

# Century Group International Holdings Limited

世紀集團國際控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

Stock Code: 2113

Environmental, Social and  
Governance Report  
**2020**





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# INTRODUCTION

This is the fourth Environmental, Social and Governance (“ESG”) report of Century Group International Holdings Limited (the “Company” or “Century Group”) and its subsidiaries (collectively, the “Group”). The Board of Directors (the “Board”) is responsible for the Group’s ESG strategy and reporting, and endeavours to ensure that appropriate and effective ESG risk management and internal control systems are in place.

Century Group is committed to annually report on its sustainability programme, including both qualitative and quantitative information about its economic, environmental and social impacts and initiatives in a transparent and accountable manner. Its sustainability programme includes the Group’s ESG management approaches, strategies, priorities and objectives, which are communicated along with our ESG performances through this report.

Through stakeholder engagements, the Group understands the concerns of its stakeholders, and intends to address these concerns through this annual ESG report (the “Report”). It presents the Group’s sustainability management approach, initiatives and performances undertaken within the Group’s corporate office and project sites for the year ended 31 March 2020 (the “Reporting Period”), unless specified otherwise. Relevant environmental and social key performance indicators may be further limited to the Group’s corporate office only. The Group will continuously improve its data collection system and expand the scope of data in the future.

The Report has been prepared in accordance with the “comply or explain” and “recommended disclosures” provisions of the Environmental, Social and Governance Reporting Guide contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

# OUR APPROACH TO SUSTAINABILITY

## OUR BUSINESS

The business of the Group is based mainly in Hong Kong and partly in the People's Republic of China ("PRC"). The subsidiary in PRC was acquired in March 2020. Considered being at early stage, its effect on ESG is insignificant during the Reporting Period. Therefore, the ESG Report focuses mainly on the Group's business in Hong Kong.

The Group is committed to achieving sustainable growth in site formation works in Hong Kong. As a subcontractor, the Group offers comprehensive and innovative site formation solutions to our customers.

### COMPREHENSIVE SITE FORMATION SOLUTIONS

<b>GENERAL EARTHWORKS</b>	<b>TUNNEL EXCAVATION WORKS</b>	<b>FOUNDATION WORKS</b>	<b>ROAD AND DRAINAGE WORKS</b>	<b>ANCILLARY SERVICES</b>
Soil and rock excavation, disposal of construction and demolition materials, backfilling and compaction for forming a new site or achieving designed formation level	Rock excavation works for construction of tunnels through drill and break and/or drill and blast methods as well as construction of associated temporary tunnel support structures	ELS works and associated structural works for construction of pile caps for commercial and residential building projects	Construction of access roads and drainage systems at construction sites	Steel fabrication and installation of steel working platform

We are dedicated to ensuring that our business operations bring sustained value to our shareholders, employees and customers, and make a positive contribution to the environment and communities in which we work and live in. We shall continue to operate in an accountable and sustainable manner through integrating sustainable development considerations into our daily operations.

## CORPORATE GOVERNANCE

Corporate ethics is central to our operations. We are committed to operating our business with integrity and in accordance with the highest ethical standards. Our operations are guided by a fraud risk management system to prevent fraud through corporate governance, internal control and risk management. Designed according to our company size, business complexity and processes, an appropriate fraud risk management plan is developed through prevention, detection and response. The Group has also built appropriate control procedures in relevant aspects, and has a sound and effective internal control and auditing mechanism. The Board of Directors (the "Board") also plays a major role in continuously monitoring the operations of fraud risk management.



## OUR APPROACH TO SUSTAINABILITY

Fraud risk management system defines fraud as corruption, misappropriation of assets, and misrepresentation. It is the Board and management's responsibility to engage in prevention and detection of fraud, to ensure the effective reduction in fraud risk. By implementing various preventative strategies and initiatives, the Group strives to establish and promote a corporate culture based on honesty and integrity as its core values. Periodic trainings and communications are given to continuously instill and promote corporate ethics.

Employees are encouraged to submit any positive and constructive criticism for the Group to enhance its services or work environment. All comments are seriously considered, and may be implemented with management approval. All requests for confidentiality are treated in confidence.

