

CORPORATE SOCIAL RESPONSIBILITY

At SOCAM, we remain proactive in incorporating social and environmental considerations into our business strategies and daily operations. We seek to have a beneficial impact on the wider community as well as to promote a harmonious workplace, with particular emphasis on investing in the next generation.



Reaching Out to The Wider Community

SOCAM plays an active role in the property development, construction and cement industries in the Chinese Mainland and Hong Kong. In each area of operation, and in every city in which we have interests, we aspire to set an example of the best CSR practice.

We divide our CSR initiatives into three areas – Community, Environment and People. Each sector is represented by its own working group on our CSR Steering Committee, itself comprising staff members from different SOCAM operational areas. Thus we achieve working group focus and an overall diversity of voices and skill sets.

SOCAM's CSR POLICY

Our CSR activities centre on these three key areas, explained in more detail in the following pages:



- Building a "We Care" culture throughout Shui On
- Contributing resources to charitable causes and educational initiatives in the community



- Devoting systematic efforts towards the conservation of energy and natural resources
- Reduction of waste and emissions at both an operational and individual level



- Enhancing the level of engagement, health and safety
- Overall wellness and personal growth of our employees



THE COMMUNITY – A SHARING SPIRIT

As a company spanning Mainland cities and Hong Kong, SOCAM has a collective wealth of knowledge and experience that can make contributions to the well-being of the wider community.

These can be small and thoughtful, or sometimes even life-changing, and take the form of volunteering our time, sharing our expertise, promoting education and making monetary donations. Primarily, we partner with educational institutions and charitable causes to enhance the targeted effectiveness of our donations and volunteered time.

Investing in Education – Programmes for Youths

We see investment in youth as a very worthwhile way to contribute to society in helping young people become more fulfilled and self-reliant, and to become leaders for our next generation. We also look to lend a hand to the underprivileged youths in our community.

Through mentorship programmes, our senior executives are keen to share with university students and underprivileged teenagers their insights and advice in academic, career and personal development. In 2011, in partnership with The Chinese University of Hong Kong's Business School, SOCAM sponsored the first scholarship scheme introduced in Hong Kong to focus on CSR research. Under this programme, we support

undergraduate students on exchange programmes to gain first-hand CSR experience in their host countries and return with fresh ideas for local CSR activities. In doing so, we aim to help students spread the CSR message and become responsible leaders in future.

In the Chinese Mainland, SOCAM contributes to promoting and financially supporting international student exchange opportunities. Grants are offered to university students to fulfill their ambitions to spend time in other parts of the world. We seek to help broaden their horizons and to nourish their global vision.



Raising funds for charity

SOCAM Partnerships in Education

Programme	Target	Theme
Hong Kong		
The Chinese University of Hong Kong – SOCAM CSR Research Scholarship	University students	Global CSR research and experiential learning
The University of Hong Kong BEA Mentorship Programme	University students	To enrich personal growth and development, social skills and competence
Po Leung Kuk Children and Youth Mentorship Programme	Underprivileged teenagers aged 10-16	To enrich teenagers' capital in financial, career and life planning

Programme	Target	Theme
Hong Kong		
Hong Kong Sea Cadet Corps Overseas Exchange Programme	Sea cadets	To broaden the outlook and help build character and confidence in today's youths
Hong Kong Management Association Business Enrichment Scheme	University students	To widen students' horizons and appreciation of the business world and values
Chinese Mainland		
Dalian University of Technology	University students	Exchange programmes in Hong Kong, Japan, France and Germany to nourish students' global vision.
Dongbei University of Finance and Economics in Dalian	University students	
Sichuan University	University students	
Southeast University in Nanjing	University students	



Visits to the elderly



Reaching out to the young



Spreading a smile

Supporting NGOs and Charity Events

SOCAM supports local community activities through sponsorship and donations, both cash and in-kind to various Non-Governmental Organisations (NGOs). On corporate level, we contribute to such worthwhile programmes as:

- **The Community Chest of Hong Kong:** contributed to its Corporate and Employee's Contribution Scheme.
- **Standard Chartered Hong Kong Marathon:** organised corporate teams to participate in the marathon in support of the physically disabled and underprivileged community members.
- **MTR Hong Kong Race Walking:** participated in the Walk in support of the work on disease prevention and health education.
- **Construction Industry Charity Concert:** donations to support the Construction Charity Fund. The fund

is used to provide immediate financial assistance and support to families of construction workers who suffer fatal injuries.

