



建聯集團有限公司*

Chinney Alliance Group Limited

(於百慕達註冊成立之有限公司)

股份代號：385



二零二四年

環境、社會及
管治報告

*僅供識別

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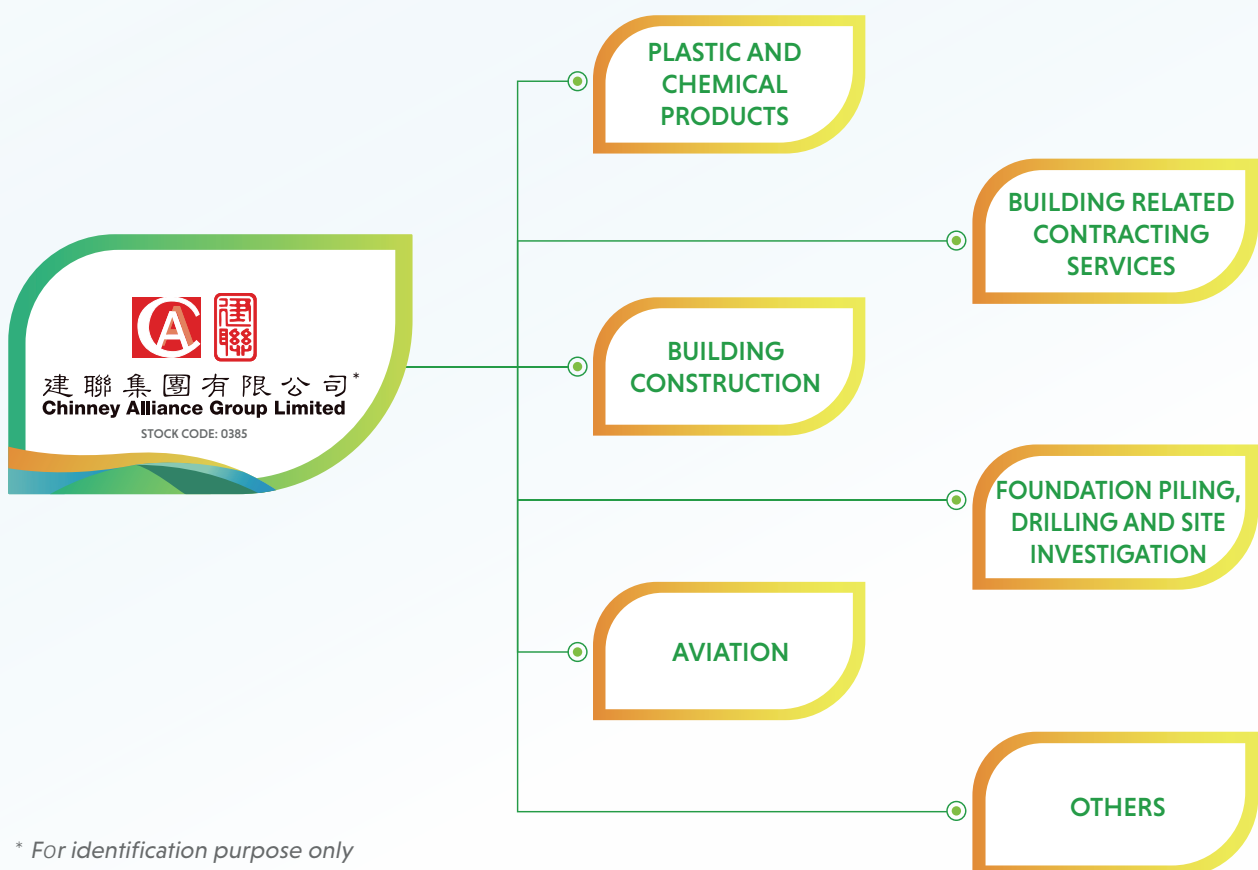




About the Company

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.





About this Report

Reporting Standard, Period and Scope

The Group publishes the ninth Environmental, Social and Governance (“ESG”) Report (the “Report”) this year to report non-financial information and communicates with the stakeholders about the Group’s social responsibility and ESG performance from 1 January 2024 to 31 December 2024 (the “Reporting Period”).

This Report is prepared in accordance with the Environmental, Social, and Governance Reporting Code (“the ESG Reporting Code”), formerly known as the Environmental, Social, and Governance Reporting Guide, contained in Appendix C2 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Group follows the four core reporting principles of materiality, quantitative, balance and consistency as stated in the ESG Reporting Code 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 Company’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 C1 of the Listing Rules, information about corporate governance is covered in the Group's 2024 Annual Report, which is available on the [Company's website](#) and the [Stock Exchange's website](#).

A content index is provided at the end of this Report to direct readers to specific topics that is related to the ESG Reporting Code.

The scope of this Report covers the Group's core business operations in Hong Kong by its respective principal subsidiaries. For this year, the scope of this report is expanded to include all four of our segments, with the aviation segment being the new addition:

- (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;
- (iii) Jacobson van den Berg (Hong Kong) Limited ("Jacobson"), which is engaged in the trading and distribution of plastic and chemical products; and
- (iv) Chinney Alliance Engineering Limited ("CAE"), which is engaged in distribution and installation of aviation system and other hi-tech products.

The environmental and social performance of the Group's subsidiary, Chinney Kin Wing Holdings Limited, which is engaged in foundation construction, drilling and site investigation businesses and is listed on the Main Board of the Stock Exchange (Stock code: 1556), is disclosed in its own 2024 ESG Report.



Contact Details

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

Chinney Alliance Group Limited

23rd Floor, Wing On Centre,
111 Connaught Road Central,
Hong Kong

Tel: (852) 2877 3307

Email: general@chinneyhonkwok.com





Corporate Statement

The board of directors of Chinney Alliance Group Limited (the "Board") is pleased to present its 2024 ESG report, which demonstrates the Group's progress and highlights in sustainability development during the Reporting Period. The construction sector is facing a dynamic landscape shaped by both opportunities and challenges arising from changes in the global economy, advancements in technology and the evolving business environment in Hong Kong. While traditional business activities, such as private construction and the real estate sector, face a slowdown due to economic uncertainties and shifting market dynamics, new opportunities are emerging through innovations such as zero-carbon technologies, robotics and digitalisation. These advancements are paving the way for more sustainable, efficient, and future-ready construction practices that align with global efforts to combat climate change and promote sustainable development. Recognising the importance of these trends, we remain steadfast in our commitment to capitalising on these opportunities to drive business growth, while maintaining our unwavering dedication to sustainability.

The Board is responsible for overseeing the Group's ESG management strategy and addressing material ESG issues identified through the stakeholder engagement and materiality assessment process. The Board also holds ultimate accountability for identifying, evaluating, and managing the risks pertaining to ESG and climate-related issues. Additionally, the Board formulates ESG management plans and monitors progress against the targets and initiatives outlined in the plans. To reinforce the Board's and senior management's obligations for ESG topics and enhance the integration of the ESG management into our business operations, we have reviewed our ESG governance structure during the Reporting Period to ensure it remains effective and aligned with our business objectives.



The Group is committed to minimising the negative environmental impacts of our business operations. To achieve this, we have established environmental targets encompassing energy consumption, greenhouse gas ("GHG") emissions, water usage and waste management, and have implemented a range of strategic policies and initiatives to meet these targets effectively. During the Reporting Period, we have updated our Energy Policy, Waste Management Policy and Environmental Policy to enhance environmental management. For our building construction and building related contracting services projects, Chinney Construction, Chinney Builders and Shun Cheong have implemented an ISO 14001:2015-certified Environmental Management System, reflecting our commitment to environmental stewardship, regulatory compliance and the continuous enhancement of environmental performance. Chinney Construction and Chinney Builders are committed to reducing energy consumption and have pledged to uphold the Energy Saving Charter launched by the Environmental and Ecology Bureau. In response to the increasing focus on climate change, we conducted a detailed climate change assessment, including scenario analysis, to better understand its potential impacts on our operations and to develop mitigation and adaptation strategies. Additionally, we have also strengthened our climate-change management and disclosures with reference to requirements on the enhanced climate-related disclosure in the ESG Reporting Code.

The health and safety of our stakeholders is recognised as the highest priority across all aspects of our daily operations. Our robust occupational health and safety management system complies with the regulations and standards specified by the ISO 45001:2018-certified Occupational Health and Safety Management System. To foster a secure and healthy work environment for our employees, we have implemented comprehensive training programmes and harnessed advanced technologies to enhance safety awareness and monitor safety conditions throughout our business operations. Additionally, we have adopted a wide range of preventive measures to manage health and safety risks for our employees, including equipping work areas with first aid kits and automated external defibrillator ("AED") devices, providing personal protective gears and disinfectant products, and ensuring access to water refill stations at construction sites during hot weather conditions.



The Group is dedicated to creating long-term values and generating positive impacts for our community. We support the community through monetary donations and active participation in community engagement campaigns that covers diverse social groups. During the Reporting Period, our participations included various community services, such as supporting animal welfare, environmental conservation and caring for the elderly, which show our commitment to diverse social responsibilities. In recognition of our continuous works and efforts in community services, Chinney Construction and Shun Cheong have been awarded with the 5 Years Plus Caring Company Award by the Hong Kong Council of Social Service.

