

CORPORATE SOCIAL RESPONSIBILITY REPORT



Youth Travel Mission Project



Drama Activities for Primary School Students with Special Education Needs



Visit to the Elderly



Mother's Choice Walkathon



Tree Planting Activities

OUR COMMITMENT

PROGRESS HIGHLIGHTS OF 2014

CARING FOR OUR
PEOPLE



CARING FOR THE
ENVIRONMENT



CARING FOR THE
COMMUNITY



OUR COMMITMENT

The Group was founded on a corporate culture of integrity, innovation, quality and excellence. As a responsible business, we also regard CSR as an integral part of our business philosophy and outlook. We consider it fundamental to our core strategies and daily operations that we enhance the safety and wellbeing of our employees, are effective stewards of the environment and reach out to those in the wider community.

Our CSR commitment has come a long way since 1982 when we set up the Shui On Seagull Club as a voluntary social service unit to undertake charitable projects for the benefit, particularly, of the elderly, the handicapped and underprivileged children. Since then, and in a changing world, our responsibilities have considerably widened, and focus on three key areas – Community, Environment and our People.

In line with this understanding, in 2008 we first set out our CSR principles and commitment in a Policy Statement.

The coordination and oversight of the implementation of this Policy are undertaken by our CSR Steering Committee which is further responsible for promoting the personal involvement of our employees in all facets of its codification to cultivate a strong “Shui On – We Care” brand.

The management of each business operation in the Group is responsible for identifying and adopting systems, certifications and practices applicable to their operational sphere. They also establish yardsticks for measuring outcomes achieved.



Beijing Colour Run



Chengdu Tree Planting



Sports Day for the Disabled and Non-Disabled

CARING FOR OUR PEOPLE

Employees are our greatest asset. We are committed to embracing the level of engagement, health and safety, overall wellness and personal growth of our employees.



CARING FOR THE ENVIRONMENT

Devoting systematic efforts towards the conservation of energy and natural resources as well as reduction of waste and emissions at both business operation and individual levels.



CARING FOR THE COMMUNITY

Building a “We Care” culture throughout Shui On and contributing resources to charitable causes and educational initiatives in the community.



PROGRESS HIGHLIGHTS OF 2014

During the year, SOCAM advanced our CSR practices on all fronts. We were among the first group of listed companies to join the carbon footprint repository (CFR) scheme. The CFR is an online platform developed by the Environment Bureau for Hong Kong listed companies to lodge their contributions and efforts in auditing their carbon footprints and disclosing their carbon data.

In line with our commitment to greater transparency and international standards of reporting, we are reporting this year taking into account the new Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

ENVIRONMENT

REPORTED GREENHOUSE GAS EMISSIONS (GHG)



77,360

tonnes CO₂e

2013: 37,497 tonnes CO₂e

Remarks: Two more constructions sites are included in the 2014 calculation



BEAM PLUS CERTIFICATION

The Sports Centre, Community Hall and District Library Complex in Shatin under construction obtained **BEAM Plus V1.1 Provisional Platinum** rating by Hong Kong Green Building Council

COMMUNITY

NO. OF VOLUNTEERING HOURS



3,602
hours

2013: 3,444 hours

NO. OF STAFF PARTICIPATION IN VOLUNTEERING

512 😊😊😊

2013: 468

PEOPLE

ACCIDENT RATE PER 1,000 WORKERS

8% ⚠️

2013: 7%

INJURY RATE PER 1,000 WORKERS

7.74% 🧑

2013: 6.92%

*Figures of Shui On Building Contractors, Shui On Construction, Pacific Extend and Pat Davie

NO. OF TRAINING HOURS

18,234 📅 hours

2013: 17,007 hours



SOCAM and its 4 subsidiaries (Shui On Building Contractors Limited, Shui On Construction Limited, Pat Davie Limited and SOCAM Asset Management Limited) were awarded the 5 Years Plus Caring Company Logo by The Hong Kong Council of Social Service in recognition of SOCAM's efforts in promoting corporate social responsibility.



SOCAM won Silver Award (Enterprise Category) in the 5th Hong Kong Corporate Citizenship Award Scheme by Hong Kong Productivity Council, recognising the Company's effort on employee wellbeing, sustainability, business ethic, contribution to community and CSR effectiveness.





