



青建國際控股有限公司

CNQC International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1240

2017 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CONTENTS

ABOUT THIS REPORT	2
INTRODUCTION	3
STAKEHOLDERS ENGAGEMENT	4
ENVIRONMENTAL ASPECT	5
EMISSIONS	5
USE OF RESOURCES	7
THE ENVIRONMENT AND NATURAL RESOURCES	8
SOCIAL ASPECT	10
EMPLOYMENT AND LABOUR PRACTICES	10
EMPLOYMENT	10
HEALTH AND SAFETY	11
DEVELOPMENT AND TRAINING	15
LABOUR STANDARDS	15
OPERATING PRACTICES	16
SUPPLY CHAIN MANAGEMENT	16
PRODUCT RESPONSIBILITY	16
ANTI-CORRUPTION	19
COMMUNITY	20
COMMUNITY INVESTMENT	20
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX	22

ABOUT THIS REPORT

CNQC International Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), is pleased to present this Environmental, Social and Governance Report (the “**Report**”) to provide an overview of our commitment in achieving environmental, social and governance goals through our sustainability pillars.

PREPARATION BASIS AND SCOPE

This Report is prepared in accordance with Appendix 27 to the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) — “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report summarises the performance of the Group in respect of corporate social responsibility in 2017, covering the business which is considered as material by the Group — foundation and superstructure construction business in Hong Kong and Macau, and construction and property development business in Singapore. With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data, implement and monitor measures. This Report shall be published both in Chinese and English on the website of Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

REPORTING PERIOD

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2017 to 31 December 2017.

CONTACT INFORMATION

The Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to info@cnqc.com.hk.

INTRODUCTION

The Group is principally engaged in the foundation and superstructure construction business in Hong Kong and Macau, and construction and property development businesses in Singapore with dedication to provide construction services with the highest quality. Meanwhile, the Group is actively exploring opportunities in construction and property development business in the South-East Asia markets from the opportunities arising from “One Belt, One Road” Initiative including Indonesia, Vietnam and Malaysia, etc.

During the reporting period, the Company was awarded with “Best Investment Value Award for Listed Companies 2017” which is a strong recognition to our previous track record. Achieving more value for our shareholders is one of our priorities, we also endeavour to operate in an environmentally and socially responsible manner to achieve sustainable outcomes for the Group, the environment and the community as a whole. The Group is committed to sound corporate governance practices and robust enterprise risk management processes. It actively builds a safety culture to achieve a zero-harm workplace and strives to be an employer of choice to nurture a competent workforce for sustainable growth. The Group has established a comprehensive operation control procedure to manage the environmental, social and governance (“ESG”) issues. Details of the management approaches have been illustrated in this Report.



STAKEHOLDERS ENGAGEMENT

Expectations and opinions from our stakeholders are important and valuable. The Group engages its stakeholders, including the government, shareholders and investors, employees, customers, suppliers and partners, peer and industry associations, public and communities, through utilising different channels as listed in the table below. By engaging our valuable stakeholders through different channels, the Group can understand their expectations and concerns. The feedbacks obtained allow the Group to further enhance the sustainable development.

Stakeholders	Engagement channels	Expectations
Government	<ul style="list-style-type: none"> On-site inspections and check Research and discussion through work conferences, work reports preparation and submission for approval Annual reports Website 	<ul style="list-style-type: none"> Compliance with the laws Promotion of regional economic development and employment
Shareholders and Investors	<ul style="list-style-type: none"> General meeting and other shareholder meetings Annual reports, interim report and announcements Meeting with investors and analysts 	<ul style="list-style-type: none"> Business performance Corporate governance Information disclosure and transparency Protection of interests and fair treatment of shareholders
Employees	<ul style="list-style-type: none"> Conference Training, seminars, briefing sessions Cultural and sport activities Newsletters Intranet and emails 	<ul style="list-style-type: none"> Safeguarding rights and interests of employees Health and safety Good working environment Career development opportunities Self-actualisation
Customers	<ul style="list-style-type: none"> Website, brochures, video, annual reports Email and customer service hotline Feedback forms Regular meeting 	<ul style="list-style-type: none"> Safe and high-quality products Stable relationship Information transparency Integrity Business ethics
Suppliers/Partners	<ul style="list-style-type: none"> Business meetings, supplier conferences, phone calls, interviews Regular meeting Review and assessment Tendering process 	<ul style="list-style-type: none"> Long-term partnership Honest cooperation Fair and openness Information resources sharing Risk reduction
Peer/Industry associations	<ul style="list-style-type: none"> Industry conference Site visit 	<ul style="list-style-type: none"> Experience sharing Cooperation Fair competition
Public and communities	<ul style="list-style-type: none"> Volunteering Charity and social investments Annual reports 	<ul style="list-style-type: none"> Community involvement Social responsibilities

