at once to minimize hazard exposure. Through incident investigation we can support the identifying of root cause, take corrective actions as per hierarchy of controls, and explore room for further improvement.



### Life First Events

Annual Life First campaign is carried out at our working sites as part of our HSE promotional program. Staff are engaged in risk assessment, mutual communication with management staff, and sharing of their ideas for creating a safer workplace.

### Safety Climate Survey

Safety climate survey is a bi-annual exercise we take the opportunity to evaluate the safety culture of our organization. Staff at offices and work sites participated, offered suggestions and expressed their views on our current performance.





STAFF SHARING



**Jacky Tsang**  
*Senior Production Manager*

As a Senior Production Manager, I oversee the operation of concrete batching plants at our Tsing Yi Production Hub. I often work with other functional teams to implement strategies and drive continual improvement in a practicable way. This role allows me to challenge myself to oversee operations in a more holistic perspective, to look ahead, and to keep a growth mindset, always enforcing and upgrading our processes and systems.

The production hub is an unprecedented change, with adoption of technologies that enable real-time air quality monitoring, and automated truck washing facilities. The workforce also includes new generation of supervisory staff and line operatives, a group that not only aligns the values of Alliance but able to bring about innovation and meaningful recommendations. As I work with them, I always emphasize the rationale behind each procedure and requirement to ensure thorough understanding and alignment of our core values. Routine coaching also plays an important role in supporting them to grow and manage a very steep learning curve. They are also appointed to lead projects, giving them flexibility to explore and draw recommendations.

To me, being able to see initiatives become reality, achieving company objectives, and witnessing the growth of my work teams bring me great sense of fulfillment. Alliance is always evolving, and I am honoured to play a part in shaping its future together.



**Wayne Leung**  
*Production Manager*

Being entrusted to take up the role of Production Manager means a lot to me. The Company has provided me a platform, guidance, and flexibility. In addition, we always seek innovation and breaking the status quo in a very traditional industry. Management staff are also very open-minded and supportive to maintaining a balanced work-life and building a healthy workplace environment. Opportunities are always available for dedicated young talents to explore and unleash their potential. As for me, I like to think my role is important to ensuring production meeting targets and requirements, but more importantly, to ensuring HSE is incorporated into our processes and shaping the perspectives of new staff regarding HSE. I strive to fulfill my roles and responsibilities to develop and contribute to our business success.



**Kyle Chau**  
*Production Engineer*

My experiences here have been very fulfilling and meeting my interests, including R&D and project management. My role allows me to investigate issues, break through misconceptions with data analysis, drive up proposals and leading improvement projects. Driving such changes to pursue operational excellence is very meaningful and gives me much achievement. I also appreciate the regular coaching by my superior, who holds me accountable to the projects while often giving me insights to support my learning and development. There are lots of opportunities to work with other teams and my experiences are pleasant as we overcome challenges together. There really is always room for learning and gaining experience. If I can say one thing to myself before joining Alliance, I would say enjoy the process, there is much to learn. Be patient and look forward to leading new changes.



OUR ACTIVITIES AND FUN MOMENTS



RELAXING

Small group workshops for staff to enjoy and explore new hobbies.



GATHERING

Annual Christmas Party for staff to create fond memories together and enjoy festive season.



CARING

Retirement parties to recognise the long service staff's great contribution to the Company.



CELEBRATION

Special celebration party for Customer Service Centre's 10 years anniversary



VOLUNTEERING

Staff volunteering services to connect with other colleagues and the community.



# RESOURCES

Within the pillar of RESOURCES we have two main streams of “Enabling A Circular Economy”, and “Climate Protection”. Our goal for enabling a circular economy is to decouple our business growth from the consumption of finite natural resources. Therefore, our strategic actions cover the entire life cycle of the built environment as we seek to collaborate with our suppliers and customers to achieve our sustainability improvements.



## ENABLING A CIRCULAR ECONOMY

### MANAGEMENT APPROACH AND STRATEGIC ACTIONS

We partner with our suppliers to enhance responsible resources management and support a circular economy. Our supply chain consists of nearly 400 suppliers, the suppliers of our raw materials (i.e. aggregates, and other main ingredients for concrete production), plant repair & maintenance, logistics solutions, as well as other office equipment & products are our key stakeholders. We strive to go beyond compliance requirements, and actively engage different suppliers in our sustainability initiatives.

We made continued efforts to secure the aggregates reserve from responsible sources that ensured the quality and traceability of our raw materials, while also taking into account environmental and social factors when managing relationship with suppliers. The green quarry practices that apply in our sites in Mainland China namely Huidong Quarry and Tai Shing Quarry ensure the rocks are extracted and processed in a sustainable manner and won't burden the environment and natural resources.

In our production sites the environmental practices include both pollution control and mitigation, and recycling processes. These environmental practices are the commitment we have to the local communities as we aim to impact the communities positively. In our newly commenced STW2 Plant, we applied advanced technologies in environmental protection such as the auto-truck washing system, air quality monitoring sensors and the wastewater recycling system. These advancements enable the most efficient management of the environmental impacts from our production site.

### AGGREGATES RESERVE

Aggregates are generally thought of as inert filler within a concrete mix and is inexpensive. But a closer look reveals the major role and influence it plays in the properties of both fresh and hardened concrete. The quality of aggregates has significant impact to the quality of concrete and in turn the building safety. Thus, it is of paramount importance to ensure the quality and traceability of the aggregates reserve.

From a sustainability point of view, although aggregates are produced from abandoned material the extraction of rock from a stone quarry, if not managed carefully will have negative impacts to the natural habitat and the environment.



#### Partner with Responsible Quarry Operators

Our strategy in aggregates reserve is to partner with responsible quarry operators, through carefully selected quarry sites to ensure the long term and stable supply of good quality aggregates. The certification of ISO9001 for quality management system and the Product Certification for our quarry sites have ensured the traceability of the aggregates reserve and the compliance to applicable construction standards such as the CS3 in Hong Kong. The green quarry practices that are implemented in our partnered quarry sites minimized the negative impacts that may have to the natural habitats and the surrounding environment. The carrying out of quarry rehabilitation in parallel with the rock extraction prevents the exposure of bare land and thus eliminates the risk of land erosion.



#### Improve Cross-Boundary Logistics Efficiency

The supply of aggregates from quarries in Mainland China to Hong Kong involves cross-boundary transportations. The efficiency of the cross-boundary logistics on one hand will have impact to the carbon footprint from the transportation process, on the other hand it ensures the stable supplies to our concrete production sites as well as other aggregates customers. The aggregates depots we set up at strategic locations in Hong Kong connect the marine transportation from our quarry sites and the downstream operations which enables the quickest turnaround time for the aggregates barges travelling between Mainland and Hong Kong. The large storage capacity of these aggregates depots also ensures the non-stop supply of aggregates even under major disruptions from cross-boundary transportation or the disruption of marine transportation due to adverse weather.



## SURVIVE THE COVID-19 CHALLENGE

Over the last two years the major disruptions from cross boundary transportation due to COVID-19 had threatened the aggregates supplies to Hong Kong market and in turn the continuity of concrete and asphalt supplies to local development projects. Our strong aggregates reserves couples with the large storage capacity in our strategically located aggregates depots and the tremendous efforts made by the Logistics Team overcame all hurdles that encountered and maintained the business continuity under such a public health crisis.



## WATER MANAGEMENT

The WASH Pledge we signed up to in last reporting period is a starting point where we look into the growing water crisis. Our annual assessment revealed that we can meet the best WASH practices at all sites that include the access to safe water, sanitation and hygiene at all sites, and preventing water pollution in the communities where we operate. In 2022 we put in place a Water Policy to address the issue of long-term global water scarcity. This policy emphasizes sustainable use of water and our commitment of not to stress or pollute any water bodies.

While water is an essential ingredient for concrete, we aim to minimize our water consumption and commit not to pollute any water bodies. The wastewater treatment and recycling systems we have in all our production sites enable the recycling of plant yard and truck washout that minimized the consumption of fresh water for washing activities. These systems also ensured the quality of water discharge will meet the most stringent requirements stipulated in the water discharge license.

