



建聯集團有限公司*
Chinney Alliance Group Limited

(Incorporated in Bermuda with limited liability)

Stock code: 385



Environmental, Social and Governance Report 2021

* For identification purpose only

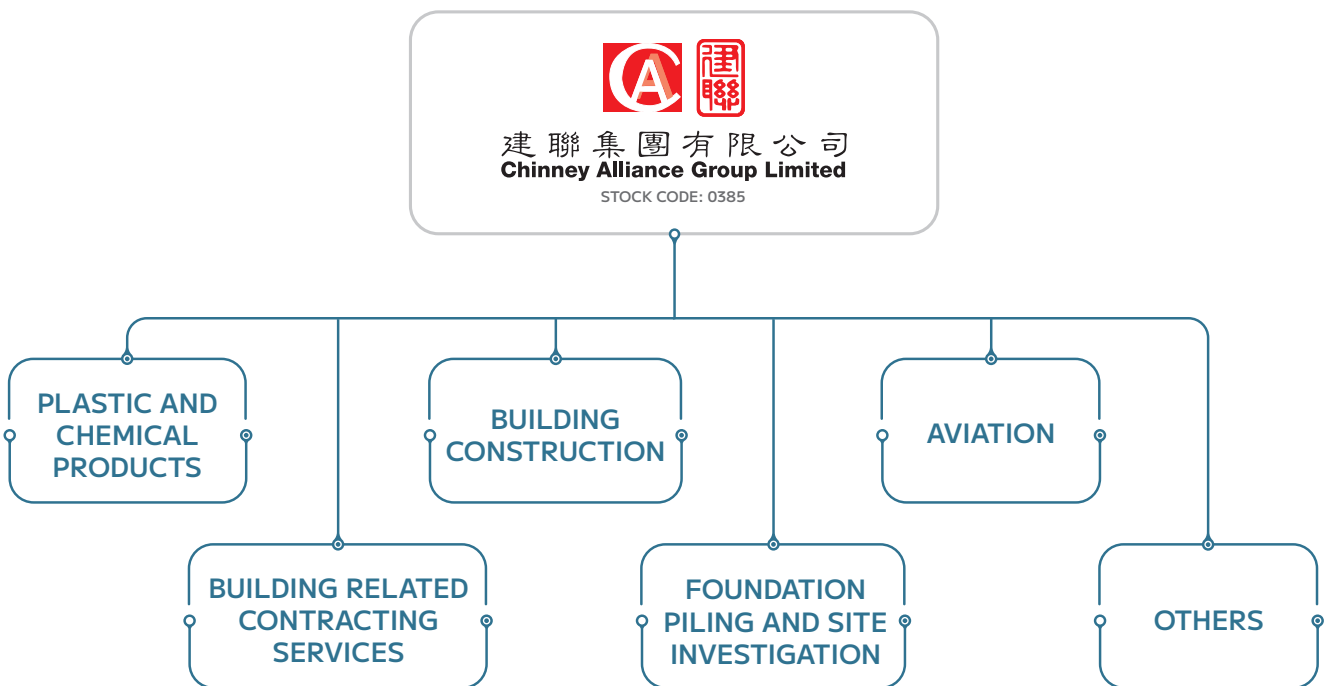
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1 About this Company

Chinney Alliance Group Limited (the “Company”, collectively with its subsidiaries, the “Group”) is an investment holding company headquartered in Hong Kong with business operations in Hong Kong, Macau and Mainland China. Since 1993, the Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (Stock code: 0385).

The Company and its subsidiaries principally engage in building construction, foundation piling, drilling and site investigation, provision of building-related contracting services, trading and distribution of plastic and chemical products, distribution and installation of aviation system and other hi-tech products, and other businesses which include property holding and development.



2 About this Report

2.1 Reporting Standard, Period and Scope

The Group publishes the sixth Environmental, Social and Governance (“ESG”) Report this year to report non-financial information and communicates with the stakeholders about the Group’s social responsibility and sustainable performance from 1 January 2021 to 31 December 2021 (the “Reporting Period”).

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 (the “Listing Rules”). The Group adheres to the reporting principles of materiality, quantitative, balance and consistency to prepare the report.

Materiality

The Group 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 issuer’s performance, avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by the report readers.

Consistency

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

Information regarding corporate governance is addressed in the 2021 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.

The scope of this report covers the Group's operations in Hong Kong by its respective principal subsidiaries:

- (i) Chinney Construction Company, Limited ("Chinney Construction") and Chinney Builders Company Limited ("Chinney Builders"), both are engaged in building construction works;
- (ii) Shun Cheong Electrical Engineering Company Limited ("Shun Cheong") which is engaged in building-related contracting services; and
- (iii) Jacobson van den Berg (Hong Kong) Limited ("Jacobson"), which is engaged in the trading of plastic and chemical products.

The environmental and social performance of the Group's subsidiary, Chinney Kin Wing Holdings Limited, which is listed on the Main Board of the Stock Exchange (Stock code: 1556) and is engaged in foundation piling, drilling and site investigation business, is disclosed in its own 2021 ESG Report.