Whistleblowing channels are established within the Group and are detailed within the staff handbook, which are issued and distributed to every employee. Employees are encouraged to raise concerns and report any possible improprieties or matters in relation to business ethics. All reports are treated confidentially.

Confidentiality is also stressed for employees who receive or draft all records and memos that may contain trade secrets or confidential information, pertaining to the company, its suppliers, subcontractors, or customers. Employees are expected to keep all information confidential, even after employment with the company, and to prevent release of any confidential information for personal or public use.

An internal control manual sets out the Group's internal control policies and the specific roles of different departments on the Group's operations. Employees are expected to follow the operational procedures explained in the manual to avoid malpractices and ensure customer satisfaction. The manual is subject to the Board's periodic review and amendments to maintain the efficiency and effectiveness of our operations.

Details of our corporate governance structure and practices are available within the Corporate Governance Report on pages 14 to 24 in our 2020 Annual Report.

### COMPLIANCE WITH LAW AND REGULATIONS

Compliance is essential to the healthy operations of our Group. We are meticulous and are committed in ensuring compliance with all applicable statutory and regulatory requirements, especially for material ESG aspects that have a significant impact on our operations. During the Reporting Period, we were not aware of any material non-compliance incidents with relevant statutory or regulatory requirements that has a significant impact on our operations.



# OUR APPROACH TO SUSTAINABILITY

## STAKEHOLDER ENGAGEMENT

Communications is an important aspect of our daily operations. For companies in the contracting industry such as ours, stakeholder engagement and communications are crucial in understanding the expectations and priorities of our stakeholders, and delivering high quality and safe operations to our customers, business partners and general public.

The Group values the opinion of our stakeholders and has thus set up and maintained various communications channels for different stakeholder groups. Comments and suggestions are welcomed as they represent an opportunity to improve the company and its services. Apart from regular communication channels, the Group has also conducted an ESG survey to collect opinion from employees, management and external stakeholders, so that the Group can better assess the materiality of various ESG aspects.

Stakeholder	Key Communication Channels	Most Concerned Topics
Shareholders	<ul style="list-style-type: none"> <li>• Announcements and circulars</li> <li>• Interim and annual reports</li> <li>• Shareholders' meetings</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Corporate image</li> <li>• Corporate governance</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Business visits and meetings</li> <li>• Audit and performance feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Quality, environmental and safety performance</li> <li>• Management of explosives</li> <li>• Code of conduct implementation</li> <li>• Labour relations and rights</li> <li>• Compliance with laws and regulations</li> <li>• Transparency and reliability of information disclosure</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Company internal website, correspondences, suggest box</li> <li>• Annual performance appraisal</li> <li>• Onsite safety trainings and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Employment practices, including salaries and benefits</li> <li>• Labour relations and rights</li> <li>• Workplace safety</li> </ul>
Suppliers and subcontractors	<ul style="list-style-type: none"> <li>• Business correspondences</li> <li>• Procurement contracts and letters of undertaking</li> <li>• Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Fair competition</li> <li>• Management of explosive</li> <li>• Suppliers evaluation</li> </ul>
Government and regulatory authorities	<ul style="list-style-type: none"> <li>• Compliance inspections</li> <li>• Due submissions</li> <li>• Conferences and seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with law and regulations</li> <li>• Corporate governance</li> </ul>
Community and public	<ul style="list-style-type: none"> <li>• Press releases and news</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental management</li> <li>• Career opportunities</li> <li>• Community welfare outreach</li> </ul>



# OUR APPROACH TO SUSTAINABILITY

## SUSTAINABILITY MODEL

Our sustainability model is driven by our commitment to excel in the industry through enhancing and continuously improving our service quality, environmental performance, and safety aspects of our work environment.

In terms of our service quality, we are committed to meeting all clients' requirements and increase client satisfaction through service improvement. We are also committed to ensuring we fulfil our and our clients' contractual and statutory requirements in a planned and systematic manner, in terms of quality and health and safety.

Our Group commits to continuously improving its environmental performance and minimising all environmental impacts resulting from our operations, activities and services. The Group is also committed to identifying materials, processes, products and wastes that may cause pollution, and implementing measures to avoid, reduce or control pollutions where technically and economically viable. All applicable environmental laws, regulations, code of practices and other requirements would be strictly complied.

