



香港國際建投
HKICIM Group

HONG KONG INTERNATIONAL CONSTRUCTION INVESTMENT MANAGEMENT GROUP CO., LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code : 687)

2017

Environmental, Social and
Governance Report



Table of Contents

1	ABOUT THE COMPANY	2
2	ABOUT THIS REPORT	2
2.1	REPORTING STANDARD, PERIOD AND SCOPE	2
2.2	MATERIALITY ASSESSMENT	2
2.3	CONTACT DETAILS	3
3	WORDS FROM CHAIRMAN	4
4	ENVIRONMENTALLY CONSCIOUS OPERATIONS	5
4.1	ENERGY CONSUMPTION & EMISSIONS	5
4.2	WATER RESOURCES	7
4.3	WASTE MANAGEMENT	8
4.4	CONSTRUCTION MATERIAL SELECTION	9
4.5	OTHER POTENTIAL ENVIRONMENTAL IMPACTS	10
4.6	CASE STUDY OF GOOD ENVIRONMENTAL PRACTICE AT CONSTRUCTION SITES	11
5	PEOPLE-ORIENTED CULTURE	13
5.1	HEALTH AND SAFETY	13
5.2	QUALITY CONTROL	14
5.3	ACQUIRING AND DEVELOPING TALENTS	14
5.4	TRAINING AND PROFESSIONAL DEVELOPMENT	18
5.5	ANTI-CORRUPTION	19
6	COMMUNITY INVESTMENT	19
6.1	CARE FOR THE YOUTH	19
6.2	EXTENDING CARE FOR THE ELDERLY AND UNDERPRIVILEGED	21
6.3	ENVIRONMENTAL PROTECTION	22
7	LOOKING AHEAD	22
8	MEMBERSHIP AND ASSOCIATIONS	22
9	PERFORMANCE TABLE	23
10	ESG CONTENT INDEX	26

1 ABOUT THE COMPANY

Hong Kong International Construction Investment Management Group Co., Limited (the “Company”, and together with its subsidiaries, the “Group”) has been listed on the Main Board of the Stock Exchange of Hong Kong Limited (“Stock Exchange”) since 1991. The Group’s principal businesses are foundation piling and construction, property development and investment as well as real estate investment and asset management.

As a forward-thinking company, the Group believes that a solid foundation is crucial to a sustainable future. Therefore, during the Reporting Year (as defined below), the Group strived to comply with all applicable requirements relating to environmental, social and governance aspects and endeavored to continually improve its sustainability performance.

2 ABOUT THIS REPORT

2.1 REPORTING STANDARD, PERIOD AND SCOPE

- 2.1.1 The report is prepared in accordance with Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange. The Group adhered to the principles of materiality, quantitative, balance, and consistency to report on the measures and performances in this Reporting Year. Information regarding Corporate Governance is addressed in the annual report according to Appendix 14 of the Listing Rules.
- 2.1.2 This report covers the ESG-related activities from 1 January 2017 to 31 December 2017 (“the Reporting Year”). As the period covered is different from last year’s (1 April 2016 to 31 December 2016), the performance data may not be comparable.
- 2.1.3 The scope of the ESG Report covers the Group’s operations in Hong Kong only, including head office and 24 construction sites involving foundation piling (the “Operations”). Meanwhile, Mainland China businesses are considered as less relevant as the scale of operations is relatively small with minor environmental and social impacts.
- 2.1.4 The Group has appointed Allied Environmental Consultant Limited (“AEC”) to provide ESG consultancy services and reporting.

2.2 MATERIALITY ASSESSMENT

- 2.2.1 The ESG Report focuses on the most material sustainability issues of the Group. In order to identify the material issues and grasp more thorough perspectives on its operations, the Group has not only engaged with various stakeholders such as investors, shareholders, suppliers, and employees, but also appointed a third-party consultant, i.e. AEC, to review the materiality assessment.

With reference to the ESG Guide, the following highlights the material issues of the Group's Operations:



2.3 CONTACT DETAILS

2.3.1 We welcome any comments or suggestions from our stakeholders. If you have any comments, please contact our Group at:

HKICIM Group
 20/F One Island South,
 2 Heung Yip Road, Wong Chuk Hang,
 Hong Kong

Tel: (852) 2882 3632
 Email: info@hkicimgroup.com

3 WORDS FROM CHAIRMAN

To all stakeholders,

I am pleased to present the Company's 2017 ESG Report.

In accordance with the Paris Agreement at COP21 in 2015, there has been a growing trend of global unprecedented economic, social and technological transformation. Regionally, there have been a number of policies and initiatives from Mainland China and Hong Kong governments in driving environmental protection and stewardship. At a corporate level, the Stock Exchange has required all listed companies to disclose environmental, social, and governance material issues since 2016. The awareness for climate change and environmental sustainability has heightened across countries, and the need for corporate commitment has never been more imminent and pertinent.

Fully aware of the global environmental trends, the Group has endeavored to establish policies and framework to reduce potential environmental and social risks. The Group's internal Integrated Management System ("IMS") was conceived with the inclusion of components of world-renowned ISO standards of quality, environmental, and energy management consolidated into one unified document to set forth objectives, performance targets, and responsible governance on the business operations.

