



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 2022

\* For identification purpose only

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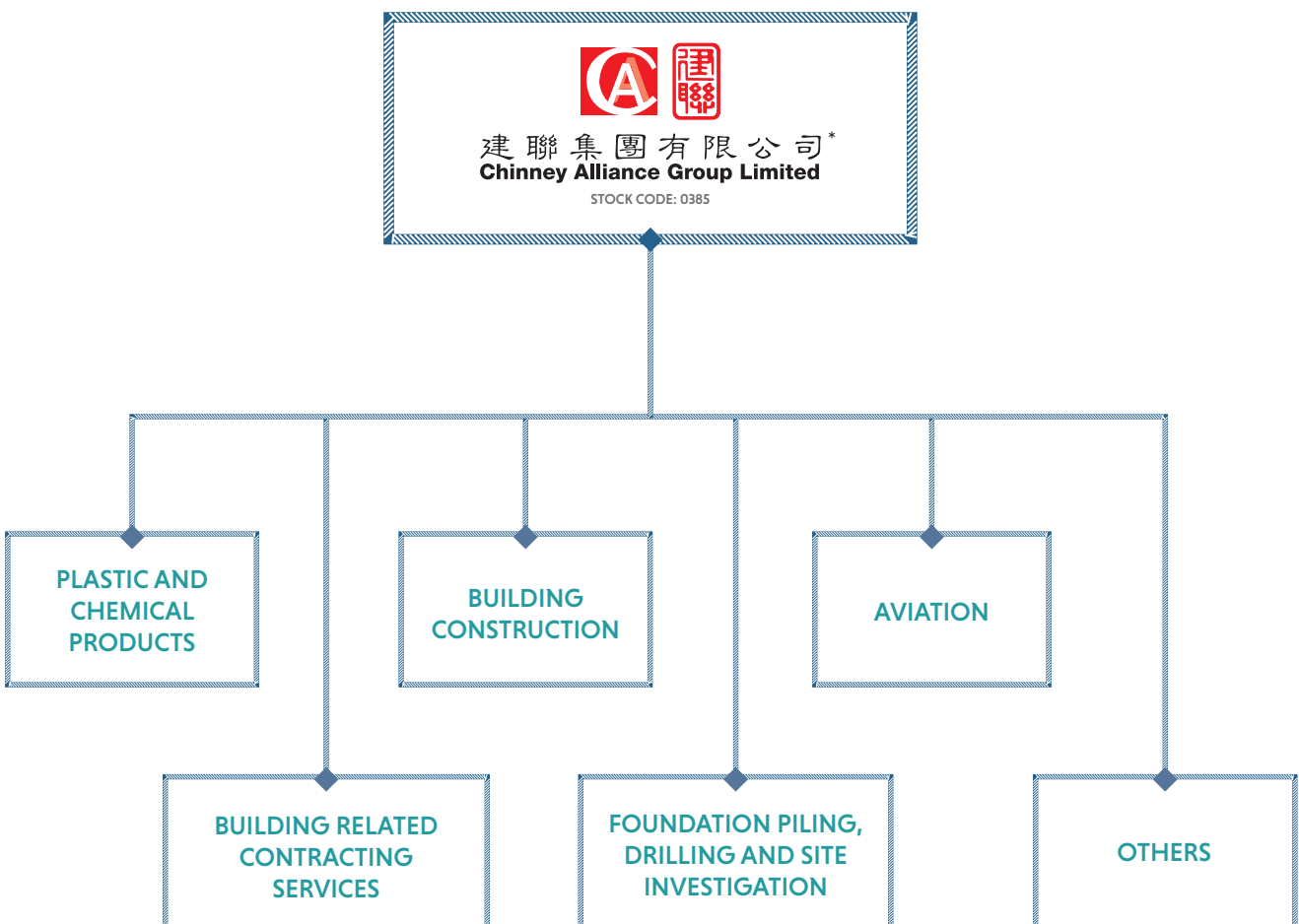
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# 1

## 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, Chinney Alliance Group Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 0385).

The Group primarily works in the fields of 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.



\* For identification purpose only

# About this Report

## 2.1 Reporting Standard, Period and Scope

The Group publishes the seventh Environmental, Social and Governance (“ESG”) Report this year to report non-financial information and communicate with the stakeholders about the Group’s social responsibility and ESG performance from 1 January 2022 to 31 December 2022 (the “Reporting Period”).

The report is prepared in accordance with the Appendix 27 - Environmental, Social and Governance Reporting Guide (“ESG Guide”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Group follows the four core reporting principles of materiality, quantitative, balance and consistency as stated in the ESG Guide when preparing this report. Details are illustrated as follows.

### 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 key performance indicators (“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.



According to the principles and guidelines of the Corporate Governance Code as outlined in Appendix 14 of the Listing Rules, information about corporate governance is covered in the Company's 2022 annual report of the Company. A content index is provided at the end of this report to direct readers to specific topics that related to the ESG Guide.





The scope of this report covers the Group's core business 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;
- (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 engaged in foundation piling, drilling and site investigation businesses and is listed on the Main Board of the Stock Exchange (stock code: 1556), is disclosed in its own 2022 ESG Report.

## 2.2 Stakeholder Engagement and Materiality Assessment

The Group aims to add value for our stakeholders, including employees, suppliers, sub-contractors and the community which all have a significant impact on our businesses. In previous year, we have established various communication channels to gain a deeper understanding of our stakeholders' opinions and concerns.

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

During the Reporting Period, we engaged a third-party consultant to conduct a materiality assessment to better understand the expectation of stakeholders on the Group's sustainable development. The stakeholder engagement for materiality assessment is conducted annually. The Group identified 16 of the most significant environmental and social issues based on the survey's results from the previous year. The Group also conducts an annual review of the material ESG topics based on peer benchmarking and market trends. The Group combined the issue "Wastewater discharge" and "Water consumption" into a new issue "Water Management" in consideration to have a more comprehensive coverage and align with peers' practice.

The updated list of significant sustainability issues is shown below.

