



建業建榮控股有限公司*

CHINNEY KIN WING HOLDINGS LIMITED

2017 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Chinney Kin Wing Holdings Limited
(Incorporated in Bermuda with limited liability)
Stock code: SEHK01556

** For identification purpose only*

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1 ABOUT US

- 1.1.1 Founded in 1994, Chinney Kin Wing Holdings Limited (along with its subsidiaries hereinafter called “the Group” or “Kin Wing”) is a well known foundation construction company with operations spanning across Hong Kong and Macau. The Group is primarily involved in foundation works involving (i) piling construction and other ancillary services and (ii) drilling and site investigation. The Group is recognised by Hong Kong Government’s Buildings Department, Works Branch of the Development Bureau, and Housing Authority as a specialist contractor in the categories of foundation works, ground investigation field works, site formation work, and land piling.
- 1.1.2 The Group has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) since November 11, 2015 (Stock Code: 1556).

2 ABOUT THIS REPORT

2.1 REPORTING SCOPE

- 2.1.1 This is the second Environmental, Social, and Governance (“ESG”) report published by Kin Wing for the 2017 financial year, January 1 2017 to December 31 2017 (“Reporting Period”). The scope of the report covers the Group’s operations in Hong Kong which consist of (i) piling construction and other ancillary services, and (ii) drilling and site investigation.
- 2.1.2 The Group’s subsidiaries in Macau have been excluded from this report since their impact on the overall environmental and social aspects of the Group is minimal.

2.2 REPORTING STANDARD

- 2.2.1 This report was prepared in accordance with Appendix 27 “Environmental, Social and Governance Reporting Guide” of the Rules Governing the Listing of Securities (“Listing Rules”) of the Stock Exchange. In preparation of this ESG report, the Group strictly adhered to the reporting principles in the Appendix to reveal all the material aspects of the business in a quantitative, balanced and consistent manner.
- 2.2.2 The corporate governance of the Group was reported in accordance with all applicable code provisions set out in “Corporate Governance Code” under Appendix 14 of the Main Board Listing Rules of the Stock Exchange, and has been set out separately in the annual report.

2.3 CHAIRMAN STATEMENT

- 2.3.1 I am proud to share with our valuable stakeholders and readers the Environment, Social and Governance report of Chinney Kin Wing Holdings Limited for 2017. We made further strides in key areas of sustainability over the Reporting Period. Our focus on foundation and construction sustainability is underpinned by a strong understanding, throughout the Group, to conduct our business in a responsible manner. We are committed to resource-efficient and green business processes. This is a key step to move us towards our ambition to be Hong Kong’s leading foundation company.
- 2.3.2 We remain committed to operating our business at the highest ethical, legal and moral standards, as underpinned by a culture of openness and core values of integrity, honesty and respect for the law. I am pleased to report that we have continued with our uncompromising approach to health and safety in our integrated sustainability management system. In 2017, we devoted significant resources to embed our culture of safety into each project.
- 2.3.3 We also believe that ongoing business success is built on maintaining excellent relationships with all stakeholders, both internal and external. Our philosophy is to develop and nurture all employees, recognising that people are critical to achieving our sustainable development objective. We recognise a wider responsibility beyond our core business activities in the communities in which we operate. We communicate regularly with all our stakeholders in an open and transparent way.
- 2.3.4 The corporate regulatory, compliance and ethics programme continues to be developed under the sustainable development scope, and the organisation of this function was strengthened in 2017. We have enhanced staff capacity building schemes with the overall aim of fostering the sustainability culture and ensuring that all employees understand our sustainable development vision.

2.3.5 I would like to take this opportunity to thank all employees working in the Chinney Kin Wing family for their hard work, effort and dedication during 2017. I am deeply grateful for their continued commitment to our business performance. I am confident that we will durably work together to scale up our business prosperity and build a sustainable future.

