

# ■■■ CORPORATE SOCIAL RESPONSIBILITY REPORT

## CONTENTS

31	CSR Mission
33	Our Stakeholders
34	Key Figures in 2015 / Awards and Recognition
35	Community Involvement
38	People
41	Environment



# CORPORATE SOCIAL RESPONSIBILITY REPORT

SOCAM's corporate culture is based on the Shui On Group's adherence to a comprehensive set of corporate governance principles, and our commitment to quality, integrity, innovation and excellence in everything we do.

Shui On Corporate Mission Statement, introduced in 1984, sets the foundation for building our corporate culture and it embodies our emphasis on corporate social responsibilities. It defines our core objectives regarding a sustainable business model, our relationships with clients, responsibilities to our people and our management philosophy and corporate culture.

## We believe in:

- cultivating a set of shared values on which all our policies and actions are based;
- integrity, objectivity and fair play in business and staff relationships to foster mutual trust and respect;
- providing our clients with quality service and products;
- an environment in which our people can excel, develop and grow with the company.



In 1993, the Shui On Group embarked on its Total Quality Management journey, and we were among the earliest business operations to adopt ISO standards in areas such as Environmental Management and Occupational Health and Safety Management, progressively employing unambiguous and systematic procedures to be embraced by all personnel as well as building a health, safety and environment-friendly culture among our staff.

As early as 1982, the Shui On Seagull Club was formed which organised and promoted community service activities among staff. Before that, Shui On had already set up a Training Department, underlining its commitment to staff training and development.

SOCAM's overall CSR principles were then foregrounded and codified in a Policy Statement of 2008, with coordination and oversight undertaken by a CSR Steering Committee.



# CORPORATE SOCIAL RESPONSIBILITY REPORT

## UPHOLDING OUR CSR COMMITMENT

In a changing world, SOCAM's CSR responsibilities are not static. We remain alert to the rapid technology developments and methodologies that allow us to save power and reduce our carbon footprint. In 2015, we reduced our Greenhouse Gas (GHG) emissions by 12% compared to last year. Our timber consumption dropped gradually as we increased use of reusable aluminum formwork.

Despite facing operating headwinds as we refine our business focus, the Company has been able to sustain our CSR commitment. Last year, our staff volunteering hours, in reaching out to the wider community, increased by 21%.

For our people, we focus on training programmes and development opportunities to enhance their personal growth, a rigorous concern for site safety as well as general staff health and wellbeing, making Shui On a better place to work.

## SOCAM'S THREE CSR IMPERATIVES

### THE COMMUNITY, THE ENVIRONMENT, OUR PEOPLE

SOCAM's 'We Care' spirit dates back to 1982. Through the Shui On Seagull Club, a staff charitable association, we encourage our employees to participate in volunteering work serving the needy.

As concerns about resource depletion and a changing climate became a global imperative, SOCAM had begun to upgrade our approach to building construction and landscaping for a more sustainable environment, introducing ways to reduce GHG emissions and improve waste management and re-use of materials.

We look for every possible way to ensure the safety of our workforce. Over the past five years our accident rates per 1,000 workers have been consistently below that of the industrial accident rate average.

Of parallel concern is the personal growth, development and wellbeing of all employees.

In all areas, we put in place measures to quantify our CSR performance. Through internal and external audits, we are able to find further incentive for improvement.

Our CSR reporting follows guidelines and principles laid down by the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong that covers areas including Environmental and Social considerations.



Barrier Free City Orienteering Competition



Nanjing Tree Planting



Workshops for Children with Special Education Needs

## OUR STAKEHOLDERS

SOCAM's core businesses involve property and construction. As a listed company in Hong Kong, we uphold a strong commitment to corporate governance and open communications. The following table outlines our relationships with our key stakeholders:



### Subcontractors And Suppliers

Sub-contracting is a necessary and valuable part of our resource base. We work closely with our partners through regular meetings and target seminars to ensure a seamless understanding of our project standards and adherence to health and safety measures. We organised safety and environmental workshops for subcontractors and their site-in-charges where more than 246 participants were present. We recorded a total of 97,055 man-hours in all on-site health, safety and environment training.