## Environmental Aspects

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Energy consumption



Waste management



Greenhouse gas emissions



Climate change



Water management

## Social Aspects

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Sustainable value chain



Community investment



Quality control



Innovation



Occupation health and safety



Customer satisfaction



Employment and labour standard



Consumer's information and privacy protection



Employee development



Intellectual property



Anti-corruption



## 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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23<sup>rd</sup> Floor, Wing On Centre,  
111 Connaught Road Central,  
Hong Kong

Tel : (852) 2877 3307

Email : [general@chinneyhonkwok.com](mailto:general@chinneyhonkwok.com)


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The Board of Chinney Alliance Group Limited is pleased to present its 2022 ESG report, highlighting its sustainability progress during the Reporting Period. Despite the ongoing challenges posed by the COVID-19 pandemic, we continue to uphold our commitments to sustainability. The Board oversees the Group's ESG management strategy and has overall responsibility in managing ESG-related risks. The Board is responsible for examining the material ESG issues of the Group, assessing climate-related risks and establishing ESG management plans. This year, the Board evaluated and approved the Group's material ESG-related issues as a result of materiality assessment. To further integrate the management of ESG issues into our business operations and reassure the responsibilities of the Board and the senior managements on ESG matters, we have reviewed our ESG governance structure during the Reporting Period.

The Group is committed to protecting the environment through minimising environmental impacts brought by our business activities. To enhance our environmental performance, we have set reduction targets in key environmental parameters including energy, GHG emissions, water and waste in our business operations last year, and took the steps to move towards to the environmental reduction goals. We ensure that systematic management approach and environmental considerations are integrated in our construction projects, following the standards and requirements of the ISO 14001:2015 Environmental Management Systems. In addition, we also utilise advanced construction technology such as Building Information Modelling and Modular Integrated Construction system to streamline sustainability implementation in our construction projects. Recognising the impact of climate change on our operations, we have completed the climate risk identification exercise regarding our main business operations in Hong Kong last year. This year we made additional efforts to draft the Climate Change Policy to the Group, which outlines our mitigation and adaptation strategies to tackle the challenges of climate change.

The Group emphasises on the importance of health and safety in our business operations. We have a well-established management system for occupational health and safety in place, which complies with the standards and requirements of ISO 45001:2018 Occupational Health and Safety Management Systems. We ensure that construction projects of Chinney Construction and Chinney Builders are carried out in accordance with the ISO 45001:2018. In response to the COVID-19 pandemic, the Group has implemented a variety of health measures to prevent the transmission of COVID-19 in our workplace. Examples include flexible work arrangements, periodic COVID-19 rapid antigen test and regular body temperature screening.



During the Reporting Period, we have drafted a Community Investment Policy which details our commitments in fostering long-term and positive impacts in communities where we operate. We received the Caring Company Award from the Hong Kong Council of Social Service in recognition of our efforts in community services.

Going forward, we will continue to integrate sustainability into our business operations to create long-term value for our stakeholders.

# 4 Quality Services

The Group is committed to creating long-term value through delivering high-quality works. To meet customer's expectation in terms of cost, timeliness and quality, we monitor sub-contractors' performance and procure sustainable resources where possible.

## 4.1 Sustainable Value Chain

To ensure the quality of products and services, the Group has formulated a comprehensive set of policies and procedures to manage the performance of suppliers and sub-contractors. Apart from price, delivery time and quality, the Group also pays close attention to the environmental and social impacts of its suppliers. Chinney Construction and Chinney Builders strive to use sustainably sourced materials such as timber certified by Forest Stewardship Council as part of their commitment to sustainable sourcing. Shun Cheong also 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 boost the local economy, ensure a reliable delivery schedule and reduce transportation-related emissions, the Group gives priority to local suppliers and raw materials produced within 800 km of the construction sites. During the Reporting Period, over 96.48 % of our suppliers are based in Hong Kong.

The Group pays close attention to work standards and sub-contractor management, apart from supply chain management and procurement. Before becoming sub-contractors with Chinney Construction and Chinney Builders, candidates are required to provide certificates as proof that the tools, equipment and materials used and supplied are in compliance with the Group's standards during the tendering process. In construction sites, we installed biometric recognition system with security turnstiles at each site entrance to manage sub-contractors' staff. Trainings are also provided to all sub-contractors' staff to ensure they understand and adhere to the Group's site work procedures.

### Location of our suppliers:



Procured materials by Chinney Construction and Chinney Builders	Unit	2022
<b>Total weight of materials</b>	tonnes	<b>28,912</b>
<b>Total weight of materials manufactured within 800km<sup>(1)</sup></b>	tonnes	<b>25,032</b>
<b>% of materials manufactured within 800km<sup>(1)</sup></b>	%	<b>87</b>

Note (1): The materials manufactured within 800 km procured by Chinney Construction and Chinney Builders are mainly concrete.

## 4.2 Quality Control

The ISO 9001:2015 Quality Management System has been put in place in Chinney Construction and Chinney Builders as well as Shun Cheong to direct the quality assurance procedures, ensuring the high quality of the services. According to the quality control system, project managers are responsible for ensuring site operations comply with the requirements of the quality management manual and quality target. The project managers monitor and inspect construction sites frequently throughout the different phases of construction to ensure that sub-contractors are upholding the Group's quality standards. The Group has also formulated action plans for mitigations. Quality audits are carried out upon the completion of construction projects to ensure the project's quality and safety.

The Group strives to provide its customers with socially and environmentally beneficial products and services that can reduce the associated negative impacts throughout their life cycle. In Shun Cheong, customers' issues are governed by the Social Responsibility Policy. Shun Cheong is committed to ensuring customers received no unfair or misleading marketing practices. Customers are fully informed of their rights and responsibilities at the time of product and service delivery, and that the products and services would not pose any harm to their health. We have also implemented measures to safeguard customer data and privacy. In terms of managing complaints, we will examine complaints and take proactive actions to prevent recurrence in the future. The Group received no complaints against our products or services during the Reporting Period.