We strive to mitigate environmental and social impacts by continuously improving our management procedures, adopting innovative technologies and implementing sustainable practices to enhance our overall performance. To further support community development, employee wellness and environmental protection, the Group will continue to engage stakeholders on a regular basis to better understand their needs and concerns. Looking ahead, we will continue to integrate sustainability into our business operations to create long-term value, strengthen resilience and drive positive impacts on both the community and society.



Stakeholder Engagement and Materiality Assessment

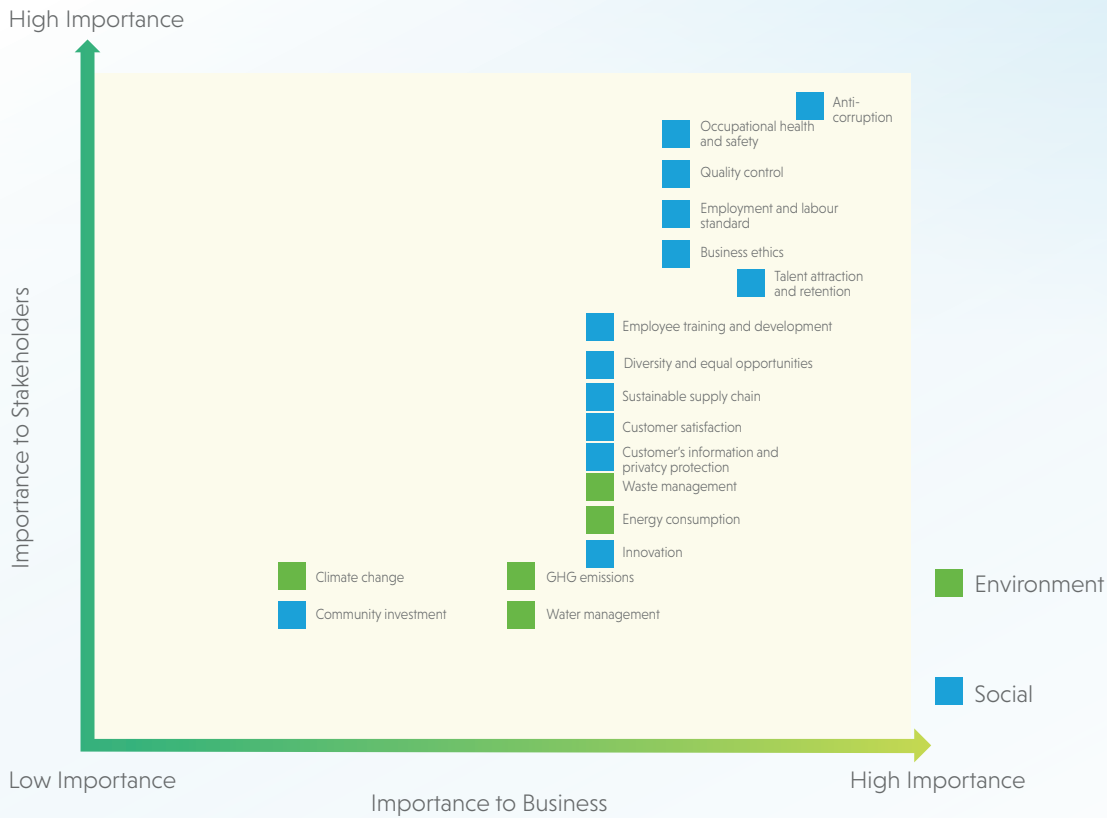
The Group dedicates resources to creating value for our stakeholders, including employees, suppliers, sub-contractors and the community which we operate in. We have established various communication channels to further understand the opinions and concerns of our stakeholders.

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

To better understand and manage the material ESG issues of the Group, we conducted stakeholder engagement and materiality assessment in FY2023 through online surveys to gather stakeholders' perspectives followed by annual reviews to assess any changes that may arise. The results of the stakeholder engagement and materiality assessment in FY2023, along with the review during the Reporting Period, were used to form a materiality matrix showing the relative importance of the selected material topics.



The Board has approved the result of the stakeholder engagement and materiality assessment and validated the ongoing applicability for the matrix in this Reporting Period.



Environmental Aspects	Social Aspects
<ol style="list-style-type: none"> Energy consumption GHG emissions Water management Waste management Climate change 	<ol style="list-style-type: none"> Sustainable supply chain Quality control Occupation health and safety Employment and labour standard Employee training and development Talent attraction and retention Diversity and equal opportunities Anti-corruption Community investment Innovation Customer satisfaction Customers' information and privacy protection Business ethics



Quality Services

We believe that providing high-quality services generates long-term value for our stakeholders and fosters sustainable growth in our business operations. Committed to meeting customer expectations regarding cost, timeliness and quality, we diligently monitor the performance of our suppliers and sub-contractors throughout the procurement of sustainable resources and the quality control process.

5.1 Sustainable Value Chain

To ensure the quality, reliability and sustainability of our supply chain, the Group has implemented a set of policies and procedures. Chinney Construction and Chinney Builders have applied their Procurement Procedures, which outline various strategies for the selection of suppliers and the monitoring and managing of their performance. Besides, Shun Cheong has developed an Environmental Plan for Tendering and Pre-qualification Standards, ensuring that environmental considerations are integrated throughout all projects. Through these approaches, potential environmental and social risks within the supply chain are identified and effectively mitigated and addressed.

The Group places strong emphasis on supplier and sub-contractor assessments, which are conducted during the tendering process and reviewed annually for listed suppliers and sub-contractors to ensure consistent performance and adherence to the Group's standards. For Chinney Construction and Chinney Builders, the review will be carried out in each construction project after its completion. Shun Cheong has incorporated social, ethical, environmental and gender equality criteria into its purchasing, distribution and contracting policies, as outlined in its Social Responsibility Policy, to select the suppliers and monitor their performance and practices. Furthermore, Chinney Construction and Chinney Builders require candidates to provide certifications demonstrating compliance with the Group's standards for tools, equipment and materials used and supplied, as a condition for being considered and tendered as sub-contractors.

To ensure high-quality work from sub-contractors, we have installed biometric recognition systems at all construction site entrances, along with security turnstiles, to verify that only authorised personnel from our sub-contractors can access the sites. Additionally, we provide training to all sub-contractor staff to ensure they understand and adhere to the Group's site work procedures.



Aside from ensuring product and service quality through supplier selection and management, we closely monitor the environmental and social impacts of our suppliers. To support the local economy, ensure efficient delivery and reduce transportation-related emissions, the Group prioritises local suppliers. Specifically, most of the construction materials for Chinney Construction and Chinney Builders are sourced within 800 kilometres of the construction sites. During the Reporting Period, all suppliers for Chinney Construction, Chinney Builders and Shun Cheong were based in Hong Kong, while 60.0% of Jacobson's suppliers and 86.1% of CAE's suppliers were also local. Overall, 93.0% of the Group's suppliers are based in Hong Kong by number. Furthermore, Chinney Construction and Chinney Builders are committed to using eco-friendly materials, such as Forest Stewardship Council ("FSC")-certified timber, to support sustainable sourcing practices. In 2024, a total of 134.01 m³ of FSC-certified timber was delivered to the site for temporary works.

Location of our suppliers	Unit	2024
Hong Kong	No. of suppliers	884
Mainland China	No. of suppliers	20
Other	No. of suppliers	47

Procured materials of Chinney Construction, Chinney Builders and Jacobson	Unit	2024
Total weight of materials	Tonnes	50,281
Total weight of materials manufactured within 800km ⁽¹⁾	Tonnes	32,046
% of materials manufactured within 800km ⁽¹⁾	%	64%

⁽¹⁾ Chinney Construction, Chinney Builders and Jacobson prioritise procuring materials manufactured within 800km, with the majority of materials procured by Chinney Construction and Chinney Builders being concrete, while Jacobson primarily procures engineering plastics.



5.2 Quality Control

The Company is deeply committed to maintaining the highest standards of quality control. To support this dedication, we have implemented ISO 9001:2015-certified quality control system at Chinney Construction, Chinney Builders, CAE and Shun Cheong, overseeing quality assurance processes to ensure exceptional service standards. During each phase of construction, project managers ensure that site operations adhere strictly to the objectives and guidelines outlined in the quality management manual and control system. To further guarantee the safety and quality of our projects, quality audits are conducted upon completion.

Chinney Construction and Chinney Builders have implemented measures to identify and control any outputs that do not meet the specified requirements. Depending on the nature of the non-conformity, we take appropriate actions, including:

- correcting the identified quality issue
- segregation, containment, return or suspension of provision of product and services
- informing the customer of the identified quality issue
- obtaining the authorisation for acceptance under concession

To maintain the highest standards of customer protection, Shun Cheong has introduced a Social Responsibility Policy that guides how we handle customer issues. We are dedicated to ensuring our customers are not exposed to any unfair or misleading marketing practices. Additionally, we make sure our customers are fully aware of their rights and obligations when using our products and services. To ensure customers' well-being, we implement stringent measures to guarantee that our products and services pose no risk to their health.