### Investors/Shareholders

Transparency and clarity are key to investor confidence. Through our website, annual general meetings and special general meetings, we maintain an ongoing active dialogue with shareholders. During the year, a number of investor meetings were conducted.



### Employees

We conduct open and transparent performance appraisals. Training courses, Intranet channels, staff newsletters and management access help facilitate better communications.



### General Public

Construction project offices keep a close relationship with the local neighbourhood to ensure the minimal impact on daily lives. Our staff also engages with local communities through active volunteering.



### Clients

Our relationship with clients is well-established, and we are dedicated to conducting open dialogue through regular meetings and communication. We regard SOCAM's reputation for on-time, on-budget project delivery as paramount. A target seminar is held every year where government authorities and clients are invited to give speeches to management staff and subcontractor representatives. More than 254 participants attended in 2015.



### Media

Regular press releases, meetings and responsiveness to enquiries allow us to keep an open dialogue with the general public.



### Tenants

SOCAM property projects seek to create high-functionality interiors and a pleasurable exterior environment.

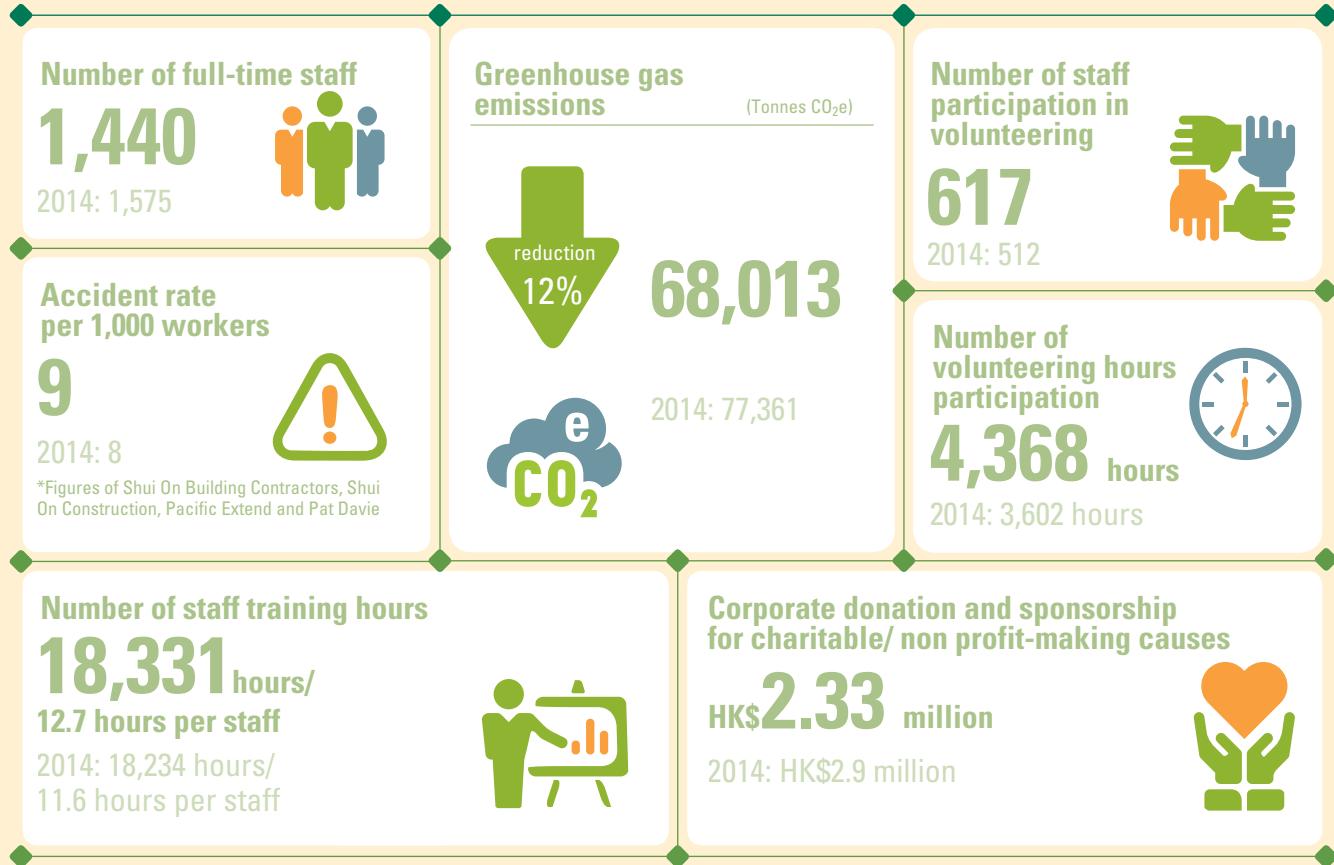


### Property Buyers

From purchase to after-sales, we seek to engender long-term satisfaction and relationships.

# CORPORATE SOCIAL RESPONSIBILITY REPORT

## KEY FIGURES IN 2015



## AWARDS AND RECOGNITION

- Caring Company Logo by The Hong Kong Council of Social Service for nine consecutive years
- The 6<sup>th</sup> Hong Kong Outstanding Corporate Citizenship Award Enterprise Category (Merit Award) and Volunteer Team Category (Bronze Award) by Hong Kong Productivity Council

### ENVIRONMENTAL PERFORMANCE

- (Merit Award) Hong Kong Awards for Environmental Excellence 2014 Construction Industry – So Uk Estate Phase 1
- (Merit Award) 21<sup>st</sup> Considerate Contractors Site Award Scheme – Outstanding Environmental Management and Performance Award – CLP Power's Premises
- Wastewi\$e Certificate of the Hong Kong Green Organisation – So Uk Estate Phase 1 and 2

### SAFETY

- (Gold Award) Safety Management System Award in the 14<sup>th</sup> Hong Kong Occupational Safety & Health Award