We continued looking for innovative ideas and facilities that help to reduce water consumption. For example, when we planned to upgrade the truck washing system for STW2, we aimed to have systems that wash the entire truck body instead of wheel washing only which might consume more water. The auto-truck washing system we selected is highly specialized for concrete mixer truck washing. The pressurized water nozzles coupled with the PLC control system allowed the thorough cleaning of the entire truck body using less water.

Our next step in water management will be the quantification of water footprint. The water footprint will provide a comprehensive picture of our direct and indirect water uses, and water pollution risks, which will help us to identify opportunities to reduce impacts to water resources.



## GREEN OFFICE INITIATIVE

A group of Head Office staff initiated a Green Office Program to encourage employees to appreciate environmental protection in daily activities.

In 2022, a cross-team working group which involved staff from ESG Team, Procurement Team, Finance & Admin Team and IT Team formed. The working group started with reviewing the operations of Head Office such as how meetings were held, document printing and all the materials and goods being used, from paper and stationeries to hand sanitizers and detergent provided in the pantry, to identify opportunities for bringing in green practices, addressing procurement of office supplies.

With the passion from all members, lots of green office practices were introduced. For example, the reusable handwriting smart notebook, "Rocketbook" with scan and send mobile App was introduced for replacing the paper notebooks. The smart notebook not only saved paper from paper notebook consumption, but it also improved the efficiency of recording and sharing of meeting notes. Eco Dish Liquid and Hand Wash made from sustainable ingredients that eliminate hazardous chemicals were provided in the pantry. The more sustainable natural bamboo tissues were purchased for replacing the ordinary paper tissues. Arrangements were also made by the IT Team to set two side printing as default printing setting, and the reuse of wasted paper for printing draft or internal document for reducing paper consumption. Collection bins for collecting recyclables were placed at convenient places in the Head Office to facilitate the recycle practices. The working group published a short video promoting the green office practices and to educate employees how the recycling practices should be done.



## CLIMATE PROTECTION

## SPOTLIGHT

## NEW ROUTES TOWARDS GREEN LOGISTICS

In 2022 we committed to the Science-based target (SBTi) and determined our interim carbon reduction target of reducing at least 30% of our Scope 1 and Scope 2 emissions as compared to our performance in 2018. For Scope 1 emission reduction we are accelerating the replacement of 5-axles 10m<sup>3</sup> concrete mixer trucks that may enhance our delivery efficiency by 25%. We also started exploring the possibility of introducing electric vehicles to our operations. Although we did not determine the reduction target for our Scope 3 emissions, the offering of Green Concrete Solutions to the market will contribute to the carbon reduction from the entire building lifecycle.

To attain the Net-Zero by 2050, the fading out of fossil fuels is foreseeable. Thus, we started to investigate possible options and how the new energy heavy vehicles are being developed in other countries in order to prepare for this soon to come new energy transportation transition. With the support from the New Energy Transportation Fund that is offered by the Government, we'll introduce two battery electric service vans to our operations and to carry out a trial to test the feasibility of operating the E-van in construction sites in Hong Kong.



## EURO 6 5-AXLE TRUCKS

For the emissions from fossil fuels consumption from our delivery truck fleet, in addition to the application of B5 biodiesel, our focus over the last two years is the introduction of EURO 6 5-axle trucks to our concrete mixer truck fleet which is an interim measure before the full transition to new energy transportation. Compared with the EURO 5 truck, the NOx emission of EURO 6 truck is 55% lowered. While the 5-axle trucks have a higher carting capacity of 10m<sup>3</sup> concrete which is 25% higher than the 4-axle trucks. When translate the increased carting capacity into carbon reduction, subject to the travelling distance a 6-10% reduction can be achieved. As at end of 2022, we have 29 5-axle 10m<sup>3</sup> concrete mixer trucks travelling on the roads.

## FIRST E-MIXER TRUCK IN HONG KONG

In 2022, we collaborated with SANY, a construction machineries manufacturer in Mainland China to introduce a battery electric concrete mixer truck to Hong Kong for a one-year trial. The trial will provide the industries with useful information about the benefits of E-trucks in terms of fuel saving, carbon reduction, and noise reduction. It will also answer the questions the industry has on E-trucks such as how the charging time will affect the operations, solutions for easing the problem of lack of charging facilities, safety concerns on lithium batteries, power and torque for travelling on hilly roads in Hong Kong and in the construction sites, and gross weight when carting concrete. The trial also supports the truck manufacturer in enhancing the truck design, making it most suitable for the operations in Hong Kong.





## CLIMATE PROTECTION

In addition to all the energy saving initiatives in both the office spaces and the production sites, we installed our 3rd solar PV system on the roof of our STW2 Plant. Altogether with the 2 systems that installed in YLP and TTS the annual electricity generation from our solar PV systems increased to 150,000 kWh. These are examples of our strategic actions for reducing our Scope 2 emissions.

We offer the market Green Concrete Solutions. Our Green Concrete Solutions are total solutions that consist of concrete products with low carbon or other green benefits and the services such as the certifications that confirm the products' green or low carbon performance. The Green Concrete Solutions support our customers' green and low carbon purchasing choices in response to the evolving low carbon economy.

Through carbon offsets we compensated part of the unavoidable carbon emissions. Within the reporting period we offset the carbon emissions from our fossil fuel consumption of our trucks. After all the carbon reduction measures were implemented in our STW2 construction project we purchased 1,640 carbon credits from VCS project making the construction of STW2 a carbon neutral project. We also offered customers the carbon neutrality service to help them offset the carbon emissions from the concrete they purchased.

### SCIENCE-BASED TARGET (SBTi)

We emit around 10,000 Ton CO<sub>2</sub>-e annually from our energy consumption in operations, and fuel from trucks. Heading towards Net Zero 2050 we committed the Science-based Target (SBTi) and determined an interim target of reducing 30% our Scope 1 & 2 emissions by 2030. As such we continued to seek all possible means to reduce emissions from our energy and fuel uses.

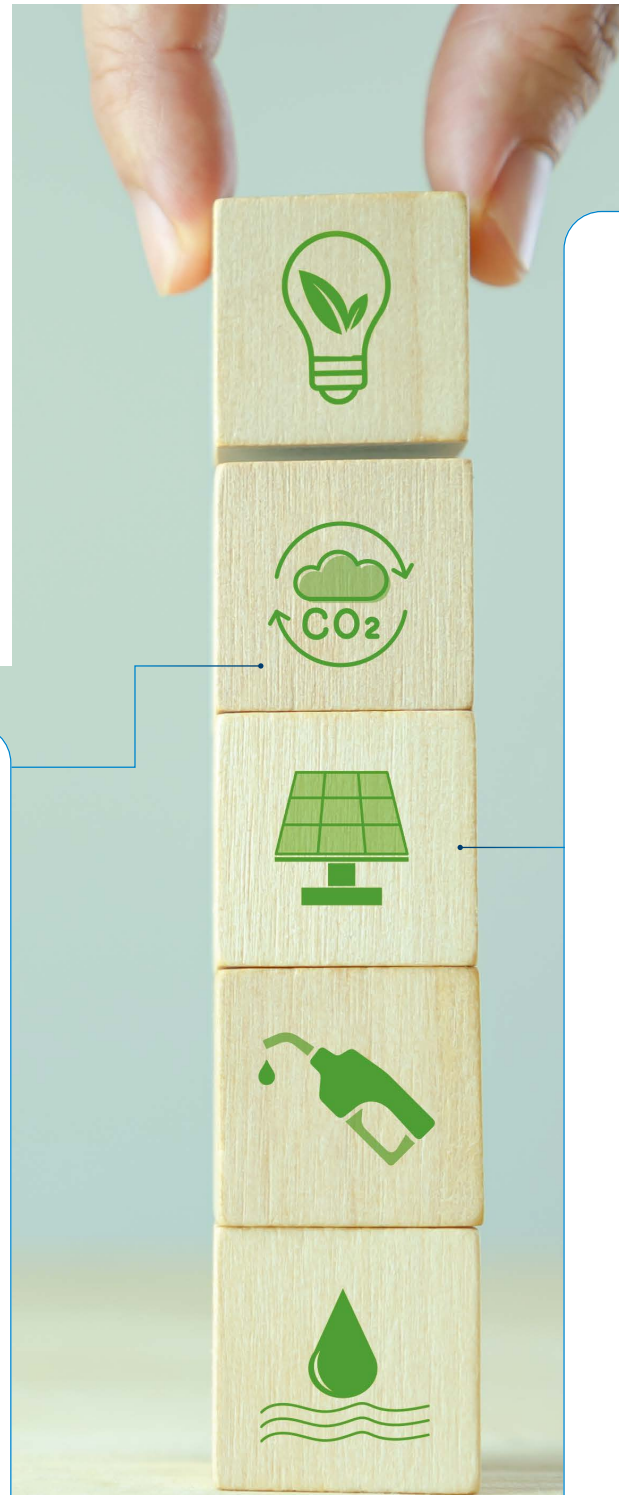
Under the global theme of decarbonization, in Hong Kong, the government announced the Climate Action 2050 that targets Net-Zero electricity generation by 2050 and the progressive transition to Green Transportation.