- **World Wildlife Fund (WWF-HK):** joined its Corporate Membership Programme to become involved in both global and local conservation efforts.
- **Hong Kong Red Cross and Salvation Army of Hong Kong:** in-kind donation including blood giving day and moon cake donation.

Volunteering Our Time and Expertise

The "Shui On Seagull Club" is an employee-run association, established as early as 1982, whose dedicated members support various NGOs and charities in Hong Kong and the Chinese Mainland as our volunteers spread the "We Care" spirit. Our employees' time is willingly given both at weekends and during the working week under SOCAM's Community Service Leave Policy.

Support for The Elderly and Disadvantaged

In Hong Kong, our volunteers reach out to the elderly who live alone or without family support. We seek to brighten up their lives through home visits and to reconnect them with the community through various activities such as exercise days, museum visits, nature tours, restaurant visits, often organised in partnership with the Hong Kong Young Women's Christian Association. The Shui On Seagull Club also organises activities for single-parent families, such as an organic farm visit to the Produce Green Foundation.

Helping The Underprivileged Youth in China

In Dalian, SOCAM staff volunteers pay regular visits to disadvantaged children living in a "Children's Village" as a result of parental imprisonment. We help provide such necessities as clothing and educational materials as well as treats and presents on festive occasions. We organised "Our World in Books", an initiative to help a primary school build up a library for its students to gain insights into the wider world beyond.



Visiting disadvantaged children in China

In Chengdu and Chongqing, we continued to conduct visits to schools in rural districts. We visited Mianzhu and supported the victims of the 2008 Sichuan earthquake where 97 underprivileged pupils were granted scholarships to support their education needs.

Volunteer Participation in 2011

No. of staff participating in volunteer activities	967
No. of volunteer hours	3,028

SHUI ON GROUP 40TH ANNIVERSARY CHARITY WALK



CARING FOR THE COMMUNITY

In November, SOCAM organised a company-wide charity event as one of the programmes to celebrate the Shui On Group's 40th Anniversary. In Hong Kong and various cities in the Mainland, our staff joined a charity walk which, together with a corporate donation, raised HK\$1 million for the Chi Heng Foundation that supports children from AIDS-affected families in the poverty areas in the Chinese Mainland. The event received wide support from our colleagues, as part of our long tradition of reciprocating to society by raising money for the needy in the many communities in which we operate.

THE ENVIRONMENT – NURTURING GREEN THINKING

As a responsible company, SOCAM aims to manage effectively and continuously improve our environmental performance.



Creating green communities



Installed energy-saving solar panels

To this end, we integrate environmental considerations into the planning, design, construction, operation and maintenance of all our projects. We set up stringent measures on waste management, conservation of energy and natural resources, as well as employ innovative designs and working practices. We continuously identify areas for improvement and integrate these environmental concerns into our business strategy and practices.

Certifications

SOCAM supports building rating schemes that set rigorous standards on-site and in completed buildings. During the year, our Chengdu Central Point Phase II and the Hong Kong Customs Headquarters Building achieved certifications from the Leadership in Energy and Environmental Design (LEED) of The U.S. Green Building Council and Building Environmental Assessment Method (BEAM) of BEAM Society in Hong Kong respectively.

Meeting or exceeding these standards brings very real environmental benefit, as seen in completed projects in 2011:

Hong Kong Customs Headquarters Building – BEAM Platinum Standard

- A 25.3% annual energy consumption reduction.
- 32.2% fresh water reduction with the use of water saving devices.
- 40% reduction in annual sewage volumes with the use of infra-red urinals and dual flush system.
- Excellent Class in Indoor Air Quality Certification Scheme.