2.4 STAKEHOLDERS ENGAGEMENT AND EXPECTATION

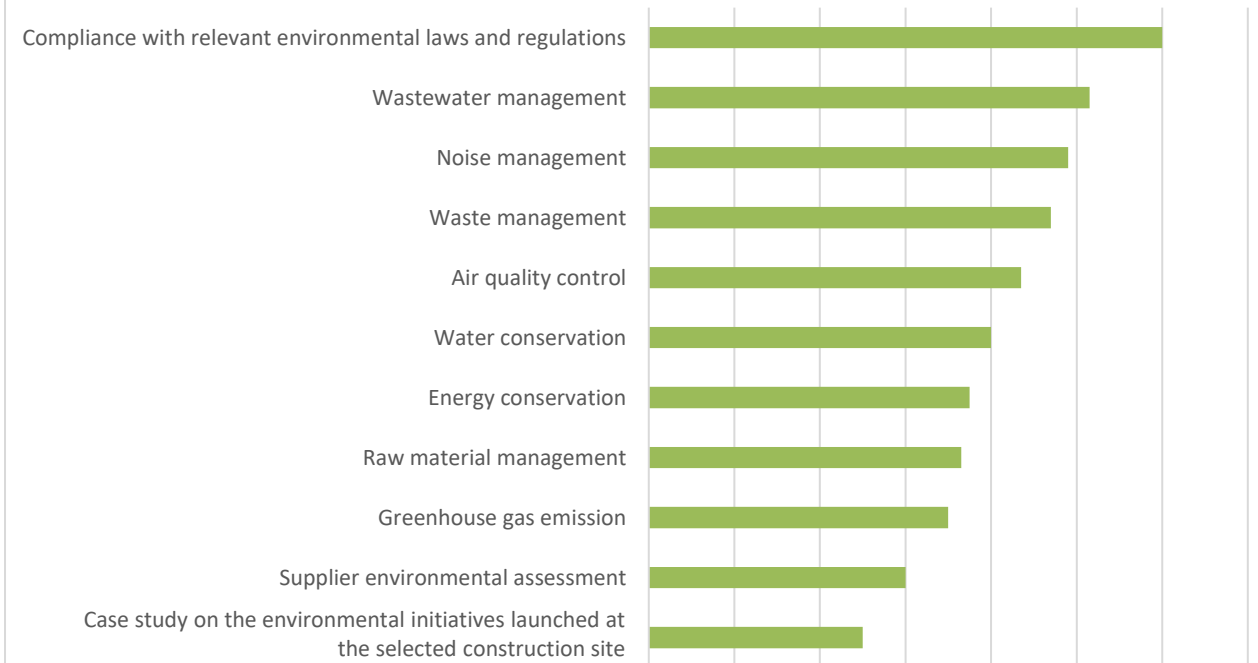
2.4.1 Kin Wing values every comment received and is devoted to initiating dialogue with its employees, clients, business partners and investors. Constant communication channels such as meetings and site visits have been established to collect and comprehend stakeholders' concerns on ESG-related issues.

2.4.2 During the Reporting Period, the Group conducted a survey to receive both qualitative and quantitative feedback from various stakeholders, including suppliers, contractors, subcontractors, consultants, engineers, non-governmental organisations and other business partners. The collected information was used to formulate the corporate sustainable strategy as well as this year's ESG report. As reflected by the survey result, stakeholders considered the following issues as the most important aspects for the Group's sustainable development:

Environmental Aspects (Top 5):

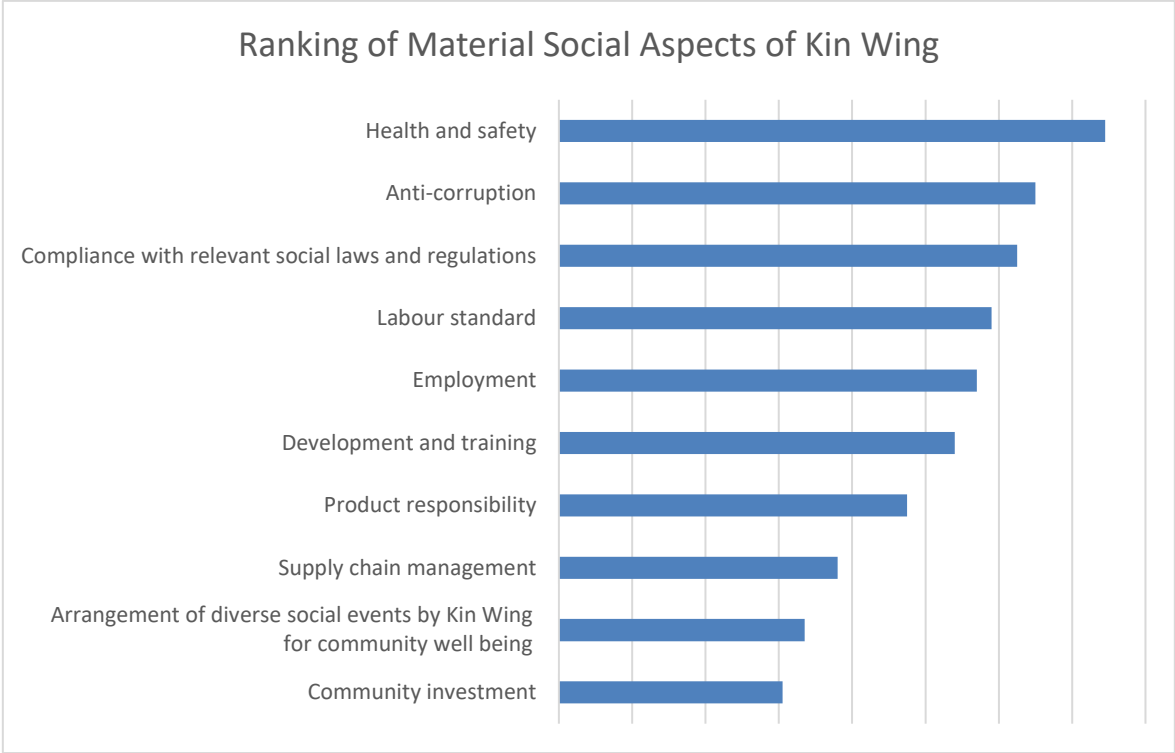
- Compliance with relevant environmental laws and regulation
- Wastewater management
- Noise management
- Waste management
- Air quality control