2.2 Stakeholder Engagement and Materiality Assessment

The Group strives to create value for our stakeholders, including employees, suppliers, contractors and the community which all have a significant impact on our business. We have previously established various communication channels to gain a deeper understanding of our stakeholders' opinions and concerns.

Stakeholder Group	Communication Channels
Employees	<ul style="list-style-type: none"> • Intranet • Employee meetings • Employee training • Employee care activities • Employee interviews • Employee satisfaction surveys
Suppliers	<ul style="list-style-type: none"> • Tendering processes • Meetings and conferences • Site visits
Contractors	<ul style="list-style-type: none"> • Tendering processes • Meetings and conferences • Site visits
Community	<ul style="list-style-type: none"> • Voluntary services

To understand the expectation of stakeholders on the Group's sustainable development, we engaged a third-party consultant to conduct materiality assessment last year. The stakeholder engagement for materiality assessment is conducted annually. Based on the results of the survey last year, the Group identified 18 of the most important environmental and social topics. The Group also reviews the material ESG topics annually based on peer benchmarking and industry trends. The below shows the updated list of important sustainability topics.

Environmental Aspects



Social Aspects



2.3 Contact Details

The Group welcomes any comments or suggestions from our stakeholders.
If you have any comments, please contact the Group at:

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Chinney Alliance Group Limited
23rd Floor, Wing On Centre,
111 Connaught Road Central,
Hong Kong

Tel : (852) 2877 3307

Email : general@chinneyhonkwok.com


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3 Corporate Statement

The Board of Chinney Alliance Group Limited is pleased to publish its 2021 ESG report, which demonstrates the Group's effort on the continuous improvement of ESG performance and engagement with the stakeholders. Facing the constant challenge of the COVID-19 pandemic and the related economic impact, the Board upholds the Group's commitment in attaining ESG-related goals on business operation with high awareness. The Board is responsible for overseeing the Group's ESG management strategy, evaluating, and managing the ESG-related risks for the purpose of minimising the impact of Group's business operation on the environment and the society. During the Reporting Period, the Board has initiated the work of climate risk identification and guided the Group on the determination of environmental target-setting.

The Group is committed to providing products and services which comply with relevant environmental regulations, laws, legislation requirements and other criteria to use the best available, cost-effective and appropriate technology to protect the environment. The Group's ESG-related goals include preventing pollution, reducing waste and consumption of natural resources, as well as increasing recycle and reuse where feasible. Chinney Construction follows and complies with the requirements of ISO 14001:2015 Environmental Management Systems for the design and construction of building facilities, building activities and plumbing works in our construction projects. In practice, the Group's environmental policy ensures environmental friendliness is being implemented across site offices and the head office of Chinney Construction, in accordance to ISO 14001:2015. Apart from international standards, advanced construction technology including Building Information Modelling and Modular Integrated Construction System are applied in projects. To encourage energy saving in the community, the Groups also actively supports the government's campaign by participating the Energy Saving Charter 2021 in office space.

On health and safety aspects, the Group values the management and control of risks in business operations. To create a safe working environment to employees, the Group adopts the safety management system to the standard of ISO 45001:2018 Occupational Health and Safety Management Systems. For instance, Chinney Construction complies with the requirements of ISO 45001:2018 standard in construction projects. In response to COVID-19, the Group takes a



variety of health measures and provide instructions to our employees with the aim of preventing disease spreading in the workplace. For example, the Group provided disinfection products including disinfectant spray, face masks and hand sanitisers to employees and implemented flexible working hours. Free COVID-19 testing is provided to those whose residential buildings have confirmed cases and paid leave is provided to employees who receive vaccination.

With an evolving ESG strategy and commitment towards a sustainable future, the Board strives to mitigate the risks and influences from the external factors and integrate sustainability in every aspect of our business operations and build value for stakeholders.

4 Quality Services

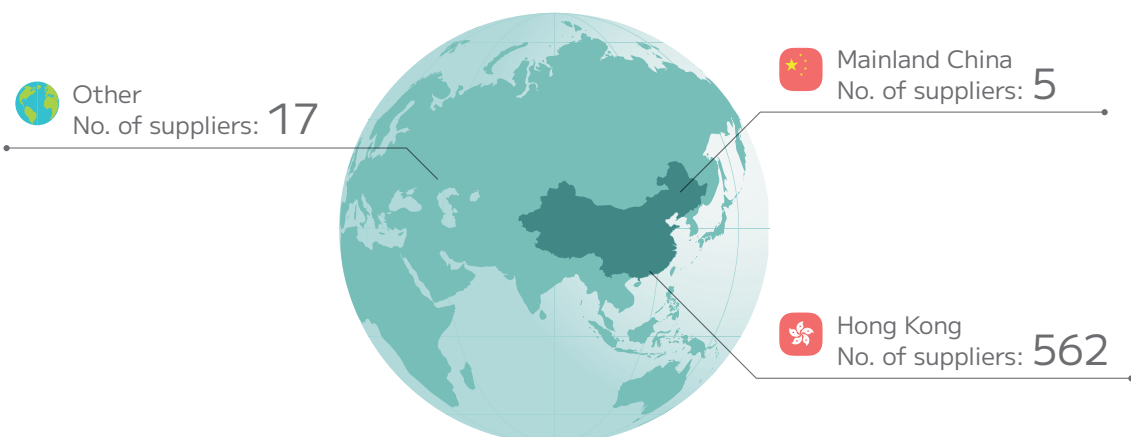
The Group understands the long-term value of high-quality work, monitors contractor performance and procures sustainable resources where possible in order to meet client expectations for cost, timeliness and quality.