Protecting customers' data and privacy is a key priority for the Group. We strictly follow the data handling procedures set out in the Employee Handbook of Chinney Construction, Chinney Builders and CAE, as well as Shun Cheong's Rules of Employment. Employees are not allowed to share the Group's confidential information or use it without proper authorisation. We also ensure full compliance with the Personal Data (Privacy) Ordinance (Cap. 486) when handling customer data. If any complaints arise, we shall investigate thoroughly and take proactive steps to prevent similar issues in the future. During the Reporting Period, no complaints were received regarding our products or services.



Environmentally Conscious Operations

Minimising our environmental footprint while ensuring the sustainable use of resources is a top priority for the Group. We have implemented various initiatives to ensure that our operations are environmentally responsible across multiple areas, including GHG emissions, energy use, pollution control, as well as water, waste and noise management. The Group complies with all applicable environmental laws and regulations, including but not limited to:

- Air Pollution Control Ordinance (Cap. 311)
- Waste Disposal Ordinance (Cap. 354)
- Water Pollution Control Ordinance (Cap. 358)
- Noise Control Ordinance (Cap. 400)

There were no non-compliance cases regarding GHG emissions, water, waste and noise during the Reporting Period.

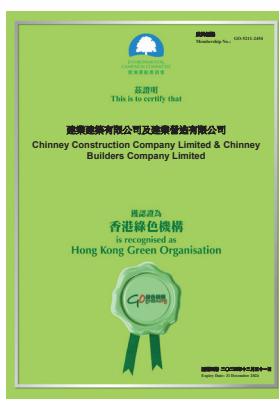
Chinney Construction and Chinney Builders have developed an Environmental Policy that was approved by managing director. The policy guides the approach and strategy towards environmental sustainability including pollution control, conservation of resources and waste reduction by recovery and recycling. The policy also ensures the compliance with all relevant environmental laws and regulations and the adoption of eco-friendly practices. In addition to the Environmental Policy, both Chinney Construction and Chinney Builders also have an Energy Policy and Waste Management Policy to further strengthen our commitments to minimising energy consumption and energy generation. Furthermore, Chinney Construction also has developed in-house rules on environmental nuisance abatement and waste management to ensure the appropriate treatment of waste generated, dust generation and noise pollution.



In addition, Shun Cheong has implemented a Social Responsibility Policy that provides guidelines for incorporating environmentally responsible practices into our operations including measures to prevent pollution, minimise waste, reduce GHG emissions, eliminate impacts on ecosystem and enhance resource efficiency.

Chinney Construction, Chinney Builders and Shun Cheong have implemented an environmental management system certified to the ISO 14001:2015 standards signifying our commitment to minimise environmental impact, comply with applicable laws and regulations and continuously improve on environmental performance. In recognition of our ongoing efforts and commitment to environmentally sustainable practices, Chinney Construction and Chinney Builders were awarded the Hong Kong Green Organisation Certification by the Environmental Campaign Committee in 2024. Additionally, during the Reporting Period, Chinney Construction also received Hong Kong Construction Association, Limited ("HKCA") Hong Kong Construction Environmental Awards – 2024 Environmental Merit Award.

We are committed to reducing the environmental impact of our building projects. We will continuously support our clients to obtain international green building certifications, such as BEAM Plus and the WELL building standard, to ensure that our building construction projects are in line with international sustainable practices.



Certificate of the Hong Kong Green Organisation by the Environmental Campaign Committee



Certificate of the HKCA Hong Kong Construction Environmental Awards



Certificate of the Environmental Recognition Award by Hong Kong International Airport



6.1 Energy Consumption and GHG Emissions

Electricity consumption from our construction sites and offices represents a significant contributor to our overall energy consumption. In line with the Energy Policy adopted, Chinney Construction and Chinney Builders implemented various measures to conserve energy and improve energy efficiency. These initiatives aim to minimise our environmental impact and reduce operational costs. Chinney Construction and Chinney Builders remain committed to reducing energy consumption and have pledged to uphold the Energy Saving Charter launched by the Environmental and Ecology Bureau. This includes promoting energy data transparency, sharing energy-saving measures and achievements etc..



Chinney Construction and Chinney Builders are part of Energy Saving Charter 2024 launched by the Environmental and Ecology Bureau

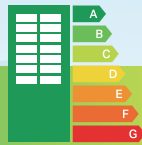
To track and evaluate the progress of our energy conservation efforts, we have engaged external auditors to conduct annual energy audits for our construction projects. In addition, we regularly review our energy performance and system under the ISO 50001:2018-certified Energy Management System. We aim to enhance the energy use efficiency and minimise emissions for both our office premises and construction projects.



For office premises:

1

Supported the purchase of energy-efficient products and services such as those with Grade 1 energy labels, and designed for energy performance improvement



2

Switched off idle electrical appliances



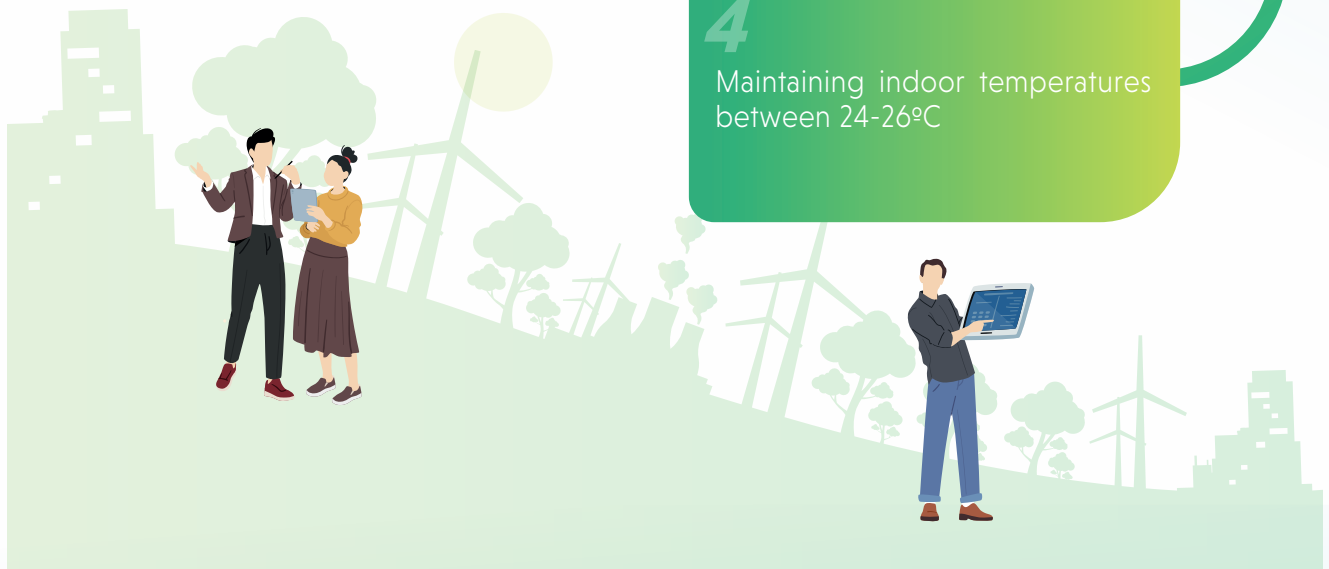
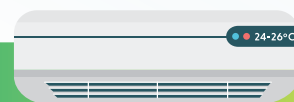
3

