

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

REPORT 2020-2021





CORPORATE SOCIAL RESPONSIBILITY POLICY STATEMENT

As a socially responsible building construction, property development, and services group, Hanison Construction Holdings Limited (HCHL) embraces sustainable development as one of our core business values with an aim to create a brighter and greener prospect for the long-term benefits of our stakeholders and the territory of Hong Kong.

Recognising Hanison as a corporate citizen, we consider that it is our responsibility to mitigate the environmental impacts of our business, provide a safe and healthy work environment, enhance employee wellbeing and development, manage risks associated with the supply chain, engage our stakeholders actively, and contribute to the sustainable development of communities. We are also dedicated to operating our

business with integrity and professionalism, delivering quality and reliable services and products, caring for our people, and upholding a high level of corporate governance.

To fulfil our commitments, we strive to adhere to sustainability principles in every aspect of our business from strategic planning, day-to-day management and operations, decision-making and the corresponding execution of various kinds. This Policy serves to provide directional guidance for adopting appropriate policies and systems, guidelines and codes, standards, procedures and practices throughout the HCHL Group. The management team shall take full responsibility to oversee, facilitate, coordinate, and monitor the effective implementation of this Policy.



VISION

To be a renowned, creative and socially responsible key player in building construction, property development, and other businesses.

MISSION

- ▶ To develop our business in pursuit of excellence
- ▶ To be committed to providing superior services and dedicated to continuous improvement
- ▶ To create values for all stakeholders
- ▶ To grow our people with commitment

VALUES

- ▶ Excellence
- ▶ Professionalism
- ▶ Integrity
- ▶ Care
- ▶ Teamwork
- ▶ Innovation
- ▶ Partnership
- ▶ Sustainability

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COMPANY PROFILE

Incorporated in 2001 and headquartered in Hong Kong, Hanison Construction Holdings Limited (“HCHL” / “The Group”) has been publicly listed on The Stock Exchange of Hong Kong (Stock Code: 896) since 2002.

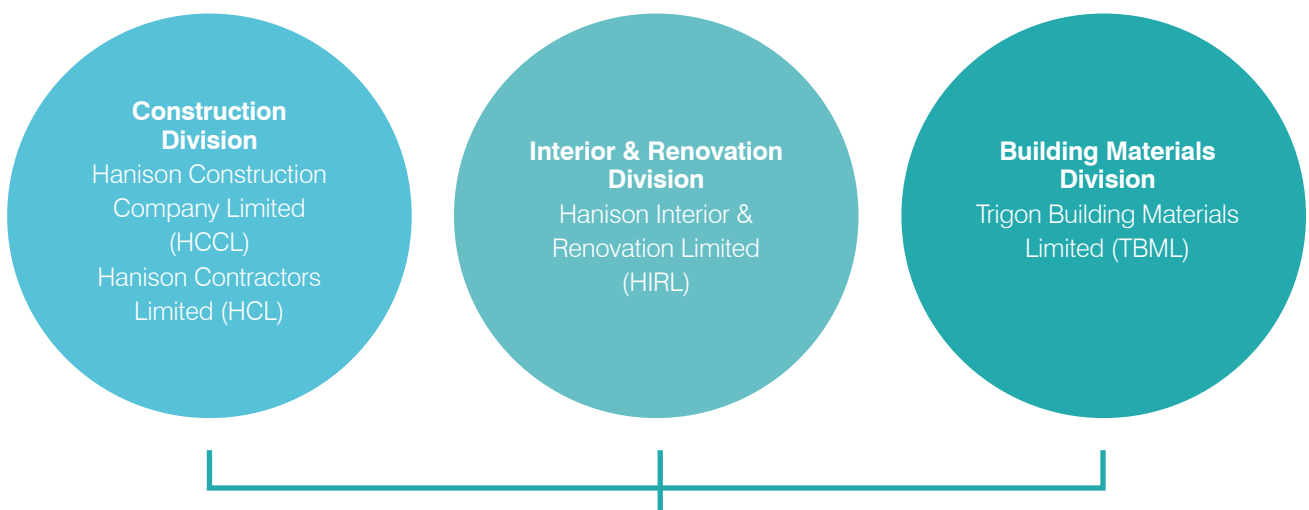
Commenced our business in the building sector, we grew from a small construction company to today’s multi-faceted project management company, property developer and property investor, with divisions engaged in building renovation and building materials. Our wholly-owned subsidiaries relating to building businesses include Hanison Construction Company Limited (HCCL), Hanison Contractors Limited (HCL), Hanison Interior & Renovation Limited (HIRL) and Trigon Building Materials Limited (TBML). Our projects have scattered over the territory of Hong Kong and mainland China over the years.



Social Service Building in Shek Mun Estate

Sustainability is an integral part of the Group’s governance. With our determination in excellence, professionalism and integrity, we aspire to strengthen industry resilience and build Hong Kong a livable city present and beyond. More details of our business and financial performance are available in the Group’s [2020/2021 Annual Report](#).

KEY BUILDING SUBSIDIARIES UNDER THE GROUP:



**HANISON CONSTRUCTION HOLDINGS LIMITED
(HCHL / THE GROUP)**

MANAGING DIRECTOR'S MESSAGE

In 2020, the COVID pandemic continued to expose the globe to daunting health threats while countries and cities are preparing themselves for recovery from the unfortunate situations. There is an old cliché saying that “every cloud has a silver lining”. The pandemic reveals to us the resilience of the human race in the face of adversity and awakens us to see ourselves as a unity of a shared future.

The pandemic indeed gives us a “rehearsal” to prepare for greater challenges in future, say the climate emergency, which can be more disastrous. The ability to survive at the moment and sustain in the future becomes the prime topic for every corporate to address. In view of the worsening global climate impact, sustainability is no longer considered as a fashionable buzzword in the eyes of governments and corporations; instead, it is being taken seriously as a business reality.

At Hanison, we have embarked on our sustainable development journey with dedication and commitment since 2014. We are delighted to witness that the sustainability atmosphere has been changing positively along our value chain in recent years. There are not only more support and guidelines provided to enterprises and the construction industry from the local authorities and regulators, but there are also additional innovative and greener alternatives available in our city and the market to enable sustainable buildings.

Construction industry is distinctive as it consumes manpower, materials and energy heavily. We must admit to ourselves that there is no magic wand for the

industry to achieve sustainability in one day because it requires plenty of time, efforts and revolution which needs the industry to act in unity. Nevertheless, Hanison pledges to work relentlessly to improve our governance and operations by incorporating sustainability principles into practices, and in turn making our city greener, more resilient and sustainable.

We are happy to present to you our efforts in corporate social responsibility via demonstrating our ESG approach and achievements in this report. May I wish you all sustainably strong and healthy!



Wong Sue Toa, Stewart
Managing Director



GENERAL MANAGER'S MESSAGE

This is our eighth ESG (Environmental, Social and Governance) Report. Eight years ago, Hanison was among a handful of local main contractors which bravely went on board for the sustainability journey in uncertainty. Throughout the years, we have refined our overarching principles to embrace sustainability, formulated and advanced ESG-related policies and operating protocols, implemented initiatives to develop and care for our employees and the community, mobilised resources to bring in innovation for better environment and safety performance, hired more youngsters in various departments, and kept track of our performance in various ESG aspects. All these efforts are founded on our sustainability mission, i.e. to be a trusted contractor that creates a greener and brighter prospect for the long-term benefits of our stakeholders.

This year, we are greatly encouraged to receive the HKIBIM Awards 2020 – Bronze Award (BIM Department / Units / Teams Category). This award is a recognition of our dedication and outstanding performance in BIM application. Simultaneously, our various teams have introduced more innovative technologies to construction sites, such as battery system and automatic hook, to take green and safe buildings to another level.

To cope with potential health risks caused by the COVID, we have formed an anti-pandemic taskforce to devise just-in-time (JIT) policies and measures and to make prompt decisions on any reported or suspected incidents. Moreover, we have further extended our ESG disclosure in this report to comply with the provisions under HKEx ESG Reporting Guide and Global Reporting Initiative (GRI) Standards: Core Option.

As the current trend is backing local enterprises to pursue a higher degree of sustainable development, Hanison will seize the opportunities and abate possible risks brought about by ESG issues. Moving forward, we will carry on stepping up our sustainability undertakings, including but not limited to enhancing our board's involvement and accountability in ESG governance, setting environmental targets, addressing and assessing impacts of climate risks, and nurturing our talents.



David Tai
Executive Director and General Manager

PERFORMANCE HIGHLIGHTS

ECONOMIC

CONTINUING OPERATIONS OF TURNOVER

Hanison Construction Holdings Limited



HK\$1,451.6 million



Construction Division

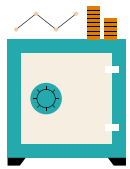
HK\$1,148.2 million

Interior & Renovation Division

HK\$195.7 million

Building Materials Division

HK\$48.9 million



Net Asset Value

HK\$4,137.1 million



Profit for the Year

HK\$275.0 million

PEOPLE

Employees

523



Training



Accumulated Training Hours

785.5 hours



Percentage of Employees Trained

20.61%

Accident Rate (per thousand workers)

Construction Division

7.74

Interior & Renovation Division

7.51

Building Materials Division

ZERO



Fatality Rate



ZERO

ENVIRONMENT

Carbon Emissions & Intensity

2,636.93 tonnes CO₂e
1.89 tonnes CO₂e / HK\$1 million revenue

Energy Consumption & Intensity

6,352.35 MWh
4,560.85 kWh / HK\$1 million revenue

B5 Biodiesel Consumption

69.22%
of Total Fuel Consumption

¹ Assume each double decker bus weights 26,500 kg
² Assume 1 ton of recycled papers can save 24 trees

Water Consumption & Intensity

34,605.85 m³
24.85 m³ / HK\$1 million revenue

Non-hazardous Waste

26,800.11 tonnes,
60% ↓ YoY

Recycled Construction Waste

20,105.94 tonnes,
equivalent to **759**
double decker buses¹



Paper Recycled

10.71 tonnes,
saving around **283** trees²



Green Buildings

5 Ongoing Projects
Subject to BEAM Plus
Assessment

Air Quality

IAQ
(Excellent Class)
for Head Office since 2016

NEW INITIATIVES

Formation of

Anti-pandemic
Taskforce

Environmental Targets
Working Group



COMMUNITY



Financial Sponsorship
and Donation
HK\$98,462.9

Volunteer
Service Hours
173
hours

OPERATING PRACTICES

Percentage of Local
Suppliers / Subcontractors:

100%

Reported Incidents
of Corruption

ZERO

Complaints

ZERO

INNOVATION

Environment

- ▶ Energy Storage System on Construction Sites

Safety

- ▶ Automatic Crane Hook
- ▶ Material Hoist with Facial Recognition System
- ▶ Virtual Reality (VR) Safety Training

ABOUT THIS REPORT

REPORTING PERIOD, SCOPE AND BOUNDARY

This Environmental, Social and Governance Report (The Report) captures the efforts and performance of Construction Division, Interior & Renovation Division, and Building Materials Division of the Group in environmental, social and governance (ESG) aspects throughout the financial year between 1 April 2020 and 31 March 2021. The reporting scope covers our operations in Hong Kong

mainly including the head office, warehouse as well as the project sites operated under Hanison Construction Company Limited (HCCL), Hanison Contractors Limited (HCL), Hanison Interior & Renovation Limited (HIRL), and Trigon Building Materials Limited (TBML). The current reporting scope accounts for over 90% of the Group's revenue in the reporting period.

