



瑞安建業
SOCAM DEVELOPMENT

Stock Code: 983

GROWING IN STRENGTH

PEOPLE

DESIGN AND BUILD

TECHNOLOGY

SUSTAINABILITY COMMITMENTS

SOCIAL VALUE

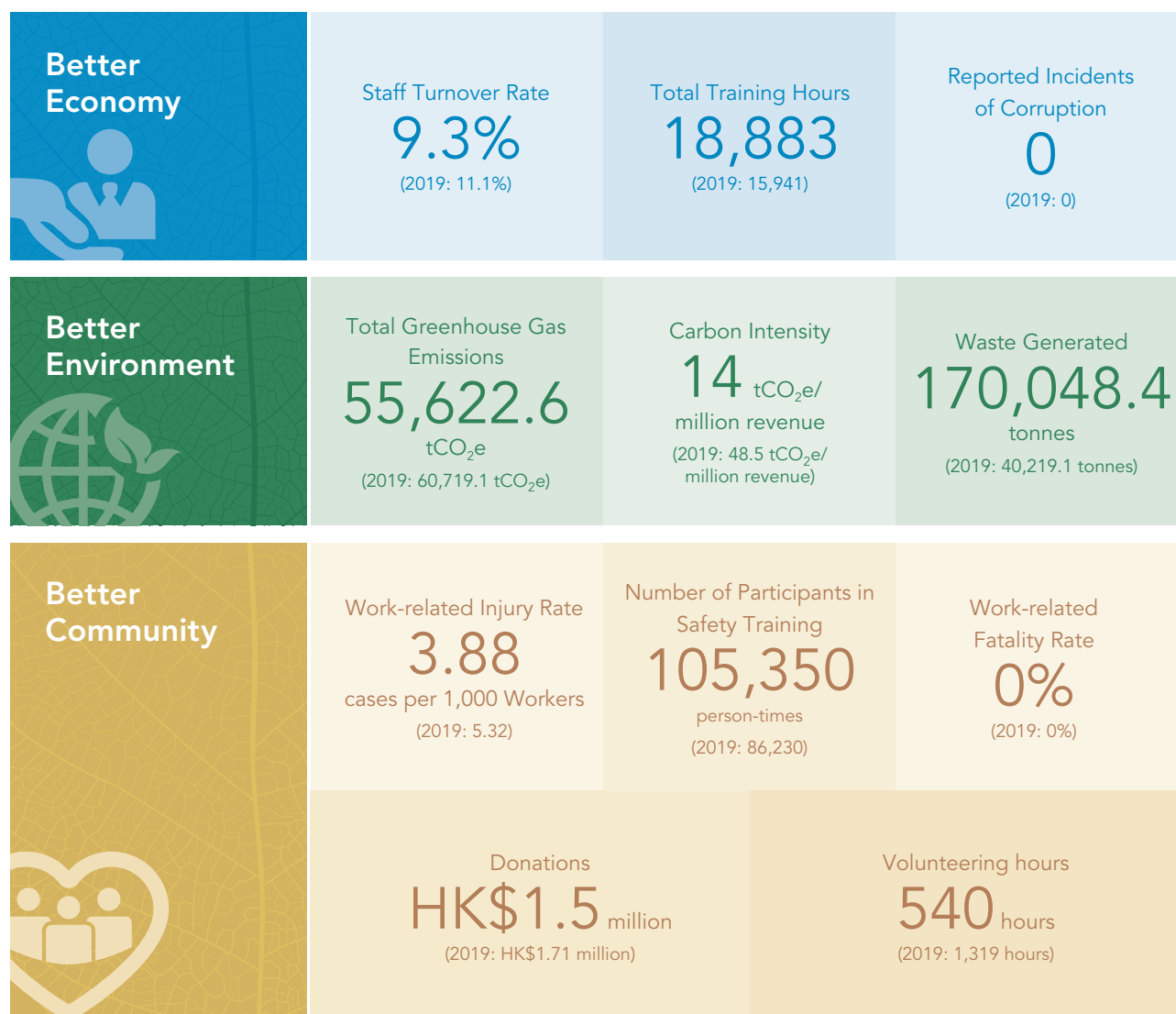
Sustainability
Report 2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE OF THE REPORT

This ESG report presents an overview of SOCAM's Environmental, Social and Governance (ESG) performance in accordance to the HKEX ESG Reporting Guide, from 1 January 2020 to 31 December 2020. It provides ESG information of our operations in Hong Kong and Mainland China, the environmental data is collected from the Hong Kong headquarters, major projects at Shui On Construction Company Limited, Shui On Building Contractors Limited, Shui On Joint Venture, SOCAM Asset Management Limited (SAM), Pacific Extend Limited (PEL), and Pat Davie Limited (PDL).¹ Unless otherwise stated, the textual and data relating to social KPIs cover the whole Group.

KEY PERFORMANCE HIGHLIGHTS



¹ The threshold in determining the data collection boundary in 2020 as follows:

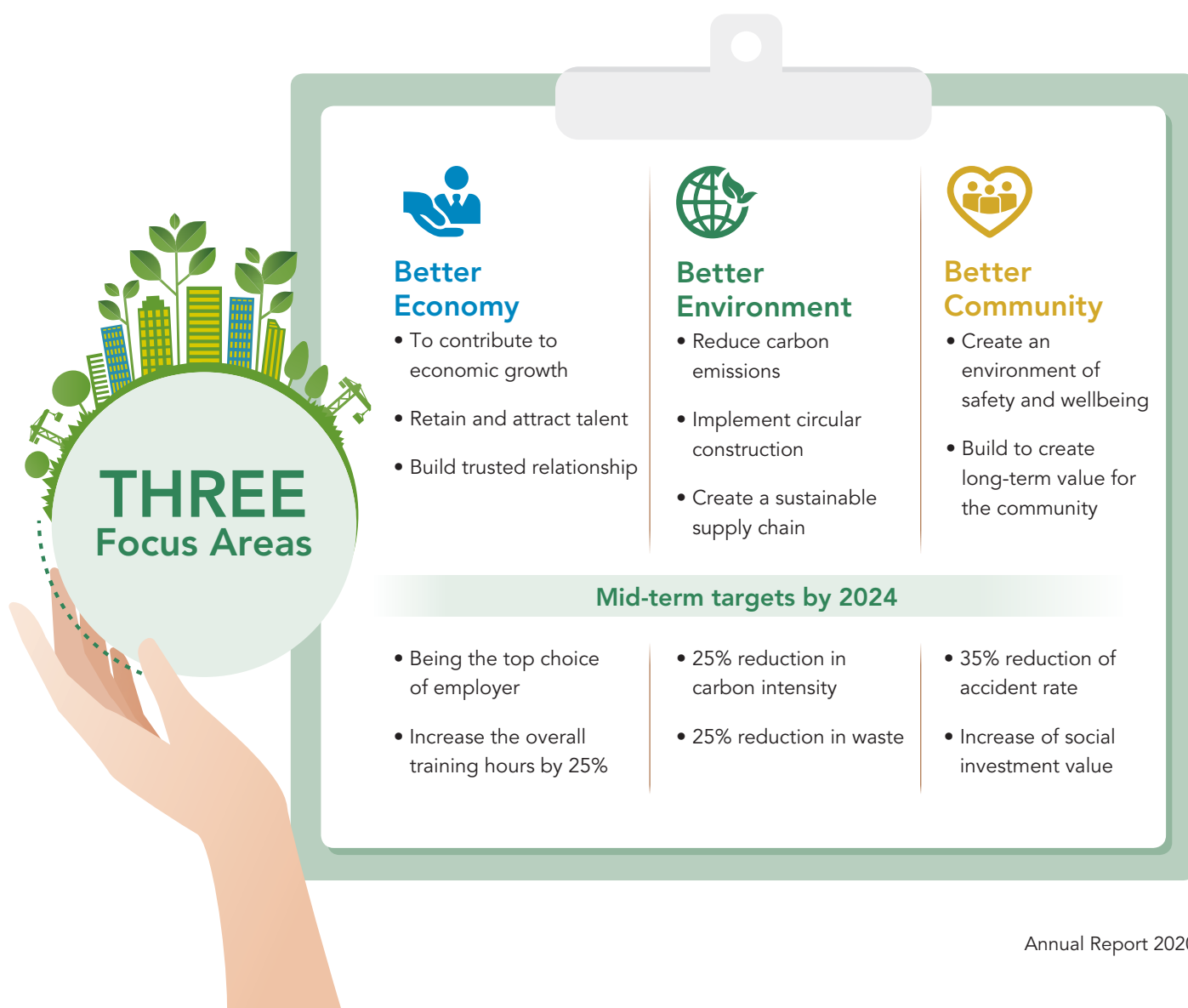
- New works: Six projects with construction period over six months that accounted for 100% of contract sum.
- PEL: 12 construction projects exceeding HK\$100 million each and accounting for 82% of contract sum.
- PDL: 12 construction projects exceeding HK\$30 million each and accounting for 51% of contract sum.
- SAM: Four shopping malls including Chongqing Creative Concepts Center, Tianjin Veneto, Shenyang Project Phase I and Chengdu Centropolis.

