



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

2020

**Environmental, Social and
Governance Report**



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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 2020, covering its operating activities which are considered as material by the Group — (i) foundation and construction in Hong Kong and Macau (“**HK & MO**”); (ii) construction in Singapore and Southeast Asia (“**SG & SEA**”); (iii) property development in Singapore and Southeast Asia and (iv) property development in Hong Kong. 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 2020 to 31 December 2020.

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 property development, foundation and construction business in Singapore and Southeast Asia, Hong Kong and Macau with dedication to provide construction services with the highest quality. The foundation and construction segment mainly represent the provision of foundation and construction work to property developers, loaning of labour and rental of equipment in Hong Kong and Macau. The property development segment represents the sales of completed property units in Singapore, Southeast Asia and Hong Kong. The construction segment mainly represents the provision of construction work to property developers, sales of goods, loaning of labour and rental of equipment in Singapore and Southeast Asia. Meanwhile, the Group is actively exploring opportunities in construction and property development business in the Southeast Asia markets from the opportunities arising from “One Belt, One Road” Initiative including Indonesia, Vietnam, Malaysia and Cambodia, etc.

During the reporting period, the Company won numerous industry awards. 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.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. It allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment.

The Group acknowledges the importance of intelligence gained from the key stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

Stakeholders	Expectations	Engagement channels
Government and regulatory authorities	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Proper tax payment Promotion of regional economic development and employment 	<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, interim report and announcements Company website
Shareholders and investors	<ul style="list-style-type: none"> Business performance Corporate governance Information disclosure and transparency Protection of interests and fair treatment of shareholders 	<ul style="list-style-type: none"> General meeting and other shareholder meetings Annual reports, interim report and announcements Meeting with investors and analysts Company website
Employees	<ul style="list-style-type: none"> Safeguarding rights and interests of employees Good working environment Career development opportunities Self-actualisation Health and safety Staff remuneration, benefits and well-being 	<ul style="list-style-type: none"> Conferences Training, seminars, briefing sessions Cultural and sport activities Newsletters Intranet and emails
Customers	<ul style="list-style-type: none"> Safe and high-quality products Stable relationship Information transparency Integrity Business ethics 	<ul style="list-style-type: none"> Website, brochures, video, annual and interim reports Email and customer service hotline Feedback forms Regular meeting Company website

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholders	Expectations	Engagement channels
Suppliers/Partners	<ul style="list-style-type: none"> • Long-term partnership • Honest cooperation • Fair and openness • Information resources sharing • Risk reduction 	<ul style="list-style-type: none"> • Business meetings, supplier conferences, phone calls, interviews • Regular meeting • Review and assessment • Tendering process
Peer/Industry associations	<ul style="list-style-type: none"> • Experience sharing • Cooperation • Fair competition 	<ul style="list-style-type: none"> • Industry conference • Site visit
Public and communities	<ul style="list-style-type: none"> • Community involvement • Social responsibilities 	<ul style="list-style-type: none"> • Volunteering • Charity and social investments • Annual reports, interim report and announcements • Company website

Through general communication with key stakeholders, the Group understands the expectations and concerns from key stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

The Group has adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and key performance indicators (KPIs) are reported in the Report according to the recommendations of the ESG Reporting Guide (Appendix 27 of the Listing Rules) and the GRI Guidelines.

The Group has evaluated the materiality and importance in ESG aspects through the following steps:

Step 1: Identification — Industry Benchmarking

- Relevant ESG areas were identified through the review of relevant ESG reports of the local and international industry peers.
- The materiality of each ESG areas was determined based on the importance of each ESG area to the Group through internal discussion of the management and the recommendation of ESG Reporting Guide (Appendix 27 of the Listing Rules).

Step 2: Prioritization — Stakeholder Engagement

- The Group discussed with key stakeholders on key ESG areas identified above to ensure that all the key aspects were covered.

Step 3: Validation — Determining Material Issues

- Based on the discussion with key stakeholders and internal discussion among the management, the Group's management ensured that all the key and material ESG areas, which were important to the business development, were reported and in compliance with ESG Reporting Guide.

As a result of this process carried out in 2020, those important ESG areas to the Group were discussed in this Report.