ENVIRONMENTAL ASPECT

The Group is committed to operating its business in an environmentally responsible manner through the best construction practices. We strive to meet the customers' demands in environmental protection and the communities' expectation for a healthy living environment to ensure sustainable growth of our business in return. In order to achieve these objectives, we strictly comply with all the applicable environmental laws and regulations. In addition, we have established an environmental management system in our construction operations in accordance with ISO 14001:2015 international standards. Sunley Engineering & Construction Company Limited ("**Sunley**") and Sunnic Engineering Limited ("**Sunnick**"), two of our subsidiaries, have been awarded ISO 14001 certification which recognised the environmental management practices.

We allocate resources to update our environment management system and maintain our ISO 14001 certification in order to reduce our risks related to environmental issues. We also require our subcontractors to comply with our environmental protection policies and encourage our employees to contribute towards sustainability by planning their works efficiently to minimise wastes and emissions to the maximum extent possible for reducing any adverse impacts on the environment.

EMISSIONS

The Group is in strict compliance with the relevant laws and regulations in the regions it operates, including Air Pollution Control Ordinance, Water Pollution Control Ordinance, Noise Control Ordinance and Wastes Disposal Ordinance in Hong Kong and Environmental Protection and Management Act in Singapore.

Air Pollutant Emission

The Group's "Air Pollution Control" operational procedure is established to control air pollution emission of dust, fumes, smokes, obnoxious gases and other airborne particulates within the legal limits and tolerable limits of the affected persons.

To minimise the air pollutant emission, the Group is committed to the following emission control measures in all construction sites:

- All dust generating materials such as concrete waste materials are covered during storage and transport to reduce dust emission.
- All vehicles are sprayed by recycled water prior to leaving the construction sites.
- Power supply from power utilities is used whenever practicable to replace the use of generators.
- Machines and equipment should be switched off when idling and reminder notices are placed near the switches.
- Cleaner fuel such as ultra-low sulphur diesel is used in the machines to reduce sulphur dioxide emission.
- Machines and equipment used in the construction sites are complied with the emission standards of Stage IIA of the European Union.
- Proper disposal and removal of unwanted air-conditioner to reduce the emission of fumes and obnoxious gas.

ENVIRONMENTAL ASPECT

The air pollutant emission during the reporting period was as follows:

Air Pollutants	Unit	Total
Nitrogen oxides (NO _x)	kg	200,675.83
Sulphur dioxide (SO ₂)	kg	124.70
Particulate matter (PM)	kg	12,909.12

Greenhouse Gas (“GHG”) Emission

The Group recognises that climate change poses a risk to its business and it is committed to the prevention of climate change. GHG is considered as one of the major contributors to the climate change. The Group advocates green construction sites by planting green-leaf plants to increase oxygen content. Besides, as the majority of GHG emission of the Group comes from energy consumption in construction activities, the Group tackles the carbon footprint by minimising the energy consumption. Policies and procedures adopted on resources saving are mentioned in the section “Use of Resources” of this Report. The GHG emission during the reporting period was as follows:

GHG Emission ¹	Unit	Total
Scope 1 ²	tonnes of CO ₂ -e	20,316.98
Scope 2 ³	tonnes of CO ₂ -e	1,789.38
Total GHG emission	tonnes of CO ₂ -e	22,106.36
GHG intensity	tonnes of CO ₂ -e/HK\$ ³ million of project turnover	5.49

Hazardous and Non-hazardous Wastes

During construction work, wastes generated is controlled by “Construction Waste Management” procedure which manages construction wastes so as to ensure proper disposal, maximise reuse and recycling. Wastes are required to be divided into categories for separate collection.