BETTER TOMORROW PLAN 2021-2030

2020 was a year full of unprecedented challenges. The COVID-19 pandemic brought difficult times for many. Adverse impacts of climate change imply the need for solid collective action towards net-zero greenhouse gas (GHG) emissions, activating global response, including in the Mainland and Hong Kong, to pledge for carbon neutrality by the mid-21st century. At the same time, 2020 also marked a significant year for SOCAM as we embarked on a new strategy that supports the Company's business priorities and objectives while at the same time address stakeholders' concerns. With a refined focus, we advanced our existing CSR programs to set benchmarks for the Company on our ESG performance and actively respond to sustainability issues.

CSR has always been a key consideration of the Board to ensure that we continue to adapt and modernise our business operations. In 2020, embracing the "Shui On We Care" spirit, we refreshed our strategy - the "Better Tomorrow Plan 2021-2030", setting our sustainability blueprint for the next ten years, and our ambitions and focus areas across three major pillars, namely: Economy, Environment and Community, guiding our efforts for adopting sustainable practices in all business operations. The plan is driven by long-term vision and targets as well as a new governance structure, which facilitate change at all levels within the Company.

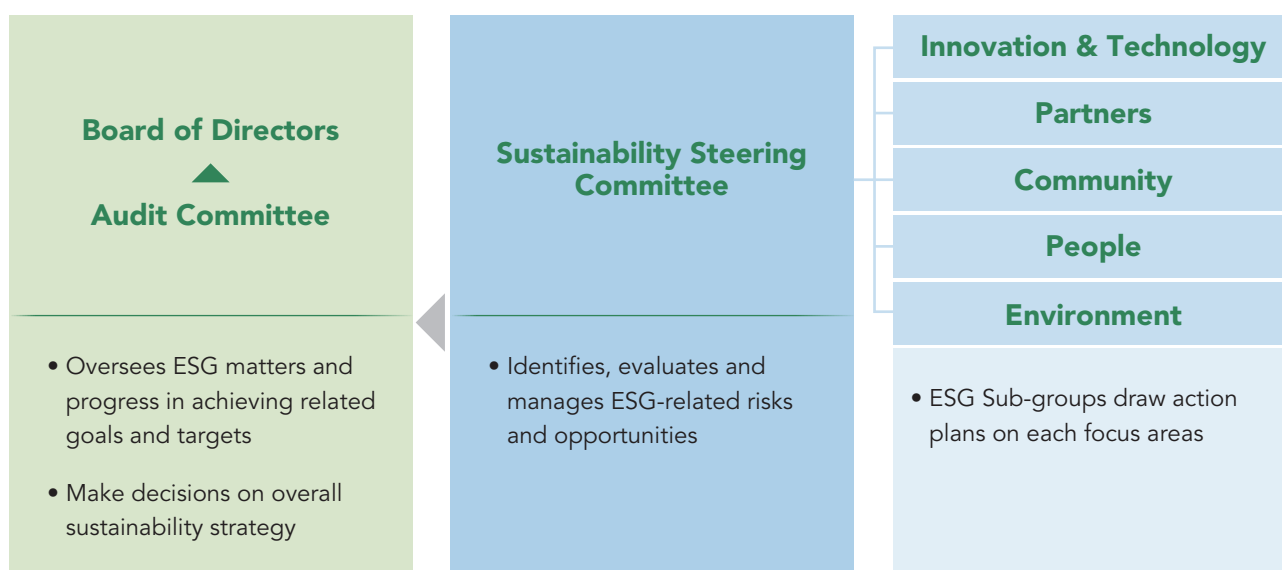
The plan is an important step for the Company as it moves to actualise CSR into a positive impact on the economy, environment and the community, and putting sustainability as part of SOCAM's long-term outlook.



OUR ESG APPROACH

To bolster leadership on sustainable development, under the direction of the Board, our ESG governance went through an overhaul in 2020. Chaired by the CEO, the Sustainability Steering Committee further enhances overall accountability. This committee, sitting frequently and reporting bi-annually to the Audit Committee, comprises heads of key business units and department heads to spearhead five ESG aspects, aiming to bring our sustainability strategy and vision to life through a broad range of relevant initiatives across our business units and operations. A terms of reference set out the objectives, composition and responsibilities, defining the Board's role and management approach on ESG.

During the year, the Sustainability Steering Committee began its work on putting the "Better Tomorrow Plan 2021-2030" into reality, setting ambitious targets and practical plans.



STAKEHOLDER ENGAGEMENT

Building strong relationships with our stakeholders helps us to deliver our sustainability commitment and continuously improve our performance. The Group engages with stakeholders via a number of channels to better understand their views and expectations. In 2020, we conducted 41 in-depth interviews, covering the Board of Directors, investors, business partners, clients, sustainability experts, employees as well as the media. Based on their feedback, we refine strategies, address and prioritise the most important issues to manage external risks and opportunities. Action plans are then formulated to respond to stakeholder concerns in each of the focus areas.

Materiality Assessment Approach





Material Topics Identified

The material topics were identified through engagement with stakeholders in daily operations, and mainly based on (i) desktop research; and (ii) understanding risks and opportunities.



Engagement channels and frequency



Shareholders and investors

- Engage investors through annual general meetings, announcements, notices and circulars
- Regular corporate publications including annual reports and company website



Regulatory institutions

- Keep abreast of the latest regulatory requirements through participation in seminars and industry sharing
- Regular internal review to ensure full compliance



Clients, buyers and tenants

- Regular engagements via meetings, reports and green promotion campaigns



Sub-contractors and suppliers

- Building long-term relationship through regular communication on assessment criteria, quality, environmental and safety updates



Employees

- Offer diverse training opportunities and channels for employees to advance on their career pathways
- Social activities organised by staff-initiated interest groups throughout the year



Community

- Regular engagement with NGOs to initiate volunteering services, donations and charity events

BETTER ECONOMY



Innovation and technology is the cornerstone of maintaining competitiveness and sustainable growth. We aim to enhance productivity through technological upgrades and innovation, and by retaining and attracting talent, in order to further establish SOCAM as a leader with our strong foundation, expertise and culture.

