



A joint venture company between  and  Heidelberg Materials

TRANSFORM TODAY CREATE TOMORROW

SUSTAINABILITY REPORT
2023-2024





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OVERVIEW

CEO Message

Celebrating 20 Years of Vision and Impact

2024 marks a major milestone as we celebrate Alliance's 20th anniversary. I am filled with pride and gratitude as I reflect on the remarkable journey we began in 2004. Born in the aftermath of post-SARS Hong Kong, Alliance was founded with a bold vision: to redefine the construction materials industry. Through our unwavering commitment to excellence and innovation, that vision has become reality. Today, we stand as a market leader in delivering pioneering concrete and aggregates solutions for the construction industry.

Our Legacy in Hong Kong's Skyline

Our achievements are a testament to the resilience, passion, and dedication of our exceptional team, the trust of our valued clients, and the steadfast support of our shareholders, CKI and Heidelberg Materials. Together with our clients, we have helped shape Hong Kong's skyline by contributing to iconic infrastructure, commercial, residential, and industrial developments that define a vibrant and sustainable future.

Accelerating Sustainability Across Four Pillars

The years 2023 and 2024 have been transformative, marked by significant progress across our four sustainability pillars: People, Resources, Community, and Innovation. These efforts align with global and regional goals for decarbonization, responsible business conduct, and environmental stewardship, as well as Hong Kong's Climate Action Plan 2050.

Safety First, Always

Safety is the top priority across all our businesses and operations. For three consecutive years, we have recorded zero fatalities and lost-time injuries, an achievement that reflects our deeply embedded safety culture and unwavering commitment to safety excellence. The launch of our "SMART" app has transformed hazard reporting, with over 800 cases logged and 500 safety conversations initiated. Initiatives such as the HSE Award Scheme, Visible Felt Leadership, Safety Stand Down events, and enhanced workplace standards reinforce our "Zero Harm" ambition. We also support the development of the next generation through summer internships in collaboration with universities and academic institutions across Hong Kong.

Empowering People, Building the Future

Our people are at the heart of everything we do. At Alliance, we believe that investing in our people is investing in our future. Over the past two years, we have welcomed a new generation of young talents into the Alliance family to revitalize our workforce and bring fresh perspectives to our operations. In parallel, we have expanded our learning and development programs to equip our teams with the skills needed to thrive in a rapidly evolving industry. These initiatives are designed to foster a culture of continuous learning and innovation, empowering our people to grow, lead, and shape the future of the industry.

Leading the Low-Carbon Transition

We are steering our transition to a low-carbon economy through innovative solutions and process efficiencies. We proactively expand our product portfolio to meet the anticipated growing demand for sustainable construction materials. Today, 63.4% of our concrete products are certified as low-carbon concrete under the CIC Carbon Labelling Scheme.

By developing a wide range of sustainable concrete mixes, we support our clients in achieving their most ambitious construction goals. We also completed a one-year trial of Hong Kong's first battery electric concrete mixer truck, generating valuable insights to support the industry's transition to clean energy transport.

Community Care in Action

We are committed to being a responsible neighbor and a positive force in the communities we serve. Through the STW Liaison Group and initiatives such as our annual "Run for Hope" charity event, which successfully raised funds to support Po Leung Kuk, we have strengthened our community engagement. We continue to minimize our operational footprint through proactive pollution prevention and control measures. These efforts reflect our dedication to preserving ecosystems and enhancing the well-being of those around us.

Innovating for Smarter, Greener Operations

Innovation is the backbone of our strategy. Digital tools and smart solutions, such as the eDocket app and the "Load and Go" automated truck washing system, have streamlined operations and enhanced both efficiency and reliability. Our 5-axle concrete mixer truck fleet has increased lifting capacity while reducing carbon emissions by over 10%. We are investing in AI-driven technologies to optimize processes, improve reliability, reduce emissions, and lower costs. Our digital concrete loading system, used in conjunction with the eDocket app, ensures 100% accuracy in concrete loading and delivery.

Staying Agile in a Changing World

Looking ahead, we face a complex and evolving landscape shaped by environmental, social, economic, and geopolitical challenges. The construction industry is under increasing pressure to accelerate decarbonization, with global and regional net-zero targets calling for urgent and coordinated action. The path forward will require collaboration across sectors and stakeholders, including government, industry, and academia, to align on shared targets, scalable solutions, and long-term investment in advanced technologies.

At the same time, demographic shifts in Hong Kong, such as an aging workforce and a declining trend in the younger population, pose risks to the industry's long-term vitality. Economic headwinds may lead to reduced construction activity, tighter budgets, and delays in infrastructure development, potentially impacting demand for our products and services. Meanwhile, global geopolitical tensions and supply chain disruptions could affect the availability and cost of raw materials, adding complexity to logistics and increasing operational costs.

In this environment, we remain focused on agility, innovation, operational excellence and cost efficiency. This focus ensures we continue to deliver value to our clients and shareholders while upholding our sustainability commitments.

Transforming Today to Create Tomorrow

As we have done over the past two decades, we will continue to rise to every challenge with courage and conviction.

Sustainability is not just a goal, it is the essence of who we are. Our commitment to Environmental, Social, and Governance (ESG) principles guides every decision we make. We are resolute in our pursuit of a low-carbon future, leveraging innovation and digital transformation to reduce our environmental impact and drive industry-wide decarbonization. Our governance framework upholds the highest standards of ethics, transparency, and accountability.

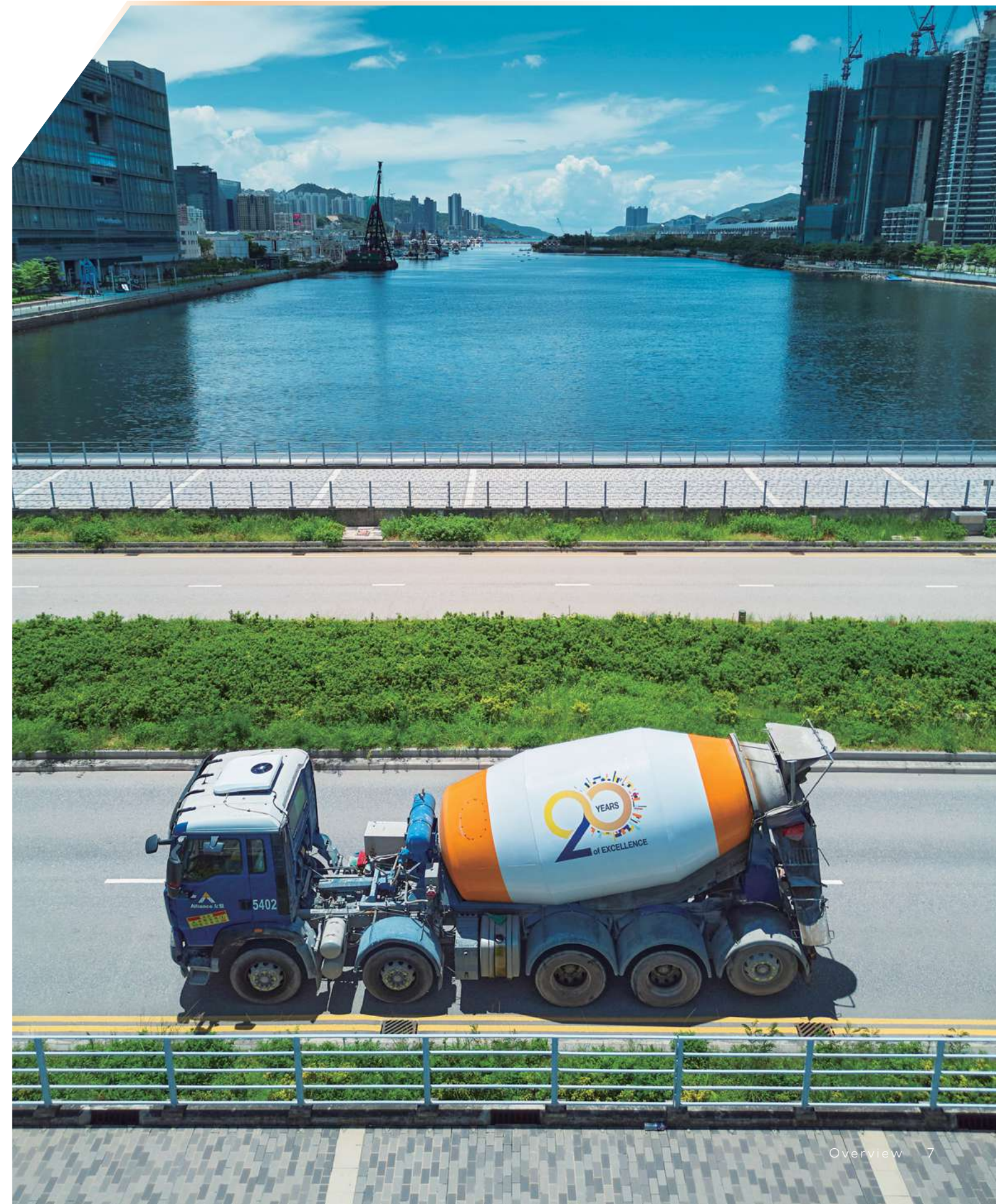
As we move forward, our theme "Transform Today, Create Tomorrow" will continue to guide our journey. We will invest boldly in innovation, empower our people, and optimize our resources to overcome the challenges ahead and build a resilient and sustainable future. I invite all our clients, partners, employees, and industry stakeholders to join us on this transformative journey.

Thank you for your continued support and shared commitment to a brighter tomorrow. Together, we will reach new heights and create lasting impact.



Vincent Yu

Chief Executive Officer



20 YEARS OF EXCELLENCE

In 2024, we proudly commemorate the 20th anniversary of our transformation into a joint venture between CKI and Heidelberg Materials. This milestone is rooted in a legacy established by Alliance's predecessor companies in the early 1960s, marking over six decades of unwavering contribution to the city's development.



Alliance Choir

Our CEO led the Alliance Choir to deliver a captivating singing performance that deeply resonated with everyone present.



Light Dance

The evening began with a mesmerizing light dance show, creating a captivating visual spectacle.



Robot Dance

The Alliance Robot, alongside our young talents, danced in perfect harmony, surprising the audience.



Guzheng Performance

A stunning Guzheng performance fused modern style with Chinese tradition, leaving the audience in awe.



New Corporate Video

The new corporate video launched, highlighting our expertise, commitment to ESG, innovation and vision for the future.



Long Service Awards

Dedicated employees were honored with long service awards, recognizing their unwavering commitment and hard work.

The Gala Dinner

The evening of May 3, 2024, themed "Transform Today, Create Tomorrow," brought together over 300 stakeholders, including shareholders, employees, customers, business partners, suppliers, and industry leaders, to celebrate this momentous 20th Anniversary. It was an opportunity to reflect on our journey and envision the future.



20 YEARS OF EXCELLENCE

Over the past 20 years, we have contributed to many signature projects, from housing and infrastructure to leisure and commercial facilities. Our work has supported the city's development, enhancing quality of life and fostering community growth.

Infrastructure

- | | |
|--|---|
| 1. Central Kowloon Route ●▲ | 10. Liantang Boundary Control Point ●▲ |
| 2. Central-Wan Chai Bypass ● | 11. Ngong Shuen Chau Viaduct ● |
| 3. Development of Anderson Road Quarry Site ●▲ | 12. Sek O Quarry Rehabilitation ●▲ |
| 4. Eagle's Nest Tunnel ● | 13. Stonecutters Bridge ● |
| 5. Express Rail Link - West Kowloon Terminus ● | 14. Three Runway System ▲ |
| 6. Harbour Area Treatment Scheme ● | 15. Trunk Road T2 and Cha Kwo Ling Tunnel ● |
| 7. Hong Kong-Zhuhai-Macao Bridge ●▲ | 16. Tseung Kwan O - Lam Tin Tunnel ▲ |
| 8. Hong Kong International Airport ●▲ | 17. Tuen Mun - Chek Lap Kok Link ▲ |
| 9. Heung Yuen Wai Highway ● | 18. Tung Chung New Town Extension ▲ |

Commercial Building

- | | |
|-----------------------------|------------------------|
| 1. Asia World Expo ● | 7. ICC ● |
| 2. Cainiao Smart Gateway ● | 8. IFC ● |
| 3. Cheung Kong Centre ● | 9. M+ Museum ● |
| 4. Cheung Kong Centre II ● | 10. Two Taikoo Place ● |
| 5. CUHK Medical Centre ● | 11. Xiqu Centre ● |
| 6. Disney Explorers Lodge ● | |

Housing

- | | |
|--|-------------------|
| 1. Caribbean Coast ● | 6. Metro Town ● |
| 2. Celestial Heights ● | 7. Mont Vert ● |
| 3. Cyberport Residential Development ● | 8. Ocean Pride ● |
| 4. Festival City ● | 9. The Beaumont ● |
| 5. Lohas Park ● | |

Railway

- | | |
|-----------------------------------|------------------------------------|
| 1. MTR Central Station ● | 4. MTR Shatin to Central Link ● |
| 2. MTR Express Rail Link ● | 5. MTR South Island Line ● |
| 3. MTR Kwun Tong Line Extension ● | 6. MTR Tung Chung Line Extension ▲ |

▲ Aggregates supply ● Concrete supply



OUR GREEN OR VALUE ADDED PRODUCTS

We offer green and value-added concrete and aggregates products designed to support our customers' building targets and sustainability ambitions. Our innovative solutions cater to various parts of buildings and structures, each tailored to meet specific project needs.

Colour Concrete

A concrete that can enhance the aesthetic appeal and surfaces.

EarlyCrete

A fast-setting high early strength concrete for rapid-strength applications.

Durable Concrete

A concrete that can withstand weathering, chemical attack and abrasion.

FoamCrete

A concrete with extra lightweight for void filling, acoustic and heat insulation, etc.

Ultra-high Strength Concrete

A concrete with exceptional strength and durability.

Low Carbon Concrete

A concrete made with supplementary cementitious materials and recycled materials.

Anti-washout Concrete

A specially designed concrete for underwater self levelling construction.

Fair-face Concrete

A visually appealing concrete without additional finishes.

SuperpumpCrete

The perfect concrete for long-distance pumping, is ideal for skyscrapers and tunnels.

KEY ACHIEVEMENT



ACCIDENT RATES (Direct Employees)

0 Fatalities

0 LTI



MIXER TRUCK INCIDENT RATE (Base year 2017-2018)

↓17%



5X TRUCK FLEET WITH AI EQUIPMENT INSTALLED

100%



SUPPLEMENTARY CEMENTITIOUS MATERIALS USED

20%



WASTE MANAGEMENT Waste Concrete/ Reclaimed:

4,533 tons

Wastewater Recycled:

404,808 m³



RENEWABLE ENERGY DEVELOPMENT

Set up solar power panels in

2 plants

Electricity generated by solar PV system

268,360 kWh



COMPLETED TRIAL OF THE 1st E-MIXER TRUCK IN HK



LAUNCHED "SMART" APP FOR HAZARD REPORTING



GREAT PROGRESS IN LOW-CARBON PRODUCT DEVELOPMENT



NEW REMOTE BATCHING OFFICE OPENED IN 2024



"RUN FOR HOPE" RAISED HKD365,000 FOR PO LEUNG KUK



COMMITTED TO SCIENCE-BASED TARGETS



AWARD RECOGNITION

Green Building Award 2023 - Pioneer Award for Green Building Leadership

Corporate Green Governance Award – Environmental Monitoring & Reporting

HERA Award 2024 - Best Sustainability Report for Non-listed Companies
(Commendation)

Hong Kong Awards for Environmental Excellence - Certificate of Merit

Hong Kong Green Organisation Certification - Wastewi\$e Certification (Good Level)

HKCA Environmental Merit Award

HKCA Proactive Safety Contractor Award

HKCA Safe Supervisors Award

23rd Hong Kong Occupational Safety & Health Award

Rookie Safety Performance Award (Excellence) - Anderson Concrete

Safety Performance Award (Outstanding) - CSL

Safety Performance Award (Outstanding) - Pioneer Quarry

22nd Hong Kong Occupational Safety & Health Award

OSH Report Silver Award

Safety Performance Award (Outstanding) - Anderson Concrete

Safety Performance Award (Outstanding) - CSL

Safety Performance Award (Outstanding) - Pioneer Quarry

18th Occupational Health Award

Prevention of Pneumoconiosis Best Practices Award – Certificate of Attainment

Workplace Mental Health Award – Certificate of Attainment

Hearing Conservation Best Practices Award – Merit Award

15+ Years Caring Company

Happy Company 5 Year+ Award

Say Yes to Breastfeeding Campaign Certificate

HKCA ESG Recognition Scheme Participation Certificate



ABOUT ALLIANCE

Alliance Construction Materials Limited ("Alliance") is Hong Kong's leading provider of concrete and aggregate total solutions. With roots tracing back to the early 1960s, Alliance has played a crucial role in the city's development for over six decades. Since 2004, the company has thrived as a joint venture between CK Infrastructure Holdings Limited ("CKI") and Heidelberg Materials.