During the Reporting Year, 100% of internal IMS audited construction projects have met the energy conservation targets in reducing diesel consumption. In addition, all of these construction projects have met the safety objectives in reducing accident rates and meeting zero fatalities. The IMS is the epitome of the Group's approach toward sustainability, as it provides the concerted guidance and framework to a balanced environmental, social, and economic development.

The ESG reporting theme this year is "laying the foundation for a sustainable future". Beyond the day-to-day foundation piling operations, the Group is fully committed to applying the IMS as the cornerstone upon which decisions are made to invest in operations and activities that protect the environment, nurture the staff, and benefit the community.

I would like to thank our management team and staff for their contributions and commitment to the growth of our business, and to our stakeholders for their continued support.

Huang Qijun
Chairman
Hong Kong, 19 July 2018

4 ENVIRONMENTALLY CONSCIOUS OPERATIONS

Under the framework of the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, the Group has endeavored to manage construction sites in an environmentally friendly and energy efficient manner. The framework sets out the requirement of having explicit objectives and metrics to track environmental performance, the requirement of designating personnel to oversee the operations in compliance with laws and the requirement of establishing intervals to review targets and performance.

It is stated in the integrated management policy with regards to environmental sustainability that the Group commits to continually improve its environmental performance and, ultimately, to minimize or even prevent any negative/adverse environmental impacts of its operations, activities, products, and services. The Group has identified materials, processes, products, and wastes that cause or may cause pollution, and implements appropriate measures to avoid, reduce and control pollution where technically and economically viable.

Further, the Group is committed to complying with applicable environmental-related laws, regulations, codes of practice, and other requirements to which the Group has subscribed. To achieve and maintain compliance, the Group has developed adequate management systems for identifying relevant requirements, monitoring and tracking the environmental performance of its business activities.

4.1 ENERGY CONSUMPTION & EMISSIONS

- 4.1.1 Electricity and diesel are the main types of energy used for offices, construction plant and equipment within the Group. For office premises, temperatures are set between of 24-26 degree Celsius as a measure of thermal comfort and energy conservation. In addition, construction site offices use energy efficient air-conditioning and LED lighting to further reduce energy consumption on site.
- 4.1.2 The Group's IMS has initiated several objectives in order to use diesel in an economically beneficial way and to reduce the potential environmental impacts. Senior project managers are required to monitor plant and equipment used on the respective construction sites, and to turn off idling engines when not in use. This practice contributes to optimize diesel consumption and to reduce operating costs, air pollutant emissions, and greenhouse gas ("GHG") emissions.
- 4.1.3 During the Reporting Year, 100% of internal IMS audited construction projects have met the energy conservation targets in reducing diesel consumption.
- 4.1.4 As part of the concerted efforts in reducing diesel consumption, the Group has begun to explore the use of biodiesel in one of its construction sites. During the Reporting Year, the amount of biodiesel used for this construction site represents 8% of total fuel used on site. The Group is committed to continuously seeking ways to adopt more environmentally-friendly fuel use in future developments.



Table 1: Energy consumption

	Unit	2017
Total electricity consumption	Kilowatt hour ("kWh")	1,408,984
	Gigajoules ("GJ")²	5,072
Head office	kWh	279,365
	GJ	1,006
Construction sites ¹	kWh	1,129,619
	GJ	4,067
Total fuel consumption (diesel & biodiesel) - Construction site only³	L	10,597,061
	GJ	380,692
Diesel used	L	10,329,635
Biodiesel used	L	267,426
Total Energy consumption	GJ	385,764
Head office	GJ	1,006
Construction sites	GJ	384,759
Total energy intensity⁴	GJ/million revenue	117
Head office ⁴	GJ/million revenue	0.31
Construction sites ⁴	GJ/million revenue	117

Note 1: 2017 Data inclusive of 24 construction sites

Note 2: 1 kWh = 0.0036 GJ

Note 3: 1 GJ = 1,000 megajoules (MJ); assume diesel energy intensity as 36 MJ/L, biodiesel energy intensity as 33 MJ/L
(Source: <https://www.forestry.gov.uk/fr/bee-h-abs-lby>)

Note 4: The Group's revenue for the year ended 31 December 2017 is HKD3,290.156 million



Table 2: GHG and other air emissions within the Group

	Unit	2017
Direct GHG emissions (Scope 1)	tonnes of CO ₂ equivalent ("tCO ₂ e")	27,730
Indirect GHG emissions (Scope 2)	tCO ₂ e	878
Total GHG emissions	tCO₂e	28,609
Total GHG emissions intensity	tCO₂e/million revenue	8.7
Particulate matter emissions ¹	tonnes	18.3
NOx emissions ¹	tonnes	287.8
CO emissions ¹	tonnes	93.7

Note 1: Emission factors of non-road mobile machinery referenced from EMEP/EEA air pollutant emission inventory guidebook 2016 - updated in May 2017

4.2 WATER RESOURCES

4.2.1 The environmental management frameworks require that adequate facilities be provided on construction sites so as to recycle wastewater and conserve water resource. Wastewater is mainly generated from piling activities, collected by on-site drainage facilities, treated with appropriate treatment system in compliance with the water discharge license requirements, and finally reused on site for dust suppression, site cleaning and wheel-washing purposes.