Ranking of Material Environmental Aspects of Kin Wing



Social Aspects (Top 5):

- Health and safety
- Anti-corruption
- Compliance with relevant social laws and regulations
- Labour standard
- Employment



3 DELIVERING WORLD-CLASS FOUNDATION SERVICES

3.1 PROMOTING SAFETY FOR COMMUNITIES AND EMPLOYEES

- 3.1.1 As a foundation construction company, safety is Kin Wing's first priority. The Group offers foundation services that factor in safety considerations to the greatest extent possible, with the adoption of OHSAS 18001:2007 Occupational Health and Safety management Systems. By providing foundation services with excellent quality and safety assurance, Kin Wing exercises its social responsibility to its employees, subcontractors, clients and other stakeholders in the society.



OHSAS 18001:2007 certificate

- 3.1.2 The “safety-first” mindset has been incorporated in various guidelines and policies to echo the Group’s pledge of providing a safe and quality foundation for built environments. In particular, Kin Wing has implemented a series of initiatives to protect its employees from hazards at work. The programme for Inspection of Hazardous Conditions has been put in place to regulate workplace safety and develop hazard reporting procedures in the construction sites, while trainings and promotion of health and safety are organised for all employees to enhance their emergency preparedness and awareness of hazard. In addition, internal safety audits are also conducted quarterly to check compliance with statutory requirements; following the reports, the Group will adopt remedial measures when necessary.



Health and Safety Training

- 3.1.3 Kin Win firmly believes that a safe working environment can promote productivity, staff loyalty and business performance. The Group is committed to offering a low-risk and supportive workplace for employees to perform their duties, so as to meet with our concrete target accident rate (i.e. less than 22 reportable accidents per 1,000 workers). Moreover, employees are encouraged to express their views regarding health and safety through the “tool box talks” and “safety suggestion box” in the construction sites and offices respectively. Staff who demonstrate outstanding safety performance are given the Safety Award as a token of appreciation.



Kin Wing's Safety Day and Safety Award Ceremony 2017

- 3.1.4 Given the outstanding performances in promoting safety and environmental management, Kin Wing was awarded both Gold and Merit Awards under the “23rd Considerate Contractors Site Award Scheme” organised by the Development Bureau of the HKSAR Government to recognise its considerate attitude and good site safety, health and environmental practices.



Kin Wing was awarded in the 23rd Considerate Contractors Site Award Scheme

3.2 ASSURING QUALITY AND RESPONSIBLE SERVICES

- 3.2.1 The Group endeavours to provide foundation services with premium quality to its clients. In order to ensure quality construction, Kin Wing adopted the Quality Management System (“ISO 9001”) to the fullest extent in accordance with the requirements set by the International Organization for Standardization (“ISO”). With the aim of offering safe and durable foundation services for construction projects, the system allows the Group to meet customers’ expectation and to deliver services in timely, feasible and efficient manner.



ISO 9001 certificate

- 3.2.2 The adoption of ISO 9001 has successfully assisted the Group to internalise the “quality-first” mindset in its core business. For example, the Group has established quality objectives and reviewed these targets from time to time in our pursuit of continuous improvement. Kin Wing also developed its own policy and Code of Conduct as an internal guide for quality control, protection of intellectual property rights and consumer data protection; business partners of the Group are expected to adhere to the same standard. In the Reporting Period, Kin Wing has complied with all relevant laws and regulations concerning product responsibility, including health and safety, advertising, labelling and privacy matters.
- 3.2.3 During the Reporting Period, a “Quality Public Housing Construction and Maintenance Awards 2017 – Outstanding Contractor Award” was presented to Kin Wing by the Hong Kong Housing Authority to recognise its outstanding services in construction and maintenance works for public housing.



**Quality Public Housing Construction and Maintenance Awards
2017 – Outstanding Contractor Award**

3.3 ADVOCATING A GREEN LIFE

- 3.3.1 Being a responsible company that specialises in foundation construction, Kin Wing realises the nature of its business has potential of bringing adverse environmental impacts to the neighbourhood. The Group’s environmental policies and guidelines put emphasis on proper management of wastewater, noise, air quality and waste, in order to alleviate the environmental pollution and advocate a greener operation of the Group.
- 3.3.2 To efficiently manage the Group’s environmental footprint, Kin Wing has established an Environmental Management System (“ISO 14001”) in the Group internally. This system has been utilised as the major guiding tool to formulate and execute the environmental protection measures of the Group. Under the instructions of ISO 14001, the Group outlined environmental objectives, offered related training and sought continuous improvement in the environmental performances of its piling and drilling works. In addition, Kin Wing has come up with the pollution control measures and resource conservation policies for construction projects in the Reporting Period, while these environmental policies are monitored by environmental officers according to Environmental Management Plan and disclosed to the public when possible.