## 5

# Environmentally Conscious Operations

Maintaining an efficient business operation and systematic resources allocation is one of the Group's main focuses in environmental management. We implement a wide range of initiatives to ensure our operations are environmental conscious in different aspects such as Greenhouse Gas ("GHG") emission, energy use, pollution control, as well as water, waste and noise management. The Group is also committed to wholly operate in accordance with relevant environmental legislations and regulations, which include but 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)**

Shun Cheong, Chinney Construction and Chinney Builders have developed the Environmental Policy, while Shun Cheong has also established the Social Responsibility Policy to monitor and review its environmental performance under the framework of ISO 14001:2015 Environmental Management Systems. Under the Environmental Policy, we are committed to providing products and service to comply with relevant environment regulations, laws, legislation requirements as well as doing various environmentally friendly steps to accomplish this. Shun Cheong, Chinney Construction and Chinney Builders have also obtained ISO 14001:2015 Environmental Management Systems. In recognition of our efforts in maintaining an environmentally responsible operation, Chinney Construction and Chinney Builders have been certified as a Hong Kong Green Organisation by the Environmental Campaign Committee this year. We have also considered the environmental impacts through our building projects, hence we strive to obtain international green building standards including BEAM Plus and WELL building standards for our building construction projects.



Certificate of Hong Kong Green Organisation by the Environmental Campaign Committee

The Group established environmental targets to enhance our environmental management performance last year. The Group continuously works hard to meet our environmental targets while also reviewing our progress on a regular basis.

## Environmental targets:

### Energy

Reduce electricity consumption intensity (per square meter Gross Floor Area ("GFA")) by 11% by 2030 against year 2018



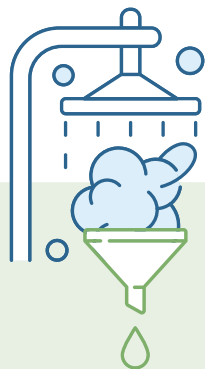
### GHG Emissions

Reduce indirect carbon emission (Scope 2) intensity (per square meter GFA) by 11% by 2030 against year 2018



### Water

Reduce water consumption intensity (per square meter GFA) by 11% by 2030 against year 2018



### Waste

Improve the percentage reuse and recycling rate of construction and demolition materials





## 5.1 Energy Consumption and Air Emissions

Electricity consumption from the construction sites and offices is the Group's major sources of energy consumption. Under the guidance of the Energy Policy, Chinney Construction and Chinney Builders initiate different measures to save energy and enhance energy efficiency in order to minimise the environmental footprint and operational costs. To demonstrate our dedication to energy conservation, Chinney Construction and Chinney Builders have signed the Environmental and Ecology Bureau's Energy Saving Charter 2022, in which we pledge to engage with our stakeholders to jointly implement energy saving practices.

To effectively monitor the performance of reducing energy consumption and enhancing energy efficiency, the Group has worked with external audit companies to conduct energy audits for the construction projects annually and reviewed our energy performance and system under the ISO 50001:2018 Energy Management Systems. The Group continuously monitors the progress of the energy target for both our office premises and construction projects to enhance our energy use efficiency and minimise emissions.



Energy Saving Charter 2022 launched by the Environmental and Ecology Bureau

## 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**

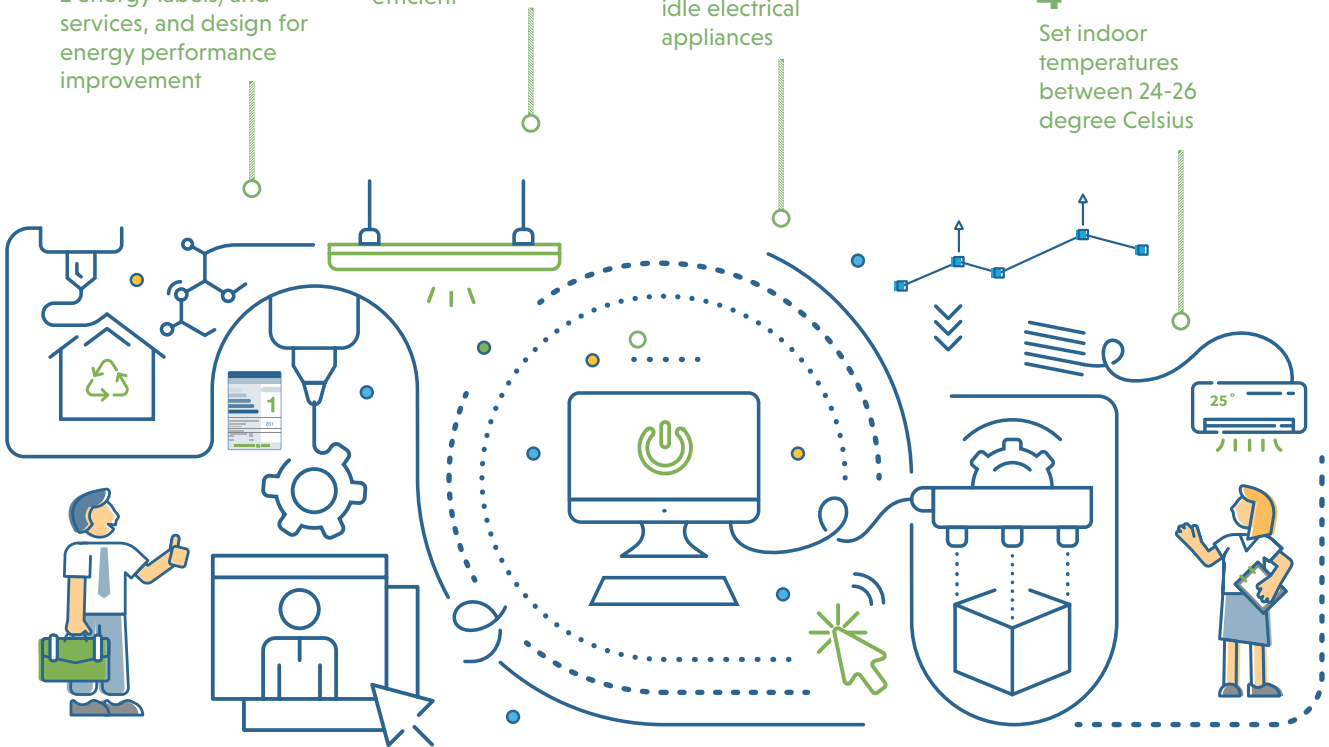
Installed T5 fluorescent tubes or LED lighting at office premises which are energy efficient