REPORTING BOUNDARY

Head office: Shek Mun, Shatin

Warehouse: Ping Che

Project Sites of Respective Divisions ³		Divisions
01	Public Rental Housing Development at Shek Mun Estate Phase 2, Shatin	Construction
02	Public Rental Housing Development at Choi Yuen Road Sites 3 & 4, Sheung Shui	
03	Sports Centre, Community Hall and Football Pitches in Area 1, Tai Po	
04	The Proposed Residential & Commercial Development at No. 33-47 Catchick Street, Kennedy Town	
05	Proposed Residential Redevelopment at No. 8 Star Street, Wanchai	
06	Proposed Residential Redevelopment at Tuen Mun Town Lot No. 516, N.T.	
07	Combined Fitting-out Works for Proposed Hotel and Office Building at No.43 Heung Yip Road, Hong Kong	Interior & Renovation
08	M+ Museum for Visual Culture, West Kowloon Cultural District	Building Materials ⁴
09	Sports Centre, Community Hall and Football Pitches in Area 1, Tai Po	
10	MONTARA (Phase 7A) & GRAND MONTARA (Phase 7B), Tseung Kwan O	
11	Emerald Bay at No.8 Kwun Chui Road, Tuen Mun	
12	MTR Exhibition Station, Wan Chai	
13	Public Rental Housing Development at Queen's Hill Phase 1 & Portion of Phase 6, Fanling	
14	The Hong Kong Palace Museum at West Kowloon Cultural District	
15	The Pavilia Farm, No.18 Che Kung Miu Road, Tai Wai	
16	Proposed Residential & Commercial Development at No.33-47 Catchick Street, Kennedy Town	
17	Proposed Residential Development at NKIL 6564, Kai Tak	



³ Projects with insignificant impacts or data not under the Group's control are not covered in the reporting boundary.

⁴ All projects of TBML Division involve supply and installation of suspended ceiling system, while project of Sports Centre, Community Hall and Football Pitches in Area 1, Tai Po also involves supply and installation of hardwood sport flooring system and fire resistance enclosure system.

REPORTING STANDARDS

This Report complies with the disclosure requirements set out in the Environmental, Social and Governance Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (HKEx). The Report has been prepared in accordance with the GRI Standards: Core option. For detailed information, please refer to the HKEx ESG Reporting Guide Content Index and Global Reporting Initiative (GRI) Standards Content Index in the Appendices section of the Report.

REPORTING PRINCIPLES

The Report has been prepared in adherence to the reporting principles spelt out in the HKEx and GRI guidelines to define the report content and ensure accountability and transparency of our ESG performance and approach.



REPORT ASSURANCE

This Report is our eighth annual standalone ESG report. Independent assurance bodies, namely Hong Kong Quality Assurance Agency and Hong Kong Certification Services International Limited, are commissioned to conduct report content verification and greenhouse gas (GHG) emissions verification respectively to ensure credibility of the Report. Please refer to the Assurance Statements in the Appendices section of this Report.



CSR GOVERNANCE

Robust and sound governance is the cornerstone of a business. As Hanison is determined to embrace sustainable development in full swing, we are taking progressive steps to integrate sustainability issues into our corporate governance framework. The formation of an environmental targets working group this year marks a key milestone in our sustainability journey.



GOVERNANCE FRAMEWORK

The Board recognises its responsibility for the oversight of the Group’s ESG strategies and approach, as well as its ESG performance and reporting. The Corporate Social Responsibility Committee (CSR Committee) is a delegated body of the Board to construct, execute and review ESG strategies and policies / initiatives of the Group. The CSR Committee is required to report to the Managing Director who reports to the Board of Directors. In the coming year, the Board will make a statement to define clearly its responsibility and accountability for the management approach relating to ESG issues and risks.

STRUCTURE OF THE CSR COMMITTEE

The CSR Committee is composed of directors from key business divisions, and representatives of supporting departments. To pave the way for expanding our reporting scope to a wider business spectrum, more business divisions will be invited to hold a seat in the Committee.

ESG STRATEGY AND APPROACH

As a responsible industry player, Hanison envisions bringing a brighter and green prospect for the long-term benefits of our stakeholders and the community we operate in. Our CSR strategy concentrates on four pillars, namely operating practices, people, environment and community where our key stakeholders and impacts lie. In each of the focus area, a designated committee / working group is in place to look after respective issues. Relevant initiatives, targets and goals are devised in line with the prioritised UN SDGs (United Nations Sustainable Development Goals) stated below.

CSR STRATEGIC AREAS

OPERATING PRACTICES

Committees / Working Groups

- Safety, Environment, Quality, Energy, Security (SEQES) Committee

Systems and Standards

- ISO 9001 Quality Management System



Industry, Innovation and Infrastructure



Responsible Consumption and Production



Peace, Justice and Strong Institutions

PEOPLE

Committees / Working Groups

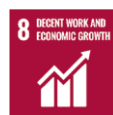
- Employee Relations and Communications Committee
- Training Committee
- SEQES Committee

Systems and Standards

- OHSAS 18001 Occupational Health and Safety Management System



Good Health and Well-being



Decent Work and Economic Growth

ENVIRONMENT

Committees / Working Groups

- SEQES Committee
- Environmental Targets Working Group

Systems and Standards

- ISO 14001 Environmental Management System
- ISO 50001 Energy Management System



Clean Water and Sanitation



Affordable and Clean Energy



Climate Action

COMMUNITY

Committees / Working Groups

- CSR Committee

Systems and Standards

- HKQAA CSR Advocate Mark



No Poverty



Sustainable Cities and Communities

COMING PLANS TO ENHANCE OVERALL CSR GOVERNANCE



Issue a Board's statement on ESG



Set environmental targets



Identify climate risks and impacts



Broaden composition of CSR Committee



Revisit and enhance policies and guidelines when necessary

RISK MANAGEMENT

The risks we are facing today become more evident as we have witnessed the global economic turmoil and tremendous deaths in the pandemic year. To pre-empt and manage risks of diverse kinds, the Group sees the importance of being resilient, agile and prudent during challenging times.

Our regular risk management and internal control systems, comprising Risk Management Committee, Audit Committee and other operating units, are in place. Annual and ongoing reviews are conducted to validate the effectiveness of the systems. No significant risk issues were identified and measures have been taken to address the identified areas for improvement.

For details of our risk management, please refer to the Group's [2020/2021 Annual Report](#).

Regarding the risks arising from the COVID pandemic, the Group has taken appropriate measures to pre-empt possible threats posed to the health of our stakeholders and the community. For details, please refer to the People section of this Report.

Moving forward, the Group shall refer to the Taskforce on Climate-related Financial Disclosure (TCFD) to identify and disclose climate-related risks, including physical risks and transition risks, which may have potential impacts on our businesses.

ENVIRONMENTAL TARGETS WORKING GROUP

Goals and targets are the "carrot and stick" tools to motivate ones to achieve desirable performance. In light of the new HKEx guidelines which require mandatory disclosures of environmental targets, the Group shall take this opportunity to conduct a comprehensive review on its past environmental performance, and subsequently develop a set of targets in a scientific approach for FY 2021-22 onwards. In this connection, an Environmental Targets Working Group (ETW) comprising directors from Construction Division and Interior & Renovation Division, representatives from

Safety and Environmental Department and CSR team was formed last year.

The ETW shall set targets in accordance with S.M.A.R.T principles, i.e. Specific, Measurable and quantifiable, Achievable, Relevant, Time-bound as far as possible for comparison within the Group over time, and with applicable industry / international benchmarks with an ultimate aim to improve our environmental performance.

ENVIRONMENTAL TARGETS SETTING ROADMAP

 FY 2020-21	 FY 2021-22	 FY 2022-23 onwards
<ol style="list-style-type: none"> 1. Established ETW 2. Reviewed the Group's past environmental performance 	<ol style="list-style-type: none"> 1. Conduct research on industry benchmark, international and regional guidelines 2. Explore improvement methods and resources available 3. Develop measures and set targets 	<ol style="list-style-type: none"> 1. Communicate and implement measures along the value chain 2. Evaluate and monitor performance against baseline and targets regularly

STAKEHOLDER ENGAGEMENT

Building bridges to connect with our key stakeholders is one of our primary strategies to operate business in a way beneficial to all. We uphold a high standard of communication with our internal and external stakeholders comprising employees, subcontractors / suppliers, clients, professional bodies and industry associations, the authorities, shareholders and the neighbourhood surrounding our project sites.

STAKEHOLDERS AND ENGAGEMENT METHODS



Employees

Biennial employee experience surveys, meetings, workshops, new staff orientation, performance appraisal, biannual staff newsletter, intranet, employee recreation, sports, volunteering activities



Clients

Surveys, meetings, project reports, corporate events



Suppliers / Subcontractors

Surveys, workshops, biannual appraisal, assessments, inspections / visits, annual audits



Shareholders

Annual General Meetings, announcements, corporate publications, enquiry hotline and email



Industry Associations

Awards, seminars and activities, sponsorship



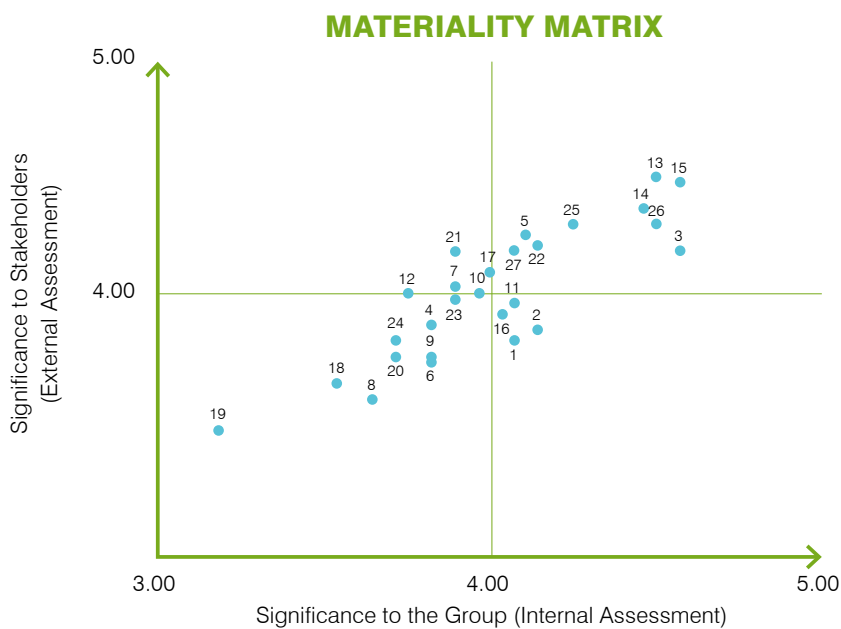
NGOs / Communities

Enquiry email, community relations officer, site relations activities, CSR events, corporate volunteer team, charters, donation and sponsorship

MATERIALITY

During the reporting year, an ESG materiality assessment was conducted with internal and external stakeholders in form of a questionnaire survey. The assessment was conducted in three steps, namely ESG issues identification, stakeholders identification, ESG issues prioritisation and validation. Based on the issues identification exercise last year, 27 ESG issues specific to our business were assessed without modification.