ISO 14001 certificate

- 3.3.3 During the Reporting Period, the Group complied with all relevant internal policies and environmental regulations related to air pollutants and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes in Hong Kong.

Wastewater Management

- 3.3.4 Based on the stakeholder survey (refer to the “Stakeholders Engagement and Expectation” on p.4-5), wastewater was the most concerning environmental aspect of the Group’s operations. The leakage of untreated wastewater, which consists of suspended solids and high pH level, may contaminate soil, land and underground water systems. Kin Wing is fully aware of the potential impact of wastewater and the Group has implemented the following policies to handle wastewater properly from the identified sources – surface runoff, boring and drilling water, wheel washing water, together with general wastewater from construction.
- 3.3.5 To control effluent in the form of surface runoff, sump pits are installed in all construction sites to collect and process all surface runoff in a sedimentation tank. The sedimentation tank is equipped to neutralise the pH value and reduce suspended solids before discharging to the drainage and sewage systems.



All wastewater is directed to silt removal facilities or sedimentation tanks before discharging

- 3.3.6 Advanced water treatment facilities are installed in each construction site as the core measure of on-site wastewater management. The Group also carries out wastewater inspection regularly to make sure the operation of foundation work have fully conformed to the “Technical Memorandum Standards for Effluents Discharged into Drainage and Sewerage Systems, Inland and Coastal Waters” together with other requirements specified on the discharge licence.

Noise Management

- 3.3.7 With the business in piling and foundation, Kin Wing understands that noise management constitutes to the most crucial part in its environmental strategy. The Group is devoted to minimise its impact of noise pollution to the neighbourhood. Kin Wing devised a series of measures to mitigate noise pollution during operations for the sake of nuisance reduction and hearing protection for both citizens and its employees.
- 3.3.8 In terms of planning, the Group implemented a strategic scheduling of work to minimise high-level noise activities during the restricted hours. The Group also places its facilities at strategic locations of the construction site to reduce the impact to noise sensitive receivers. Noise barriers, as a physical block, are erected to control the sound levels emitted to nearby schools, households or offices when necessary.



Noise barrier to reduce noise levels

- 3.3.9 In terms of equipment operation, the Group has a clear policy to prevent the use of multiple noisy equipment at the same time. Moreover, as a mitigation solution to noise impact control, quiet and low-noise generating equipment are deployed in neighbourhoods with high noise sensitivity.
- 3.3.10 Kin Wing constantly monitors the noise emitted from its construction sites to ensure noise levels comply with statutory and contractual requirements. The Group will take corrective measures once violations of noise requirements are discovered. During the Reporting Period, the Group was fully compliant with the internal policies and regulations of the Environmental Protection Department (“EPD”) regarding to noise management.

Air Quality Control

- 3.3.11 The Group is fully aware of the impact on air quality in the neighbouring area during the piling and construction operations. Transportation and on-site emission of dust are the major air pollution sources of the Group. Corresponding policies and measures were formulated and executed in the construction sites under the supervision of environmental officers and foremen.
- 3.3.12 To reduce the emission from transportation and machinery, the Group has fully adopted low-sulphur diesel for its non-road mobile machinery (“NRMM”) in the construction sites. Inspections on equipment are conducted to ensure the operations align with the latest Air Pollution Control Ordinance and other regulations set by the EPD. In terms of material sourcing, Kin Wing prioritised concrete and steel supplied from less than 800km of construction sites to reduce the corresponding vehicle emission during the transportation process.
- 3.3.13 Dust control is one of the major on-site air quality control measures of the Group. Regarding the dust problem generated from the piling and transport, the Group adopted a watering programme to prevent both the suspension and dispersion of dust particles. Construction workers were asked to spray water to frequently travelled areas (such as main access road) and exposed stockpiles, especially during dry and windy conditions when dust loses its viscosity.
- 3.3.14 Since vehicles travel in and out the construction sites frequently, the Group specified a speed limit of 5 km per hour for all on-site vehicles to avoid dust emitted from unpaved road. Before leaving the construction sites, the wheels and exterior body of vehicles have to be washed thoroughly to minimise the dispersion of dust particles to the roads nearby. The Group also asks construction workers to keep the height of material dropping at minimum level so as to reduce the emission of dust during the loading and unloading processes.
- 3.3.15 Exposed stockpiles, as another major source of dust pollution, are carefully handled in construction sites. Tarpaulin covers are applied to stockpiles on-site and under transportation.
- 3.3.16 Since the procedures of boring and cement batching also contribute to the emission of dust, the Group has taken additional measures to mitigate its impact to air quality. The piling rig was shielded with impervious sheeting to avoid spreading dust during boring; while cement batching for grouting is conducted in an enclosed area. These measures were found to be effective in tackling the dust problem on construction sites.