For hazardous wastes, designated area in the project site is established with proper labelling, packaging, storage and disposal of the chemical wastes. Responsible staff is appointed to monitor and manage the waste amount. Local licensed hazardous wastes handling companies are engaged to deliver, process and dispose the hazardous wastes.

The non-hazardous waste produced during the reporting period was mainly the construction waste from soil disposal. Our construction projects mainly consist of foundation, excavation and lateral support works, which may involve large amount of soil disposal. The practice of 3Rs, namely recycle, reuse and reduce of the wastes, is implemented in the construction activities and site offices. For example, inert and non-inert wastes are identified and sorted properly before disposal. Construction materials are recycled for making equipment used in the construction work. Use of recycled paper is encouraged and recycling bins are set up in the site office. Apart from 3Rs practice, the Group also makes use of technological innovative measures to reduce the use of paper by proposing a mobile app lodge report system and an e-permit to work system.

¹ The calculation of the GHG emission is based on the “Corporate Accounting and Reporting Standard” from GHG protocol.

² Scope 1: Direct emissions from sources that are owned or controlled by the Group.

³ Scope 2: Indirect emissions from purchased electricity and town gas consumed by the Group.

ENVIRONMENTAL ASPECT

The wastes produced during the reporting period were as follows:

Wastes	Unit	Total
Hazardous wastes disposal	tonnes	2.16
Hazardous wastes intensity	tonnes/HK\$' million of project turnover	0.02
Non-hazardous wastes disposal	tonnes	244,527.95
Non-hazardous wastes intensity	tonnes/HK\$' million of project turnover	60.70

Wastewater

The Group has established "Water Pollution Control" procedure to prevent pollution of surface water, public sewers and public drains. Bunding is provided to prevent runoff of wastewater from the sites. Water treatment facilities with regular maintenance are provided in each of our construction site to ensure that the removal of water from the site has no detrimental effect on the adjacent properties. To ensure the quality of the effluent discharged complies with the local laws and regulations, regular monitoring of water quality is carried out.

Noise

When carrying out construction work, noise and vibration are inevitably generated through the use of machines. We strive to minimise disturbances to nearby residents and establish a communication channel to address their concerns. For example, we control the noise generated from piling by adopting non-percussive piling techniques such as pre-bore, vibratory hammers or hydraulic hammer for driving piles. We use coring method to remove reinforced concrete wall due to design change instead of traditional hacking method. We also take other measures like using low-noise equipment and setting up noise barrier to reduce adverse noise impact. We strictly adhere to the restricted hours of operations stipulated in the construction noise permit. However, we may still receive complaints from nearby residents regarding disturbances caused by our running machines. Under such circumstances, we work with the relevant authorities and the person making complaint with the aim to take immediate responsive actions to mitigate the disturbances caused.

USE OF RESOURCES

The Group's "Resource Conservation Procedure" is established to identify opportunities to conserve resources by setting up different programmes in construction sites. This is applicable to the use of natural resources, such as water, diesel, power, timber and concrete re-bar, etc. at all project sites. Sunley and Sunnic have obtained ISO 50001:2011 Energy Management System certification.

Energy

For construction work, energy consumption often increases the project cost. The Group attaches great importance to the efficient utilisation of energy by introducing various measures as follows:

- Use of energy-saving equipment, lightings and energy-efficient air conditioning system.
- Use of solar panels to power equipment such as noise meter and CCTV system.
- Motion control lighting at staircase.
- Stickers at socket outlets and light switches to remind employees to switch off all the electric appliances when leaving.
- Efficient design of site office/work place, such as adjustable sun-screens installed on windows and positioning site office facing the north-south direction.

