

CORPORATE SOCIAL RESPONSIBILITY REPORT

Caring for the
ENVIRONMENT

Caring for our
PEOPLE

Caring for the
COMMUNITY



Shui On • We Care

SOCAM's principal areas of operation are in property development and cement production in the Chinese Mainland, and construction in Hong Kong. Each makes a heavy demand on the use of materials and throws up particular challenges in areas such as emissions and workplace safety. The Company diligently employs and monitors the necessary measures to minimise our environmental footprint and promote on-site safety.

SOCAM invests in training and compliance in best practice sustainability solutions, is an early-adopter of modern thinking on waste management and resource use and regularly conducts both internal and external audits to measure results. We seek to strengthen efforts in use of resources and environmental sustainability and meet ever more stringent targets every year based on stringent Key Performance Indicators.

Site safety is a major priority, an area in which, year after year, SOCAM by far outperforms industry standards. Our care and support for all staff extends to promoting their overall wellness, personal growth, skill sets and opportunities for career advancement.

The Group is ever aware of our role as a corporate citizen and seeks ways we can contribute and participate in the communities where we operate. Our goal is to make small but significant differences to the lives of many, particularly the disadvantaged young and the elderly.

In 2013, the Group's commitment to corporate social responsibility gained recognition once again as SOCAM and its four subsidiaries were awarded Caring Company Logo by The Hong Kong Council of Social Service, for the seventh consecutive year.



Corporate Social Responsibility Report

Progress Highlights of 2013

COMMUNITY

Supporting Youth Development	<ul style="list-style-type: none">• Po Leung Kuk – Energetic Youth Club• The Hong Kong Federation of Youth Groups – 'Travel Mission' project• Hong Kong Sea Cadet Corps – overseas exchange programme• Child Development Matching Fund – poverty alleviation programme
Corporate Support in Charitable Events	<ul style="list-style-type: none">• The Community Chest of Hong Kong Corporate and Employee's Contribution Scheme• MTR Hong Kong Race Walking• The Standard Chartered Hong Kong Marathon
Volunteering – Supporting the Elderly and Low-income Families	<ul style="list-style-type: none">• In Hong Kong, 20 events were organised with 121 volunteers for 2,623 serving hours• In Sichuan, support was offered to the Lushan earthquake and donations were raised for the affected students• In Guizhou, paid visits to the elderly who live alone, and provided daily necessities• In Beijing, donating multi-media educational tools to a school

ENVIRONMENT

Conducting Carbon Emissions audit	<ul style="list-style-type: none">• Commissioned a professional consultant to measure for greenhouse gas emission for corporate office and four construction sites
Green Certifications	<ul style="list-style-type: none">• Shui On Construction was accredited with ISO50001 in Energy Management• Construction project "Energising Kowloon East Office" received Platinum rating in BEAM Plus version 1.1• Public housing project in Yuen Long obtained Platinum rating (Provisional) in BEAM Plus version 1.2
Green Engagement	<ul style="list-style-type: none">• Implementation of energy and paper saving and water recycling in the workplace• Conduct Eco Tour with employees• Recycling campaigns at offices and construction sites

PEOPLE

Health and Safety	<ul style="list-style-type: none">• Participated in the Pilot Scheme of Cooling Vest Promotion jointly organised by Labour Department and Occupational Safety & Health Council
Work-life Balance	<ul style="list-style-type: none">• Workplace Health and Wellness Series including Healthy Drinks & Fruits Day, free Body Check and Healthcare Seminars• Launching of 'We Care' week
Learning & Development	<ul style="list-style-type: none">• Lunch & Learn Series, learning programmes for personal growth



Caring for the COMMUNITY

As a responsible corporate citizen, SOCAM's investment in the community takes into account specific societal needs; ways in which we can focus the areas and nature of our contributions. These contributions encompass corporate cash donations and the simple gift of time and concern for others in the long tradition of the

Shui On 'We Care' spirit. SOCAM employees pool a wealth of life and work experience to benefit the wider community.

The Shui On Seagull Club, our employee-run association formed in 1982, works hand-in-hand with charity organisations in both Hong Kong and

Employee Volunteering	2012	2013
No. of staff participation	466	468
No. of employee volunteer hours	2,679	3,444
No. of charity leave taken (hours)	891	792

2013 Voluntary Service Hours: 3,444

28%  Increase on previous year

Mainland China to ensure donations of time and money make a direct positive impact on the lives of the most deserving. Throughout, the Seagull Club receives welcome corporate support. The Company promotes outreach activities during the working week under SOCAM's Community Service Leave Policy. In 2013, this helped to boost our voluntary service time to 3,444 hours, an increase of 28% over the previous year.