4.2.2 During the Reporting Year, regular training and daily tool-box talks were given to remind construction site workers of the facilities provided on site and good practices that need to be implemented in order to ensure that the construction sites were operated in compliance with applicable laws and regulations.



Table 3: Water consumption

	Unit	2017
Total water consumed¹	m³	435,155
Construction sites	m ³	435,155
Total water intensity	m³/’000m²	1.95

Note 1: The data on water consumption was collected at the respective construction sites only, as the contribution from the head office is insignificant to overall performance

4.3 WASTE MANAGEMENT

- 4.3.1 The Group understands the impending saturation of current landfills in Hong Kong and therefore commits to ensuring all operational practices applied the principle of 4R, namely, reduce, reuse, recycle and replace.
- 4.3.2 All construction sites implement proper waste sorting, segregation and disposal methods. Wastes generated in construction sites include inert construction and demolition (“C&D”) wastes from site clearance, excavation, and concreting, and non-inert wastes such as timber and steel. Hazardous wastes generated on site are mainly lubricants, machinery maintenance oils, diesel waste, and empty paint cans. Proper on-site collection of these chemical wastes is assured by licensed recyclers on a regular basis.
- 4.3.3 The waste management system in place enables the Company to reduce construction waste, reuse such waste on site as far as practicable, and also to transport wastes to respective waste disposal facilities at landfills, public fills, or recycling facilities.
- 4.3.4 During the Reporting Year from February 2017 to June 2017, the property management at the head office initiated and participated in a trial program on waste reduction. The participation in the waste reporting project, albeit short, enabled the Group to visual the amount of wastes generated per month. The Group has set up recycle bins in the office to conduct waste sorting and continued to seek more appropriate ways to monitor waste disposal in accordance with the 4R principle.
- 4.3.5 The head office also participated in the Tree Conservation Scheme set up by the Hong Kong Environmental Protection Association, in recycling Christmas Trees, peach blossom trees, and other trees used in the head office areas.
- 4.3.6 During the Reporting Year, the Group has complied with the requirements stipulated in the Waste Disposal Control Ordinance.



Table 4: Waste management for construction sites

	Unit	2017
Non-hazardous waste: Non-inert C&D waste disposed to landfill	tonnes	1,283
Non-hazardous waste: Inert and non-inert C&D waste diverted from landfill (sent to public fill/recycling facilities)	tonnes	1,656,550
Hazardous waste	liters	2,759
Non-hazardous waste/intensity ¹	tonnes/million revenue	503
Hazardous waste/intensity ¹	liters/million revenue	0.84

Note 1: The Group’s revenue for the year ended 31 December 2017 is HKD3,290.156 million

4.4 CONSTRUCTION MATERIAL SELECTION

4.4.1 The Group takes into account the life cycle of construction materials and its potential impact on the environment. Beyond optimizing resource over its operations to minimize waste, the Group endeavors to select as far as practicable manufacturers which supply materials manufactured within 800km, in order to reduce the environmental impact associated with transportation.

Table 5: Regional material selection

	Unit	2017
Concrete	tonnes	345,343
Steel	tonnes	104,450
Total weight of materials	tonnes	449,793
Total weight of materials manufactured within 800km	tonnes	326,759
% of materials manufactured within 800km	%	73



4.4.2 The Group also strives to utilize materials that are from sustainable sources. For example, the wood used on site has sourced from suppliers and manufacturers with Forest Stewardship Council ("FSC") label. FSC is an international forest certification system that ensures all FSC-certified products are from sustainably managed forests from an environmental protection and community engagement perspective. During the Reporting Year, 100% of the materials for wooden structures used on site were from sustainable sources.



4.5 OTHER POTENTIAL ENVIRONMENTAL IMPACTS

4.5.1 For all construction sites, the Group strategically plans for the management of dust and noise generation in order to minimize nuisance inflicted on nearby sensitive receivers. Prior to commencement of construction, the Group identifies the nearest sensitive receivers, such as domestic dwellings and schools, and conducts dust and noise monitoring in accordance with statutory and mandatory guidelines. Dust and noise mitigation measures implemented on site include hoarding and daily water-spraying, use of quieter equipment, appropriate scheduling of construction works to avoid sensitive hours, and erection of noise barriers where appropriate.



4.6 CASE STUDY OF GOOD ENVIRONMENTAL PRACTICE AT CONSTRUCTION SITES

Queen's Hill Project

4.6.1 The proposed public housing development located at Queen's Hill, Fan Ling occupies a site area of around 223 million square meters, providing seven residential blocks for future residences. Works to be carried out by the Group include foundation pilings, site formation and excavation and lateral support, pile caps and raft footings works, road works, waterworks, utility and drainage works, and tree works.



Aerial view of Queen's Hill Project

4.6.2 The graph below highlights some of the green and sustainable construction methods used for the Queen's Hill Project.