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

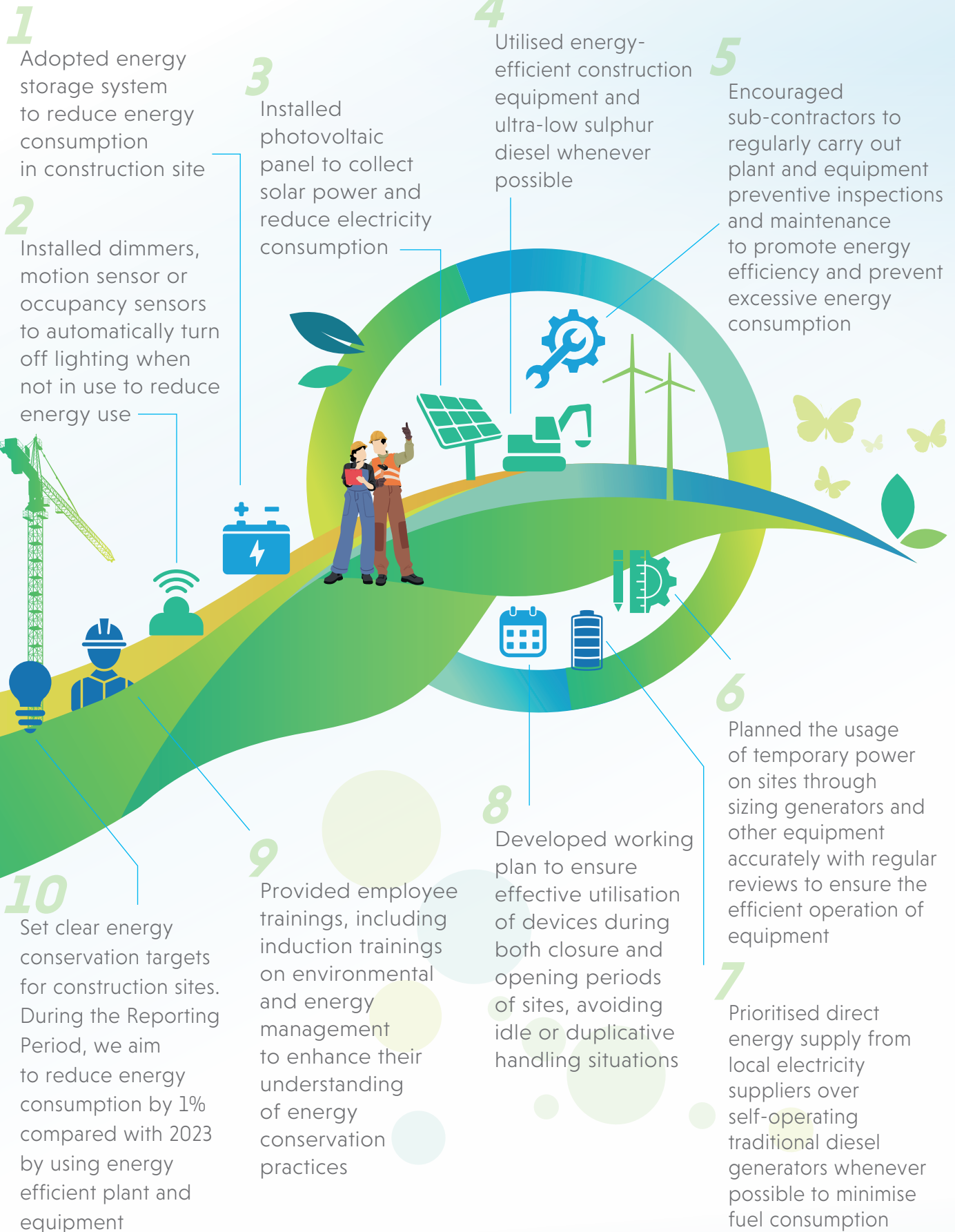


4

Maintaining indoor temperatures between 24-26°C



For construction sites:

- 
- 1** Adopted energy storage system to reduce energy consumption in construction site
 - 2** Installed dimmers, motion sensor or occupancy sensors to automatically turn off lighting when not in use to reduce energy use
 - 3** Installed photovoltaic panel to collect solar power and reduce electricity consumption
 - 4** Utilised energy-efficient construction equipment and ultra-low sulphur diesel whenever possible
 - 5** Encouraged sub-contractors to regularly carry out plant and equipment preventive inspections and maintenance to promote energy efficiency and prevent excessive energy consumption
 - 6** Planned the usage of temporary power on sites through sizing generators and other equipment accurately with regular reviews to ensure the efficient operation of equipment
 - 7** Prioritised direct energy supply from local electricity suppliers over self-operating traditional diesel generators whenever possible to minimise fuel consumption
 - 8** Developed working plan to ensure effective utilisation of devices during both closure and opening periods of sites, avoiding idle or duplicative handling situations
 - 9** Provided employee trainings, including induction trainings on environmental and energy management to enhance their understanding of energy conservation practices
 - 10** Set clear energy conservation targets for construction sites. During the Reporting Period, we aim to reduce energy consumption by 1% compared with 2023 by using energy efficient plant and equipment



Chinney Construction also continuously promotes sustainable construction practices and equip our employees with relevant knowledge and skills. In 2024, Chinney Construction invited an external consultant to provide structured training on the topic of “An Upgrade of BEAM Plus New Buildings v2.0 Scheme”. This training aimed to ensure our employees are well-informed about the latest updates to the BEAM Plus New Buildings Scheme, which plays a critical role in advancing green building and sustainable construction in our projects.

In addition, the Group is committed to ensuring and maintaining good air quality within our operations. Chinney Construction and Chinney Builders carry out routine maintenance every two months in all of our construction sites to ensure fresh air intake, which includes the cleaning of wire-mesh pre-filters. During the Reporting Period, we conducted indoor air quality assessment in our head offices. In recognition of our unwavering dedication to providing a clean and healthy working environment, Chinney Construction and Chinney Builders received the Indoor Air Quality Certificate from the Environmental Protection Department (“EPD”) and the IAQwi\$e Certificate from the Hong Kong Green Organisation Certification during the Reporting Period. We will continue to minimise the impacts of air pollution and strive to further improve the air quality for the well-being of our employees.



Certificate of ISO 50001:2018 Energy Management System



Indoor Air Quality Certificate awarded (Good Class) by the EPD



IAQwi\$e Certificate awarded by Hong Kong Green Organisation Certification



6.2 Water Management

The Group primarily uses water for daily consumption at workplaces and construction sites. While water usage may not have significant impact on our business operations, we consider water management to be a material issue and continuously strive to improve water efficiency. We have a target to reduce water consumption intensity (per square meter GFA) by 11% by 2030 against 2018 as our baseline year. In order to meet this target, we employ water metering facilities to monitor water consumption at construction sites regularly and identify any unusual trends in water usage for further investigation. Additionally, we work towards reducing wastewater discharge to minimise pollution from surface runoff. Treatment facilities are set up in construction sites to manage wastewater and reuse the treated water for purposes such as wheel washing, site cleaning and dust suppression/control. During the Reporting Period, approximately 38,192 m³ wastewater were purified using the treatment facilities.



CASE STUDY

On-site Wastewater Treatment System

Chinney Construction has implemented the WetSep modular wastewater treatment system, incorporating the concept of Chemical Enhanced Primary Treatment. This method is endorsed by the World Bank as one of the most effective and energy-efficient methods of water and wastewater treatment.

By integrating an on-site wastewater treatment system, Chinney Construction can effectively manage construction runoff, including grit, suspended particles, and sewage from temporary sanitary facilities. The system is designed to achieve a 70-75% reduction in biochemical oxygen demand and chemical oxygen demand levels, as well as a 99.5% removal of suspended solids, with effluent suspended solids levels below 30 mg/L.



WetSep - Wastewater treatment system for construction sites



6.3 Waste Management

Construction and demolition ("C&D") wastes is the primary type of waste relevant to the Group's buildings and construction business. Chinney Construction and Chinney Builders have implemented a Waste Management Policy, outlining the approach and strategy in ensuring effective on-site waste management. Additionally, we also have set a target to improve the reuse and recycling rate of C&D materials.

Chinney Construction and Chinney Builders carefully monitor and control the procurement of construction materials to prevent waste generation. During the construction phase, C&D wastes are segregated and stored on-site in designated areas for recyclable and non-recyclable wastes. We work with contracted recycling companies to ensure proper recycling of waste materials. During the Reporting Period, Chinney Construction partnered with a contracted recycling company to collect and reuse construction concrete rubble materials, effectively diverting a significant amount of waste from landfills and promoting sustainability to reuse the recovered materials for the daily cover and building of the temporary roads for the garbage trucks delivering refuse to the landfill. To minimise the amount of waste sent to landfills, recycling bins are set up at strategic locations where materials such as cardboard, paper, metal and wood can be collected for recycling.

To minimise waste generation during construction, Chinney Construction has adopted the modular integrated construction ("MiC") method in projects. This is achieved through the utilisation of prefabricated building components that are manufactured off-site and then assembled on-site. By adopting this method, material usage is optimised, and on-site cutting and alterations are reduced, resulting in a significant reduction in construction waste. In addition, MiC brings benefits such as reducing the dust generated and noise nuisance during the construction process.



6.4 Noise Management

To minimise the noise pollution generated during construction, the Group has implemented a series of noise management measures aimed at reducing the impact on the surrounding environment and ensure compliance. These measures include:

- Scheduling construction activities to avoid sensitive hours as stipulated by the EPD
- Utilising high-quality mechanical equipment
- Installing noise barriers on-site to mitigate sound
- Enclosing every breaker with noise absorption materials
- Avoiding machine idling to reduce noise generation

6.5 Climate Risk Management

The Group acknowledges the impact of climate change and the importance to enhance our awareness and readiness to climate change in response, as it presents various risks and opportunities across all our business operations. During the Reporting Period, we have carried out a narrative climate scenario analysis on our business operations in Hong Kong and enhanced climate-related disclosures with reference to the ESG Reporting Code.

Governance

The Board has the ultimate responsibility in overseeing the Group's sustainability strategy and material ESG issues, including climate-related risks and opportunities. The Board has delegated the responsibility of monitoring climate risks and opportunities to the working group in each of the business segment. Their responsibilities include developing and implementing strategies to mitigate climate risks and opportunities, as well as tracking the decarbonisation target.

A Climate Change Policy is established to outline our approach and commitments for mitigating and adapting to climate-related risks in our business operations. We regularly review the policy to ensure its alignment with our sustainability strategy and to remain up-to-date with emerging climate change issues.