CARING FOR OUR PEOPLE

WORKPLACE QUALITY

We regard our employees as our greatest asset. Safety, people development and staff wellbeing have been the key focus of our human resources commitment during the year under review. On a daily basis, SOCAM promotes overall wellness and encourages personal growth and work-life balance.

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.

For many years, SOCAM’s construction division has recorded accident figures significantly below the industry average; in 2014, we recorded eight cases per thousand workers. This is achieved through established best practices, training and regular inspection. There were 32 non-fatal injury cases during the year.

HEALTH & SAFETY



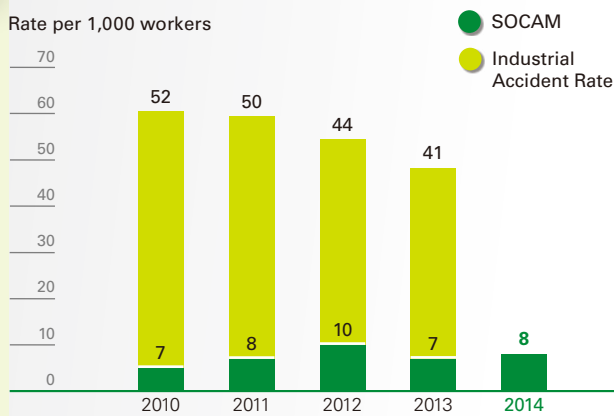
Prevent Heat Stroke at Work

SOCAM’s major operating businesses comprise property, construction and cement. Naturally, the nature of our day-to-day operations means that we have to address a risk profile that is pertinent to construction-related activities, thereby attaching great importance to occupational health and safety. Our Health, Safety and Environment Department monitors the Company’s policies, their implementation and performance. A Policy Statement in this regard, issued in 1998, provides the template for how the Group protects the physical wellbeing of our employees. Considerations for health and safety are given the highest priority in matters of design, methods, materials, waste and equipment.

In 2014, SOCAM’s construction division recorded a total of 86,944 number of participation, including subcontractors’ workers, for all site health, safety and environmental trainings (57,934 in 2013). Part of this time was valuably spent in conducting the annual Subcontractors’ Safety Workshop and Target Seminar, where both events attracted over 500 participants including our external partners and subcontractors. Through sharing the latest approaches to safety management and updates on legislative requirements, we encourage our partners to achieve the highest standards in health and safety. The seminar also presents an opportunity to focus on

ACCIDENT RATES

Rate per 1,000 workers



environmental awareness and the pursuit of quality construction outcomes.

During the year, we participated in a recently introduced safety promotion programme to carry out health checks and prevent heat stroke at work, led by the Hong Kong Construction Industry Employees General Union and the Labour Department of the HKSAR.

TYPE AND NUMBER OF WORK INJURY	2013	2014
Fatal	0	0
Non-fatal	29	32
Injury Rate (per thousand workers)	6.92	7.74



Health, Safety and Environment Target Seminar

TRAINING AND DEVELOPMENT

SOCAM continues to promote a learning culture, which has been a pillar of our corporate culture, 'Shui On Spirit', and puts emphasis on the value of our human capital. With structured career development and training programmes and other campaigns focusing on self-learning, our people of all levels are well-equipped to excel at work and in personal development.

The Company provides comprehensive training programmes to meet the needs of all staff levels.

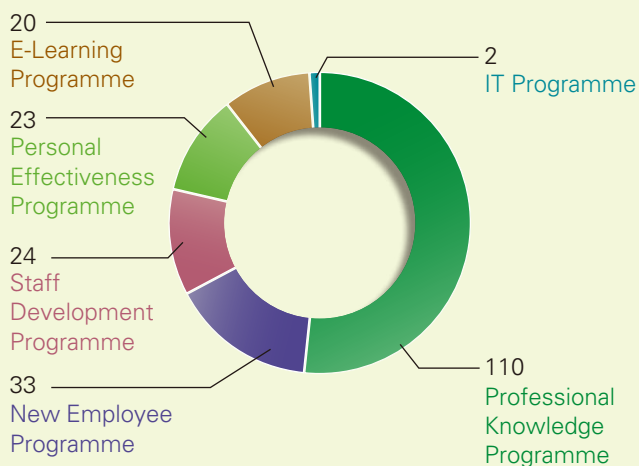
Training programmes include Advanced and Fundamental Management Programmes, New Employee Programme, Personal Effectiveness Programme, E-learning Programme, etc.