Waste Management

- 3.3.17 To keep a record of waste generated from each construction site, the Group asks our environmental managers to implement the Waste Management Plan (“WMP”) and carry out inspections throughout the entire project period. It helps the Group understand the current situation of waste management in a particular site and ensures the compliance with the laws and regulations for waste handling and disposal. In case any environmental problem is identified, an ad hoc site inspection will be further conducted to formulate the appropriate solution.
- 3.3.18 There were mainly three types of wastes in Kin Wing’s operations, namely of office refuse, chemical waste and construction and demolition (“C&D”) waste, while the latter can be further classified into inert C&D waste and non-inert C&D waste.
- 3.3.19 Office refuse includes paper, plastics, and aluminum cans that are generated from food services and general office operations. The Group also produces chemical wastes with hazardous substances in the construction sites, such as waste lubricating oil and waste battery.
- 3.3.20 Inert C&D waste is materials that are neither chemically or biologically reactive and will not decompose. These include excavated soil, concrete, and debris. Disposal of inert waste at sorting facilities or landfills has been the major approach for construction waste management. The Group uses inert waste as fill material at its construction sites. Waste such as excavated rock fragments are transported to local quarries and reused as aggregate in concrete production. Only the leftover materials were disposed at public filling areas.
- 3.3.21 Non-inert C&D waste is made up of metals, wood, and general refuse generated from workers. These wastes are recycled for reuse when practical, while the remaining wastes are disposed at landfill.

3.4 SMART USE OF RESOURCES

Energy Saving

- 3.4.1 Energy is mainly used in equipment propulsion, illumination and offices in Kin Wing’s construction sites. To use energy in a more efficient manner, the Group has adopted the Energy Management System (“EMS”) in accordance with ISO 50001 Energy Management model. The EMS allows the Group to develop attainable energy objectives and relevant policies in operations; it also assists the Group in identifying energy performance indicators and set up data collection systems to achieve greater continuous energy savings.



ISO 50001 certificate

- 3.4.2 Both infrastructure and behavioural changes are needed to improve the energy performance of the Group. Kin Wing has upgraded equipment and lighting systems for better energy efficiency. For example, the Group adopted a newer model of crawler crane to lower fuel consumption and larger material handling capacity. Furthermore, the Group has fully utilised solar-powered lamp poles in all construction sites, while also using natural light for the specially designed construction sites in the daytime. Kin Wing, at the same time, understands that the daily practices of employees can result in huge energy improvements for the Group, therefore, the Group provides training programmes to its employees with the aim to engage them in energy savings practices.



Solar Powered Lamp Poles

Preserving Natural Resources

- 3.4.3 Kin Wing is committed to conserving natural resources like water and raw materials in its business. With the help of the EMS, the Group contains water usage by recycling and reusing water resources on-site when possible. For instance, the wastewater collected at the sump pits are used after treatment in the dust suppression process and vehicle cleaning. In addition, Kin Wing endeavours to reduce its environmental footprint by promoting efficient use of raw materials through taking full advantage of recycled materials. Pulverised fuel ash, the by-product of coal burning, was recycled for usage as filling material in concrete. Other frequently used materials such as site fencing, scaffolding, and timber is reused in other construction sites wherever possible. These practices allow the Group to fully adopt a sustainable approach and enhance the cost-effectiveness in natural resource usage.

4 CREATING VALUES TO OUR PEOPLE

4.1 ENHANCING SHAREHOLDERS VALUE

Embracing Accountability and Transparency

- 4.1.1 Facing continuing weakness and intense competition in the current foundation market, enhancing the accountability and transparency of the Group allows investors to strengthen their confidence and willingness to collaborate, which in turn creates more business opportunities for the Group. The Group promotes accountability and transparency so as to manage business risks and encourage more conversations with its stakeholders. During the Reporting Period, the Group complied with all ordinances and statutory requirements in relation to its business operations and had no instances of material non-compliance during the year.

Quality Works

- 4.1.2 With an established reputation in the foundation industry, Kin Wing endeavours to maintain its leading role in the provision of foundation services at premium quality. The Group is fully aware of the challenges posed by more market players and the subsequent reduction in tender opportunities faced by the industry. To maintain its competitiveness in the industry, the Group attracts clients with a more cost-effective bidding price under the new tendering strategies. The Group also established a new division which specialises in site formation, pile cap and basement construction works to cope with the latest demand of all-round foundation services from the market.