Innovation and Technology

Embracing innovation is one of the key components in SOCAM's sustainability strategy, based around being an early adopter of technological upgrades with a focus on digitalisation to optimise workflow, ensure smooth operations while significantly reducing paper usage, and reduce the environmental footprint. We continue to explore new technological solutions and build a culture

of creativity, with a specific focus on digitalisation, adoption of sustainable construction technologies; and knowledge sharing.

Digital Transformation

On-site, and involving all our core back-office operations, the Group has made significant progress on a digital transformation plan to steer our operations towards paperless and technology driven. Site records can be filled online, allowing data analysis and performance review. We can find one-click access to such matters as recording employee attendance and reviewing payments made to external parties.

Responding to the COVID-19 pandemic, we supported remote working arrangements by upgrading office equipment and setup to facilitate working from home and effective video conferencing.

Transformation of Construction Methodology

SOCAM's construction methods today are now far removed from those of ten years ago. Sustainable construction technologies, including MiC and BIM, have improved construction productivity, quality, safety, and environmental performance. To respond to the market changes, SOCAM is proactive in facilitating knowledge sharing and building a culture of creativity.



Enhancing productivity through Modular Integrated Construction (MiC) Technology - Multi-welfare Services Complex in Kwu Tung North

The purpose-built multi-welfare services complex in Area 29 of Kwu Tung North Development Area for the Architectural Services Department is the Group's first project with full MiC application. MiC adopts free-standing integrated modules, assembled in prefabrication off-site, and transported to the site for installation and assembly.

This system overturns conventional construction methods where interior fixtures and fit-out take place after completion of the building.



Construction Efficiency

- Shorten construction time to 28 months
- Minimise construction errors
- Minimise impacts due to adverse weather conditions



Environmental Benefits

- Minimise construction waste generation
- Reduce air emissions
- Reduce dust and noise nuisance

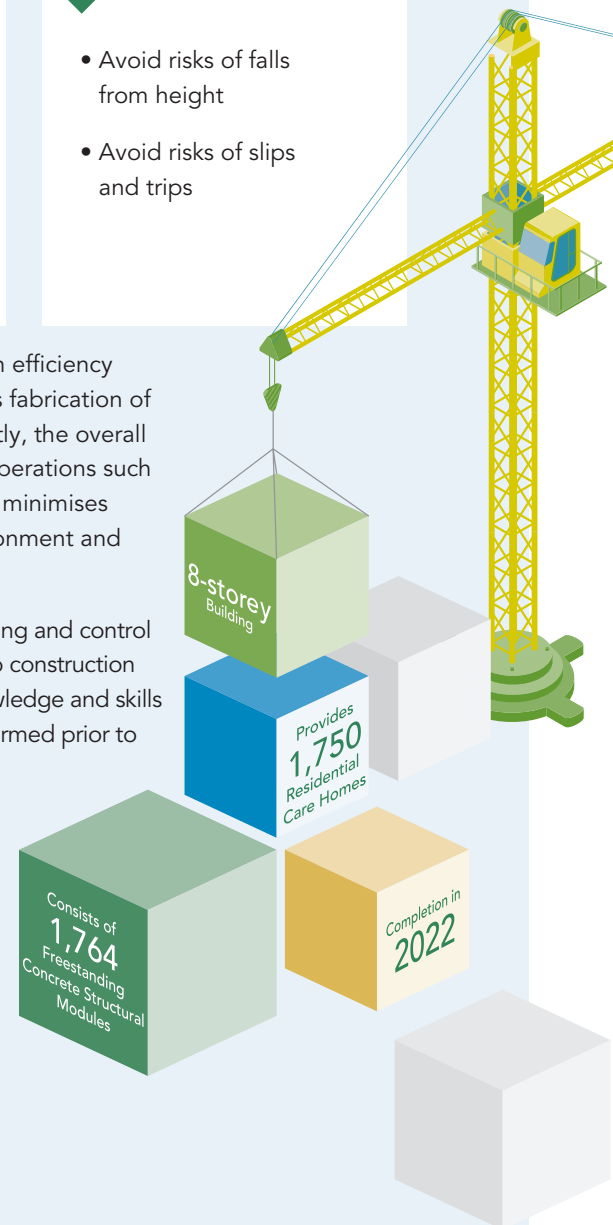


Worksite Safety

- Avoid risks of falls from height
- Avoid risks of slips and trips

With MiC technology, we are able to substantially increase construction efficiency and quality, while improving environmental and safety performance. As fabrication of the modules and on-site foundation work can be conducted concurrently, the overall construction duration is greatly shortened. Since on-site construction operations such as indoor painting and formboard erecting are performed off-site, MiC minimises on-site safety hazards, reducing disturbances on the surrounding environment and better allow for waste management and recycling.

We ensure construction quality by implementing stringent quality monitoring and control throughout the entire construction process. Training on MiC is provided to construction workers, making sure they are equipped with the necessary technical knowledge and skills before being deployed for work on the project. In addition, trials are performed prior to actual on-site installation to ensure smooth operations at the project site.

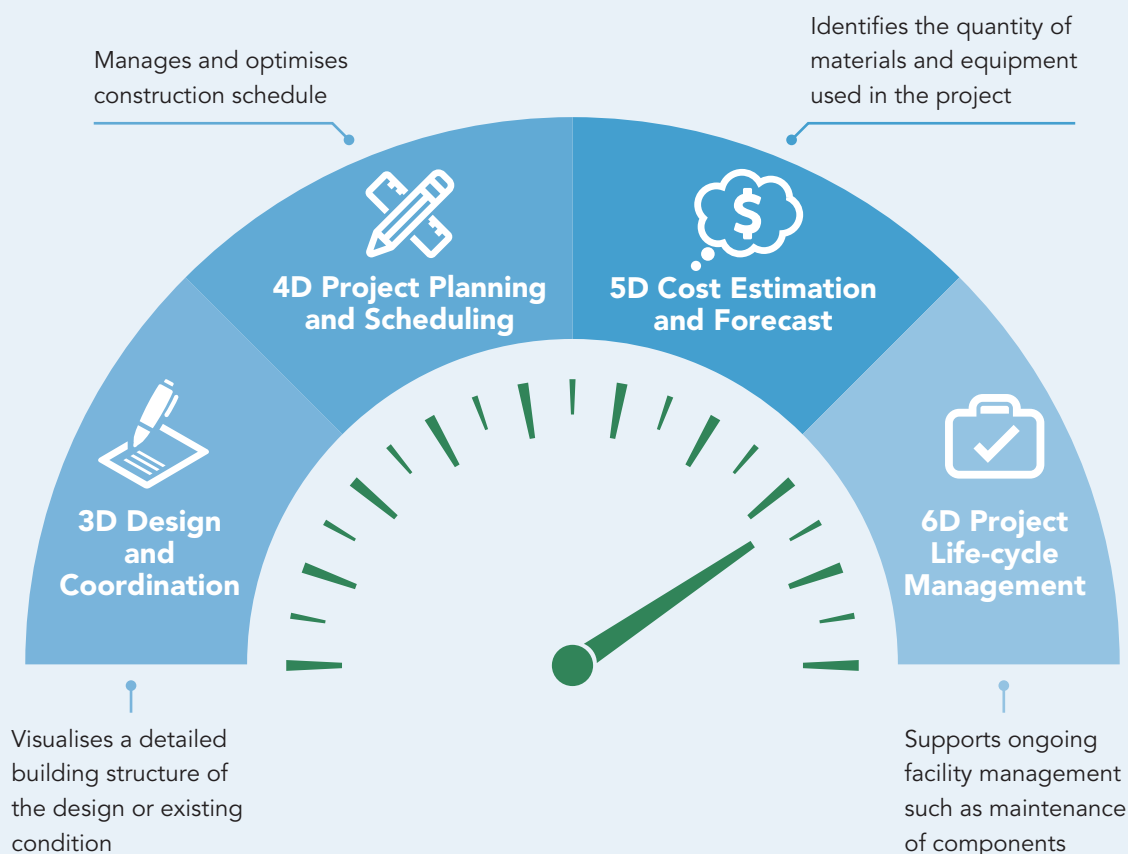
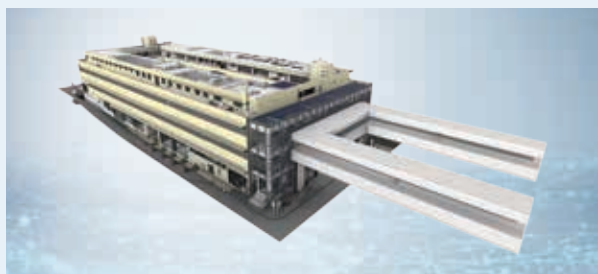