Strategy

The Group understands that climate change could lead to both physical and transition risks to our business. Through conducting the climate risk identification exercise and climate scenario analysis in line with the ESG Reporting Code, we have identified acute physical risks including extreme wind, coastal flooding and riverine flooding, as highly relevant and poses significant impacts to our business and supply chain. We have outlined the potential impacts, its financial implications and the Group's mitigation strategies of each material physical risk below:

Risks	Potential impacts	Financial implications
Extreme wind/ Typhoon	<ul style="list-style-type: none"> • Damage construction sites, equipment and materials, resulting in delays and additional costs • Endanger worker safety by creating unsafe working conditions, increasing the risk of accidents and injuries • May lead to breach of contract and legal liability due to interruptions 	<ul style="list-style-type: none"> • Increase in capital expenditure and operating expenses for repairs or replacement of damaged assets • Decrease in revenue due to construction delays and reduced productivity • Potential increase in insurance premiums • Increase in logistics and transportation costs
Coastal Flooding and Riverine Flooding	<ul style="list-style-type: none"> • Damage facilities and equipment situated in low-lying and coastal areas • Damage to construction sites, equipment and materials, resulting in delays and additional costs • Endanger worker safety by creating unsafe working conditions, increasing the risk of accidents and injuries • Disrupt supply chain, causing delays or interruptions in the delivery of materials and components, leading to delay in project timelines 	

For transition risks, the Government of the Hong Kong Administrative Region (the "Government") has introduced a more stringent policies and regulations to mitigate GHG emissions and enhance climate risk disclosure, in line with the plans and targets outlined in the Hong Kong Climate Action Plan 2050. The Stock Exchange has also enhanced climate-related disclosure requirements in the ESG Reporting Code. Furthermore, the Government has launched the Roadmap on Sustainability Disclosure in Hong Kong to further align ESG disclosure practice in Hong Kong with global standards. These tightening rules and standards will influence our approach to managing GHG emissions and hazards associated with climate change.



Transition risk	Potential impact	Financial implications
Policy and legal risk	<ul style="list-style-type: none"> Increased ambition of national decarbonisation strategies and roadmaps leads to significant regulatory changes More stringent climate-related public disclosure requirements Introduction of carbon pricing in operating markets 	<ul style="list-style-type: none"> Increased cost of compliance Increased capital investment and expenditures to support these strategies and concurrent decarbonisation programmes Increased capital investment and expenditures to comply with the disclosure requirements Increased incentives to attract green investment and diversity financing sources

Besides the risks, we have also identified climate-related opportunities through our climate assessment that we can capitalise on. The identified opportunities are illustrated in the table below.

Climate-related Opportunities	
Resource efficiency	Reduce operating costs by improving efficiency across the operational processes, buildings, machinery/appliances, and transport/mobility, with a focus on energy efficiency, optimal material and water usage and effective waste management
Energy source	The energy transition to low-emission alternatives, such as wind and solar power, provides the Group with a more diverse source of energy on construction sites, offering greater flexibility and stability
Low carbon building market	Expanding existing revenue streams for green, sustainable and low carbon construction materials in our support for the development of green/low carbon buildings and infrastructures
Potential energy and construction savings	Reduce energy consumption and waste, and increase material re-use, which reduces costs and also enhances reputation



Risk management

The Group takes climate-related factors into account when managing risks and making decisions. We have conducted a climate scenario analysis to assess the material climate risks to our business operations. The analysis covered our major business operations and projects in Hong Kong. We will leverage on our findings to conduct a more in-depth and detailed climate risk and financial impact assessment.

Physical risks

In line with the ESG Reporting Code, we have considered different climate-related scenarios, including the Intergovernmental Panel on Climate Change's Representative Concentration Pathway ("RCP") 4.5 and RCP 8.5 scenarios to assess climate risks in the long-term (2050). We have chosen contrasting scenarios to assess our risks, aiming to provide a comparison that illustrates the Group's exposure and resilience to climate-related risks under different circumstances. Moreover, we specifically selected the year 2050 as our assessment timeframe to evaluate long-term impacts and inform long-term strategic planning.

Scenarios	Descriptions
RCP 4.5	Scenarios with more stringent mitigation measures, where global warming is likely to be no more than 2°C by 2100
RCP 8.5	Business as usual, global warming likely to be no more than 4°C by 2100

Based on data projections for 2050, we have assessed the level of risk exposure of each physical risk through scenario analysis under RCP 4.5 and RCP 8.5. The assessment indicates potential exposure to extreme wind/typhoons, coastal flooding and riverine flooding.



Transition risks

We have also further assessed the anticipated impact of the identified climate transition risks, specifically focusing on policy and legal risks affecting our operations. This assessment centres on the potential impact expected to materialise by the year 2050 under two scenarios sudden transition and delayed transition scenarios, with reference to the Network for Greening the Financial System scenarios. Based on policy projections, we have assessed the anticipated transitions risks to the Group.

Based on our assessment, we have identified that during a sudden transition, there will be a more abrupt shift in operational processes to align with the national decarbonisation roadmap. We anticipate a steeper increase in carbon prices and more stringent ESG disclosure requirements. This will lead to increased expenditures and the allocation of resources to meet the new requirements and ensure that the Group aligns with the national roadmap and policies. In contrast, in a delayed transition scenario, we expect a delayed implementation of national measures to reduce carbon emissions, including a delayed introduction of carbon pricing and disclosure requirements.

Adaptation and mitigation strategies

In response to the identified risks, the Group will maintain an ongoing review of the climate-related risks in our operations to enhance our resilience and preparedness in response to the associated hazards. Moreover, we have proactively implemented precautionary measures to address potential risks, such as deploying a range of climate adaptation and mitigation strategies to adapt and mitigate the impacts of climate risks and increase our business resilience. Details of our strategies and ongoing initiatives to adapt to and mitigate the identified risks are provided in the table below.



Risks	Adaptation and mitigation strategies
Physical risks (Extreme wind/ typhoon, coastal flooding and riverine flooding)	<ul style="list-style-type: none"> • Performing pre-typhoon check at designated spots • Station typhoon emergency team at the special construction site during typhoon signal no. 3 or above • Ensuring the stability of material and equipment by removing all movable objects or waste and lowering the jib of mobile crane • Relocating water-sensitive material and plants from low to higher elevation spot • Ensuring the construction site drainage system are functional and backed up with water pumps • Arranging regular inspection by registered electrical worker on plants' condition • Preparing emergency contact list for communication during typhoon and flooding
Transition risk (Policy and legal risk)	<ul style="list-style-type: none"> • Develop internal climate change policy to outline commitments of mitigation and adaptation to climate-related risks • Monitor the regulatory environment consistently to ensure no non-compliance cases • Increase capital investment and expenditures to support decarbonisation strategies and programmes • Increase capital investment and expenditures to comply with the disclosure requirements • Increase incentives to attract green investment and diversity financing sources

Metrics and targets

The Group has been disclosing our performance on GHG emissions in Scope 1 and 2 annually in accordance with the ESG Reporting Code. We have established environmental targets covering energy, GHG emissions, water and waste. For GHG emissions, we aim to reduce carbon intensity (Scope 2) (per square metre GFA) by 11% by year 2030 against year 2018. Additionally, we target to reduce electricity consumption intensity (per square metre GFA) by 11% by year 2030 compared to the baseline figure from 2018. We are on track to achieve this target as we have successfully reduced our Scope 2 carbon intensity by 35% against the 2018 baseline and are working to reduce consumption to reach our 2030 target.

Moving forward, we will continue to monitor our progress towards these targets and implement strategies to enhance our environmental performance and efforts in addressing climate change.




7 People-oriented Culture

The Group recognises its employees as vital assets within our operations, which drive the sustainable growth of the Group. We are dedicated to cultivating a safe and harmonious work environment that enables our employees excel in their professional development. Chinney Construction and Chinney Builders have established the Employee Handbook, while Shun Cheong has the Rules of Employment in place to uphold the highest labour standards, safeguard employee health and safety and enhance overall well-being. In 2024, Shun Cheong introduced a new Social Responsibility Policy, which outlines key aspects of social responsibility, including governance and ethics, human rights and labour practices, operational practices, as well as community involvement and development.

As a responsible employer, we are committed to ensuring our operations comply with legal and ethical standards. We adhere to all relevant laws and regulations in Hong Kong regarding to employment. During the Reporting Period, no non-compliance cases with laws and regulations regarding employment (including compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare) and labour standards were identified.

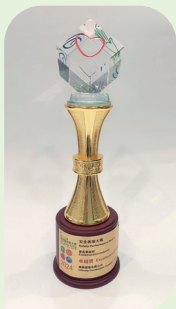
In recognition of the Group's efforts to provide quality working environment for our employees, we have been awarded the following employee-related and health and safety awards.

