



建業建榮控股有限公司*
CHINNEY KIN WING HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
Stock code: 1556



Environmental, Social and Governance Report 2021

* For identification purpose only

Contents

1	Company review	03
1.1	Reporting year and scope	04
1.2	Reporting framework	04
1.3	Contact Details	05
2	Chairman's Statement	06
3	Awards & recognition	07
4	Stakeholder engagement and materiality assessment	08
5	Building a resilient team	11
5.1	Providing a safe and healthy workplace	11
5.2	Safeguarding against COVID-19	15
5.3	Nurturing a capable team	17
5.4	Upholding workplace ethics	18
6	Delivering quality foundation services	20
6.1	Managing supply chain	20
6.2	Assuring quality and responsible services	21
7	Promoting sustainable operations	22
7.1	Energy consumption	23
7.2	Greenhouse gas (GHG) emission and air pollution	25
7.3	Water consumption and wastewater management	26
7.4	Waste Management	26
7.5	Noise Management	27
7.6	Climate Risk Management	28
8	Contributing to the community	31
9	Looking forward	32
10	Performance table	33
11	ESG Content Index	37

1 Company review

Chinney Kin Wing Holdings Limited (along with its subsidiaries hereinafter called “the Group” or “Kin Wing”) was formed in 1994 and accredited by the Buildings Department, Works Branch of Development Bureau, and Housing Authority as a listed contractor that deliver high quality foundation work consistently. The Group has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) since 2015 (Stock Code: 1556).

The Group has established itself as the premier engineering company expertise on foundation construction with operations spanning Hong Kong and Macau. We are comprised of nine major subsidiary companies that perform a wide-range of foundation services including:

- (i) piling construction and related ancillary services;
- (ii) socketed H-piling, mini-piling;
- (iii) drilling and site investigations;
- (iv) site formation and basement construction.



1.1 Reporting year and scope

This Environmental, Social and Governance (“ESG”) Report (the “Report”) covers the Group’s ESG-related information and activities during the financial reporting year from 1 January 2021 to 31 December 2021 (the “Reporting Year”).

The scope of the Report covers the Group’s operations in Hong Kong which consist of (i) piling construction and other ancillary services, and (ii) drilling and site investigation. The Group’s subsidiaries in Macau have been excluded from this report because their impact on the overall environmental and social aspects is minimal and insignificant.

1.2 Reporting framework

The report is prepared in accordance with Environmental, Social and Governance Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Group adheres to the reporting principles of materiality, quantitative, balance and consistency to prepare the report.

Materiality

Kin Wing identifies the material ESG issues, covering environmental and social aspects that are sufficiently important to investors and other stakeholders.

Quantitative

This report discloses the ESG KPIs in quantitative terms whenever feasible.

Balance

This report provides an unbiased picture of the Kin Wing’s performance, avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by the report readers.

Consistency

Kin Wing adopts consistent methodologies to allow for meaningful year-on-year comparisons of ESG data over time.

Information regarding corporate governance was addressed separately in the annual report of the Company in accordance with the principles and guidelines of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

A content index is attached at the end of this report as a tool to direct readers to specific topics corresponding to the ESG Guide.

1.3 Contact Details

The Group values your opinion in assisting us to improve our sustainability management. If you have any comments or suggestions regarding the Report, please contact us as set forth below:

.....

Chinney Kin Wing Holdings Limited
Room 2308, 23/F, Wing On Centre,
111 Connaught Road Central,
Hong Kong

Tel : (852) 2877 3307

Email : enquiry@chinneykinwing.com.hk

.....

2 Chairman's Statement

To all stakeholders,

On behalf of the board of directors of Chinney Kin Wing Holdings Limited, it is my pleasure to present the Group's 2021 ESG report, which describes our effort in sustainability throughout 2021.

In 2021, the challenges continue as several waves of COVID-19 pandemic brought a huge loss to the economic and social activities in Hong Kong. This further strengthened our awareness towards ESG issues and indicated the paramount importance of the Group's continuous commitment to sustainability, so that the Group can stay competitive in this difficult environment. Along with my fellow members of the Board, we acknowledge the responsibilities in reviewing the Group's material ESG issues and climate-related risks as well as establishing the ESG management strategy. The Board is committed to oversee and guide the Group to improve the management and practice of ESG issues in an effective and efficient way, with the help of materiality assessment and environmental target setting.

On the environmental aspects, the Group has guidelines for our projects to follow, aligning our practices with the requirements of ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management System, to reduce unnecessary waste and energy usage during operations. Our endeavors in waste management in various projects have been recognised by the Environmental Campaign Committee, and certified with "Wastewi\$e Certificate" of The Hong Kong Green Organisation Certification.

To create a safe and healthy working environment to our employees, the Group adopts standard practice of ISO 45001:2018 Occupational health and safety management systems, aiming to mitigate the occupational risk to our employees. The Group also invites an independent inspector to assess the indoor air quality of our working space and meet the standards for the IAQ Certification Scheme. To protect employee's welfare, health and safety during COVID-19, the Group takes different measures such as the arrangement of frequent disinfection cleaning across workplaces, implementation of flexible working hours and adoption of work from home arrangement etc.

Reviewing of our work in ESG-related issues, I am pleased with our accomplishments and would like to express my gratitude and appreciation to our team and stakeholders who make a tremendous effort in contributing to the Group's sustainable development. In line with the Group's commitment in pursuing sustainability, we will continue to improve our sustainability measures and incorporate ESG risk control in our business operations.