Central Point Phase II, Chengdu – LEED Silver Level of Core & Shell

- A total water saving of 31.9% through the installation of innovative new “low-flow” sanitary fixtures and kitchen faucet.
- A 17.5% saving in annual energy consumption with high-efficiency lighting, air-conditioning and pump systems coupling effective thermal insulation of building envelope.
- 92% of the regularly occupied areas were designed to enjoy daylight to reduce the use of artificial lighting.
- 86% recycling and/or salvaging of the total construction wastes including air brick, reinforced steel, wood and general waste.



Modern, green building design

Other projects are also on target to achieve relevant certification as below:

Property Projects	LEED Certification
Guangzhou Parc Oasis	Target to achieve Silver Level of Core & Shell for clubhouse
Shenyang Project Phase I	Target to achieve Silver Level of Core & Shell for commercial portion
Dalian Tiandi Lot D14 and D22	Target to achieve Gold Level of Core & Shell
Dalian Tiandi Huangnichuan	Target to achieve Silver Level of LEED-Neighborhood Development (Part 2)
Construction Projects	BEAM Certification
West Kowloon Law Court, Hong Kong	Target to achieve BEAM Plus Gold
Staff Quarters for Hong Kong Immigration Department	Target to achieve BEAM Gold
Town Park, Velodrome-cum Sports Centre, Tseung Kwan O, Hong Kong	Target to achieve BEAM Plus Platinum

Waste Management and Resource Use

SOCAM adopts the best green practices in our construction sites accredited with ISO 14001 certification as far as practicable. Key targets for 2011 focused on the adoption of environmentally-friendly materials or practices, waste management mechanisms and the establishment of environmental performance indicators.

In the resources aspect, the use of aluminum slabform in our public housing projects minimises the use of timber as formwork thus conserving forest resources. At our

SOCAM Development Limited

project in Tuen Mun Area 18, the two blocks of 33-storey buildings alone have saved some 52,000 square metres of timber formwork area. Moreover, around 70% of standard aluminum paneling can be reused on other sites. A solar heater system was installed to operate the workers' bathroom to reduce the use of electricity. Other green practices include the adoption of LED lighting and T5 tubes instead of T8, and the installation of timer controls for lighting and air-conditioning systems.

To expedite waste management, a green procurement reference list was compiled and an e-platform for materials exchange among sites at various stages of their life cycle was established to best utilise our

resources. We established seven environmental key performance indicators (EKPIs) to strengthen effective use of resources. Data on the consumption of electricity, water, A4 paper, inert waste to public fill, non-inert waste to landfill, diesel and petrol were collated for analysis of environmental performances.

Green Thinking and Education

On an individual level, SOCAM actively encourages all employees and the community to "go green" in their daily lives.

To help foster a sense of belonging and social responsibility among our employees, various community events and programmes were organised:

- Over 1,000 employees participated in the signing of a "Green Charter" to raise environmental consciousness at work and at home.
- 213 employees participated in the National Tree-planting Day in the Chinese Mainland in March 2011. This farsighted scheme aims to increase forest coverage to 20% of China's land mass.
- A series of slogan and drawing competitions and green education programmes for primary schools and kindergartens.
- A "We Care Green Carnival" to spread green messages to the elderly and low income group was organised.
- The "Action Seedling" greening activity: co-organised with the Hong Kong Housing Authority. The programme distributed seedling plants to primary school students who nurtured the plants and transplanted them into the planters of nearby new estates when sufficiently mature.



ECO FORUM 2011 IN DALIAN TIANDI



The Annual Meeting of the New Champions, the "Summer Davos", is the foremost global business gathering in Asia, last year held in September in Dalian and attended by regional and international business leaders. It proved to be an excellent opportunity for Shui On to host an Eco Forum 2011 at our Dalian Tiandi knowledge community project. Not only could we share from the podium the sustainability vision of the Group, we could also attest to the success of the project's "work, live, learn, play" concept and its benefits to business. Here was sustainability in its progressive realisation.

OUR PEOPLE – SOCAM’S GREATEST ASSET

Our promotion of employee well-being begins with safety on-site and extends to offering opportunities for career, skills and personal development.