When considering our long term decarbonization roadmap, we follow the track of the Climate Action Plan. For Scope 2 emissions which are mainly from grid electricity consumption, we continued looking for effective means to enhance our energy efficiency. For example, in the site office of our STW2 Plant, the thermal insulated wall panels and the double-glazed windows will reduce the energy consumption from air conditioners. The soft starters we installed for motors coupled with the process control system will minimize the energy wastage during idling time of the machinery.



2030 Carbon  
Reduction Target

**-30%**



### TRANSITION TOWARDS SUSTAINABLE ENERGY

#### Solar PV System

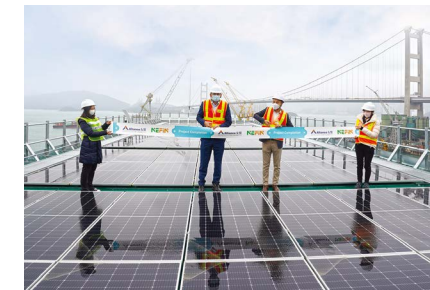
The solar PV systems on the roof of our production sites are increasing the generation of renewable energy. With the commencement of our newly construction STW2 Plant, we have 3 out of 5 plants installed with a solar PV system that can generate more than 150,000 kWh annually.

The STW2 plant contains 124 PV panels, which are installed at two separate rooftop zones. We have opted to make use of industrialized panels for this project which contain specialized optimizer systems for electrical safety enhancement while optimizing performance.



Generate more than

**150,000 kWh**






CARBON REDUCTION THROUGH GREEN CONCRETE SOLUTIONS




ALLIANCE GREEN CONCRETE SOLUTIONS




**Certified Low Carbon Concrete**

- Standard Mixes
- Mixes with recycled materials
- High Performance Concrete



**Green Concrete Certification & Carbon Neutrality Services**

- CIC Carbon Label
- Type III EPD
- Carbon Neutrality Program



**Green Building Service Package**

- BEAM+ 2.0
- LEED 4.0

A major part of our decarbonization roadmap is to collaborate with all stakeholders throughout our value chain to make “Net-Zero by 2050” a reality. To reach the Net-Zero by 2050, emissions must be halved by 2030. We understand that this is urgent and a challenging goal which cannot be achieved solely by ourselves. We need concerted efforts from the entire value chain. The Green Concrete Solutions we offered to the market is an invitation to our suppliers as well as our customers and users of buildings and infrastructure to join hands in the decarbonization journey.

Verified Green Product Options

The Green Concrete Solutions considers all stages of the life cycle of concrete buildings. We influence our raw materials suppliers to reduce carbon footprint from their extraction and manufacturing processes. The application of waste products from other industrial processes such as fly ash from coal burning power plants and GGBS from steel furnace, when applied to concrete can replace part of the cement content and in turn lower the embodied carbon of concrete. The Recycle Concrete Treatment machine we introduced from Japan which turns returned concrete into usable recycled aggregates that can be used in concrete is also an initiative towards green concrete solutions.

We innovate in concrete mix design and offered customers a series of Valued-Added Products (VAPs) with various sustainability benefits such as to reduce concrete volume by using high strength concrete, long pumping concrete to reduce emissions from truck delivery, self-compacting concrete that reduces carbon emissions from concreting process, and different types of light weight concrete. Through concrete mix optimization and stringent quality control we reduced the cement content from concrete and in turn lowered the embodied carbon. We provide technical support to customers from selection of low carbon concrete mixes, green product development and trials, to concreting engineering, that helps them to reduce carbon emissions and other environmental impacts from the construction process.

The quantification and certification of embodied carbon of entire range of our concrete products assured the low carbon performance of our products which have been certified by the CIC carbon label scheme. We also provided customers with verified data that supports their low carbon purchasing choice as well as the quantification of the project carbon footprint.

The Type III Environmental Product Declaration (EPD) we published discloses wide range of independently verified environmental data of the concrete products. The associated life-cycle assessment tool also enables us to estimate the quantity of Carbon Dioxide absorption of the concrete building in its lifetime.

BEAM+ 2.0 and LEED 4.0

We recognized the growing trend of Green Building projects in recent years, under the low carbon economy trend. To support developers’ Green Building development, we worked out the BEAM+ 2.0 and LEED 4.0 service package to help with the material related aspects. The services covered in these green building service packages include concrete product certifications such as the CIC Carbon labels and Type III Environmental Product Declaration, product ingredients disclosure, and information regarding regional materials which support the project’s green building assessment in materials aspect.



## CARBON OFFSETTING

Before the attainment of Net-Zero, carbon offset can be considered an interim solution that compensates for the unavoidable emissions after all the efforts made in carbon reduction.

### Offset Fossil Fuel Emission

Within the reporting period we partnered with SHELL, our fuel supplier to offset the carbon emissions from fossil fuel consumption which mainly came from the fuel consumption of our delivery truck fleet. Since 2019, in total, 21,976 carbon credits were purchased from VCS projects.

The carbon offset is part of the Accelerate to Net Zero program that we partnered with SHELL in 2022. The program consists of carbon data capturing and analysis, telematics & EV suitability assessment, charging solutions for EVs and other renewable solutions development. Through this program we aimed to create a platform with our fuel supplier that we can share industry insights and best practices for transition to new energy era.



### STW2 Plant – A Carbon Neutral Project

When planning for the STW2 construction project we determined to achieve carbon neutrality for the construction works. Through carefully planned construction processes, and the pre-fabrication of plant structures and other components we reduced the carbon footprint from materials consumption and waste. The application of energy saving and other controls over the on-site construction works enabled the reduction of carbon emissions from energy consumption of the construction activities. After the quantification and independent verification of project carbon footprint, a total 1,640 tonnes of CO<sub>2</sub>-e was offset through the purchasing of carbon credits from CLP's renewable energy project.

### Carbon Neutrality Program

The Carbon Neutrality Program we offer is an option for customers to achieve carbon neutral concrete through offsetting. The program consists of selection of low carbon concrete mixes at early planning stage, all the feasible carbon reduction measures during the concrete production and delivery, quantification, and verification of embodied carbon of the concrete supplied, and finally purchasing of carbon credits from carefully selected VCS projects.



# COMMUNITY

A major part of our Corporate Social Responsibility strategy is to ensure positive social and environmental impact associated with our operation to the community. It's more than improving public image, our community management approach is to take steps to be a contributing member and supportive to the needs of the community. Our community measures include three core areas: being Environmentally and Socially Responsible, Community Support and Community Engagement.

Concrete and aggregates are the most widely used building construction materials, it's unavoidable that our operation will cause some environmental impact. Through our strategic planning, we strive to reduce the carbon footprints from our production and logistics process and increase effort in environmental conservation. To ensure driving safety of our truck fleet, we launched a series of safety improvement programme in this reporting period.

In the past few decades, we have supported the city's critical development and transformation with our concrete and aggregates solutions. We have also contributed to the community by building urgent social facilities and organizing various charity activities. To better understand the needs of the community, we took the initiative to meet with key community stakeholders and formed casual liaison groups.



## BEING RESPONSIBLE TO OUR COMMUNITY

In our aim to achieve low carbon operations, we have made every effort to apply best practices to our environmental protection, such as enhancing energy efficiency, use of renewable energy and low carbon product development. We also continued to promote reuse and recycling in our operations including wastewater recycling and using recycled aggregates in concrete production.