Yuen-Keung Chan
Chairman

3 Awards & recognition

During the Reporting Year, Kin Wing has received the following awards and honours for recognising our efforts in sustainability and ESG performance.



Certification / Award	Organisation
 Joyful@Healthy Workplace	Occupational Safety & Health Council
 Wastewi\$e Certificate - The Hong Kong Green Organisation Certification Excellent Level: <ul style="list-style-type: none"> Foundation for Public Housing Development at Kai Tak Site 2B2 Good Level: <ul style="list-style-type: none"> NKIL 6542, Yin Ping Road, Tai Wo Ping, Hong Kong West Rail Kam Sheung Road Station Package 1 Property Development at Lot No. 1040 in D.D. No. 103, Yuen Long, N.T. Proposed Subsidised Sale Flats Development at Anderson Road Quarry Site R2-2 Design and Construction of Foundation Works for Dedicated Rehousing Estate at Hung Shui Kiu – Phase 1A 	Environmental Campaign Committee
 Energywi\$e Certificate - The Hong Kong Green Organisation Certification Excellent Level: <ul style="list-style-type: none"> Foundation for Public Housing Development at Kai Tak Site 2B2 Proposed Subsidised Sale Flats Development at Anderson Road Quarry Site R2-2 Design and Construction of Foundation Works for Dedicated Rehousing Estate at Hung Shui Kiu – Phase 1A Good Level: <ul style="list-style-type: none"> West Rail Kam Sheung Road Station Package 1 Property Development at Lot No. 1040 in D.D. No. 103, Yuen Long, N.T. 	Environmental Campaign Committee
 Indoor Air Quality Certificate Good Class: <ul style="list-style-type: none"> Hong Kong Spinners Industrial Buildings, Phase VI, Unit A&B, 8/F and 9/F 	Environmental Campaign Committee
 ISO Certificate ISO 9001:2015 quality management system standard ISO 14001:2015 environmental management system standard ISO 45001:2018 Occupational Health and Safety Management Systems- Requirements ISO 50001:2018 Energy Management Systems-Requirements <ul style="list-style-type: none"> DrilTech Geotechnical Engineering Limited DrilTech Ground Engineering Limited Kin Wing Engineering Company Limited Kin Wing Foundations Limited 	Hong Kong Certification Services International Limited

4 Stakeholder engagement and materiality assessment

Kin Wing values stakeholders' opinions on our business operations and hence regularly communicate with stakeholders through different channels to gain a better understanding of their concerns through the following communication channels:

Stakeholder Group	Communication Channels
 Community	<ul style="list-style-type: none"> • Community activities
 Industry Association	<ul style="list-style-type: none"> • Interviews • Seminars
 Social media	<ul style="list-style-type: none"> • Interviews • Group's website
 Suppliers and sub-contractors	<ul style="list-style-type: none"> • Site visits • Evaluations and assessments • Direct communication • ESG survey
 Clients	<ul style="list-style-type: none"> • Direct communication • Group's website • Social media
 Employees	<ul style="list-style-type: none"> • Continuous communication • Performance appraisals • Meetings • Trainings and workshops • ESG survey

Stakeholder Group	Communication Channels
 <p>Investors</p>	<ul style="list-style-type: none"> • Face-to face meeting and teleconference • Continuous communication • Group’s website • Annual Report, Financial Reports and announcements • Investor briefing
 <p>Shareholders</p>	<ul style="list-style-type: none"> • General meeting • Annual Report, Financial Reports and announcements • Direct communication • Investor briefing • Group’s website
 <p>Government</p>	<ul style="list-style-type: none"> • Public consultation • Continuous communication

To better understand and manage Kin Wing’s significant ESG issues, the Group conducted a stakeholder survey in 2019 with employees, sub-contractors and material suppliers to rate the importance of the environmental and social topics identified by the Board. The Board has reviewed the materiality matrix and validated its ongoing applicability for this Reporting Year. The most important issues were placed at the top right-hand corner of the materiality matrix as shown below. These topics will be further explained throughout this report.

Materiality Matrix



Environmental	
1	Raw material management and selection
2	Energy usage and conservation
3	Greenhouse gas emission
4	Air quality control
5	Water consumption and conservation
6	Wastewater management
7	Construction noise
8	General waste recycling and management
9	Construction waste management
10	Compliance with relevant environmental laws and regulations

Social	
11	Employment
12	Diversity and equal opportunity
13	Anti-discrimination
14	Occupational health and safety
15	Development and training
16	Labour standard
17	Supply chain management
18	Anti-corruption practices
19	Quality assurance
20	Customer privacy
21	Community involvement
22	Compliance with relevant socioeconomic laws and regulations

5 Building a resilient team

Employees are the most valuable assets to Kin Wing. The Group is dedicated to fostering a safe and healthy workplace as well as providing career development opportunities to its employees. The Group therefore implements a people-oriented strategy to ensure the safety of its employees and maintain operational efficiency. Meanwhile, the Group is strictly governed by policies and compliance with relevant laws and regulations in Hong Kong.

5.1 Providing a safe and healthy workplace

Occupational Health and Safety was evaluated as one of the most material topics to the Group's operations. Kin Wing emphasises creating a safe and healthy workplace, promoting the slogan "Work Happily and Return Home Safely" to all on-site employees.