ENVIRONMENTAL ASPECT

A. ENVIRONMENTAL ASPECT

As a leading property developer in Singapore, the Group recognizes that it has an obligation to reduce the impact of our operations on the environment and is accountable for the resources and materials that are used in our daily operations 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, the Group pledges to uphold quality environmental management system in our construction operations that were certified to ISO 14001 international standards. Based on ISO 14001, the Group has implemented a set of internal policies and procedures for conserving resources, managing the wastes and minimising the pollution.

The Group also allocates resources to update our environment management system and maintain our ISO 14001 certification in order to reduce our risks related to environmental issues.

Moreover, the Group requires our subcontractors to comply with our environmental protection policies and encourages 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.

Throughout the year, we fully complied with all relevant environmental laws and regulations in Singapore and Southeast Asia, Hong Kong and Macau such as the Environmental Protection and Management Act in Singapore and the Air Pollution Control Ordinance (Cap. 311) in Hong Kong. Besides, no concluded case regarding environmental issues was brought against the Group during the year. As our Group continues to develop, we are committed to continuously improving the environmental sustainability of our business. Besides, we ensure that environmental considerations remain one of the top priorities in our daily business operations and that we fulfil our obligations to both the environment and the community.



A1. Emissions

As a property developer, the Group recognizes that it has duties to reduce emissions. Given that most of our operations is construction based, the Group implements environmental management system and procedures to lower their emission levels. In the meantime, the Group fully complies with all the relevant environmental laws and regulations in the regions where it operates. These include the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) and the Road Traffic Ordinance (Cap. 374) in Hong Kong, the Environmental Protection and Management (Air Impurities) Regulations and the Environmental Protection and Management (Off-Road Diesel Engine Emissions) Regulations 2012 in Singapore as well as other relevant regulations. Besides, no concluded case regarding emissions brought against the Group or its employees during the year.

Air Pollutant Emission

Air pollutant emission control is vital to both environmental protection and the health of employees. The Group understands that its manufacturing process involves the use of different fuels which cause various air pollutant emissions, including nitrogen oxides (NO_x), sulphur dioxide (SO₂), and particulate matter (PM). The Group strives to improve the air quality during its business operations.

ENVIRONMENTAL ASPECT

During the year, the Group's implemented "Air Pollution Control" operational procedure to control air pollutant emissions 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 emissions, 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 transportation to reduce dust emission.
- Self-made plastic water tanks are attached to forklift vehicles for dust control in construction sites.
- All vehicles are sprayed by recycled water prior to leaving the construction sites.
- Electricity power supply from power utilities is used whenever practicable to replace the use of generators.
- Machines and equipment are switched off when idle 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 unnecessary air-conditioner to reduce the emission of fumes and obnoxious gas.

The Group's air pollutant emissions are classified into two sources — machinery and motor vehicles. The increase in air pollutant emissions in 2020 was mainly attributable to the increase in the provision of foundation and construction work to customers in Hong Kong during the year.

The air pollutant emissions of the Group during the reporting period were as follows:

Air Pollutants	Unit	HK & MO	SG & SEA	2020 Total	2019 Total
Nitrogen oxides (NO _x)	kg	105,196	103,407	208,603	157,217
Sulphur dioxide (SO ₂)	kg	65	65	130	98
Particulate matter (PM)	kg	6,791	6,633	13,424	10,066

ENVIRONMENTAL ASPECT

Greenhouse Gas (“GHG”) Emission

GHG is considered as one of the major contributors to the climate change and global warming. The Group recognises that climate change is gradually concerned by the community as it affects our daily life and poses a risk to its business. Hence the Group is committed to mitigating the effects of climate change and protecting the health of employees. The Group advocates green construction sites by planting green-leaf plants to increase oxygen content.

Regarding the GHG emissions of the Group, direct emissions (scope 1) and indirect emissions (scope 2) are mainly resulted from combustion of fuels in machinery, use of purchased electricity and purchased town gas respectively. Giving the majority of the GHG emissions of the Group come from energy consumption in construction activities, the Group tackles the carbon footprint by lowering the energy consumption in our business operations. Policies and procedures as described in the section “Use of Resources” to encourage energy saving have been incorporated throughout the operations in order to reduce the carbon footprint. The increase in GHG scope 1 emission in 2020 was mainly attributable to the increase in the provision of foundation and construction work to customers in Hong Kong during the year. The increase in GHG scope 2 emission in 2020 was mainly due to the increase in the construction and/or property development activities in Cambodia, Singapore and Myanmar during the year.