4.1 Sustainable Value Chain

The Group has established a set of tight policies and procedures to monitor its suppliers and contractors in order to maintain the quality of the products and services they provide to customers. Apart from the product's quality, delivery time and pricing, the Group concerns about the environmental and social impacts of its suppliers. As part of their commitment to sustainable sourcing, Chinney Construction and Chinney Builders seek to use materials from sustainable sources, such as timber certified by the Forest Stewardship Council. The Group has its Social Responsibility Policy in place to maintain fair operating practices by incorporating social, ethical, environmental and gender equality criteria in its purchasing, distribution and contracting policies. To promote the local economy, ensure a stable delivery schedule and reduce emissions associated with transportation, the Group prioritises local suppliers and raw materials manufactured within 800 km of the construction site.

The Group places a high value on the work standards and management of its contractors, in addition to supply chain management and procurement. Chinney Construction and Chinney Builders require contractors to present certificates demonstrating that the tools, equipment and materials used and supplied during the tendering process complied with the Group's standards. At each site entrance, security turnstiles with biometric recognition system are implemented to recognise and manage the contractors' employees. Contractors' employees also receive training to ensure they understand and follow the Group's site work procedures.

Location of our suppliers:



Procured materials	Unit	2021
Total weight of materials	tonnes	28,593
Total weight of materials manufactured within 800km ⁽¹⁾	tonnes	24,858
% of materials manufactured within 800km ⁽¹⁾	%	87

Note (1): The materials manufactured within 800 km are mainly concrete. As a new project for a high-rise building was being constructed in 2021 and the projects carried out in 2020 were either near completion or at preliminary stage, the consumption of concrete increased in 2021 as compared to 2020.

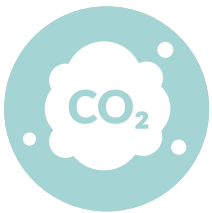
4.2 Quality Control

In order to ensure the high quality of the Group's services, the ISO 9001:2015 Quality Management Systems has been implemented to guide the Group's quality assurance procedures. The quality control system requires project managers to ensure that the site operation complies with the quality management manual and quality target. Throughout the construction stage of projects, the project managers conduct regular monitoring and inspections to ensure that contractors and subcontractors adhere to the Group's standards. Any needed mitigation actions are performed and guided by action plans. Following the completion of construction projects, quality audits are performed to ensure the project's quality and safety.

Consumer issues are regulated by our Social Responsibility Policy. The Group aims to provide socially and environmentally beneficial products and services to the customer that can reduce respective adverse impacts throughout their life cycle. No unfair or misleading marketing and information is delivered to consumers. We ensure that consumers are aware of their rights and responsibilities when products and services are delivered, and that the products and services will not be inherently harmful to consumers' health. For complaint handling, we will review complaints and take action to prevent recurrence. During the Reporting Period, no complaint was received regarding our products or services.

5 Environmentally Conscious Operations

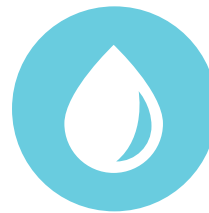
The Group is devoted to maintaining a smooth business operation and efficient resources allocation. Under the frameworks of ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management Systems, the Group has developed the Social Responsibility Policy and Environment Policy to monitor and review its environmental performance. To ensure the environmental friendliness of our daily operation, the Group adheres to implement measures in environmental aspects including Greenhouse Gas (“GHG”) emission, energy use, pollution control, as well as water waste and noise management. The Group is also committed to operate in strict compliance with relevant environmental legislations and regulations, which primarily include, but are not limited to, the following:



**Air Pollution
Control Ordinance
(Cap.311)**



**Waste Disposal
Ordinance
(Cap.354)**



**Water Pollution
Control Ordinance
(Cap.358)**



**Noise Control
Ordinance
(Cap.400)**

In recognition of our environmental conscious operations, Chinney Construction and Chinney Builders have been certified as a Hong Kong Green Organisation by the Environmental Campaign Committee. Our efforts in minimising potential environmental impacts are also acknowledged through multiple green building projects that meets BEAM Plus and WELL building standards. For instance, our completed projects, Main Contract for 2 x 338 – Place Student Hostels on Northern Campus (Blocks A3 and A4) at The Chinese University of Hong Kong, Shatin, New Territories, and Construction of Rank and File Quarters for Customs and Excise Department at Yau Yue Wan Village Road, Tseung Kwan O, Hong Kong (Contract No. SS C512), have achieved Final Platinum under BEAM Plus New Building Version 1.2 and Version 1.1 respectively. The on-going project, Main Contract for Proposed Commercial Redevelopment at No. 100-114 Bedford Road, Kowloon, Hong Kong will attain Gold rating in both BEAM Plus New Buildings Version 1.2 and WELL Building Standard Version 2.