The Group has set safety targets of zero fatalities and less than 22 occupational occurrences per 1,000 employees per year. The Group has implemented a certified ISO 45001:2018 Occupational Health and Safety Management System in order to meet the target. The Group has recorded zero fatal accidents in the past three years. Under the System, rigorous internal and external audits enable the Group to reduce organisational and individual safety risks.

A Safety Manual is also distributed to all of our frontline site workers and supervision staffs to improve their safety knowledge. Regular cross-site inspections are conducted by registered safety officers from various projects, while routine safety audits for each construction site are also performed by members of the Execution Panel. Moreover, the Group has established a Site Safety Committee in each project, which meets monthly to address workers' concerns. In addition, the Group has adopted the following measures implemented to improve site safety:

1. Assess occupational risk to adopt necessary measures;
2. Implement "tool box talks" and "safety suggestion box" in construction sites and offices for employees to express their opinions, concerns, and suggestions to identify areas for improvement;
3. Provide workers with proper Personal Protective Equipment ("PPE"); and
4. Perform emergency drills to increase awareness and preparedness.

During the reporting year, the Group has also held the Safety Seminar 2021 to raise the safety awareness of our frontline site workers and supervision staffs in the construction site. Awards were presented to the staffs who has demonstrated outstanding safety performance at their projects to promote the importance of site safety.



Safety Seminar 2021



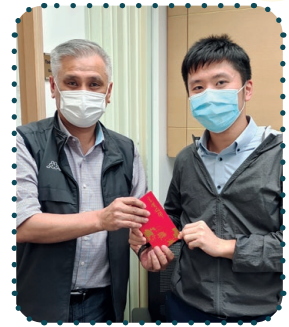
In addition to guaranteeing safety on construction sites, the Group places emphasis on its employees' health and well-being. The Group distributes fresh fruits to its office employees on a weekly basis to promote a healthy lifestyle and a well-balanced diet. The Group has received Merit Award in Occupational Health Award 2020-21 for the project "Foundation for Public Housing Development at Kai Tak Site 2B2 Contract No.:20190190" by the Occupational Safety and Health Council, in recognising our outstanding achievements in promoting healthy eating, physical activity and mental well-being. The Group also organises different employee activities to enhance the employee's health and social relations within the Group. Unfortunately, we were unable to organise any company trips to strengthen staff bonding due to the COVID-19 outbreak. We will keep monitoring the situation closely and consider organising more employee activities in the future.

Employee activity examples

Weekly Fruit Distribution



Giving Birthday "Lai See"



Employee Communication Meeting



Watching Olympics



Employee activity examples

Christmas Party &
Long Service Award Ceremony 2021



Farewell Party



5.2 Safeguarding against COVID-19

Despite COVID-19, the Group demonstrated business resilience by continuing operations during the Reporting Year. We have implemented a variety of measures in response to the outbreak to safeguard the health of our employees and workers, including but are not limited to:



Safeguarding against COVID-19



Monitoring body's temperature when accessing into the office. Body temperature $\geq 37.5^{\circ}\text{C}$ will be prohibited to enter the office



Installing air purifiers with virus-killing functions at meeting rooms and ensuring good ventilation through exhaust fans



Conducting more frequent disinfection cleaning in our workplace, especially at frequently exposed areas, including door handles, card readers and toilet facilities



Providing protective and disinfection products such as face masks, fast rapid test kit



5.3 Nurturing a capable team

The Group appreciates our workers' personal development and cherishes a skilled workforce to maintain sustainable commercial success. The Human Resources (HR) Department oversees the implementation and assesses the effectiveness of training programs for employees based on their needs and requests. New hires receive orientation and induction training to familiarise them with the Group's operations and their work responsibilities. The Group has also offered job-specific training to senior employees to strengthen their operational and management skills. The Group also provides subsidy of external training course expenses to encourage its employees to pursue further training and development. During the Reporting Year, the Group provided 8,782 hours of training to its workers.

To nurture a capable management team and provide an effective communication channel inside the Group, Core Management Meeting were organised regularly. The Core Management Meeting was held every 4 months for the top management, managerial and supervisory staff from different departments to share their operating experience and managerial skills, enhancing the co-operation and communication among the Group. It is intended to incorporate the Group as a team and ease the business operation with collaborative knowledge and experiences. The meeting also serves as an opportunity to deepen staff's understanding on the Group's plan and their career development in the future.



Core Management Meeting

5.4 Upholding workplace ethics

The Group exhibits great professionalism and corporate ethics in its business operations by adhering to the following three core values:

Freedom

The Group maintains zero tolerance to violations of human rights and stringently prohibits the engagement of child and forced labour. The HR Department is responsible for verifying the identity and age of all candidates prior to official employment. If any case of child labour is observed, the Group will promptly terminate the contract and send the underage worker to the hospital to examine their health condition. If a situation of forced labour is identified, the HR Department must intervene to halt the violation and provide adequate compensation. To prevent recurrence, all confirmed cases must be documented in a written report.



Fairness

The Group strives to advocate equality and diversity in the workplace by treating its employees fairly without bias. The Group prohibits all forms of discrimination according to the Staff Handbook. Management evaluates candidates and workers solely on their ability, experience and qualification during the recruitment and staff evaluation process, regardless of gender, race, nationality, religion, or any other non-job-related characteristics.