In the reporting period, we focused on our logistics process to launch the Load & Go Ready Mixed Truck Wash (Load & Go) system to enhance truck cleanliness, the Advanced Driving Assistance System (ADAS) to reduce accidents, the Drumbuster Build Up Control System to avoid concrete spillage on public roads.

### Highlight Story

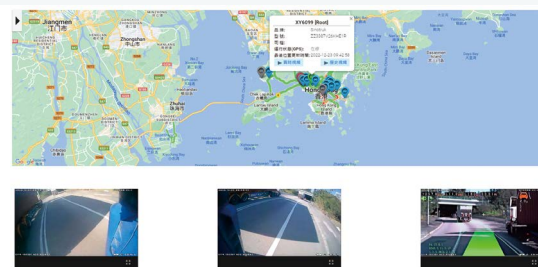
#### Load & Go - Improve Truck Cleanliness

Maintaining good operating conditions of our trucks including their cleanliness and functionality is our key logistics performance indicator. It not only affects our brand image, but also impacts the safety of the drivers and other road users. The new Load & Go truck washing system we introduced to the STW2 plant can automatically clean a mixer truck in 60 seconds, removing all cement dust and concrete build up easily.



#### ADAS - Enhance Road Safety

To minimise traffic accidents, we adopted the Advanced Driving Assistance System (ADAS) to our truck fleet. This new solution using AI technologies aims to intervene proactively, supporting our drivers' driving behavior and attitude and offering them necessary support to prevent incidents. By connecting to a cloud-based platform with data for driver and truck fleet analysis, it provides instant alerts to the driver when risks are detected. Based on its automated analysis, we can further develop training programs to enhance the awareness of truck operators.



## COMMUNITY SUPPORT

It's our purpose to contribute to a better future for Hong Kong. Our building materials and solutions have shaped significant development of the city for the past 60 years. We are also committed to providing for some of society's urgent needs and give support to underprivileged groups.

### Highlight Story

#### Support Urgent Quarantine Camp Projects

During the height of the COVID-19 in Hong Kong, we mobilized all our resources to overcome the challenge of access to raw materials, logistical hurdles and manpower shortage to fully support the urgent need for quarantine camps. During the 5th wave outbreak in early 2022, we provided around the clock concrete supply to support the speedy construction of the 6 urgently needed quarantine facilities, and completed these projects within an extremely tight construction schedule.



#### Alliance Run for Hope

In 2021 and 2022, Alliance initiated the Run for Hope virtual charity run to promote a healthy lifestyle and fulfill our corporate social responsibility. For the first year, all staff of Alliance challenged themselves to reach the 1,000km goal together. With the overwhelming response, we upgraded the run target to 3,000km in 2022 and achieved more than 10,000km finally. Alliance donated \$100,000 to Po Leung Kuk twice to support its social welfare initiatives.





### Support the City's Critical Development

We were proud to offer concrete and aggregates solutions to key highway projects to ease congestion in Hong Kong. Besides offering aggregates solutions to the Tseung Kwan O – Lam Tin Tunnel, we participated in two major highway projects under the Route 6 - Trunk Road T2 of the Kai Tak Development and Central Tunnel of Central Kowloon Route. As Hong Kong continues to reinforce its aviation and logistics development, we supported some important expansion projects, including the Three-Runway System (3RS) and the Cingleot Premium Logistics Centre. For housing & business development, we contributed to different projects under the Tung Chung New Town Extension and Kai Tak Development.



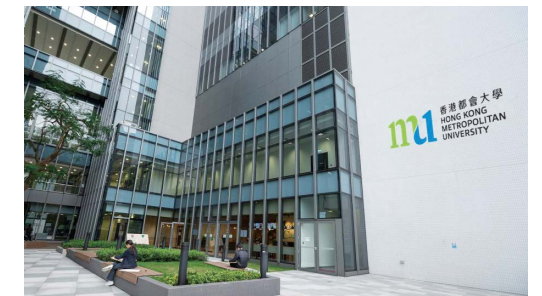
### Other CSR Initiatives

#### 18 Districts Lo Pan Rice 2022



As the Gold Sponsor for the 18 Districts Lo Pan Rice 2022, Alliance joined the meal boxes and goodie bags distribution to the communities in need.

#### Donation of Testing equipment



We have helped to develop the next generation of engineers by donating a professional laboratory pan mixer to the newly setup Civil Engineering Laboratory of the Hong Kong Metropolitan University.

#### Summer Internship Program



We continued to hold the summer internship program for tertiary students, helping them gain practical working experience and prepare for future employment.



### Supporting the Under Privileged Groups

Over the past 15 years, we have been supporting the under privileged groups by partnering with United Christian Nethersole (UCN) Community Health Service. Activities included the Christmas parties and Mid-autumn parties for the senior homes.



### Staff Welfare Events

A series of staff activities were launched in recognition of their hard work and contribution, including Christmas Party, New year Lucky Draw, special gift box give-away, Coffee Art Workshop, among others.



## COMMUNITY ENGAGEMENT

We believe it is equally important to meet the expectation of customers and the communities where we operate. Besides establishing the CSR and Community Engagement Committee in 2019, we stepped up our effort in enhancing community engagement in this reporting period. In 2021, we took initiative to form the STW Liaison Group, a casual liaison group in our regional concrete production hub located at Tsing Yi Sai Tso Wan Road. Together with the key stakeholders in the area, we actively discussed and reviewed the commonly concerned community issues through regular meetings. We believe it will help deepen relationships and trust between our stakeholders and build harmony in the community.



### Beach Clean-up Activity and Noise Control of Our Plants

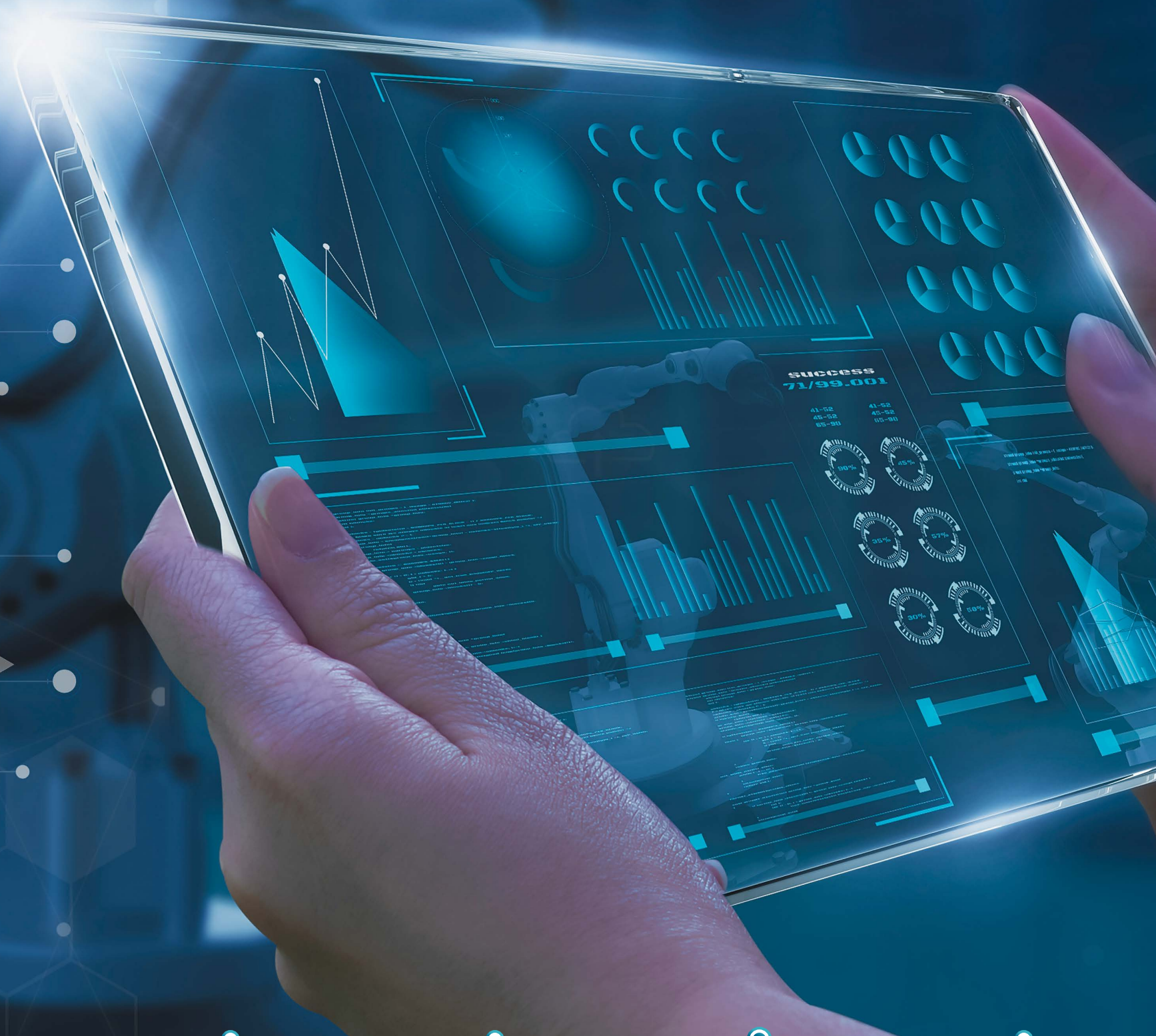
On a hot sunny day, we organized a Sai Tso Wan Beach Clean-up activity with the members of the STW Liaison Group to help tackle marine pollution and make a positive difference to the community. More than 30 bags of plastic bottles, packaging materials and other garbage were collected during the event. It was a tough day, but all the volunteers were very excited to join such meaningful event.