In the internal assessment, a group of 57 employees of and above managerial grade was invited to rank the selected ESG issues according to their importance to the Group. In the external assessment, a total of 286 representatives from various stakeholder categories comprising our general employees, business partners, authorities and non-governmental organisations (NGOs), were invited to reflect on which and how issues influence their decisions towards the Group. The overall response rate of the survey is 21.87%.



ESG ISSUES FOR ASSESSMENT

Governance and Economic

- 1 Governance and Management Approach on ESG-related Issues
- 2 Economic Performance
- 3 Anti-corruption
- 4 Anti-competitive Behaviour
- 5 Innovation

Environment

- 6 Materials Use
- 7 Energy Use and Efficiency
- 8 Water Resources Consumption
- 9 Emission of Greenhouse Gases and Other Significant Air Emissions
- 10 Effluents and Waste Management
- 11 Environmental and Socioeconomic Compliance
- 12 Green Buildings

People

- 13 Employer-Employee Relations (including remuneration and benefits, employee communications, training and development and employee wellbeing)
- 14 Talent Pipeline (staff attraction, retention, turnover and succession)
- 15 Occupational Health and Safety
- 16 Employee Diversity and Equal Opportunity
- 17 Labour Standards (child labour & forced labour)

Operating Practices

- 20 Supply Chain Management
- 21 Customer Health and Safety
- 22 Customer Privacy
- 23 Fair and Responsible Marketing and Labelling
- 24 Green Procurement
- 25 Client / Customer Satisfaction
- 26 Quality Management and Assurance
- 27 Protection of Intellectual Property Rights

Community

- 18 Impacts on Local Communities
- 19 Community Investment

MATERIAL ISSUES

A materiality matrix (page 14) was plotted based on the survey results. All issues have obtained an average score of above 3 on the importance / relevance scale (from 1 the least to 5 the most important). The six issues (listed below) with an average score of over 4.2 are considered as material issues for this Report. Among them, "Talent Pipeline" and "Client / Customer Satisfaction" are new this year, while the other four are the same as last year. The material issues have been presented to, reviewed and endorsed by the CSR Committee and the Board.

13 Employer-Employee Relations



14 Talent Pipeline



15 Occupational Health and Safety



Reference Section: People

3 Anti-corruption



25 Client / Customer Satisfaction



26 Quality Management and Assurance



Reference Section: Operating Practices



OPERATING PRACTICES

Being a reputable building contractor in the local industry for more than three decades, Hanison consistently stretches its boundaries to pursue a higher standard of quality and a greater degree of client satisfaction through robust management systems. With a sustainability mindset, we are stepping up efforts to mitigate potential social and environmental risks along the value chain through culture shaping and innovation.

QUALITY MANAGEMENT AND ASSURANCE

For the building industry, quality and client satisfaction are undoubtedly two sides of the same coin. To pursue business sustainability, we adopt a comprehensive quality management system to ensure our products and services fulfil, if not go beyond, contractual requirements concerning quality, safety and efficiency, and abide by statutory and governing obligations.

An Integrated Management System (IMS), which conforms to the following ISO standards, is applied to Construction Division and Interior & Renovation Division:

- **ISO 9001: 2015 Quality Management System Standard**
- **ISO 14001: 2015 Environmental Management System Standard**

COMPONENTS OF INTEGRATED MANAGEMENT SYSTEM



Establish Good Practices along the Value Chain through

- ▶ Training
- ▶ Manual & Operating Procedures
- ▶ Work Demonstration / Instruction



Conduct Rigorous Internal Audits

- ▶ Objectives and Targets Reviews
- ▶ Works / Factory Inspections
- ▶ Evaluation of Suppliers and Subcontractors
- ▶ Corrective and Preventive Actions against Non-conformity



Communications Platforms

- ▶ Customer Satisfaction Surveys
- ▶ Questionnaires for Subcontractors
- ▶ Complaints Handling Mechanism

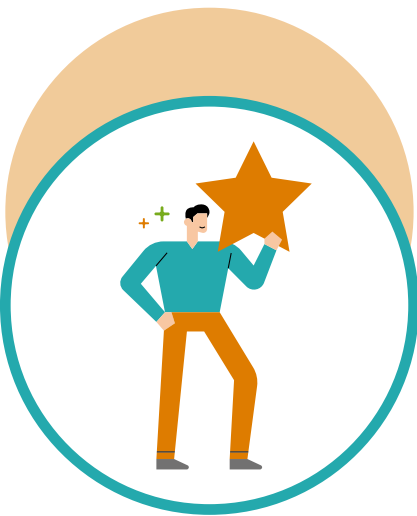
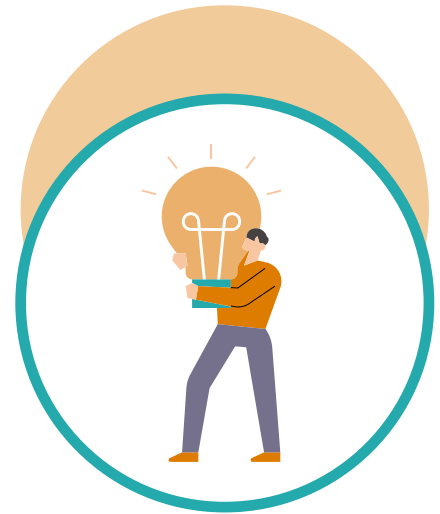


Quality Assurance and Maintenance

- ▶ Defects Fixing Period before Delivery
- ▶ Warranty Period upon Project Completion

EMPOWERED BY INNOVATION

To leap to a new height of efficiency and quality, the Group goes beyond conventional practices of quality management through active use of technology. For instance, not only do we excel our BIM capabilities (page 22-23), but we also train our contractors to apply new technology, e.g. automatic hook (page 35), during the construction process.



CUSTOMER SATISFACTION

We are keen on maintaining close communication with clients. As a long-standing contractor for public projects, we are more than delighted to have received the letter of appreciation from the then Director of Architectural Services Department commending our excellent services in the Cognitio College (Kowloon) Project which won the Grand Award in the Green Building Award 2019.

COMPLAINTS HANDLING

We offer open channels, including hotline and customer liaison officers, for site complaints. During the reporting period, no external complaint cases were received. All complaints and non-conformities are logged, reported to the site agents and if necessary, to project management, for immediate follow-up actions including rectification. Investigations and improvement measures will be conducted and proposed in due course to avoid reoccurrence.

During the reporting year, no projects were subject to recalls due to quality issues or safety and health reasons. Besides, there were no reported cases with respect to privacy matters relating to products and services provided. Labelling and advertising matters are not applicable to our construction business.



SUPPLY CHAIN MANAGEMENT

The Group understands that building activities inevitably entail a variety of social and environmental risks along the value chain, for our suppliers range from subcontractors of various work types, material suppliers, consultants and other service providers. Therefore we undertake the responsibility to establish a supply chain management system that covers ESG matters, and thereby influence our subcontractors to enhance their social and environmental performance.

Digitalisation is fully adopted in the supply chain management system within the Group. We have an Enterprise Resource Planning (ERP) digital system in place to track and monitor the effective use of

resources / materials, as well as the qualifications of suppliers / subcontractors.

On the Group level, we have a fair process to source, select and engage the suppliers based on the principles of cost-effectiveness, user requirements and environmental-friendliness. For our construction and renovation projects, we have standardised procedures to evaluate the performance of subcontractors and material suppliers. To further promote the concept of corporate social responsibility along the value chain, we also engage suppliers and subcontractors in our community investment programmes when opportunities arise.

MEASURES TO MANAGE ESG RISKS ALONG THE SUPPLY CHAIN



Registration Questionnaire / Pre-qualification Assessment



Supplier Code of Ethics / Guidance Note



Inspections / Factory Visits



Supplier / Subcontractor Performance Appraisal

ESG ASPECTS COVERED IN SUPPLY CHAIN MANAGEMENT



Legal Compliance



Human & Labour Rights



Environmental Performance



Safety & Health



Quality

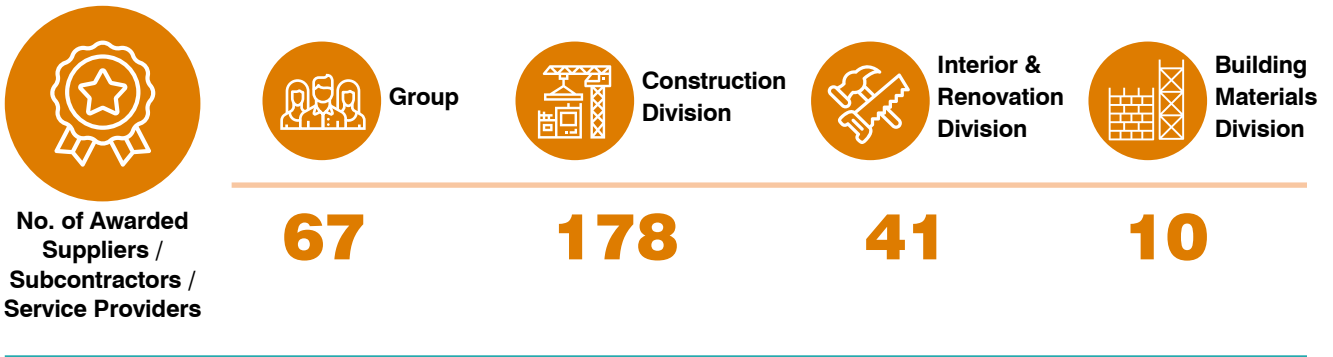


Community Contribution



Business Ethics

SUPPLIER FIGURES 2020/21



Registered Suppliers

2,569



Percentage of Local Suppliers

100%

During the reporting period, 67 performance appraisals were conducted for Construction Division. All subcontractors have obtained an average B grade in the appraisal.

GREEN PROCUREMENT POLICY

We encourage departments that deal with procurement to embed 4R principles (Reduce, Reuse, Recycle, and Recover) in the procurement process. To cultivate employees' knowledge of green products and services, latest information about green specifications of different categories ranging from office supplies to building materials is shared with teams concerned from

time to time. Moving forward, the Group shall focus on instilling a sustainable mindset among employees through education, promotion and facilitation. We are also planning to conduct a feasibility study on the development of a green procurement manual for the Group.