**3**

Switched off idle electrical appliances

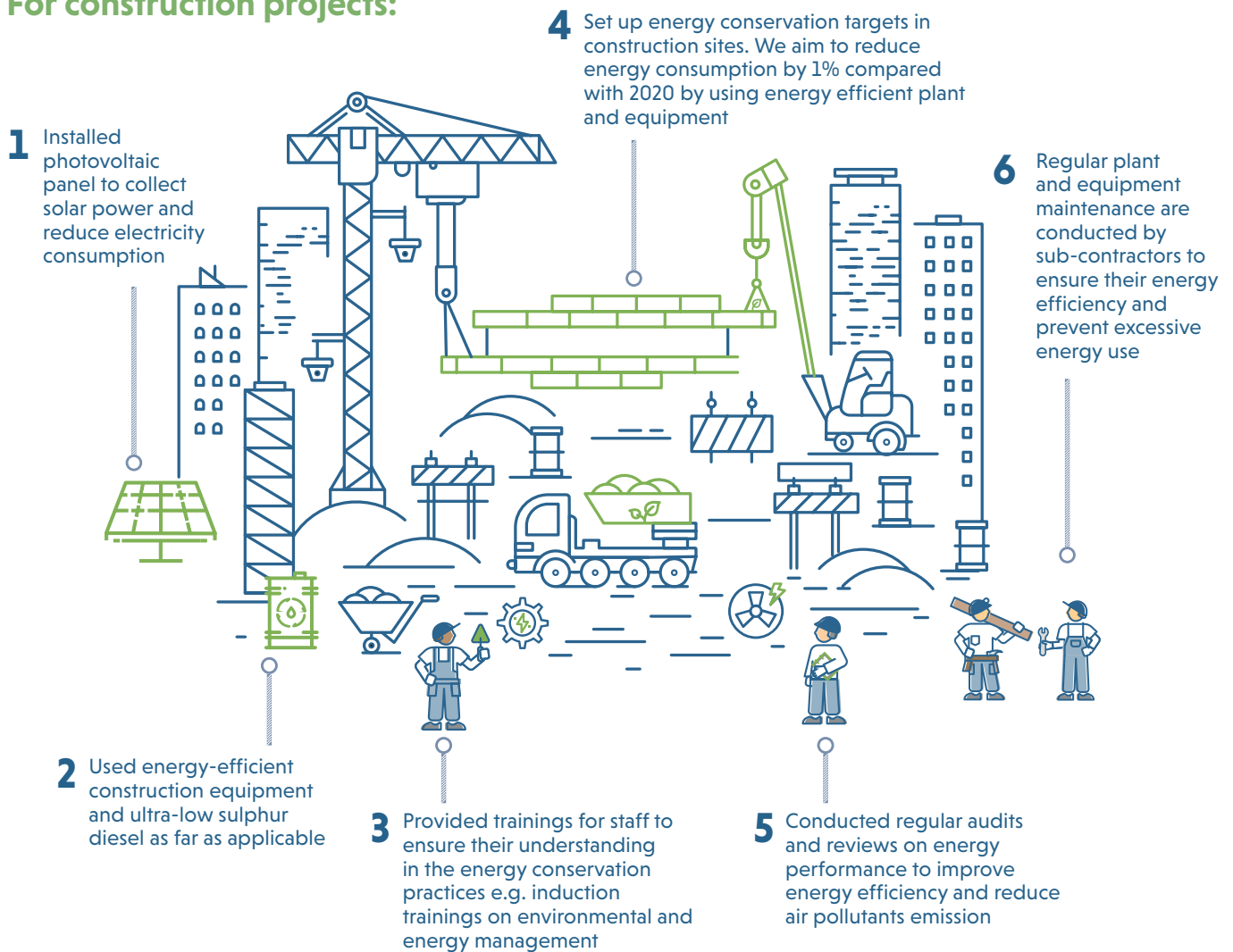
**4**

Set indoor temperatures between 24-26 degree Celsius





## For construction projects:



Furthermore, the Group strives to maintain good air quality within our operations. The Group undertakes routine maintenance every two months to maintain fresh air intake, including cleaning the wire-mesh pre-filters. 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 minimise the impacts of air pollution and improve the air quality.



Good Class indoor air quality certificate by the Environmental Protection Department



Certificates of ISO 50001:2018 Energy Management Systems of Chinney Construction and Chinney Builders





## 5.2 Water Resources

The majority of the water utilised by the Group is the daily consumption at workplaces and construction sites. Although water use has no significant impact on how the Group is doing business, we consider water management as material issue and continuously work to improve water efficiency. Water metering facilities is utilised to regularly check water at construction sites. In order to enhance water efficiency, the Group analyse and identify unusual trends in water consumption using the collected data on water usage. Additionally, the Group works to reduce wastewater discharge in order to minimise surface runoff pollution. To handle wastewater, Chinney Construction and Chinney Builders have established treatment facilities on their construction sites. After the treatment, treated water is reused for wheel washing, site cleaning and dust removal.



## 5.3 Waste Management

Construction and demolition ("C&D") waste are the main types of waste relevant to the Group's building construction business. As a result, the Group places a strong priority on reducing waste generation by implementing the Waste Management Policy. Chinney Construction and Chinney Builders strictly check and control the procurement amount of construction materials to prevent waste generation. C&D waste are separated and kept on-site in locations designated for recyclable and non-recyclable waste during the construction phase. Waste recycling is specifically handled by contracted recycling companies. To reduce the amount of waste transported to landfills, recycling bins are set up where recyclable materials including cardboard, paper, metal and wood can be collected. No significant information on hazardous waste was present during the Reporting Period.