Enhancing project management through Building Information Modeling (BIM) Technology - Central Market Revitalisation project

Since 2018, SOCAM has been increasing its deployment of BIM technology in project management. BIM is a process facilitating the generation and management of building data that encompasses the entire lifecycle of the building, from design to planning, construction landscaping and the end-use environment.

The Urban Renewal Authority Central Market Revitalisation project is the first project with BIM application in full scale. The project involves the application of BIM technology in several dimensions – from 3D to 6D, to reveal specific types of information that govern the quality, resources, cost and time control of the project. The application smoothens the construction process and eliminates potential problems at an early stage. It also significantly improves site safety and operational efficiency.

In 2020, we sponsored 30 employees to attend external training to enhance knowledge on BIM application.





People & Talent Development

At SOCAM, people are our greatest asset. We value each employee as a member of the Shui On community, and as the foundation of success.

We aim to cultivate a workplace environment where our staff can excel, develop and grow with the Company. We strengthen employee engagement to promote a culture of caring, and to ensure the physical and mental wellness of our employees.

We aspire to be an employer of choice. By retaining and nurturing talents, we aim to enhance the capability of the workforce for both the company and society, ultimately contributing to the local construction business and economy in the long run. In the coming 3 years, we aim to place more emphasis on training, and increase the overall training hours by 25%.

People Development

To retain our talents and unleash their full potential, we offer a wide range of professional development and training opportunities which help facilitate employees' career development and personal growth. During the year, a total of 18,883 hours of training were provided. Our Learning and Development Team launched a new talent development programme which is designed to

develop leadership skills of employees with at least 5 years of experience working in the Group. 15 employees participated in the 18-month programme. We also offer job rotation opportunities across departments and business segments, aiming to broaden opportunities to become the future management backbone of the Group.

Besides internal recruitment, the Group also invests resources on attracting young talents from the market. Our Graduate Engineer Programme trains up fresh engineering graduates to become project management staff. On-the-job and leadership training programmes are provided with job rotations to familiarise themselves with various functions of the construction industry. Despite the impact of the pandemic outbreak on our recruitment process, a total of 13 engineering graduates, and 17 interns were recruited to join our Graduate Engineer Programme and Internship Programme during the year.

With diverse professional training opportunities as well as competitive remuneration packages and welfare, we maintained a low staff voluntary turnover rate of 9.3% during the reporting period.

During the year, the Group was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and preventing child or forced labour.

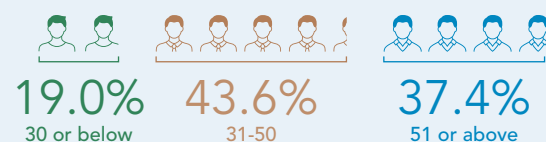
Our Workforce

As of 31 December 2020, we employed 2,181 people in total, of which 1,811 were based in Hong Kong and Macau and 370 based in cities of Mainland China. The male to female ratio is approximately 2:1.

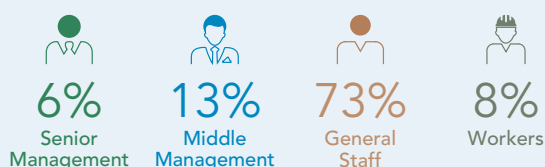
Gender



Age



Employee Category



Geographic



Operational Excellence

At the centre of SOCAM's corporate culture is a determination to improve and innovate, and to conduct business and staff relationships in a spirit of integrity and fairplay. We focus on upholding the highest standards of integrity in everything we do, and are committed to managing our supply chain and social impact in a responsible way.

Upholding a Culture of Integrity

Integrity is the key to maintaining trust and long-term relationships with stakeholders. Over the years, we have cultivated a set of shared beliefs on which all our policies and actions are based, and through engaging employees, business partners, suppliers, we ensure that we comply with the legal and regulatory framework in every regard.

Acting as a socially responsible company and a good corporate citizen, we uphold ethical business practices. The Management is fully committed to the enforcement of our code of business ethics and to ensure employee knowledge and compliance. A business ethics policy statement, whistle-blowing policy and staff handbook is in place to maintain and enhance employee awareness and understand their rights and obligations, and to demonstrate SOCAM's commitment to ethical behaviour and conduct.

We maintained close cooperation with the Independent Commission Against Corruption (ICAC) to strengthen employee awareness on ethical issues. During the year, we continued to collaborate with ICAC to conduct training course for all employees in order to refresh their understanding of obligations and share the best practices in preventing corruption. A total of 1,993 hours of anti-corruption training were recorded, involving 1,768 employees.

During the year, the Group's operations complied with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering.



Supply Chain Management

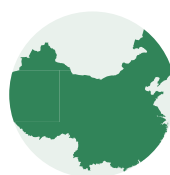
We are committed to maintaining a responsible and ethical supply chain and promote responsible practices among our key suppliers by continuously reviewing our operational procedures. With an extensive supply chain comprising materials and products suppliers, sub-contractors for construction and property management agencies, maintaining effective communication with these stakeholders is the key to maintain the safety and quality of products and services.

We proactively engage and communicate our requirements to the supply chain members to ensure quality and safety. We hold review meetings of "Health, Safety and Environment" (HSE) indicators review meeting with contractors are organised on a weekly basis to share and exchange the latest HSE updates and policies. The Group selects suppliers and contractors according to their market reputation, comparative advantages, operational feasibility, available resources and commitment.

Aiming to standardise material requirements and speed up the procurement process, the Group has been adopting an electronic platform for procurement. The platform not only greatly minimises manual process and paperwork, but also reduces procurement cost.