ENVIRONMENTAL ASPECT

During the reporting period, the energy consumption was as follows:

Energy consumption	Unit	Total
Purchased electricity	MWh	3,828.88
Petrol	MWh	548.60
Diesel	MWh	74,287.82
Towngas	MWh	0.44
Total energy consumption	MWh	78,665.74
Energy intensity	MWh/HK\$' million of project turnover	19.53

Water

Water is another important resource. To conserve the use of water, we have implemented the following water-saving initiatives:

- Water treatment facilities are used to recycle the sewage.
- Recycled water from water treatment facilities is used to wet roads, water plant, wash floors and vehicles.
- Pumps and running hoses should be switched off when not in use.
- Water-saving equipment and devices, such as dual flush water closet and self-closing water tap are installed.

The water consumption during the reporting period was as follows:

Water	Unit	Total
Water consumption	m ³	503,681.50
Water intensity	m ³ /HK\$' million of project turnover	125.02

Moreover, there is monthly monitoring of the usage of electricity and water and other materials. If the consumption is unexpectedly high, the case should be investigated to find out the root cause and preventive measures can be taken.

THE ENVIRONMENT AND NATURAL RESOURCES

In order to mitigate the impacts on the environment and natural resources, the Group has established the "Site Environmental Control Programme" to outline a procedure on the planning and execution of environmental control programme on site. The procedure focuses mainly on six areas — environmental noise, earth movement, prevention of soil erosion, water pollution and siltation, refuse disposal, and personal hygiene.

Construction activities cause various pollutions to the environment. With technological advancement, the Group can make use of different models and systems to help reduce the environmental impacts. For example, BIM model is used for automated clash detection to reduce errors at early stage of design. This helps to reduce re-work and wastages in materials. Prefabricated Prefinished Volumetric Construction ("PPVC") technology is used to improve productivity and quality of construction work. Environmental impacts can be minimised as more activities are carried out off-site.



ENVIRONMENTAL ASPECT

Besides, the Group has made achievements in sustainable development in the industry during the reporting period as below:

Singapore Green Building Council

- Corporate Member — CNQC Engineering & Construction Pte. Ltd.

Building and Construction Authority (“BCA”) of Singapore

BCA Green and Gracious Builders Award

- Excellent — CNQC Engineering & Construction Pte. Ltd.
- Excellent — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.
- Excellent — Welltech Construction Pte. Ltd.

This shows that the Group has high performance in adopting the best practices in construction site management to minimise the impacts on the environment and natural resources.



SOCIAL ASPECT

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group believes people are important assets, which is the foundation for success and development of the Group. The Group's employee handbook sets out the standard of staff recruitment, promotion guidelines, remuneration scale, working hours, rest breaks, holidays, termination of employment and compensation matters. The principle of equal opportunities is applied in the recruitment policy. The Group promotes fair competition. All candidates have equal opportunity for vacancies regardless of gender, age, marital status, religion, race, nationality, disability or any status protected by law. In order to encourage diversity in the company, both external talents and internal employees are welcome to apply for positions in the Group.

The Group advocates harmonious and work-life balance culture through a diversified choice of activities, including annual dinner, employee gatherings, basketball tournament and sports day. Those activities can enable employees to relax and enhance the communications among employees. To recognise the contributions of employees, the Group presents outstanding staff award and safety award to employees annually.



The adoption of these human resources policies and procedures ensures the Group's compliance with the relevant local labour laws and regulations, including Employment Ordinance in Hong Kong and Employment Act in Singapore. During the reporting period, there was no non-compliance or breach of legislation related to applicable employment laws and regulations. As at 31 December 2017, the Group had 1,921 employees in Hong Kong, Macau and Singapore.

Health And Safety

The Group upholds a belief that if safety is not managed properly, it can be extremely costly not only in human terms, but also in monetary terms as well. Therefore, safety is treated as the highest priority during the delivery of our services. Besides, we are committed to providing a safe and healthy working environment for the benefit of our staff, subcontractors and the general public. Our corporate image as a quality foundation contractor could be enhanced through continuous improvement in safety performance. We have established a safety and health management and audit system in accordance with the requirements of OHSAS 18001. The Group's "Quality, Environmental, Health and Safety ("QEHS") Manual" is established to control the related matters. Sunley and Sunnic have been accredited with OHSAS 18001:2007 certification and Sunley has been registered as a Green Cross Group Member of Occupational Safety and Health Council in Hong Kong.