Monthly staff birthday celebrations



Comprehensive training programmes

SOCAM’s career development and training programmes match our people’s needs across the many skill sets that are critical to our operations.

We Put Safety First

As a leading company in promoting safety in the industry, SOCAM’s Construction Division continued to place emphasis and resources in ensuring a low accident rate at our sites. In 2011, we achieved a single-digit accident rate for the fourth consecutive year. Our 2011 record of 7.86 cases per thousand workers compared favourably to the industry average of 52 cases per thousand workers in 2010.

Systematic “review of method” studies on operational practices and training needs were conducted along with a series of initiatives to reinforce site safety culture to meet and even exceed legislated standards. These include the annual Target Seminar, Sub-contractor Safety Workshop, a half-yearly survey by a Behavioural-based Safety Working Group, an annual safety culture survey, independent site inspections, a Red-yellow card disciplinary system, sharing of good site practices, and onsite dissemination of safety messages by senior management. The safety incentive system rewarded safety model workers with medical check-up, cake and supermarket coupons and family gatherings while external safety training was arranged further to the training needs analysis.

Employees’ Well-being

At SOCAM, we value each employee as a member of the Shui On community. Across all our locations we have dedicated Family Fun Days where the emphasis is on pure enjoyment and meeting up. In Hong Kong, a fun day at Ocean Park to celebrate Shui On Group’s 40th Anniversary attracted 3,000 participants. In other Mainland cities, various outings were organised to build and strengthen the sense of Shui On community.

Employee wellness is naturally a key concern. The Group supported the Work-Life Balance Week organised by Community Business in October 2011. We organised a series of wellness initiatives to stress the importance of physical as well as psychological fitness. Daily exercises, healthy fruits, movie sharing, and recreational activities were offered.

Employee Development

SOCAM continued to promote a learning culture for all, which has been a pillar of our corporate culture, Shui On Spirit, and helps our employees stay competitive. We established a library system and book exhibition to promote reading. We also encourage sharing of knowledge and interests among employees, mastering calligraphy and use of digital devices were

WHO INTERNATIONAL SAFE WORKPLACE CERTIFICATION

The strong commitment of Shui On towards safety is testified once again in the international arena. Shui On Construction (SOC) and Shui On Building Contractors (SOBC) were among the first four Hong Kong companies accredited as World Health Organisation (WHO) International Safe Workplace in May 2011.

A workplace will be designated as a “WHO International Safe Workplace” if it meets the following assessment criteria:



just two of the classes taught by our colleagues which received positive feedback and reflected the joy of learning in sharing.

Our comprehensive career development and training programmes match our people's needs at various professions and levels. Employees are equipped with necessary professional knowledge and soft skills

- an infrastructure based on partnership and collaboration;
- safe workplace policies;
- long-term, sustainable operational programmes;
- programmes that target high-risk groups and environments, and promote safety for vulnerable groups;
- programmes that document the frequency and causes of injuries;
- evaluation measures; and
- ongoing participation in Safe Workplace networks.

Our participation in this WHO initiative, and our commitment and professionalism in safety, can help promote safety standards and the public image of the industry as a whole, and to help us even further reduce our exceptionally low accident occurrence.

through various training programmes, and are given opportunities to practise these competencies at work with guidance from supervisors. Structured management training programmes continued to serve as a vital talent pool for SOCAM which, coupled with a strong learning culture, contribute to the sustainable growth of the company as whole.

CSR IN THE YEARS AHEAD

The Community

SOCAM operates in economies that are rapidly expanding, with standards of living ever improving. Yet we will continue to recognise, and reach out to, the disadvantaged sections of the community that growing prosperity often leaves behind. Educational opportunities for the young and concern for the elderly will remain equal priorities.

The Environment

New technology, materials and design methodologies are constantly progressing, allowing developers to conserve natural resources and the green part of our environment. SOCAM will actively look to implement innovative ways to be environmentally responsible in project construction and landscaping.

Our People

As the Group expands, we are dedicated to taking our employees with us and give them every opportunity to broaden their horizons to share in our success, finding workplace fulfillment and sharing a real sense of participation while maintaining an important work-life balance.