Caring for the Elderly and Low Income Families

Caring for the elderly is a growing concern in Hong Kong and the Chinese Mainland. SOCAM partners with charitable organisations to build outreach relationships such as home visits and festive gatherings for our older citizens, particularly those living alone.

Our volunteers devote their time to making regular home visits to offer soup and nourishing food, to lend a sympathetic ear and offer help and advice on any problems they face, and help organise outings for the elderly to foster a sense of community. We also help support lower-income

families and the disabled as we participate in outings and events, including overnight camping.

In Mainland China, SOCAM personnel reach out to the elderly through home visits and the provision of daily necessities. In the aftermath of the Lushan earthquake in Sichuan in April 2013, volunteers from our Chengdu and Chongqing offices

raised funds and visited affected areas in a team effort to help schools return to normal daily lessons and provide learning materials. We work with the Chi Heng Foundation to assist children from AIDS impacted families, in sponsoring educational opportunities and university students' summer camps and help reduce their feeling of isolation from wider society.



Visit to the elderly

Corporate Social Responsibility Report

Youth Development

We invest time and resources in the younger generation, in order to promote learning and self-confidence for the betterment of an individual's values and opportunities and for the benefit of the wider community in the years ahead. Continuity in involvement is critical particularly in areas where we support mentoring programmes for the young and providing opportunities for joining exchange opportunities to broaden their horizons through travel.



Story-telling activity for children with dyslexia

Programme Highlights



Mentorship programme with Po Leung Kuk

- The Group is one of the founding sponsors of Po Leung Kuk Energetic Youth Club which is dedicated to promoting initiative, creativity and a healthy lifestyle in the young. It engenders a sense of responsibility and provides work skills to prepare for life ahead. SOCAM executives have been active in mentorship programmes with Po Leung Kuk.

- We are in the third consecutive year of sponsoring cadets of the Hong Kong Sea Cadet Corps in participating in youth exchange programmes to places such as Singapore and the United Kingdom. Such cultural exchange helps to broaden participants' outlook and develop self-confidence.

- SOCAM sponsored a travel programme organised by the Hong Kong Federation of Youth Groups that invites participants to submit proposals for creative ideas to fulfill a social mission during a fully-subsidised overseas trip. In December, a group of students visited Cambodia to convey the message 'Growing with Fun' that involved designing activities for children from Cambodian orphanages. Our 'We Care' spirit helped these young people from Hong Kong spread the message of concern and help for those with fewer life advantages than themselves.
- We also sponsored the Child Development Matching Fund for its poverty alleviation programme to encourage youth to make monthly savings.

SOCAM provides summer internship programmes to give young people opportunities to develop practical work experience. Orientation is organised to help them familiarise with day-to-day operations and the spirit of co-operation towards a common project goal. In 2013, 21 students interns were recruited from various universities to join the programme, plus 13 from the Construction Industry Council Training Academy.



Sponsor for the 'Travel Mission' Project



Caring for the **ENVIRONMENT**

Environmental management is core to SOCAM's business strategy and practices, particularly in building design and operation and on-site construction methods. As a major construction company in Hong Kong, we continued to seek ways to further minimise the environmental impact of all our operations, across all disciplines.

The Company has for many years been a first adopter of new methodologies that bring about a measurable improvement in conservation of energy and natural resources, waste management and emissions reduction. In the past year we have gone a step further in reinforcing monitoring procedures by introducing third-party auditing of our carbon footprint.

Carbon Emission



Environmental sensitivity in reducing greenhouse gas (GHG) emissions, measurable by quantifying the extent of our carbon footprint in

relation to works in progress, our building design and general office practices, particularly needs expert assessment. To this end, in 2013, the Company obtained annual ISO 14064 certification which specifies principles and requirements for quantifying and reporting GHG emissions. The scope of verification includes physical infrastructure, activities, technologies and processes of corporate office and four construction sites.



Prize-giving ceremony of the Considerate Contractors Site Award Scheme 2012

Major GHG emissions reduction measures implemented during the year so as to reduce our carbon footprint year-on-year include:

- Installation of energy efficient appliances such as T5 tubular fluorescent lighting and setting the central air-conditioning at 25°C.

- Use of the three-colour bin system to facilitate recycling by waste composition.
- Refueling with ultra-low sulphur diesel in all plant machinery to reduce pollution.
- Regular maintenance of all site equipment to enhance operation performance, energy efficiency and life span.