The GHG emissions of the Group during the reporting period were as follows:

GHG Emission ¹	Unit	HK & MO	SG & SEA	2020 Total	2019 Total
Scope 1 ²	tonnes of CO ₂ -e	7,621	11,346	18,967	16,350
Scope 2 ³	tonnes of CO ₂ -e	249	1,998	2,247	1,548 ⁴
Total GHG emission	tonnes of CO ₂ -e	7,870	13,344	21,214	17,898 ⁴
GHG emission intensity	tonnes of CO ₂ -e/ HK\$ millions of project turnover	6.0	3.5		HK & MO: 4.8 SG & SEA: 1.9

Hazardous and Non-hazardous Wastes

The Group recognizes the importance of waste reduction. In order to lower the impact on the environment, the Group has introduced and implemented waste management measures to manage construction waste for minimization of the amount of waste generated and maximization of the amount of waste recycled.

During construction work, the Group has implemented “Construction Waste Management” procedure which manages construction wastes so as to ensure proper waste disposal, maximise material reuse and recycling. The Group also requires its contractors to sort, classify and recycle (if applicable) the construction and demolition waste produced. Construction and demolition waste that cannot be recycled is delivered to landfills by qualified wastes management companies while recyclable waste is processed by recycling companies. The Group has a range of procedures concerning the handling of hazardous wastes, which are generated from designated area in the project sites, with proper labelling, packaging, storage and disposal of the chemical wastes. Responsible staff are appointed to monitor and manage the waste amount. Local licensed hazardous wastes handling companies are engaged to collect, process and dispose the hazardous wastes. In this year, the Group did not generate any hazardous waste.

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.

⁴ The data of 2019 scope 2 emission is restated as the latest electricity and gas emission models are adopted.

ENVIRONMENTAL ASPECT

For non-hazardous waste, the waste is mainly generated from soil disposal from construction sites operation. Our construction projects mainly consist of foundation, excavation and lateral support works, which may involve large amount of soil disposal. Therefore, the Group has implemented the practice of 3Rs, namely “recycle, reuse and reduce” of the wastes in the construction activities and site offices to reduce the impact. 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 technologically innovative measures to reduce the use of paper by using biometric attendance system, proposing a mobile app lodge report system and an e-permit to work system. In 2020, construction waste was the major source of non-hazardous waste. With the increase in the provision of foundation and construction work to customers in Hong Kong in 2020, the amount of non-hazardous waste generated increased during the year. The wastes generated by the Group during the reporting period were as follows:

Wastes	Unit	HK & MO	SG & SEA	2020 Total	2019 Total
Non-hazardous wastes generated	tonnes	283,733	9,987	293,720	107,289
Non-hazardous wastes intensity	tonnes/HK\$ millions of project turnover	214.4	2.6		HK & MO: 101.2 SG & SEA: 1.8

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 sites to ensure that the removal of water from the sites does not have 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.

ENVIRONMENTAL ASPECT

A2. Use of Resources

The Group considers environmental protection as an essential component of a sustainable and responsible business. We have an in-depth understanding of the importance of safeguarding sustainable development of the environment and efficient utilization of resources by introducing various measures in our operations. We continuously improve our "Resource Conservation Procedure" to identify opportunities to use energy more efficiently and conserve resources by setting up different programmes in construction sites. With our effort, the Group has obtained ISO 50001:2011 Energy Management System certification.

Energy

The Group considers environmental protection as an essential component of a sustainable and responsible business. With aims of resource saving and implementation of energy saving measures, the Group actively promotes the concept of energy saving and emission reduction into the entire process of its business development and operation. 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.



The Group's energy consumption is classified into five types — (i) purchased electricity, (ii) petrol, (iii) diesel, (iv) purchased towngas and (v) liquified petroleum gas ("LPG"). The slight increase in purchased electricity consumption in 2020 was mainly attributable to the increase in the construction and/or property development activities in Cambodia, Singapore and Myanmar during the year. Furthermore, the increase in the diesel consumption was mainly due to the increase in the provision of foundation and construction work to customers in Hong Kong during the year. The energy consumption of the Group during the reporting period was as follows:

Energy consumption	Unit	HK & MO	SG & SEA	2020 Total	2019 Total
Purchased electricity	MWh	580.4	3,160.2	3,740.6	3,549.9
Petrol	MWh	323.8	262.6	586.4	644.1
Diesel	MWh	38,653.7	38,427.8	77,081.5	58,471.7
Purchased towngas	MWh	0.3	–	0.3	1.4
LPG	MWh	–	101.4	101.4	–
Total energy consumption	MWh	39,558.2	41,952.0	81,510.2	62,667.1
Energy consumption intensity	MWh/HK\$ million of project turnover	29.9	11.0		HK & MO: 17.8 SG & SEA: 6.6

ENVIRONMENTAL ASPECT

Water

Water is another important resource used for the daily construction operation. In the construction sites, the Group also implemented internal policies to minimize water consumption. To conserve the use of water, we have implemented the following water-saving initiatives:

- Automatic wheel washers are used to increase productivity and reduce water usage.
- Water treatment facilities are used to recycle the sewage.
- Recycled water from water treatment facilities is used to clean the 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.

Moreover, there is monthly monitoring of the usage of water. If the consumption is unexpectedly high, the case should be investigated to find out the root cause and preventive measures can be taken. In 2020, the increase in water consumption was mainly attributable to increase in the provision of foundation and construction work to customers in Hong Kong during the year. The water consumption of the Group during the reporting period was as follows:

Water Consumption	Unit	HK & MO	SG & SEA	2020 Total	2019 Total
Water consumption	m ³	153,482	514,993	668,475	551,204
Water consumption intensity	m ³ /HK\$ millions of project turnover	116.0	135.3		HK & MO: 95.2 SG & SEA: 66.6

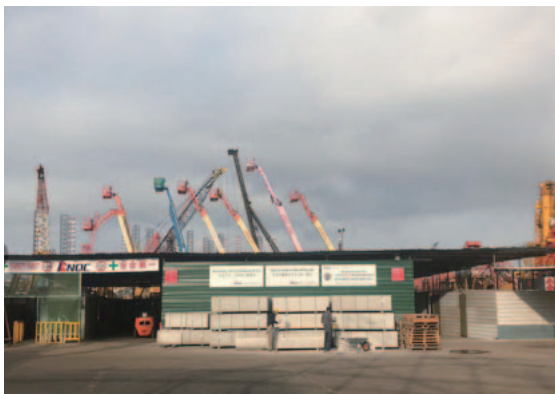
ENVIRONMENTAL ASPECT

A3. 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.



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

Singapore Green Building Council (SGBC)

SGBC is an organization to advocate green building design, practices and technologies and drive environmental sustainability in the building and construction industry. To support building and construction industry towards environmental sustainability, the Group has been engaged in SGBC as a Corporate Member. It helps the Group foster innovative industry solutions across the entire building and construction value chain.

ENVIRONMENTAL ASPECT

Green and Gracious Builder Scheme (GGBS)

GGBS has been launched by Building and Construction Authority (“BCA”) which is an agency under the Ministry of National Development, championing the development of an excellent built environment for Singapore. The aim of GGBS is to promote environment protection and gracious practices during the construction phase of projects. The Group has obtained the following awards that shows the Group has a great environmental consciousness and a professionalism of builder, especially for award in the category “Star” which is the highest category. The detail of the certified companies is as below:

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



Green Mark Certification Scheme

GGBS, which has been launched by BCA since 2005, is a green building rating system designed to evaluate a building’s environmental impact and performance. It provides a comprehensive framework for assessing the overall environmental performance of new and existing buildings to promote sustainable design, and best practices in construction and operations in buildings. The Group has obtained the Gold^{Plus} award for two construction projects and the detail of the awarded projects is as below:

- Housing Category — Bedok North Woods (Bedok N4C9) — Welltech Construction Pte. Ltd.
- Upgrading Category — Design & Build of Upgrading Project for G22A — Welltech Construction Pte. Ltd.



ENVIRONMENTAL ASPECT

Housing & Development Board Construction Award 2020 (“HDB”)

Construction Award is one of the awards presented by HDB annually. Contractors who demonstrate the highest standards of project management, construction quality, public relations, and innovation for the HDB building projects, are awarded with the Construction Award. Two construction projects of our Group have been awarded, and the details of the awarded projects are as below:

- Jadescape — Welltech Construction Pte. Ltd.



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

BOCHK Corporate Environmental Leadership Awards

Aiming to encourage the companies in Peral River Delta to involve in environmentally-conscious practices, Federation of Hong Kong Industries (“FHKI”) and Bank of China (Hong Kong) (“BOCHK”) launched the “BOCHK Corporate Environmental Leadership Awards” in 2015.