Truth

The Group upholds "Truth" and business ethics in its business operations through formulating policies and guidelines to protect the privacy of its clients. Employees are obligated to follow the Staff Handbook when handling confidential information of clients to avoid data breaches or conflicting corporate interests. The Group has zero tolerance for any compromised behaviour. The Group adheres to the principle of



integrity and has stipulated the Code of Conduct and anti-corruption policy. Employees must declare their relationships with and benefits obtained from work-related parties in order to avoid conflicts of interest and maintain fairness when making business decisions. In 2021, the Group has participated in Integrity Charter organised by ICAC and made the statement of commitment, in which to be committed to good governance and internal control in business process and undertake to implement an integrity policy, as well as to arrange senior management staff member to receive integrity training every year. The Group has also established whistleblowing mechanism to encourage employees to report any suspected incidences of corruption so as to combat corruption. The Group will examine any complaint received and take appropriate disciplinary actions based on the outcome of investigation. In 2021, the Group organised anti-corruption training to directors and staff, including ICAC Seminar on Managing Staff Integrity for Managerial and Supervisory Staff. During the Reporting Year, the Group received no reports of corruption and was not aware of any cases of non-compliance with relevant laws and regulations.



Anti-corruption training - ICAC Seminar on Managing Staff Integrity for Managerial Supervisory Staff



Certificate of Integrity Charter issued by ICAC



6 Delivering quality foundation services

6.1 Managing supply chain

Raw materials

Kin Wing has an extensive supply chain network for services and raw materials such as concrete and steel, ensuring the Group as one of the leading industry leaders in the piling construction business. Our suppliers, contractors and subcontractors play critical roles in our operations to build a sustainable business. The Group has implemented stringent supply chain assessment policies and procedures to maintain the quality of its supply chain. To ensure the quality of raw materials, the Procurement Department and the Health & Safety Department are delegated the responsibility to ensure that procured materials meet all relevant safety and construction standards. If the materials do not meet the standard, the Procurement Department shall suspend the use of such material promptly and replace them with qualified materials.

Along with material quality, pricing, and on-time delivery, the Procurement Department takes ESG considerations into account during the procurement process. To support local economic development and minimise transportation-related emissions, the Group has developed an internal procurement policy based on the BEAM Plus New Buildings Assessment Tool. The policy mandates that at least 20% of raw materials should be procured within 800 km of the suppliers' production plant prior to the launch of the project. During the reporting period, Kin Wing has procured materials from more than 500 local suppliers, contributing to around 98% of total number of suppliers of Kin Wing.

Equipment

Besides raw materials procurement, the Group has established a set of standards for acquiring Quality Powered Mechanical Equipment (QPME). To minimise potential environmental impacts such as noise pollution, the Procurement Department ensures that the equipment meets the Electrical and Mechanical Service Department's and Environmental Protection Department's requirements. Additionally, for the purpose of internal due diligence, the Procurement Department is obligated to submit all relevant certifications for procured items to the Quality Assurance Department for verification.

6.2 Assuring quality and responsible services

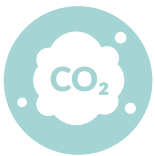
Kin Wing is committed to offering its clients with high-quality foundation construction services. To ensure the quality of its services, the Group has implemented the ISO 9001:2015 Quality Management System as a framework for securing the work as reliable as possible.

After the client accepts the tender, the Group will appoint project managers to allocate the necessary resources. Moreover, engineers will be assigned to supervise the execution of technical works. Procurement Department will be responsible for procuring qualified materials and items. Additionally, our Quality Assurance Department will verify that the materials and work are up to internal requirements. We aim to maintain clear and timely communication with contractors and clients. If complaints are received regarding our products or services, we will record the reason of complaint and carry out follow-up actions as prompt responses. During the reporting period, no complaint was received which is related to our products and services.

The Group has participated in various assessments or certification schemes such as Wastewi\$e and Energywi\$e at our construction sites. During the reporting year, 5 construction sites were recognised as Excellent or Good Level in Wastewi\$e or Energywi\$e of The Hong Kong Green Organisation Certification by Environmental Campaign Committee.

7 Promoting sustainable operations

Kin Wing fully acknowledges the environmental impacts of its construction works and other daily operations, including greenhouse gas emission, air pollution, water consumption, waste disposal and noise pollution. With an independently certified ISO 14001:2015 Environmental Management System (“EMS”), the Group prioritise its efforts to mitigate the environmental footprint and implemented various sustainability policies, such as the Environmental Policy and Energy Policy. The Group is also committed to operating in strict compliance with relevant environmental laws and regulations, which include but not limited to:



Air Pollution Control Ordinance (Cap.311)



Waste Disposal Ordinance (Cap.354)



Water Pollution Control Ordinance (Cap.358)



Noise Control Ordinance (Cap.400)