The Group's procurement department has standardised procedures to select, evaluate, supervise and review the performance of suppliers and contractors. Assessments are conducted quarterly to review the quality of materials, progress of work, cooperation, managerial experience, site safety, materials handling, environmental protection performances and wage payments. To maintain the management quality of shopping malls, the property management agencies are required to commit to the highest service standards and ensure emergency preparedness plans are in place to respond to unforeseen events.

Number of Suppliers and Sub-contractors



Property in
Mainland China
105



Construction in
Hong Kong
766



Interior Fit-out in
Hong Kong and
Macau
377



Quality Management

At SOCAM, we adhere to best-practice guidelines in delivering high quality and safe products and services.

We have integrated the ISO9001:2015 Quality Management System into our operations, while HSE Policy and Quality Policy are in place to ensure compliance with relevant industry standards and specifications. The Head of Department performs site inspections bi-weekly at each construction project, covering quality, health and safety and progress assessment. At site level, the Environmental Team conducts regular inspections and meetings to manage the daily operations of the project sites, such as the use of compliant machinery, biodiesel and construction materials.

Pursuing continuous improvement, we also adopt various technologies to enhance building quality and efficiency, ranging from sustainable construction technologies such as MiC and BIM, automatic sprinklers, and checking and tracking tools including Radio Frequency Identification (RFID) tools.

We value customers' opinions and expectations. Communication channels including hotlines are in place to handle general enquires and customer complaints in accordance with the project plan.

During the year, the Group was not aware of any incidents of non-compliance with laws and regulations that had any significant impact on the Group concerning health and safety, advertising, signage or any other related matters.

Safeguarding Confidential Information

We are aware of the change in the marketplace and during the year we made further enhancement to information security to protect our clients and secure their confidence in handling data. In response to digitalisation of the workplace, the Group has strengthened its information security management to harness the wave of digital and technological challenges.

We also obtained the ISO/IEC 27001 Information Security Management Systems verification through strengthening our information security processes, procedures and response measures. Through planning, implementation, monitoring and continuous improvement, the comprehensive management system enables us to prevent possible cyberattacks or information security incidents from happening while helping manage and protect our sensitive data in confidentiality, integrity and availability of information.




BETTER ENVIRONMENT



Climate change is beyond doubt a concerning issue of our times and every corporation has a role to play in promoting climate stability. Decarbonisation is one of our main goals for the next decade and we have committed to a carbon and waste reduction target of 25% by 2024 using 2019 as the base year. This is the first important step towards alleviating climate-related environmental impacts of our operations. At the same time, we strive to disseminate eco-friendly practices to the entire supply chain through reinforcing our green procurement requirements.

As part of a pollution-intensive industry, we are committed to minimising our significant environmental impacts, protecting natural resources and facilitating decarbonisation in the industry, which is guided by the ISO50001:2018 standard. Central to our “Caring for the Environment” commitment formulated in 2008, we are advancing our systematic efforts towards resources conservation along the entire value chain, from organisational level cascading down to individual level.

Superintended by HSE Management Committee, the Group leverages on the ISO 14001:2015 certified “Integrated Health Safety and Environment” Management System and conducts regular internal audits to ensure effective environmental management systems. Seasonal training is held to familiarise the newly-hired employees with the ISO-certified management system. During the year, we were not aware of any non-compliance relating to environmental aspects.


25%
reduction
of carbon intensity


25%
reduction
of waste

Conserving Resources

We aim to make a reduction in waste of 25% by 2024. SOCAM has changed the scope of our waste reduction measurement in order to better track performance data. The data collection boundary during the year comprises of the head office, 30 construction projects in Hong Kong and four shopping malls in Mainland China. This now gives us a more complete and comprehensive view of our efforts and vigilance.

To ensure our operations align with the sustainability commitment, we have implemented various directives to reduce the impacts on depletion of finite resources. As an energy-saving initiative, we have adopted LED lighting in construction projects while making steady progress on upgrading the lighting system in properties managed by us. The replacement of T8 fluorescent tubes with LED lighting remarkably reduces electricity consumption by 40%. Implementation of solar energy and the conversion of mains electricity to reduce consumption of B5 biodiesel at an award-winning construction project at Chai Wan Road has provided 480 kWh electricity and brought down the energy consumption by 65% in six months.

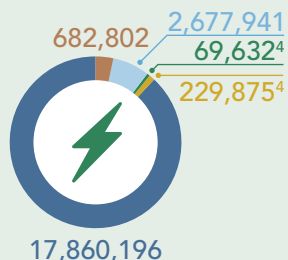
Notably, the enertainer, an advanced, compact and connected battery system adopted in Kwu Tung North Multi-welfare Services Complex construction site has displayed various apparent advantages in resources conservation, including but not limited to reducing diesel. The amount of waste oil generated is also reduced correspondingly. Such initiatives not only scale down the resources depletion rate, but also help utilise natural resources, such as sunlight and water.



Total Resources Consumption in 2020

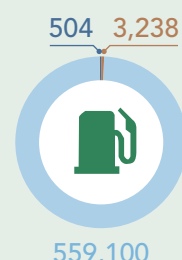
Electricity
Consumption
(kWh)

Total
21,520,445²
(2019³: 7,816,611)



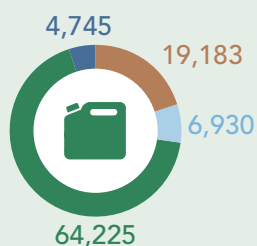
Diesel
Consumption
(litre)

Total
562,842⁵
(2019³: 84,070)



Petrol
Consumption
(litre)

Total
95,083⁶
(2019³: 26,731)



Natural Gas
Consumption
(m³)

Total
111,725⁷
(2019³: N/A)



Acetylene
Consumption
(m³)

Total
3,567
(2019³: 4,852)



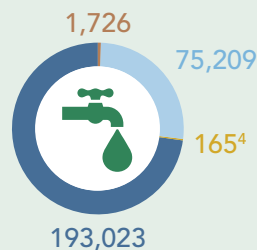
Heat
Consumption
(kWh)

Total
6,338,977⁸
(2019³: 6,338,977)



Water
Consumption
(m³)

Total
270,123⁹
(2019³: 80,620)



² The significant increase in electricity consumption is due to the inclusion of two shopping malls into data collection boundary which contributes to 58% of the total consumption.

³ The data collection boundary consisted of six construction projects in Hong Kong, two shopping malls in Mainland China together with the Hong Kong office in 2019.

⁴ Electricity and water consumption paid by clients of construction projects are excluded.

⁵ The significant increase in diesel consumption is due to the highly use of diesel consumed generators and plants at a demolition and piling stages of two construction sites.

⁶ The significant increase in petrol consumption is due to the inclusion of maintenance projects into the data collection boundary which contributes to 68% of the total consumption.

⁷ Natural gas consumed by two shopping malls are incorporated into the data collection boundary starting from this reporting period.

⁸ Heat consumption is calculated by floor area of the shopping mall, which has not been changed since 2019.

⁹ The significant increase in water consumption is due to the inclusion of two shopping malls and two construction projects into the data collection boundary which contributes to 66% of the total consumption.



Carbon Reduction

To optimise the environmental performance, we have been following carbon emissions closely since 2013. In 2020, the total carbon emissions amounted to approximately 55,622.6 tonnes of carbon dioxide equivalent (tCO₂e). There were about 2,195.0 tCO₂e under Scope 1, 21,201.1 tCO₂e under Scope 2 and 32,226.5 tCO₂e Scope 3 emissions respectively. Carbon intensity is 14 tCO₂e per million revenue.