Note 1: Source: USEPA, A comprehensive analysis of biodiesel impacts on exhaust emissions, 2002

5 PEOPLE-ORIENTED CULTURE

As a people-oriented corporation, the Group believes that a safe and healthy working environment and quality services are the foundation for the sustainable future. Using the IMS as the guiding framework, the Group is able to set targets and carry out action plans to ensure employees' well-being. Based on such a vision, the Group further supports employees professional development and also invests in the community.

5.1 HEALTH AND SAFETY

- 5.1.1 In the construction industry, work-related injuries and accidents are frequent occurrences. Through the integrated management policy relating to occupational health and safety, the Group endeavors to ensure that all statutory and contractual obligations are vigilantly heeded with full compliance.
- 5.1.2 The Group strives with conscious effort to integrate all reasonably practical safety measures into project planning, by providing safe plant and work methods, appropriate safety training and personal protective equipment to safeguard the occupational health and safety of employees and subcontractors, the general public and any others who may come into contact with the business activities.
- 5.1.3 The Group endeavors to protect employees by adopting the occupational health and safety management system from OHSAS 18001:2007, and complies with relevant laws and regulations. The following summarizes the Group's health and safety measures:
- Providing a safety manual and a site safety plan detailing the procedures and precautions for employees and subcontractors;
 - Offering health and safety training to employees;
 - Reviewing health and safety policy by the entire senior project management annually;
 - Requiring active participation of project managers and other senior managers in site safety committee meetings, safety inspections, and investigations of accidents, etc.;
 - Engaging an externally qualified safety auditor registered with the Labour Department to conduct safety audits on the Group and on project level;
 - Granting safety awards annually to recognize efforts of construction project teams and the respective subcontractors who have performed well in safety matter; and
 - Deploying sufficient resources to implement the health and safety policy.
- 5.1.4 Moreover, the IMS institutes safety targets and objectives for the Group, which is reviewed every six months. The objectives provide metrics to control the accident rates and safety convictions, and also to evaluate effectiveness in carrying out safety procedures and achieving the targets.
- 5.1.5 The Group has launched a Safety Culture Enhancement Scheme for Management and Supervisory Staff ("Safety Culture Scheme") in early 2018. The Safety Culture Scheme was initiated by the top management with the aim to promote and educate management personnel to take initiatives in a safety and care-oriented culture. The Safety Culture Scheme encourages all employees, regardless of their job posts, to take an active approach in voicing and reporting unsafe conditions within construction premises. By creating a culture where all employees are engaged in active awareness for safety operations, the Group hopes to realize a safer working condition for all employees and subcontractors.

- 5.1.6 Health, well-being and safety of employees are of utmost importance to the Group. It has continued its rehabilitation scheme for employees, providing immediate medical care for the injured employees and covering all relevant medical expenses. All employees are able to receive appropriate medical care without financial concerns.
- 5.1.7 In recognition of the strict implementation of health and safety policies and measures, various relevant organizations such as Hong Kong Construction Association, Construction Industry Council, and Occupational Safety and Health Council, have shown their recognition to the Group's measures.
- 5.1.8 During the Reporting Year, the Group recorded no fatal incidents and 22.1 injury rate per 1,000 employees. According to the Labour Department in Hong Kong, the 2016 Occupational Safety and Health Statistics for injury rate in the construction industry is 34.5 injury rate per 1,000 employees.

5.2 QUALITY CONTROL

- 5.2.1 Based on the integrated management policy relating to quality issues, the Group provides effective and reliable services to satisfy the needs and expectations of clients and complies with the requirements of all relevant standards, ordinance, statutory and regulatory requirements, and codes of conduct. The Group undertakes all activities and services in the most efficient and effective manner possible, in terms of time, resources, and cost, in order to maximize client satisfaction. The Group monitors and improves the effectiveness of the quality management system and provides training as appropriate for staff performing activities affecting quality.
- 5.2.2 The Group carries out all operations in accordance with ISO 9001:2015 quality management system. Starting with supply chain management, the Group has carefully considered in its supplier assessment on issues regarding quality, health and safety, and environment before making a selection. Regular review of selected suppliers and subcontractors is monitored for compliance and performance to assure quality and safety are preserved. At the end of every supply contract, the project manager or project-in-charge in conjunction with the procurement manager, safety manager and IMS manager reviews the performance of the suppliers, and updates records of the Approved List of Suppliers accordingly.
- 5.2.3 The Group values the feedback from clients and external parties, and adheres to the Complaint Policy. Once the feedbacks or complaints are received, responsible personnel shall propose remedial, correction, and/or preventive action, and keep the records after the cases were closed. During the Reporting Year, there were no reported complaints received.

5.3 ACQUIRING AND DEVELOPING TALENTS

- 5.3.1 Sustaining the Group's business growth with the foundation of health, safety, quality and excellence requires acquiring talented and fully devoted staff.
- 5.3.2 The employment policy ensures the selection and promotion of staff are based strictly on merit without bias toward gender, religion, race, or other similar factors. Child and forced labour are not allowed, hence, candidates' age shall be verified from identity card by Human Resources Department before the commencement of works. Salary policies, working hours policies, leaves policies, and benefits and welfare policies are included in the employee handbook to ensure transparent and fair operations.
- 5.3.3 In creating a welcoming atmosphere at the workplace, the Group holds various activities such as annual dinner, birthday celebrations, and health week to promote employees' awareness of one's well-being. Moreover, these activities aim to bring employees together and to create a friendly working environment.
- 5.3.4 The Group strictly complies with the relevant laws and regulations, standardizes the employment procedures, and respects labour rights and human rights.