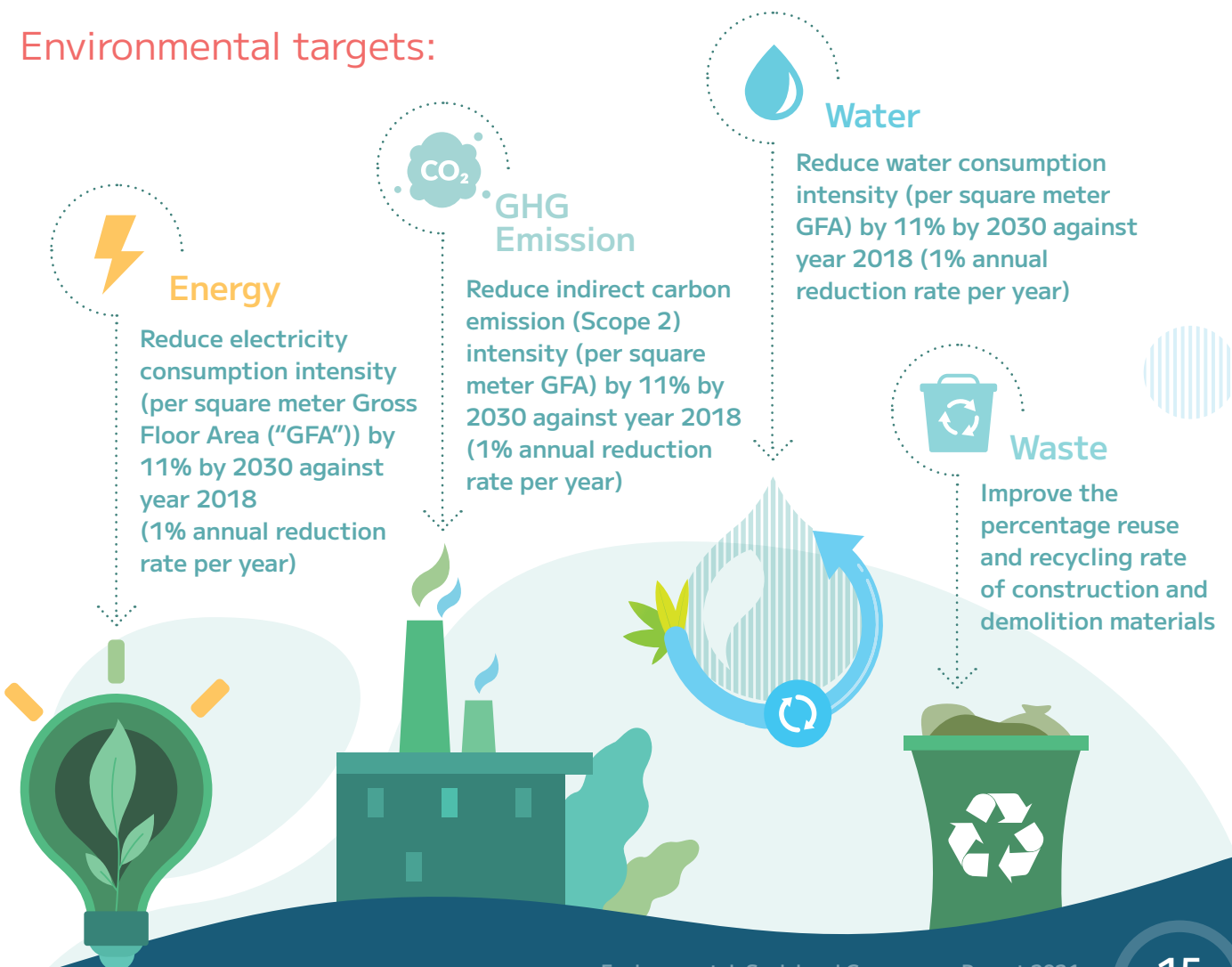


Certificate of Hong Kong Green Organisation by the Environmental Campaign Committee

5.1 Energy Consumption and Air Emissions

The Group's major sources of energy consumption includes electricity, diesel and petrol consumption from the construction sites and offices. Guided by the Energy Policy, the Group implemented various initiatives and measures to save energy and enhance energy efficiency, which in turn reduce environmental footprint and operational costs. To further show our support in conserving energy, Chinney Construction and Chinney Builders has signed the Energy Saving Charter 2021 launched by the Environmental Bureau, which we pledge to adopt various energy saving practices. To ensure the Group have effectively managed the energy consumption within our operations, as to reduce energy consumption and improve energy efficiency, we conducted annual audits for the construction projects and reviews on energy performance and system under the ISO 50001:2018 Energy Management Systems. External audit companies and all staff are involved in the process of energy audits and reviews. This year, the Group has reviewed our performance in energy consumption and emissions, and set up targets for both our office premises and construction projects to enhance our energy use efficiency and reduce emissions.