Certification/Award	Organiser
Employment	
 <p>5 Years Plus Caring Company Award</p> <ul style="list-style-type: none"> • Chinney Construction • Shun Cheong 	<p>The Hong Kong Council of Social Service</p>




Certification/Award	Organiser
 <p>5 Years Plus Happy Company Award 2024</p> <ul style="list-style-type: none"> • Chinney Construction • Shun Cheong 	<p>Promoting Happiness Index Foundation and The Chinese Manufacturers' Association of Hong Kong</p>
 <p>Manpower Developer Award Scheme (2022-2024)</p> <ul style="list-style-type: none"> • Chinney Construction 	<p>Employee Retraining Board</p>
 <p>Good MPF Employer 2023-24</p> <ul style="list-style-type: none"> • Chinney Construction 	<p>Mandatory Provident Fund Scheme Authority</p>
 <p>Partner Employer Award 2024</p> <ul style="list-style-type: none"> • Chinney Construction • Shun Cheong 	<p>The Hong Kong General Chamber of Small and Medium Business</p>



Certification/Award	Organiser
Health and Safety	
 <p>23rd Hong Kong Occupational Safety and Health Award - Safety Performance Award – Outstanding Award (Construction Industry) • Chinney Builders</p>	Occupational Safety and Health Council
 <p>23rd Hong Kong Occupational Safety and Health Award - Safety Performance Award – Excellence Award (Construction Industry) • Chinney Construction</p>	Occupational Safety and Health Council
 <p>HKCA Safety Awards 2023 – HKCA Proactive Safety Contractor Award • Chinney Construction</p>	HKCA



Certification/Award	Organiser
 <p><i>Airport Safety Recognition Scheme 2023/24 – HKIA Safety Excellence Award - Merit</i></p> <ul style="list-style-type: none"> • CAE 	<p>Airport Authority Hong Kong</p>

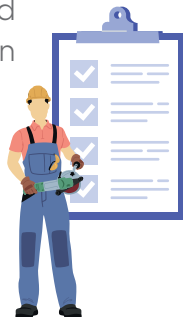
7.1 Safe Workplace

The Group recognises that the construction industry is inherently exposed to higher occupational health and safety ("OHS") risks, which can affect daily operations. Therefore, OHS is regarded as a top priority and an integral part of our operations. To ensure a safe working environment for our employees, we strictly comply with all relevant laws and regulations in the jurisdictions where we operate our businesses. Chinney Construction and Shun Cheong have established and obtained certification for their comprehensive occupational health and safety management system based on the ISO 45001:2018 standards, which enables us to systematically identify, manage and mitigate workplace risks while promoting continuous improvement in safety performance. Additionally, Chinney Construction and Chinney Builders have developed a Company Safety and Health Policy Statement to affirm the commitments to maintaining a safe and healthy work environment. During the Reporting Period, Chinney Construction received three summons by the Labour Department related to construction site safety, all of which were non-injury cases. We are committed to full compliance with occupational health and safety laws and regulations in Hong Kong and have taken immediate steps to address the issues and prevent future occurrences, including arranging targeted site training sessions, posting notices and reminders and conducting a top management site walk to review compliance and reinforce our commitment to workplace safety.

On-site measures for a safe workplace:

Identifying occupational health and safety risks

Assigning Project Managers and Safety Managers to oversee safety policies and address all health and safety issues in construction projects



Ensuring the safe usage, handling, storage and transport of equipment and materials on-sites

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



Providing health and safety training for employees and sub-contractors

Allocating sufficient resources to implement the health and safety regulations effectively



Confirming that all employees comply with the laws, regulations and practices relating to health and safety

Imposing health and safety regulations and safety plans at the head office and all construction sites





To enhance the safety awareness and knowledge of our employees, we have conducted various occupational health and safety trainings. Chinney Construction and Chinney Builders regularly conduct OHS lunch meetings, where safety information is shared among the top-level management. For frontline employees, in 2024 we have organised seminar on application of Smart Site Safety System in construction site to promote the adoption of smart site safety systems across projects. Shun Cheong offers training programmes related to risk assessment and occupational health and safety supervision. These programmes include courses for the Occupational Safety and Health Supervisor certification, covering topics such as construction site safety, basic safety management, accident prevention and occupational health. To raise the awareness of construction safety, Chinney Construction, Chinney Builders and Shun Cheong has provided safety training courses for site management staff, design for safety trainings for general construction personnel, as well as monthly safety induction trainings to frontline employees. Additionally, we also conducted first aid training to equip our employees with the knowledge and skills to respond effectively to emergencies.



We are aware that our employees may face health and safety risks while working in construction sites under different weather conditions. During summer, the Group has implemented various precautionary measures for heatstroke prevention, such as offering energy-boosting beverages, providing water refill stations and non-edible ice cubes for employees in construction sites. During winter, we have distributed heating pads to combat the frigid weather. To safeguard our employees from extreme weather events including thunderstorm, we have set up a warning system to alert employees under extreme weather conditions to stay in a secure location.



Heatstroke prevention measures



Furthermore, we remain dedicated to prioritising the health and safety of our workforce. To ensure the safety of our frontline employees, construction sites are equipped with first aid kits and AED devices. We also provide personal protective equipment such as safety helmets, safety harnesses and goggles, with notices on construction sites outlining the wearing requirements. To promote hygiene practices, we have provided protective and disinfectant products, including face masks and alcohol-based hand sanitisers at workplace. During the Reporting Period, we have conducted more frequent cleansing and disinfection measures such as maintenance of air ventilation systems.



Maintenance of air ventilation systems

Through the joint efforts of the Group and our employees, no fatal incidents occurred in the workplace during the Reporting Period. Furthermore, there have been no recorded fatal accidents in our operations over the past three years. During the Reporting Period, the Group has recorded an injury rate of 1.91 per 1,000 employees, resulting a total of 205 lost days.



CASE STUDY

E&M Safety Walk and Carnival Fair 2024

The E&M Safety Walk and Carnival Fair, co-organised by The Hong Kong Federation of Electrical and Mechanical Contractors Limited and the Federation of Hong Kong Electrical & Mechanical Industries Trade Unions, has been held annually for over 20 years. This event brings together employers, employees and government bodies within the E&M sector to promote a culture of safety, while also offering participants an opportunity to enjoy a leisurely gathering. As a long-standing sponsor of the event, 22 staff from Shun Cheong participated in the event in 2024, enjoyed activities such as a short hike, barbeque, OHS quiz and lucky draw.



E&M Safety Walk and Carnival Fair 2024



CASE STUDY

Safety Monitoring System and Measures for Construction Sites

To minimise the risk of health and safety incidents on construction sites, Chinney Construction and Chinney Builders have adopted advanced technology to improve the monitoring of both machinery and employees. These innovations are designed to improve site safety, reduce risks and ensure swift responses to potential hazards.

- **AI Cam**

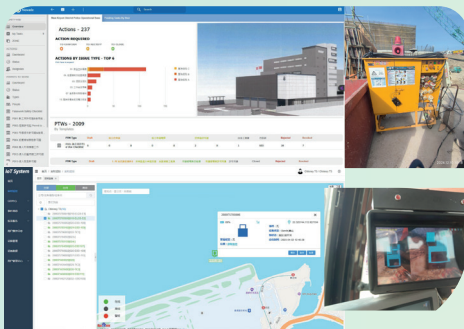
AI-powered cameras are deployed to monitor designated areas on construction sites in real time. These cameras not only provide continuous monitoring of site conditions but also detect and identify potential threats, such as unauthorised entry or suspicious behaviour. By leveraging artificial intelligence, this system enhances site security and supports rapid responses to potential safety risks.



AI Cam

- **E-Lock and E-Permit System**

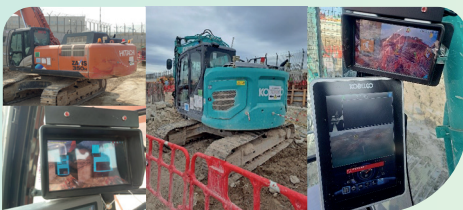
To control access to hazardous or restricted areas, an E-Lock and E-Permit system has been implemented. This system allows authorised personnel to access these areas via a mobile app or by using an authorised key card. It also records the opening and closing times of the E-Lock, providing a detailed log for accountability and safety audits. Furthermore, the system is equipped with a warning signal that alerts the person-in-charge if the E-Lock is tampered with, damaged, or interfered with, thereby ensuring the integrity of restricted zones.



E-Lock and E-Permit System

- **360 Warning System**

A 360 Warning System has been installed on mobile plant machinery to provide comprehensive coverage of the surrounding area. This system enables the plant operator to monitor a full 360-degree view, ensuring that any individual entering the danger or fatal zone around the machinery is immediately detected. This proactive measure minimises the risk of accidents involving plant equipment, creating a safer working environment for all personnel.



360 Warning System



7.2 Talent Acquisition and Development

Diversity and Equal Opportunities

The Group places significant emphasis on our employees and the distribution of talent resources. We are committed to fostering a diverse, inclusive and anti-discrimination workplace that enables employees from various backgrounds to thrive. For instance, Chinney Construction has established the Employee Handbook and Shun Cheong have implemented an Equal Opportunities Policy, to guide our operations to fully comply with the relevant ordinances and guidelines such as Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527) and Race Discrimination Ordinance (Cap. 602). These policies and measures ensure the elimination of discrimination and harassment in employment. In line with our strategy to attract and retain talented individuals, we provide competitive wage packages, opportunities for career development and advancement, reasonable work hours and rest periods to recognise the valuable contributions of our employees.

We adopt a fair and unbiased process to make position-related decisions of talents during recruitment by applying consistent selection standards focused on the skills and qualifications of the candidates rather than factors such as gender, ethnicity, religion or other personal attributes. This principle applies equally to our recruitment, promotion and transfer. To combat workplace discrimination, the Group has established a comprehensive and robust complaint mechanism. Upon receiving a complaint, the relevant departments will conduct a confidential investigation and take appropriate actions to address and eliminate any discriminatory behaviour.

Employment and Labour Standard

The Group maintains zero-tolerance towards child and forced labour. Chinney Construction and Chinney Builders have formulated the Prevention of Child and Forced Labour Policy, while Shun Cheong adheres to the guidelines outlined in the Social Responsibility Policy and Rules of Employment to prevent human rights violations, including any engagement with child and forced labour. The Human Resources Department is responsible to verify the authenticity of age, identification, work authorisation documents and other relevant materials when recruiting talents to prevent any form of illicit employment. In case any child labour was found, his/her work must be ceased immediately. In addition, we enforce strict regulations on the practice of our suppliers and contractors as stated in the Supplier Code of Conduct, explicitly prohibiting the use of any form of child or forced labour. During the Reporting Period, no non-compliance cases regarding child and forced labour were found.