	2020						2019	2018
Carbon Emissions (tCO ₂ e) ¹⁰	Head Office	New Works	Maintenance Projects	Interior Fitting-out Projects	Shopping Malls	Total		
Scope 1	59.9	1,440.5	170.8	185.7	338.0	2,195.0 ¹¹	588.1	2,028.6
Scope 2	348.2	1,688.0	35.5	182.2	18,947.2	21,201.1 ¹¹	10,909.1	8,561.8
Scope 3	85.7	31,716.5	0	306.2	118.0	32,226.5 ¹²	49,221.9	60,086.6
Total emissions	493.8	34,845.1	206.3	674.1	19,403.2	55,622.6	60,719.1	70,677.0

¹⁰ The scopes of carbon emissions are defined as below:

Scope 1 Direct fuel consumption of generators, vehicles and work processes.

Scope 2 Indirect emissions from purchased energy and heating.

Scope 3 Water and sewage processing, waste treatment, raw material usage, logistics and business travel.

¹¹ The significant increase in Scope 1 and 2 carbon emissions due to the increase in resources consumption, please refer to footnotes 2, 5-7 and 9.

¹² The decrease in Scope 3 carbon emissions due to reduced business travel in the Group and overall drop in raw material consumption of three construction projects at their final phase.

Managing Waste

Stringent waste management is inevitable in a resource-intensive business. In 2020, the total non-hazardous waste generated add-up-to 170,048.4 tonnes while there was no significant generation of hazardous waste.

We have been managing the commercial and construction waste in compliance with laws and regulations by appointing qualified waste disposal contractors. Going beyond, we strive to minimise waste generation and ease the burden of landfills by virtue of recycling and upcycling.

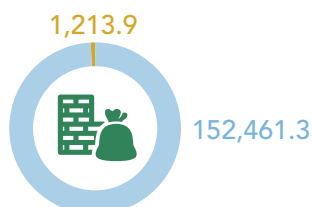


On construction sites, we embrace a paperless working environment with the aid of the aforementioned digital transformation and the adoption of advanced construction technology, which will help strengthen the recycling and reuse efforts on construction waste. The implementation of the "Clean Recycling Rewarding Scheme", "Regeneration of Safety Helmet" and "Waste-to-Materials: Rehabilitation of Rest Area" has successfully created a sustainable construction site at the Chai Wan Road project.

Non-hazardous Waste (tonnes)

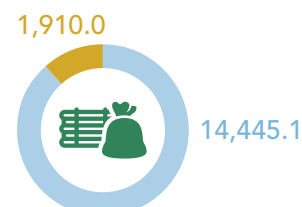
Inert Construction Waste

Total
153,675.2¹³
(2019: 33,786.3)



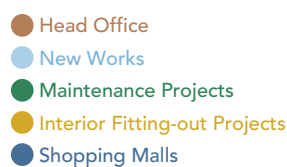
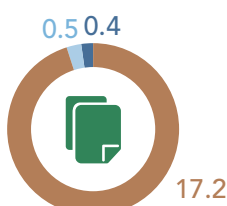
Non-inert Construction Waste

Total
16,355.1¹⁴
(2019: 6,412.6)



Paper Waste

Total
18.1
(2019: 20.2)



¹³ The significant increase in inert waste due to inclusion of two construction projects into the boundary which contributes to 84% of the total inert waste generation.

¹⁴ The significant increase in non-inert waste due to increase in waste generation in a construction project.



Award-winning Project – the construction of a public housing development at Chai Wan Road for the HKHA

Sustainable Practices

To uphold sustainability efforts, we initiate and undertake innovative construction alternatives. For instance, the replacement of wooden formwork with recyclable iron formwork has lessened the demand for wood resources while motivating recycling on-site.

“Clean Recycling Rewarding Scheme”

We boost employees’ awareness on clean recycling by launching a reward scheme, raising both quantity and quality of the recyclables. Safety helmets, wastepaper, aluminium cans and plastic bottles are eligible for the scheme with monetary incentives provided in return. To promote community participation, we branched out the campaign into the neighbouring community, and motivate neighbours to take part in the scheme.



“Regeneration of Safety Helmet”

The collected safety helmets and plastic bottles are then upcycled as plant pots for greening purpose at the construction sites. We exclusively select plants that repel mosquitoes such as Scented Geraniums and Mint. As of end of 2020, approximately 70 safety helmets have been repurposed as planter at the roadside.



“Waste-to-Materials: Rehabilitation of Rest Area”

Wood plank and iron pipe are commonly used for setting up as rest area for the workers. To avoid wastage, we construct the rest area with discarded plasterboard partition and scrap iron pipes transferred from other projects. By rehabilitating the rest area with reusable construction materials not merely extends the product lifecycle, but also embellishes the construction site.



Green Procurement Guideline

Monitored by the
Procurement Department

Building Life Cycle



Sustainable Supply Chain

Through reinforcing our green procurement requirements, SOCAM strives to disseminate eco-friendly practices to the entire supply chain, promoting efficient use of natural resources including raw materials and water.

Adhering to the green procurement guidelines monitored by the Procurement Department, the Group incorporates environmental parameters into the building life cycle, including building design, construction method, raw material handling, waste disposal and facilities selection, and encourages the purchase of the best options based on the price and environmental parameters.

A risk assessment is conducted prior to material procurement, ensuring the materials are in compliance with the contract terms and avoid wastage of materials due to nonconformity. We attach a high priority to products with high durability and recyclability, working towards a waste-free and emission-free operations through effective use of resources. For instance, the Group continues to adopt Grade 1 water-consuming devices that result in a notable water reduction effort by 9 litres per minute under the Water Efficiency Labelling Scheme by the Water Suppliers Department. Furthermore, environmentally friendly containers that are refillable and have a biodegradable composition are used wherever possible.



FSC PEFC certified Fibrillar wood



B5 biofuel with lower carbon
emissions



Approved or exempted Non-road
Mobile Machinery

BETTER COMMUNITY



Employee safety and the “we care” spirit has long been a cornerstone of SOCAM’s CSR commitment. Through promoting a collaborative culture, we aim to create a healthy, safe and harmonious workplace, empowering employees to reach their full potential and grow together with the Company. The new sustainability strategy also aims to benefit our stakeholders and the wider community by fostering a caring culture internally, and increase our social investment to key target groups.

Health and Safety

Ensuring Low Accident Rate

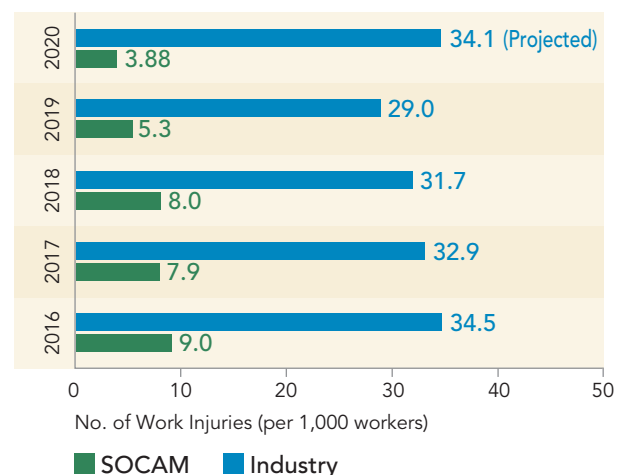
As a leading company in promoting safety in the industry, the Group strives to maintain high safety standards for its workforce, and continues to place emphasis and resources in striving towards a minimal accident rate at our sites.