We leverage our sustainable rock reserves, efficient production and logistics, digitalized processes, and technical expertise to deliver tailored aggregate and concrete solutions. As pioneers in green building, we develop innovative, eco-friendly products that add value and support sustainability. Our commitment is to be the preferred partner for the region's leading developers, contractors, and industry players, helping them achieve their most ambitious project goals. We actively contribute to Hong Kong's growth through various construction projects.

Dedicated to building a better future, we set and pursue strategic sustainability goals, continuously evaluating and enhancing our performance. Our aim is to enable a circular economy throughout our operations, ensuring long-term environmental and economic benefits for the community.

Our Sustainability Value Chain



OUR BUSINESS & OPERATIONS

Concrete Solutions

3.5M

m3
concrete annual
production

4

concrete plants

10

production lines

Aggregates Solutions

50M

tonnes
of rock reserve

1

quarry
in the PRC, with exclusive
product distribution
rights in HK

2

local depots
for aggregates business

Customer Centric Services

1

HOKLAS
accredited
laboratory

1st

in the industry
to set up Customer
Service Centre in 2011
& Remote Batching
Centre in 2024

252

full-time employees

202

contract drivers

* Data as at 31 December 2024

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 longterm success.

Strategic Pillars



Decarbonization



Customer Centricity



Commercial Excellence

Sustainability Pillars



Digitalization



People



Resources



Production
Capabilities



Community



Innovation



Logistics Capabilities



Operational Excellence



Product Innovation



AMBITIONS 2030

The Alliance Sustainability Ambitions 2030 (Ambitions 2030) is a strategic initiative we developed in 2018 aimed at achieving our long-term sustainability goals. In a densely populated city like Hong Kong, where environmental and social pressures are significant, this initiative stands as a model for integrating sustainability into our business strategies.

Through extensive stakeholder engagement, we identified major concerns and established four key pillars: PEOPLE, RESOURCES, INNOVATION, and COMMUNITY, all supported by a strong foundation of GOVERNANCE.

Sustainability Management Approach

Our Sustainability Management approach is designed to create long-term value for our stakeholders and support global sustainability goals. The Ambitions 2030 plan aligns with the sustainability policies of our parent companies and the Hong Kong Government's Climate Action Plan 2050. This plan provides a comprehensive approach to sustainability management, particularly relevant in the context of Hong Kong's unique challenges and opportunities.

Our sustainability strategy also aligns with the United Nations' 2030 Agenda for Sustainable Development. We believe 9 Sustainable Development Goals (SDGs) connect closely with our Ambitions 2030. Our effort made against these SDGs in the past two years can be found in the corresponding pillar sections of this report.

Since the launch of the Ambitions 2030 in 2018, we have been diligently reviewing our progress and actions to ensure meaningful contributions and results. As we are now midway through the plan, we recognize the need to accelerate our efforts over the next five years to achieve our goals by 2030. Our focus remains on the four pillars: PEOPLE, RESOURCES, INNOVATION, and COMMUNITY, all reinforced by strong GOVERNANCE. We are pleased to report substantial progress in this report.

Related SDGs :



GOVERNANCE

Ensures that our operations are guided by strong ethical standards, transparency, and accountability, providing a solid framework for achieving our goals.



PEOPLE

Emphasizes the well-being and development of our employees, ensuring a healthy, safe, and inclusive workplace.



COMMUNITY

Focuses on our role in supporting and enhancing the local communities where we operate.



RESOURCES

Aims to optimize the use of natural resources and minimize our environmental footprint.



INNOVATION

Drives us to develop new technologies and solutions that improve productivity, efficiency, and sustainability.

Our Progress

In 2023 to 2024, our progress on the five prioritized aspects outlined in Ambitions 2030 is as follows:

	GOVERNANCE	PEOPLE	RESOURCES	INNOVATION	COMMUNITY
Our Goal	Realize long-term sustainability with strong corporate governance.	Ensure employees are engaged, developed, and retained.	Excel in resource management and optimize business growth with minimal consumption.	Set new standards and create significant values for the industry.	Help build harmonious communities and a great liveable city.
Our Progress	 Optimize the sustainability governance structure	 Create a harm free workplace	 Secure aggregates reserve	 Upgrade digital transformation of the operating system	 Improve community engagement
	 Enhance ESG trainings to employees	 Support contract drivers in safety & health	 Address climate change threat	 Apply new innovation to improve efficiency and safety	 Intensify environmental pollution control
	 Identify new governance risks and strengthen audit and assessments	 Recruit and retain talents	 Enhance recycling & reuse practices	 Green products development	 Extend support to more vulnerable groups
		 Improve staff health & wellbeing	 Develop green office initiatives		

Progress Key

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

Stakeholder Engagement

Stakeholder engagement is essential for the effective development of our sustainability and corporate strategies. We regularly interact with our stakeholders to understand their evolving needs and expectations, which shift with industry developments and new local and global trends. This intense engagement allows us to timely adjust our strategies and actions under the key pillars of Ambitions 2030.

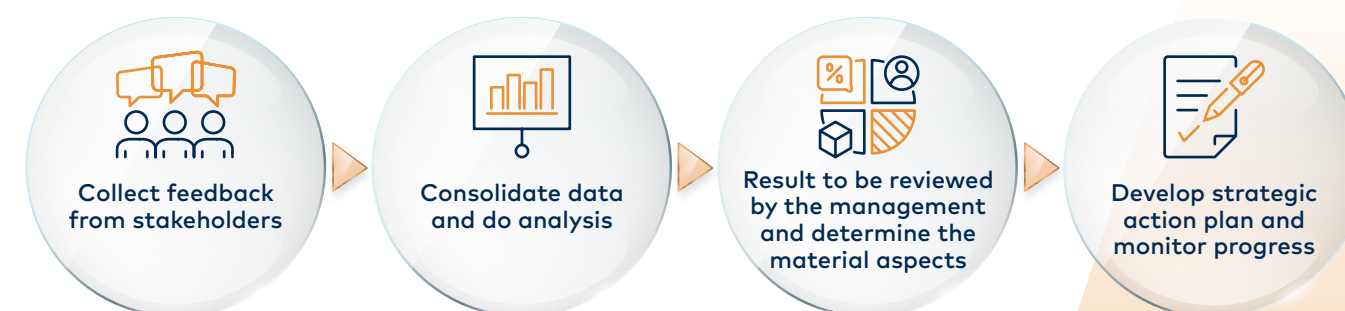
Our Sustainability Committee oversees the company's sustainability management, including policy setting, strategic planning, and stakeholder engagement. In 2019, we further enhanced our community engagement efforts by establishing the CSR and Community Engagement Committee. To maintain a balanced perspective from both internal and external stakeholders, we tailor our engagement methods and actively communicate with them.

Our Stakeholders

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



Our Engagement Process



The stakeholder engagement process is not merely a mechanism to fulfill corporate social responsibility; it is a fundamental component of the company's overall business strategy and operations. This process begins with the systematic gathering of feedback from stakeholders, providing invaluable insights into their expectations and needs. This feedback is then meticulously consolidated and analyzed to identify emerging patterns, trends, and critical issues.

Based on these insights, a strategic action plan is crafted, clearly outlining the steps the company will undertake to address the identified key issues. This plan is seamlessly integrated into the various pillars of our Ambitions 2030 framework and broader business strategies, ensuring alignment with our long-term goals. Once the action plan has been reviewed and approved by management, it is embedded into daily operations, supported by governance committees, business units, employees, and other relevant stakeholders. To ensure we remain aligned with our objectives, continuous monitoring of progress is implemented.

Special Engagement Events in 2024

In addition to our regular engagement activities, we launched a series of special events in the second half of 2024 to gather the most recent and critical feedback from our stakeholders.



Online Survey

We targeted a diverse group of stakeholders, including employees, customers, business partners, vendors, and community members. Aligned with the key pillars of Ambitions 2030, we consulted them regarding our sustainability performance, identified new material issues requiring attention, and invited their feedback on our reporting practices.

Sustainability Expert Forum

We hosted a half-day forum at the Business Environmental Council, bringing together employees and external experts from leading corporations, environmental organizations, customers, and academic institutions. The forum aimed to foster a more sustainable future for both Alliance and the society. It featured in-depth discussions on “The Challenges and Opportunities from Net-Zero 2050,” including a dynamic panel discussion and interactive workshops with breakout sessions for all participants. This collaborative environment significantly enhanced the strategic direction of our sustainability initiatives.

Staff Focus Groups

Several focus group activities were conducted, involving senior staff who have been with the company for over 20 years, as well as newer staff who joined 15-20 months ago. These sessions aimed to capture their experiences at Alliance and gather valuable insights and suggestions. Also, this approach allowed us to gain a deeper understanding of the perspectives of both long-term and newer staff.



Major Feedback Received

GOVERNANCE

The stakeholders view Alliance positively and believe that our robust governance has upheld our business integrity. Key areas of focus within governance include business continuity, ethical business conduct, and transparency in sustainability practices. The stakeholders appreciate that Alliance prioritizes these elements and expect further enhancements to ensure the company operates ethically, remains resilient in the face of challenges, and maintains clear and open communication about its sustainability initiatives. This strong governance approach has reinforced the stakeholders' trust and confidence in Alliance's commitment to sustainable business practices.

INNOVATION

The stakeholders acknowledge that Alliance operates within traditional industries facing challenges in this fast-paced era of new technologies. They consider our forward-looking mentality and proactive approach, such as our initiatives in digital transformation, as key differentiators. The staff and customers generally believe that Alliance is making significant strides in innovation and digitalization within the industry, demonstrating strong competitiveness in terms of product R&D and services. They recommended integrating more new technologies like AI and robotics into operations.

The customers appreciated the support from Alliance with innovative and tailored solutions, the positive attitude shown in resolving their pain points, as well as the consistent product quality. Some customers expressed concerns about the stability of raw material supply, they would like to see further enhancements in concrete delivery efficiency and more new green product solutions to support their sustainability goals.

PEOPLE

Alliance's outstanding efforts in promoting occupational safety and health were highly rated. They acknowledged that Alliance's safety and health performance is at an advanced level but emphasized that continuous improvements in the working environment and safety regulations will further elevate overall performance. Driver Safety Awareness is considered a crucial aspect for long-term development and needs to be enhanced. More detailed standard safety rules and training are expected.

The staff gave positive feedback on the company's talent development and employee welfare initiatives. Participation in these activities and other consultations made the staff feel more engaged. The stakeholders underscored the importance of attracting younger talent for the sustainability of Alliance's business. They suggested to engage with universities, offer student work opportunities, and foster an inclusive culture to attract and retain talent.

RESOURCES

The stakeholders view Alliance's performance in environmental protection positively, agreeing that we prioritize pollution control and advocate for good practices within the industry. They emphasized the urgency of achieving net zero by 2050, highlighting the need for stronger standards and regulations for green construction. Given the urgent need for accelerated climate action, the stakeholders recognize our efforts in reducing carbon emissions through initiatives like solar energy application, introducing Hong Kong's first battery electric concrete mixer truck, and the replacement of all fossil fuel company vans with electric vans.

They would like to see us further accelerate our climate actions, such as exploring alternative resources, developing low-carbon products, and investing in innovative carbon reduction technologies. They also suggested enhancing recycling programs and promoting green transportation.

COMMUNITY

For community support, the stakeholders highlighted the importance of continuing our commitment to environmental conservation and road safety, promoting achievements through various channels, and maintaining close communication with the Tsing Yi community. Some stakeholders commented that the cleanliness of the concrete mixer trucks needs continued improvement. Addressing this issue could positively impact the company's public image.

They appreciate Alliance's actions to support vulnerable groups through various CSR activities and the company's contributions to the city's development. The staff take pride in their role in building the city, reflecting a strong sense of purpose within the organization. The staff feedback highlights that community service opportunities are generally seen as beneficial for team-building and meaningful engagement.



Materiality Process

The materiality process identifies and prioritizes issues that are significant to both the Company and our stakeholders. Following the stakeholder engagement process, we have grouped all relevant sustainability items into four categories: Governance, Social, Environment, and Economic. In the chart below, we have highlighted the most significant issues in two levels. This allows us to tailor our future plans and actions to address these key issues effectively. These categories align with our Ambitions 2030 plan.



The 14 Most Material Issues

The table below highlights the 14 most significant issues identified during our materiality process. After assessing their associated risks and opportunities, we have integrated these issues into various pillars of our Ambitions 2030 strategy and adjusted our future plans accordingly. Detailed actions and responses can be found in the respective sections of this report.

The Most Material Issues	OVERVIEW					
	GOVERNANCE	PEOPLE	RESOURCES	INNOVATION	COMMUNITY	
Business continuity	✓	✓	✓	✓		
Ethical business conduct	✓	✓	✓			
Transparency in sustainability	✓					
Pollution control			✓			✓
Decarbonization			✓			
Sustainability solutions development			✓	✓		
Circularity & resources management			✓	✓		
Occupational safety & health	✓	✓		✓		
Employee development		✓				
Product safety	✓			✓		
Truck fleet safety		✓				✓
Customer satisfaction	✓			✓		
Operational innovation				✓		
AI & digital transformation				✓		



GOVERNANCE

Strong corporate governance is our bedrock of sustainable business practices. Our commitment to sustainability is deeply integrated into our governance framework, ensuring that our operations not only comply with regulatory requirements but also contribute positively to the environment and society.

Management Approach

Leadership and Accountability

The overall management of Alliance's business is entrusted to the Board of Directors and the Executive Committee. These bodies provide strategic direction and oversight, ensuring that our operations align with our corporate vision and values. To further embed sustainability into our governance, we have established a Sustainability Committee. This committee is responsible for setting sustainability goals, monitoring progress, and reporting directly to the Board. Additionally, the Risk Management Steering Committee, chaired by the CEO and comprising senior management members, oversees the implementation of sustainability strategies, ensuring they are effectively integrated into our business operations.

Ethical Conduct and Compliance

We adhere to the highest standards of ethical conduct, guided by our Code of Conduct and Business Ethics & Integrity Policy. These policies ensure that all employees act with integrity and transparency in all business dealings. To reinforce this commitment, we conduct regular training programs to ensure that all employees understand and comply with relevant laws, regulations, and internal policies. This proactive approach helps us maintain a culture of ethical behavior and compliance throughout the organization.

Stakeholder Engagement

Engaging with our stakeholders is a fundamental aspect of our sustainability strategy. We actively engage with customers, suppliers, employees, and the community to understand their concerns and expectations. This engagement helps us incorporate stakeholder feedback into our sustainability initiatives, fostering transparency and trust. By maintaining open lines of communication, we ensure that our sustainability efforts are aligned with the needs and expectations of those we serve.

Risk Management

Our risk management framework is designed to identify, assess, and mitigate sustainability-related risks. This comprehensive approach ensures that we are prepared to address potential challenges that could impact our sustainability objectives. We conduct regular audits and assessments to evaluate the effectiveness of our practices and ensure they are aligned with our sustainability goals. This ongoing evaluation helps us continuously improve our risk management processes and maintain resilience in the face of emerging risks.

Continuous Improvement

We are committed to continuous improvement in our sustainability performance through innovation and the adoption of best practices. Our sustainability performance is regularly reviewed, and we set ambitious targets to drive progress. By embracing new technologies and innovative approaches, we strive to enhance our sustainability efforts and achieve our long-term goals. This commitment to continuous improvement ensures that we remain at the forefront of sustainable business practices.

By embedding sustainability into our corporate governance, we aim to create long-term value for our stakeholders and contribute to a sustainable future. Our approach ensures that we remain resilient, responsible, and ready to meet the challenges of tomorrow. Through strong leadership, ethical conduct, stakeholder engagement, effective risk management, and a commitment to continuous improvement, we are dedicated to driving positive change and achieving our sustainability objectives.

Governance Structure



The Board of Directors and Executive Committee Members:

Back, from left to right:

Mr. Ross Chow, Mr. Brad Kininmonth, Ms. Sim Soek Peng, Mr. Angus Ng, Mr. Noel Wong, Ms. Ophelia Ng, Ms. Lilian Wong

Front, from left to right:

Mr. Roberto Callieri, Mr. Vincent Yu, Mr. David Hogan, Mr. Ivan Chan, Mr. Eddy Tsang



Board of Directors and Executive Committee

The overall management of Alliance's business is entrusted to the Board of Directors and the Executive Committee. The Chairman of the Board, appointed by the shareholders, provides leadership and oversight to ensure the Board operates in Alliance's best interests.



Sustainability Committee

Established in 2022, the Committee oversees sustainability management. It sets the strategic direction and management approach to align with shareholder policies. The Committee ensures sustainability is integrated into core business functions and processes, engages stakeholders, and monitors the implementation of sustainability policies and initiatives to achieve business goals.



Risk Management Steering Committee

Chaired by the CEO and comprising senior management members, this Committee focuses on executing sustainability policies, strategies, and targets. It drives the strategic actions and sustainability programs through functional teams within the organization. Internal auditors are appointed to evaluate performance and ensure compliance.