Best Safety Enhancement Program for Working at Height - Merit Award

- Construction Safety Promotional Campaign
- Foundation For Public Rental Housing Development at Wing Tai Road, Chai Wan and Subsidised Sale Flats Development at Hang Kin Street, Ma On Shan Area 90B (Contract No. 20160008)



Outstanding Piling Project Award

- Quality Public Housing Construction & Maintenance Award
- Foundation for Public Rental Housing Redevelopment at Pak Tin Estate Phase 11 (Contract No. 20140725)



Safety Team - Merit Award

- Construction Industry Safety Award Scheme 2016/2017
- Foundation For Public Rental Housing Development at Wing Tai Road, Chai Wan and Subsidised Sale Flats Development at Hang Kin Street, Ma On Shan Area 90B (Contract No. 20160008)



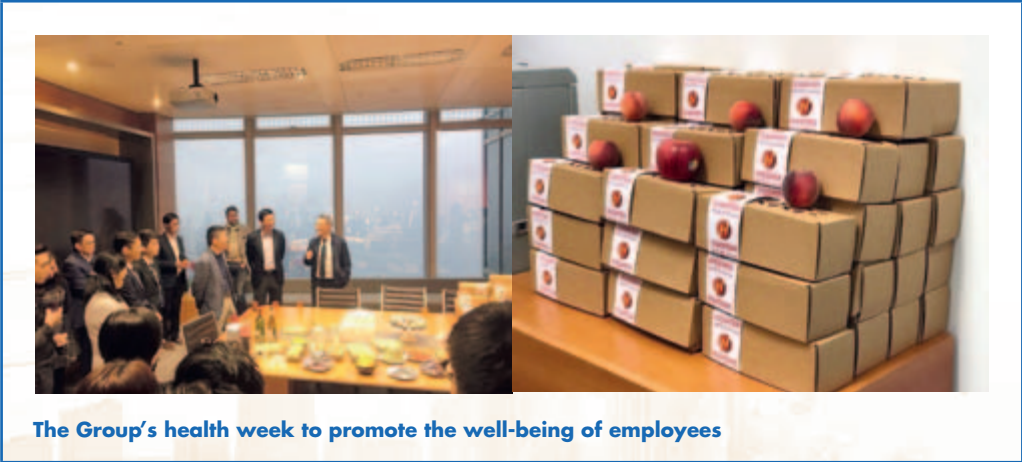
Proactive Safety Contractor Award

- Proactive Safety Contractor Award

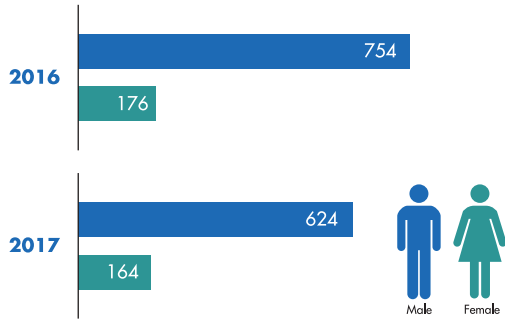


Safety Team - Merit Award

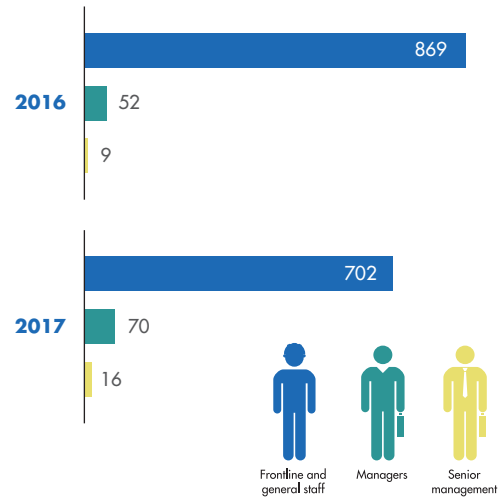
- Construction Industry Safety Award Scheme 2016/2017
- Foundation for Public Rental Housing Development at Fung Shing Street, Wong Tai Sin and Construction of Public Transport Interchange at Kwai Chung (Contract No. 20150265)