## Case Study:

### Application of Modular Integrated Construction in our project

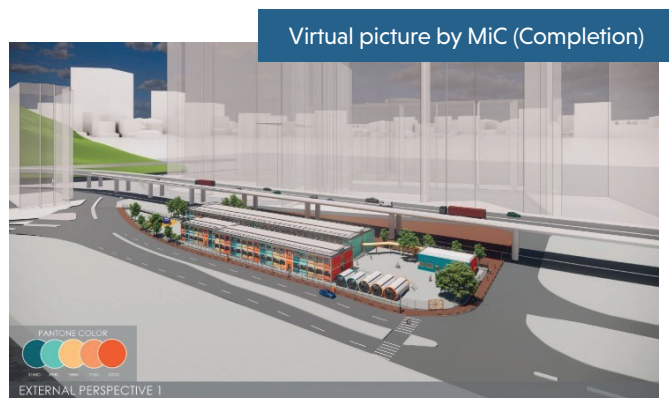
Modular Integrated Construction ("MiC") is an innovative construction method. It involves the manufacture and assembly of free-standing integrated modules ("MiC Units") including finishes, fixtures and fittings, all at off-site factory. After the transportation of MiC Units to the site, they will be erected and installed including final connection of all building services. By using this method, the adverse impacts of weather conditions, scarce labour resources and site constraints can all be substantially minimised. In fact, MiC offers numerous benefits of sustainability and environmental friendliness which are to:

- Reduce dust and noise nuisance to the surrounding environment;
- Minimize construction waste; and
- Improve construction waste management.

In 2022, Chinney Construction had been awarded as the main contractor for a MiC project, namely Design and Build Contract for Transitional Housing Project at the Junction of Hoi Hing Road and Hoi Kok Street, Tsung Wan for Yan Chai Hospital Board. The project is now in progress and most of the MiC units have been erected and installed at the site already. Currently, we are carrying out the connection works of all services and the external works. This MiC project is anticipated to be completed in July 2023.



Works in progress



Virtual picture by MiC (Completion)



## 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; and
- Avoid machine idling to reduce noise generation.



Noise barriers on-site



## 5.5 Climate Risk Management

All industries and business activities are facing immense challenges as a result of climate change. The Group are committed to developing a climate policy and reducing GHG emissions as an environmentally responsible and sustainable business to combat the impacts of climate change. This year, we have drafted a Climate Change Policy to identify and manage climate risks in an effective and strategic manner.

In order to identify, analyse, and evaluate the potential climate-related risks that are pertinent to the Group's business, we performed a climate risk identification exercise in 2021. Understanding the Group's related climate risks helps us to align our sustainable growth with the climate change agenda in Hong Kong and worldwide standards. We first reviewed our company strategy and conducted desktop research on the most recent market developments, government policies, and environmental dangers.

The assessment was conducted for our Hong Kong-based business operations. We recognised that the extreme weather brought on by climate change poses physical risks to the Group and may have a variety of negative impacts. The two physical risks that are given the highest priority are extreme wind/typhoon and flooding.

For transition risks, it is anticipated that the Hong Kong Government will implement stricter policies and regulations to limit GHG emissions and improve climate risk disclosure despite a "business as usual" scenario in order to meet the plans and targets outlined in the Hong Kong's Climate Action Plan 2030+, Climate Action Plan 2050, and the Stock Exchange's Guidance on Climate Disclosures. Our approach to managing GHG emissions and hazards associated to climate change will be affected by these tightening rules and standards.

We will continually examine the climate-related risks in our operations to fully understand their impacts in order to increase our resilience and preparedness in response to the associated dangers. Furthermore, we will take climate-related factors into account while managing risks and making decisions. In order to address the transition risks, we will also actively monitor market and regulatory changes.



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

# 6 People-oriented Culture

Human resources are crucial to drive sustainable development for the Group. The Group strives to build a safe and harmonious work environment to its employees to excel at work. Our human resources policies and initiatives are in place to achieve our goal and improve the well-being of employees. During the Reporting Period, there were no instances of non-compliance with laws and regulations regarding employment, diversity and inclusion, well-being, health and safety and labour standard in Hong Kong.

The Group has also obtained the following employee-related and safety awards and recognitions:

Certification / Award	Organiser
<p><b>HKCA Construction Safety Award 2021 – HKCA Proactive Safety Contractor Award</b></p>  <p>• Environmental Merit Award</p>	<p>Hong Kong Construction Association ("HKCA")</p>
<p><b>Occupational Health Award 2021-22 – Joyful@Healthy Workplace Best Practices</b></p>  <p>• Enterprise / Organization Category – Merit Award</p>	<p>Occupational Safety and Health Council, Labour Department, Department of Health, Pneumoconiosis Compensation Fund Board and Occupational Deafness Compensation Board</p>

Certification / Award	Organiser
<p><b>ERB Manpower Developer Award Scheme</b></p>  <ul style="list-style-type: none"> <li>• Grand Prize Award (2020-22)</li> </ul>	<p>Employees Retraining Board</p>
<p><b>Good MPF Employer Award 2021-22</b></p>  <ul style="list-style-type: none"> <li>• e-Contribution Award</li> <li>• MPF Support Award</li> </ul>	<p>Mandatory Provident Fund Schemes Authority</p>
<p><b>Caring Company Award 2022</b></p> 	<p>The Hong Kong Council of Social Service</p>
<p><b>Happy Company Award 2022</b></p> 	<p>Promoting Happiness Index Foundation</p>



## 6.1 Safe Workplace

While occupational injuries and accidents are relatively common in the construction industry, the Group consistently emphasises the employees' occupational health and safety. ISO 45001:2018 governs our occupational health and safety management system. Under the management system, we have put in place on-site measures and developed safety policies.