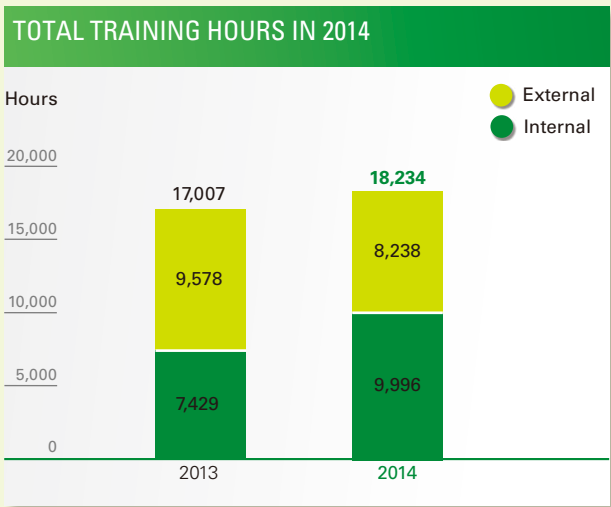
In recent years, Hong Kong has experienced a booming construction industry, resulting in a serious shortage of manpower. To cope with this challenge, SOCAM has been proactive in advancing staff operational knowledge and technical competency during the year, through a series of in-house training programmes.

In the prevailing competitive market for construction talents, we continue to use various recruitment channels to attract young talent and provide career development opportunities.

These include our Graduate Engineer Training Programme that involves three years of on-the-job training focusing on both technical and personal competencies, Apprenticeship Training Programme, the Trainee Foreman Programme and Construction Craftsman Training.

NUMBER OF TRAINING COURSES CONDUCTED IN 2014 BY TOPIC





Outward Bound Corporate Challenge 2014

EMPLOYEE WELLBEING



Book Fair at Construction Site



Kick-out-Poverty Charity Football Match

At SOCAM, we value each employee as a member of the Shui On community and seek to ensure their overall wellbeing. We adopt a holistic approach embracing physical, emotional, recreational, intellectual and occupational aspects. We aim to create a harmonious workplace, promoting friendships and family fun in the wider consideration of life fulfillment.

In Hong Kong, 41 events were organised for employees, with over 4,600 staff participating. These activities include various outings and recreational programmes, daily exercises, healthy fruits, sharing sessions. An interest group development fund was developed during the year to encourage sharing of interests among employees and promote the joy of learning.

Our ‘Lunch and Learn Talks’ are more casual forms of exchange that deal with a wide range of popular topics, including health and nutrition talks, work-life balance seminars and exercise sessions. Other wellness initiatives feature laughter yoga workshops, massage sessions, baduanjin exercises and eye check-ups. They provide an opportunity for employees to widen their knowledge, and help to share their personal interests.

In addition to our efforts to ensure physical safety, SOCAM also has an Employee Assistance Programme operated by an external party to provide professional counseling services. This programme has successfully helped a number of employees deal with work or personal issues throughout the years.



CARING FOR THE ENVIRONMENT

ENVIRONMENTAL PROTECTION

SOCAM aims to effectively manage, and continuously improve, our environmental performance. We set up stringent measures on waste management and 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.

GREEN CERTIFICATION

On-site environmental awareness is critical at the earliest stage of project planning. In our construction division, an environmental management plan is developed to control and monitor the emissions from the site during the construction stage and to prohibit the use of environment harmful substances. The efficient use of materials is carefully monitored to promote waste reduction, and we set up waste recycling facilities dedicated to the project.

These initiatives, together with the rigorous standards set, once again enable our construction project obtain certification from the U.S. Green Building Council and the local Building Environmental Assessment Method (BEAM) in 2014.

SUSTAINABLE DEVELOPMENT – A PROJECT SNAPSHOT

SPORTS CENTRE, COMMUNITY HALL AND DISTRICT LIBRARY COMPLEX, SHATIN

The project meets six key aspects of environmentally sensitive design: site aspects, materials use, energy use, water use, indoor environmental quality, as well as innovations and additions. According to research carried out by the Hong Kong Green Building Council, buildings with a BEAM Plus Platinum rating on average consume 30% less energy and 39% less water than the baseline values.