Functional Teams

Functional Teams are responsible for the implementation of sustainability strategic actions and programs. They ensure that these initiatives align with the organization's overall sustainability goals, monitor progress, and make necessary adjustments to achieve desired outcomes.

Audit and Compliance

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

Policies

To address material sustainability aspects, Alliance has implemented a series of policies. These policies encapsulate the company's commitment to sustainability, ethical operations, and transparency, directly impacting stakeholders and the environment.

Ethics Hotline

The Ethics Hotline is a "whistleblowing" mechanism that enables employees and other individuals to anonymously report improprieties such as workplace bullying, harassment, and unlawful or unethical business practices.

Governance in Sustainability

Alliance's Cybersecurity Commitment in 2023-2024

In an era where digital transformation drives business innovation, cybersecurity has emerged as a cornerstone of our IT corporate governance and sustainability at Alliance. As a leading construction materials company in Hong Kong, Alliance recognizes that robust cybersecurity practices are not just about protecting data; they are integral to maintaining operational integrity, preserving customer trust, and ensuring the longevity and sustainability of our business operations.



1. The Importance of Cybersecurity to Governance and Sustainability:

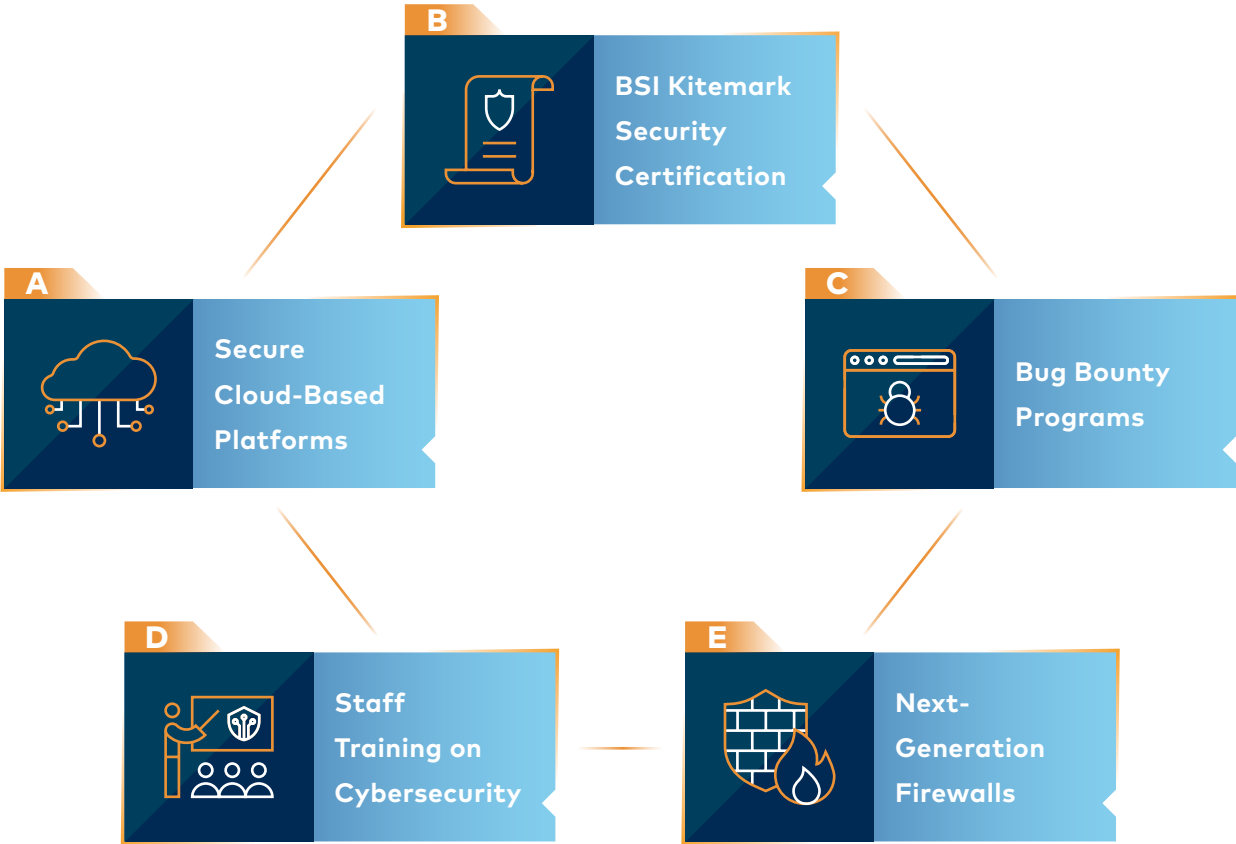
- ▶ **Digital Integration:** With the rapid development of digitalization apps and seamless integration with customers, cybersecurity forms the backbone of our digital ecosystem. Ensuring the security of these platforms is crucial for uninterrupted service delivery and customer satisfaction.
- ▶ **Customer Trust:** The trust of our customers is paramount. By safeguarding their data and interactions with our services, we not only comply with regulatory requirements but also build a reputation for reliability and security, which is vital for long-term customer relationships.
- ▶ **Operational Continuity:** Cybersecurity threats can disrupt business operations, leading to financial losses and damage to brand reputation. Effective governance through cybersecurity measures ensures that Alliance can continue its operations smoothly, even in the face of cyber threats.

2. Major Threats Identified

- Throughout 2023-2024, Alliance has actively monitored and responded to several cybersecurity threats.
- ▶ Phishing Attacks: Increasingly sophisticated, these attacks aim to deceive individuals into revealing sensitive information or installing malware.
 - ▶ Ransomware: This remains a significant threat, with potential to lock out companies from their own data, demanding ransom for access, compromising data security and disrupting business operations.
 - ▶ AI-Driven Cyber Threats: As artificial intelligence evolves, so do cyber threats, with AI being used to automate and enhance the capabilities of malicious software.

3. Our Actions in Addressing Cybersecurity Risks

In response to these threats, Alliance has implemented several strategic initiatives during 2023-2024.



- A. We've migrated critical operational systems to secure, cloud-based platforms equipped with multiple redundancies and resilience features. This not only enhances security but also ensures business continuity in case of a cyber incident.
- B. Our customer-facing apps have undergone rigorous testing to achieve the BSI Kitemark for security, offering an additional layer of assurance to our users regarding the safety of their data and transactions.
- C. Alliance has joined forces with the cybersecurity community by participating in bug bounty programs. This proactive approach invites ethical hackers to identify vulnerabilities, thereby strengthening our defences.
- D. Recognizing that human error often leads to security breaches, we've intensified our training programs. Employees are regularly educated on the latest cybersecurity threats, with a special focus on different types of phishing attacks and AI-driven threats, ensuring they remain vigilant and informed.
- E. At our production plant offices and sites across our network, we've implemented next-generation firewalls. These advanced systems offer improved threat detection and prevention capabilities, providing a robust defence against unauthorized access and sophisticated cyberattacks.

Alliance's commitment to cybersecurity governance is not just about compliance but is a strategic imperative for sustainability. By integrating cybersecurity into our governance framework, we not only protect our digital assets but also reinforce our resilience, ensuring that we can continue to innovate and serve our customers securely into the future. Our actions in 2023-2024 reflect our dedication to not only address current threats but also to anticipate future challenges, aligning with our broader sustainability goals to safeguard our operations, our stakeholders, and the environment in which we operate.

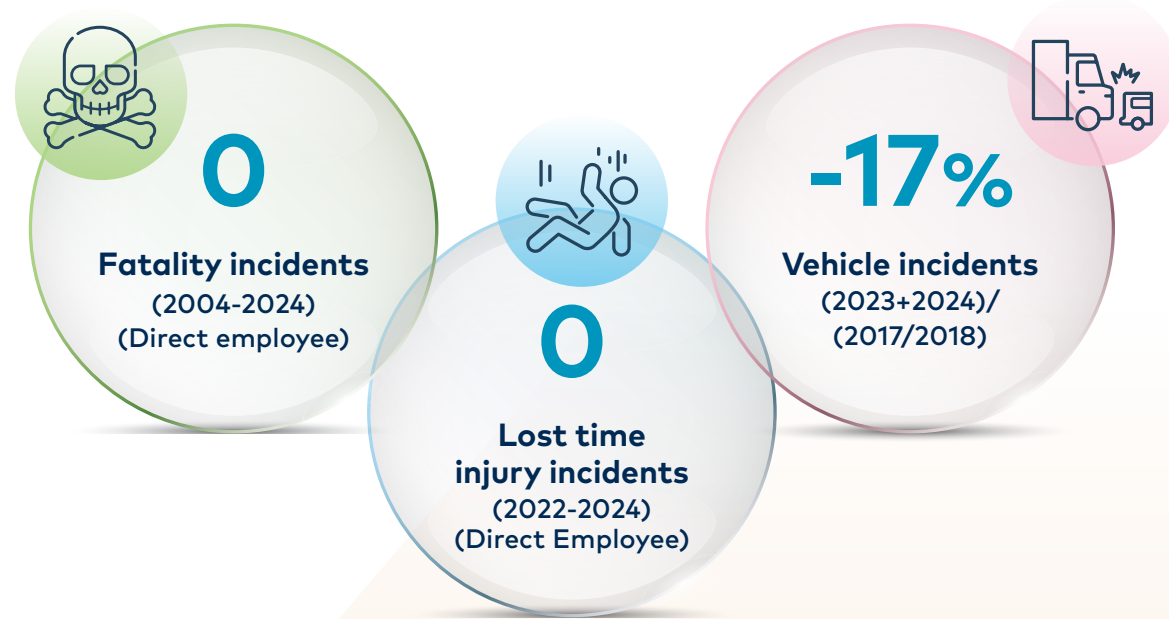




PEOPLE

We recognize that our employees are the bedrock of our success. Our strategy under this pillar is centered on acknowledging employees as our most valuable asset and are pivotal for achieving our business objectives. We are committed to creating an environment where every individual's potential can be realized, promoting innovation, and driving performance through engagement and well-being. Our approach includes fostering an inclusive culture where employees feel valued through equal opportunities and active engagement channels. Health and safety are our top priorities and now fully integrated into our business processes.

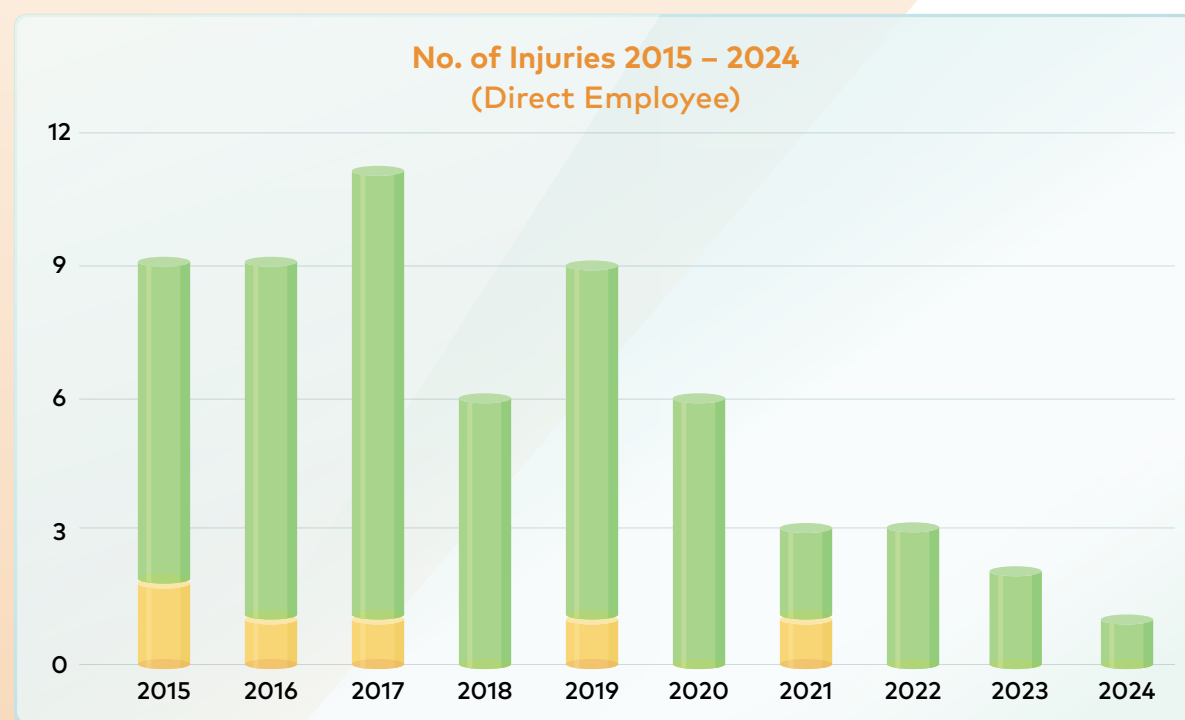
Continual Improvement of Health & Safety



Management Approach

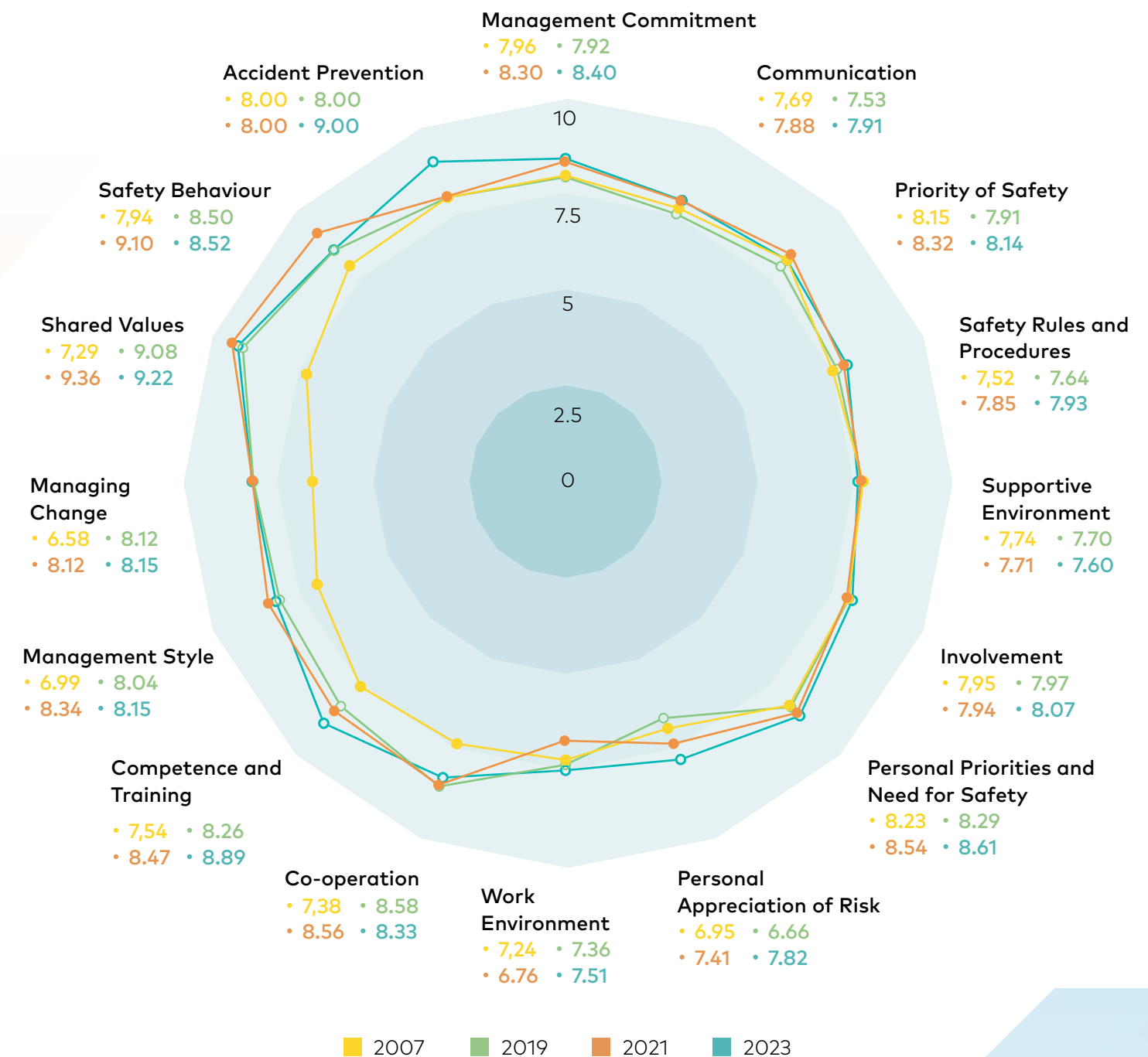
At Alliance, safety is our top priority, surpassing all other business needs. We believe that all incidents are preventable and should be prevented, and everyone should return home safely each day. Our safety performance has reached a mature and advanced level but had plateaued a few years ago, indicating the need for innovative strategies to enhance our safety measures and achieve higher standards. We are enhancing workplace safety through visible felt leadership, dynamic risk assessments, and the use of digital tools, ensuring a safer and more resilient work environment.