Environmental targets:



In addition, the Group is aware of the issue of air pollution. To maintain good air quality within our operations, maintenance were performed bimonthly such as cleaning the wire-mesh pre-filters at fresh air intake. This year, we have conducted indoor air quality assessment in our head offices and received Good Class indoor air quality certificate by the Environmental Protection Department. We will continue to implement measures in minimising the impacts of air pollution and enhance the air quality.



Good Class indoor air quality certificate by the Environmental Protection Department

For office premises:

1

Supported the purchase of energy-efficient products (such as Grade 1 energy labels) and services, and design for energy performance improvement

2

Switched off idle electrical appliances

3

Installed T5 fluorescent tubes or LED lighting at office premises which are energy efficient

4

Set indoor temperatures between 24-26 degree Celsius



For construction projects:



2

Used energy-efficient construction equipment and ultra-low sulphur diesel as far as applicable

1

Installed photovoltaic panel to collect solar power and reduce electricity consumption

3

Provided trainings for staff to ensure their understanding in the energy conservation practices e.g. induction trainings on environmental and energy management

4

Set up energy conservation targets in construction sites. This year, we aim to reduce energy consumption by 1% compared with 2020 by using energy efficient plant and equipment.

5

Conducted regular audits and reviews on energy performance to improve energy efficiency and reduce air pollutants emission

6

Regular plant and equipment maintenance are conducted by subcontractors to ensure their energy efficiency and prevent excessive energy use.



5.2 Water Resources

The Group's water is supplied by the Water Supplies Department where its major consumption is attributed to the daily use from offices and construction sites. Although water consumption is not a material issue in our operation, the Group continues to devote efforts to enhance water efficiency. We conduct regular monitoring of water consumption at construction sites by water metering facilities. The water consumption data collected enables the Group to analyse and identify abnormal patterns in water consumption in order to improve water efficiency.

The Group also strives to minimise the wastewater discharge to decrease the pollution associated with the surface runoff. Treatment facilities are installed on construction sites of Chinney Construction and Chinney Builders to handle wastewater. Water stored after treatment is reused for site cleaning, dust removal and wheel-washing.



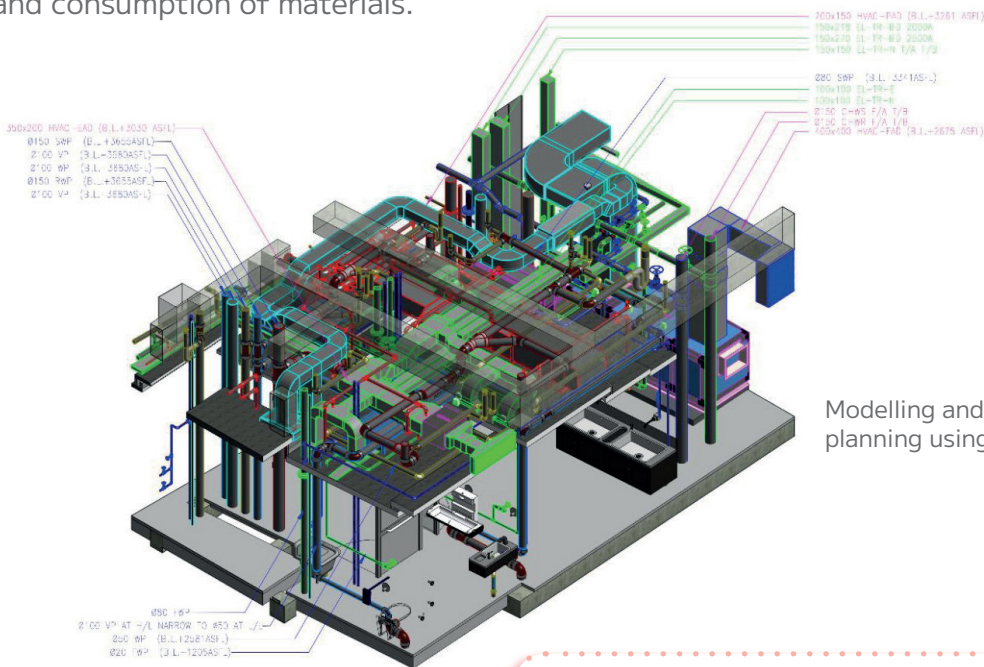
5.3 Waste Management

The Group's business operations mainly generate construction and demolition waste. Therefore, the Group prioritises minimising waste generation through implementing the Waste Management Policy to manage on-site waste. To avoid waste generation, the Group carefully controls the procurement of construction materials. During the construction process, construction and demolition waste are sorted and stored in designated areas for recyclable and non-recyclable waste on-site. Contracted recycle companies are assigned to assist in recycling waste. Recycling bins are set up for reusable materials such as recyclable wood, metal, cardboard and paper to be recovered in order to minimise waste sent to landfill. Hazardous waste was not significant during the Reporting Period and no reportable data is included in this Report.