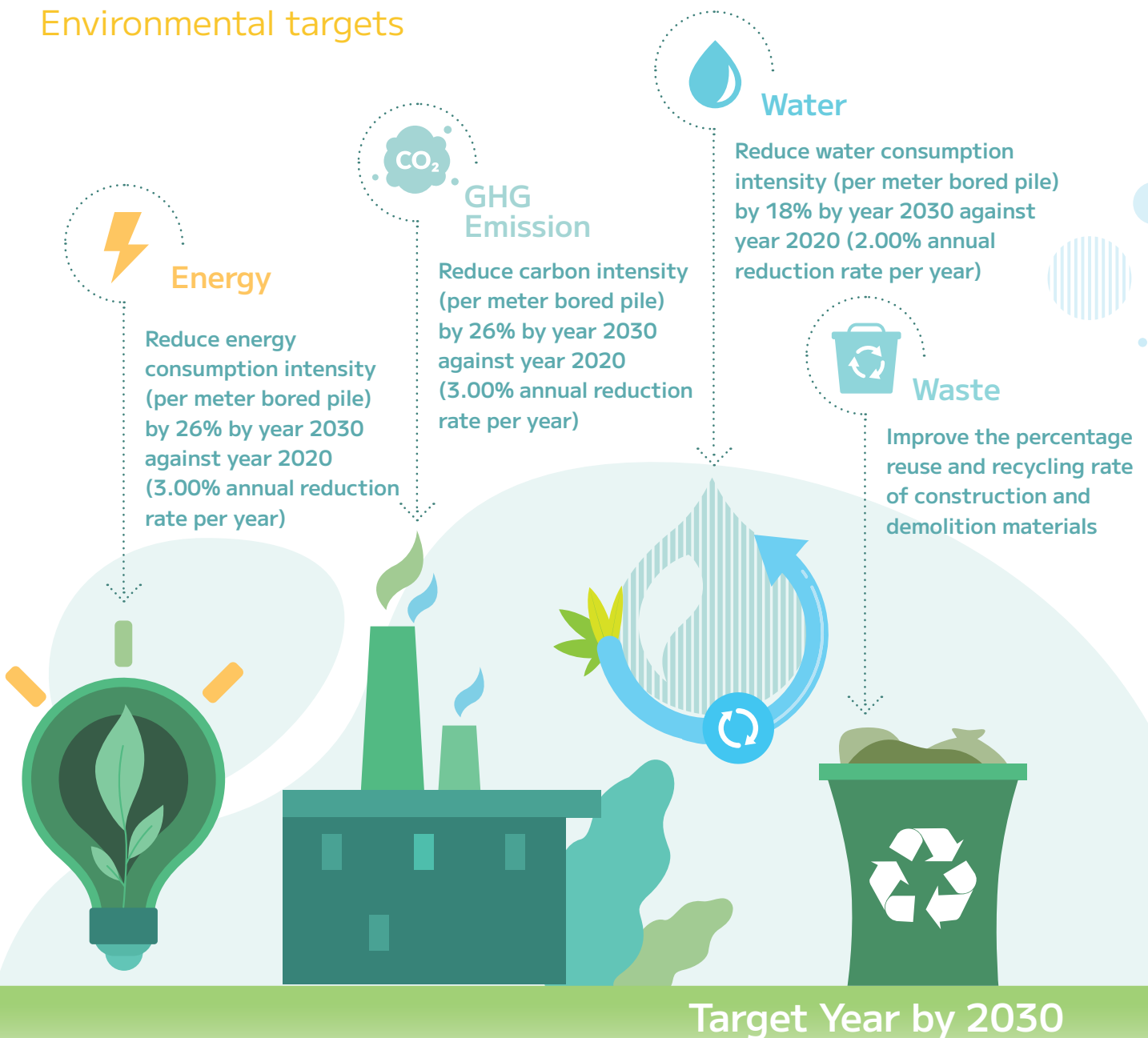


7.1 Energy consumption



Based on the results of the stakeholder engagement survey, energy consumption is one of the most significant environmental issues to the Group. To have an effective and efficient energy management, the Group adopted ISO 50001:2018 Energy Management System, and implemented various measures to save energy. This year, the Group has reviewed our performance in energy consumption, and set up targets to enhance our energy use efficiency.

Environmental targets



Workers are required to switch off all idle machines and unnecessary powered equipment to conserve energy. In terms of procurement, the Group prioritises the equipment and appliances that are certified with energy efficiency labels. The Group also requires site supervision staff to closely monitor and record the energy usage from electricity and fuel consumption for checking irregularities. In case of any abnormality, site staff shall report to the environmental officers and implement corrective measures instantly. As mentioned above, multiple projects this year have obtained the Energywi\$e certificate of The Hong Kong Green Organisation Certification by the Environmental Campaign Committee to recognise our efforts in conserving energy.



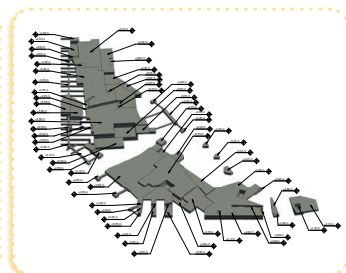
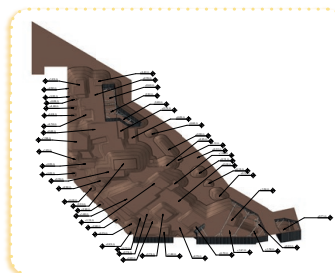
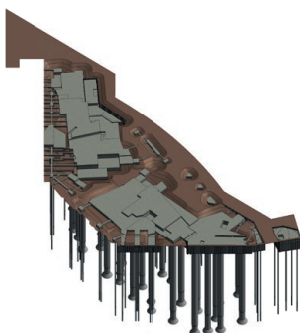
Equipment certified with energy efficiency labels



Energywi\$e certificate of The Hong Kong Green Organisation Certification

Case Study: Building Information Modelling (BIM)

To enhance the energy efficiency from the construction works, the Group adopted innovative technology, such as Building Information Modelling (BIM) technology in several projects. BIM allows the Group to visualize the projects at the planning stage, where the visualisation streamlines the entire project from planning to design and construction stage. This enhances our planning to allocate resources more efficiently and minimise the abortive works.