ANTI-CORRUPTION

Construction industry involves a complex supply chain as well as a huge amount of money, thereby has a higher risk level of corruption. Hanison insists on a zero-tolerance policy on any forms of corruption such as bribery, extorting, fraud, and money laundering. Under such policy, anti-corruption training sessions given by Independent Commission Against Corruption (ICAC) are compulsory for all new employees. Besides, sessions are arranged for our senior staff from time to time to strengthen and refresh their knowledge. All employees

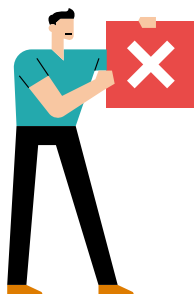
RESPONSIBLE BUSINESS PRACTICES

are provided with a clear guidance as stated in the Staff Handbook regarding how to avoid any misconduct and conflicts of interest when performing their roles or carrying out their duties.

We emphasise a high degree of integrity and transparency in our operations. We require all of our suppliers to conduct business ethically and responsibly on aspects including environment, labour rights and legal compliance, and such requirements are stated in the Supplier Code of Ethics. Our whistle-blowing policy provides channels for all of our stakeholders to report any violations against the Prevention of Bribery Ordinance (Cap. 201), our Company Code of Conduct and Supplier Code of Ethics. There was no single reported case of corruption or concluded legal case regarding corruption in which our employees are involved or brought against the Group.



ICAC Officer gave “Prevention of Bribery” online training in the New Staff Orientation



ANTI-COMPETITIVE BEHAVIOUR

As a business entity in a free market economy, we share the value of fair competition. We understand the commercial obligations and strictly comply with the Competition Ordinance (Cap. 619) by providing the right products at the right price and quality, in the right way. There were no suspected and reported cases pertaining to misuse of market power during the reporting period.

INTELLECTUAL PROPERTY RIGHTS / DATA PRIVACY

Understand the importance of intellectual property (IP) rights, we implement IP protection policy stipulated in our Staff Handbook and Supplier Code of Ethics. Our Information Technology (IT) Department executes measures to ensure compliance with the legal regime of the Copyright Ordinance (Cap. 528) concerning software and hardware licenses.



In the meantime, in compliance with the Personal Data (Privacy) Ordinance (Cap. 486), all Hanison employees have to rigorously safeguard the sensitive and personal data from our clients and business partners. If any confidential information is disclosed and replicated on purpose, employees concerned will face disciplinary, and possibly, legal action.

CHILD AND FORCED LABOUR

The Group is committed to protecting fundamental human rights. In particular, child and forced labour are abandoned in our operations and value chain. In order to prohibit illegal workers on sites, our HR team verifies the identity, age and qualifications of all candidates at the point of interview and employment, while access to

sites and offices is only granted to authorised employees or persons. Furthermore, the employment contracts state clearly the employment terms and conditions in accordance with essential legal requirements. There were no suspected and reported cases relating to illegal labour during the reporting period.

CASE STUDY

HANISON BAGS HKIBIM BRONZE AWARD



Envisioning innovation to steer the development of the construction industry in the next decade, the Group has geared up itself for the paradigm shift with the setup of the Innovation and Development Committee since 2017. In particular, building BIM capabilities is one of our innovation focuses. This year, we are excited to come to reaping the harvest with the winning of the Bronze Award (BIM Department / Units / Teams Category) in the HKIBIM Awards 2020.

HKIBIM Awards is an annual event organised by The Hong Kong Institute of Building Information Modelling to recognise the outstanding applications of BIM technology in the industry, as well as to commend industry players which actively use BIM technology in the project lifecycle. At Hanison, our exceptional BIM performance in many dimensions such as the scale and diversity of our BIM project portfolio, the degree of BIM applications, and BIM standards achieved, have won us the award.

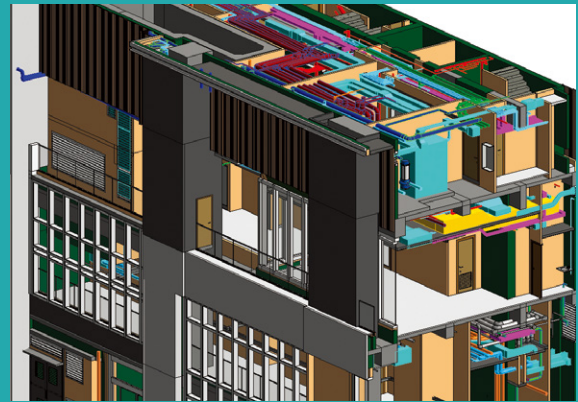
Growing from a small team, our BIM Department consists of around 10 BIM professionals, including a CIC-Certified BIM Manager, a CIC-Certified BIM Coordinator and HKIBIM-Certified Members. Today, our BIM portfolio contains projects of a wide range of scales and types, ranging from public and private housing projects, to community facilities and works at Hong Kong International Airport.

As the local industry accelerates at full speed in BIM development with policy and financial support by the HKSAR Government, both opportunities abound and competition increase simultaneously. While retention of talents remains a great challenge to us, the Group shall also focus on enhancing inter-departmental collaboration regarding BIM applications. Despite all the challenges, the Group pledges to extend our boundaries to stand out in the industry in BIM applications.



The winning of HKIBIM award is largely attributed to the competence and concerted efforts of our BIM team.

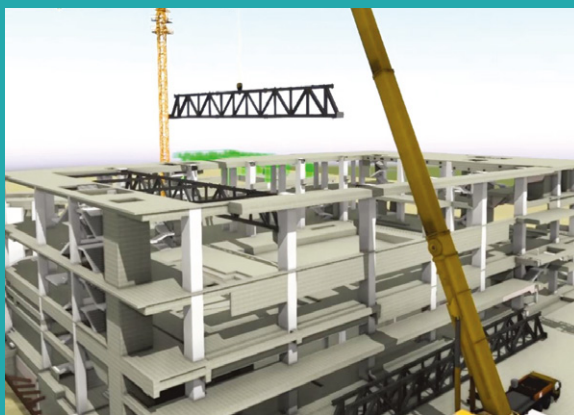
EXAMPLES OF OUR BIM APPLICATIONS THROUGHOUT PROJECT LIFECYCLE



Design and Planning Stage - Design Review

Developed an animated flythrough of BIM model to produce visual presentation for design review and a Combined Services Drawing (CSD) to ensure well coordination between the design and E&M before actual works commence.

Project: Swire Properties Residential Redevelopment, Star Street, Wanchai



Construction Stage - Phase Planning

Developed a 4D simulation of construction sequence to report / forecast site progress

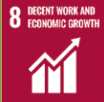
Project: Sports Centre, Community Hall and Football Pitches, Tai Po



Operation & Maintenance Stage - AS-Built Modelling

Developed an AS-Built model to enable level of information need (LOIN), including graphic (LOD-G), information (LOD-I) and documentation (DOC) to facilitate automated operation and maintenance in future.

Project: Po Shek Wo Estate Ancillary Facilities, Sheung Shui



PEOPLE

Within the Hanison's family, all employees are prominently and undoubtedly considered as significant human assets of the Group contributing to its prosperous growth. In times of pandemic, we stick firmly to our people-oriented human resources management philosophy with care to safeguard the health and safety of our employees while simultaneously, continue our endeavors to pass the legacy on our younger workforce.

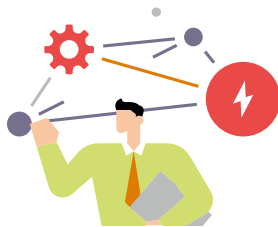
RETHINK HR MANAGEMENT UNDER PANDEMIC

The pandemic, followed by hasty changes to local health and labour policies and regulations as well as the economic downturn, has imposed unprecedented challenges to human capital management. At Hanison, our Human Resources team strives to react swiftly and flexibly in response to the latest development in order to protect our workforce’s safety and health and sustain business vitality.

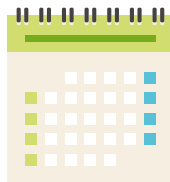
A four-pronged approach to anti-pandemic initiatives has been developed. Firstly, an anti-pandemic taskforce led by the top management including the Managing Director and General Manager, directors of different business divisions, and the Human Resources Director has been

formed at an early stage of the pandemic. The taskforce is responsible for direct communication, instant policies formulation, case reporting, prompt decisions and subsequent actions. Secondly, an emergency handling workflow concerning confirmed / suspected cases reported has been developed and disseminated within the Group. During the critical period of disease spread, the number of workdays were reduced to minimise the opportunities of possible infection among employees in the workplace. In addition, we offer paid leave to employees who are required to be quarantined. Lastly, stringent hygiene and social distancing measures on all construction sites and offices have been adopted.

FOUR-PRONGED APPROACH TO ANTI-PANDEMIC INITIATIVES



Form anti-pandemic taskforce led by top management



Adjust HR policies allowing flexible workdays and leave arrangement



Develop emergency handling workflow in the event of confirmed / suspected cases



Implement stringent hygiene and social distancing measures on construction sites and offices

As for the business environment, both the local and global economic outlooks remain highly unclear. Despite the construction industry is less severely damaged, competition on cost and talents is still very fierce. Thereby, the top management and Human Resources team keep reviewing vigorously both our talent pipeline and employee remuneration from time to time. Our Staff Handbook, consisting of human resources policies governing employment, compensation and benefits, performance management, training and development, employee relations and communications, recognitions, well-being and code of

conduct, is revisited annually to align with the changing legal requirements and market practices.

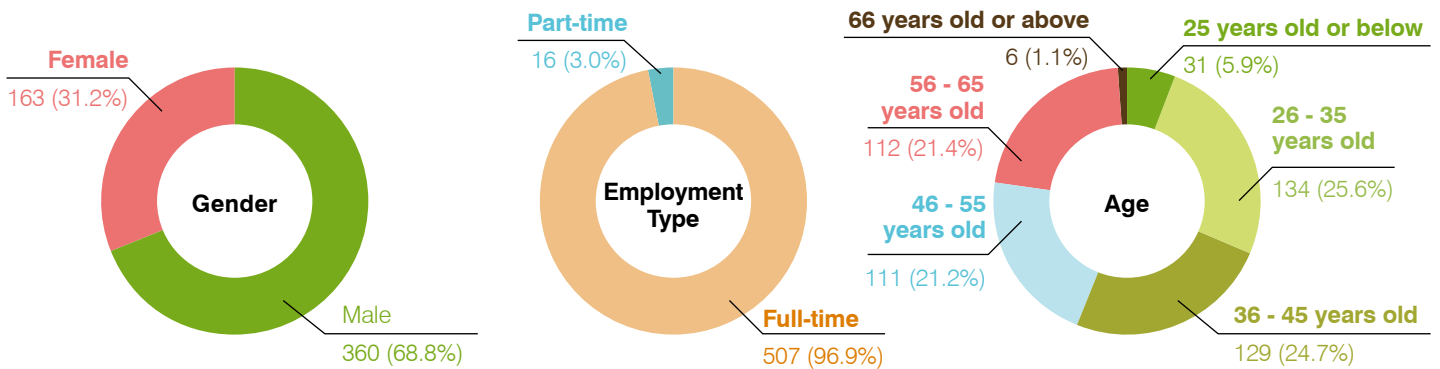
During the reporting year, most of the scheduled training and employee wellbeing activities were conducted in a virtual format or scaled down in order to adapt to social distancing measures. Moving forward, we target to make an effort into employee engagement and talents retention by boosting up team spirit and overall morale, employees’ mental and physical wellbeing and their sense of belongings.