In 2020, an injury rate of 3.88 cases per thousand workers was recorded, representing a 27% decline from 2019. It was achieved with systematic review on operational practices and training needs, as well as the adoption of advanced technology and safety devices. We aim to lower that rate by 35% before 2024, from a base of 2019 figure.

During the year, a total of 3,225 lost days were reported relating to work injuries. 13 work-related injury cases were reported, compared to 17 in 2019. There were no work-related fatalities in the past three years.

Accident Rate



Combating COVID-19

At the time of the COVID-19 outbreak, we took immediate measures to safeguard the health and well-being of employees, through establishing a set of preventive infection protocols across our operations.

Strictly complying with the government anti-pandemic regulations at all aspects of our operations, we enforced social distancing policies including zoning restriction of occupants’ number at construction sites and installed plastic barriers. To maintain workplace hygiene, sanitising equipment was installed, while mandatory temperature screening and facial identity check are required at the site entrance to avoid virus transmission and to keep record for contact tracing. We also formulated and executed an action plan for handling suspected cases of COVID-19. Precautionary reminders and response actions are circulated through our internal communication channels. We will closely monitor the latest development of the pandemic and take appropriate actions when necessary.





We Put Safety First

Adhering to the ISO45000 standard, we performed risk assessment analysis and auditing on operational safety. High-risk issues including working at height and lifting operations were identified and improvement plans were implemented. To promote a safety culture, our HSE Management Committee works closely with the employees to disseminate onsite safety messages and instructions by senior management, sharing incident alerts and good site practices, along with a series of initiatives to reinforce site safety culture.



Safety Training

Our HSE Committee organises an HSE sharing session quarterly at each construction sites, providing updates on latest safety incidents in the industry as well as amendment on related laws and regulations. Informal meetings during tea-time are also arranged for delivering safety instructions to employees. With our efforts, the total number of participants in safety training in 2020 was 105,350 person-times, a 22% increase from 2019.

Safety Innovation

The Group regards innovative technology as a key approach to provide the best protection to its workforce. In cooperation with Hong Kong Housing Authority, we launched a pilot scheme for installation and dismantling of Rapid Demountable Platform (RDP), an efficient and temporary platform for inspection, repair and maintenance works outside high-rise buildings. Compared to conventional practice of bamboo scaffolding, this practice is safer and more reliable as workers no longer need to install and dismantle external scaffolding thus minimising the chance of fall accidents.

Furthermore, we introduced the Artificial Intelligence Computer System (AI) on trial basis to mitigate safety risks. The surveillance system with web cameras helps to monitor the implementation of safety measures in lifting and excavator operations, such as wearing safety helmet. In confined demolition worksites, we made use of remote-controlled demolition robots, ensuring working safety and efficiency. Look ahead, the Group will continue to explore innovative solutions to improving occupational safety.



Community Involvement

At SOCAM, we are dedicated to share the spirit of care within the Company, and giving back to the communities in which we operate. Aiming to create positive impact and create long-term community partnerships, we consistently encourage our employees to participate in volunteer work through the Shui On Seagull Club, an employee-led community service unit. We also seek social investment opportunities where the well-being of the underprivileged is improved, especially under challenging times of the pandemic and economic downturn. In 2020, we continued to take part in community projects, ranging from supporting workers suffering from the pandemic, the elderly and the disadvantaged.

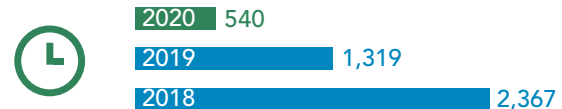


Our Contributions at a Glance

Charity Donations (HK\$)



Volunteering Hours



Number of Volunteers



Fighting COVID-19 Pandemic Together

In 2020, one of our major focuses was on supporting the underprivileged struggling to combat the pandemic. We donated anti-epidemic supplies to a number of non-governmental organisations, elderly homes and schools in Hong Kong, as well as medical institutions in Wuhan, China. Our volunteers stepped up and joined the assistance programme by St. James Settlement, donating food, anti-epidemic supplies and e-learning equipment to low-income families who suffered a heavier financial burden during the pandemic. To support the industry in fighting COVID-19, SOCAM donated HK\$500,000 to the "Construction Industry Caring Campaign" initiated by the Construction Industry Council, which provides subsidies to workers who are infected or who may have had a virus fatality in the family.

In Mainland China, we offered rental concessions to our shopping mall tenants battered by the pandemic in a move to help them survive the difficult times.





Special Care for the Elderly

As the elderly are the most vulnerable group to COVID-19 infection and hospitalisation, they are more prone to social isolation and loneliness under the social distancing policies. Partnering with Young Women's Christian Association (YWCA), we built outreach relationships to the elderly through phone calls, to show concern to care particularly to those with mobility problems and those living alone. Before the pandemic, we organised a "Football Fun Day" where the elderly and veteran football players join us for a charity football match. Despite difficulties in meeting the elderly in person, our volunteers continued to provide companion support through every possible means, and make the most worthwhile contributions we can make.



Youth Empowerment for a Sustainable Future

SOCAM has always been a firm supporter of youth development. We offered internship opportunities to young people with disabilities via the Hong Kong PHAB Association employment services. Through this programme, we strive to equip them with skills and knowledge, enabling them to become financially independent through job engagement in the long-term.



AWARDS AND RECOGNITIONS

2019 Green Contractor Award

Awarded by
Architectural Services Department

- Term Contract for the Design and Construction of Minor Works to Government and Subvented Properties for which the Architectural Services Department is Responsible (Contract Area: Hong Kong Island, Lantau Island and Outlying Islands (South))

BEAM Plus New Buildings V1.2

Awarded by
Hong Kong Building Environmental Assessment Method Society

- Final Platinum (Hong Kong Children's Hospital)

Construction Industry Safety Award Scheme 2019/2020

Awarded by
Labour Department

- Minor Renovation & Maintenance Works (Gold Award)
- Minor Renovation and Maintenance Works (Outstanding Performance in Work-at-Height Safety Prize)
- Renovation & Maintenance Works (Subcontractor) (Silver Award)

International ARC Awards 2020

Awarded by
MerComm, Inc.

- Written Text: Construction & Building (Silver)
- Chairman's/President's Letter: Construction & Building (Honors)
- Interior Design: Construction & Building (Honors)

Caring Company Scheme 2020/2021

Awarded by
Hong Kong Council of Social Services

- 10 Years Plus Caring Company Logo 2020/2021

Good Employer Charter 2020

Awarded by
Labour Department

- Signatory of the Good Employer Charter 2020
- Authorised use of the "Family-friendly Good Employer" Logo

Good MPF Employer Award 2019-20

Awarded by
Mandatory Provident Fund Schemes Authority

- E-Contribution Award 2019-20
- Support for MPF Management Award 2019-20

ERB Manpower Developer Award Scheme

Awarded by
Employees Retraining Board

- Super MD 2020-25

2020 Partner Employer Award

Awarded by
The Hong Kong General Chamber of Small and Medium Business

Innovative Safety Initiative Award 2020

Awarded by
Hong Kong Construction Association
Development Bureau
Construction Industry Council

- Safety Operational Device (Gold Award)
- Health and Welfare (Merit Award)