Reported GHG Emission Data (tonnes CO ₂ e)	2012	2013
Direct emissions	656.7	805.1
Energy indirect emissions	2,271.3	1,237.7
Other indirect emission	39,916.4	35,454.6
Total	42,844.4	37,497.4

SOCAM has achieved a 12% year-on-year reduction of the total figure calibrated to construction work in designated construction sites.

Corporate Social Responsibility Report

Waste Management

To maximise the use of material resources, and significantly cut back on waste, SOCAM has in place an online platform for materials exchange between sites at different stages of the construction cycle.

Our use of aluminum slabform to reduce reliance on timber framework helps conserve forest resources. For example, two public housing projects of 33 storeys can save 52,000 square metres of timber framework by using aluminum. Some 70% of this slabform can be re-used on other

sites. We also save water by collecting sewage and waste water from construction sites and purifying it for grey-water reuse.

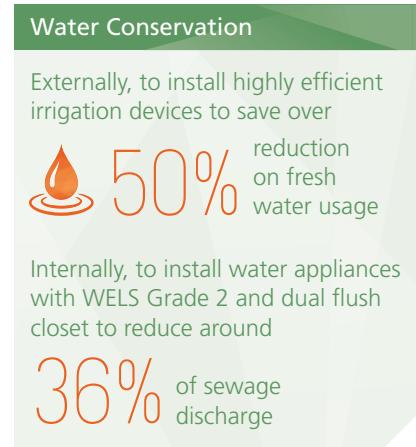
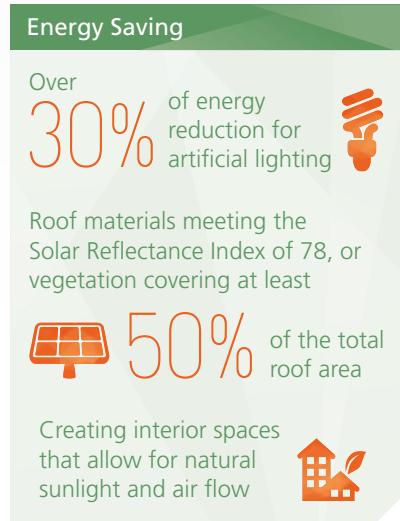
Environmental Certification



During the year, our Energising Kowloon East Office construction project was completed and received Platinum Rating in the final assessment under the BEAM Plus – Building Environmental Assessment version 1.1. To attain the final Platinum (the highest) rating, it's necessary to deliver a building that incorporates very significant contributions to sustainable development over a number of criteria. BEAM Plus for New Buildings includes innovative solutions for Water and Energy use, Indoor Environment quality and Site and Materials sensitivity.

To attain such recognition requires a range of planning, design, construction, operation and management decisions at an early stage of project development. SOCAM's next target is to achieve Platinum Rating for our construction of two towers of public housing in Yuen Long, a site area of 4,300 square metres. Plans for this have already obtained a Platinum Rating of Provisional Assessment under BEAM Plus version 1.2. The challenge is to meet these stringent environmental efficiencies based on a percentage reduction of traditional expectation.

Our goal:



Green Education

Eco-friendly practices in the office and on-site are maintained through developing a culture of green thinking, and through education. SOCAM empowers employees and sub-contractors by enhancing their environmental awareness and knowledge of best-practice solutions through intranet, newsletters, in-house seminars and site visits to view application in practice.

Construction work on a SOCAM project at Lung Yat Estate in Tuen Mun was completed in October 2013. Throughout the project, we worked closely with the Housing Department to implement working guidelines to ensure minimum impact on the neighbourhood and the integrity of existing trees and plants.

An environment protection slogan competition was held with full support from the Housing Department and

schools nearby. To create a green and present living environment, our construction arm held a community planting day; parents and students from the schools within the estate participated.

In the Chinese Mainland, staff of the Chengdu office organised a 'Green World Cup' with Chengdu's local government to promote environmental sustainability.



Caring for our PEOPLE



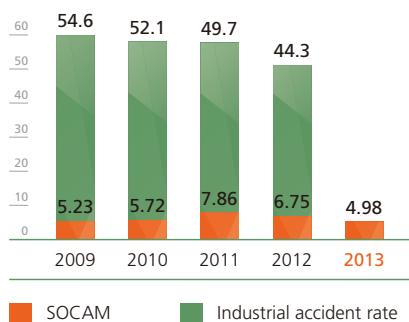
Fruits Day

We regard our employees as our greatest asset. At SOCAM, we are committed to developing their skills and sense of belongings and to creating a positive work environment. We put safety as a top priority. On a daily basis, SOCAM promotes overall wellness and encourages personal growth and work-life balance.