EMPLOYMENT

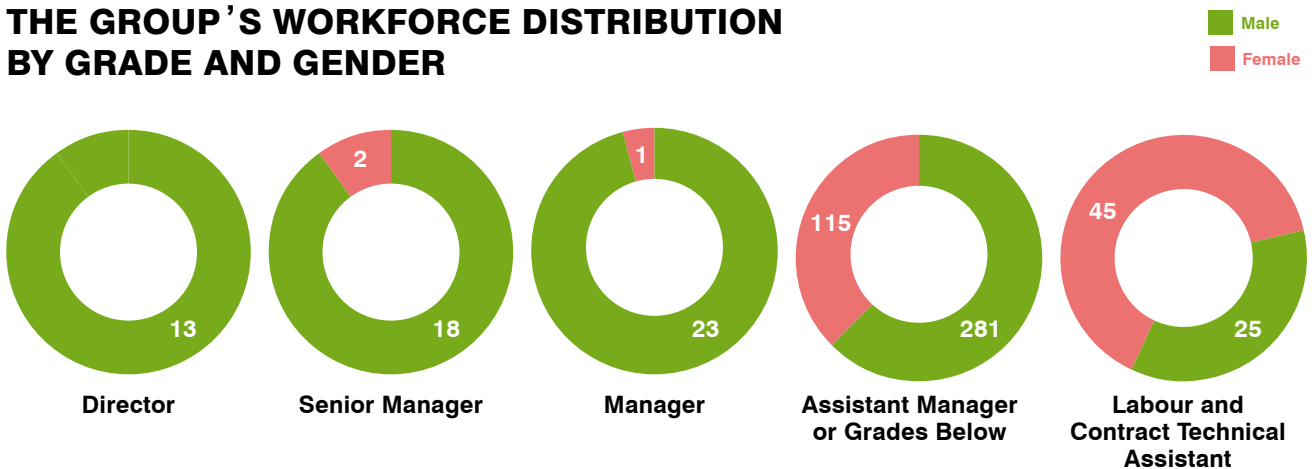
2020/21 EMPLOYEE FIGURES AT A GLANCE

As of 31 March 2021, our workforce (all Hong Kong-based) in the Group was recorded at 523, relatively stable compared to last year. Among them, there were 349 employed by Construction Division (HCCL, HCL), 48 by Interior & Renovation Division (HIRL) and 25 by Building Materials Division (TBML) respectively.

TOTAL WORKFORCE¹

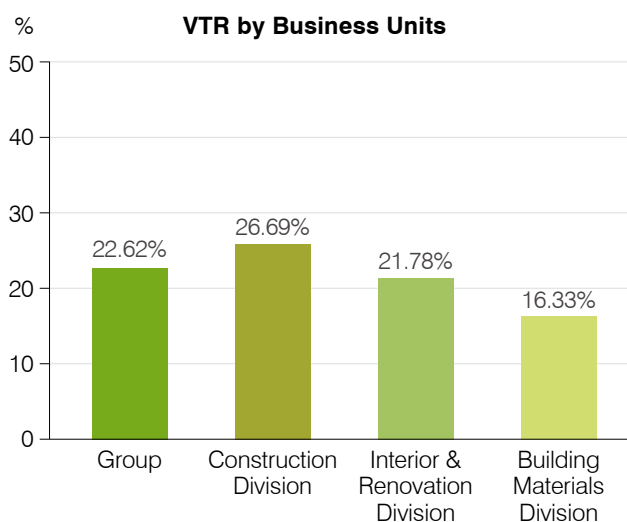


THE GROUP'S WORKFORCE DISTRIBUTION BY GRADE AND GENDER



¹ The percentage figures are rounded up to one decimal place.

DISTRIBUTION OF VOLUNTARY TURNOVER RATE (VTR)²



The Group's VTR By Age and Gender

	Male	Female
25 years old or below	44.40%	28.57%
26 - 35 years old	38.64%	41.86%
36 - 45 years old	22.22%	10.87%
46 - 55 years old	8.33%	14.29%
56 - 65 years old	16.76%	12.31%
66 years old or above	44.44%	40.00%

PARENTAL LEAVE



6 out of 360 entitled male employees took parental leave

Return to Work Rate
100%



4 out of 163 entitled female employees took parental leave

Return to Work Rate
100%

BENEFITS

The Group endeavours to offer competitive remuneration packages and benefits to attract, reward and retain talents. For instance, the Group has been offering retirement protection beyond the statutory requirements to eligible employees under the Mandatory Provident Fund scheme (MPF).

The Group also provides free medical schemes to all qualified full-time employees and free medical check-ups for senior management. Moreover, an optional dental scheme is available for full-time employees and their direct dependents with the Group's financial assistance. Directors and senior managers are under the protection of work-related personal accident insurance. Full-paid sick leave, marriage leave, compassionate leave and special leave due to quarantine are offered to entitled employees.

Eligible female employees can take statutory maternity leave with pay and eligible male employees can have five days' full-paid paternity leave. During the reporting year, a total of ten employees took parental leave and the retention to work rate³ for male employees was 84.62%; while three female employees who took parental leave in 2019/20 year left the company in 2020/21.

Moreover, as recognition and reward to loyal employees and identified key persons, a Share Option Scheme has been offered to designated colleagues. During the reporting year, there were respectively three and one cases of non-compliance with employment regulations due to wage of arrears for HCCL and HIRL, whereas no fines or penalties were involved. Three out of the four cases were settled, and one is under negotiation.

² The voluntary turnover rate reflects the number of employees who leaves employment voluntarily, including normal retirement and contract end during the reporting year.

³ Retention is defined as the employees who were still employed 12 months after returning to work from parental leave.

DIVERSITY AND EQUAL OPPORTUNITY

The Group embeds diversity and equal opportunities principles in employment-related policies for both the governing body and general workforce. In 2020/21, there was zero reported case relating to the four local ordinances governing various forms of discrimination, namely the Sex Discrimination Ordinance (Cap. 480), the Disability Discrimination Ordinance (Cap. 487), the Family Status Discrimination Ordinance (Cap. 527) and Race Discrimination Ordinance (Cap. 602).

While we have been complying with local legislation regarding anti-discrimination in the workplace, we are aware that there is room for improvement in the area of gender diversity as construction is basically a male-dominant industry. For instance, the HKEx is advocating

for a mixed-gender and more diverse board composition. The Group shall make necessary policy shift when related legislations are enacted. As a good start, there has been the first female Company Secretary in the Board since August 2020. On the other hand, we are planning to conduct a gender-specific survey to understand how our female employees perceive their work environment, treatment and development opportunities in the company.

Workplace harassment is non-tolerable. We have had a complaint mechanism in place for long and incorporated a session titled “Preventing and Managing Sexual Harassment at Workplace” in our New Staff Orientation (NSO) since 2019 in order to enhance staff’s awareness in this regard.

TRAINING AND DEVELOPMENT



Nourishing our employees to build a team representing professionalism, integrity, excellence is the central objective of the Group’s training and development policies. In every calendar year, the HR Team develops an Annual Training Plan (ATP) for the year ahead based on the outcome of training needs analysis and resources available. The plan is discussed and endorsed by the Training Committee.

Based on identified training needs summarised in the ATP, HR Team partners with various business units and departments to arrange in-house and external training courses or workshops for the nominated groups of employees. In 2020/21, many of the training

activities were conducted online or downsized to fulfil social distancing requirements. Transition assistance programs were provided to upgrade employee skills, e.g. BIM training.

We understand that a career development ladder is important to motivate performance and retain talents. As our standard Human Resources policy, the Group has been conducting necessary and regular appraisals to assess the performance of all of our employees, to provide grounds for probation evaluation of new hires, annual salary review, promotion nomination, training needs identification, and employee development.

EMPLOYEES TRAINED AND TRAINING HOURS⁴

PERCENTAGE OF EMPLOYEES TRAINED⁵ :

20.61%

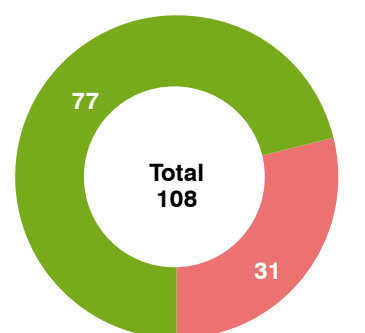
TOTAL NUMBER OF TRAINING HOURS:

785.5 hours

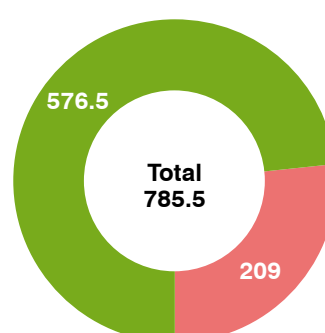
AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE⁶:

1.50 hours

BY GENDER



Number of Employees Trained⁷



Number of Training Hours

Male
Female

PERCENTAGE OF EMPLOYEES TRAINED BY GRADE AND GENDER⁸

Grades	No. of Attendance (Percentage)	
	Male	Female
Director	19 (17.6%)	0 (0%)
Senior Manager	3 (2.8%)	0 (0%)
Manager	7 (6.5%)	2 (1.9%)
Assistant Manager or Grades Below	48 (44.4%)	29 (26.9%)
Labour and Contract Technical Assistant	0 (0%)	0 (0%)

AVERAGE TRAINING HOURS PER EMPLOYEE BY GRADE AND GENDER⁹

Grades	Average Training Hours	
	Male	Female
Director	4.2	0
Senior Manager	0.2	0
Manager	0.7	24.5
Assistant Manager or Grades Below	1.8	1.6
Labour and Contract Technical Assistant	0	0

⁴ The training-related figures and all related calculations used were based on the records in the calendar year ended on 31 December 2020, which is in line with the company's data record system.

⁵ The percentage of employees trained in the Group: number of employees who took part in training / total number of employees at the end of 2020.

⁶ The average number of training hours per employee in the Group: total number of training hours / total number of employees at the end of 2020.

⁷ The number of employees trained is represented in terms of the number of attendance.

⁸ The percentage of employees trained in relevant categories: number of employees trained in the specified category / total workforce who took part in training x 100%.

⁹ Average training hours for employees in relevant categories: total number of training hours for employees in the specified category / number of employees in the specified category.

EMPLOYEE ENGAGEMENT

TRAINING



BEC EnviroSeries Conference on Sustainability

(Photo credit: Business Environment Council)



HR Communication Skills Training

RECOGNITIONS



Our Managing Director presented long service award to an employee of 25 years of service

COMMUNICATIONS



New Staff Orientation was conducted in online mode by HR Team in the head office



Hanison's Young Professional Committee organised orientation and executive committee election

WELL-BEING



Colleagues were sponsored to participate in virtual run activity held by the Ocean Park Conservation Foundation

OCCUPATIONAL HEALTH AND SAFETY

BUILD SAFE, LIVE WELL

Safety, of our employees, contractors, and community, is the paramount principle when we run building projects. Hanison has maintained a zero fatality record for two consecutive years, and our accident rates per thousand workers across different divisions stood at single digit in these two years, far below the industry rate of 29.0 in 2019¹⁰. Our Construction Division, Interior & Renovation Division have been implementing a comprehensive occupational health and safety management system¹¹ certified against OHSAS 18001:2007 since 2007 which covers all types of works and activities within the site area.