Identifying occupational health and safety risks



Designating Project Managers and Safety Managers to supervise safety policies and all health and safety issues in construction projects



Ensuring the safe usage, handling, storage and transport of plant and substances on-sites



Examining Health and Safety policies and management system when necessary or at least once annually



Offering health and safety training for employees and sub-contractors




Allocating enough resources to carry out the health and safety regulations



Ensuring that all employees adhere to the laws, regulations and practices relating to health and safety



Enforcing health and safety regulations and safety plan at the head office and all construction sites



The Group has adopted a number of steps in response to COVID-19 pandemic to ensure the safety of our workers and employees. To limit the risk of virus exposure, we not only provide JcoNAT disinfectant to visitors at our office lobby, but also establish new procedures for handling internal documentary delivery, external courier and food delivery. The Group also ensures the health and hygienic condition of our employees and workers by requesting staff to measure body temperature when entering our company premises and to wear a face mask in the office. From the Group level, we include COVID-19 reporting and management guidance to our business continuity plan.

Attributing the collective effort of the Group and its employees, the Group recorded no fatal incidents during the Reporting Period. Chinney Construction and Chinney Builders recorded 4.3 and 2.9 injury rate per 1,000 employees respectively during the Reporting Period, which was much lower than the 2021 Occupational Safety and Health Statistics for accident rate in the construction industry of Hong Kong of 29.5 accident rate per 1,000 employees. No fatal accidents were recorded in our operations in the past three years.

## **6.2 Talent Acquisition and Development**

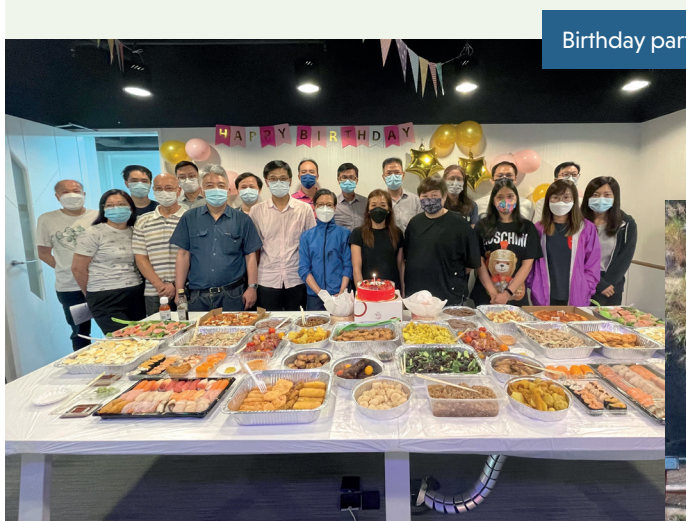
The Group places great emphasis on its employees and the allocation of talent resources. As part of its talent acquisition and retention strategy, we offer competitive wage packages, opportunities for growth, reasonable work hours and rest periods to recognise the employees' contributions. The Group employs a non-discriminatory, equal opportunity approach to hiring by focusing on candidate's skills and qualifications instead of their gender, ethnicity, religion or other characteristics. During the Reporting Period, there were no instances of non-compliance with employment laws and regulations.

We believe that the growth of the employees could facilitate the development of business. The Group offered its employees a variety of training programs and encouraged them to pursue their education by reimbursing all or a portion of the fee of the external training courses. Our Safety Fund subsidised trainings on occupational health and safety. During the Reporting Period, Chinney Construction and Chinney Builders offered a total of 1,488 training hours. While Shun Cheong arranged 1,487 hours of training to its employees. To update employees with the latest construction technology for discharging duties at work, we also organised a total of 180 hours on the BIM development and uses in the project of Proposed Commercial Redevelopment.

We strictly prohibit child or forced labour in all stages of our recruitment and employment procedures by taking effective measures in preventing any potential abuse of human rights resulting from the actions of other entities or persons. The internal Prevention of Child Labour and Underage Labour Policy and Prevention of Forced Labour Policy are in place for Chinney Construction and Chinney Builders, while Shun Cheong has been following the standard Social Responsibility Policy and Rules of Employment to ensure the Group works ethically and conduct the businesses in a manner which respects the human rights and dignity of our employees and the communities in which we operate. Throughout the recruiting procedure, our human resources teams check the candidates' identities and work authorization to ensure no child or forced labour has been employed. The Supplier Code of Conduct strictly prevents suppliers and sub-contractors from using any form of child and forced labour. The work must be stopped once any child or forced labour practice is found. During the Reporting Period, there were no non-compliance cases regarding child and forced labour.

In order to create a friendly and inclusive working environment, we endeavour to organise inter-departmental activities that increase team communication and cohesiveness. In recognition of the Group's efforts to improve employee wellbeing, the Promoting Happiness Index Foundation presented Chinney Construction, Chinney Builders and Shun Cheong with the Happy Company Award in 2022.

## The Group held the following events in 2022:



Birthday party

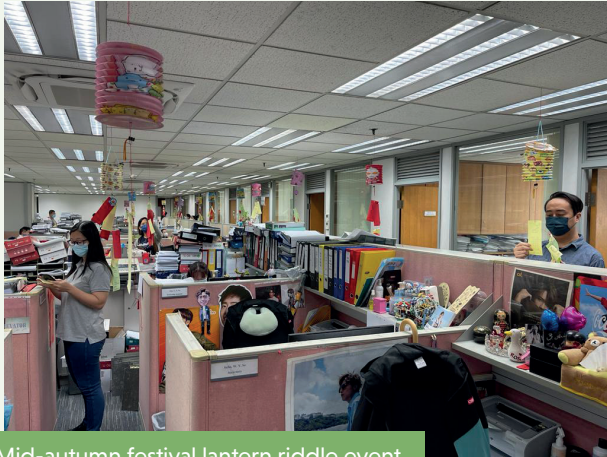
*Party*



Local hiking



The Group held the following events in 2022:



Mid-autumn festival lantern riddle event



2022 Award Presentation and Lucky Draw

*Event*



2022 Lego Playful Run

*Class*

2022 Photo Competition



2022 Red Cross First Aid Class

### 6.3 Ethical Corporate Image

The Group strives to operate its business in an ethical manner by upholding the values of transparency and integrity. The Group has adopted a Company Code of Ethics (the "Code") that prevents employees from soliciting or receiving any benefits and ensures employees adhere to the highest level of integrity. In order to prevent and eliminate corporate misbehaviour, we have also established anti-corruption policies and a whistle-blowing mechanism that allows our employees to anonymously report any suspected instances of corruption to management. The Group has organised a list of anti-corruption and integrity trainings for directors and workers with reference to Independent Commission Against Corruption ("ICAC") provided topics to maintain an uncorrupted company, for example, the ICAC topics includes Anti-Corruption Legislations and Integrity Requirements for Construction Companies, Integrity Management Training for New Engineering Contract Project Teams, Introduction of Integrity Management System, and Introduction of Corruption Prone Areas and Preventive Measures in Construction Industry etc.