7.2 Greenhouse gas (GHG) emission and air pollution

The Group have contributed to the emission of GHGs and other air pollutants, such as nitrogen oxides (“NO_x”), sulphur oxides (“SO_x”) and particulate matter (“PM”), mainly from the consumption of fuel and electricity of the Group’s daily operation. This year, the Group has reviewed our performance in GHG emissions, and set up targets to reduce GHG emissions.

To reduce the carbon footprints, and the air pollutants emitted during construction projects of the Group, various mitigation measures were carried out:

- Increase the proportion of cleaner and lower carbon fuel such as biodiesel in fuel consumption mix
- Suppress and control dust emissions by conducting water spraying, adding dust control curtains and using low-dust equipment
- Conduct environmental monitoring and audit (“EM&A”) to ensure air emission levels during construction works meet regulatory limits
- Install photovoltaic lighting in 60% of construction site office area to help reduce electricity usage and carbon emission

PV light in construction sites



7.3 Water consumption and wastewater management



Wastewater management is another material environmental topic, based on the results of the stakeholder engagement survey. The Group strives to prevent water pollution and strictly comply with standards from the Environmental Protection Department (EPD). Water discharge quality inspection is conducted regularly. In addition, the Group is dedicated to conserve the water resources from its operation. On-site treatment facilities such as sedimentation tanks were installed to recycle the wastewater generated from construction site activities. The treated water will be utilised for suppressing dust emission from the construction activities and washing on-site machinery and vehicles. The surplus treated water is discharged to designated public stormwater drainage system with conditions stipulated in the EPD's approved discharge license.

7.4 Waste Management



During the Group's operation, the majority of waste generated include construction and demolition (C&D) waste, general waste, and lubricant oil, which non-hazardous waste consist mainly C&D waste. According to ISO 14001:2015 Environmental Management System, the Group has initiated various waste management measures for construction workers, to enhance the utilisation of resources and reduce waste. With reference to BEAM Plus New Buildings Assessment Tool, the Group established a target to recycle at least 30% of waste per project site. This shows the Group's commitment in utilising resources use and taking actions beyond compliance.

At the project planning stage of submission to EPD, the Group will propose a Waste Management Plan ("Plan") which list out of different types of waste generated, areas and facilities assigned for waste sorting, and procedures for handling waste. The Group will also assign site environmental officers to oversee the Plan's implementation, and record the amount of waste to evaluate the Plan's effectiveness.

Case study:

Reducing C&D waste through reusing excavating materials

To minimise the C&D waste, the Group reuses excavation material as backfill at construction sites and to local quarries to be reused as aggregate in concrete production. In 2021, 522,234 tonnes of inert C&D waste are recycled and reused. Leftovers were disposed at the public fills. In recognition of the Group's efforts in waste reduction, multiple projects have obtained the Wastewi\$e certificate of The Hong Kong Green Organisation Certification by the Environmental Campaign Committee.



Wastewi\$e certificate of The Hong Kong Green Organisation Certification

7.5 Noise Management



The Group understands the disturbance and noise pollution may be caused by piling construction and drilling from foundation services to nearby community and the environment. To mitigate such adverse impacts, the Group followed guidelines and regulations of EPD to conduct all noise sensitive activities within permitted hours, and implement noise assessment and monitoring regularly to ensure all sites complied with relevant laws and regulations. Noise barriers were also set up at all sites to minimise the noise level from the construction works.



Noise barriers on-site

7.6 Climate Risk Management



Climate change has posed critical challenges among all industries and business operations. As an environmentally conscious and sustainable company, we are committed to developing climate strategy and reducing GHG emissions to address the impacts of climate change. To align our sustainable growth with the climate change agenda in Hong Kong and international standards, we conducted a climate risk identification exercise in 2021 to identify, analyse and evaluate the potential climate-related risks that are relevant to Kin Wing's business. We conducted an initial review on our business model and desktop research on the current government policy, latest market trends and climate hazards to identify relevant climate-related risks.

The assessment was conducted for our business operations in Hong Kong. For physical risks, we acknowledge that the extreme weather caused by climate change could affect our business in various ways. Extreme wind/typhoon and flooding are identified as the highest prioritised physical risks.

For transition risks, to meet the plans and targets put forth in the Hong Kong's Climate Action Plan 2030+, Climate Action Plan 2050 and HKEx's Guidance on Climate Disclosures, it is expected that the HKSAR Government will implement more stringent policies and regulations to limit GHG emissions and enhance climate risk disclosure despite a "business-as-usual" scenario. These tightening regulations and requirements will impact our business operation and our approach in managing GHG emissions and climate-related risks.

In order to enhance our resilience and readiness in response to the associated risks, we will continuously review the climate-related risks in our operations to enhance our understanding of their impacts. We will also incorporate climate-related considerations into our risk management and decision-making processes. Furthermore, we will closely monitor the market and regulatory changes to respond to the transition risks.