As an environmentally considerate builder, the Group has achieved the following awards in 2020 that shows the effort on environmental protection by the Group has been recognised. The detail of the certified company is as below:

- Eco-partner — Sunley Engineering & Construction Company Limited



ENVIRONMENTAL ASPECT

HSBC Living Business ESG Awards

In order to foster sustainability of local enterprise, HSBC has been partnering with Business Environment Council Limited, the Hong Kong Council of Social Service and “Sustainability Lab” of the University of Hong Kong, to launch “HSBC Living Business ESG Awards” since 2018. After the assessment of ESG aspects carried out by the assessment panel, the Group has obtained the following awards in 2020 that show the good sustainability practice achieved by the Group. The detail of the certified company is as below:

- Certificate of Merit — Sunley Engineering & Construction Company Limited



Considerate Contractors Site Award Scheme

The Development Bureau (“**DEVB**”) has been organizing the Considerate Contractors Site Award Scheme (the “**CCSAS**”) to promote a considerate attitude and good site safety, health and environmental practices for both public works and non-public works sites. Starting from 2011, the CCSAS has been co-organised by DEVB and the Construction Industry Council (“**CIC**”). The assessment of the site performance shall be conducted by the site representative of the client/ employer, and representatives from the Works Departments, DEVB or CIC based on various criteria, such as safety, site management and environmental consciousness. With the outstanding site performance, the Group was awarded in 2020. The detail of the certified company is as below:

- Winning Site (Non-Public Works — New Works — Group A) — Lamma Power Station Extension Foundation Works for Unit L12 — Sunley Engineering & Construction Company Limited

SOCIAL ASPECT

B. SOCIAL ASPECT

Employment and Labour Practices

B1. Employment

The Group believes that people are its 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.



Gift to workers on Mid-Autumn Days

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

B2. 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. We therefore strictly comply with relevant laws and regulations in Hong Kong, Macau, Singapore and Southeast Asia such as the Occupational Safety and Health Ordinance in Hong Kong and the Workplace Safety and Health Act in Singapore.

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 "QEHS Manual" is established to control the related matters. In addition, the Group has been certified to OHSAS 18001:2007 certification. In addition, Sunley has been registered as a Green Cross Group Member of Occupational Safety and Health Council in Hong Kong.

SOCIAL ASPECT

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.

- Safety Performance Award — Sunley Engineering & Construction Co. Ltd.
- Gold Award (Best Safety Enhancement Program — Operating Excavators category) — Sunley Engineering & Construction Co. Ltd.



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 continues to enhance the health and safety performance. In Singapore, Welltech Construction Pte. Ltd. and two (2019: seven) of our construction projects obtained the Gold Award from The Royal Society of the Prevention of Accidents in 2020. The details are as follows:

- Woodlands ASE — Welltech Construction Pte Ltd.
- Tampines N9C18 — Welltech Construction Pte Ltd.
- Welltech Construction Pte. Ltd.



SOCIAL ASPECT

Besides, one of our construction projects obtained the Certificate of Commendation from The Workplace Safety and Health (“**WSH**”) Council in recognition of the achievement of excellence in workplace safety and health. The details are as follows:

- Woodlands Spring (HDB- WL N7C33) — Qingjian International (South Pacific) Group Development Co., Pte Ltd.



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.

Furthermore, the Group provides voluntary health services to the staff who pursue to have better health. For the staff who wish to quit smoking, they are encouraged to approach any QEHS staff stationed onsite. QEHS staff will proceed to refer the relevant staff to Health Promotion Board for smoking cessation clinic commencement. Besides, the Group attaches high importance of the mental health of staff by maintaining their work-life balance. Sports activities or tournament are held on a inter site basis, and the sites hold weekly recreation day to promote good physical and mental well-being of staff and workers. For the workers who need to work on certain holidays, the Group would distribute gift bags to them.

During COVID-19 pandemic, the Group was concerned about the safety and health of workers in the dormitories in Singapore. Therefore, the Group has initiated the donation to the workers in Singapore, in order to help them by providing cash grants during the period of the circuit breaker.





B3. 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 an online study system to enrich employees’ professional and personal knowledge.

New employees have to participate in an orientation organized by 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 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.