Throughout the years, the health & safety performance of Alliance had continually improved and reflected on the low number of incident occurrences. For the last 3 years, there have been zero direct employee fatality incidents and lost time injury incidents. The number of non-lost time injury incidents also declined over the years.



■ LTI ■ NLTIs

On the other hand, the HSE climate survey results also reflected areas that remain challenging, including the quality of work environment, process control to improve safety assurance, and improvement of safety mindsets and behaviors at frontline level. Recognizing these challenges, our commitment to safety continues to push us to innovate further on our safety journey.



The ambition to safeguard every worker by creating zero harm workplace is demonstrated through our health & safety programs, which aim to exceed regulatory compliance and beyond. We employ "Safety by Design", integrating safety from the project's inception, and "Safety by Technology", using advanced tools for risk management. We also strongly encourage employee participation, fostering a culture where everyone actively contributes to safety enhancements, from reporting health & safety hazards to participating in committee meetings, and take part in workplace standard enhancement projects.

Health & Safety Program 2023-2024

Throughout this reporting period, we have strategically rolled out a series of Health & Safety programs designed to enhance our safety culture. These programs not only engage our workforce in proactive hazard identification but also recognize and celebrate their commitment to maintaining a safe working environment.

Safety Stand Down by Senior Management

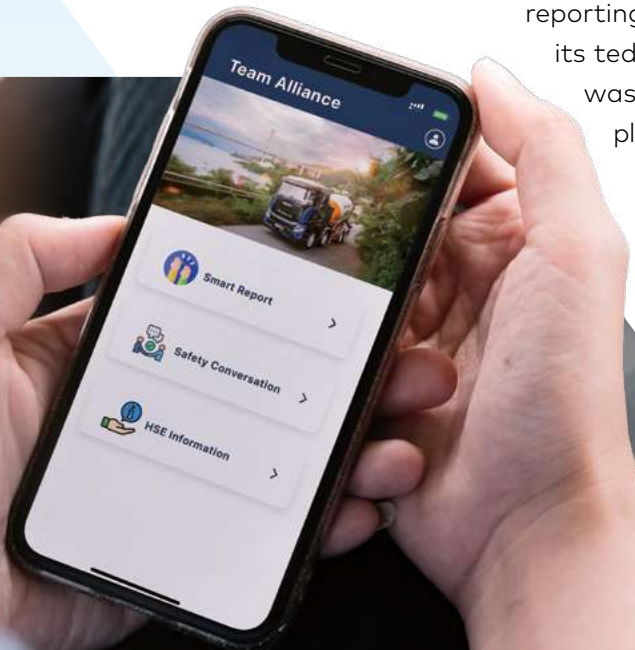


Personally conducted by senior management and functional managers, Safety Stand Down had been conducted at all work sites to communicate recent fatal incidents that occurred overseas under parent company and cascaded the alerts and key messages to all line managers and site operatives.

The possible causes and lessons learned for each incident had been discussed; key messages and cardinal rules for H&S Directive issued had also been reiterated; all line managers had been urged to demonstrate their visible - felt leadership to drive positive safety culture and encouraged all operatives to establish themselves as role models to influence each other to create positive impact on safety culture.

Active Reporting Through "SMART" (Team Alliance App)

To achieve a zero-harm workplace, it's crucial for all staff to actively report HSE hazards. This practice allows timely detection and correction of unsafe conditions. The traditional method of reporting via paper is cumbersome and often ineffective due to its tedious process. To address this, an in-house app "SMART" was launched in 2024, providing a simple, straight-forward platform for everyone to report hazards and for leaders to record safety conversations carried out. Since its launch in May 2024, there has been a significant increase in engagement, with over 800 cases reported and 500 safety conversations conducted.



Annual HSE Award Scheme

Annual HSE Award Scheme was rolled out in 2024 to promote HSE culture of individual workers and teams. It helps reinforce safety leadership of line management and active participation by staff in terms of actively reporting HSE hazards, offering improvement ideas, safety conversations, timely execution of improvement actions, and improving HSE compliance status and standards.

This award scheme features monthly, quarterly, and annual rewards to incentivize employees to report hazards and near misses. It also acknowledges and motivates site leaders who demonstrate visible-felt leadership through conducting safety conversations and promptly addressing issues to improve workplace safety.

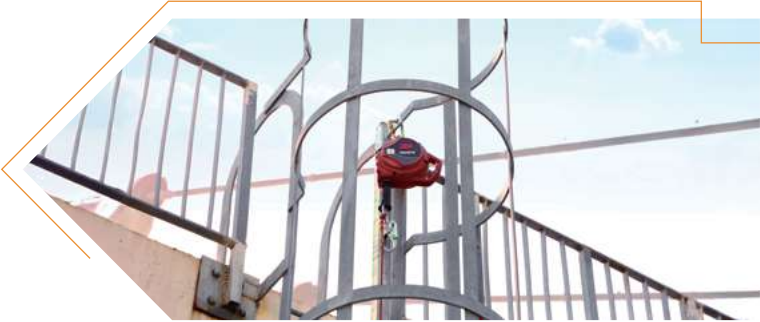
To recognize the dedication and efforts in preventing incidents on each work site, an incident-free days badge is displayed as a physical emblem and a reminder of the collective responsibility of all staff on site.



Safety By Design and Safety By Technology

Incorporating safety into all business decisions, safety features are embedded into our operational processes and equipment hardware from the design and planning stages. The maturity of digital solutions also presents opportunities to address safety challenges in more effective and efficient ways.

Safety by design refers to the strategy where safety considerations are integrated into the initial stages of workplace planning. This approach ensures that hazards are identified and mitigated before they can pose any risk. By embedding safety features into operation of systems, equipment, or facilities, the aim is to prevent accidents proactively.



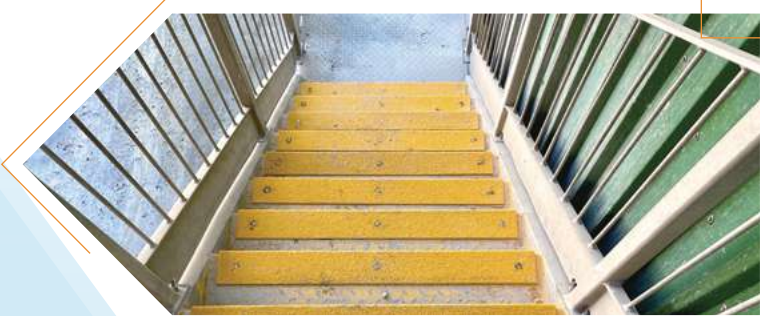
Robust fall arrest system equipped at all cat ladders to ensure working at height safety.



Safe working platforms specifically designed to assist drivers with truck cleaning.



Automated cleaning of conveyor belts to reduce manual labor and risk exposure.



Access safety embedded at design stage to prevent slips and falls at plant accesses.

Safety by technology leverages advancements in technology to enhance safety controls within workplaces. This includes the deployment of sensors, wearables, and IoT devices to monitor environmental and personal health conditions. Technologies like AI and machine learning can predict potential safety hazards by analyzing patterns in data, allowing for preemptive action. Additionally, automation and robotics can handle dangerous tasks, reducing human exposure to risk and making safety management more efficient and less prone to human error.

Auto-rinsing at Central Mixers

- ▶ Auto rinsing system installed at central mixers to reduce frequency of dislodging operations and risk exposure.



Real-time Safety Monitoring

- ▶ Using tools like smart watch and CCTV to provide real-time monitoring of workers' conditions and instant emergency alerts to safeguard the health and safety of workers inside confined space.



Octopus Access Control

- ▶ Improving security and access management on site by new Octopus Access Control system.



Blaxtair Loader Camera

- ▶ AI camera to assist operators to detect and avoid collision hazards before incidents happen.



Drumblaster

- ▶ An automatic robotic arm for mixer drums' hardened concrete build-up dislodging in safe manner, minimizing the need for drivers to enter into mixer drums.



Competing for Talents



Management Approach

Hong Kong is currently grappling with significant challenge where the unemployment rate among the younger generation has increased, alongside the issue of aging workforce. Due to shortage of skilled labor, supply chain disruptions, production delays, and higher operational costs across various sectors resulted. Moreover, there is an evolving expectation for job satisfaction and workplace atmosphere, which complicates hiring and retention efforts across the region.

To address these Hong Kong-wide challenges, our strategies include:

- A. Upgrading the work environment at production sites to create more appealing work environment.
- B. Implementing technological solutions to enhance operational excellence.
- C. Fostering a culture of participation and engagement to adapt to changing workforce dynamics and expectations.
- D. Providing challenging and fulfilling project assignments to groom younger talents
- E. Offering summer internship opportunities for students to gain work experience at corporate settings
- F. Organizing team-building activities and community service opportunities

Upgrade Work Environment of Production Sites

We strongly believe that a clean, modern, and comfortable work environment is key to cultivate safe work culture and teamwork. As such, we have adopted noise insulated site office to reduce auditory nuisance. Green walls have also been introduced as part of our new offices standards, not only enhancing the aesthetic appeal but also improving air quality. Additionally, new remote batching center has been set up, which adopted modern design and adorned with real plants. At head office, new pantry has been created, stocked with fresh fruits where staff can gather and enjoy, promoting health within our workplace.



Noise-insulated site office



Green wall in the site plant



Real plants in the new remote batching centre



New modern pantry at the head office



Apply Technologies in Operation

We've embraced technology to enhance our operational capabilities by implementing several tools. Kiosks have been introduced specifically as a visual aid for training, providing an engaging platform for staff, visitors, and contractors to learn about our processes and safety procedures. Additionally, we've established an online training portal, where individuals can access comprehensive training modules at their convenience. The centerpiece of our tech initiative, however, is the Team Alliance app, which empowers all staff to report Health, Safety, and Environment hazards and improvement ideas anytime, fostering a proactive culture of safety and innovation throughout our organization.



Encourage Participation and Engagement

Alliance has embraced a holistic approach to foster participation and engagement among its staff. Through a blend of social, educational, and health-focused activities, it aims to create an environment that not only enhances productivity but also nurtures the well-being and team spirit of its workforce. These initiatives are designed to integrate team collaboration, personal recognition, and wellness into the daily work culture, making every employee feel valued and part of a cohesive community.



Mental Health Workshop

Fruit Day



Heat-related Illness Promotion

Team Lunch and Birthday Celebration

Supporting Our Business Partners

Management Approach

With mixer truck fleet of over 200 mixer trucks, supporting our business partners, lorry-owned drivers, has become more critical than ever. Not only there is a pressing challenge of shrinking labour force, but its effects are also exacerbated by the demanding nature of mixer truck operators and the lengthy process required to obtain the special driving license. These factors collectively contribute to a significant manpower deficit in this sector.

In addition, mixer trucks possess unique attributes compared to other vehicles, such as a high center of gravity that shift constantly, and the nature of concrete which affects momentum and braking distance, etc. The skills and awareness of truck operators are critical for ensuring safe daily operations.

In our efforts to stay ahead of these challenges, all licensed drivers are provided with thematic driving safety training. The training program comprises of classroom training, practical training, immersive virtual reality simulation, and driving assessments, enhancing their understanding on the physics behind traffic incidents and defensive driving techniques to stay safe on roads.

In parallel, efforts are also being made to upgrade the work environment to make it more conducive and appealing. This involves adopting automated solutions where possible to mitigate risks when drivers perform truck cleaning and dislodging. AI cameras are also installed to assist drivers to timely detect and respond to unsafe situations on roads. Proper truck washing stations are also set up at each plant to enable drivers to carry out cleaning works at end of the shifts.



Diversity and Inclusion

Management Approach

We believe in equal opportunities for all as the bedrock for our organizational culture. We are committed to building an inclusive environment where diversity in background, thoughts, and experiences is not only welcomed but is recognized as a cornerstone of our success.

Operating in an industry traditionally dominated by men, we recognize the challenges in promoting diversity and inclusion, but we see it as an opportunity to enrich our company with diverse perspectives, leveraging diversity for innovation and strategic advantage and pushing us towards a more dynamic and inclusive workplace.

To cultivate inclusivity, we commit to recruiting talent with diverse profiles, inclusive of people with disabilities. We also emphasize employee engagement and participation, encouraging staff to share their insights and experiences through meetings, forums and surveys. Additionally, we also invest in team-building activities to foster understanding, collaboration and unity across our diverse workforce.

Employee Engagement at Work

Annual HSE Seminar

We hold an annual Health, Safety, and Environment (HSE) seminar where senior management, functional managers and line operatives gather to review our performance, share our learnings, and also enable interactive learning and discussion between them. This forum also fosters a collective responsibility towards a safe and inclusive workplace and renewed commitment towards HSE.



Day in a Life

We also implement "Day in a Life" sessions where senior managers spend a day alongside lorry-owned drivers. This initiative gives management a deeper understanding of daily challenges and successes, promoting empathy and better-informed decision-making.



Management Walk

To bridge the gap between management and ground-level employees, senior leaders conduct regular "Management Walks." These visits allow management to directly observe work practices, engage with staff in their working environment, and gather firsthand feedback on operational and cultural aspects.



HSE Climate Survey

Bi-annually, we conduct an HSE Climate Survey to gauge the health, safety, and environmental attitudes, perceptions, and behaviors within our organization. This survey not only helps us identify areas for improvement but also involves employees in the safety culture, showing them that their opinions directly influence company policies.



Engagement Groups

We have established various engagement groups across departments that focus on different aspects of diversity, safety, innovation, and well-being. These groups serve as platforms where employees can discuss, propose, and implement ideas that enhance their work environment. They play a crucial role in driving continuous improvement, promoting inclusivity, and ensuring that all employees feel they have a stake in the company's future.

Through these initiatives, we aim to create an environment where engagement is not just encouraged but is a fundamental part of our organizational DNA, ensuring that every employee feels connected, valued, and integral to our collective success.

Team Building Activities

Wide Variety of Interest Classes



Christmas Party and Annual Spring Dinner



Social Inclusion Promotion Activities



Volunteering Services



CKI Family Day





RESOURCES

Alliance, being a major construction materials supplier in Hong Kong, has demonstrated its commitment to sustainability through the Ambitions 2030 model. This model is structured around four pillars, with the Resources pillar focusing on key environmental challenges and sustainable development. The Resources pillar encompasses four major aspects: transitioning to a low carbon economy, enabling a circular economy, supporting Hong Kong's development with aggregate and concrete solutions, and conserving resources. Each aspect is addressed through strategic actions.

Transition to a Low Carbon Economy

Management Approach

Alliance's management approach for transitioning to a low carbon economy is integral to its commitment to the Net-Zero 2050 target and aligns with the Hong Kong SAR Government's Climate Actions 2050. Alliance focuses on reducing greenhouse gas emissions through the adoption of innovative technologies and sustainable practices. This includes investing in renewable energy sources, enhancing energy efficiency across operations, and facilitating the new energy transportation transition.

Additionally, Alliance promotes the use of low-carbon materials and construction methods, which not only reduce emissions but also improve the overall sustainability of development projects. By fostering partnerships with stakeholders and participating in industry-wide initiatives, such as committing to Science-based Targets and supporting the development of local carbon labelling scheme, Alliance supports the broader goals of the Climate Actions 2050. These proactive measures and strategic investments ensure that Alliance contributes significantly to Hong Kong's transition to a low carbon economy, demonstrating leadership in sustainability and environmental stewardship.

Offering the Market With Low Carbon Concrete Solutions

The Hong Kong Exchange's mandate for sustainability reporting, now aligned with the International Sustainability Standards Board (ISSB), significantly impacts policies aimed at reducing embodied carbon in development projects. With the new requirements, listed companies must disclose their Scope 1, 2, and 3 greenhouse gas emissions. This comprehensive reporting framework encourages companies to identify and mitigate carbon-intensive activities throughout their value chains.