Category	Risk	Specific Time Range	Possible Impact
Acute physical risks	Extreme Wind/ Typhoon	<ul style="list-style-type: none"> Hong Kong's typhoon season spans from May to November, peaking during the summer months of June, July, and August 	<ul style="list-style-type: none"> Construction site / equipment / material / products damage and challenge Construction timelines extended or disrupted resulting in increased costs Unsafe working conditions pose a risk to workers' safety May involve breach of contract, compensation and legal liability due to interruptions, etc.
	Flooding	<ul style="list-style-type: none"> Flooding at low-lying coastal areas may occur when there is exceptionally high tide level caused by storm surge during the passage of a typhoon 	<ul style="list-style-type: none"> Increased risk of flooding for facilities / equipment located in low-lying areas Construction site / equipment / material / products damage and challenge Construction timelines extended or disrupted Unsafe working conditions pose a risk to workers' safety Lead to higher logistics and transportation costs and reduced production capacities (e.g. delayed works, supply chain interruptions).
Chronic physical risks	Temperature change	<ul style="list-style-type: none"> Temperatures in Hong Kong often exceed 31 °C in summer afternoon Has on average 10 very hot days in a year (maximum temperature reaching over 33 °C) 	<ul style="list-style-type: none"> Increase in operating cost arising from higher demand for air-conditioning and hence energy consumption. Increased risk of worker safety, including heat stroke and heat-related death, or the need to interrupt/delay work, and result in lower productivity on-site. Increase in the health cost of employees
	Water stress	N/A	<ul style="list-style-type: none"> Disrupt construction and operation timeline Increase in water consumption cost

Case study:

Business interruption caused by typhoons and flooding

To minimise the impacts of typhoons and flooding, the Group implemented usual precautionary measures before the arrival of typhoon, for example, ensuring the stability of temporary structure, and lowering the jib of mobile crane. In October 2021, Tropical Cyclones Lionrock and Kompasu successively hit Hong Kong within four days. The heavy rain brought by typhoons caused serious flooding to most of our construction sites. Some on-site machines were flooded and had to be written off. The post-typhoon actions including rainwater treatment also increased the cost of human resources, as well as delayed the construction progress.

To further improve our ability and resilience in case of typhoons and flooding, we will adopt the following measures in case heavy rainfall is foreseen:

- Moving the machines at flooding plain and low elevation spot to a higher elevation spot
- Ensuring water storage tank and wastewater storage tank have adequate space for rainwater storage
- Ensuring the site drainage system are functional and backed up with water pumps



Typhoon-caused flooding on construction sites



Machine write-off due to flooding



Water storage tank overflow

8 Contributing to the community

Kin Wing strives to give back to the community through different ways, not only providing voluntary work to build our community, but also contributing through monetary investment.

During the Reporting Year, due to COVID-19 outbreak, community activities are reduced. The Group's employees spent volunteer hours to participate in Family Beach Cleaning Day, which helps conserve the natural environment.

In 2021, Kin Wing was awarded the 5 Years Plus Caring Company award by The Hong Kong Council of Social Service.



5 Years Plus Caring Company Award



Family Beach Cleaning Day



9 Looking forward

The Group maintains the commitment to improving environmental and social performance with the application of innovative technologies in its construction projects. To build a sustainable city, the Group will keep reviewing and improving the corresponding policies and initiatives throughout its value chain. The Group will also put the effort into stakeholder engagement and community contribution to demonstrate the Group's value and care for the community. The Group is dedicated to disclosing more thorough and detailed targets in the next report, aiming to bring the measures related to ESG issues into action and make a positive impact.



10 Performance Table

Environmental Performance	Unit	2021	2020
Greenhouse Gas (GHG) Emissions			
Scope 1: Direct emission ⁽¹⁾	tonnes of CO ₂ equivalent ("tCO ₂ e")	27,383	31,260
Scope 2: Indirect emission ⁽²⁾	tCO ₂ e	451	621
Total GHG emissions	tCO ₂ e	27,834	31,881
Total GHG intensity	tCO ₂ e / M' Revenue (HKD)	13.63	20.53
	tCO ₂ e / production of bored piles (m) ⁽³⁾	3.12	3.59
Energy Usage			
Electricity	MWh	1,118	1,093
Petrol	Litre ("L")	34,299	27,161
	MWh	330	258
Ultra-Low Sulphur Diesel	L	6,628,939	9,005,328
	MWh	72,653	96,557
B5 Biodiesel	L	3,746,434	3,072,164
	MWh	36,423	29,868
Total energy consumption	MWh	110,524	127,776
Total energy intensity	MWh / M' Revenue (HKD)	54.12	82.28
	MWh / production of bored piles (m) ⁽³⁾	12.40	14.40

Environmental Performance	Unit	2021	2020
Water consumption			
Total water consumption	m ³	207,320	197,272
Total water consumption intensity	m ³ / M' Revenue (HKD)	101.51	127.03
	m ³ / production of bored piles (m) ⁽³⁾	23.26	22.23
Non-hazardous Waste			
Construction and demolition waste (sent to Land Fill / Sorting Facilities)	tonnes	195,808	190,751
Construction and demolition waste (sent to Recycling Facilities / other Construction Sites for reusing)	tonnes	522,234	458,978
Recycled metal	tonnes	1,557	1,182
General refuse	tonnes	1,606	892
Total non-hazardous waste intensity	tonnes / M' Revenue (HKD)	353	420
	tonnes / production of bored piles (m) ⁽³⁾	80.90	73.46
Hazardous Waste			
Total hazardous waste disposed	tonnes	9.2	19.6
Total hazardous waste intensity	tonnes / M' Revenue (HKD)	0.005	0.01
	tonnes / production of bored piles (m) ⁽³⁾	0.001	0.002

Note (1): Scope 1 GHG emissions refer to direct emission of GHG from sources owned or controlled by the Group, which include (i) transportation and (ii) machinery usage.

Note (2): Scope 2 GHG emissions refer to indirect GHG emissions resulting from the consumption of the electricity which the Group purchased.

Note (3): The production of bored piles in 2020 was 8,873m and 2021 was 8,915m.