B4. 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 the 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. As per requirement from Ministry of Manpower Singapore, Application can only made between age 18 — 55 years old for the working permit.

For the forced Labour, we have used the approve labour agency in Singapore which cooperate with the agency in Bangladesh. They have proper agreement on hand for each worker.

SOCIAL ASPECT

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. We peruse the approve labour agency, if there is any child or force labour, we will report to the relevant departments of the local government, such as the Labour Department in Hong Kong and the Ministry of Manpower in Singapore. During the reporting period, the Group did not have any non-compliance case related to child labour or forced labour.

Operating Practices

B5. 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.

In the supply chain, environmental risks and social risks may arise. Environmental risks are transmitted through air, water, soil or biological food chains to human, while social risk arises from negative perceptions of an organization's impact on the community.

In order to deal with the risks, the Group identifies and assesses significant actual and potential negative environmental and social impacts in the supply chain by reviewing the benefits and limitation of each machine used. The suppliers or subcontractors should at least have a certified quality or Environmental, Health and Safety ("EHS") system (e.g., bizSAFE⁵ 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. For the suppliers or contractors that may generate negative environmental or social impacts, the Group will follow up with them on using more environmentally-friendly construction material and machines.

B6. 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.

⁵ 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.

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, OHSAS 18001 and ISO 14001. 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.

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 monitored under the “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.

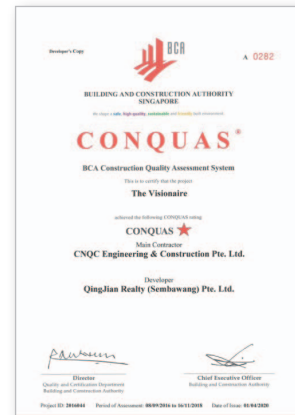
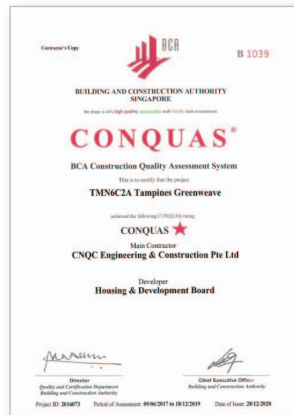
With regards to raw materials, they are procured from our approved suppliers who have satisfactory past business relationships with us. To ensure a consistent quality in the raw materials used which meets the required standards, we may from time to time engage third party laboratories to conduct sample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

The Group has adopted the Construction Quality Assessment System (“**CONQUAS**”), a national standard, for assessing the quality of building projects. The standard was designed with the objectives to have a standard quality assessment system for construction projects, to set quality assessment objective by assessing constructed works against workmanship standards and specification. In addition, we adopt a sampling approach to suitably represent the whole project and to enable quality assessment to be carried out systematically within reasonable cost and time.

SOCIAL ASPECT

The projects that were certified to receive the CONQUAS rating are as follows:

- iNz Residence — Qingjian International (South Pacific) Group Development Co., Pte. Ltd.
- TMN6C2A Tampines Greenweave — Housing Development Board — CNQC Engineering & Construction Pte Ltd.
- The Visionaire — QingJian Realty (Sembawang) Pte. Ltd. — CNQC Engineering & Construction Pte Ltd.



At the same time, iNz Residence and The Visionaire have achieved the BCA Quality Mark ("QM") for Good Workmanship. This certificate will be issued to individual apartment unit that achieve a score of at least 80 out of 100 points (a minimum CONQUAS score for internal finishes), without any major defects and water seepage in the toilets/ bathrooms and windows.



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.

Intellectual Property Rights

The Group is in strict compliance with the relevant laws and regulations, including the Personal Data (Privacy) Ordinance (Cap. 486), the Copyright Ordinance (Cap.528) in Hong Kong and the Singapore Intellectual Property Law. The Group prohibits staff from downloading and using illegal software to ensure cyber safety and computer security of company networks. During the reporting period, the Group was not aware of any non-compliance with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters.

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.

B7. 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.

Community

B8. 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 visit the neighbouring residents and sent letters to them, establish communication hotline, record and handle feedbacks from the public, etc. During the year, the Group had been invited by Lions Club and participated in different activities, such as beach cleaning, walking around the park with the elderly, and cleaning the elderly homes.

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.

The Group also cares about the influence of the construction sites 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.

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

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KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	No hazardous waste was generated by the Group during the year	–
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