4.2 FOSTERING EMPLOYEES WELL-BEING

Promoting Talent

- 4.2.1 Kin Wing believes that nurturing our employees' potential is essential to sustain the long-term success of its business. The Group continuously invests in various programmes to develop staff knowledge and skills in corporate culture, leadership and the latest foundation techniques, to improve their capabilities and responsibilities.
- 4.2.2 All employees are given adequate training and support to perform their duties in an effective and efficient manner. New employees, for example, are provided with the opportunity to attend induction training course so that they can quickly integrate into the Group's daily operations with full awareness of the corporate vision and core values. Furthermore, employees at senior management level are responsible for conducting training courses on technical skills as a way to pass on their professional knowledge to less-experienced staff internally. Also, external training programmes are available for employees who would like to enhance their job-related skills and knowledge further. Training reviews are conducted regularly by the Group's Training and Development Department to ensure the training programmes are in line with business development and career growth objectives.



Workshop for Leadership Training 2017

Enhancing Employees' Relation

- 4.2.3 A well-founded relationship among employees is considered as the cornerstone for effective communication and collaboration within the Group. To this purpose, Kin Wing organised different events to enhance the cohesiveness of different business units. For instance, the Group held an Annual Dinner in the Reporting Period and invited over 560 guests, including all employees, suppliers and subcontractors, to participate and share the joy together.



Kin Wing's 2017 Annual Dinner

Employees' Compensation and Benefits

- 4.2.4 To attract and retain suitable talent in the Group, a highly competitive compensation package is provided to Kin Wing's employees. For the consideration of personal wellbeing and work-life balance, reasonable working hours and annual leaves are specified in the employment contract to prevent fatigue and burnout of employees.

Promoting Diversity and Inclusion

- 4.2.5 Building diversity and treating all employees with respect and equal opportunity is an essential practice at Kin Wing. The Group is devoted to build a workplace that is free from discrimination, unfair treatment, harassment and illegal acts. Race, gender, religion, nationality, age, marital status, disability, sexual orientation, or any other social attributes do not affect the decision made on employment and compensation. At Kin Wing, candidates are evaluated with reference to their qualifications and experience; employees who have demonstrated outstanding performance are often recognised and selected for promotion.
- 4.2.6 Salary discrepancies between male and female employees is a prevailing problem in the construction industry. A proactive approach has been taken to address the salary discrepancy between male and female employees at Kin Wing: female candidates and employees are given equal opportunities when they are considered in employment and promotion within the Group.
- 4.2.7 During the Reporting Period, there was no recorded violation of the relevant laws and regulations of discrimination and human rights. The Group complied with its internal policies in this respect and will continue to monitor the employment-related practices in the coming year.

4.3 ETHICS AND INTEGRITY

Avoiding Corruption

- 4.3.1 Kin Wing adopts a zero-tolerance attitude towards unethical business practices such as corruption, bribery, blackmail, money laundering and other fraudulent activities. Procedures to handle suspected corruption cases and ways to prevent bribery are clearly specified in the Group's Employee Handbook and Code of Conduct. For instance, employees are requested to fill in the acknowledgement and agreement form when they encounter any conflicts of interest. Any violation of the Group's anti-corruption regulations may be subject to severe penalties and legal sanctions.
- 4.3.2 To raise the awareness of anti-corruption, the Group organises corruption prevention training programmes for all employees and encourages them to participate. In addition, the Group also partners with the Community Relations Department of the Independent Commission Against Corruption (ICAC) in developing anti-corruption programmes with a specific industry focus during the Reporting Period.
- 4.3.3 From the supply chain perspective, Kin Wing is committed to establishing a level-playing field among all suppliers. A communique was issued to all suppliers and sub-contractors to brief them about the corporate anti-corruption policies. The Group also addressed in the procurement policy that only gifts of small intrinsic value could be accepted from potential or existing suppliers, while valuable gifts should be reported and returned to the supplier. When there is a conflict of interest between suppliers, such conflicts should be reported to the management as soon as possible so that steps may be taken to restore fair competition among all suppliers. Through these practices, the Group has been able to maintain its impartiality during the supplier selection process.
- 4.3.4 During the Reporting Period, no corruption cases are found and the Group has complied with all the relevant laws and regulations in relation to anti-corruption, such as bribery, extortion, fraud and money laundering.

Preventing Illegal Labour

- 4.3.5 Kin Wing strives to protect human rights in its business and extends these labour practices to its suppliers and sub-contractors. Employment of child and forced labour are prohibited in the Group. The Group has adopted an age confirmation system to prevent any form of employment of child labour in the construction sites. Regular inspection are conducted by the Human Resources Department at each construction site. When illegal labour is discovered, the staff from Human Resources Department are responsible for taking corresponding actions to reconcile the illegal labour practices immediately.
- 4.3.6 During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group's employment and labour practices.