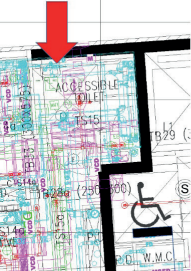
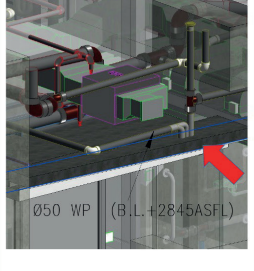
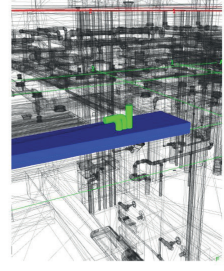
Case Study: Building Information Modelling (“BIM”) system

To reduce consumption of materials and minimise wastage, the Group has built up its capabilities in the use of new technologies such as BIM.

In our project for the proposed commercial redevelopment at No. 100-114 Bedford Road, Kowloon, Hong Kong, our in-house BIM team performed 3D modelling and clash analysis during drawing co-ordination stage to create a clash-free model, which forecasts the clashes or other issues to reduce the double handling, minimise waste and consumption of materials.



Modelling and phase planning using BIM

 建築營造有限公司 CHINNEY BUILDERS CO., LTD. <small>中國建築業集團有限公司之成員公司</small>		Project No.: CB54
Project Name: Main Contract for Proposed Commercial Redevelopment at No. 100-114 Bedford Road, Kowloon, Hong Kong		
Date:	23 rd Dec 2021	TO No.:
Floor/Location/Room:	6 ^F Mockup / Disable Toilet	TQ-TYP-008
Dwg No. / Dwg Title, Revision:	DR-006 / Drainage Layout for 6 ^F / Rev. A	
AI No. & Receive Date:	AA/MC-003 / 18 th Oct 2021	
Description:	On 6 ^F is disable toilet at high level, the P-trap of floor drain clashed with ceiling. Same problem occurs in the typical floor. Please advise.	
CBS4-CSD-0F-001, Rev.A	BIM Model (CBS4-0F-BS_20211020)	BIM Model (Navigator's View)
		
Consultant's Reply / Comment:	Authorized Signature / Date:	Consultant's Name / Title:

5.4 Noise Management



To minimise the noise pollution generated during the construction works, the Group has adopted the following noise management and measures to reduce the noise impact to the people and environment nearby:

- Schedule construction works to avoid sensitive hours
- Use quality powered mechanical equipment
- Install noise mitigation measures such as noise barriers on-site
- Avoid machine idling to reduce noise generation



Noise barriers on-site



5.5 Climate Risk Management



Climate change is an emerging and critical issue faced by many business operations. The Group is committed to working together with our stakeholders to respond to the risks and impacts of climate change and to mitigate these challenges.

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 the Group's businesses. This helps the Group to set up efficient strategies and measures to respond to the identified risks. 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 businesses 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 the Guidance on Climate Disclosures published by Hong Kong Exchanges and Clearing Limited, it is expected that the Hong Kong 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 affect 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

6 People-oriented Culture

Human resources play an important role in achieving sustainable development of the Group. The Group is dedicated to providing a harmonious and safe workplace for its employees. The Group complies with all applicable laws and regulations on employment, diversity and inclusion, well-being, health and safety and labour standard in Hong Kong, our human resources policies are in place to safeguard the health and safety of its employees.

6.1 Safe Workplace

The Group, as a responsible employer, places a high priority on the occupational health and safety of its employees. Occupational health and safety in the workplace are managed under the ISO 45001:2018 standard. We have also established safety policies and implemented on-site procedures.



In response to COVID-19, the Group has implemented a variety of measures to safeguard the safety of our employees and workers, including provision of disinfection products and air purifiers with virus-killing functions, encouraging the use of online meetings and flexible work arrangement. We also ensure the health condition of our employees and workers by requiring body temperature measurement when entering our group premises. From the Group level, we have added COVID-19 reporting and management guidance to the business continuity plan.

During the Reporting Period, the Group recorded a 0.01 injury rate per 1,000 employees, which was lower than 2020 construction industry accident rate per 1,000 workers disclosed by Occupational Safety and Health Branch, Labour Department, which showed 26.1 accidents per 1,000 employees. There is no fatal accidents in the past three years in our operations.