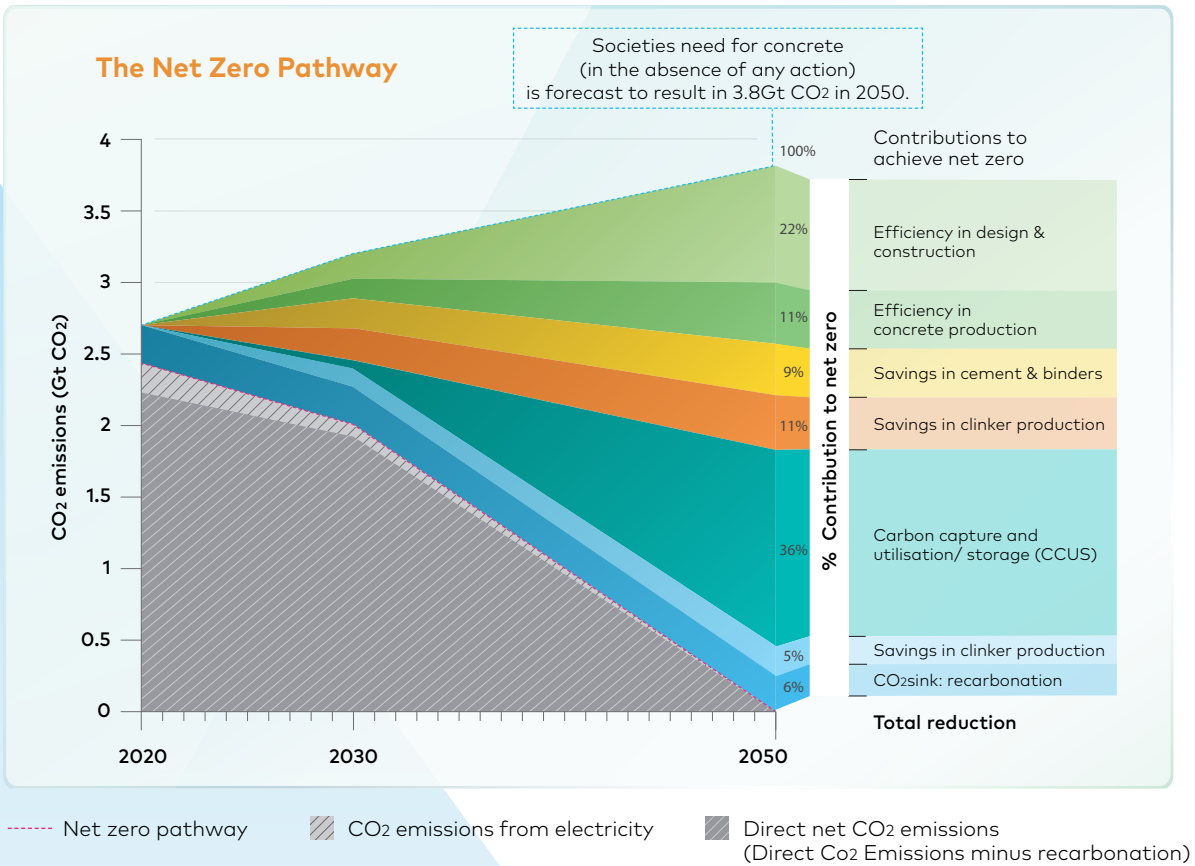
By committing to the Science Based Targets initiative (SBTi), companies are not only demonstrating their dedication to climate protection but also taking actionable steps to reduce their carbon footprints. This includes adopting low-carbon materials and construction methods, enhancing energy efficiency, and investing in renewable energy sources. The increased transparency and accountability fostered by these reporting requirements drive companies to innovate and implement more sustainable practices, ultimately contributing to the reduction of embodied carbon in Hong Kong's development projects.

However, feedback from stakeholders has indicated a lack of clear definitions for low carbon materials and uncertainty about how to effectively reduce the embodied carbon of development projects. To address these concerns, Alliance has obtained Green Product Certification and published the Environmental Product Declaration for our concrete products, disclosing the embodied carbon. In 2024, Alliance conducted benchmarking exercises to define low carbon concrete. Locally, using the CIC Carbon Labelling for concrete, we set a 30% reduction of the average carbon emission as the threshold for low carbon concrete, finding that 63.4% of our products met this criterion. Additionally, benchmarking against the Global Cement and Concrete Association (GCCA) threshold of 5.5kg CO₂-e/MPA/m³ revealed that 37.7% of our concrete products were within this limit.

Despite the absence of a recognized threshold for low carbon concrete in Hong Kong, these benchmarking exercises provide valuable insights into Alliance's progress towards net-zero. The results underscore the need for accelerated carbon reduction actions to meet the targets, both for Alliance and the broader industry.

Roadmap to Achieve Net-Zero 2050

Source: Global Cement and Concrete Association



We are committed to exploring carbon reduction opportunities. According to the "Net-Zero Pathway" published by the GCCA in their GCCA Concrete Future Cement Industry Net Zero Progress Report 2024/25, improving efficiency in concrete production contributes 11% towards achieving net zero. We have thoroughly examined our concrete production process, from energy consumption at our production sites to factors affecting production line productivity and logistics efficiency.

During the reporting period, we continued upgrading our concrete mixer truck fleet to 5-axle 10m³ trucks. This initiative aims to enhance concrete delivery efficiency, reducing carbon emissions from fuel consumption by over 10%. To complement these trucks, our concrete batching plants at the Tsing Yi Concrete Production Hub are equipped with 5m³ mixers, optimizing both productivity and energy efficiency.

Cement and binder savings contribute 9% towards net zero. We have been optimizing our concrete mixes to reduce cement usage. Through continuous improvements to our quality management system, we have prevented excessive cement use while maintaining the highest product quality.

We acknowledge that carbon capture and utilization/storage (CCUS) and efficiency in design and construction are the most significant contributors to net zero, accounting for 36% and 22% respectively. However, due to the scale of investment and feasibility, launching a CCUS project in Hong Kong is beyond our capabilities as a concrete supplier. Instead, we focus on supporting and collaborating with contractors and developers to drive efficiency in design and construction.

We have published Environmental Product Declarations for our concrete products. Using the LCA tool, we can estimate the carbon sink of concrete throughout its lifecycle, which contributes 9% towards net zero.

Introducing the 1st Battery Electric Concrete Mixer Truck to Hong Kong

One-year Trial in Hong Kong

Transitioning to new energy transportation is a strategic action in the Hong Kong SAR Government's Climate Actions for achieving net-zero by 2050. In preparation for this transition, we collaborated with SANY, a major construction machinery manufacturer, to introduce the first battery electric concrete mixer truck to Hong Kong for a one-year trial. The trial aimed to evaluate the feasibility of using battery electric concrete mixer trucks in Hong Kong and to address industry questions regarding E-truck applications, such as the impact of battery charging on productivity.

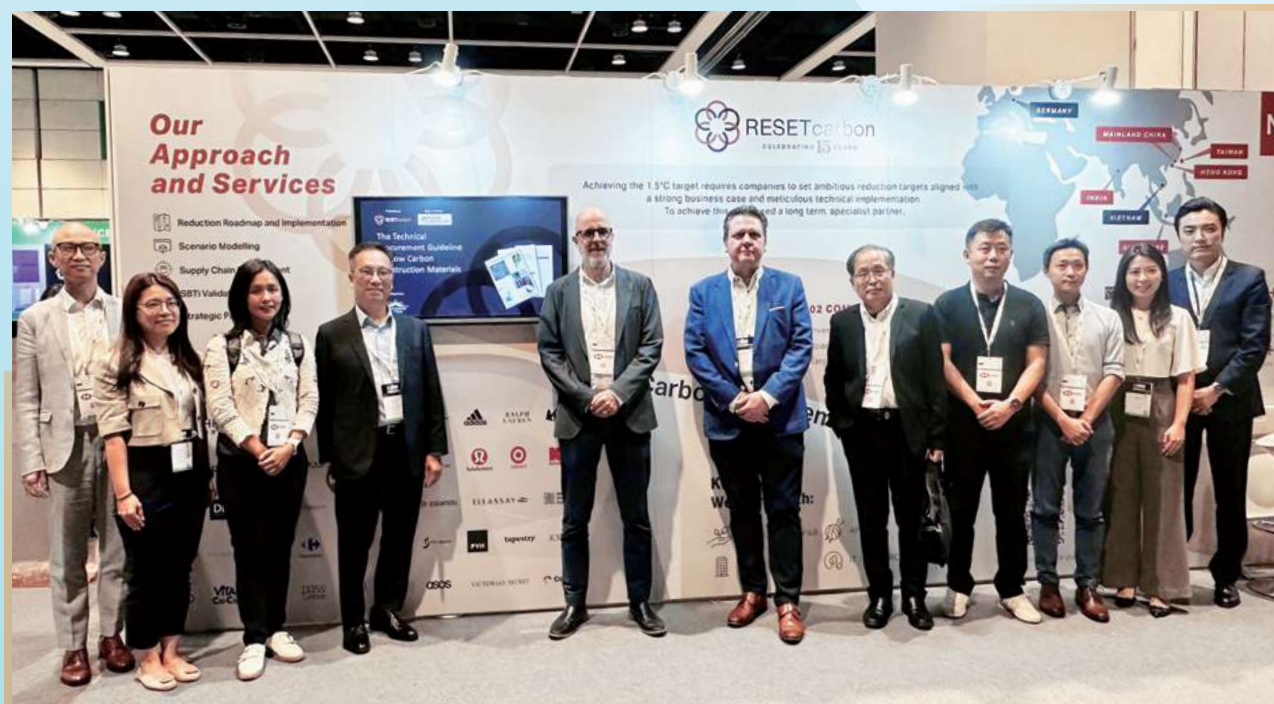
After completing all preparatory work, including obtaining type approval for the truck, the trial was officially launched on 15 November 2023. The one-year trial, which concluded in December 2024, provided valuable insights into potential carbon reduction and cost savings from new energy trucks, while also identifying the impacts of the increased tare weight of the truck.



Technical Procurement Guideline on Low Carbon Construction

Recognizing the building industry's growing need for breakthroughs in low-carbon construction solutions and supporting infrastructures to steer decarbonization towards company-level targets and global and regional net-zero visions, RESET and the Hong Kong PropTech Alliance have initiated a Low Carbon Construction Solutions Working Group (the Working Group). The primary objective of this group is to accelerate the development of the low-carbon construction market by providing a market signal to the upstream value chain, standardizing accounting and benchmarking, and soliciting policy support to unlock reduction opportunities.

In 2023, Alliance actively engaged with the Working Group, contributing technical expertise in concrete and innovative ideas to support the development of the Technical Procurement Guideline on Low Embodied Carbon Construction. This Guideline aims to provide a comprehensive embodied carbon playbook that covers the entire lifecycle of a building, from the product stage (A1-A5), through the use stage (B1-B5), to the end-of-life stage (C1-C4), ensuring the most accurate and comprehensive results possible. The Guideline was launched in September 2024.



Sustainable Concrete and Low Carbon Cement

Concrete, being the second most utilized material after water, plays a crucial role in supporting urbanization and human societies. However, the production of concrete is responsible for approximately 8% of the world's total carbon emissions, with the majority stemming from its cement content.

In our commitment to reducing carbon emissions, Alliance is proactively exploring all potential reduction opportunities and collaborating with stakeholders across the value chain to drive carbon reduction efforts.

Through a comprehensive life cycle assessment, we have identified key opportunities to reduce emissions throughout the entire life cycle of concrete. Our strategic actions, based on this assessment, focus on two main areas:

- A. **Reduce the embodied carbon of cementitious materials**, which are the primary source of concrete's carbon footprint.
- B. **Innovate in the development of sustainable products** to further minimize environmental impact.

By taking these steps, Alliance is dedicated to upholding its carbon reduction responsibilities and contributing to a more sustainable future.

Work with Major Supplier on Carbon Reduction



Green Island Cement's Commitment to a Low Carbon Economy

Cement accounts for over 80% of the embodied carbon in concrete, making it the single largest contributor to concrete's carbon footprint. Therefore, reducing the embodied carbon of cement presents the most significant opportunity for decarbonizing concrete. Our partnered cementitious supplier, Green Island Cement (GIC) - a leading cement manufacturer in Hong Kong-is proactively implementing strategies to lower the carbon intensity of

its cement production. In alignment with the global shift toward a low-carbon economy, GIC has identified two key pathways for carbon reduction: the adoption of alternative fuels and the use of sustainably sourced raw materials.

Alternative Fuels Initiative

GIC recognizes the use of alternative fuels as a crucial strategy to lower its net CO2 emissions. Currently, they hold an SP license that enables them using alternative fuels and are in the process of developing a robust supply chain. The alternative fuels utilized include wood-derived fuel, rubber-derived fuel, plastic-derived fuel, and polyurethane residue which is supplied by local recyclers. The alternative fuels are being used in clinker production at the Tap Shek Kok Plant.

Eco-Friendly Sourced Raw Materials

In 2024, GIC achieved an 86.7% usage rate of eco-friendly sourced raw materials, a slight increase from 84.7% in 2023. These materials are by-products from other industrial processes and include:

- ▶ Crushed-rock fines limestone
- ▶ Flyash
- ▶ Bottom ash
- ▶ Flue-gas desulphurization gypsum
- ▶ Low-grade gypsum from coal-fired power plants
- ▶ Bed-ash from T-Park
- ▶ Glass cullet
- ▶ Used alumina
- ▶ Slag from copper smelters and blast furnaces
- ▶ Oyster shells



Reducing Clinker Content

GIC's efforts to reduce clinker content in their cementitious products are reflected in the increased percentage of supplementary cementitious materials (SCM), which rose to 17.4% in 2024 from 15.0% in 2023.

Innovative Approaches

GIC is also exploring the use of bio-mass carbonate and non-carbonate based calcium sources to replace fossil calcium carbonate in their clinker production process. A notable initiative is the ShellCem pilot program, launched in August 2024, which focuses on recycling used oyster shells.

Through these initiatives, Green Island Cement is making meaningful progress in reducing the carbon footprint of cementitious materials. This directly supports our ability to offer low-carbon concrete solutions for development projects, aligning with broader sustainability goals.

Pioneering Sustainable Concrete Solutions for Hong Kong's Future

As Hong Kong continues to evolve as a global metropolis, the demand for innovative, sustainable construction materials has never been greater. At Alliance, we are proud to lead the charge in supplying sustainable concrete products that not only meet the city's rigorous infrastructure needs but also align with its ambitious sustainability goals. Our commitment to reducing environmental impact while enhancing structural performance is evident in our range of groundbreaking concrete solutions. These products-characterized by low embodied carbon, reduced lifecycle emissions, and the innovative use of recycled materials-are helping to shape a greener, more resilient Hong Kong.



Transforming Plastic Waste into High-Performance Concrete

One of our initiatives involves turning recycled plastic bottles into recycled aggregates for concrete production. By processing discarded plastic bottles into high-quality recycled aggregates, we produced a Grade 20 concrete that has been successfully trialed in the MTRC 1201 Tung Chung West Station and tunnel project. This approach delivers a dual environmental benefit: it diverts plastic waste from landfills and reduces carbon emissions associated with traditional aggregate production and these recycled aggregates are carbon neutral. Beyond its ecological advantages, this concrete can achieve the desired performance, proving that sustainability and performance can go hand in hand.



First GGBS D-wall in Hong Kong's – Nearly 22% Carbon Reduction

We demonstrated our commitment to sustainable construction by supporting MTR Corporation's green goals in the Tung Chung West Station and Tunnels project (Contract 1201). In this large-scale development, we supplied 40,000m³ of low-carbon concrete specifically for diaphragm wall (D-wall) construction, using a Grade 45/20D GGBS mix in place of the conventional PFA mix typically adopted by MTRC. This innovative material switch resulted in a 21.9% reduction in embodied carbon, significantly lowering the environmental impact of the foundation works.

This initiative marked a major milestone as the first MTRC project-and the first in Hong Kong-to adopt GGBS in D-wall construction. The first D-wall was successfully cast in March 2024, with excellent structural performance through a sophisticated mix design, validating the use of GGBS in critical foundation applications.This project stands as a clear example of Alliance's leadership in advancing low-carbon solutions in Hong Kong's infrastructure sector.



High-Strength Tremie Mix for Efficient and Sustainable Foundations

Our Grade 60 Tremie Mix, approved by the Housing Authority (HA) and supplied to the HA project, representing another leap forward. This project is the first HA project to upgrade to Grade 60 tremie concrete with volume over 40,000m3. Incorporating 25% Pulverized Fuel Ash (PFA), this mix is designed for bored pile applications, offering higher strength to sustain greater loading and shear forces. By reducing the need for excessive rebar, it lowers embodied carbon while providing greater flexibility in construction design. Recently all HA projects are towards to adopt Grade 60 tremie concrete. This product underscores our dedication to delivering sustainable solutions that optimize both environmental and structural outcomes.



Streamlining Construction with Set Controlled Slipform Concrete



For the HY/2018/08 Central Kowloon Route – Central Tunnel project, slipform non-stop construction method has always been a challenging construction method with extremely high requirement on concrete performance including controlled workability retention and strength development. Our Grade 45 Set Controlled Slipform concrete has proven its value in casting shaft linings. Enhanced with polypropylene fibers (PPF) and engineered for extra retention and set control, possesses fire spalling prevention properties, this mix enables a continuous, non-stop construction process. The result is faster project timelines and homogeneous concrete structures that enhance durability. By speeding up construction without compromising quality, this solution supports Hong Kong's need for efficient, sustainable urban development.

Self-Consolidating Concrete: Efficiency Meets Excellence

Our Self-Consolidating Concrete (SCC) is transforming the way projects are built across Hong Kong, from the Proposed Commercial Buildings on STTL617 in Shek Mun to the MTRC XRL811A. SCC's self-leveling properties eliminate the need for vibrators, reducing noise, labor, and equipment costs while improving consolidation in congested areas. This creates a safer working environment, less nuisance to surroundings, consistent quality, smoother finishes, and greater design flexibility. By minimizing workforce demands, SCC also addresses the challenge of an aging labor pool, making it a cornerstone of sustainable and efficient construction.