4.4 WORKING IN SYMBIOSIS WITH OUR SUPPLY CHAIN

- 4.4.1 Effective communication between suppliers and Kin Wing is vital to assure quality and enhance efficiency of the ongoing construction projects. The Group is committed to improving the entire supply chain by the following policies:

Procurement Policy

- 4.4.2 To ensure the quality of procured equipment is aligned with the internal safety requirement, Kin Wing implemented a stringent procurement policy for both raw material and equipment used for piling construction. The Procurement Department plays the gatekeeper role and is responsible for checking the quality of materials purchased. If any non-compliance with the building regulations is found, the Procurement Department has the obligation to prevent these materials from being used, and must substitute the faulty with a certified one. The Procurement Department also works hand-in-hand with the Health and Safety Department to identify sources of materials and equipment that are in line with the internal standard. Furthermore, the Procurement Department also takes up the responsibility to collect and submit all relevant certifications (e.g. ISO and BEAM Plus) to the Quality Assurance Department for verification.

Raw Material

- 4.4.3 With reference to the Hong Kong's "BEAM Plus New Buildings requirements", the Group has formulated a clear policy for the procurement of concrete and reinforcement bars. The policy states that the manufacturing distance of these materials should be less than 800km from Hong Kong. Similarly, raw materials to produce concrete and reinforcing bars should be sourced from close proximity to the suppliers' manufacturing plant and within 800km of Hong Kong as well. These measures were found to effectively reduce the emission of air pollutants and greenhouse gases during the material transportation from suppliers to the construction sites.

4.5 CARING OUR COMMUNITIES

- 4.5.1 Kin Wing views communities as an important stakeholder, the Group is devoted to improve social wellbeing by sharing its economic prosperity with the community. With this mindset, a number of initiatives have been launched to demonstrate this benevolence.
- 4.5.2 The Group is committed to integrating ESG considerations throughout its operations. With the concerted efforts from the Group, Kin Wing was awarded the Caring Company Logo by the Hong Kong Council of Social Service since 2016/17, for its work in caring for the community, employees and the environment.



Caring Company Logo

Corporate Social Responsibility Policy

- 4.5.3 The Group has fully adopted the corporate social responsibility ("CSR") policy as guiding principles when decisions have to be made on social and environmental aspects. The policy outlines the CSR objectives in short and long runs together with the corresponding improvements that need to be made by the Group. The CSR policy also requires the Group to review its services regularly. In order to gain enough consensus and support for the implementation of sustainable practices, specific trainings were provided to employees during the Reporting Period.

Nurturing the Youth

- 4.5.4 Being a responsible company that desires to contribute to our society, Kin Wing considers nurturing youth as its important social mission. The Group offered internship programmes to teenagers who are interested in exploring the construction and foundation industry. Through real practice and the exchange of ideas at work, the young can explore their full potential and accumulate job experiences; in this way, Kin Wing also fulfills its objective of cultivating the next generation of leaders in the industry.

Community Volunteering

- 4.5.5 Kin Wing took part in various community activities to demonstrate its caring to people in need. The Group initiated volunteering services and encouraged employees to donate or take part in the event to extend their compassion to underprivileged groups.



Kin Wing's volunteer activities

5 LOOKING FORWARD

- 5.1.1 Facing the continuing weak market and highly competitive foundation market in Hong Kong, Kin Wing rises to the challenge through premium quality and excellent safety performance. With the sustainable approach incorporated into the business, Kin Wing is confident in taking up more corporate social responsibilities in the future. Kin Wing is progressively improving its sustainable performance while preparing itself to surmount tomorrow's sustainability challenges.

6 PERFORMANCE TABLE

6.1 ENVIRONMENTAL PERFORMANCE

Indicator		Unit	Performance during the Reporting Period	Remarks
Gaseous Emissions				
	Particulate Matter (PM ₁₀ and PM _{2.5})	kg	9,309.87	
	Sulphur Dioxide (SO ₂)	kg	29.26	
	Nitrogen Oxides (NO _x)	kg	144,795.07	
Greenhouse Gas (GHG) Emissions				
	Scope 1: Direct Emission	Tonnes of CO ₂ equivalent (tCO ₂ e-)	14,114.04	
	Scope 2: Indirect Emission	tCO ₂ e-	648.20	
	Scope 3: Other Indirect Emission	tCO ₂ e-	108.55	
	Total	tCO ₂ e-	14,870.79	
	GHG Intensity	tCO ₂ e- / Revenue (Millions in HKD)	12.49	
Fuel Consumption				
	Petrol fuel	L	59,572.96	
	Ultra-Low Sulphur Diesel	L	5,331,909.28	
Energy Usage				
	Electricity	MWh	1,239.22	
	Petrol fuel	MWh	546.38	
	Ultra-Low Sulphur Diesel	MWh	53,394.40	
	Total Energy Usage	MWh	55,180.00	
	Energy intensity	MWh / Revenue (Millions in HKD)	46.35	
Water Consumption				
	Total	m ³	183,353.00	
	Water consumption intensity	m ³ / Revenue (Millions in HKD)	154.02	

Waste Water				
	Waste Water Discharged	m ³	8,274	<p>The reported figure only represents the sewage discharged in the project of foundation of Public Housing Development at North West Kowloon Reclamation Site 6.</p> <p>The Group is currently developing its data collection system in this area.</p>
Hazardous Waste				
	Waste Lubricating Oil	Tonnes	44.90	
	Waste Battery	Tonnes	0.60	
	Total Hazardous Waste	Tonnes	45.50	
	Hazardous Waste Intensity	Tonnes / Revenue (Millions in HKD)	0.038	
Non-Hazardous Waste				
	Total	Tonnes	326.70	
	Reused and Recycled Metal	Tonnes	703.16	
	Non-Hazardous Waste Intensity	Tonnes / Revenue (Millions in HKD)	0.27	
Packaging Material				
	Total	Tonnes	N/A	The Group did not utilise packing material in operation.