The Group has also received the following safety awards and recognitions:



20th Hong Kong Occupational Safety and Health Award

Safety Performance Award (Construction) 2021

Organiser: Occupational Safety and Health Council ("OSHC") and Labour Department ("LD")



Classified Post HR Appreciation Awards 2020

HR Best Practice Compensation and Benefits COVID-19 Special Award Corporate

Organiser: Classified Post



Occupational Health Award 2020-21

Joyful@Healthy Workplace Best Practices Award "Enterprise / Organisation Category" - Merit Award
Organiser: OSHC, LD, Department of Health, Pneumoconiosis Compensation Fund Board, Occupational Deafness Compensation Board



ISHP Outstanding Safety and Health Awards 2020-21

Outstanding Safety Awards - Platinum Award

Organiser: The Institute of Safety and Health Practitioners



Caring Company Award

Organiser: The Hong Kong Council of Social Service

6.2 Talents Acquisition and Development

Employees and resources allocation for talent are vitally important to the Group. In recognition of employees' accomplishments, we provide competitive salary packages, advancement opportunities, reasonable work hours and rest periods as part of its talent acquisition and retention strategy. During recruitment, the Group takes an equal opportunity, non-discriminatory approach by evaluating candidates according to their ability and qualifications, rather than their gender, religion, race or other characteristics.

We strictly prohibit child or forced labour throughout our recruitment and employment practices, and the Social Responsibility Policy and Rules of Employment are in place for Shun Cheong's operation while Chinney Construction and Chinney Builders has been following the internal Prevention of Child Labor and Underage Labor Policy and Prevention of Forced Labor Policy. Our Human Resources departments verify candidates' identification and working permits to ensure no engagement of any child or forced labour. If any child or forced labour practice is discovered, the work must be stopped immediately. During the Reporting Period, there is no indication of any non-compliance cases regarding employment.

The development of employees contributes to the success of business operation. The Group offered a variety of training programs to its employees and encouraged them to continue their education by reimbursing a portion or all of the costs of external training courses. For example, the Group's Safety Fund subsidised trainings on occupation health and safety. In 2021, Chinney Construction and Chinney Builders provided a total of 977.5 training hours. Meanwhile, Shun Cheong arranged 1449 hours of in-house training to its employees.

The Group is committed to organising events to improve communication between departments and develop team cohesion in order to create an enjoyable working environment. In 2021, Chinney Construction, Chinney Builders and Shun Cheong attained the Happy Company Award by Hong Kong Productivity Council and Promoting Happiness Index Foundation in appreciation of the Group's efforts to promote employee well-being.

In 2021, the Group organised the following events:



Christmas Lucky Draw of Chinney Construction



2021 Award Presentation and Lucky Draw of Shun Cheong



Ice Cream Herbal Tea Day of Shun Cheong



Bakery Class of Shun Cheong



Anti-epidemic care pack distribution of Chinney Construction



Photo Competition of Shun Cheong

6.3 Ethical Corporate Image

The Group endeavours to operate its business ethically by adhering to the principles of transparency and integrity. The Group has established a Company Code of Ethics (the “Code”) prohibiting employees from soliciting or accepting any benefits in order to maintain the highest level of integrity. The Group has also stipulated anti-corruption and a whistleblowing mechanism so that its employees can anonymously report any suspected incidences of corruption to management in order to prevent and eliminate misconduct. To maintain an uncorrupted business, the Group has initiated anti-corruption training for directors and employees, covering topics including Introduction to Chinney’s Integrity Management Policy. Depending on the severity of cases, the Group would investigate and take appropriate disciplinary action.

In addition to anti-corruption measures, the Code mandates that employees protect confidential information and shall not disclose it with third parties without prior consent. The Code also secures intellectual property rights and products or goods are used with necessary authorisation. During the Reporting Period, there is no reported case of corruption, data breaches or intellectual property infringement and the Group has complied with all relevant laws and regulations, including Prevention of Bribery Ordinance, Personal Data (Privacy) Ordinance and Patents Ordinance.

7 Community Investment

The Group pays attention to its responsibility in the community and strives to give back to society through different channels such as voluntary activities and donations. In 2021, because of our effort in inspiring corporate social responsibility through caring for the community, Shun Cheong was awarded as a Caring Company by The Hong Kong Council of Social Service.

In 2021, the Group actively participated in the Lo Pan Rice Campaign launched by the Construction Industry Sports and Volunteering Programme to distribute meal boxes to communities in need, including low income families, the unemployed, elderly living alone, families with elderly parents, people with limited mobility, ethnic minorities, subdivided households, homeless people and etc. This campaign embodies the spirit of Lo Pan, the Chinese Master specialised in building technology, to take action and to care for the needy. In addition to meal boxes, anti-pandemic goods such as disinfectant and masks are also distributed to the needy to fight COVID-19 together. In addition, Shun Cheong consistently donated surplus food to Food Angel. The food is prepared and redistributed as nutritious meals to serve the underprivileged communities.

Apart from food distribution and donation, the Group donated HKD20,000 to the Pneumoconiosis Mutual Aid Association to promote the prevention of pneumoconiosis and rehabilitation of pneumoconiosis, to help the confidence of patients with pneumoconiosis and support their families.

To raise awareness of community care and to support the general public, Shun Cheong donated over HKD3,000 to Tung Wah Group of Hospitals and over HKD5,000 to Standard Chartered Marathon. In order to protect vulnerable groups facing the pandemic, the Group also donated 1,000 face masks to the Evangel Children's Home and Hui Lai Kuen Home for the Elderly.