Employers Appreciation Ceremony 2019

Awarded by
The Construction Industry Council

- 2019 Contractors Hired the Most Graduates – Excellence Award
- 2019 Quality Training Employer (Semi-skilled workers)
- 2019 Contractor of Active Collaboration on Training

CIC Sustainable Construction Award

Awarded by
The Construction Industry Council

- Contractor in New Works (Merit – Construction of a Public Housing Development at Chai Wan Road, Chai Wan)

PERFORMANCE DATA SUMMARY

	Unit	2020	2019	
Employees	Head Count at Year End			
	Group-wide	Person	2,181	1,910
	By Gender			
	Male	Person	1,469	1,350
	Female	Person	712	560
	By Business Lines			
	Construction Division	Person	1,160	1,002
	Property Division	Person	863	758
	Others	Person	158	150
	By Employee Category			
	Senior Management	Person	119	120
	Middle Management	Person	292	289
	General Staff	Person	1,600	1,375
	Workers	Person	170	126
	By Age group			
	30 or below	Person	415	404
	31-50	Person	951	845
	51 or above	Person	815	661
	By Geographical Region			
	Hong Kong and Macau	Person	1,811	1,501
	Mainland China	Person	370	409
	Turnover Rate			
	Group-wide	%	9.3	11.1
	By Gender			
	Male	%	6.4	–
	Female	%	2.9	–
	By Age group			
	30 or below	%	2.9	–
	31-50	%	4.7	–
	51 or above	%	1.7	–
	By Geographical Region			
	Hong Kong	%	16.1	–
	Macau	%	5.6	–
	Mainland China	%	6.2	–
Training & Development	Training Hours			
	Group-wide (excluding HSE training)	Hour	18,883	15,941
	Average Training Hour			
	Group-wide	Hour	8.7	8.3
	By Gender			
	Male	Hour	7.6	8.2
	Female	Hour	10.9	8.7
	By Employee Category			
	Senior Management	Hour	15.2	11.9
	Middle Management	Hour	8.1	11.0
	General Staff	Hour	9.2	8.2

	Unit	2020	2019	
	Percentage of Employees Trained			
	Group-wide	%	86.7	–
	By Gender			
	Male	%	58.2	–
	Female	%	28.4	–
	By Employee Category			
	Senior Management	%	5.6	–
	Middle Management	%	12.8	–
	General Staff	%	68.2	–
Health & Safety	Lost days due to work injury	Day	3,225	5,468
	Work-related injury rate	per 1,000 workers	3.88	5.32
	Work-related injury	Number	13	17
	Work-related fatalities	Number	0	0
	Number of participants in safety training	Person-times	105,350	86,230
Environment	Total Resource Consumption			
	Electricity	kWh	21,520,445	7,816,611
	Diesel	Litre	562,842	84,070
	Petrol	Litre	95,083	26,731
	Natural Gas	m³	111,725	N/A
	Acetylene	m³	3,567	4,852
	Heat	kWh	6,338,977	6,338,977
	Total energy consumption	kWh	35,798,173	15,320,474
	Energy intensity	kWh/million revenue	9,036	12,248
	Water	m³	270,123	80,620
	Water intensity	m³/million revenue	68.2	64.5
	Greenhouse Gas Emission			
	Scope I	tCO ₂ e	2,195.0	588.1
	Scope II	tCO ₂ e	21,201.1	10,909.1
	Scope III	tCO ₂ e	32,226.5	49,221.9
	Total	tCO ₂ e	55,622.6	60,719.1
	GHG intensity	tCO ₂ e/million revenue	14	48.5
	Air Emissions			
	Sulphur oxides	kg	10.9	1.7
	Non-hazardous Waste			
	Inert construction waste	tonnes	153,675.2	33,786.3
	Non-inert construction waste	tonnes	16,355.1	6,412.6
	Paper waste	tonnes	18.1	20.2
	Waste intensity	tonnes/million revenue	42.9	32.2
Community	Volunteer hours (Including non-staff)	hours	540	1,319
	Donations (including funds raised by staff)	HK\$	1.5 million	1.71 million

ESG CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
A. Environmental		
Aspect A1	Emissions	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	BETTER ENVIRONMENT
KPI A1.1	The types of emissions and respective emissions data.	PERFORMANCE DATA SUMMARY
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	BETTER ENVIRONMENT – Carbon Reduction
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No significant generation of hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	BETTER ENVIRONMENT – Managing Waste PERFORMANCE DATA SUMMARY
KPI A1.5	Description of measures to mitigate emissions and results achieved.	BETTER ENVIRONMENT – Carbon Reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	BETTER ENVIRONMENT – Managing Waste
Aspect A2	Use of resources	
General disclosure	Policies on efficient use of resources including energy, water and raw materials.	BETTER ENVIRONMENT – Conserving Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume per facility).	BETTER ENVIRONMENT – Conserving Resources PERFORMANCE DATA SUMMARY
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	BETTER ENVIRONMENT – Conserving Resources PERFORMANCE DATA SUMMARY
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	BETTER ENVIRONMENT – Conserving Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, water use efficiency initiatives and results achieved.	We source our water from the municipal water supply, and do not encounter any issue in sourcing water that is fit for purpose.
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The use of packaging material for finished products is not applicable to our Group's Business.
Aspect A3	The environment and natural resources	
General disclosure	Policies on minimising the issuers' significant impact on the environment and natural resources.	BETTER ENVIRONMENT
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	BETTER ENVIRONMENT
B. Social		
Aspect B1	Employment and labour practices	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	BETTER ECONOMY – People and Talent Development
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	BETTER ECONOMY – Our Workforce PERFORMANCE DATA SUMMARY
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	PERFORMANCE DATA SUMMARY
Aspect B2	Health and safety	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	BETTER COMMUNITY – Health and Safety
KPI B2.1	Number and rate of work-related fatalities	BETTER COMMUNITY – Health and Safety PERFORMANCE DATA SUMMARY
KPI B2.2	Lost days due to work injury.	BETTER COMMUNITY – Health and Safety PERFORMANCE DATA SUMMARY
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	BETTER COMMUNITY – Health and Safety

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
Aspect B3	Development and training	
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	BETTER ECONOMY – People & Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	PERFORMANCE DATA SUMMARY
KPI B3.2	The average training hours completed per employee by gender and employee category.	PERFORMANCE DATA SUMMARY
Aspect B4	Labour standards	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	We implement appropriate protocols in our recruitment process to ensure child and forced labour is absent in our operations.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Aspect B5	Supply chain management	
General disclosure	Policies on managing environmental and social risks of the supply chain.	BETTER ECONOMY – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	BETTER ECONOMY – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	BETTER ECONOMY – Supply Chain Management BETTER ENVIRONMENT – Sustainable Supply Chain
Aspect B6	Product responsibility	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redressal.	BETTER ECONOMY – Operational Excellence
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of product and service-related complaints received and how they are dealt with.	BETTER ECONOMY – Quality Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable
KPI B6.4	Description of quality assurance process and recall procedures	BETTER ECONOMY – Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	BETTER ECONOMY – Safeguarding Confidential Information
Aspect B7	Anti-Corruption	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	BETTER ECONOMY – Upholding a Culture of Integrity
KPI 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.	No concluded legal case regarding corrupt practices were recorded during the year
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	BETTER ECONOMY – Upholding a Culture of Integrity
Aspect B8	Community investment	
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	BETTER COMMUNITY – Community Involvement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	BETTER COMMUNITY – Community Involvement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	BETTER COMMUNITY – Community Involvement