The complex will use building-integrated photovoltaics (BIPV) panels on the library block roof generating a predicted 10 megawatt-hours a year from solar energy. It will feature high-performance water-cooled chillers, over 1,800 square metres of vertical fin shading, and numerous other features that represent the most modern technology and design. 'Soft landscaping' will cover 35.6% of the site area. This makes the use of trees, shrubs and flowers and includes vegetative horizontal and vertical elements of the building itself.

The project is due for completion in 2015.



Provisional
Platinum rating
under BEAM
Plus V1.1



Sports Centre, Community Hall and District Library Complex in Shatin

CARBON FOOTPRINT

Minimising carbon emissions is central to the Group's concern with global climate change. By measuring the extent of our carbon footprint in relation to works in progress, and our building design and general office practices, we are able to identify major sources of greenhouse gas (GHG) emissions and thereby instigate effective reduction measures. These include promoting the use of cleaner energy sources and renewable energy and ensuring energy efficiency and conservation. We also encourage afforestation and promote employee awareness.

SOCAM has been verified for the GHG emissions and removals in accordance with ISO 14064 which specifies methodology and requirements for reporting GHG emissions.

REPORTED GHG EMISSION DATA (tonnes CO ₂ e)	2013	2014
Direct Emissions	805	1,277
Energy Indirect Emissions	1,237	1,934
Other Indirect Emissions	35,454	74,148
TOTAL	37,497	77,360

Total GHG emission is ever dependent on project activity, and development in different stages of construction. 2014 was an exceptional year in terms of the consumption of steel and concrete over four substantial sites of the Group.

SOCAM continued to implement GHG emission reduction measures during the year, including:



Reduction of the number of trips by dump trucks through implementation of waste management plans



Use of the three-colour bin system to facilitate recycling by waste composition



Regular maintenance of all site equipment to enhance operational performance, energy efficiency and working life span



Refueling with ultra-low sulphur diesel in all plant machinery to reduce pollution

WASTE MANAGEMENT

To maximise the use of construction materials and cut back on waste, an online platform for materials exchange between construction sites continues to yield recycling dividends. In 2014, we have advanced our use of aluminium slabform, 70% of which can be disassembled and employed on other sites. This reduces dependence on timber framework and helps to conserve forest resources.

By subscribing to and meeting ISO 50001 Energy Management protocols, we adopt on-site and office energy management plans through a series of baseline performance indicators and energy targets, supported by regular audits and comprehensive training for staff. We use devices like timer controls and motion sensors for electrical appliances and lighting systems, adoption of LED lighting, and solar power water heater systems.

GREEN ENGAGEMENT

Education plays its part. The Group helps foster a sense of social responsibility and to think green among our staff and the wider community through creative initiatives. In 2014, various green education campaigns were organised:

- Green office campaigns: a series of promotional display and energy saving competition were used to enhance our colleagues' environmental awareness.
- Recycling campaigns were organised on a regular basis for the collection of used red pockets, moon-cake boxes, books and computers.
- Organised eco tours and tree planting activities to promote the appreciation of nature.



CARING FOR THE COMMUNITY

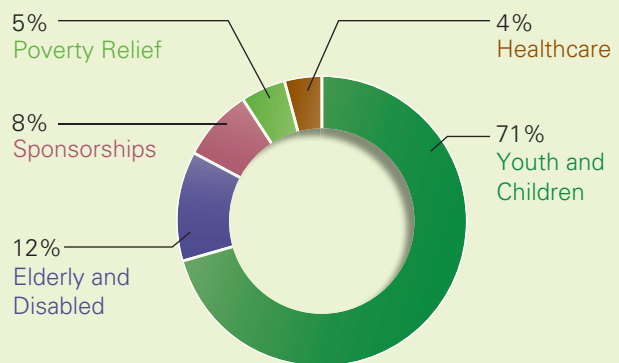
SOCAM's community involvement covers charitable donations and corporate sponsorships that contribute to the communities in which we operate. We also actively encourage our employees to participate in volunteer work, predominantly focusing on youth development and care for the elderly over the years.