The Group is committed to safeguarding the health and safety of all personnel employed, the public and any other who may come in contact with the Group's operations, by integrating all reasonably practical safety measures into project planning.

To fulfil our commitments in the area of quality, environment, and health and safety, the Group has established and since operated under an Integrated Management System (IMS). The IMS allows the company to operate a Quality Management System (QMS), an Environmental Management System (EMS), and an Occupational Health and Safety Management System (OHSMS), which fully comply with the requirements of the international standard ISO 9001:2015, ISO 14001:2015, and OHSAS 18001:2007 respectively.

The IMS is developed and implemented to demonstrate the Group's ability to consistently provide services to meet client and applicable regulatory and statutory requirements, and to address client satisfaction through effective application of the IMS, which emphasizes continual improvement and prevention of nonconformity.

# ENGAGING IN STRONGER SOCIAL RELATIONSHIPS

The Group internalizes the importance of retaining high-calibre employees within the industry it operates in. Therefore, the Group must provide a healthy, safe, fair, encouraging and positive work environment for our employees.

## HEALTH AND SAFETY

To engage in stronger relationships with our employees and their families, it is of utter importance that Century Group safeguards the health and safety of all its employees, subcontractors and general public. The construction industry is inherently high-risk regarding health and safety due to the fact that its operations involve the use of heavy machineries and explosives. In Hong Kong, the construction industry records the highest number of fatalities and accident rate among all industry sectors in recent years. Therefore, the Group is dedicated to implementing effective health and safety policies and plans to manage and address safety risks, and to secure people's physical wellbeing.

Reviewed annually, it is our Group's policy to ensure health and safety is a top priority above all others in any circumstances, and to acknowledge that health and safety awareness is integrated within all business activities. Our Group is committed to implementing and maintaining a high level of health and safety performance, with full compliance of all statutory and contractual obligations with respect to occupational health and safety, as the minimum standard.

Health and safety components have been integrated across our business. The Group's IMS assures that the Group operates with a certified OHSMS in accordance with OHSAS 18001 requirements. The Group has set two targets:

1. Strengthen employees' safety awareness through relevant in-house safety training
2. Ensure that accident incidents are no more than 3 cases per year

Guided by OHSMS, the Group has implemented multiple layers of health and safety precautionary initiatives, including establishment of a dedicated committee, communications through project safety plans, risk assessments, and more. Further to reaching the two aforementioned safety targets, the Group has set safety goals and developed action plans in 2017. We understand that there is room for improvement, and we shall continue to pursue the ultimate goal of achieving zero accident.

Meeting biannually, a Health and Safety Committee is established to maintain a safety management system, which includes the preparation of health and safety plan, risk assessment reports, safety inspections, safety audits, regular safety meetings, written safe working procedures, and communication systems. The committee also reports and evaluates on all accident reports and statistics, as well as considers and adopts recommendations for improvement.

Each project site also has a dedicated site safety committee that closely monitors the safety policy, safety plan and procedures, organization, accident and statistics, health and safety training, as well as safety promotions on site. On each project site, the safety organization comprises of safety managers, senior safety officers, safety officers, safety supervisors, first aiders and health care officers, to undertake all safety related concerns.

Project safety plans are laid out to effectively address a process of identification, organization and planning, implementation, monitoring and review of all activities of the site operations to protect the health and safety of all personnel engaged on the project and others, who may be affected by the activities undertaken. These plans also serve to ensure that relevant legislation, code of practices, and contractual obligations are approved and observed.

Risk assessments in relation to health and safety issues are conducted periodically during the works/services stages, as well as prior to the implementation of any corrective and preventive actions for accidents, incidents or non-conformances. Result of the risk assessments will be used to develop health and safety procedures, training material and checklist for implementation. This can ensure that plant, personal protective equipment and trainings provided are in accordance with health and safety procedures, method statements, or permit to work.