Our safety system is documented in written procedures and supplemented with oral instructions, training and demonstration. For example, "Occupational Health Programme Procedure" is established to provide guidelines for implementing occupational health programmes for hearing conservation, medical surveillance and respiratory protection. We require strict implementation of our safety system with supervision by our Group's or the subcontractors' management staff. In addition, we have employed qualified safety officers approved by the Labour Department in Hong Kong to monitor and implement our safety system.

The Group hires a consulting company for conducting safety risk assessment, performing safety inspection, providing safety training, preparing safety plan for the Group and underground utility detection report for construction sites. We will continue to put adequate resources and effort to uphold and improve our safety management system in order to reduce our risks related to safety issues.

The Group has been strictly in compliance with relevant laws and regulations, including Occupational Safety and Health Ordinance in Hong Kong and Workplace Safety and Health Act in Singapore.

The Group continues to enhance the health and safety performance. In Singapore, five of our construction projects obtained the Gold Award from The Royal Society of the Prevention of Accidents in 2017. The details are as follows:

- HDB Woodlands N6C22 — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.
- HDB Toa Payoh N4C28 — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.



SOCIAL ASPECT

- The Titular Roman Catholic Saint Joseph Church Project @ Upper Bukit Timah Road — Welltech Construction Pte. Ltd.



- Wellington Primary School Project — Welltech Construction Pte. Ltd.



- Yishun N6 C20 Project — Welltech Construction Pte. Ltd.



SOCIAL ASPECT

This shows that the projects have achieved a very high level of performance, demonstrated well-developed occupational health and safety management systems and culture, appropriate control of risk and low level of harm on human health and safety.

In Hong Kong, the Group has joined different occupational health and safety campaigns and has been awarded with certificates during the reporting period. This recognised our efforts to promote a safety and health culture at work and reduce the work-related incidents. The details are as follow:

Occupational Safety and Health Council

Occupational Health Award 2017 Prevention of Pneumoconiosis Best Practices Award

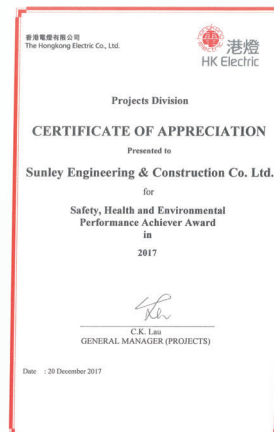
- Merit Award — Sunley Engineering & Construction Company Limited



The Hong Kong Electric Co., Ltd

Safety, Health and Environmental Performance Achiever Award 2017

- Certificate of Appreciation — Sunley Engineering & Construction Company Limited



SOCIAL ASPECT

Hong Kong Construction Industry Employees General Union

- Certificate of Appreciation (for holding safety seminar during lunch hour) — Sunley Engineering & Construction Company Limited



Hanison Construction Company Limited

- Safety Model Subcontractor of 1st Quarter of 2017 — Sunnic Engineering Limited
- Safety Model Subcontractor of 3rd Quarter of 2017 — Sunnic Engineering Limited

Build King — Richwell Engineering Joint Venture

- "Zero Harm" Contractor Safety Performance Award 2016-2017 — Sunnic Engineering Limited



Development And Training

The Group believes that fostering employees with knowledge and skills is a core part of ensuring sustainable development and strengthening its competitiveness. The Group regards staff as a strategic partner and provides support for their career development and personal value enhancement with systematic training programmes. As stipulated in “Resource Management Procedure”, different trainings are provided based on the employee categories. The Group has also launched a new online study system to optimise employees’ professional and personal knowledge.

New employees have to undergo an orientation by the various department heads to ensure that they are familiar with QEHS management system of the Group. The topics of orientation include Workplace Safety and Health (“**WSH**”) consequences of their work activities, importance of conforming to the QEHS manual and potential consequences due to deviation from specific procedures. The new employees are provided with on-the-job training under the guidance of senior staff for a period to be decided by the respective department heads.

Furthermore, in order to cater for the actual needs of different departments and individuals, we provide different forms of training, not only internal training, but also external special courses to equip staff with professional skills and abilities. Internal training includes safety induction course, risk assessment and safe work procedure briefing. External courses include occupational first aid, safety and health management and equipment operation courses, etc. Course contents include ISO 14001, ISO 9001 trainings, construction laws and good industry practices, etc. Trainings are delivered by external organisations, such as Building Construction Authority, Society of Construction Law (Singapore) and Eduquest International Institute.

Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose threat to sustainable social and economic development. The Group strictly complies with the relevant laws and regulations, such as Employment Ordinance in Hong Kong and the Employment Act in Singapore. The Group prohibits the use of child labour and forced labour as stipulated in the “No Child Labour Policy” in the Group’s Employee Handbook. Employment contracts and other records, documenting all relevant details of the employees, are properly maintained and open for verification by any authorised personnel or relevant statutory bodies. All units need to provide an annual report to the functional head on any incidents of child or forced labour. Periodic assessment is conducted and random checks of records are undertaken by the human resources department annually. During the reporting period, the Group did not find any non-compliance related to child labour or forced labour.

SOCIAL ASPECT

OPERATING PRACTICES

Supply Chain Management

The Group relies on subcontractors and suppliers for subcontract services, supply of materials and rental machines used in construction activities. The Group works closely with its subcontractors and suppliers who are committed to high quality, environmental, health and safety standards as stipulated in the “Purchasing and Supplier Management Procedure”. It is established to ensure that the suppliers and subcontractors conform to the quality, environmental, occupational health and safety requirements of the company. In controlling the purchasing system, quantity surveyors or purchasers identify potential suppliers and subcontractors who can meet the qualification requirement to supply goods and services. The suppliers or subcontractors should at least have a certified quality or Environmental, Health and Safety (“EHS”) system (e.g. bizSAFE⁴ Level 3, ISO 9001, ISO14001, or OHSAS 18001). Qualified suppliers are maintained in an approved supplier list. The performance of contractors and suppliers is assessed annually by the Group.

Product Responsibility

The Group is committed to achieving and maintaining the highest quality standard for construction projects. The Group has established “QEHS Management System”, which documents and controls all the applicable procedures in construction activities for effective operation in accordance with the requirements by local authorities and customers. This system is reviewed by top management at least once a year to assess its continuing suitability, adequacy and effectiveness, and also to look into ways for further improvement. The Group is in strict compliance with all the applicable laws and regulations relating to product responsibility, including Building Control (Environmental Sustainability) Regulations 2008 of Building Control Act Part IIIB in Singapore.

Quality Management

To pursue quality construction work, The Group has established “Quality Management System”, including “Process Control Procedure” in accordance with the requirements of ISO 9001:2015, OHSAS 18001:2007 and ISO 14001:2015. The Group strives to develop a sustainable performance-oriented culture with an emphasis on pursuing continuous improvement rather than adopting a short-term and project-based approach.

During 2017, the Group has been awarded different construction awards in recognition of our demonstration to the high standards of project management, construction quality, public relations and innovation for the construction projects. The details are as follows:

⁴ bizSAFE is a 5-step programme that assists companies to build up their WSH capabilities. bizSAFE level 3 certificate is the minimum level required for any contracts and tenders with bizSAFE Partners, main construction firms, government sectors, etc.

Building and Construction Authority (“BCA”) of Singapore

BCA Construction Excellence Award 2017

- China Cultural Centre — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.



- Hougang Capeview — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.



Housing and Development Board (“HDB”) of Singapore

HDB Construction Award 2017

- Merit Award — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.



SOCIAL ASPECT

- Merit Award — Welltech Construction Pte. Ltd.



Hong Kong Housing Authority

Quality Public Housing Construction & Maintenance Awards 2017

- New Works Projects — Outstanding Contractor Award (Piling) — Sunley Engineering & Construction Company Limited



The Association of Consulting Engineers of Hong Kong ("ACEHK")

ACEHK Annual Award 2017

- Reconstruction and Rehabilitation of Kai Tak River from Po Kong Village to Prince Edward Road East — Leader — Sunnic — JV



These awards are our driving force to achieve a higher construction quality. We place strong emphasis on quality control as we believe completing works that meet or exceed our customers' requirements is crucial not only for building safety, but also for job reference and future business opportunities. To ensure our works meet the required standards, we assign a foreman on a full-time basis at each of the construction sites as the first line of monitoring of the quality of works done by our employees and subcontractors. The project manager carries out daily visits to construction sites to monitor the quality and progress of works so as to ensure the works are completed according to schedule. Furthermore, our project team holds weekly meetings with our management so that our management can monitor the progress of each of the projects and discuss identified issues. This can ensure our construction works meet the customers' requirements, are completed according to schedule and budget, and fully comply with all relevant laws and regulations.