Employee Training and Development

We support our employees' continuous learning, fostering both personal and professional growth. A robust Training Policy has been established to allocate resources on training to enhance our employees' knowledge and skills for effective job performance. In 2024, Chinney Construction and Chinney Builders revised their Training Policy to ensure employees are adequately trained for their roles. The policy focuses on identifying training needs, particularly in quality management, site safety, environmental protection, as well as providing necessary in-house or external training and promoting continuous professional development. We have organised a range of training courses, covering practical knowledge and technical skills such as digital construction, green building, environmental regulations and health and safety. In addition to internal training, Chinney Construction and Chinney Builders also provides financial incentives to motivate and reward employees for pursuing further education by subsidising the fee of the external training courses. The funding for these incentives is derived from the Safety Fund organised by Chinney Construction and Chinney Builders. Employees are eligible to apply for tuition fee subsidies up to 12 times per year, with a maximum annual limit of HKD5,000. During the Reporting Period, employees of Chinney Construction and Chinney Builders received a total of 1,498.5 hours of training, employees of Shun Cheong received a total of 1,413 hours of training, employees of Jacobson received a total of 31.5 hours of training and employees of CAE received 444 hours of training in total.

Employee Well-being

The Group recognises that providing comprehensive benefits and welfare is crucial to enhancing employee satisfaction. We offer a broad range of employee benefits, including but not limited to medical and hospitalisation insurance, group travel insurance and provided various types of leaves including annual leave, marriage leave, maternity and paternity leave, as well as condolence leave. Additionally, we review the compensation system annually and provided year-end double pay.



To cultivate a friendly and inclusive working environment, we strive to arrange inter-departmental activities that foster the cohesiveness within the Group. For instance, we have organised Chinese New Year and other festive gatherings, birthday parties, baking class, as well as sports events such as football and badminton competitions to gather with our employees to enhance team bonding and communication.

Construction Industry Happy Run 2024

The Construction Industry Council ("CIC") held the "Construction Industry Happy Run 2024" in January 2024. Participants from Chinney Construction and Chinney Builders joined the event to promote a healthy lifestyle, focusing on improving physical health and well-being. The event also provided an opportunity for employees to enjoy the time exercising together and facilitate team bonding.



Participants of the Construction Industry Happy Run 2024

Construction Industry 5-a-side Football Competition

The "Construction Industry 5-a-side Football Competition" was introduced by the Construction Industry Sports and Volunteering Programme under the CIC. The initiative aims to promote a healthy lifestyle and encourage a spirit of athleticism among industry practitioners. Since its launch, the competition has garnered an enthusiastic response from the industry. In 2024, the Football Team of Chinney Construction and Chinney Builders took part and demonstrated outstanding performance the competition.



Participants of the Construction Industry 5-a-side Football Competition 2024



Badminton Class and HKECA Badminton Competition

Since 2023, Shun Cheong has organised badminton classes as part of its commitment to promote physical health and fostering a healthy lifestyle. In 2024, Shun Cheong employees further demonstrated their enthusiasm for sports and teamwork by participating in the prestigious Life President Martin Fong Cup, organised by the Hong Kong Electrical Contractors' Association Limited ("HKECA"). These initiatives provided an opportunity for employees to improve their fitness and well-being, while encouraged them to engage in regular physical activity, contributed to a balanced and active lifestyle.



Participants of 2024 Badminton Competition – The Life President Martin Fong Cup by HKECA

"City of Dynamics" Photo Competition

Shun Cheong organised 2024 photo competition with the theme "City of Dynamics" to encourage employees to share the healthy and vibrant aspects of the city they resided in. Through organising the competition, we strive to spread a sense of positivity and enthusiasm among our employees, while also created valuable opportunities to engage with them on a deeper level.



Promotion poster of the competition and award presentation



7.3 Ethical Corporate Image

The Group is dedicated to conducting its business in an ethical manner, following the principles of transparency and integrity. To ensure our employees maintain the highest level of integrity, the Group adopts a Company Code of Ethics (the "Code") that prohibits employees from seeking or accepting any advantages and requires them to avoid all forms of conflict of interest. Under the Integrity Management Policy, the Group prohibits any forms of bribery and corruption in accordance with the Prevention of Bribery Ordinance (Cap. 201), the Competition Ordinance (Cap. 619) and other integrity-related laws in Hong Kong.



To avoid and eliminate corporate misconduct, we have established anti-corruption policies and whistle-blowing mechanism, allowing our employees to anonymously report to the Management of any suspected cases of corruption, dishonesty and illegal acts against our property, revenue or employees. The whistle-blowing mechanism is formulated to uphold a high standard of corporate governance and provoke stakeholders' vigilance, ensuring professionalism, integrity, impartiality and honesty at all times. All employees are required to promptly report any acts of dishonesty or illegal activities involving the Group's property, revenue, or employees to the responsible director for further investigation and appropriate action. All cases will be treated with strict confidentiality to protect the identities of whistle-blowers.

The Group arranged a series of anti-corruption and integrity training courses for all directors and employees, aimed at fostering a culture of integrity and preventing corruption within the organisation. These trainings sessions were based on recommendations from the Independent Commission Against Corruption and covered a wide range of topics, including anti-corruption legislations and integrity requirements for construction companies, integrity management training for quantity surveying or estimating staff, integrity management with New Engineering Contract content, introduction of integrity management system and corruption prone areas and preventive measures in construction industry. In 2024, we conducted 4 sessions of anti-corruption trainings, totalling 3.5 hours, attended by 11 Senior Management, 43 Management, and 3,508 frontline and general staff. In the event of any misconduct, the Group is committed to conducting a thorough investigation and implementing appropriate disciplinary actions, based on the severity of the incident. During the Reporting Period, no non-compliance cases with relevant laws and regulations on regulations on bribery, extortion, fraud and money laundering were reported.

To safeguard intellectual property rights, the Code strictly restricts any misconduct related to intellectual property rights such as unauthorised sensitive information leakage or sharing internal data with third parties. Employees are required to obtain prior consent before using any products and goods owned by the Group. In 2024, no convictions of laws and regulations concerning product responsibility relating to the Prevention of Bribery Ordinance (Cap. 201), Personal Data (Privacy) Ordinance (Cap. 486) and Patents Ordinance (Cap. 514) were probed.



8 Community Investment

As a responsible local company, we recognise the significance of creating long-term value for our community and are committed to engaging with it through organising and participating in various charitable initiatives in partnership with different NGOs. To promote a harmonious environment and positive development in every community where we operate, Shun Cheong has formulated the Social Responsibility Policy. Together, these policies provide comprehensive guidance on allocating resources across multiple areas of contribution, including health, the well-being of the elderly and other vulnerable groups, whilst outlining our commitments to community involvement and development. We actively encourage all employees to give back to the community. We have established the Chinney's Volunteers Group ("CVG") in 2017 to promote volunteer activities and initiatives. Currently, the CVG includes members from various departments, with the Administration Department overseeing the organisation of its events. In 2024, in recognition of our ongoing dedication to community service, Chinney Construction and Shun Cheong were honoured with the 5 Years Plus Caring Company Award by the Hong Kong Council of Social Service.

Chinney Construction and Shun Cheong continue to support the community through monetary donations. During the Reporting Period, Chinney Construction donated HKD3,000 to HK Saving Cat and Dog Association. Additionally, HKD20,000 was donated to the Pneumoconiosis Mutual Aid Association to fund training and promotional programmes aimed at raising awareness of pneumoconiosis and related cancers among the construction industry, as well as preventive measures of the lung disease. To further promote community care, Shun Cheong participated in the 2024 Tung Wah Flag Day and donated HKD3,385.70 to the Tung Wah Group of Hospitals.



CASE STUDY

2024 Tung Wah Flag Day

Shun Cheong was proud to participate in the 2024 Tung Wah Flag Day which aimed to raise public awareness of community care through monetary donations. By contributing to the donation drives, we supported the Tung Wah Group of Hospitals and encouraged our community to get involved in making positive social impacts.



Certificate of 2024 Tung Wah Flag Day



CASE STUDY

Animal Shelter visit

Volunteers from Chinney Construction and Chinney Builders visited an animal shelter run by HK Saving Cat and Dog Association Limited to help clean the facility and care for stray and abandoned cats. This initiative highlighted our support for animal welfare and the important work of animal rescue in Hong Kong.



Chinney Construction and Chinney Builders volunteers visiting an animal shelter



CASE STUDY

Shoreline Cleanup Day

On Shoreline Cleanup Day, our 46 employees joined other members of the HKCA to clean designated beaches in Hong Kong, helping to protect the ocean from pollution. This initiative underlined our commitment to local environmental concerns. Through this Cleanup Day, we fostered community spirit and contributed to safeguarding marine ecosystems for future generations.