# ENGAGING IN STRONGER SOCIAL RELATIONSHIPS

## Process Control Programmes

Separate process control programmes, along with references, safety rules and procedures are laid out for the following:

Fire arrangement	Electricity
Working at height	Portable tools
Housekeeping	Substances hazardous to health
Health and safety in office	Ladders and accesses
Manual materials handling	

The Group also communicates and promotes health and safety through onsite bulletin boards at prominent locations, newsletters, and suggestion boxes. The following are especially displayed:

- The Company's IMS Policy Statement
- Newly issued safety procedures
- Minutes of last Health & Safety Committee Meeting
- Previously publications from relevant authorities
- Accident information and statistics
- Other issues related to health and safety matters

Safe campaign of prevention of heat stroke was launched in the summer of 2018, with promotional events such as tool box talk related to heat stress and dehydration indicators and preventive measures, conducted to enhance the knowledge on how to prevent heat strokes for all site employees.

Within the Reporting Period, there was three reported work injury incidents. Our Group shall continue to provide health and safety trainings to employees to improve their awareness to potential health and safety risks. Further information on safety training can be found in the Training and Development section on page 9.

## EMPLOYMENT

Fairness is integrated throughout the employment process, as employment at Century Group emphasizes on work performance. Annual performance assessments are held to review employees' work performance throughout the year. Salary raises, promotions and bonuses are based on each employee's performance assessment, to ensure a competitive and fair incentive and remuneration package. All wages and compensation are adequately remunerated, and meet, or exceed, legal and industry minimum standards.

Discrimination is strictly forbidden in the company, especially during recruitment, employment, promotion, or other human resource development. Anti-discriminatory employment process guarantees the Group's strategy and ability to attract diverse and qualified employees. It also signifies Century Group's effort in implementing and encouraging inclusive employment practices. The Group's employment practices are exercised without discrimination of any kind based on age, gender, religion, political background, disability, marital and family status or other status.

The Group respects its employees and guarantees to safeguard the privacy of each employee. Personal details of all employment are protected within a secure system, whereby only authorized personnel are granted access.

All employees are issued a staff handbook that details employees' rights and responsibilities. Within the employment period, employees are expected to abide by the rules and regulations of the Group, as detailed within the staff handbook. Any violation may result in disciplinary actions or penalties.

# ENGAGING IN STRONGER SOCIAL RELATIONSHIPS

As of 31 March 2020, the Group employed a total of 195 full time staff members (31 March 2019: 166 staff), of which 174 are male and 16 are female in the subsidiary in Hong Kong. 134 employees are equipped with professional licenses (31 March 2019: 121 staff). Further breakdown of our employment data can be found in the ESG Performance Table on page 16.

During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputes, nor has it experienced any difficulty in the recruitment or retention of experienced staff.

## TRAINING AND DEVELOPMENT

The Group recognizes and supports the diverse development needs of each employee. We arrange high quality training programmes for employees to develop and refine their skills, acquire market insights and updates, and pursue further knowledge.

These programmes allow our employees to perform with higher efficiency, effectiveness, and accuracy. In addition, our employees are also free to explore and request for special training or retraining from external training sources. It is highly important for our company to instil a continuous learning culture within the Group.

Overall safety training needs are identified through training needs analysis, and training modules are developed to suit the identified needs. The company annually reviews, evaluates, and updates the training programme.

On the other hand, all site employees at project sites are required to attend all necessary and relevant occupational health and safety trainings provided by our occupational safety consultant or main contractors at the project sites, prior to entering or working onsite. All newcomers are required to attend site safety induction training prior to work commencement. Onsite safety trainings may include method statement, blasting, rock trimming, excavation, noise barrier maintenance, proper usage of Personal Protective Equipment, and others.

### Training Modules (for onsite personnel)

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- 01 Induction Training
- 02 Green Card Training
- 03 Tool Box Talk
- 04 Trade Specific Training (Safety)
- 05 Safety Training (Supervisory staff)
- 06 Safety Training (Managerial staff)

## COMMUNITY INVESTMENT

The Group strives to extend its care from its employees to the greater community where it operates in, in order to fulfil its commitment to give back to the community. It is our goal to enrich our employees' lives, and to empower underprivileged groups for the betterment of our society.

The Group participates in community events from time to time, and to the improvement of community well-being and social services. Century Group supports and encourages staff to actively participate in a wide range of charitable events outside working hours, to raise awareness and concern for the community, and to inspire more people to take part in serving the community. In the coming year, the management shall review policies relating to community investment and explore the feasibility of increasing community investment activities.