The performance and quality of the construction work is controlled under "Performance Monitoring and Measurement Procedure". Key characteristics are identified, monitored, measured and evaluated. For example, for construction activities such as piling, remedies for defective piling works are often impossible once construction works for the superstructure have commenced. To reduce defects and ensure the quality of work, we conduct thorough testing of the piles before certification of foundation works completion and commencement of construction works of the superstructure.

With regards to raw materials, they are procured from our approved suppliers who had satisfactory past business relationships with us. To ensure a consistent quality in the raw materials used which meets the required standards, we may from time to time engage third party laboratories to conduct sample tests on raw materials, including steel and concrete.

Customer Satisfaction Management and Complaint Handling

Understanding the customers' opinions on our construction services is crucial for the continuous improvement of construction quality. The Group has established a comprehensive "Customer Satisfaction Monitoring Mechanism" for handling complaints and monitoring customers' satisfaction. Customer satisfaction survey is carried out once every year or upon project completion.

Building Service Centre ("BSC") is responsible for providing customer service to new residents and handling the complaints. The BSC is managed by experienced customer relation officer. All residents' feedbacks or complaints on property defects have to be followed up and rectified within 14 days.

Customer Data and Information Protection

The Group takes privacy issues very seriously. The Group fully complies with all relevant laws and regulations and ensure appropriate technical measures are in place to protect the personal data against unauthorised use or access. In addition, the Group's "Control of Document Procedure" outlines the process for the control of documented information to address distribution, access, retrieval, use and changes. Customers' personal data is securely kept and processed only for the purpose for which it has been collected. Staff are provided with adequate training on the applicable laws on data privacy protection to help them understand their responsibilities when handling data.

Anti-Corruption

We believe that the integrity of business is a foundation of corporate social responsibility, as well as a fundamental element of a business's competitive advantage and sustainability. For these reasons, we have systematically incorporated anti-corruption management principles into our operations, promoted a fair and just commercial competition to achieve win-win situation with external partners, and adhered to transparent and open mechanisms for internal management as stipulated in the Group's "Code of Conduct". The Group has been in strict compliance with relevant laws and regulations, such as Prevention of Bribery Ordinance in Hong Kong and Prevention of Corruption Act in Singapore. The Group engages internal and external stakeholders to strengthen our anti-corruption procedures. In order to specify the whistle-blowing procedures and ensure the legal rights and interests of individuals reporting problems, we have formulated the "Whistle-blowing Policy". All these practical actions not only win the trust of customers, but also enhance the sense of belonging and fair play among our employees.

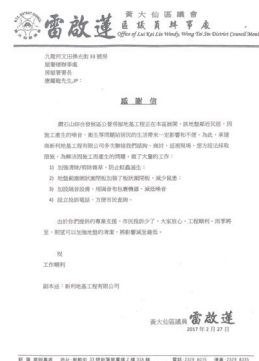
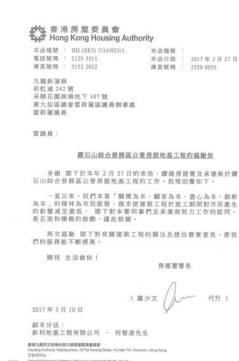
SOCIAL ASPECT

COMMUNITY

Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. We communicate with the communities around the sites where we operate by various means to take care of their needs. For example, we send letters and visit the neighbouring residents, establish communication hotline, record and handle feedbacks from the public, etc.