In case of misconduct, the Group would launch an investigation and take the appropriate disciplinary actions depending on the severity of the instances. During the Reporting Period, there were no recordable non-compliance cases with relevant laws and regulations regarding anti-corruption.

The Code also requires our employees to safeguard sensitive information and shall not share with third parties without prior authorization. Additionally, the Code protects intellectual property rights and ensures that products and goods are used with necessary consent. During the Reporting Period, there were no non-compliance cases with relevant laws and regulations relating to product responsibility, including Prevention of Bribery Ordinance, Personal Data (Privacy) Ordinance and Patents Ordinance.

## Community Investment

The Group is aware of its corporate responsibility and endeavours to give back to our community through a variety of initiatives, including charitable activities and monetary donation. To foster our commitments to create a positive and better future in all locations where we operate our businesses in, we drafted the Community Investment Policy this year. It guides our resources allocation to different focus areas of contribution. Shun Cheong was recognised as a Caring Company by The Hong Kong Council of Social Service in 2022 as a result of our effort to promote corporate social responsibility by giving back to the community.

Chinney Construction and Chinney Builders actively took part in the 18 Districts Lo Pan Rice Campaign in 2022, which was jointly organised by the Construction Industry Sports & Volunteering Programme and the Construction Industry Council to distribute meal boxes to communities in need. Goodie bags were also provided, in addition to meal boxes. Our beneficiaries of the campaign include low-income families, the unemployed, families with elderly parents, people with limited mobility, members of ethnic minorities and homeless people. The event is to carry forward the Master Lo Pan's spirit of artisanship and hard work, a renowned Chinese builder who is being worshipped by many practitioners in the construction industry. His spirit inspires us to act and serve our community in need.

To help combat COVID-19 together with the community, we also distributed anti-epidemic materials including disinfectant and masks. Specifically, we provided rapid antigen test kits for Pneumoconiosis Mutual Aid Association and the underprivileged. In addition to anti-epidemic supplies and food donation, Chinney Construction donated HKD 20,000 to the Pneumoconiosis Mutual Aid Association in order to support families of patients with pneumoconiosis and to promote pneumoconiosis rehabilitation and prevention. In Shun Cheong, HKD 2,675.50 were raised in 2022 Tung Wah Flag Day to support and contribute to the general public to promote awareness of community care and welfare. We also encouraged our employees to actively engage in blood donation to assist with replenishing the low blood inventories in Hong Kong.





Donation of Rapid Antigen Test kits in the peak time of the fifth wave of COVID-19 (Feb 2022)



18 Districts Lo Pan Rice Campaign



2022 Tung Wah Flag Day



2022 Blood Donation Day

## 8 Looking Ahead

With a strong commitment to pursuing sustainability, the Group will keep improving its management practices and utilising cutting-edge construction technologies in our projects to improve its environmental and social performances. The Group will increase stakeholder participation for the improvement of environmental protection, employee wellness and community development. Our core value system places a strong emphasis on our concern for the community, which together have provided the framework for our sustainable growth and development. The Group has a vision to disclose more advanced and detailed targets in the next report.

Environmental Performance	Unit	2022	2021
<b>Greenhouse Gas (GHG) Emissions</b>			
Scope 1: Direct emission	tonnes of CO <sub>2</sub> equivalent ("tCO <sub>2</sub> e")	97	129
Scope 2: Indirect emission <sup>(2)</sup>	tCO <sub>2</sub> e	617	514
Total GHG emissions <sup>(2)</sup>	tCO <sub>2</sub> e	714	643
<b>Total GHG intensity<sup>(2) (3)</sup></b>	tCO <sub>2</sub> e / Total GFA (m <sup>2</sup> )	<b>0.01</b>	<b>0.02</b>
<b>Energy Usage</b>			
Electricity – Office	MWh	963	1,036
Electricity – Construction <sup>(4)</sup>	MWh	619	289
Petrol	MWh	71	89
Diesel	MWh	25	21
Ultra-Low Sulphur Diesel	MWh	290	402
Total energy consumption	MWh	1,967	1,837
<b>Total energy intensity<sup>(3)</sup></b>	MWh / Total GFA (m <sup>2</sup> )	<b>0.04</b>	<b>0.04</b>
<b>Water Consumption</b>			
Total water consumption <sup>(4)</sup>	m <sup>3</sup>	13,234	4,932
<b>Water consumption intensity<sup>(3) (4)</sup></b>	m <sup>3</sup> / Total GFA (m <sup>2</sup> )	<b>0.26</b>	<b>0.12</b>
<b>Wastewater</b>			
Total wastewater discharged <sup>(4)</sup>	m <sup>3</sup>	12,577	4,214
<b>Wastewater discharged intensity<sup>(3) (4)</sup></b>	m <sup>3</sup> / Total GFA (m <sup>2</sup> )	<b>0.25</b>	<b>0.10</b>



Environmental Performance	Unit	2022	2021
<b>Non-hazardous Waste</b>			
C&D waste disposed <sup>(4)</sup>	tonnes	2,364	797
C&D waste diverted from landfill <sup>(4)</sup>	tonnes	5,033	1,740
<b>Non-hazardous waste intensity <sup>(3) (4) (5)</sup></b>	tonnes / Total GFA (m <sup>2</sup> )	<b>0.14</b>	<b>0.06</b>

Note (2): Scope 2 indirect emission, Total GHG emissions, and Total GHG intensity in 2021 were restated for consistency.