Protecting Marine Ecosystems with Underwater Anti-Wash Concrete

Our underwater anti-wash, self-leveling concrete simplifies underwater construction without compromising environmental integrity. Used in projects along Hong Kong's coastline, this product ensures no pollution to the sea and eliminates the need for additional vibration and labour work. By streamlining the construction process while safeguarding the seashore, this product reflects our holistic approach to sustainability-balancing ecological preservation with practical innovation.

Building a Sustainable Legacy

At Alliance, we believe that sustainable concrete is more than a product-it's a commitment to Hong Kong's future. By integrating recycled materials, slashing carbon emissions, and enhancing construction efficiency, our solutions are supporting the city's sustainable development goals. From mass transit systems and public housing to commercial towers and marine infrastructure, our concrete is laying the foundation for a low-carbon, resilient urban landscape. As we continue to innovate, we remain dedicated to partnering with stakeholders across the industry to build a Hong Kong that thrives for generations to come.



Enabling Circular Economy

Management Approach

Minimizing waste and maximizing resource efficiency are central to Alliance's approach to enabling a circular economy. We promote the use of recycled materials in our production processes and design products for durability, reuse, and recyclability. Alliance implements waste management practices that prioritize recycling and recovery, reducing the environmental impact of our operations. To support these efforts, Alliance seeks innovative means to recycle the waste materials that may have from our operations and educates employees and customers on circular economy principles. The company tracks and reports on waste reduction and recycling rates, ensuring transparency and accountability in its sustainability initiatives.

Strengthening Rock Reserves

During the reporting period, we continued to strengthen our rock reserves. To ensure our raw materials come from responsible sources, we carefully selected business partners who prioritize sustainability. For instance, our partnered stone quarries in Mainland China are recognized as Green Quarries. They implement quarry rehabilitation plans and environmental practices such as tree planting to minimize bare land exposure, protecting natural stream courses, collecting and reusing surface runoff to reduce freshwater consumption, suppressing dust and noise, and implementing waste reduction measures. These green quarry practices help minimize the environmental impacts of rock extraction and aggregate production processes.

Another critical factor in ensuring a stable supply of aggregates to the Hong Kong market is efficient logistics. We have previously faced major interruptions from cross-boundary logistics. To mitigate this business continuity risk, the aggregates depots we established in Tuen Mun and our Tsing Yi Hub play a crucial role in connecting aggregate sources from Mainland China to customer sites, including our concrete batching plants. This logistics planning ensures the highest efficiency of aggregate supply while the environmental measures we implement at each stop minimize the environmental impacts of the process.

Green Solutions for Aggregates Barges

For example, the aggregates replenishment barges from Mainland China are equipped with fully enclosed conveyor belts and discharge chutes to prevent dust emissions during unloading. The aggregates barges stationed at the seafront of our concrete batching plants are fitted with mechanical covers and water sprinklers to prevent dust emissions from stockpiles and during loading and unloading processes. Additional measures, such as bunding the edge of the deck and regularly removing dusty materials from the deck surface, prevent dust emissions and any polluted water from leaking into the sea.

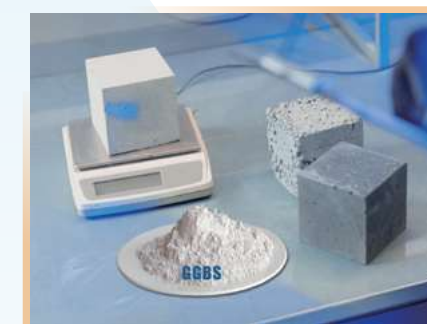


Recycling and Reuse Practices

Wastewater and solid waste are generated from the daily operations of our concrete batching plants. To uphold our environmental protection responsibilities, we have implemented wastewater recycling systems in all our plants. Surface runoff from the plant yard and wastewater from truck washing are directed to concrete reclaimers, which serve as the first stage of the recycling process. The reclaimers extract coarse materials from the wastewater. The grey water from this initial stage is then pumped to a filter-press machine, where suspended solids are separated by a filter membrane. The filtered water is recycled for use in plant yard and truck washing. The solid waste extracted from the reclaimers and the filter-press machine is reused for other engineering purposes, such as filling materials for civil works. Within the reporting period, 4,533 tons of solid waste had been recycled, prevented them from disposed of at the landfill sites.



Application of Recycled Materials in Concrete



Our commitment to sustainability is reflected in the development of our sustainable products, which are defined by two key criteria: low embodied carbon and the application of recycled materials.

Incorporating recycled materials into our concrete products is a critical aspect of our sustainability strategy. We utilize by-products from other industries, such as Pulverized Fuel Ash (PFA) and Ground Granulated Blast-furnace Slag (GGBS), to produce high-quality concrete. These recycled materials not only enhance the performance of our concrete but also reduce the demand for virgin raw materials, thereby conserving natural resources.

Under the low carbon economy, the demand for GGBS concrete mixes is increasing. However, GGBS mixes come with quality risks and early strength development problems. To address these challenges, we collaborate closely with our suppliers to ensure stringent quality control of GGBS and the concrete production process. By implementing rigorous testing and monitoring procedures, we ensure that the GGBS used in our mixes meets the highest standards of quality. Additionally, we continuously optimize our concrete formulations to enhance early strength development and overall performance, thereby mitigating the risks associated with GGBS mixes.



Supporting Hong Kong's Development

Alliance is dedicated to providing sustainable construction materials that meet the needs of Hong Kong's development projects. The company develops high-performance, sustainable concrete and aggregate products, ensuring the availability and reliability of supply chains. Alliance engages with local communities and authorities to align its products and services with development goals. To support this aspect, Alliance invests in research and development for innovative materials, maintaining robust logistics and supply chain management systems. The company also participates in public consultations and infrastructure planning initiatives, contributing to the sustainable development of Hong Kong.

Strong Capacity and Strategically Located Production Facilities



Our strategically located facilities, with their large storage capacity for raw materials, are connected to our partnered stone quarries in Mainland China and cement supplies from Green Island Cement. This highly efficient logistics system ensures a robust resource base that meets the demand for aggregates and concrete, supporting Hong Kong's development.

Delivery to different areas of HK within 1 HOUR



Situated at the heart of Hong Kong, Tsing Yi Island is well-connected by highway networks, allowing us to supply concrete and aggregates to development projects within an hour. We have intentionally designed the Tsing Yi Concrete Production Hub with substantial storage capacity for both cement and aggregates. This capacity allows us to maintain production and supply for two days during severe logistics interruptions, such as approaching typhoons, without needing immediate replenishment.

Alliance operates a fleet of over 200 concrete mixer trucks, cement tankers, and tipper trucks. Our strong delivery capacity, managed by digitalized logistics systems, ensures the timely supply of aggregates and concrete to our customer sites.

Technical Supports to Customers

As a major concrete supplier in Hong Kong, our technical support to customers significantly contributes to the city's development. By advancing concrete technologies, we help our customers tackle construction challenges with innovative solutions that enhance durability, efficiency, and safety. Our expertise in low-carbon concrete technologies enables us to meet the growing demand for sustainable construction practices, reducing the carbon footprint of building projects. Additionally, our technical support helps customers cope with quality risks by providing expert guidance on material selection, mix design, and quality control processes. This ensures that the concrete used in construction projects meets the highest standards, minimizing the risk of defects and enhancing the overall reliability of structures. This commitment to innovation, sustainability, and quality not only supports our customers in achieving their project goals but also aligns with Hong Kong's broader environmental objectives, fostering a greener and more resilient urban landscape.





Diverse Development Projects

Within the reporting period we have supported diverse development projects with our total aggregates and concrete solutions.



**Three Runway System
(Aggregates solutions)**

Source: Airport Authority Hong Kong



Trunk Road T2 (Concrete solutions)

Source: Bouygues Travaux Publics



Tung Chung Line Extension (Concrete solutions)

Source: MTRC



**Tung Chung New Town Extension
(Aggregates solutions)**

Source: CEDD



**Kwu Tung North Area - Public Housing Development
(Concrete solutions)**

Source: Development Bureau



**Central Kowloon Route - Central Tunnel
(Concrete solutions)**

Source: Highways Department



Resources Conservation

Conserving natural resources and promoting sustainable use are key objectives for Alliance. The company optimizes resource use in its production processes and implements water conservation measures. Alliance is committed to protecting and restoring natural habitats affected by its operations. We develop and implement good water management practices, ensuring the sustainable use of this vital resource. Additionally, our partnered quarries have established quarry restoration plans, contributing to the preservation of biodiversity and the environment.

In conclusion, Alliance's management approach in the Resources pillar of its Ambitions 2030 model reflects a comprehensive and proactive strategy towards sustainability. By focusing on transitioning to a low-carbon economy, enabling a circular economy, supporting Hong Kong's development with sustainable materials, and conserving resources, Alliance is leading the construction materials industry towards a more sustainable future. This approach not only meets current demands but also ensures a positive contribution to the environment and society.



COMMUNITY

In the construction industry, our products and services play a vital role in shaping the skylines and landscapes of our cities. However, our commitment extends far beyond construction; we strive to build a better future by fostering stronger communities.

Management Approach

Our community management approach is centered on minimizing the negative impacts of our operations while maximizing our positive contributions to the community. We prioritize understanding the needs and expectations of the communities we serve, making it our mission to support those needs and give back to society in meaningful ways. To achieve these goals, we implement a variety of good neighbour practices. Besides advocating best environmental and safety measures within the industries, we focus on ensuring truck cleanliness and road safety through the use of AI and digital systems, which help maintain high standards in our operations.

Moreover, we actively engage with local communities by forming liaison groups and establishing a complaint hotline, ensuring open lines of communication. We are also dedicated to supporting critical city developments and assisting vulnerable groups. Our efforts extend to infrastructure, commercial, industrial, and residential projects, all aimed at enhancing the quality of life for the community. Through various corporate social responsibility initiatives, we promote an inclusive society and uplift underprivileged communities.



Be A Good Neighbour



Commitment to Safety and Environmental Responsibility

We place community concerns at the forefront of our Good Neighbor Practices. Our commitment to safety and environmental protection is reflected in the rigorous maintenance of our concrete mixer truck fleet and our operational pollution control measures. Examples of these initiatives include the Load & Go Ready Mixed Truck Wash system, which we launched to enhance truck cleanliness; the Advanced Driving Assistance System (ADAS), designed to reduce accidents; and the Drumbuster Build-Up Control System, which helps prevent concrete spillage on public roads.

In response to tightening environmental regulations, we have refined our strategies to effectively mitigate water, air, and noise pollution. Collaborating with authorities such as the Environmental Protection Department, we work to strengthen regulations and implement robust pollution management measures. Our ultimate goal is to foster a safer and cleaner environment for everyone.

1. Pollution Control



We have implemented robust measures to ensure all pollution control. Our plant is equipped with air quality sensors to monitor and control dust emissions. We regularly conduct air quality samplings and assessments to maintain high standards. Additionally, real-time air quality monitoring and automated sprinkler systems are utilized to ensure effective dust suppression.

In terms of water usage and waste management, we acknowledge the significant amount of water required daily for concrete mixing and equipment and truck cleaning. To address this, we use filter press machines for liquids/solids separation in our plants. This system helps move and dispose of waste, reclaiming up to 90% of the water. As a result, less water is used, and less sewage is discharged.

For noise pollution, we have formed a cross-functional team dedicated to upgrading plant and equipment for noise reduction. This includes installing double-layer windows, noise-reducing curtains, and silencers on diaphragm pumps. Regular noise monitoring is conducted, covering 100% of our work sites, to monitor noise levels at sensitive receivers.

We handle complaints promptly and strive to improve noise levels beyond compliance requirements.

2. Driving Safety



AI Driving Technologies - ADAS

Since 2023, we have introduced the Advanced Driving Assistance System (ADAS) to our truck fleet. Utilizing AI technologies, ADAS proactively intervenes to support our drivers' behavior and attitude in areas such as speeding and tailgating, offering necessary support. After two years of usage, 100% of our five-axle mixer trucks have installed the system, and our overall driving score has reached 94.3, 5% higher than the benchmark score.

Also, this system has helped us develop training programs to enhance truck operators' awareness. For those drivers who have low score in specific area. For example, if the driver constantly got low mark in speeding, we will arrange compulsory driving improvement courses or even change the programming of the truck to limit the speed.



3. Concrete Spillage Prevention

Concrete spillage has many negative impacts, such as damaging the aesthetics of public roads, causing traffic disruptions, posing respiratory health risks, and incurring economic cleanup costs. Therefore, we put much effort into minimizing spillage and promptly cleaning up to reduce its impact. We have a comprehensive action plan:



Special Project Team

The Operations and Logistics department formed a special team to tackle the problem, responsible for strategic action planning and execution.



Truck Weighing

Excess hardened concrete in the mixer drum is a major cause of spillage. We arranged regular truck weighing for all our trucks. Those that are overweight or have recorded spillage must undergo compulsory mixer drum cleaning and interview training.



New Parts to Prevent Spillage

Our engineering team designed new parts for the mixer truck to prevent concrete spillage. One is the Barrel Cover, which stops concrete from overflowing. Another part is the Slurry Stopper, which all drivers are required to close before leaving the plant. This is the final step to prevent spillage.



New Road Sweeper Truck

Every day, various types of vehicles travel through the Sai Tso Wan area. In addition to the heavy trucks and buses from the industrial zone, the Transport Department Vehicle Examination Complex located on Sai Tso Wan Road brings a high volume of traffic. The situation worsens on dry and windy days. Based on feedback from our neighbors about improving road cleanliness, we have launched a new road sweeper truck initiative to address these concerns. This initiative aims to regularly remove dust and debris from the roads, thereby improving overall air quality and making the area more pleasant and healthier for everyone.

We have assigned a dedicated team to maintain the cleanliness of Sai Tso Wan Road and Tsing Yi Road West, which are near our Tsing Yi production hub. Operating three times daily, six days a week, this service ensures these thoroughfares are kept tidy and well-maintained, contributing to a safer and more appealing environment for the community.



"We serve the STW community 3 times daily, 6 days a week"

Community Engagement

Understanding Needs and Expectations of the Community

Since our concrete production hub is located along Sai Tso Wan Road in Tsing Yi South, our plants and concrete truck fleet inevitably impact the community. To address this, we actively engage with neighboring companies and local residents. In 2019, we implemented a CSR and Community Engagement Management Plan to strategically plan our programs and initiatives. We also have established the STW Liaison Group, a community liaison group in Tsing Yi, where regular meetings are held to discuss community concerns and gather feedback. Additionally, we set up a complaint hotline to allow the public to report issues, concerns, or suggestions.

2023-2024 Sustainability Reporting Engagement Activities

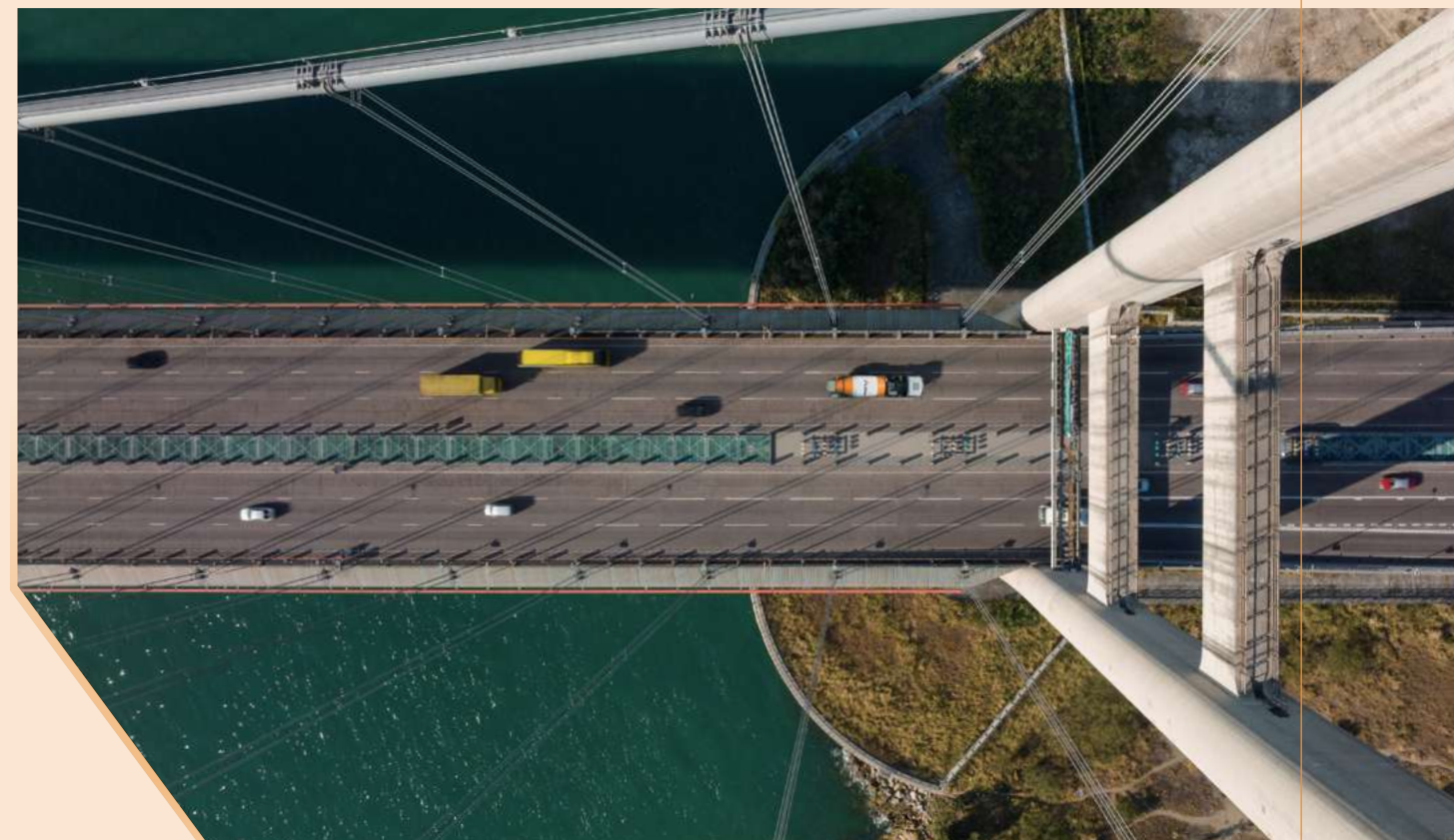


As part of our 2023-2024 Sustainability Reporting Engagement Activities, we engaged the STW Liaison Group members in the community by the online survey to understand their comments in 2024. This way, they can share their insights and help us improve our sustainability initiatives, ensuring we meet their expectations and address their concerns effectively.