As a company with strong roots in Hong Kong, SOCAM has always valued our relationship with the stakeholders. We support fund-raising events organised by various Non-Governmental Organisations and charities in Hong Kong and the Chinese Mainland. In 2014, as part of SOCAM's commitment to 'Caring for the Community', we donated approximately HK\$2.9 million to different community causes with a focus on children, young people and those with special needs.

In terms of volunteering, the Shui On Seagull Club has, since 1982, proven to be effective in motivating

and mobilising staff in the fellowship of goodwill for the benefit of the community. In 2014, 512 SOCAM participants gave 3,602 hours in support of charitable events.

CORPORATE DONATIONS BY COMMUNITY CAUSES



SUPPORTING YOUTH DEVELOPMENT



Youth Mentorship Programme

Supporting opportunities for youth development has long been an important focus of the Group's corporate social responsibility programme. Over the years, SOCAM has been privileged to be able to provide our support and reach out to young people. In 2014 we have donated to, among others, the following initiatives:

The Hong Kong Federation of Youth Groups – Travel Mission Project

The Travel Mission Project is a travel programme that invites 18-35 year-olds to submit proposals for creative

ideas to fulfill a social mission during a fully-subsidised overseas trip. It allows participants to display initiative and planning and see the world. One such SOCAM-sponsored mission was to recruit young volunteers in Hong Kong to meet and mentor children at Cambodian orphanages.

Lin Yao Ji Music Foundation of China – School Outreach Program

Sponsorship for young musicians from six schools. The Foundation is in the pilot stages of teaming up with selected local schools in developing and supporting their music curriculum.

Commission on Poverty, HKSAR – Upward Mobility Scholarship

Six scholarships are awarded to less privileged students from secondary schools, special schools and vocational training schools who have shown marked progress in personal development, or have demonstrated resilience and a positive attitude in the face of adversity.

CARING FOR THE ELDERLY AND DISADVANTAGED



Visit to the Elderly for Mid-Autumn Festival

Caring for the elderly continues to be a growing concern in both Hong Kong and the Chinese Mainland. Building outreach relationships with our older citizens, particularly those with mobility problems and those living alone, continues to be one of the most worthwhile contributions we can make to society.

Our volunteers devote their time to making regular home visits and organising gatherings for the elderly, particular during festive seasons. Shui On Seagull Club is a long-term partner with the Young Women's Christian Association (YWCA) to provide services to care for the elderly living in Sham Shui Po district in Hong Kong. We also organise outings for the elderly to foster a sense of community and help reduce their feeling of isolation.

Upholding the same commitment, our project offices in the Chinese Mainland are active in reaching out to the elderly in the communities in which we operate. Regular home visits were paid to the elderly, particularly in rural areas to provide daily necessities, and during festivals.

In addition to the elderly, SOCAM also reaches to the disabled. Our volunteers joined the 'Night Orienteering Adventure' organised by Unleash Foundation where we teamed up with the disabled and finished orienteering activities. Volunteers from our Chinese Mainland office also paid visit to the local rehabilitation station.

OUR VOLUNTEER TEAM

We continued to extend our presence in local community development through addressing social needs and help neighbouring communities to solve difficulties in life. In Hong Kong, working hand-in-hand with the Hong Kong Family Welfare Society, we served children with special education needs through drama training in order to explore their future in innovative ways. Our volunteers joined a large-scale voluntary event 'Stargaze Camp' organised by some 70 corporations, NGOs and Institutes along with the Social Welfare Department where we gave on-day logistics support and took care of the participants to promote mutual support. Our volunteers also joined and supported the Rehabilitation Sports Day organised by the Hong Kong PHAB Association to promote sports and social inclusion.

Other major activities included participation in youth mentorship programmes to progressively lead a positive outcome for the youths, taking disadvantaged youngsters on days out, raising money for the disadvantaged through the Group's annual charity walk, and engagement in charity sports races, football matches and book fairs.

In 2014, SOCAM organised 15 volunteering events to help those in need. The company also promotes outreach activities during the working week under SOCAM'S community service leave policy. In 2014, this helped to boost our voluntary service time and number of staff participation.

In view of the continuous commitment to the local community, SOCAM was invited to be a Member of the Social Welfare Department subcommittee on Promotion of Corporate Volunteering.

EMPLOYEE VOLUNTEERING