- (Gold Award) Construction Safety Forum and Award Presentation 2015 – Best Safety Culture Activity Team – Public Rental Housing Development at San Po Kong
- (Gold Award) Construction Industry Safety Award Scheme 2014/2015 – Minor Renovation & Maintenance Works – CLP Power's Premises
- HKCA Proactive Safety Contractors Award for the year 2014 by Hong Kong Construction Association

# COMMUNITY INVOLVEMENT



- ◆ **SUPPORTING YOUTH DEVELOPMENT**
- ◆ **CARING FOR THE ELDERLY AND DISADVANTAGED**
- ◆ **OUR VOLUNTEER TEAM**



Young Samaritans Peer Support Programme

SOCAM continued to reach out into the communities in which we operate, offering financial help, opportunities for advancement and care, concern or support from staff volunteers.

During the year, community volunteering hours by SOCAM staff increased by 21%, as more friends and relatives of our employees participated in the events to extend

fellowship and goodwill. In 2015, we donated approximately HK\$2.33 million to different community causes with a core focus on the training and development of children and youth, the wellbeing of the elderly and poverty relief. As a key industry player in construction, we also constantly support occupational health and safety activities and industry events.

## SUPPORTING YOUTH DEVELOPMENT

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 through various programmes in order to promote learning and self-confidence for the betterment of and individual's values and opportunities for the benefit of the wider community. In 2015 we have donated to, among others, the following initiatives:

- The Samaritans – Young Samaritans Peer Support Programme to provide peer support to distressed youths in response to a growing concern over the number of teenagers committing suicide.
- Ronald McDonald House Charities Hong Kong to support families with seriously sick children
- Asian Youth Orchestra – Scholarship open to young musicians
- Principal Chan Free Tutorial World – Playgroup for Toddlers for low-income families
- Support to orphanages and children in Guizhou, Chengdu, and Shanghai

## CORPORATE DONATIONS TO COMMUNITY CAUSES



**42%**

Youth and Children



**25%**

Poverty Relief



**19%**

Industry Development



**4%**

Healthcare



**10%**

Elderly and Disabled

# CORPORATE SOCIAL RESPONSIBILITY REPORT

We also provide an internship programme for the young people to gain practical experience in the industry so as to facilitate their future career planning. 44 interns were recruited and worked in various departments in 2015.