Spotlight

Mixer Truck Route Management



To enhance safety and reduce disruptions in residential areas, we have implemented a strategic approach to mixer truck route management, closely involving the community in the process. Through careful planning and active community engagement, we have gathered valuable feedback from residents, allowing us to refine our routes and address their concerns. By using alternate concrete delivery routes that avoid entering adjacent residential neighborhoods, we aim to lower the accident rate. This collaborative effort demonstrates our commitment to creating safer and more harmonious environments for everyone involved.



Community Support

As a responsible corporate citizen, we leverage our expertise to demonstrate corporate social responsibility and contribute to Hong Kong's critical developments, including infrastructure, commercial, industrial, and residential projects. Our management fully supports our CSR initiatives, and we encourage employees to participate during work hours or with compensated leave. We focus on supporting underprivileged groups by hosting various CSR events in collaboration with strategic partners such as Po Leung Kuk and Caritas. A notable example is our flagship event, Run-for-Hope, which raises funds for Po Leung Kuk while promoting a healthy lifestyle.

This year, the theme of our Corporate Social Responsibility plan is promoting an inclusive society. Through a series of activities, we aim to foster a diverse workplace and community. We believe that by working together, we can create a supportive environment that uplifts everyone, ensuring that no one is left behind. We engage in community support through collaborating with schools and NGOs. Also, we provide mentorship and resources to empower the next generation.

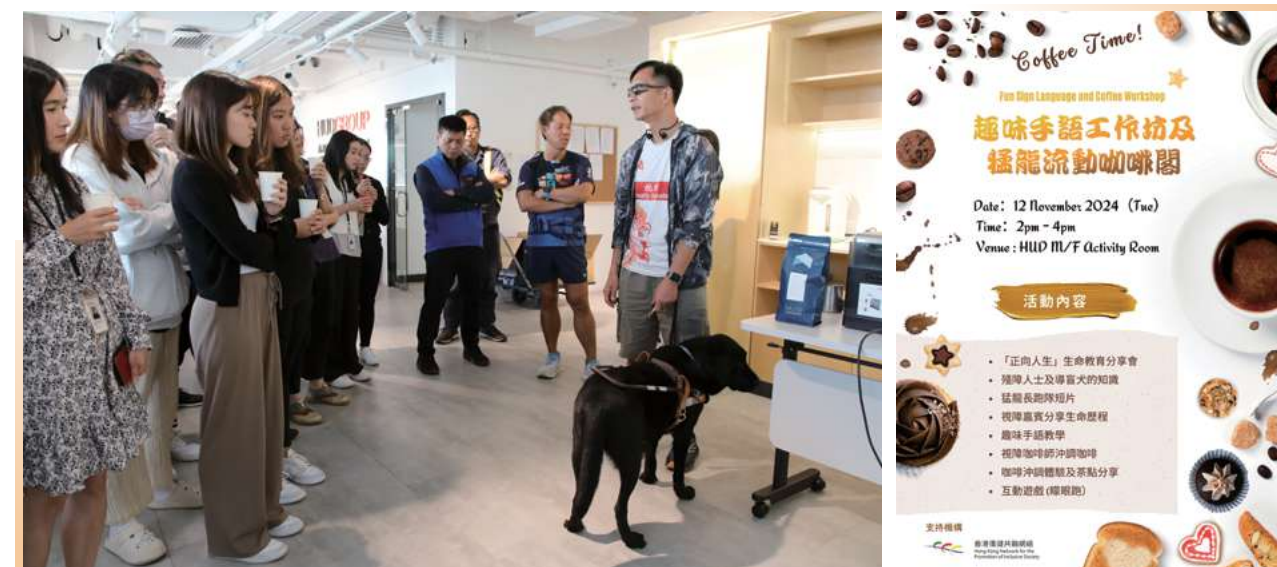
Promoting an Inclusive Society

1. Summer Internship Opportunities for People with Special Needs

We are committed to treating everyone equally, with respect and dignity, regardless of their specific needs or background. Employment, training, and career development opportunities are accessible to all qualified individuals.

As part of our community support pledge, we partnered with CareER to assist individuals with specific needs. Our first step was employing a summer intern with ADHD and ASD. To prepare our team, CareER provided a briefing on these conditions, helping us understand and support the intern effectively. The intern has demonstrated strong technical skills, a positive attitude, and proactivity, significantly contributing to our business. We highly appreciate this collaboration and the intern's great contributions, and we will work to promote such opportunities to more companies.

2. Fun Sign Language and Coffee Workshop



Focusing on building an inclusive culture, Alliance has collaborated with the Hong Kong Network for the Promotion of Inclusive Society Ltd (HKNPIS) on a "Fun Sign Language and Coffee Workshop" in November 2024. This initiative promotes a more inclusive workplace and community. We believe that fostering an inclusive workplace culture is essential for Alliance's success and the well-being of our staff. An inclusive environment not only enhances employee satisfaction but also drives innovation and productivity.

This workshop has provided practical insights to help us better understand people with disabilities. It was also a great opportunity for bonding and communication between teams.



Spotlight

Run for Hope 2024

Run for Hope, initiated by Alliance since 2021, is an online charity run. The primary goals include fostering social responsibility, advocating for a healthy lifestyle to instill enduring wellness habits, and involving Alliance staff and the public in enjoyable social activities. In 2024, our ambitious collective target is 20,000 km. Alliance has pledged donations to Po Leung Kuk to support its social welfare initiatives, with the total donation amount based on the cumulative distance achieved by all participants.



Beneficiary



Total KM completed : **20,000+ KM**

Total Donation to Po Leung Kuk: **\$150,000**

Total Donation to Po Leung Kuk (2023-2024): **\$365,000**



A Fully Digitalized Event

It was a fully digitalized event with a designated mobile app. The app enabled participants to design their own avatars, submit run and walk results, upload photos, check the real-time runner ranking and total distance achieved, as well as the equivalent donation amount—all with just a few taps.

RUN for HOPE 2024

RUN FOR CHARITY

Transform with Every Step



We invited everyone to join us in running for charity, transforming themselves mentally and physically, and changing the lives of vulnerable groups. The total donation amount was calculated based on the total distance achieved by all participants, at a rate of HKD4 per kilometer. In the end, all participants collectively completed more than 20,000 kilometers. Together with the charity fund from the sponsors, this brought the total donation amount to HKD150,000.



Weekly Best Photo Challenge

In 2024, we launched a new Weekly Photo Contest open to all participants. They could upload their run/walk photos to the app to compete for the Weekly Best Photo title. We also continued to promote the "8 Best Trails" of Hong Kong in the app this year. It echoes the government's promotion of Hong Kong as a "City of Nature" by introducing the 8 most popular running and hiking trails in Hong Kong.



3. Other Charity Runs and CSR activities

We are proud to actively participate in various charity runs, reflecting our commitment to community support and physical well-being. In 2024, our team took part in several noteworthy events, which allowed us to contribute to meaningful causes, promote health and fitness among our employees, and foster a spirit of teamwork. Our involvement not only helped raise funds for important charities but also strengthened our connection with the community.



The Salvation Army Orienteering Charity Cup 2024

Lockton Fearless Dragon Trail Run 2024



CareER RunnERthon Online 2024

Run For Passion 2024



Global 6K for Water 2024

Caritas Charity Bazaars 2024



Hong Kong Green Building Week Biz-Green Dress Day 2024

Elderly Home Visit

Supporting the City's Critical Developments



As a leading construction material solution provider, we leverage our extensive expertise to significantly contribute to Hong Kong's critical developments.

Our innovative materials and strong product R&D play a pivotal role in constructing vital infrastructure, such as highways, railways, bridges, and tunnels, ensuring durability and sustainability. For industrial projects, we provide robust materials that meet the rigorous demands of manufacturing and logistics facilities. In residential and commercial developments, we support our customers in building safe, high-quality, comfortable, and energy-efficient living and business environments. We also contribute to social welfare projects, including hospitals, schools, and fire stations.



INNOVATION

Our Innovation pillar is dedicated to fostering a culture of continuous improvement and creativity. We drive innovation across four key areas: "the way we work," "the products we make," "the services we offer," and "the culture we live." By embracing new technologies and methodologies, we enhance operational efficiency and productivity. Our innovative products meet evolving customer needs and address environmental challenges. We prioritize exceptional service delivery through advanced digital solutions and customer-centric approaches. Cultivating a culture of innovation encourages our employees to think creatively, collaborate effectively, and contribute to sustainable growth.

The Way We Work



Management Approach

At Alliance, innovation is a driving force that shapes our operations and growth. We are committed to continuous improvement and creativity, redefining operational excellence by challenging conventions, embracing technology, and prioritizing safety and efficiency. This approach delivers sustainable value to our customers, employees, and communities.

Challenging the Status Quo

Transition from 4-axle to 5-axle Trucks

We relentlessly challenge the way we work, seeking innovative means to drive continuous improvement. Whether rethinking workflows on construction sites or optimizing logistics for our concrete mixer trucks, we ask: How can we do this better? This mindset leads to breakthroughs that streamline processes and reduce waste, aligning with our sustainability goals. For example, by questioning traditional concrete delivery methods, we established the Customer Service Center a decade ago to optimize logistics. We also developed a 5-axle 10m³ concrete mixer truck fleet, enhancing delivery capacity by 25% compared to 4-axle 8m³ trucks, while reducing carbon emissions from fuel consumption.

Boosting Efficiency by Remote Control

Innovation in "The way we work" enhances processes, productivity, work efficiency, and communication. We established a remote batching office at the Tsing Yi Concrete Production Hub, connecting our customer service center, concrete batching plants, drivers, and other teams. This setup enables seamless collaboration and faster decision-making, so the overall efficiency can be enhanced significantly.

Smarter and Safer Through Technologies

Our transformation is driven by a commitment to working smarter and safer. We leverage digital solutions and cutting-edge technologies to revolutionize daily operations. The first automated truck washing system, 'Load and Go,' introduced at the STW2 plant, can thoroughly clean a mixer truck in just one minute. Real-time tracking systems on our concrete mixer truck fleet and predictive maintenance tools enhance productivity and minimize downtime. Safety benefits from this tech-driven approach, incorporating "safety by design" principles and utilizing AI cameras for monitoring restricted areas and ensuring PPE compliance. Another prime example is the central mixer auto-flushing system, developed in collaboration with ASTRI. This system reduces the frequency of hardened concrete build-up removal from daily to weekly, simplifying work and reducing risks.



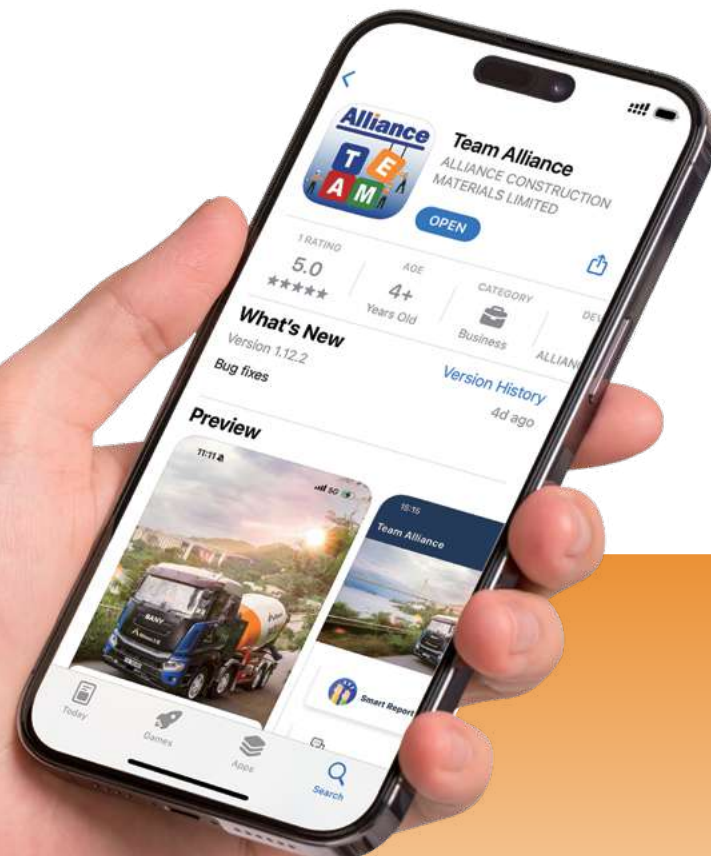
Small Changes, Big Impact

Leveraging Apps to Optimize Workflow and Minimize Errors

Small changes can achieve big results. A simple safety checklist or an App, can prevent costly errors and ensure our teams return home safely every day. For example, the Team Alliance App allows staff to timely detect and correct unsafe conditions. These incremental innovations, rooted in creativity and practicality, amplify our impact, proving that even the smallest adjustment can pave the way for a more sustainable and efficient future. Other mobile apps, such as the eDocket App, can ensure the right truck delivers the right concrete to the correct construction site. The driver's App facilitates instant communication of issues related to concrete delivery and the efficient dissemination of driving safety information, enhancing inter-team communications and collaboration.

Building a Legacy of Innovation

By embedding these principles into "The way we work," Alliance is not just adapting to change-we're driving it. As we move forward, these efforts will continue to underpin our operations, ensuring that every concrete delivery, every truck dispatched, and every process refined contributes to a smarter, safer, and more sustainable tomorrow.



The Products We Make



Management Approach

At Alliance, innovation permeates every product we create. Under "The products we make," we focus on understanding our customers' challenges, leveraging our technical expertise, and pushing the boundaries of research and development (R&D) to deliver value-added solutions. These efforts ensure that every batch of concrete we produce supports our customers' sustainability goals, from carbon reduction to building a greener urban future.

Understanding Customer Needs

Great products begin with listening. We take pride in understanding the pain points and engineering needs of our customers—whether they're developers constructing high-rise towers or contractors shaping Hong Kong's infrastructure. Our teams delve into the complexities of each project, identifying challenges like tight timelines, structural demands, or environmental constraints. For instance, in the MTRC-1601 Kwu Tung project, our Customer Service Manager team worked with our technical team to develop specialized concrete mixes to enhance flowability and maintain product quality over pumping distances exceeding 300 meters. Another significant project was the CV/2022/11 site formation and infrastructure works for public housing development near Tan Kwai Tsuen, Yuen Long, where we delivered 5,000 tonnes of specially mixed aggregates for retaining walls and slopes.



Technical Expertise as a Foundation

Our ability to support customers hinges on our technical expertise, a cornerstone of Alliance's legacy in the concrete industry. With decades of experience and a team of skilled engineers, we provide tailored solutions that meet the toughest specifications. We collaborate closely with clients, offering insights on mix designs, aggregate selection, and application techniques that enhance performance and durability. This hands-on support ensures every pour aligns with both project goals and sustainability ambitions.



Pouring Purpose into Every Product

By combining customer insight, technical mastery, and forward-thinking R&D, Alliance is transforming the products we make into tools for sustainability. As we continue to innovate, we're not only supplying the building blocks of Hong Kong's future but also ensuring that future is sustainable, efficient, and enduring.

R&D for a Sustainable Future

The heart of "The products we make" lies in our relentless pursuit of innovation through research and development. We're focused on creating value-added products that help our customers meet their carbon reduction and sustainability targets. Our R&D team explores new frontiers, such as low-carbon concrete formulations using recycled aggregates and high-performance mixes that reduce material usage without compromising strength. One recent breakthrough saw us develop concrete mixes below 5.5kg CO₂-e/MPa/m³ while maintaining the structural integrity required for Hong Kong's skyline.