# DRIVING OPERATIONAL EXCELLENCE

Century Group strives to enhance customer satisfaction and corporate values by excelling in its operational practices by following the principles of sustainable development. Our QMS is devised with reference to international standards, which ensures not only operational compliance, but also operational excellence.

To maintain consistent quality services for our customers, we have established a formal QMS that is certified to be in compliance with the requirements of ISO 9001 within our IMS. Our QMS specifies in-house quality assurance requirements, including work procedures for performing different types of site works, personnel responsibilities, quality inspection procedures and standards, among others. Our employees and subcontractors are required to follow these procedures, and various trainings are provided to ensure they understand our requirements.

Quality control must meet our customers' requirements, be completed within the deadline and budget allocated for the project, and comply with all relevant laws and regulations. In particular, the Group closely monitors overall work quality and project progress, as well as work quality of our subcontractors.

The Group shall continue to exercise due care in the pursuance of its existing core business and furtherance of its development plans to balance the risks and opportunities in the construction industry in Hong Kong.

## SUPPLY CHAIN

Our direct customers are mostly main contractors of various types of infrastructural and commercial and residential buildings in Hong Kong. These projects are generally categorised into public and private sector projects<sup>1</sup>. Throughout the Reporting Period, majority of our work lies in public sector projects, where we are engaged by the main contractors included on the List of Approved Contractors for Public Works as subcontractors for such projects.

We have maintained stable relationships with our major customers. As a subcontractor, we secure our projects from main contractors or other contractors through tenders by invitation. Tender invitations are provided along with preliminary information on the specifications, site conditions and relevant drawings. Upon receiving tender or quotation details, our Group makes a preliminary assessment on the requirements, including consideration of whether to bid, profitability, feasibility, our expertise and capacity, available manpower resources, project schedule, quality expectation, preliminary safety and environmental risk analysis and other possible risk factors associated. On-site inspections of the conditions of sites may also be conducted.

Depending on the scale and complexity of the project, a project team would be formed and is generally comprised of the following key personnel: project manager, engineer, superintendent, quantity surveyor and foreman. If blasting works are involved, the project team will also include blasting engineer and registered shotfirer.

<b>Project Identification</b>	<b>Tender Analysis and Preparation</b>	<b>Project Acceptance</b>	<b>Project Team Formation</b>
The Group is usually invited by our customers by way of invitation letters	Preliminary assessment of the requirements of the tender are made, prior to tender preparation and submission	Once tender is accepted, we would enter into a formal agreement with client incorporating detailed terms	Depending on project scale and complexity, project team would be formed with key personnel
01	02	03	04

<sup>1</sup> Public sector projects refer to projects where the main contractors are employed by the Government or statutory bodies, while private sector projects refer to those that not public sector projects.

# DRIVING OPERATIONAL EXCELLENCE

Depending on the Group's capability, project schedule, resources level, cost effectiveness and complexity of each project, we may subcontract specific parts of projects to our subcontractors in Hong Kong. The Group conducts rigorous evaluation, selection and control of all subcontractors and material suppliers, prior to the inclusion into the List of Approved Subcontractors/Suppliers. Performance reviews, especially safety performance appraisals, are conducted at yearly intervals, for the assessment of continuing suitability and potential for future projects.

All subcontractors and suppliers are expected to abide by laws and regulations, contractual requirements, the Company's instruction and work instructions. Failure to comply with safety requirements or other special obligations may lead to disciplinary actions or other serious repercussions.

Especially for the procurement of safety equipment, a List of Approved Suppliers includes recommended manufacturer pending availability of stock. All safety equipment is ordered as per the approved list; where specific or special safety equipment is required and is not on the approved list, the specification of the order shall undergo further comments and verifications. All safety equipment brought onsite by subcontractors or suppliers are subject to examination and should comply with established standards. Defective equipment shall be discarded immediately.

This year, we worked closely with 407 suppliers and 7 subcontractors (31 March 2019: 134 suppliers and 13 subcontractors).

## QUALITY ASSURANCE

Quality assurance for all our works are conducted by both our project teams and customer representation. We must ensure that all projects are completed, tested and approved to the satisfaction of our customers, verified with inspections and free of apparent defect.

All construction works are executed by our direct labours and/or our subcontractors under strict supervision of our on-site project teams and customers representatives. Throughout the construction, our project manager will meet with our customers to review work progress and resolve any issues identified during the course of construction.