## CARING FOR THE ELDERLY AND DISADVANTAGED

The elderly population in Hong Kong has increased 5% in the last 15 years and is forecast to increase further over the next 10 years. It currently makes up 17% of the population. The Chinese Mainland mirrors this ageing demographic trend. The gradual demographic change brings along different social needs.

Our volunteers are devoted to build outreach relationships for our senior citizens, and are putting in more efforts in 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 to provide services to care for the elderly living in Sham Shui Po district in Hong Kong. Themed 'Experience a Colourful Life', we organised outings for the elderly to the Peak, a Mid-Autumn Festival party with special performances, and handmade craft sessions. Volunteers bought soup regularly for the elderly to foster a sense of belongings 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. In Guizhou, volunteers paid visits to the elderly

who live alone in rural areas, to show care and provide them with certain daily necessities.

In addition to the elderly, SOCAM also reaches out to the disabled. Our volunteers joined the 'Barrier Free City Orienteering Competition' organised by the Hong Kong PHAB Association by teaming up with the disabled in outdoor adventure. Also, in Guangzhou, volunteers paid visits to the local rehabilitation centre, with ten staff participating.

## OUR VOLUNTEER TEAM

We continued to extend our involvement in local community development. In Hong Kong, working hand-in-hand with the Hong Kong Family Welfare Society, we served children with special education needs through drum workshops, planting and art classes in order to explore their potential, and to encourage essential life-long learning experiences.

Our volunteers joined a large-scale voluntary event '30-Hour Famine' camp organised by World Vision Hong Kong where we gave support in group activities for the participants. Our volunteers also joined and

co-organised rehabilitation sports days with the Hong Kong PHAB Association to promote sports and social inclusion. This year we again took part in the 'Stargaze Camp' organised by the Social Welfare Department of HKSAR Government to show our continuous support to the disadvantaged. 'Race for Water' was another activity where we experienced the hardship of peasants living in arid areas of China and raised funds for improving their lives.

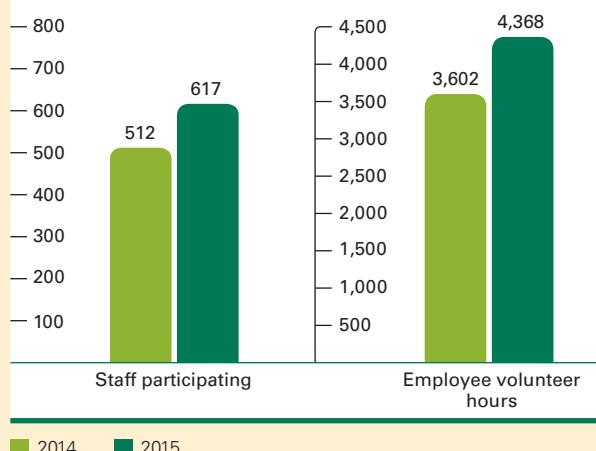
Other major activities included participation in youth mentorship programmes, collecting used books for charity organisations to promote reading, raising money through the Group's annual charity walk for buying equipment for an elderly centre to address the daily needs of the elderly, and engagement in charity sports races, orienteering competitions and blood donation.

In 2015, SOCAM organised 35 volunteering events to help those in need. The company also promotes outreach activities during the working week under SOCAM'S community service leave policy.

4



### EMPLOYEE VOLUNTEERING





1: 'From Darkness to Sunrise' City Orienteering Competition  
2: Children's Day Activity for Primary School Students in Chengdu  
3: Mid-Autumn Party for Children with Special Education Needs and the Elderly

4: MTR Race Walking  
5: Rehabilitation Sports Day  
6: Skip-a-meal in Nanjing  
7: Race for Water 2015  
8: Christmas activity for Left-behind Children in Shenyang  
9: Stargaze Camp for All and the Blind