Whenever there is an environmental or social issue raised by the community, we respond to the problem immediately and look together for the best solution. An example is the noise control of our Yuen Long plant and TTS plant. Although the noise level was within the statutory noise limits, we still addressed the community's need to further cut the noise.



# INNOVATION

Alliance approaches sustainability as a core business strategy and we view INNOVATION as one of the four major pillars that support our sustainable growth. The INNOVATION within our strategy is a sustainability-driven innovation that goes beyond designing green products and services solely on their inherent virtue. It entails improving our operations and processes to become more efficient, upgrading our HSE standards, reducing environmental impacts, and add value to our customers. These improvements have helped to drive value creation, differentiation of products and services and the continual improvement of our operations, and continue to play a greater role in shaping Alliance's prospects in the market.





## DIGITALIZATION TRANSFORMATION

### SPOTLIGHT

# NEW CHAPTER OF DIGITALIZATION

Following the full migration to SAP in late 2020 and all the fine tuning of the systems in 2021, we further enhanced our digitalization transformation and provided a strong foundation for our process improvement and for the benefits of our customers.

### REMOTE BATCHING

Facing the unprecedented challenge of the COVID-19 fifth wave in Hong Kong, what we needed was a swift plan to ensure our business continuity. One of the important countermeasures was to develop a new "Remote Batching" system to manage production anytime, anywhere. "Remote Batching" is an advanced version of a home office. With the specially designed IT system, our operators can remotely control all batching related machines and devices to load concrete into our mixer trucks from their home. Therefore, it greatly reduced the infection risk of our staff and enabled production to meet the operational needs anytime, bringing greater flexibility to our operations. It also helped avoid suspension of concrete supply for the major construction projects including the Government's quarantine facilities in midst of the COVID-19 fifth wave crisis.

We have implemented remote batching in our Tsing Yi Concrete Production Hub after the commencement of our newly constructed STW2 Plant in December 2022. By centralizing the control of all production legs at Tsing Yi Island, the remote batching system starts a new era for our Tsing Yi Production Hub to maximize productivity, efficiency, and innovation.



### E-DOCKET CUSTOMER APP

In 2022, we rolled out the Concrete Delivery Management System that consists of E-docket and mobile Apps for our concrete mixer truck drivers and the customers. The E-docket was a just-in-time initiative during the fifth wave pandemic of COVID-19 when most customers were looking for touchless transaction to prevent spread of disease via the paper dockets and the close contact between site workers and the drivers.



The Concrete Delivery Management System connects with the concrete batching system as well as the concrete delivery optimizer that is operated by our Customer Service Center. The Concrete Delivery Management System couples with the AI cameras installed at loading bays in concrete batching plants, and they match the truck number with the batching order ensuring all concrete loads will be loaded to the correct concrete delivery trucks. While the mobile App efficiently connects the concreting workers at the construction sites with the drivers, this communication confirms the right concrete load is delivered and poured at the correct site. As such with these digitalized processes and the provision of real-time online delivery data, our customers can manage their entire concreting process from ordering to receiving concrete and onward to subsequent docket management at any location and in a timely manner.



### AI ANALYTIC TO ENHANCE CONCRETE LOADING PROCESS

We made progress toward a more advanced phase of the digital concrete loading process with a new Truck Position Monitoring System. By integrating a new AI industrial camera into our production system, we can ensure the right concrete mix is discharged to the right truck at the right position. It benefits the loading efficiency, increases accuracy and overall truck cleanliness.

AI industrial cameras were installed at loading bays to identify the truck and its concrete receiving hopper. The system will issue a warning to the drivers if misalignment to the hopper is detected. The AI camera will conduct video analysis to guide the truck to the right position and can extract the truck number from the system and integrate into the Company's database, so that the loading accuracy can be enhanced.



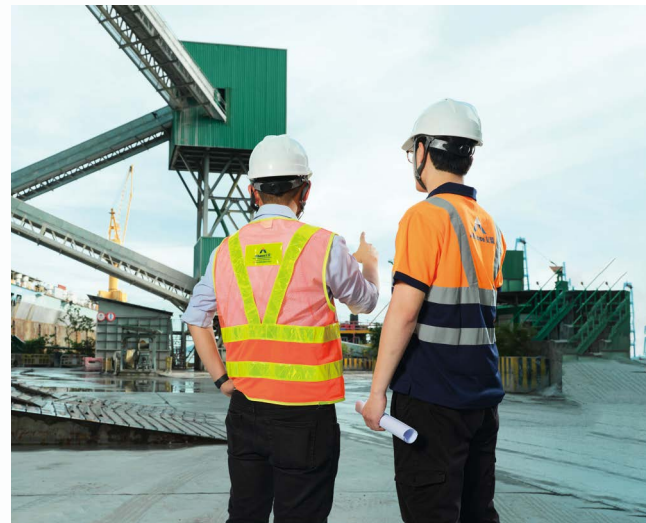
## OPERATIONAL INNOVATION

### PURSUE OPERATIONAL EXCELLENCE BY NEW TECHNOLOGIES

To strive for operational excellence, dedicated teams were formed to review the operation processes and to identify opportunities for improvement. Teams also explored the market for any new technologies that may be applied in our operations. Within the reporting period fruitful results were made.

#### “Auto Bin Fill” System for Aggregates Business

For aggregates business, the digitalization transformation started with automation. The “auto bin fill” system we launched in 2021 enhanced the aggregates supply efficiency in our concrete batching plants and aggregates depots, while minimizing the risks from human errors during the manually operated aggregates replenishment process. The paper delivery docket was also replaced by QR code scanning and auto-toll system for our internal aggregates supply process which has significantly simplified the administration process. The final phase of the digitalization transformation for aggregates business was the launch of the E-docket system for external customers in 2022. More than a paperless transaction process, the E-docket provides transparent information for customers to keep track of the aggregates supply and eases their administrative processes throughout ordering to invoice handling.



#### Precision Temperature System for Hot Weather Concreting

To better control the thermal behavior of concrete for special project requirement, ice will be used to replace some water. Up until our Precision Temperature System (PTS) was introduced, this process relied on personal judgment for ice dosage. This can potentially lead to quality problems. Based on the temperature requirement specified by the customers, our SAP system will calculate the target ex-plant temperature considering the temperature rise of concrete during transportation to the customer's site. The thermal model built inside the PTS will then calculate the corresponding amount of ice required for each batch of temperature-controlled concrete to automate the whole batching process. This new technology has been successfully applied at our Sai Tso Wan Plant.