We have established policy for long and have been implementing effective measures to minimise, control and prevent the possible safety and health hazards in the production cycle. As a result of our lasting efforts to maintain a healthy and safe work environment, this year we have again received industry recognition in many significant occupational safety and health (OSH) awards. To raise the bar of our safety performance, in the coming year, we will uplift the safety score threshold that our project sites have to achieve in the independent safety audits.

In addition to the standard OSH measures, we are also passionate to deploy new technology and introduce novel practices to reduce potential hazards and promote the right safety mindset and norms on construction sites. For instance, we have introduced automatic hooks to reduce falls due to working at height (page 35). Another example is a pilot project in which we have created a home-like work environment in one of our sites to engage



workers, so that they would care for each other as family members and set up safety rules for their “home” on top of the existing good practices. This project has won us two awards in the Innovative Safety Initiative Award 2020 (above photo).

During the reporting year, COVID remained a critical health issue of concern. In this regard, we implemented stringent and cautious measures on sites and offices, and allocated extra resources to adhere to the latest infection control requirements, e.g. regular testing for the construction workforce. During the reporting year, no cases of non-compliance with applicable local laws and regulations relating to occupational health and safety were recorded.

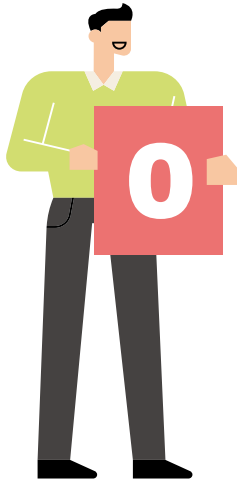


¹⁰ Source: Occupational Safety and Health Statistics Bulletin Issue No. 20 (August 2020)

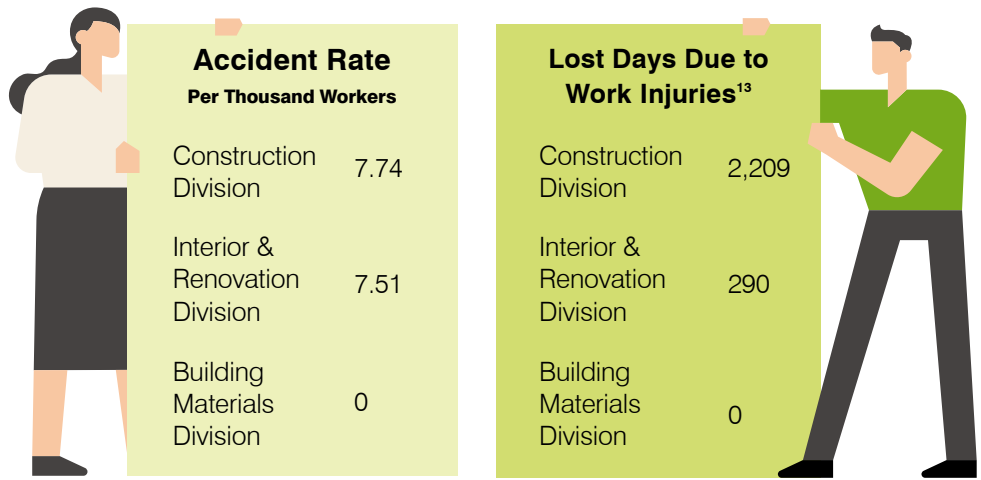
¹¹ The occupational health and safety management system is not a legal requirement.

SAFETY FIGURES AT A GLANCE

Work-related Fatalities in the Past 2 Years:



Work-related Injuries in 2020/21¹²

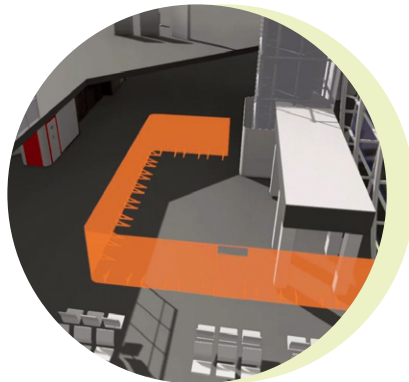


HEALTH & SAFETY MEASURES ON CONSTRUCTION SITES

Safety Training



A wide range of safety training is provided for both our employees and workers to enhance their health and safety knowledge and awareness.



VR tools and BIM models are used for safety training before actual work is commenced.



¹² We adopt the same definition of work-related injuries that are reportable under the Employees' Compensation Ordinance (Cap. 282) i.e. resulting in incapability for more than three days.

¹³ Some of the lost days are due to the work injuries that occurred in the financial year 2019/20.

Safety Audits and Inspections



Safety inspections and audits are conducted, by the internal team and external consultants, on a regular basis to assess the safety performance and conditions of our sites.



Health and Safety Promotion



Health promotional initiatives of varied topics, ranging from COVID prevention to work under hot weather are organised, to foster a safety and health culture.

COVID Measures



Deploy manpower to check the negative results of COVID test at site entrance

Safety Equipment



A storm detecting system is installed to facilitate task allocation on sites according to weather conditions

A self-designed rack for moving objects on construction sites



Monitoring blood pressure for new workers



PROMOTION ON EMPLOYEES' HEALTH

We care about our employees' health and well-being. Our HR Team regularly and on a need basis disseminates health and infection prevention information to all employees during cyclical or severe outbreak of contagious diseases, like COVID-19. For the head office, we have continued to attain the **Excellent Class of Indoor Air Quality Certificate** issued by the Environmental Protection Department. We encourage our employees to establish a healthy lifestyle like doing exercises regularly. During the reporting year, we sponsored employees to participate in several sports activities organised by external parties (page 30 and 48).



Morning exercise on sites

NON-SMOKING CULTURE

Construction industry has a higher ratio of smoking population in general. Hanison has been promoting persistently a non-smoking culture within the Group and along our value chain on construction sites, and we are a long-term supporter of the "Smoking Cessation Program in Workplace" organised by the Lok Sin Tong Benevolent Society Kowloon since 2013. Since 2019 we have organised four health talks and check-ups on our project sites, attracting an accumulative participation of 56 workers until April 2021.

We are very glad to learn that 16 of our employees have joined the smoking cessation services during the period. Among them, three have successfully quit smoking, and four have reduced their smoking cigarettes to half. This encouraging result has proven that our persistence paid off.



Non-smoking promotion activity on construction sites

CASE STUDY

GREATER SAFETY WITH INNOVATIVE TECHNOLOGIES



On safety, we challenge ourselves to do the best with an incisive mind. In addition to adopting existing safety practices and equipment on construction sites, we strongly believe that advanced technology plays a significant role in taking safety performance to a higher level. With this faith, our Innovation & Development team, and Safety & Environmental team work collaboratively and relentlessly to introduce and materialise innovation in our daily operations, targeted at works with safety hazards, e.g. work at height, with an aim to reduce workers' exposure to risks.

AUTOMATIC CRANE HOOK TO REDUCE WORK AT HEIGHT

This year, we imported two elebia® automatic crane hooks from Spain to handle loads lifting work. Being the pioneer local contractor bringing in the automatic hook under the subsidy of the Construction Innovation and Technology Fund (CITF), Hanison Construction Company Limited was awarded "Innovative Enhancement for Lifting Safety – Silver Prize" by the Construction Industry Council and Development Bureau. Subsequent to our successful application, the hook has been enlisted as a pre-approved subsidised item under CITF.

The elebia® automatic hook is equipped with a unique and precise magnetic system that generates a magnetic field to attract and position the sling automatically. Hook stability and load weight will be displayed on the remote control. In case of overweight, the latch will keep open and an alert signal will be sent to the operator promptly. Once the ring is properly hooked on, operators can lift and release the load easily, all done with a remote control. This application avoids manual operation of hook pickup and release, which is often conducted at height, as a result enhances efficiency and safety. After successful trials by various project teams, we have started giving training to our subcontractors.

driving the hoists. Yet, onsite tracking and management of physical hoist keys can be exhausting. To avoid unauthorised access to the hoists by someone who has got the keys unknowingly, a facial recognition system is installed in the hoist so that only registered operators are allowed for hoist driving.

The above examples have illustrated our wise use of some readily available technologies, which in return reduce safety hazards on sites and facilitate efficiency. Moving forward, we shall continue to look for innovative safety measures and approaches, cultivate a safety culture, and share experience with our subcontractors and industry peers. Hopefully, by adding up all these small steps together, it can lead to a big leap in safety performance for the industry at large.

FACIAL RECOGNITION TO LIMIT ACCESS TO MATERIAL HOISTS

Material hoist is another spot which poses potential safety risks on construction sites. Pursuant to legal requirements, operators and signalers must be trained and qualified for



- 1 Only qualified persons are allowed to log into the facial recognition system for hoist operation.
- 2 Operating the automatic crane hook on our project site.



ENVIRONMENT

Hanison shares the vision to build Hong Kong a green, sustainable and resilient city. As buildings account for a significant portion of the city's energy consumption and carbon emissions, the local industry is witnessing and acting on the revolution in many aspects of the building life cycle to create a built environment for tomorrow. At Hanison, we are devoted to join this transformative change by making continuous improvements in our environmental footprints.

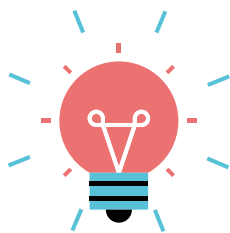
ENVIRONMENTAL STEWARDSHIP

The environmental impacts of our businesses, which entails energy consumption, emissions, resources consumption and waste disposal, are largely attributed to the construction activities on sites. Besides, environmental disturbances may be brought to our neighborhood during construction.

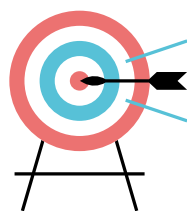
In view of this, we have the Environmental Management System (EMS) and Energy Management System (EnMS) and respective policies in place to control and mitigate the environmental impacts. We conduct rigorous exercises to review and monitor our environmental measures and performance according to ISO 14001:2015 and ISO 50001:2018 standards and industry benchmarks. We require our business partners along the supply chain to conform to environmental standards and regulatory requirements stated in our Supplier Code of Ethics and contracts.

ENVIRONMENTAL INITIATIVES

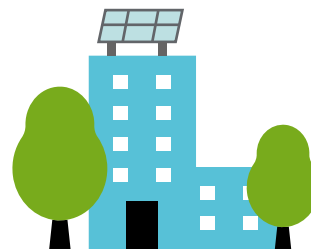
Innovation, environmental targets and green buildings will be the three strategic directions of the Group's environmental stewardship.



Innovation



Environmental Targets



Green Buildings

Innovation ranging from the introduction of clean energy solution - Enertainer (page 44) and electric vehicles, to the advanced application of BIM (page 22-23), is a key factor to propel our environmental performance. Our Group will continue to explore innovative methods so as to enhance our environmental control.