# CORPORATE SOCIAL RESPONSIBILITY REPORT

## PEOPLE



- ◆ **HEALTH AND SAFETY**
- ◆ **EMPLOYEE WELLBEING**
- ◆ **TRAINING AND DEVELOPMENT**
- ◆ **ANTI-CORRUPTION**



Site Visit for Graduate Engineers

### TOTAL NUMBER OF FULL-TIME STAFF

at 31 December 2015

**1,440**

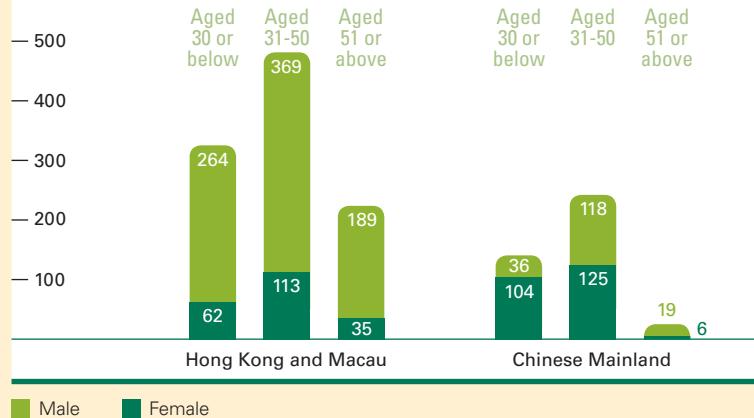
2014: 1,575



As at 31 December 2015, we employed a total of 1,440 full-time staff, located in Hong Kong, Macau and the Chinese Mainland.

SOCAM has established a loyal workforce and has built competent teams in its operations. In recent years, SOCAM continued to attract, retain and develop talents in the highly competitive construction industry in Hong Kong through executive development and management trainee programmes. Increasing construction activities and projects in Hong Kong will continue drive demand for talents,

### OUR EMPLOYEE PROFILES



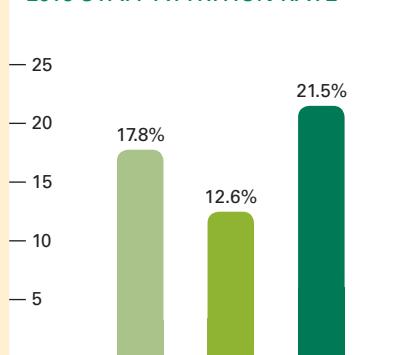
and it remains our objectives to be regarded as an employer of choice to retain high caliber competent staff. Our attrition rates averaged 17% in 2015.

## HEALTH AND SAFETY

Health and safety is a high priority especially for our construction operations which were among the first in Hong Kong to achieve

internationally recognised standards such as OHSAS 18001. We have successfully secured the certification of International Safe Workplace designated by the World Health Organisation (WHO). Senior management actively leads initiatives involved in our 3-tier Health, Safety and Environment (HSE) organisation, and commits to providing all necessary for effective implementation in this aspect.

### 2015 STAFF ATTRITION RATE



## OUR POLICY STATEMENT

1

Considerations for HSE shall be given the highest priority in matters of design, methods and equipment.

2

The concern for HSE is the responsibility of every employee and subcontractor of the company.

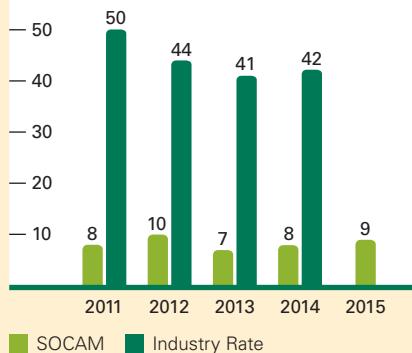
3

Through continuous upgrading of standards, the company's ultimate aim is to reduce the number of industrial accidents to the minimum; provide a healthy and pleasant working environment.

## ACCIDENT RATE:

We strive to keep our health and safety best practices and procedures under constant review with the aim of achieving continuous improvement, and maintain a rigorous 'Safety First' policy. Over the past five years our accident rates per 1,000 workers have been consistently below that of the industry average. In 2015, we recorded a total of 44 accidents, which represents a rate of nine cases per thousand workers. None were fatal cases.