6.2 SOCIAL PERFORMANCE

Indicator	Unit	Performance during the Reporting Period	Remarks
Employee Information			
<i>By Employment Type</i>			
Core Management and Senior Staff	No. of people	76	
Site Staff and Office Staff	No. of people	336	
Workers	No. of people	86	
<i>By Geographical Location</i>			
Hong Kong	No. of people	498	
Training			
<i>Average Training Hours By Employment Type</i>			
Core Management and Senior Staff	No. of hours / year	11.34	
Site Staff and Office Staff	No. of hours / year	1.47	
Workers	No. of hours / year	5.00	
Anti-corruption			
Number of concluded legal cases regarding corrupt practices	No. of case	0	

7 ESG REPORTING GUIDE INDEX

General Disclosure and KPI	Content	Paragraph	Page	Remarks	“Comply or explain” provision
ENVIRONMENT					
A1: EMISSIONS					
<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	3.3	9-13		✓
A1.1	The types of emissions and respective emissions data	6.1	23-24		✓
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	6.1			✓
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	6.1			✓
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	6.1			✓
A1.5	Description of measures to mitigate emissions and results achieved	3.3.11-3.3.16	12		✓
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	3.3.17-3.3.21	13		✓

A2: USE OF RESOURCES					
<i>General Disclosure</i>	Policies on the efficient use of resources, including energy, water and other raw materials Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	3.4	13-15		✓
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	6.1	23-24		✓
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	6.1			✓
A2.3	Description of energy use efficiency initiatives and results achieved	3.4.1-3.4.2	13-14		✓
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	3.4.3	15		✓
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A	N/A	The Group did not utilise packing material in operation	✓
A3: THE ENVIRONMENT AND NATURAL RESOURCES					
<i>General Disclosure</i>	Policies on minimising the issuer's significant impact on the environment and natural resources	3.3-3.4	9-15		✓
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	3.3-3.4	9-15		✓
SOCIAL					
B1: EMPLOYMENT					
<i>General Disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	4.2.4-4.2.7	17-18		✓

B1.1	Total workforce by gender, employment type, age group and geographical region	6.2	25		
B1.2	Employee turnover rate by gender, age group and geographical region	N/A	N/A	The Group currently does not report on the turnover rate of the employee	
B2: HEALTH AND SAFETY					
<i>General Disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	3.1	6-8		✓
B2.1	Number and rate of work-related fatalities	N/A	N/A	The Group currently does not report on the rate of work-related fatality and injury	
B2.2	Lost days due to work injury	N/A	N/A		
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	3.1.1-3.1.4	6-8		
B3 DEVELOPMENT AND TRAINING					
<i>General Disclosure</i>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	4.2.1-4.2.2	16-17		✓
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	N/A	N/A	The Group currently does not report on the percentage of employees trained	
B3.2	The average training hours completed per employee by gender and employee category	6.2	25		

B4: LABOUR STANDARDS					
<i>General Disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	4.3.5-4.3.6	19		✓
<i>B4.1</i>	Description of measures to review employment practices to avoid child and forced labour				
<i>B4.2</i>	Description of steps taken to eliminate such practices when discovered	4.3.5	19		
B5: SUPPLY CHAIN MANAGEMENT					
<i>General Disclosure</i>	Policies on managing environmental and social risks of the supply chain.	4.4	19		✓
<i>B5.1</i>	Number of suppliers by geographical region	N/A	N/A	The Group currently does not report on the number of suppliers	
<i>B5.2</i>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	4.4	19		
B6: PRODUCT RESPONSIBILITY					
<i>General Disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	3.2	8-9		✓
<i>B6.1</i>	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	N/A	This is not a material issue for the Group's operation	
<i>B6.2</i>	Number of products and service related complaints received and how they are dealt with	N/A	N/A		

B6.3	Description of practices relating to observing and protecting intellectual property rights	3.2	8-9		
B6.4	Description of quality assurance process and recall procedures				
B6.5	Description of consumer data protection and privacy policies				
B7: ANTI-CORRUPTION					
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	4.3.1-4.3.4	18		✓
B7.1	Number of concluded legal cases regarding corrupt practices and the outcomes of the cases	6.2	25		
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	4.3	18-19		
B8: COMMUNITY INVESTMENT					
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	4.5	20-21		✓
B8.1	Focus areas of contribution				
B8.2	Resources contributed				