The Services We Offer



Management Approach

At Alliance, innovation extends beyond what we make to how we serve. Within our Innovation pillar, "The services we offer" redefines what it means to be a trusted partner in Hong Kong's aggregates and concrete industry. By positioning ourselves as a total solutions provider, embracing digital transformation, and supporting our customers' toughest challenges, we deliver services that are seamless, precise, and sustainable. Our goal is to ensure every interaction-from order to delivery-drives efficiency, reduces environmental impact, and empowers our clients to build the future.

A Total Solutions Provider

We go beyond being a supplier and strive to be a comprehensive partner in aggregates and concrete solutions. Whether it's a towering skyscraper or a critical infrastructure project, we offer end-to-end support tailored to our customers' needs. From sourcing high-quality materials to delivering the perfect concrete mix, our services cover every step of the process. This holistic approach simplifies project execution for our clients and aligns with our sustainability mission-optimizing resources and minimizing waste.

For example, in 2024, Alliance played a pivotal role in the C3802 project at Hong Kong International Airport (3RS), supplying 200,000 tonnes of aggregates. With most loading piers closed mid-year, we mobilized a tipper truck fleet to ensure timely deliveries.



Another example was the Housing Authority (HA) Project in Kai Tak, that completing the pile cap construction by the end of 2024. Our proactive communication strategy, including weekly site visits and regular meetings, allowed us to swiftly address emerging issues. Innovative solutions, such as upgrading the concrete mixture for improved workability and accelerated strength gain, expedited the project timeline. A highlight was the successful execution of a single mega pour exceeding 2,500m³, showcasing our teamwork and meticulous planning. These projects highlight Alliance's dedication to providing high-quality materials and tailored solutions, ensuring efficient project execution while aligning with sustainability goals.



Supporting Cutting-Edge Research

Alliance actively supports customers' research into new concrete mixes and concreting methods to tackle complex engineering challenges. For example, a recent collaboration with Penta Ocean and their consultant involved developing low slump marine concrete to cast the harbour step at Kai Tak, successfully completing the structure ahead of the project timeline.



Digital Innovation for a Sustainable Future

At Alliance, we are transforming the construction industry through innovative digital solutions that prioritize sustainability and efficiency. Our digitalization ecosystem streamlines processes from online ordering to delivery tracking, reducing environmental impact while empowering customers with transparent, data-driven tools.

Alliance Customer App – Everything at your fingertips

Our journey began in 2021 with the E-Docket project, evolving into the 2024 launch of the Alliance Customer App. This platform eliminates non-recyclable paper dockets, cutting waste and supporting a sustainable future. Customers can place orders, monitor real-time delivery statuses, and optimize site planning, minimizing manual errors and resource use. QR code verification ensures accurate concrete delivery, reducing material waste and rework.

Real-time GPS truck tracking enhances transparency, enabling proactive planning and minimizing fuel consumption by ensuring the "Right Truck, Right Location." Real-time data insights drive KPI-focused management, reducing inefficiencies and environmental impact. Since 2022, our Alliance Customer App has supported over 200 customer projects, providing instant delivery information and mobile receiving functions.

Data security is integral, with features like session validity periods safeguarding sensitive information, fostering trust, and ensuring responsible digital innovation. Customer-specific API integrations enable seamless data sharing, reducing paper-based communication and redundant processes.

Shaping the Future with Online Ordering and Integration

Our roadmap includes expanding online ordering and system integration, collaborating with customers to tailor solutions that enhance efficiency and sustainability. Alliance's digital ecosystem is a commitment to greener construction, reducing waste, emissions, and errors while delivering value to clients and the planet.



The Culture We Live



Management Approach

Innovation at Alliance isn't just about technology or products- it's about our people. Within our Innovation pillar, "The culture we live" defines who we are and how we grow. We've built an inclusive, dynamic workplace that fuels continuous improvement through collaboration, open dialogue, and shared purpose.

An Inclusive Foundation for Progress

Our culture thrives on inclusivity, fostering an environment where every voice matters and every idea has the potential to spark change. We strive for continuous improvement not as individuals, but through concerted efforts across the organization. Whether it's a driver suggesting a safer delivery route or an engineer proposing a greener concrete mix, we believe that progress comes from collective input. This inclusivity breaks down silos and unites our teams-whether they're operating concrete mixer trucks or planning sustainability initiatives-around a shared mission to build better, smarter, and more sustainably.

Encouraging Open Dialogue

A culture of innovation demands open communication, and at Alliance, we encourage everyone to speak out and actively listen. We've created spaces where ideas can flow freely, from casual brainstorming sessions to structured feedback forums. The HSE Climate Survey enables employees to express their feelings about HSE issues they encounter, while the SMART program allows them to make improvement suggestions. Top management staff also engage directly with operatives during regular site visits. These opportunities ensure that our operations evolve in ways that benefit our people, our customers, and the environment.



Pooling Ideas with the Operation Excellence Team

To harness this creative energy, we established the Operation Excellence Team-a dedicated group tasked with pooling innovative ideas from across the company. This team acts as a hub, collecting suggestions, refining concepts, and driving implementation.

Collaboration Through Cross-Team Efforts

Our culture comes alive in the way we work together. Cross-team working groups bring diverse expertise to individual tasks, enabling the sharing of ideas and concerted efforts to achieve meaningful improvements. For instance, the concrete operations team initiated regular cross-team site inspections. Representatives from various sites and teams conduct thorough inspections and share their observations and improvement suggestions during closing meetings. They innovate solutions, blending on-the-ground knowledge with technical know-how to push Alliance forward.



A Culture That Builds the Future

"The culture we live" at Alliance is more than a set of values-it's a living, breathing force that drives our success. By fostering inclusivity, encouraging dialogue, pooling ideas, and collaborating across teams, we've created a workplace where innovation thrives and sustainability takes root.



ABOUT THE REPORT

Alliance is pleased to present our Sustainability Report 2023–2024. This is our 8th Sustainability Report, covering our sustainability performance from January 1, 2023, to December 31, 2024. As a non-listed private company in Hong Kong, we are proud to voluntarily publish our bi-annual sustainability reports since 2011.

This report serves as a vital communication tool, developed to enhance corporate transparency. It summarizes our sustainability actions and systematically reports on the material sustainability aspects. The report also outlines our development direction, informing stakeholders of our future plans. Through this reporting, we consolidate and enhance our sustainability management, ultimately improving operational efficiency and competitiveness.

Reporting Scope and Structure

The report reflects the assets over which we have full operational control. In 2018, we announced the Alliance Sustainability Ambitions 2030 (Ambitions 2030), our long-term strategic plan guiding our sustainability journey. It includes four pillars: PEOPLE, RESOURCES, COMMUNITY, and INNOVATION, with GOVERNANCE as the foundation. For each key sustainability pillar of Ambitions 2030, we describe our management of material topics and actions. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. Under the GRI framework, with various indices and performance indicators, readers can locate relevant information throughout the report.

External Assurance

This report has been assured by the HKQAA. You can find the specifics of the assurance scope in the Verification Statement.

DATA & ASSURANCE

VERIFICATION STATEMENT



Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Alliance Construction Materials Limited ("Alliance") to conduct an independent verification for its Sustainability Disclosures (the "selected disclosures") stated in its Sustainability Report 2023-2024 (herein referred to as "the Report"). The selected disclosures covered the period from 1 January 2023 to 31 December 2024 and represented the sustainability performance of Alliance for its operations in Hong Kong.

The objective of this verification is to provide an independent opinion with a limited level of assurance on whether the selected disclosures are prepared in line with the following reporting framework criteria:

- ▶ the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025).

The verification team also reviews the disclosures in the Report by making reference to the following disclosure frameworks, as the Report has been prepared with references to:

- ▶ the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards")

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a limited level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- ▶ Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- ▶ Verifying the raw data and supporting information of the selected samples of the sustainability information;
- ▶ Interviewing responsible personnel; and
- ▶ Checking the internal control mechanism

Roles and Responsibilities

Alliance is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by Alliance for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between the Alliance and HKQAA.

Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Alliance that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- I. Our verification scope is limited to examining the raw data or information for the selected disclosures, e.g., Claims and Performance Data stated in the Report. The identified sustainability information may be subject to inherent uncertainty because of incomplete scientific and technical knowledge.
- II. Evaluating the quality of execution and implementation effectiveness of the sustainability practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- IV. Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a limited level of assurance, nothing has come to the team's attention that the Report has not been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (former version, which remains applicable to annual reports for financial years commencing before 1 January 2025).

In addition, the verification team reviewed the Report with reference to the GRI Standards and considered that the Report has been prepared by referring to the contents or parts of the contents of the aforementioned disclosure frameworks.

Signed on behalf of Hong Kong Quality Assurance Agency

K T Ting
Chief Operation Officer
June 2025
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PERFORMANCE DATA

Workplace Performance Indicators

GRI Code	Description	Item	2023	2024
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	140%	140%
202-2	Proportion of senior management hired from the local community at significant locations of operation	% of local hired employees ¹	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	252 (96.03% permanent employees, 3.97% contract employees)*	252 (100% permanent employees, 0% contract employees)*
		New employees hired (by age group)	19 (<30), 35 (30-50), 25 (>50)	6 (<30), 36 (30-50), 12 (>50)
		New employees hired (by gender)	18 (female), 61 (male)	6 (female), 48 (male)
		Employee turnover rate (by age group) (%) ²	2.4(<30), 5.21(30-50), 1.2(>50)	1.59(<30), 5.56(30-50), 0.79(>50)
		Employee turnover rate (by gender) (%) ²	1.6(female), 7.21(male)	0.4(female), 7.54(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	4 (males)	2 (male)
		Retention rate after parental leave	100%	100%
OCCUPATIONAL HEALTH AND SAFETY				
403-2	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 ³	0	0
		Number of lost days	59	0
		Reportable injuries frequency rate (no. of incident per 1000 employees)	0	0
		Reportable injuries frequency rate (no. of incident per 100,000 man-hours)	0	0
		Incident severity rate (no. of lost days per 100,000 man-hours)	9.52	0

GRI Code	Description	Item	2023	2024
403-4	Health and safety training and medical supports to employees	Total number of man-hour trained in health and topics ⁴	4,960.25	6,460.75
		Number of employees taken free medical exam	112	50
		Number of employees taken free flu vaccination	43	48
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)	1.46	8.80
		Training hours per year per employee (external training)	4.32	9.91
404-2	Programs for upgrading employee skills and transition assistance programs	Assistance on transitioning to a non-working life retiree offered temporary	5	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				
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	79.00%	78.00%
		% of female employees	21.00%	22.00%
		% of employees by age: <30	9.92%	9.13%
		% of employees by age: 30-50	39.29%	43.25%
		% of employees by age: >50	50.79%	47.62%
		% of employees (minority group)	0.40%	0.79%
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 Indicator

GRI Code	Description	Item	2023	2024
MATERIALS				
301-2	Percentage of materials used that are recycled input materials	% of Supplementary Cementitious Materials (SCM) in total cementitious materials used ¹⁰	17.90%	19.84%
301-3	Reclaimed products	Concrete waste materials recycled (Tonnes)	1,955	2,578
ENERGY				
302-1	Energy consumption within the organization	Electricity consumption (kWh)	8,171,136.00	7,468,788.00
		Biodiesel (L) ⁷	1,088.810	382.591
		Gasoline consumption (L) ⁷	21,568.500	19,060.745
		Total diesel consumption (L) ⁷	671,044.40	687,570.34
302-4	Reduction of energy consumption ⁸	% of electricity consumption per 1M ³ concrete reduced (compare with 2018)	-3.28%	3.51%
		% of electricity consumption per 1M ³ concrete reduced (yearly comparison)	3.61%	6.57%
		% of electricity consumption per M ² floor area of Head Office reduced (compare with 2018)	0.79%	-0.40%
		% of electricity consumption per M ² floor area of Head Office reduced (yearly comparison)	-8.77%	-1.20%
		% of fuel consumption per KM travelled by aggregate transporting truck reduced (yearly comparison)	2.00%	-1.49%
		% of fuel consumption per KM travelled by cement tankers reduced (compare with 2018)	11.92%	12.04%
		% of fuel consumption per KM travelled by cement tankers reduced (yearly comparison)	-1.71%	0.14%
		% of fuel consumption per KM travelled by concrete mixer trucks reduced (compare with 2018)	-96.38%	-71.00%
		% of fuel consumption per KM travelled by concrete mixer trucks reduced (yearly comparison)	-18.63%	12.92%
		% of fuel consumption per KM travelled by service vans reduced (compare with 2018)	-5.38%	3.32%
		% of fuel consumption per KM travelled by service vans reduced (yearly comparison)	-15.15%	8.26%

GRI Code	Description	Item	2023	2024
WATER & EFFLUENTS				
303-1	Total water withdrawal by source ¹	Total water consumption per year (M ³)	304,181.1	283,462.04
303-3	Percentage and total volume of water recycled and reused ²	Estimated rainwater/waste water collected and reused (M ³)	199,284.00	205,524
303-4	Water discharge by quality and destination ⁴	Volume of water discharged (M ³)	46,120	29,954
EMISSIONS, AND WASTE				
305-1	Direct greenhouse gas (GHG) emissions (Scope 1) ^{3,8}	Total scope 1 carbon emissions (tonnes CO ₂ -e)	2,725.87	2,401.90
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2) ^{3,8}	Total scope 2 carbon emissions (tonnes CO ₂ -e)	3,215.63	2,940.50
305-3	Other relevant indirect greenhouse gas (GHG) emissions (Scope 3) ³	Total scope 3 carbon emissions (tonnes CO ₂ -e)	439,204.97	425,649.21
305-4	Greenhouse gas (GHG) Emissions intensity	Carbon intensity - concrete (tonnes CO ₂ -e per M ³ concrete) (Including scope 1, 2, 3)	0.2710	0.2719
305-5	Reduction of greenhouse gas (GHG) Emissions	% Carbon reduction as compare with 2018 - concrete intensity	1.45%	1.13%
		% Carbon reduction as compare with 2018 - overall emissions	-28.26%	-24.19%
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 ^{5,6}	Construction waste to landfills and public-fill (Tonnes)	20,072.9	12,768.9
		Chemical waste handled by licensed collectors (Liter)	3,140	4,548
		Paper waste recycled (kilogram)	983	1,547

Note:

1. All water obtained from municipal source
2. Estimated from the capacity and operation pattern of the waste water 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 Sience Base Target (SBTi) committed in 2020
9. Company owned mixer trucks
10. Cementitious Materials includes (OPC, PFA, GGBS and CSF)

Alliance Construction Materials Limited has reported the information cited in this GRI content index for the period 1/1/2023-31/12/2024 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 Heidelberg Materials & CKI
		✓	Location of its headquarter	Hong Kong
		✓	Countries of operations	Mainly in Hong Kong with a partnered 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	26 Sep, 2025
		✓	Contact point for questions about the report or reported information	sustainability@concrete.hk
	2-4	✓	Re-statement of information made from previous reporting	NIL
Activities and workers	2-5	✓	External assurance	Assurance Statement
	2-6	✓	Activities, value chain and other business relationships	About Alliance
	2-7	✓	Employees	Workplace performance indicators
	2-8	✓	Workers who are not employees	About Alliance, People
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
	2-15	✓	Conflict of interest	Governance
	2-16	✓	Communication of critical concerns	Governance

Topics	GRI reference	External assurance	Disclosure	Cross reference/Direct Answer
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	Ambitions 2030, & Governance
	2-24	✓	Embedding policy commitments	Governance, & About Alliance
	2-25	✓	Processes to remediation of negative impacts	Ambitions 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
	2-29	✓	Approach to stakeholder engagement	Stakeholder Engagement
Stakeholder engagement	2-30	✓	Collective bargaining agreement	NIL, not a 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	Ambitions 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

Topics	GRI	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
	201-4	✓	Financial assistance received from government	NA
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	Resources and Innovation
	203-2	✓	Significant indirect economic impacts	Resources 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
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
	302-3	✓	Energy intensity	NA
	302-4	✓	Reduction of energy consumption	Environmental performance data

Topics	GRI	External assurance	Disclosure	Cross reference/Direct Answer
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
GRI 305 Emissions 2016				
Emissions	305-1	✓	Direct (Scope 1) GHG emissions	Environmental performance data
	305-2	✓	Other 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	NIL
	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, Community
GRI 401 Employment 2016				
Employment	401-1	✓	New employees hired and employees turnover	Workplace performance data
	401-3	✓	Parental leave	Workplace performance data
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

Topics	GRI	External assurance	Disclosure	Cross reference/Direct Answer
	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	NA
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	Governance and Workplace performance data
GRI 406 Non-discrimination 2016				
Non-discrimination	406-1	✓	Incidents of discrimination and actions taken	NIL incidents recorded
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 incidents recorded
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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A joint venture company between  and  Heidelberg Materials



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