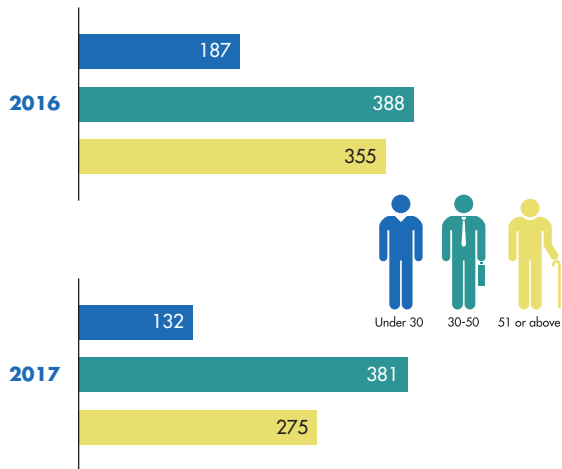
Employees in Hong Kong by gender



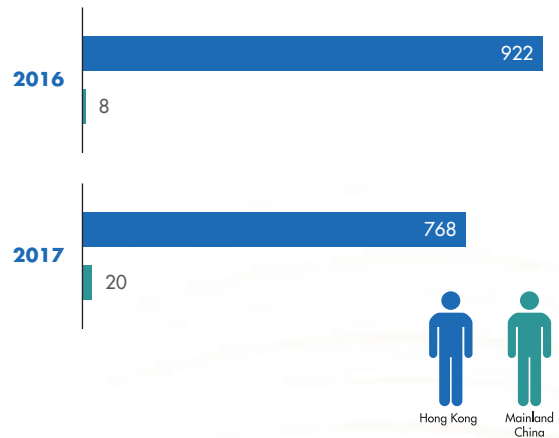
Employees in Hong Kong by position



Employees in Hong Kong by age group



Employees in Hong Kong by countries of origin

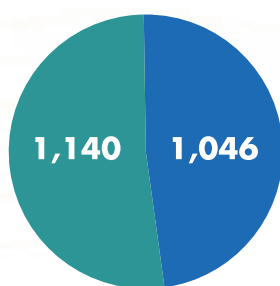


5.4 TRAINING AND PROFESSIONAL DEVELOPMENT

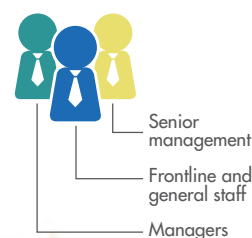
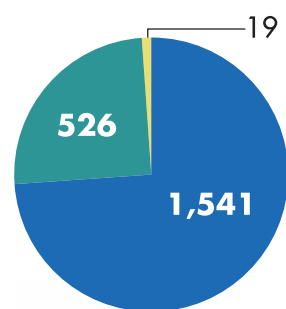
5.4.1 The Group would like to attract and retain talents and it encourages professional development by reimbursing part or all the fees. For self-selected courses by the employees, the Group subsidizes 60% of the course fee (subject to an upper limit), and subsidizes 100% for company designated courses, as an encouragement to staff to develop skills and qualifications. During the Reporting Year, a variety of training topics were covered including health and safety, environment, Mandarin lesson training, and other professional development or training courses.

Table 6: Training and professional development

Training topics covered	Number of training hours				
	By Gender		By Employee category		
	Male	Female	Senior management	Managers	Frontline and general staff
Total	1,140	1,046	19	526	1,541
Staff orientation	31	24	0	16	39
Executive training	104	15	19	0	0
Professional training	72	113	0	39	146
Language training	330	756	0	378	708
Health and safety	343	28	0	5	366
Environment	260	110	0	88	282



Number of training hours by gender



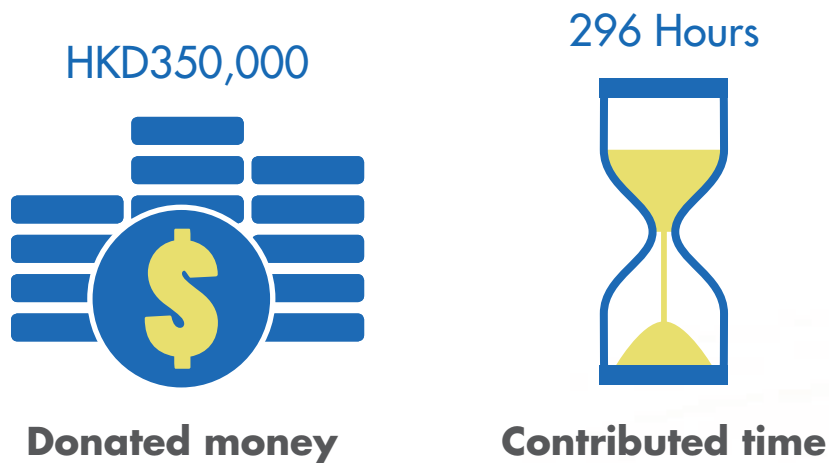
Number of training hours by employee category

5.5 ANTI-CORRUPTION

- 5.5.1 The Group is committed to the highest possible standards of openness, probity and integrity, and all activities shall be conducted under full compliance with all applicable anti-corruption laws.
- 5.5.2 In addition, the whistleblowing policy is designed to encourage and assist employees to raise concern internally through a confidential and comfortable reporting channel. Employees may report any suspicious activities to the department heads/supervisors or directly to Chairman of the audit committee of the Company, and their identities shall be kept confidential. The whistleblowing policy will be monitored and reviewed regularly by the board of the Company and/or the audit committee of the Company to ensure its efficiency.

6 COMMUNITY INVESTMENT

The Group believes that collaborating with the community creates sustainable solutions that lead to a brighter and more sustainable future. Hence, the Group invests in various social and environmental protection activities with diverse groups such as young people, environmental protection, senior citizens, underprivileged, and community health, and has donated a total of HKD350,000, and contributed 296 hours of social services over the Reporting Year.