With the formation of the Environmental Targets Working Group during the reporting year, the Group is conducting a thorough evaluation of its environmental performance over the years. A comprehensive set of environmental targets accompanied by progressive measures will be proposed with reference to international and industry standards.

Compared with conventional buildings, green buildings provide a low-carbon solution as they are more energy-

efficient, and use less water and materials. We are ambitious to be a green contractor to construct green buildings that satisfy either local or international standards of clients' choice. Over the years, we have accumulated extensive experience in green buildings. During 2020/21, 5 of our construction projects within the reporting scope are built in accordance with the requirements for BEAM Plus assessment.

Along with the key directions, the Group will continue to empower our employees by cultivating an environmentally conscious culture and enhancing their environmental knowledge through different kinds of promotion and activities.

SOME CONSTRUCTION PROJECTS SUBJECT TO BEAM PLUS ASSESSMENT



The ancillary facilities in Sheung Shui feature a green rooftop



Proposed residential re-development in Wanchai



Proposed residential re-development in Tuen Mun



ENVIRONMENTAL COMPLIANCE

In 2020/21, the Group complied with applicable environmental regulations relating to air pollution, water pollution, waste and chemical waste. Otherwise, it would affect future business opportunities and bring negative impacts to the neighborhood and the society at large. There was one non-compliance case relating to mosquito larvae and pupae found on site with a fine of HK\$6,000 imposed. Each non-compliance case is evaluated to avoid future incidents.

ENVIRONMENTAL PERFORMANCE AND DISCLOSURE

During the reporting year, disclosure of environmental aspects has been expanded to air emissions of the company’s vehicles, office waste disposal, as well as emissions from our warehouse, in order to present a complete and transparent picture of our performance. While the Group’s activities do not inflict significant impacts on the environment and natural resources, we are aware of the fluctuating performance in energy consumption and emissions, mainly due to different construction phases between reporting years. However, our GHG emissions have shown a downward trend compared to the peak since 2016/17, attributed to our energy-cautious measures, reflecting that we are moving towards a greener path (page 39).



EMISSIONS

We continue to appoint an independent certification body to verify the GHG emissions generated by our head office, site offices, warehouse and construction sites operated under Construction Division, Interior & Renovation Division, and Building Materials Division during the reporting period.

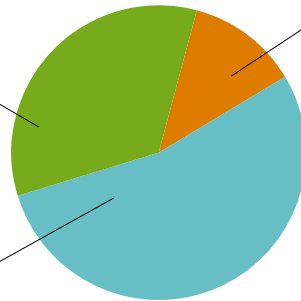
GREENHOUSE GAS (GHG) EMISSIONS IN 2020/21

Scope 1: Direct Emissions

896.70
tonnes CO₂e

Scope 2: Energy Indirect Emissions

1,424.88
tonnes CO₂e



Scope 3: Other Indirect Emissions

315.35
tonnes CO₂e

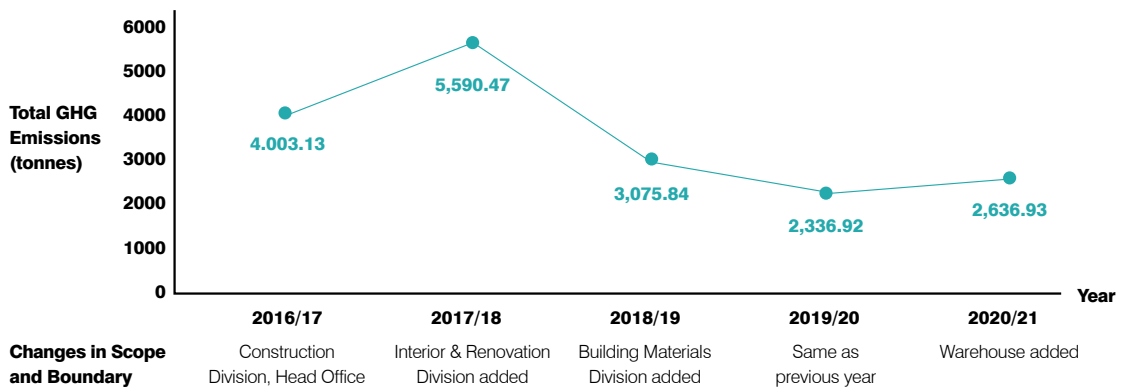
Total Emissions (Scope 1, 2, 3)

2,636.93
tonnes CO₂e

GHG Emissions Intensity

1.89
tonnes CO₂e / revenue in HK\$ million

TOTAL GHG EMISSIONS SINCE 2016/17



AIR EMISSIONS

The Group and its subsidiaries own and control a fleet of mobile vehicles for road transport. This year, we have collected the mileage and fuel consumption data for disclosure of air emissions due to mobile sources. The results have revealed our insignificant air emissions. Whenever possible, electric vehicles would be our first priority for any new purchases to reduce both carbon and air emissions.

AIR EMISSIONS IN 2020/21

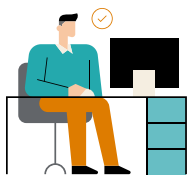
Air Pollutants	Emissions (tonnes)
NOx	0.26
SOx	0.0009
Particulate Matters	0.02

USE OF RESOURCES

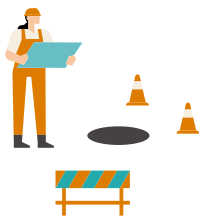
ENERGY

The transition from fuel on sites to cleaner energy, be it electricity to biodiesel, will be our key direction to pursue in the sustainability journey. We have systems and policies in place to closely monitor the electricity and fuel consumption for office operations and construction activities. Every year, we appoint a third party to conduct an energy audit for our Construction Division, particularly for energy-intensive machines and appliances, e.g. air conditioners, tower cranes, etc.

Head Office



Construction Division (Sites)



Interior & Renovation Division (Sites)



Total Consumption



ELECTRICITY CONSUMPTION IN 2020/21

419,646.59
kWh

1,482,015.00
kWh

892,290.00
kWh

2,793,951.59
kWh

FUEL CONSUMPTION WITHIN THE ORGANISATION IN 2020/21

38,893.92
litre

299,972.52
litre

0
litre

338,866.44
litre

ENERGY CONSUMPTION IN 2020/21

TOTAL ENERGY CONSUMPTION

6,352.35

Mwh

ENERGY CONSUMPTION INTENSITY

4,560.85

kwh / revenue in HK\$ million

B5 BIODIESEL

69.22%

of total fuel consumption



iSite system is installed on sites to allow remote electricity control using smartphones in view to save unnecessary energy consumption



Solar lamps with motion sensors are used on sites for energy saving

WATER

Although water is readily available in our city, we strive to use water efficiently. On sites, we have wastewater reuse systems which collect surface runoff and greywater for washing and dust suppression. Our cooling system and toilet flushing are partially supported by rainwater. However, due to the emergence of the pandemic, personal hygiene is placed on higher priority and employees are encouraged to wash their hands frequently to reduce the risk of infection. This habitual change accounts for the increase in water consumption in both offices and sites during the reporting year.



A wastewater reuse system on site

WATER CONSUMPTION SINCE 2018/19

Locations of Operations	Water Consumption (m ³) / Year		
	2018/19	2019/20	2020/21
Head Office	198.26	146.27	539.72
Construction Division (Sites)	116,945.00	24,997.00	31,396.68
Interior & Renovation Division (Sites)	6,654.79	2,757.00	2,669.45
Total Water Consumption (m³)	123,798.05	27,900.27	34,605.85
Total Water Consumption Intensity (m³ / revenue in HK\$ million)	68.38	33.24	24.85



Water taps with motion sensors are installed on sites

WASTE AND RESOURCES MANAGEMENT

We consider circular economy the essence of sustainable development, therefore we see resources and waste management as an integrated system.

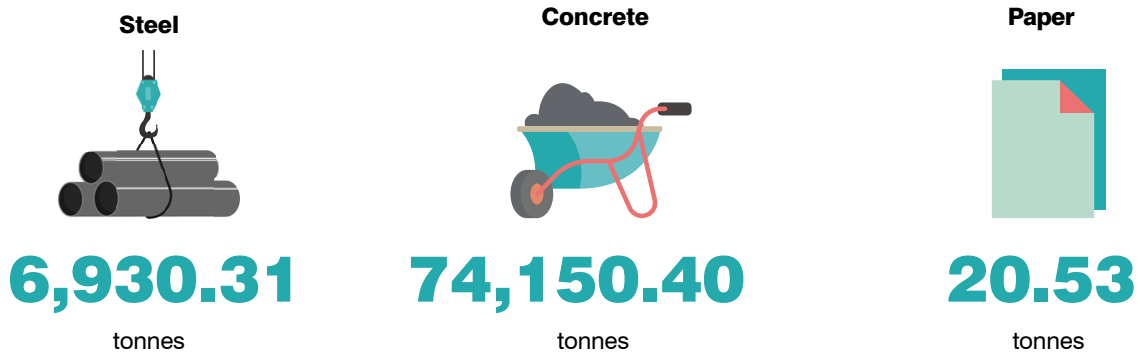
We have fully implemented digitalisation for resources management. The system “Enterprise Resource Planning” (ERP) is being used to collect, record, manage, and interpret data regarding material uses and purchases. Coupled with the application of BIM, material use is more effective as many of the clashes are detected and resolved before actual site works get started.

We acknowledge that sorting and segregation of used materials on sites is a key leading to a better recycling rate. Therefore, we spare designated locations on sites to handle, collect, store, transfer and dispose of construction

wastes in compliance with the statutory and contractual requirements. For offices, this year is the first time we have collected general waste disposal data as a start to assess the waste volume generated by our employees, thereby devising measures to reduce waste in future.

Hazardous waste can be lethal to the living habitat. On sites, we handle and dispose of chemical waste in adherence to safety measures, and arrange collection by specialised persons / contractors as soon as practicable to avoid any potential hazards to site workers and the neighborhood. In offices, we collect and send hazardous waste, including fluorescent lamps and electrical and electronic equipment to licensees or qualified collectors to handle the waste properly.

MATERIALS USED IN 2020/21

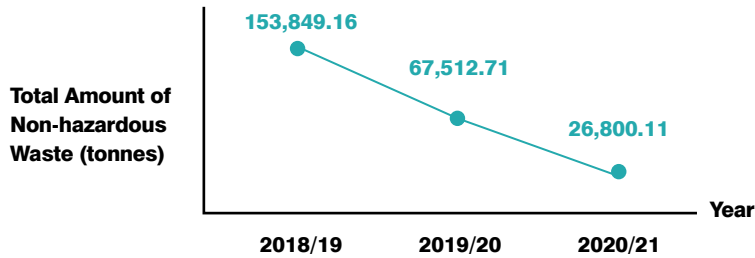


NON-HAZARDOUS WASTE PRODUCED IN 2020/21

Non-hazardous Waste Produced	Amount Produced (tonnes)
Construction Division (sites)	26,167.91
Interior & Renovation Division (sites)	626.11
General Waste in Head Office	6.09
Total Amount of Non-hazardous Waste Produced	26,800.11

Percentage of Site Waste Sent to Fill Banks and Sorting Facilities **75.04%**

NON-HAZARDOUS WASTE PRODUCED SINCE 2018/19



HAZARDOUS WASTE PRODUCED IN 2020/21

Hazardous Waste	Amount
Chemical Waste	1,660 kg
Printer Cartridges and Toner Bottles	407 pieces

RECYCLABLES

We believe that behavioural change is the turning tide in waste management. Therefore, we have been actively promoting reduction and recycling behaviour by sharing green tips with employees through various means. Over the years, we have cultivated a paper recycling culture within the Group.