### ACCIDENT RATE (NUMBER OF ACCIDENTS PER 1,000 WORKERS)



### TYPE AND NUMBER OF WORK INJURY

	2015	2014
Fatal	0	0
Non-fatal	44	32
Injury rate (per 1,000 workers)	8.56	7.74

In 2015, SOCAM's construction division recorded a total of 97,055 numbers of participation, including subcontractors' workers, for specific site health, safety and environmental training (86,944 in 2014).



Safety  
Newsletter

To encourage innovative ideas for solving HSE issues, an in-house Health, Safety and Environment Innovation Award was organised. Eight innovative entries were received; Plant & Machinery Department prevailed for its project on Auxiliary Wheel for Trolley.

Systematic review of method studies on operational practices and training needs were conducted along with a series of initiatives to reinforce site safety culture. A safety measuring system is in place to reward safety model workers with medical check-ups and family gatherings. A family picnic day was held with total participants of 170, including safety model workers, safety prefects and their family members.

## TRAINING AND DEVELOPMENT

SOCAM continues to promote a learning culture which has over the years been a pillar of our corporate culture. We have a complete set of Training Policy in place to provide guidelines and terms of reference for various initiatives in providing, supporting and facilitating measures to upgrade professional, technical and managerial competencies.

Our Career Development Programme has been a key driver for a continuously high quality workforce supply. These structured training programmes are designed and delivered to help staff develop different job functions. Trainees will receive on-the-job training covering both technical and soft-skills expertise.



Young Lu Pan Award Winners



19

Graduate Engineer  
Training Programme



14

Trainee-HSE/  
Environmental

### PROGRAMMES AND NUMBER OF INTAKE DURING THE YEAR



16

Apprenticeship  
Training Programme



13

Mechanic  
Apprentice



17

Trainee Foreman  
Programme

# CORPORATE SOCIAL RESPONSIBILITY REPORT

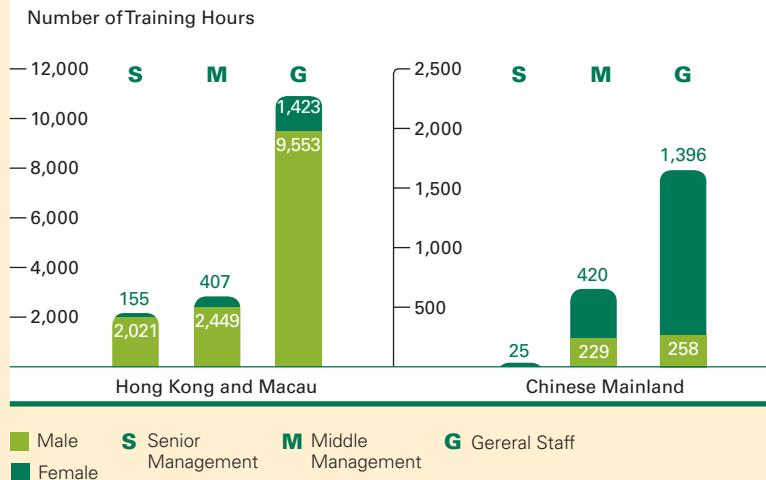
There are various implementation programmes which the Company adopts for developing professional and technical competency. We operate a comprehensive training sponsorship programme in order to support employees to pursue self-development. During the year we committed some 18,331 man-hours to external and in-house training.

## EMPLOYEE WELLBEING

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. In Hong Kong, to enhance work-life balance and employee relations, the Shui

On Recreation Club, which is funded by the Company, organized sports, outings and social activities. 21 events including celebration parties, health talks and fruit days were organised for employees, with over 3,100 numbers of participation with the aim of enhancing our people's sense of belonging and team solidarity.

### NUMBER OF TRAINING HOURS BY EMPLOYEE TYPE



Art Jamming

## ANTI-CORRUPTION

Shui On is committed to maintaining a high standard of corporate governance which is built on a solid foundation of integrity and trust. We have policies and measures in place to guide and facilitate our employees in holding high ethical standards, these include a Business Ethics Policy, Employee Codes of Conduct, and Whistle Blowing Policy.

Shui On has joined hands with the Independent Commission Against Corruption (ICAC) to conduct integrity training for our employees since 1988. This training is held regularly to pinpoint corruption-prone areas, provide practical advice on procedural safeguards and integrity management. This helps to develop best practices, strengthen internal controls and minimise corruption risks.