The Group would monitor work progress, project performance, customer comments and follow-up matters for each project. Progress meetings are also held with our customers throughout the project to ensure we keep our customers informed of project status and major issues identified. Our team is responsible for monitoring of quality and ensuring that all projects are executed in accordance with our quality standards.

## CUSTOMER RELATIONS

Century Group has yielded many professional and satisfactory customer relationships, through its comprehensive quality standards and procedures, its employees' meticulous care in providing outstanding products, and unequivocally excellent customer services.

In addition, "listening" and "engaging" are important attributes in achieving client satisfaction. Multiple channels for engagement with the Company has been set up for our clients to express their feedback, including a biannual client satisfaction survey. Surveyed client satisfaction data, information and feedback allows us to reflect on our operations and analyze client expectations and needs. The Group shall continue to review these biannual results and strive to improve its product and service offerings.



## **PRESERVING OUR ECOSYSTEMS AND RESOURCES**

Century Group understands the importance of preserving our precious ecosystems and scarce resources for the sustainability of our operations, the cities we operate in, and the world. The contracting industry often work with different kinds of equipment, machineries and agents that may pose an ongoing threat to the natural environment.

To reduce the likelihood of damage to the environment, the Group strictly complies with all relevant laws and regulations, and considers numerous natural environmental factors in our overall operational plans. To further manage our environmental impact, the IMS involves an EMS that fully complies with the requirements of the internationally recognized ISO 14001 certifications. The EMS organizes the way we manage explosives, air and noise emissions, waste generation and disposal, and water and energy usage.

Our environmental goals include:

1. To receive less than 3 cases of environmental complaint per quarter
2. To conduct environmental awareness training
3. To implement better waste and recyclables management on project sites

Based on the operating activities and services from the project sites and office, an identification of potential environmental impacts arising from the work activities shall be conducted. All environmental aspects shall be evaluated to identify their significance. Environmental aspects that have relevant statutory requirements or have influential environmental impact shall be considered significant and shall be handled with due care.

The “Environmental Control” procedure within the IMS outlines basic environmental guidelines for the handling and disposal of project site discharges, as well as working practices and measures to reduce air pollutants, dust emissions, noise, and other wastes, during our operations.

### **MANAGEMENT OF EXPLOSIVES**

Century Group’s business operations involve the use of explosives on a regular basis, as an efficient mean of blasting rock. Hence the Group recognizes its responsibility in ensuring environmental impact from the use of explosives is minimized to the greatest extent.

The Group strictly complies with the Dangerous Goods Ordinance, all other relevant legislation, and safety regulations relating to explosives and blasting. It also guarantees that all certifications, licenses, and permits are obtained from the Mines Division of Civil Engineering and Development Department, prior to the use of explosives at a work site for carrying out blasting works. The Group relies on its suppliers and the Government to ensure they also obtained the correct licenses required for the storage and transportation of such explosives.

The Group also exercises stringent control on the use of explosives. Assessments are conducted to identify key hazards and constraints for blasting works. Practical measures are applied to reduce air pollutants or dust emissions, as well as to ensure the safety of all onsite personnel and the public.

# PRESERVING OUR ECOSYSTEMS AND RESOURCES

## AIR AND NOISE EMISSIONS

The protection of air quality is highly significant within our operations. Atmospheric emissions stem mostly from our excavation and earthwork operations, including dust from plant operations, soil stockpile, and excavation process. Smoke emissions during the cutting and welding work of structural steel works, as well the hauling of construction materials also contribute to the generation of atmospheric emissions.

Some general precautionary site practices are implemented to reduce air pollutants or dust emissions:

1. Cover dusty materials on vehicles, aggregate stockpile with impervious material, exposed surface of excavation, cement bags, among others
2. Water or dampen necessary excavation area, unpaved areas used by site traffic and active construction areas, and during other operations, such as drilling
3. Carry out regular maintenance for vehicles and equipment
4. Secure or remove materials that may be blown away in any windy area

Various noise management initiatives are in place to reduce the amount of disturbance we create on the project sites. These management initiatives target excavation, concreting, piling and road works. In addition to applying for construction noise permit for works to be carried out during off-peak hours, the Group utilizes quieter or silenced type equipment whenever possible. Regular maintenance is carried out for relevant equipment and machineries to ensure all operations are conducted as fast as possible to minimize all impacts.