HKCA SME Shoreline Cleanup Day 2024



CASE STUDY

Elderly Visit to Celebrate Dragon Boat Festival

In 2024, Shun Cheong partnered with Tung Wah Group of Hospitals to organise a visit to Hui Lai Kuen Home for the Elderly in celebration of Dragon Boat Festival. Our volunteers played a key role in the event, spent time with the elderly, created joyful memories and engaged in activities such as entertaining games and collaborative artwork.



Artwork created with the elderly



Performance Table

Environmental Performance*	Unit	2024	2023
Air Emissions ⁽¹⁾			
Particulate matter (PM) (PM10 and PM2.5)	Tonnes	3.25	5.44
Nitrogen oxides (NO _x)	Tonnes	25.25	42.20
Sulphur oxides (SO _x)	Tonnes	0.01	0.02
GHG Emissions			
Scope 1: Direct emission ⁽²⁾	Tonnes of CO ₂ equivalent ("tCO ₂ e")	2,253	3,743
Scope 2: Indirect emission ⁽³⁾	tCO ₂ e	525	680
Total GHG emissions	tCO ₂ e	2,778	4,422
Total GHG intensity	tCO ₂ e/Total GFA (m ²) ⁽⁴⁾	0.04	0.05
Energy Usage			
Electricity – Office	MWh	1,034	971
Electricity – Construction ⁽⁵⁾	MWh	384	866
Petrol	MWh	65	85
Diesel – Mobile sources ⁽⁶⁾	MWh	76	24
Diesel – Stationary sources ⁽⁷⁾	MWh	9,061	15,186
Total energy consumption	MWh	10,620	17,132
Total energy intensity	MWh/Total GFA (m ²) ⁽⁴⁾	0.15	0.20



Environmental Performance*	Unit	2024	2023
Water Consumption			
Total water consumption ⁽⁸⁾	m ³	77,840	130,333
Water consumption intensity	m ³ / Total GFA (m ²) ⁽⁴⁾	1.09	1.55
Wastewater			
Total wastewater discharged ⁽⁹⁾	m ³	38,192	37,258
Wastewater discharged intensity	m ³ /Total GFA (m ²) ⁽⁴⁾	0.53	0.44
Non-hazardous Waste ⁽¹⁰⁾			
C&D waste disposed	Tonnes	1,079	1,081
C&D waste diverted from landfill ⁽¹¹⁾	Tonnes	14,035	1,819
Non-hazardous waste intensity ⁽¹²⁾	Tonnes/ Total GFA (m ²) ⁽⁴⁾	0.21	0.03

* In 2024, the scope of the environmental and social performance data is expanded to include all four of our segments, with the aviation segment being the new addition.

Notes:

- (1) Air emissions from the combustion of petrol and diesel were calculated based on the emission factors from the joint EMEP/EEA air pollutant emission inventory guidebook.
- (2) Scope 1 GHG emissions refer to direct emission of GHG from sources owned or controlled by the Group, which include (i) transportation and (ii) machinery usage.
- (3) Scope 2 GHG emissions refer to indirect GHG emissions resulting from the generation of purchased electricity consumed within the Group.
- (4) The GFA included all construction sites, offices and warehouses. The GFA of 2023 and 2024 are 84,261m² and 71,451m², respectively.
- (5) In 2024, the decrease in construction electricity consumption was due to the reduced number of construction projects.
- (6) In 2024, the increase in diesel consumption from mobile sources was primarily due to the expanded reporting scope, which included diesel-consuming vehicles from CAE.
- (7) The usage of diesel from stationary sources is subject to the heavy machinery usage, which includes crawler cranes, excavators and generators etc. The higher usage of diesel from stationary sources in 2023 was attributed to extensive use of heavy machinery for the bored pile construction works of foundation in the Hong Kong International (Airport Contract 3805 – New Airport District Police Operational Base. With the completion of foundation works, heavy machinery usage decreased in 2024.



Notes: (continued)

- (8) The water consumption is subject to the types of construction works. In 2024, the decrease in water consumption was due to the completion of construction works involving high water consumption.
- (9) The total wastewater discharged in 2023 is restated after reconciliation.
- (10) In 2024, 2,152 tonnes of C&D waste were recycled or reused on sites or in other projects, instead of disposed.
- (11) In 2024, the significant increase of C&D waste diverted from landfills was attributed to the construction sites of alterations and additions works, resulting in higher waste generated.
- (12) 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	2024	2023
Workforce Profile				
Total workforce ⁽¹³⁾		No. of people	3,672	1,886
By gender	Male	No. of people	3,266	1,617
	Female	No. of people	406	269
By age group	< 31	No. of people	673	404
	31-50	No. of people	1,656	874
	> 50	No. of people	1,343	608
By employment type	Senior Management	No. of people	19	16
	Management	No. of people	67	47
	Frontline and general staff	No. of people	3,586	1,823
By geographical region	Hong Kong	No. of people	3,593	1,861
	Mainland China	No. of people	55	4
	Others	No. of people	24	21
Employee Turnover Rate				
By gender	Male	%	39	32
	Female	%	34	26
By age group	< 31	%	48	43
	31-50	%	38	30
	> 50	%	34	26



Social Performance*		Unit	2024	2023
Employee Turnover Rate				
By employment type	Senior Management	%	0	0
	Management	%	10	4
	Frontline and general staff	%	39	32
By geographical region	Hong Kong	%	39	31
	Mainland China	%	0	0
	Others	%	17	33
Percentage of Employee Trained				
By gender	Male	%	77	82
	Female	%	23	18
By employment category	Senior Management	%	1	2
	Management	%	5	5
	Frontline and general staff	%	94	93
Average Training Hours Completed by Employees				
By gender	Male	Average hours	0.81	1.17
	Female	Average hours	1.80	1.43
By employment category	Senior Management	Average hours	2.21	2.25
	Management	Average hours	3.40	2.57
	Frontline and general staff	Average hours	0.87	1.13



Social Performance*	Unit	2024	2023
Occupational Health and Safety			
Lost days due to injuries	Days	205	675
Rate of injuries	per 1,000 employees	1.91	4.77
Number of fatalities	No. of people	0	0
Rate of fatalities	per 1,000 employees	0	0
Number of Suppliers			
Hong Kong	No. of suppliers	884	584
Mainland China	No. of suppliers	20	4
Other	No. of suppliers	47	13

Notes: (continued)

- (13) In 2024, the significant increase of total number of workforce was attributed to additional labour workers hired to handle large scale projects of Shun Cheong.



ESG Reporting Code Content Index

A: Environmental

Aspects	Descriptions	Section of the Report/Remarks	Page number
A1: Emissions			
General Disclosure	<p>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Environmentally Conscious Operations	14
KPI A1.1	The types of emissions and respective emissions data.	Emissions of nitrogen oxides, sulphur oxides and particulate matter from gaseous fuel and vehicles are not determined to be highly material issues for the Group.	N/A



Aspects	Descriptions	Section of the Report/Remarks	Page number
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Table	45
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	There was no significant information on hazardous waste during the Reporting Period.	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Table	46
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Energy Consumption and GHG Emissions	16
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management	21
A2: Use of Resources			
General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Environmentally Conscious Operations	14
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Table	45



Aspects	Descriptions	Section of the Report/Remarks	Page number
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Table	46
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption and GHG Emissions	16
KPI A2.4	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 Management We did not encounter issues in sourcing water.	20
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material are determined to be not applicable for the Group's business operations.	N/A
A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmentally Conscious Operations	14
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmentally Conscious Operations	14



Aspects	Descriptions	Section of the Report/Remarks	Page number
A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Risk Management	22
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Risk Management	22



B: Social

Aspects	Descriptions	Section of the report/Remarks	Page number
Employment and Labour Practices			
B1: Employment			
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	People-oriented Culture, Talent Acquisition and Development	28, 37
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Table	48
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Table	48
B2: Health and Safety			
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Safe Workplace	31



Aspects	Descriptions	Section of the report/Remarks	Page number
KPI B2.1	Number and rate of work-related fatalities ⁽¹⁾ occurred in each of the past three years including the Reporting Year.	Safe Workplace, Performance Table	31, 49
KPI B2.2	Lost days due to work injury.	Safe Workplace, Performance Table	31, 49
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Workplace	31
B3: Development and Training			
General Disclosure	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Talents Acquisition and Development	37
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Table	48
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talents Acquisition and Development, Performance Table	37, 48

(1) In 2022, the number of fatalities is 0 and the rate of fatalities is 0%.



Aspects	Descriptions	Section of the report/Remarks	Page number
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.	Talent Acquisition and Development	37
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Talent Acquisition and Development	37
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Talent Acquisition and Development	37
Operating Practices			
B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Value Chain	11
KPI B5.1	Number of suppliers by geographical region.	Sustainable Value Chain, Performance Table	11, 49
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	Descriptions	Section of the report/Remarks	Page number
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Value Chain	11
KPI B5.4	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			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Control, Ethical Corporate Image	13, 40
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Products recalls are determined to be not applicable for the Group's business operations.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Control	13



Aspects	Descriptions	Section of the report/Remarks	Page number
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ethical Corporate Image	40
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Control	13
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ethical Corporate Image	40
B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Corporate Image	40
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Ethical Corporate Image	40
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ethical Corporate Image	40
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Corporate Image	40



Aspects	Descriptions	Section of the report/Remarks	Page number
Community			
B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment	42
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	42
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	42