Putting safety above all

By instilling an all-encompassing safety culture in construction practices, we are constantly able to meet, even exceed, industry standards. In 2013, our construction division achieved the lowest accident rate in the past five years.

Accident rate per thousand workers



supervisors and workers on site safety and worker management. In 2013, SOCAM dedicated a total of 53,360 man-hours to all aspects of safety.

During the year, we started our participation in the pilot of the Cooling Vest Promotion Scheme jointly organised by the Labour Department and Occupational Safety & Health Council. This initiative seeks to greatly reduce the risk of heat stroke of our workers. Further measures have also been taken at construction sites as precautions for heat stroke.

We strive to keep our safety procedures under constant review with the aim of achieving continuous



Cooling Vest Promotion Pilot Scheme

improvement, and maintain a rigorous Safety First policy primarily through the OHSAS 18001 accredited Safety and Health Management System. SOCAM's safety incentive system rewards safety model workers and we operate a yellow card/red card scheme as a disciplinary measure.



Construction Safety Forum and Award Presentation

We extend our commitment to safety to subcontractors through organising annual Subcontractors' Safety Workshop and Target Seminar where subcontractors and their site management are invited to participate and share the latest best-practices and legislation in safety, environmental awareness, and the pursuit of quality construction outcomes. We arranged training classes for subcontractors' site

Corporate Social Responsibility Report

Employee Wellbeing

As a caring employer, we were among the first to provide an employee assistance programme provided by external professional therapists. Employees who may be experiencing stress-related or psychological problems have access to free counseling.

To reinforce our year-round commitment to work-life balance and creating a harmonious work environment, we organised a We Care Week with the theme of 'Happy Organisation, Positive Community'. We

offered a number of in-house activities, including health talks, work-life balance seminars and exercise sessions. The We Care Week attracted 862 participants from the Group.

Our Recreation Club organised a variety of activities for employees, covering gatherings, soccer games and outings. The five activities organised during 2013 met with overwhelming interest, with 471 participants in total.

Over 25 events were organised by employees in 2013, with more than 800 staff members participating.

Among these are:

- Lunch & Learn Series – sharing programmes for individual interests, learning programmes for personal growth, promoting a learning culture, etc.
- Work-Life Balance – Chinese opera interest club, external recreation activities, family outings, etc.
- Wellness and Health initiatives – Baduanjin exercises, Healthy Drinks & Fruits Day, Health Topic Sharing, Body Check-ups, etc.

People Development

SOCAM commits to continuous training opportunities by offering a number of courses for developing professional/technical competency. The Trainee Foreman programme and Graduate Training programmes, in particular the Graduate Engineer Training programme, help nurture trainees seeking to rise to a position of leadership and responsibility in the construction industry. This involves three years of on-the-job training covering both technical and soft-skills mentoring.

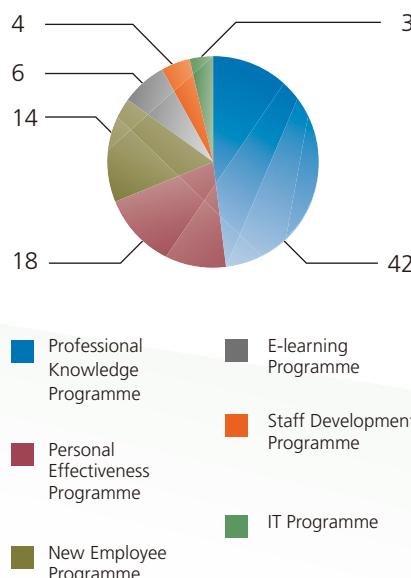
People development initiatives include:

- ▶ Sponsorship for external training
- ▶ Internal Training Programmes
- ▶ Career Development Programmes, e.g. Graduate Engineer Training
- ▶ Health, Safety and Environment Trainee Development Programme
- ▶ Construction Craftsman Training, an apprenticeship programme
- ▶ Trainee Foreman Programme, Largely conducted on-site.

▶ Contractor Cooperative Training Scheme, practical instruction to develop much-needed on-site competencies in the construction industry.

Continuous learning opportunities are a cornerstone of employee workplace fulfillment and promotion pathways. These are supplemented by a number of activities to promote physical and psychological health and the

Number of training courses conducted in 2013 by topic



Team building

sharing of knowledge and interests in presentations conducted by the staff themselves. To encourage life-long learning, books and other materials in our in-house library can be accessed via the staff website.

Relevant training and development courses are arranged from time to time to strengthen management and operational skills at all staff levels.

SOCAM total training hours