In 2015, 32 such training sessions were conducted, attended by management and general staff with a total of 886 numbers of participation.



# ENVIRONMENT



- ◆ CARBON EMISSION REDUCTION
- ◆ ENERGY & WATER CONSERVATION

- ◆ WASTE MANAGEMENT



**Hong Kong Tree Planting**

SOCAM takes a holistic approach to minimising our environmental impact while concerning ourselves with the detail in every regard. We focus on reducing our carbon emission, waste management, and conserving energy and natural resources. In all these areas we have written policy statements drawn-up and implemented by our HSE steering committee. Whenever necessary, these policy statements, reviewed regularly, provide targets in behaviour-based safety schemes, safe climate surveys and energy performance indicators.

Shui On Building Contractors and Shui On Construction have obtained ISO 14001:2004 certification for our Environmental Management System. In the annual review in 2011, the Hong Kong Quality Assurance Agency confirmed that our EMS monitoring capabilities exceed regulatory requirements and that the re-use of materials across different work sites shows a high degree of planning and innovation.

During the year, SOCAM fully complied with all the relevant laws and regulations that have a direct bearing on our business activities.

## CARBON EMISSION REDUCTION

SOCAM operates under ISO 14064 certification which sets down principles and requirements for quantifying and reporting GHG emissions. In achieving reduction, 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.



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



**Reduction in the number of trips by debris disposal vehicles through implementation of waste management plans**



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



**Shutting down all vehicles and generators when not in immediate use**



**Chongqing Tree Planting**

# CORPORATE SOCIAL RESPONSIBILITY REPORT

## REPORT GHG EMISSION DATA (tonnes CO<sub>2</sub>e)

	2015	2014
Scope 1	2,259.3	1,277.9
Scope 2	4,843.9	1,934.4
Scope 3	60,909.6	74,148.7
<b>Total</b>	<b>68,012.8</b>	<b>77,361.0</b>

\*2015 figure includes SOCAM office and five construction sites

## ENERGY & WATER CONSERVATION

SOCAM targets a BEAM Plus Platinum Rating, issued by the Hong Kong Green Building Council, for all its major building projects. To achieve this highest standard requires a range of planning, design and construction decisions from the earliest stages of development, all in compliance with our Energy Policy Statement. The building's conservation of energy and water usage is one of the central tenets of accreditation. We aim at roof materials meeting a high solar reflective index, or vegetation covering a large part of the roof area. In interior design we seek an approximately 30% energy reduction for artificial lighting. In water conversation, we install water appliances with Water Efficiency Labelling Scheme Grade 2 and dual flush toilets to significantly reduce water consumption. Waste water treatment plants were also installed on site to encourage water reuse, to reduce freshwater consumption and government's central waste water treatment plants.

## WASTE MANAGEMENT

SOCAM's Waste Management Policy sets down the overriding principle of 'reduce, re-use and recycle' to be adopted in materials utilisation whenever practicable for conserving resources.

Over the last two years, we advanced our use of aluminum formwork by 70%. Formwork is the superficial frame of a building into which concrete is poured, and aluminum has clear environmental advantages over traditional timber formwork. The former can be recycled up to 300 times whereas its timber equivalent has just a 10-time useable span. Our adoption of aluminum together with the use of precast concrete elements greatly cut down on waste as it conserves forest resources, one of the current most important environment issues.

By way of practical example, two public housing projects of 33 storeys can save 52,000 square feet of timber framework by using aluminum and precast concrete elements.

The implementation of a 'Polluter Pays Principle' is an on-site reminder to ensure the clutter-free cleanliness of our construction sites and to reduce the wastage of materials.

SOCAM operates an online platform for materials exchange between construction sites. As different projects are often in different stages of development, this optimises use of resources and recycling benefits.

We continued to adopt Green Procurement Guidelines and other green practices and measures in our daily operations, and facilitated waste reduction and recycling by collecting recyclable materials such as rechargeable batteries, toner cartridges, plastic bottles and paper. Adoption of smartphone at construction sites also reduces paper usage as well as increasing communication efficiency.