Another air emission is the emissions of greenhouse gases (“GHG”) through our operations. Our GHG emissions mainly comprise of direct emissions from fuel combustions of our vehicles and indirect emissions from electricity consumption. Although GHG emissions from our operations is currently not considered significant to the environment within our environmental aspect identification, we shall not underestimate its potential impact in the natural environment and in the world.

The Group is committed to conducting annual evaluation of our GHG emissions. We will also continuously consider various reduction and remediation initiatives our Group can contribute in. The Group has assessed its annual GHG emissions, which the scope covers our offices and project sites.

<b>GHG Emissions</b>	<b>Unit</b>	<b>2019</b>	<b>2020</b>
Total Emissions	tCO <sub>2</sub> e-	4,837.57	5,212.14
Scope 1: Direct Emissions	tCO <sub>2</sub> e-	4,825.52	5,202.93
Scope 2: Energy Indirect Emissions	tCO <sub>2</sub> e-	12.05	14.80
GHG Emission Intensity by Unit Revenue	CO <sub>2</sub> e-/HKD'000	0.03	0.02





## **PRESERVING OUR ECOSYSTEMS AND RESOURCES**

Understanding the environmental impact our vehicles may affect the people and neighbouring communities, we take precaution and endeavour to minimize air emissions from our vehicles, including GHG emissions and other air pollutants, such as nitrogen oxides (“NOX”), sulphur oxides (“SOX”) and respiratory suspended particles (“RSP”, also known as Particulate Matter (“PM”)). There is currently insufficient data to calculate an accurate amount of air pollutants our vehicles emit, due to lack of monitoring systems practices in place. While we consider the necessity of transportation of materials and wastes, other measures such as regular vehicle maintenance are conducted.

On the other hand, electric vehicles may have the potential for significant contributions towards reducing our reliance on diesel fuel and associated air pollutions through fuel combustions. Since 2018, the Group has introduced the first electric vehicle as a mode of transportation for our employees.

### **WASTE GENERATION AND DISPOSAL**

As Century Group mainly operates within Hong Kong, the Group is inevitably aware of and concerned with the city’s imminent waste problem at landfills. Relying on landfills alone in treating waste is not sustainable and hence we are in support of the Government’s initiative in reducing waste at source. Wherever applicable, appropriate general practices to relieve landfill pressure are assessed and applied.

Waste management is material in the contracting industry. Currently, all wastes at project sites are sorted, segregated and collected for delivery to public fill reception facilities and other outlets. The increase in construction waste disposal charges within the Reporting Period has encouraged the Group and the industry to further reduce and reuse construction waste.

Whenever possible, the Group strives to fully utilize ordered materials to avoid generation of abandoned materials, designate sufficient area for storage of different types of waste including excavated materials, conduct regular housekeeping work, use spill tray for fuel storage, and transport inert waste to approved landfill sites.

When the generation of chemical waste is applicable, the Group would abide by the Waste Disposal (Chemical Waste) (General) Regulation. The Group would register as chemical waste producer and appoint a licensed chemical waste collector to collect and transport all chemical waste, including used fuel, oil and lubricants, to a licensed waste treatment centre for proper handling.

As of 31 March 2020, the Group has no disposed construction waste (31 March 2019: 184,000 tonnes) recorded from all of our project sites (average construction waste per project site as at 31 March 2019: roughly 20,500 tonnes) because all construction wastes were recycled within the construction site.

# PRESERVING OUR ECOSYSTEMS AND RESOURCES

## WATER AND ENERGY USAGE

Water is mainly used for dust suppression and cleaning purposes at the project sites. To minimize dust stir up, whenever applicable, we water any unpaved areas used for site traffic and any active construction areas, and we wash off any dust or mud from the wheels of all vehicles leaving project sites. Especially during excavation, site employees ensure that exposed surface is wet prior to, during and after excavation works. Water spraying is also carried out whenever possible for drilling works.

Due to the primary purpose of water in dust suppression within our operations, we must also consider wastewater quality when discharged. A list of general practice is described in the Environmental Control and would be applied when possible. Some ongoing initiatives are the use of sedimentation tanks, recycling of treated water, and regular maintenance of drainage systems. A temporary drainage management plan would normally be set up on project sites and handled by main contractors.