6.1 CARE FOR THE YOUTH

As young people are the foundation for community development, the Group focuses on investing in the youth. The Group has been working closely with Youth Outreach ("YO") since 2001, and donating over HKD1 million since then to support the organization's operations which include supporting youth development and nurturing the next generation. Accordingly, the Group has been honored with the "Diamond Leadership" award by YO. The Company's staff also participated in a basketball match organized by YO, to help youth gain self-confidence and self-respect through sports and communication.



The Group receiving the “Diamond Leadership” award from YO



The Group with the dance team of YO



Staff participating in the basketball match with youth

6.2 EXTENDING CARE FOR THE ELDERLY AND UNDERPRIVILEGED

The Group cares about the well-being of vulnerable groups, including elderly citizens and underprivileged people. The Company's staff volunteered to visit elderlies in Po Leung Kuk Wan Chai Home for Elderly, participated in "Dragon Boat Festival Elderly Care Programme" organized by Yang Memorial Methodist Social Service, as well as HNA-Orbis Run for Vision charity run. In addition to supporting various charitable entities, the Group also donated to Rainbow Foundation Limited which serves the underprivileged.



Staff visiting Po Leung Kuk Wan Chai Home for Elderly



Staff participating in "Dragon Boat Festival Elderly Care Programme"



Staff participating in HNA-Orbis Run for Vision charity run

6.3 ENVIRONMENTAL PROTECTION

The Group endeavours to promote a sustainable lifestyle and encourages staff to participate in environmental protection activities. On 5 August 2017, a total number of 54 staff volunteered to clean up Lung Ha Wan, a beach in Sai Kung.



7 LOOKING AHEAD

The Group remains cognizant and vigilant over environmental and social matters in its business operations while continuing to create maximized value for shareholders. In the current era where the investors and public have increased awareness for environmental and social matters, it is vital that the Group integrates relevant risk assessments, allocates adequate resources, and implements proper management framework in order to reduce operational risks. The Group will continue to utilize its unique IMS in the years to come, to monitor environmental and social performance, set achievable targets and goals, and strive to sustain its business development in a corporately responsible manner.

8 MEMBERSHIP AND ASSOCIATIONS



9 PERFORMANCE TABLE

Environmental Performance



Energy consumption		
	Unit	2017
Total electricity consumption	kWh	1,408,984
	GJ²	5,072
Head office	kWh	279,365
	GJ	1,006
Construction sites ¹	kWh	1,129,619
	GJ	4,067
Total fuel consumption (diesel & biodiesel) - Construction site only³	L	10,597,061
	GJ	380,692
Diesel used	L	10,329,635
Biodiesel used	L	267,426
Total energy consumption	GJ	385,764
Head office	GJ	1,006
Construction sites	GJ	384,759
Total energy intensity⁴	GJ/million revenue	117
Head office ⁴	GJ/million revenue	0.31
Construction sites ⁴	GJ/million revenue	117
GHG and other air emissions within the Group		
	Unit	2017
Direct GHG emissions (Scope 1)	tCO ₂ e	27,730
Indirect GHG emissions (Scope 2)	tCO ₂ e	878
Total GHG	tCO₂e	28,609
Total GHG emissions intensity	tCO₂e/million revenue	8.7
Particulate matter emissions ⁵	tonnes	18.3
NO _x emissions ⁵	tonnes	287.8
CO emissions ⁵	tonnes	93.7

Water consumption		
	Unit	2017
Total water consumed⁶	m³	435,155
Construction sites	m ³	435,155
Total water intensity	m³ / '000m²	1.95
Waste management for construction sites		
	Unit	2017
Non-hazardous waste: Non-inert C&D waste disposed to landfill	tonnes	1,283
Non-hazardous waste: Inert and non-inert C&D waste diverted from landfill (sent to public fill/recycling facilities)	tonnes	1,656,550
Hazardous waste	liters	2,759
Non-hazardous waste/intensity ⁴	tonnes/million revenue	503
Hazardous waste/intensity ⁴	liters/million revenue	0.84
Regional material selection		
	Unit	2017
Concrete	tonnes	345,343
Steel	tonnes	104,450
Total weight of materials	tonnes	449,793
Total weight of materials manufactured within 800km	tonnes	326,759
% of materials manufactured within 800km	%	73

Note 1: 2017 Data inclusive of 24 construction sites

Note 2: 1 kWh = 0.0036 GJ

Note 3: 1 GJ = 1,000 megajoules (MJ); assume diesel energy intensity as 36 MJ/L, biodiesel energy intensity as 33 MJ/L
(Source: <https://www.forestry.gov.uk/fr/beeh-absby>)

Note 4: The Group's revenue for the year ended 31 December 2017 is HKD3,290.156 million

Note 5: Emission factors of non-road mobile machinery referenced from EMEP/EEA air pollutant emission inventory guidebook 2016 - update May 2017

Note 6: The data on water consumption was collected at the respective construction sites only, as the contribution from the head office is insignificant to overall performance

Social Performance

Employees in Hong Kong by gender					
	2016		2017		
Male	754		624		
Female	176		164		


Employees in Hong Kong by position					
	2016		2017		
Frontline and general staff	869		702		
Managers	52		70		
Senior management	9		16		