#### Express Lane in Major Plants

On-time delivery is of paramount importance for enhancing customer satisfaction. By evaluating the production data and rounds of on-site testing, we decided to add an Express Lane in major concrete batching plants. The continuous production of concrete mixes with similar properties results in a streamlining of the operational processes and improvement in the overall production capability.

#### New Customer Portal — Hub

Within the reporting period we launched the new customer portal — Hub, which provides customers an online platform to track the status of their concrete orders, view past and current invoices and dockets, find missing invoices and dockets and to export docket data into spreadsheets which facilitate their reporting and administrative works.



#### Loader Operation Safety

Our operation involves usage of loaders and bobcats on a daily basis. The nature of work environment involves heavy traffic with pedestrian, mixer trucks, cement tankers, tipper trucks and service vans. Some of the work areas also have narrow operational spaces and it is infeasible to completely isolate the areas for loader operation. In addition to this challenge, the operational safety of such mobile equipment relies heavily upon operators' constant awareness of the surroundings, which makes safe operation of this type of mobile equipment very challenging. We must therefore be vigilant about safeguarding anyone within our sites.

In 2022 we installed the Blaxtair Pedestrian/Machinery Anti-collision Camera at our mobile plants. This technology allows users to set a detection zone with audible alarms and flashing warning signals on a driver's screen that is triggered when a pedestrian or objects are detected within the set zone. This equipment is installed at all our loaders and bobcats on site, enabling early detection of collision hazards and alert operators of pedestrians and obstacles before accidents happen. With the site traffic management plan, regular training and utilization of this technology, we aim for total loader/bobcat accident prevention.







### Tackle Challenges of Hardened Concrete in Mixer Drum with Robotic Arm

With nearly 200 Alliance mixer trucks delivering pre-mixed concrete throughout Hong Kong every day, the nature of wet concrete creates a challenge of hardened concrete forming inside mixer drums and potentially resulting in concrete spillage on public roads, causing environmental impact and safety risks to other road users. Arranging operators to get into the mixer drum to perform cleaning works also exposes them to safety and health hazards which should be prevented. In addition, hardened concrete can also reduce the carrying capacity of mixer trucks, impeding the productivity and increasing fuel intensity of our truck fleet.

The Drumblaster Build Up Control System is our new solution for the truck cleaning challenge. It makes use of automated robotics to frequently clean the mixer drum for minimizing concrete build up. With a tailored design program, the pressurized water jet can enter the mixer drum to perform the cleaning while operators stay inside the control station, eliminating the need to manually carry out such works inside the mixer drum. With frequent truck cleanliness maintained and monitored, our fleet can provide more productive services while minimizing impacts to the environment and safeguarding the safety and health of our operation team. The Drumblaster has been installed at our Tsing Yi Production Hub.

### New AI Technologies to Enhance Plant and Truck Safety

The use of personal protective equipment (PPE) in the production workplace is a critical aspect of an overall safety program. Recently we have introduced new AI cameras in our production sites, which can detect if people are wearing proper PPE. There will also be an alarm when someone enters the restricted areas. This new project can reduce much human effort on our safety management. Besides, Alliance also introduced the AI based Advanced Driving Assistant System to the delivery truck fleet. This new solution aims to intervene proactively driving behavior and attitude and offer our drivers necessary support to prevent incidents. By connecting to a cloud-based platform with data for driver and truck fleet analysis, it provides instant alerts to the driver when risks are detected.



### Tackle COVID-19 with Innovations

#### Virtual Plant Trial



Under the severe impact of COVID-19 fifth wave, all visitors were prohibited to visit our plants to minimize the infection risk. To support our customers to meet tight construction schedules, we offered new virtual plant trial service to replace the traditional onsite procedures. New IT tools were utilized to maintain close communications with the customers, which enabled our technical staff to share instant photos and short videos to demonstrate the whole plant trial process. The customers could observe all product and testing details via real time photos and videos and ask questions instantly. Several government projects have already adopted this digital approach to accelerate progress.



DATA & ASSURANCE

ABOUT THE REPORT

We are pleased to present our Sustainability Report 2021–2022. This is our 7th Sustainability Report and we publish bi-annually since we began our voluntary reporting in 2011. Being a non-listed private company in Hong Kong our Sustainability Report is developed to communicate with our stakeholders our purpose, our impacts and how we address our material sustainability aspects. To Alliance the reporting is also a business process that enables us to integrate sustainability management into the entire business.

Reporting Period and Boundary

This report covers our sustainability performance for the calendar year from 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2022 of our assets where we have full operational control. Unless otherwise stated this report does not include our non-operated assets such as Huidong Quarry and subcontractors.

Reporting Scope and Structure

The scope of this report is based on the material sustainability aspects we determined through our on-going stakeholder engagement and the materiality analysis process. To better align with global sustainability indicators our reporting has referenced to the Global Reporting Initiative (GRI) Standards.

In 2018 we put in place the Alliance Sustainability Ambitions 2030 (Ambitions 2030) which is our long-term strategic planning that guides our actions. The report contents are organized according to the four pillars of PEOPLE, RESOURCES, COMMUNITY and INNOVATION in the Ambitions 2030. This arrangement enables our stakeholders to have deeper understanding to the high-level management approach in different sustainability aspects, as well as to keep track of the progress and performance of the strategic actions. The GRI Index and Performance Indicators are tools to help readers to locate relevant information across the report.

External Assurance

This report has been assured by the HKQAA. The details of the scope of assurance are provided in the Verification Statement.

VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by the Alliance Construction Materials Limited “Alliance” to undertake an independent verification of its Alliance Sustainability Report 2021–2022 (“the Report”). The Report stated the economic, environmental and social performance of Alliance in the period of 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2022 for its operations in Hong Kong. The objective of this verification is to provide a reasonable assurance on the reliability of the report content in accordance with the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) 2021.

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the GRI Standards.

The verification process included verifying information relevant to reporting and management procedures, including stakeholder engagement methods and result, and materiality assessment processes. In addition, system and process for collecting, collating and reporting sustainability performance data were verified. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

Independence

Alliance Construction Materials Limited is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from Alliance. There was no relationship between HKQAA and Alliance that would affect the independence of HKQAA for providing the verification service.

Conclusion

- Based on the verification results, HKQAA has obtained reasonable assurance and is in the opinion that:
- The Report has been prepared in accordance with the GRI Standards;
  - The Report illustrates the sustainability performance of Alliance in a balanced, clear, detailed and timely manner; and
  - The data and information disclosed in the Report are reliable and complete.

Nothing has come to HKQAA attention that the selected sustainability performance information and data contained in the Report has not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria. In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of Alliance Construction Materials Limited, and discloses transparently their sustainability performance that is commensurate with their sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency



Ronnie Ng  
General Manager, Construction Business  
May 2023



PERFORMANCE DATA

Workplace Performance Indicators

GRI Code	Description	Item	2021	2022
MARKET PRESENCE				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	% of employee receiving wages higher than minimum wage	100%	100%
		Comparison of entry wage to minimum wage	171%	182%
202-2	Proportion of senior management hired from the local community at significant locations of operation	% of local hired employees <sup>1</sup>	89%	89%
EMPLOYMENT				
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Total number of employee as at 31/12	237 (97.47% permanent employees, 2.53% contract employees)	247 (96.76% permanent employees, 3.24% contract employees)
		New employees hired (by age group)	13 (<30), 21 (30-50), 10 (>50)	24 (<30), 35 (30-50), 17 (>50)
		New employees hired (by gender)	10 (female), 34 (male)	13 (female), 63 (male)
		Employee turnover rate (by age group) (%) <sup>2</sup>	3.33 (<30), 0.83 (30-50), 1.25 (>50)	3.72 (<30), 6.2 (30-50), 0.83 (>50)
		Employee turnover rate (by gender) (%) <sup>2</sup>	1.25 (female), 4.17 (male)	3.31 (female), 7.44 (male)
401-3	Return to work and retention rates after parental leave, by gender	% of employees entitled to maternity leave/paternity leave	100%	100%
		Number of employee taken maternity leave/paternity leave	3 (1 female & 2 male)	3 (1 female & 2 male)
		Retention rate after parental leave	100%	100%
OCCUPATIONAL HEALTH AND SAFETY				
403-5	Health and safety training and medical supports to employees	Total number of man-hour trained in health and topics <sup>4</sup>	6,319.00	5,017.25
403-6		Number of employees taken free medical exam	96	128
		Number of employees taken free flu vaccination	33	31
403-9	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Number of work related fatalities	0	0
		Number of reportable injuries <sup>3</sup>	1	0
		Number of lost days	171	365
		Reportable injuries frequency rate (no. of incident per 1000 employees)	4.21	0
		Reportable injuries frequency rate (no. of incident per 100,000 man-hours)	0.16	0
		Incident severity rate (no. of lost days per 100,000 man-hours)	27.67	60.36

TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee by gender, and by employee category	Training hours per year per employee (internal training)	3.14	1
		Training hours per year per employee (external training)	3.57	2.14
404-2	Programs for upgrading employee skills and transition assistance programs	Assistance on transitioning to a non-working life retiree offered temporary	3	3
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	% of employees receiving annual appraisal	100%	100%
DIVERSITY AND EQUAL OPPORTUNITIES <sup>5</sup>				
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	% of male employees	79%	81%
		% of female employees	21%	19%
		% of employees by age: <30	9.28%	9.31%
		% of employees by age: 30-50	47.26%	45.75%
		% of employees by age: >50	43.46%	44.94%
		% of employees (minority group)	0.42%	0.40%
HUMAN RIGHT				
406-1	Total number of incidents and discrimination and corrective actions taken	Number of incident of discrimination	0	0
406-1	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Number of cases	0	0
205-2	Communication and training on anti-corruption policies and procedures	% of employees trained	100%	100%
205-3	Confirmed incidents of corruption and actions taken	Number of cases reported	0	0

Note:

1 Senior management is defined according to the company's payroll system

2 Measured against average number of employees

3 Defined according to Employee Compensation Ordinance of Hong Kong

4 Health and safety training topics were defined in annual training plan and reviewed by Corporate HSE Committee

5 Direct employee only



Environmental Performance Indicators

GRI Code Description		Item	2021	2022
MATERIALS				
301-2	Percentage of materials used that are recycled input materials	% of Supplementary Cementitious Materials (SCM) in total cementitious materials used <sup>10</sup>	15.88%	17.14%
301-3	Reclaimed products	Concrete waste materials recycled (Tonnes)	2,893	1,505
ENERGY				
302-1	Energy consumption within the organization <sup>7</sup>	Total diesel consumption (L)	2,207,346.13	2,347,552.71
		Biodiesel (L)	3,000.97	3,329.15
		Petroleum consumption (L)	24,272.70	21,454.58
		Electricity consumption (kWh)	6,733,528.70	6,799,948.00
302-4	Reduction of energy consumption <sup>8</sup>	% of electricity consumption per 1m <sup>3</sup> concrete reduced (yearly comparison)	-5.39%	0.21%
		% of electricity consumption per 1m <sup>3</sup> concrete reduced (compare with 2018)	-36.75%	-36.46%
		% of electricity consumption per m <sup>2</sup> floor area of Head Office reduced (yearly comparison)	0.88%	8.06%
		% of electricity consumption per m <sup>2</sup> floor area of Head Office reduced (compare with 2018)	0.80%	8.79%
		% of fuel consumption per KM travelled by concrete mixer trucks reduced (yearly comparison) <sup>9</sup>	12.19%	-12.28%
		% of fuel consumption per KM travelled by concrete mixer trucks reduced (compare with 2018) <sup>9</sup>	42.70%	35.66%
		% of fuel consumption per KM travelled by cement tankers reduced (yearly comparison)	4.36%	5.81%
		% of fuel consumption per KM travelled by cement tankers reduced (compare with 2018)	8.07%	13.41%
		% of fuel consumption per KM travelled by service vans reduced (yearly comparison)	-1.75%	8.28%
		% of fuel consumption per KM travelled by service vans reduced (compare with 2018)	-5.83%	2.93%
		% of fuel consumption per KM travelled by aggregate transporting truck reduced (yearly comparison)	-3.85%	4.80%

WATER & EFFLUENTS				
303-1	Total water withdrawal by source <sup>1</sup>	Total water consumption per year (m <sup>3</sup> )	278,813.27	286,780.50
303-3	Percentage and total volume of water recycled and reused <sup>2</sup>	Estimated rainwater/waste water collected and reused (m <sup>3</sup> )	138,673	122,414
303-4	Water discharge by quality and destination <sup>4</sup>	Volume of water discharged (m <sup>3</sup> )	21,967	40,082
EMISSIONS, AND WASTE				
305-1	Direct greenhouse gas (GHG) emissions (Scope 1) <sup>3</sup>	Total scope 1 carbon emissions (tonnes CO <sub>2</sub> -e)	5,890.71	6,625.54
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2) <sup>3</sup>	Total scope 2 carbon emissions (tonnes CO <sub>2</sub> -e)	3,624.83	2,883.15
305-3	Other relevant indirect greenhouse gas (GHG) emissions (Scope 3) <sup>3</sup>	Total scope 3 carbon emissions (tonnes CO <sub>2</sub> -e)	391,574.01	456,464.69
305-4	Greenhouse gas (GHG) Emissions intensity	Carbon intensity — concrete (tonnes CO <sub>2</sub> -e per m <sup>3</sup> concrete)	0.274	0.316
305-5	Reduction of greenhouse gas (GHG) Emissions	Carbon reduction as compare with 2018 — concrete intensity	-4.99%	-20.89%
		Carbon reduction as compare with 2018 — overall emissions	2.50%	-13.27%
306-1	Total number and volume of significant spills	No. of significant chemical/cement spilt cases	0	0
306-3 to 5	Total weight of waste by type and disposal method <sup>5,6</sup>	Construction waste to landfills and public-fill (Tonnes)	25,838	22,467
		Chemical waste handled by licensed collectors (m <sup>3</sup> )	1,020	396
		Paper waste recycled (kg)	590	928

Note:

1 All water obtained from municipal source

2 Estimated from the capacity and operation pattern of the wastewater treatment system

3 Calculation method & principle for application of conversion factors referred to GHG Protocol and Guidelines to Account for & Report on GHG Emissions & Removals for Buildings in Hong Kong; Carbon Footprint data had been verified independent according to ISO14064

4 Quality, volume and discharge points for water discharge are controlled by Water Discharge License issued by EPD

5 Data captured from the construction waste chits that issued and controlled by EPD

6 Data captured from the chemical waste trip tickets

7 Data captured from contract fuel supplier's on-line statement

8 Base-year changed to 2018 to align with Science Based Targets (SBTi) committed in 2022

9 Calculated from representable samples; sample size 77% in 2021 and 78% in 2022 of Alliance's concrete mixer truck fleet

10 Cementitious Materials includes (OPC, PFA, GGBS and CSF)



GRI INDEX

Alliance Construction Materials Limited has reported the information cited in this GRI content index for the period 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2022 with reference to the GRI Standards.

GRI 1 Used: GRI 1 Foundation 2021

Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
GRI 2: General Disclosure 2021				
The organization and its reporting practices	2-1	✓	Legal name	Alliance Construction Materials Limited
		✓	Nature of ownership and legal form	Joint venture company owned by HeidelbergCement & CKI
		✓	Location of its headquarter	Hong Kong
		✓	Countries of operations	Mainly in Hong Kong with a JV stone quarry in PRC
	2-2	✓	All its entities included in sustainability report	About Alliance, & About the Report
		✓	Explain the approach used for consolidating the information from multiple entities	About the Report
	2-3	✓	Reporting period and frequency	About the Report
		✓	Publication date of the report	Sep-23
		✓	Contact point for questions about the report or reported information	sustainability@concrete.hk
	2-4	✓	Re-statement of information made from previous reporting	NIL
	2-5	✓	External assurance	Assurance Statement
Activities and workers	2-6	✓	Activities, value chain and other business relationships	About Alliance
	2-7	✓	Employees	Workplace performance indicators
	2-8	✓	Workers who are not employees	LODs: to be described in About Alliance
Governance	2-9	✓	Governance structure and composition	GOVERNANCE
	2-10	✓	Nomination and selection process of highest governance body	GOVERNANCE
	2-11	✓	Chair of highest governance body	GOVERNANCE
	2-12	✓	Roles of highest governance body in overseeing the management of impacts	GOVERNANCE
	2-13	✓	Delegation of responsibility for managing impacts	GOVERNANCE
	2-14	✓	Role of the highest governance body in sustainability reporting	Review and approve by the Sustainability Committee with members nominated from parent companies

Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
Governance	2-15	✓	Conflict of interest	GOVERNANCE
	2-16	✓	Communication of critical concerns	GOVERNANCE
	2-17		Collective knowledge of the highest government body	Omitted due to confidentiality constraints (proprietary information for a non-listed private company)
	2-18		Evaluation of the performance of the highest governance body	
	2-19		Remuneration policies	
	2-20		Process to determine remuneration	
	2-21		Annual total compensation ratio	
Strategy, policies and practices	2-22	✓	Statement on sustainable development strategy from most senior executive	CEO Message
	2-23	✓	Policy commitment	Ambition 2030, & GOVERNANCE
	2-24	✓	Embedding policy commitments	GOVERNANCE
	2-25	✓	Processes to remediation of negative impacts	Ambition 2030, RESOURCES, PEOPLE, COMMUNITY & INNOVATION
	2-26	✓	Mechanism for seeking advice and raise concerns	Stakeholder Engagement
	2-27	✓	Non-compliance to law and regulations in the reporting period	NIL
	2-28	✓	Membership associations	HKCMA, BEC, HKGBC, HKCA
Stakeholder engagement	2-29	✓	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	✓	Collective bargaining agreement	NIL, Not legal requirement
GRI 3: Material Topics 2021				
Disclosure on material topics	3-1	✓	Process to determine material topics	Stakeholder Engagement & Materiality Process
	3-2	✓	List of material topics	Materiality Process
	3-3	✓	Management of material topics	Ambition 2030, RESOURCES, PEOPLE, COMMUNITY & INNOVATION

Note:  
1. Proprietary information such as financial data which is not legally required for a privately owned company is excluded  
2. No significant variation in the reporting period



Alliance Construction Materials Limited has reported the information cited in this GRI content index for the period 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2022 with reference to the GRI Standards.

GRI 1 Used: GRI 1 Foundation 2021

Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
GRI 201 Economic performance 2016				
Economic performance	201-2	✓	Risk and opportunities posted by climate change	RESOURCES
	201-3	✓	Benefit plan and retirement plan	PEOPLE, Workplace performance data
GRI 202 Market Presence 2016				
Market presence	202-1	✓	Ratio of standard entry level wage compare to local minimum wage	Workplace performance data
	202-2	✓	Proportion of senior management hired from local community	Workplace performance data
GRI 203 Indirect Economic Impact 2016				
Indirect economic impact	203-1	✓	Infrastructure investment and services supported	Feature stories — New Plant STW2, and INNOVATION
	203-2	✓	Significant indirect economic impacts	Feature stories — New Plant STW2, and INNOVATION
GRI 205 Anti-corruption 2016				
Anti-corruption	205-1	✓	Operations assessed for risks related to corruption	GOVERNANCE
	205-2	✓	Communications, training about anti-corruption policy and procedure	GOVERNANCE and workplace performance data
	205-3	✓	Confirmed incidents and actions taken	NIL

Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
GRI 206 Anti-competitive Behavior 2016				
Anti-competitive behavior	206–1	✓	Number of legal action completed or pending	NIL
		✓	Outcome of legal actions	NA
GRI 301 Materials 2016				
Materials	301–2	✓	Recycled input material used	Environmental performance data
	301–3	✓	Reclaimed products and their packaging material	Environmental performance data
GRI 302 Energy 2016				
Energy	302–1	✓	Energy consumption within the organization	Environmental performance data; there being No renewable energy sources, heating, cooling and steam consumption and energy sold
	302–3	✓	Energy intensity	Environmental performance data
	302–4	✓	Reduction of energy consumption	Environmental performance data
	302–5	✓	Reduction in energy requirements of products and services	Environmental performance data
GRI 303 Water & Effluent 2018				
Water and effluents	303–1	✓	Interactions with water as a shared resources	RESOURCES
	303–2	✓	Management of water discharge impacts	RESOURCES
	303–3	✓	Water withdrawal	Environmental performance data
	303–4	✓	Water discharge	Environmental performance data
	303–5	✓	Water consumption	Environmental performance data



Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
GRI 305 Emissions 2016				
Emissions	305-1	✓	Direct (Scope 1) GHG emissions	Environmental performance data
	305-2	✓	Energy Indirect (Scope 2) GHG emissions	Environmental performance data
	305-3	✓	Other indirect (Scope 3) GHG emissions	Environmental performance data
	305-4	✓	GHG emission intensity	Environmental performance data
	305-5	✓	Reduction of GHG emissions	Environmental performance data
GRI 306 Waste 2020				
Waste	306-1	✓	Waste generated and significant waste-related impacts	Environmental performance data
	306-2	✓	Managing significant waste-related impacts	Environmental performance data
	306-3	✓	Waste generated	Environmental performance data
	306-4	✓	Waste diverted from disposal	Environmental performance data
	306-5	✓	Waste directed to disposal	Environmental performance data
GRI 308 Suppliers environmental assessment 2016				
Suppliers environmental assessment	308-1	✓	New suppliers screened using environmental criteria	Mandatory requirement for new vendor enlisting procedure
	308-2	✓	Negative environmental impacts in supply chain and actions taken	RESOURCES, Environmental performance data
GRI 401 Employment 2016				
Employment	401-1	✓	New employees hired and employees turnover	Workplace performance data
	401-3	✓	Parental leave	Workplace performance data

Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
GRI 403 Occupational Health and Safety 2018				
Occupational health and safety	403-1	✓	OSH management system	PEOPLE
	403-2	✓	Risk and hazard identification process and accident investigation	PEOPLE
	403-3	✓	Occupational health service function	PEOPLE
	403-4	✓	Workers participation, consultation and communications on OSH	PEOPLE
	403-5	✓	OSH training	PEOPLE & Workplace performance data
	403-6	✓	promotion of worker health	PEOPLE
	403-7	✓	Prevention and mitigation of OSH impacts	PEOPLE
	403-8	✓	Workers covered by OSH management system	100% including direct employees, contract drivers, and sub-contractors
	403-9	✓	Work related injuries	Workplace performance data
	403-10	✓	Work related ill health	Workplace performance data
GRI 404 Training and Education 2016				
Training and education	404-1	✓	Average hours of training per employee per year	Workplace performance data
	404-2	✓	Programs for upgrading employees skills and transition assistance programs	PEOPLE
	404-3	✓	Percentage of employees received regular performance and career development review	Workplace performance data
GRI 405 Diversity and Equal Opportunity 2016				
Diversity and equal opportunity	405-1	✓	Diversity of governance body and employees	Workplace performance data



Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
GRI 406 Non-discrimination 2016				
Non-discrimination	406-1	✓	Incidents of discrimination and actions taken	NIL
GRI 413 Local Communities 2016				
Local community	413-1	✓	Operations with local community engagement, impact assessment and development program	COMMUNITY
	413-2	✓	Operations with significant actual or potential negative impacts on local community	GOVERNANCE & COMMUNITY
GRI 416 Customer Health and Safety 2016				
Customer health and safety	416-1	✓	Assessment of the health and safety impacts of products and services	Concrete is not classified as hazardous substance while the health and safety impacts associated with handling of ready-mixed concrete are documented in the MSDS which is openly available on the Company web site
	416-2	✓	Incident of non-compliance concerning the health and safety impacts of products and services	NIL
GRI 417 Marketing and Labelling 2016				
Marketing and labelling	417-1	✓	Requirements for product and service information and labelling	RESOURCES
	417-2	✓	Incident of non-compliance concerning products and services information and labelling	NIL
	417-3	✓	Incident of non-compliance concerning marketing communications	NIL

For those Specific Disclosures that excluded the reasons for omission are 1) Confidentiality Constraint for proprietary information such as the financial or other commercially sensitive data; or 2) Not Applicable; or 3) Information Unavailable such as the suggested grouping/analysis of data not relevant/suitable to the nature/ scale/location of our business and operations.

Feedback

We welcome your feedback on our sustainability management and reporting. Please contact us anytime through your preferred channels.

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