Social Performance		Unit	2021	2020
Workforce Profile				
Total workforce		No. of people	581	621
By gender	Male	No. of people	489	525
	Female	No. of people	92	96
By age group	< 31	No. of people	102	106
	31-50	No. of people	299	299
	> 50	No. of people	180	216
By employment type	Full-time employee	No. of people	580	620
	Part-time employee	No. of people	1	1
By employment category	Senior Management	No. of people	10	10
	Management	No. of people	27	23
	Frontline and general staff	No. of people	544	588
By geographical region	Hong Kong	No. of people	581	621
Employee turnover rate ⁽⁴⁾				
By gender	Male	%	46.0	32.2
	Female	%	51.1	34.4
By age group	< 31	%	59.8	45.3
	31-50	%	42.5	33.1
	> 50	%	46.7	25.5
By employment type	Senior Management	%	10	0
	Management	%	29.6	8.7
	Frontline and general staff	%	48.3	34
By geographical region	Hong Kong	%	46.80	32.5

Social Performance		Unit	2021	2020
Percentage of employees trained ⁽⁵⁾				
By gender	Male	%	84	87
	Female	%	16	13
By employment category	Senior Management	%	2	2
	Management	%	4	4
	Frontline and general staff	%	94	94
Average training hours completed by employee				
By gender	Male	Hours	15.23	5.87
	Female	Hours	14.49	5.85
By employment category	Senior Management	Hours	17.00	5.80
	Management	Hours	15.11	5.87
	Frontline and general staff	Hours	15.08	5.87
Occupational Health and Safety				
Lost days due to injuries		Days	881	1,326
Rate of injuries per 1,000 employees		%	10.33	16.26
Number of fatalities		No. of people	0	0
Rate of fatalities		%	0	0
Number of suppliers				
Hong Kong		suppliers	519	484
China (including Macau)		suppliers	2	15
Other		suppliers	10	1

Note (4): Employee turnover rate was calculated by: the number of employees in the specified category leaving employment divided by the number of employees in the specified category times 100%. The relative high turnover rate in 2021 as compared to that in 2020 was caused by the impacts of COVID-19 and mass migration. Employee turnover rate in 2020 was restated for consistency.

Note (5): Percentage of employees trained was calculated by: the number of employees in the specified category who took part in training divided by the number of employees who took part in training times 100%.

11 ESG Content Index

Disclosure, Aspects, General Disclosure and KPIs	Description	Statement / Section	Page No./ Comment
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	(a) Promoting sustainable operations (b) The Group has complied with all relevant laws and regulations relating to water pollution, air pollution and noise control	22
KPI A1.1	The types of emissions and respective emissions data.	Performance table	33
KPI A1.2	Greenhouse gas emissions in total (in tonnes of CO ₂ equivalent) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance table	33
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance table	33
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance table	33
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Greenhouse gas (GHG) emission and air pollution	25
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Waste management	26
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Promoting sustainable operations	22
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in MWh) and intensity (e.g. per unit of production volume, per facility).	Performance table	33
KPI A2.2	Water consumption in total (in m ³) and intensity (e.g. per unit of production volume, per facility).	Performance table	33

Disclosure, Aspects, General Disclosure and KPIs	Description	Statement / Section	Page No./ Comment
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Energy Consumption	23
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water consumption and wastewater management	26
KPI A2.5	Total packaging material used for finished products.	Not applicable	/
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Promoting sustainable operations	22
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting sustainable operations	22
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Risk Management	28
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Risk Management	28
B. Social			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	(a) Building a resilient team (b) The Group has complied with all laws and regulations relating to employment	11
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance table	33
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance table	33

Disclosure, Aspects, General Disclosure and KPIs	Description	Statement / Section	Page No./ Comment
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	(a) Providing a safe and healthy workplace (b) The Group has complied with all laws and regulations relating to occupational health and safety	11
KPI B2.1	Number and rate of work-related fatalities.	Performance table	33
KPI B2.2	Lost days due to work injury.	Performance table	33
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Providing a safe and healthy workplace	11
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Building a resilient team	11
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance table	33
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance table	33
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	(a) Upholding workplace ethics (b) The Group has complied with all laws and regulations relating to labour standard	18
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Upholding workplace ethics	18
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Upholding workplace ethics	18

Disclosure, Aspects, General Disclosure and KPIs	Description	Statement / Section	Page No./ Comment
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Managing supply chain / Climate Risk Management	20/28
KPI B5.1	Number of suppliers by geographical region.	Performance table	33
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Managing supply chain	20
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Managing supply chain / Climate Risk Management	20/28
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Managing supply chain	20
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	(a) Assuring quality and responsible services (b) The Group has complied with all laws and regulations relating to product responsibility	21
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the Reporting Year, there were no products sold or shipped subject to recalls for safety and health reasons	/
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Assuring quality and responsible services	21
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual property right is not a material topic to the Group	/
KPI B6.4	Description of quality assurance process and recall procedures.	Assuring quality and responsible services	21

Disclosure, Aspects, General Disclosure and KPIs	Description	Statement / Section	Page No./ Comment
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Upholding workplace ethics	18
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	(a) Upholding workplace ethics (b) The Group has complied with all laws and regulations relating to corruption	18
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	During the Reporting Year, the Group did not have any concluded legal cases regarding corrupt practices	/
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Upholding workplace ethics	18
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Upholding workplace ethics	18
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Contributing to the community	31
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to the community	31
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Contributing to the community	31