Employees in Hong Kong by age group					
	2016		2017		
Under 30	187		132		
30-50	388		381		
51 or above	355		275		


Employees in Hong Kong by country of origin					
	2016		2017		
Hong Kong	922		768		
Mainland China	8		20		

Training and professional development					
Training topics covered	Number of training hours				
	By gender		By employee category		
	Male	Female	Senior management	Managers	Frontline and general staff
Total	1,140	1,046	19	526	1,541
Staff orientation	31	24	0	16	39
Executive training	104	15	19	0	0
Professional training	72	113	0	39	146
Language training	330	756	0	378	708
Health and safety	343	28	0	5	366
Environment	260	110	0	88	282

10 ESG CONTENT INDEX

Aspect/Description/KPI		Statement/Section	Page No.
A. Environmental 			
A1 Emissions			
A1	General Disclosure	<ol style="list-style-type: none"> 1. Water Pollution Control Ordinance: non-conformity was recorded in one of the construction sites in which the unpolluted water was discharged into a communal drain. The non-conformity has been rectified on site through the removal of water hose from communal storm drain and the connection to the site’s recycling tank. Additional training has been provided to workers to ensure day-to-day practices complied with relevant laws and regulations. 2. Air Pollution Control Ordinance: non-conformity was recorded in one of the construction sites when it was observed neither water spraying or dust suppression chemical was carried out during pipe pile works. The non-conformity has been rectified through proper communications with subcontractors, suspending all construction works until necessary equipments and systems were set up, and relevant training and reminders were carried out for subcontractors to ensure day-to-day practices complied with relevant laws and regulations. 3. Noise Control Ordinance: non-conformity was recorded in one of the construction sites where powered mechanical equipments had been turned on and operating during restricted hours. The non-conformity has been rectified through additional training and reminders to staff and subcontractors on site to turn off relevant equipments during restricted hours, and to plan concreting works earlier in the day so works can proceed in the appropriate time. 4. Public Health and Municipal Services Ordinance: non-conformity was recorded in two construction sites where larvae and pupae of mosquito were found. The non-conformity has been rectified through proper clearance of premises with accumulation of stagnant water, and to apply mosquito control solutions to eliminate mosquito breeding in respective premises. 	5-8

Aspect/Description/KPI		Statement/Section	Page No.
A1.1	Types of emissions and respective emissions data	4.1	5
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	4.1	5
A1.3	Total hazardous waste produced and, where appropriate, intensity	4.3	8
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	4.3	8
A1.5	Description of measures to mitigate emissions and results achieved	4.1	5-6
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	4.3	8
A2 Use of Resources			
A2	General Disclosure	4.1 & 4.2	5-7
A2.1	Direct and/or indirect energy consumption by type in total and intensity	4.1	6
A2.2	Water consumption in total and intensity	4.2	7
A2.3	Description of energy use efficiency initiatives and results achieved	4.1	5-6
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	4.2	7
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not Applicable	
A3 The Environment and Natural Resources			
A3	General Disclosure	4.5	10
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	4.5 & 4.6	10-12

Aspect/Description/KPI		Statement/Section	Page No.
B. Social 			
B1 Employment and Labour Practices			
B1	General Disclosure	5.3	14-17
B1.1	Total workforce by gender, employment type, age group and geographical region	5.3	17
B1.2	Employee turnover rate by gender, age group and geographical region	Overall employee turnover rate: 28% By gender: Male 29.2% Female 24.1% By age group: Under 30 42.0% 30-50 21.6% 51 or above 29.2% By country of origin: Hong Kong 28.4% Mainland China 14.3%	
B2 Health and Safety			
B2	General Disclosure	5.1	13-14
B2.1	Number and rate of work-related fatalities	5.1	14
B2.2	Lost days due to work injury	5,060.5 lost days due to work injury	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	5.1	13-14
B3 Development and Training			
B3	General Disclosure	5.4	18
B3.1	Percentage of employees trained by gender and employee category	5.4	18
B3.2	Average training hours completed per employee by gender and employee category	5.4	18

Aspect/Description/KPI		Statement/Section	Page No.
B4 Labour Standard			
B4	General Disclosure	5.3	14
B4.1	Description of measures to review employment practices to avoid child and forced labour	5.3	14
B4.2	Description of steps taken to eliminate such practices when discovered	Not Applicable	
B5 Supply Chain Management			
B5	General Disclosure	4.4	9-10
B5.1	Number of suppliers by geographical region	Not Disclosed	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	4.4	9-10
B6 Product Responsibility			
B6	General Disclosure	5.2	14
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable	
B6.2	Number of products and service related complaints received and how they are dealt with	5.2	14
B6.3	Description of practices relating to observing and protecting intellectual property rights	Not Applicable	
B6.4	Description of quality assurance process and recall procedures	5.2	14
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not Available	

Aspect/Description/KPI		Statement/Section	Page No.
B7 Anti-Corruption			
B7	General Disclosure	5.5	19
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	5.5	19
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	5.5	19
B8 Community Investment			
B8	General Disclosure	6	19-22
B8.1	Focus areas of contribution	6	19-22
B8.2	Resources contributed to the focus area	6	19