Note (3): The GFA included all construction sites, offices and warehouses. The GFA of 2021 and 2022 are 42,227m<sup>2</sup> and 36,327m<sup>2</sup> respectively.

Note (4): In 2022, 5 construction projects of Chinney Construction and Chinney Builders were carried out in full swing and all site works were commenced. On the contrary, only one project was carried out in full swing in 2021.

Note (5): 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	2022	2021
<b>Workforce Profile</b>				
<b>Total workforce</b>		No. of people	<b>1,369</b>	1,038
<b>By gender</b>	Male	No. of people	<b>1,142</b>	833
	Female	No. of people	<b>227</b>	205
<b>By age group</b>	< 31	No. of people	<b>306</b>	247
	31-50	No. of people	<b>613</b>	469
	> 50	No. of people	<b>450</b>	322
<b>By employment type</b>	Senior Management	No. of people	<b>15</b>	16
	Management	No. of people	<b>45</b>	44
	Frontline and general staff	No. of people	<b>1,309</b>	978
<b>By geographical region</b>	Hong Kong	No. of people	<b>1,344</b>	1,009
	China	No. of people	<b>3</b>	3
	Others	No. of people	<b>22</b>	26
<b>Employee Turnover Rate</b>				
<b>By gender</b>	Male	%	<b>26</b>	54
	Female	%	<b>32</b>	47
<b>By age group</b>	< 31	%	<b>41</b>	51
	31-50	%	<b>26</b>	47
	> 50	%	<b>19</b>	61
<b>By employment type</b>	Senior Management	%	<b>13</b>	6
	Management	%	<b>2</b>	9
	Frontline and general staff	%	<b>28</b>	55

Social Performance		Unit	2022	2021
<b>Employee Turnover Rate</b>				
By geographical region	Hong Kong	%	27	54
	China	%	0	0
	Others	%	23	12
<b>Percentage of Employee Trained</b>				
By gender	Male	%	82	78
	Female	%	18	22
By employment type	Senior Management	%	3	3
	Management	%	7	10
	Frontline and general staff	%	90	87
<b>Average Training Hours Completed by Employees</b>				
By gender	Male	Average hours	2.19	2.44
	Female	Average hours	2.33	2.03
By employment type	Senior Management	Average hours	4.02	2.52
	Management	Average hours	6.83	2.66
	Frontline and general staff	Average hours	2.03	2.32
<b>Occupational Health and Safety</b>				
Lost days due to injuries	Day		1,928	527
Rate of injuries per 1,000 employees			10.96	4.82
Number of fatalities	No. of people		0	0
Rate of fatalities per 1,000 employees			0	0

**A: Environmental**

Aspects	Description	Sessions in the report / Remarks	Page No.
<b>A1: Emissions</b>			
<b>General Disclosure</b>	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) Environmentally Conscious Operations (b) The Group has complied with all relevant laws and regulations relating to water pollution, air pollution and noise control	13
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Performance Table	32
<b>KPI A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Performance Table	32
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Not Applicable	-
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Performance Table	32
<b>KPI A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Energy Consumption and Air Emissions	15
<b>KPI A1.6</b>	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	18
<b>A2: Use of Resources</b>			
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmentally Conscious Operations	13
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Performance Table	32
<b>KPI A2.2</b>	Water consumption in total and intensity.	Performance Table	32
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption and Air Emissions	15
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resources	18
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable	-

Aspects	Description	Sessions in the report / Remarks	Page No.
<b>A3: The Environment and Natural Resources</b>			
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmentally Conscious Operations	13
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmentally Conscious Operations	13
<b>A4: Climate Change</b>			
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Risk Management	21
<b>KPI A4.1</b>	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	21

## B: Social

Aspects	Description	Sessions in the report / Remarks	Page No.
<b>Employment and Labour Practices</b>			
<b>B1: Employment</b>			
<b>General Disclosure</b>	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) Talent Acquisition and Development (b) The Group has complied with all relevant laws and regulations relating to employment	26
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Performance Table	32
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Performance Table	32
<b>B2: Health and Safety</b>			
<b>General Disclosure</b>	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) Safe Workplace (b) The Group has complied with all laws and regulations relating to occupational health and safety	25

Aspects	Description	Sessions in the report / Remarks	Page No.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Table	32
KPI B2.2	Lost days due to work injury.	Performance Table	32
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Workplace	25

### B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Acquisition and Development	26
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Table	32
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Table	32

### 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) Talent Acquisition and Development (b) The Group has complied with laws and regulations relating to child and forced labor	26
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Talent Acquisition and Development	26
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Talent Acquisition and Development	26

### Operating Practices

### B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Value Chain / Climate Risk Management	11/21
KPI B5.1	Number of suppliers by geographical region.	Sustainable Value Chain	11
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.	Sustainable Value Chain	11

Aspects	Description	Sessions in the report / Remarks	Page No.
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Value Chain / Climate Risk Management	11/21
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Value Chain	11

### B6: Product Responsibility

<b>General Disclosure</b>	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) Quality Control (b) The Group has complied with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to services provided	12
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	-
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Quality Control	12
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Ethical Corporate Image	29
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Quality Control	12
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ethical Corporate Image	29

### B7: Anti-corruption

<b>General Disclosure</b>	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) Ethical Corporate Image (b) The Group has complied with the laws and regulations relating to anti-corruption	29
<b>KPI B7.1</b>	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.	Ethical Corporate Image	29

Aspects	Description	Sessions in the report / Remarks	Page No.
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Ethical Corporate Image	29
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Ethical Corporate Image	29
<b>Community</b>			
<b>B8: Community Investment</b>			
<b>General Disclosure</b>	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.	Community Investment	30
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	30
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Community Investment	30