According to the Group's "Community Investment Policy", the Group aims to develop long-term relationship with our stakeholders based on mutual trust, respect and integrity. Moreover, we seek to make contributions to programmes that have a positive impact on community development. The Group focuses on contributing in youth development to nurture future leaders and environmental protection. During the reporting period, the Group made a donation to Rainbow Centre Singapore in support of the building fund for the construction of the extension wing at Margaret Drive Campus to enhance the learning and development of the youth. The Group also made a donation to Outstanding Industrial Attachment Scholarship 2017 by Vocational Training Council ("VTC") in Hong Kong to recognise VTC students who achieved outstanding performance during their industrial attachments. Furthermore, the Group organised different activities like East Coast Park Beach Clean Up and sharing sessions with students to show concern and care for the youth and the environment. Charitable donations made by the Group during the reporting period amounted to HK\$384,600.



SOCIAL ASPECT

The Group cares about the influence of the construction site to the community. The Group has implemented adequate measures to mitigate the nuisance to the residents and schools near the construction sites. For example, stringent mosquito control and preventative measures are in place in the construction sites. All the sites are surrounded by safety fence to safeguard the safety of the public. Heavy-duty safety nettings are installed at nearby schools to prevent dust from entering the schools. Netting is provided instead of zinc sheet hoarding in one of the sites — Punggol Reservoir to preserve the good ventilation and beautiful view of the Reservoir for the public. During the reporting period, the Group has received appreciation letter from the Hong Kong Housing Authority to recognise our effort to implement different measures to reduce construction work impact on the community.

The Group will continue its contributions to the sustainable development of the community in future by building a healthy and dynamic community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
A. Environmental			
A1: Emissions			
General Disclosure		"Environmental Aspects"	5
KPI A1.1	The types of emissions and respective emissions data	"Emissions — Air Pollutant Emission"	5–6
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	"Emissions — Greenhouse Gas Emission"	6
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	"Emissions — Hazardous and Non-hazardous Wastes"	6–7
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	"Emissions — Hazardous and Non-hazardous Wastes"	6–7
KPI A1.5	Description of measures to mitigate emissions and results achieved	"Emissions — Air Pollutant Emission"	5–6
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	"Emissions — Hazardous and Non-hazardous Wastes"	6–7
A2: Use of Resources			
General Disclosure		"Use of Resources"	7
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	"Use of Resources — Energy"	7–8
KPI A2.2	Water consumption in total and intensity	"Use of Resources — Water"	8
KPI A2.3	Description of energy use efficiency initiatives and results achieved	"Use of Resources — Energy"	7–8
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	"Use of Resources — Water"	8
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	This is not applicable to the Group's business.	N/A
A3: The Environment and Natural Resources			
General Disclosure		"The Environment and Natural Resources"	8–9
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	"The Environment and Natural Resources"	8–9

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
B. Social			
Employment and Labour Practices			
B1: Employment			
General Disclosure		"Employment"	10
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	–	–
KPI B1.2	Employee turnover rate by gender, age group and geographical region	–	–
B2: Health and safety			
General Disclosure		"Health and Safety"	11–14
KPI B2.1	Number and rate of work-related fatalities	–	–
KPI B2.2	Lost days due to work injury	–	–
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	–	–
B3: Development and Training			
General Disclosure		"Development and Training"	15
KPI B3.1	The percentage of employee trained and employee category	–	–
KPI B3.2	The average training hours completed per employee by gender and employee category	–	–
B4: Labour Standards			
General Disclosure		"Labour Standards"	15
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	–	–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
Operating Practices			
B5: Supply Chain Management			
General Disclosure		"Supply Chain Management"	16
KPI B5.1	Number of suppliers by geographical region	–	–
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	–	–
B6: Product Responsibility			
General Disclosure		"Product Responsibility"	16
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	–	–
KPI B6.2	Number of products and service related complaints received and how they are dealt with	"Product Responsibility — Customer Satisfaction Management and Complaint Handling"	19
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights	–	–
KPI B6.4	Description of quality assurance process and recall procedures	"Product Responsibility — Quality Management"	16–19
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	"Product Responsibility — Customer Data and Information Protection"	19
B7: Anti-corruption			
General Disclosure		"Anti-corruption"	19
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 case	No concluded legal case was observed during the reporting period.	19
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	"Anti-corruption"	19
Community			
B8: Community Investment			
General Disclosure		"Community Investment"	20–21
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	"Community Investment"	20–21
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	"Community Investment"	20–21