Meal boxes distribution in Lo Pan Rice Campaign



Mask donation to Tung Wah Group of Hospitals Hui Lai Kuen Home for the Elderly



Tung Wah Flag Day

8 Looking Ahead

With a strong commitment to pursuing sustainability, the Group will continue to reinforce its environmental and social performances through management optimisation and the application of advanced construction technology in our projects. The Group will further stakeholder engagement for the enhancement of environmental protection, employee wellness as well as community development. Our intrinsic value and care for the community form a major part of our core value system and have jointly served as the foundation for our sustainable growth and development. With our environmental targets being set this year, the Group will take a proactive management approach to maintain the momentum in attaining these targets. The Group has a vision to disclose more advanced and detailed targets in the next report.



9 Performance Table

Environmental Performance	Unit	2021	2020
GHG Emissions			
Scope 1: Direct emission	tonnes of CO ₂ equivalent ("tCO ₂ e")	129	32
Scope 2: Indirect emission	tCO ₂ e	553	567
Total GHG emissions	tCO ₂ e	584	600
Total GHG intensity ⁽¹⁾	tCO₂e / Total GFA (m²)	0.01	0.01
Energy Usage			
Electricity – Office	MWh	1,036	965
Electricity – Construction	MWh	289	555
Petrol	MWh	89	53
Diesel	MWh	21	26
Ultra-Low Sulphur Diesel ⁽²⁾	MWh	402	44
Total energy consumption	MWh	1,837	1,642
Total energy intensity ⁽¹⁾	MWh / Total GFA (m²)	0.04	0.04
Water Consumption			
Total water consumption	m ³	4,932	6,775
Water consumption intensity ⁽¹⁾	m³ / Total GFA (m²)	0.12	0.15

Environmental Performance	Unit	2021	2020
Wastewater			
Total wastewater discharged	m ³	4,214	5,808
Wastewater discharged intensity ⁽¹⁾	m ³ / Total GFA (m ²)	0.10	0.13
Non-hazardous Waste ⁽³⁾			
Construction and demolition ("C&D") waste sent to landfill	tonnes	797	825
C&D waste diverted from landfill	tonnes	1,740	2,799
Non-hazardous waste intensity ^{(1) (4)}	tonnes / Total GFA (m ²)	0.06	0.08

Note (1): The GFA included all construction sites, offices and warehouses. The GFA of 2020 and 2021 are 45,899m² and 42,227m² respectively.

Note (2): As Chinney Construction's new Studies Centre project at Mai Po was commenced in early 2021, the use of ultra-low sulphur diesel was intensive for facilities set-up in the new construction site. On the other hand, Chinney Construction's Data Centre project at Kwai Chung was completed in mid 2020. Hence the consumption of ultra-low sulphur diesel in 2021 was relatively less than that in 2020.

Note (3): In 2021, 15,178 tonnes of C&D wastes including excavated materials were recycled or reused on sites or in other projects, instead of disposed.

Note (4): The calculation of non-hazardous waste intensity did not include C&D wastes recycled or reused on sites or in other projects.

Social Performance		Unit	2021	2020
Workforce Profile				
Total workforce		No. of people	1,038	1,207
By gender	Male	No. of people	833	984
	Female	No. of people	205	223
By age group	< 31	No. of people	247	247
	31-50	No. of people	469	485
	> 50	No. of people	322	475
By employment type	Senior Management	No. of people	16	14
	Management	No. of people	44	40
	Frontline and general staff	No. of people	978	1,153
By geographical region	Hong Kong	No. of people	1,009	1,197
	China	No. of people	3	0
	Others	No. of people	26	10
Employee Turnover Rate				
By gender	Male	%	54	27
	Female	%	47	21
By age group	< 31	%	51	37
	31-50	%	47	16
	> 50	%	61	29
By employment type	Senior Management	%	6	0
	Management	%	9	2
	Frontline and general staff	%	55	27

Social Performance		Unit	2021	2020
Employee Turnover Rate				
By geographical region	Hong Kong	%	54	50
	China	%	0	0
	Others	%	12	45
Percentage of Employee Trained				
By gender	Male	%	78	84
	Female	%	22	16
By employment type	Senior Management	%	3	1
	Management	%	10	3
	Frontline and general staff	%	87	96
Average Training Hours Completed by Employees				
By gender	Male	Average hours	2.44	1.50
	Female	Average hours	2.03	1.81
By employment type	Senior Management	Average hours	2.52	5.14
	Management	Average hours	2.66	9.56
	Frontline and general staff	Average hours	2.32	1.24
Occupational Health and Safety				
Lost days due to injuries		Day	527	230
Rate of injuries per 1,000 employees			4.82	2.50
Number of fatalities		No. of people	0	0
Rate of fatalities per 1,000 employees			0	0

10 ESG Content Index

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A1.1	The types of emissions and respective emissions data.	Performance Table	30
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Table	30
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not Applicable	-
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Table	30
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B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Table	30

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Aspect B6: Product Responsibility

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