On the other hand, energy usage is mostly dedicated to fuel consumption for the hauling of construction materials, as well as electricity usage at the office. Electric vehicles may have potential for significant contributions towards reducing our reliance on vehicle fuel consumption. Within the reporting period, the Group has introduced the first electric vehicle as a mode of transportation for our employees.

As we have no operational or financial control of water or electricity use on project sites, we are unable to present any onsite water or electricity consumption data. Within the office, we have recorded a total water consumption of 7.26 m<sup>3</sup> (31 March 2019: 7.12 m<sup>3</sup>) during the Reporting Period. Our electricity consumption at the office is 12,557.00 kWh (31 March 2019: 15,769.88 kWh) and at the warehouse is 10,966.00 kWh (31 March 2019: 6,549.00 kWh), with an intensity of 123.81 kWh (31 March 2019: 134.45 kWh) per full time employee. Our electric vehicle charging dock consumed 5,500.92 kWh (31 March 2019: 1,303 kWh).

Energy	Unit	2019	2020
Electricity Consumption	kWh	23,622.36	<b>29,023.92</b>
• Office	kWh	15,769.88	<b>12,557.00</b>
• Warehouse	kWh	6,549.00	<b>10,966.00</b>
• Electric Vehicle Charging Station <sup>2</sup>	kWh	1,303.48	<b>5,500.92<sup>3</sup></b>
Diesel Consumption	L	12,060.00 <sup>5</sup>	<b>163,529.63<sup>4</sup></b>
Gasoline Consumption	L	1,815,915.00 <sup>5</sup>	<b>2,017,530.35</b>
Total Energy Consumption	MJ	57,810,015.94 <sup>5</sup>	<b>69,943,449.18</b>

<sup>2</sup> No energy consumption record for electric vehicle due to change of charging station in 2020. Energy consumption is calculated by proportion of travelled distance since the start of vehicle usage.

<sup>3</sup> Energy for electric vehicle charging increased by 322.02% because of site supervisor's increasing needs of visiting multiple project sites in 2020 compared with 2019.

<sup>4</sup> Diesel consumption increase by 1256.97% because new dump trucks were purchased in 2020 to take dumps in the construction sites instead of subcontracting the process in 2019.

<sup>5</sup> To standardise the data collection method, the relevant figures have been re-examined and revised.

# ESG PERFORMANCE TABLE

Key Performance Indicators	Unit	2019	2020
<b>ENVIRONMENTAL</b>			
Water Consumption	m <sup>3</sup>	7.12	7.26
Water Consumption Intensity by FTE <sup>6</sup>	m <sup>3</sup> /Person	0.04	0.04
Energy Usage	MJ	57,810,015.94	69,943,449.18
Electricity Usage	kWh	23,622.36	29,023.92
Gasoline Consumption	L	1,815,265.00	2,017,530.35
Diesel Usage	L	12,060.00	163,529.63
Energy Intensity by Revenue	MJ/HKD'000	404.68 <sup>7</sup>	278.02
Energy Intensity by FTE	MJ/Person	348,253.11 <sup>7</sup>	368,123.42
GHG Emissions (Scope 1-2)	tCO <sub>2</sub> e-	4,837.57	5,217.74
GHG Emission Intensity By Revenue	tCO <sub>2</sub> e-/HKD'000	0.03	0.02
GHG Emission Intensity By Project	tCO <sub>2</sub> e-/Project	537.51	346.86
Construction Waste Disposed	Tonnes	184,481.16	N/A
Construction Waste Disposed Intensity By Revenue	Tonnes/HKD'000	1.29	N/A
<b>Use of Resources</b>			
Paper Consumption	Tonnes	0.16	0.17
<b>SOCIAL</b>			
Total Workforce	Person	166	195
<b>Workforce by Gender (Hong Kong subsidiary)</b>			
Male	Person	155	174
Female	Person	11	16
<b>Accident Rate</b>			
Lost Days Due to Work-Related Injuries	Number of Days	604	0

<sup>6</sup> FTE stands for full-time employee in Hong Kong.

<sup>7</sup> To standardise the data collection method, the relevant figures have been re-examined and revised.