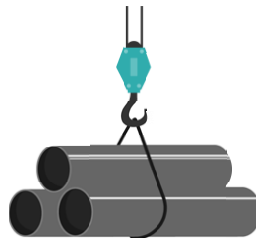
We have stepped up further to encourage employees to donate unused items to people in need through the collection boxes in office. During the reporting year, we collected used “lai see” packets from employees in office and donated them to a green NGO for reuse. As a standard practice, all the used printer cartridges and toner bottles are sent back to the manufacturers for recycling.

Recycled Waste Paper



10.71
tonnes

Recycled Metal



735.69
tonnes

Recycled Concrete



380.57
tonnes

RECYCLE INITIATIVES



Collecting concrete for recycling



Workers helping to sort waste on site



Collecting red packets in office for NGO to reuse

CASE STUDY

DECARBONISATION ON SITE



Decarbonisation is the one of the toughest environmental challenges for the local construction industry to tackle with. This year, Hanison is more than excited to have the “Enertainer”, a greener and cleaner alternative to diesel fuel generators for energy supply on one of our project sites.

For a prolonged period, diesel fuel generators are the major power source to support heavy-duty machinery and equipment on construction sites locally. The combustion of diesel is highly undesirable as it produces considerable amount of carbon emissions, air pollutants and particulates, and noise disturbances to the surrounding.

Invented by a local start-up company, the Enertainer is designed with a battery system aiming to reduce 85% of carbon footprint, equivalent to 246,100 kg/year. It can remove diesel fumes equivalent to emissions of 200 passenger vehicles and produce only 1/32 of the noise level of a typical diesel generator.

Partially subsidised by the Construction Innovation and Technology Fund (CITF), the Enertainer is used to power the tower crane on our private housing project in Tsing Ha Lane, Tuen Mun. Training sessions have been

arranged for project teams to familiarise themselves with the proper and efficient operation.

We have evaluated the environmental performance of Enertainer based on an approximately 80-day comparison of tower crane operation powered by Enertainer versus diesel fuel generator under actual site environment and operation. We can summarise that the Enertainer has contributed enormously in the following aspects:

- **Reduction of Diesel Fuel Consumption:**
100%
- **Reduction of Carbon Emissions per 1 kWh of electricity generated:**
92.6%
- **Energy Efficiency (energy reduction per 1 kWh of electricity generated):**
92.2%

Coming forward, Hanison will continue to join hand with the sector to contribute to Hong Kong’s commitment to be a carbon neutral city in 2050.



Enertainer is now being used in our project sites and training was given to the teams



COMMUNITY

As a devoted corporate citizen, Hanison, seeing itself as one of the community members, is committed to contributing to a healthy, vibrant and sustainable society. At critical times when the pandemic strikes every citizen in many devastating ways, the Group embraces community togetherness to care for and support the ones in need via new service modes.

NEW NORMAL IN 2020/21

At the close of the fiscal year, the world was still struggling with survival and recovery under the shadow of the pandemic. While hopefully, our daily routines will partially resume to normal in the post-pandemic era, our way of living is gradually transiting to a new normal. Although the territory has demonstrated extraordinary resilience, adaptation and endurance in times of challenges, the after-effects of the pandemic to the community will certainly linger.

During the reporting year, we adopted an agile approach for our community investment. We actively sought to engage different community partners to understand the urgent and emerging needs in the neighborhood as well as to explore new ways to deliver services under the constraints of social distancing and others. We delivered regular services in a virtual format which did help us reaching out to the community without time and location limitations. We are glad to have received positive feedback on our online engagement exercises.

Furthermore, we diversified resources to support the rising community needs in forms of both monetary







and in-kind donation or sponsorship, including but not limited to hot meals, necessities and computers to the elderly, students and the underprivileged in need.

We continued to attain the Caring Company Label for the Group (HCHL) and its subsidiaries (HCCL and HIRL). In particular, HCCL has been awarded the label for more than 10 years. At the heart of our philosophy, people and community well-being are always what we care about the most.

Since the pandemic outbreak, with blessings, there was no single confirmed COVID-19 case reported within the Group. As the health and safety of our employees and surrounding communities are always our first priority, we shall remain vigilant and share good practices along our supply chain. Together, we shall co-build a healthy and resilient community in 2021 and beyond.



CONTRIBUTION AT A GLANCE

FOCUS AREAS OF COMMUNITY INVESTMENT	CONTRIBUTION		
 <p>Elders Necessities and wellbeing</p>	 <p>Financial Sponsorship HK\$ 98,462.9</p>	 <p>In-kind Donation</p> <ul style="list-style-type: none"> 100 lucky bags to elders (include nutritious food, hygiene products and clothing) CNY flowers to elderly home 10 renewed computers to students 	 <p>Volunteering 59 attendance</p>  <p>Service Hours 173 hours</p>
 <p>Teenagers Educational needs</p>			

DONATION & SPONSORSHIP

DELIVERING “LUCKY BAGS” TO CELEBRATE THE YEAR OF OX WITH ELDERERS

Since the COVID-19 outbreak, elders reside in the elderly homes have been isolated from their families and the community for more than one year. In light of this, during the 2021 Chinese New Year (CNY), Hanison donated nearly 100 “lucky bags” to Caritas Fu Heng Home, an elderly home located in the vicinity of our project site in Tai Po. This initiative aimed at supporting the daily needs of the vulnerable and sending our care and love to the golden agers in our neighborhood.

Each “lucky bag” contained necessities like alcohol wipes, socks, instant oatmeal and high-calcium soy milk. In addition, we sent CNY flowers to the elderly home to create a festive ambience. We also engaged our employees including directors to give their warmest CNY blessings by handwriting “Fai Chun” to them.



Around 100 lucky bags and pots of CNY flowers were donated to Caritas Fu Heng Home in 2021 CNY.

Although the elderly home was not available for visit during the pandemic, we engaged colleagues to give their warmest CNY blessings through “Fai Chun” writing activity.

OVERCOMING DIFFICULTIES WITH THE UNDERPRIVILEGED

Amid the economic downturn caused by the pandemic, the underprivileged are those who have suffered the first and the most. The unemployment rate in the city has climbed up significantly. Hanison contributed a one-off donation to the Lok Sin Tong Benevolent Society Kowloon for their “We share! We can!” and “Meal Coupon Sharing with Love” campaigns. The former initiative provided monetary assistance to students from deprived families, while the latter offered nutritious hot meals for people living in poverty.



On the other hand, we made a donation to the Hong Kong Federation of Handicapped Youth to support their services to the handicapped.

RENEWING COMPUTERS FOR STUDENTS



Deprived families registered for the computers donation programme

Suspension of school happened on and off throughout the pandemic year. As most of the classes were conducted online instead, the availability of good internet connection and computers has become essential for students. Yet, some students from low-income families struggle with the lack of infrastructure at home. Therefore we collected and renewed 10 used desktop computers and monitors within the Group and donated them to the Scout Association of Hong Kong – The Friends of Scouting, which helped distribute to students in need.

CONSTRUCTION INDUSTRY COUNCIL (CIC) VIRTUAL HAPPY RUN 2021

Being an active member of the Construction Industry Sports & Volunteering Programme (CISVP) of CIC, Hanison is enthusiastic about supporting its charity events in order to build the bonding between the construction industry and the community. In CIC Virtual Happy Run 2021 held around CNY, not only did Hanison support it as the Gold Sponsor, but also we sponsored our employees and their family members to participate.



Our project site was one of the checkpoints in CIC Happy Virtual Run

VOLUNTEER SERVICES

SCHOOL-COMPANY-PARENT PROGRAM - JOCKEY CLUB INNOMIND® 2020-2021

Hanison has joined the YDC School-Company-Parent (SCP) Program - Jockey Club InnoMind® organised by Young Entrepreneurs Development Council for five consecutive years since 2016. This year was the most challenging because it was our first time to organise online workshops. Within the fiscal year, we underwent two rounds of the programme, engaging 13 company ambassadors and two guest speakers to give mentorship to 70 senior form students from two schools. In the workshops, we conducted a series of activities to help students explore their potentials, strengths and weaknesses and inspire them to envisage their life blueprint.



Face-to-face workshop for Lok Sin Tong Leung Chik Wai Memorial School in March 2021



Online workshop with students from St. Peter's Secondary School between May and July 2020

YOUTH ONLINE STEWARDS 30TH ANNIVERSARY CEREMONY

The Interior & Renovation Division volunteered at the Youth Online Stewards 30th Anniversary Ceremony cum Fun Fair held at Stewards Integrated Service Centre in Shatin in October 2020. Stewards provides a wide range of youth services in the Shatin community.



Hanison volunteered at the fun fair



DISTRIBUTING HYGIENE AND FOOD PACKS TO ELDERS LIVING ALONE

In May 2020, we joined a volunteer service to deliver survival packs to elders living alone in Shatin.

HANISON YOUNG PROFESSIONAL COMMITTEE

The second term of the executive committee (Ex-com) of the Hanison Young Professional Committee (YPC) was elected in October 2020. The YPC is a platform for joining forces of the young professionals in Hanison including graduate engineers, graduate trainees, assistant project coordinators / assistant building services engineers and foremen to contribute to the Group's community investment programmes. In addition to making contribution to the community, we aim to nurture our future leaders the spirit to serve with strengthened teamwork, problem-solving and communication skills. The new YPC Ex-com members are assigned a mission to initiate a community investment programme in partnership with a charitable organisation by the end of 2021.



New YPC Ex-com members

IMPACTS ON LOCAL COMMUNITIES

Construction works in Hong Kong are often located in close proximity to densely populated residential and commercial areas. Hanison is attentive to the possible negative impacts of works, both on social and environmental aspects, to the nearby neighbourhood. As a considerate contractor, we take preventive and mitigating measures to minimise the impacts as far as possible. We also undertake the responsibility to contribute to a sustainable community. Throughout the years, we continue to be a contractor of choice in public housing projects. During the reporting period, we built three community facilities in Shek Mun, Sheung Shui, and Tai Po respectively to create a better living place for local citizens.



Two of our projects won the Considerate Contractors Site Award (see more in Appendices Section)

(Photo Credit: Development Bureau and Construction Industry Council)

BUILDING A SUSTAINABLE COMMUNITY



Social Service Building in Shek Mun Estate



Ancillary facilities in Sheung Shui



Greening the periphery of construction site

PREVENTIVE AND MITIGATING MEASURES



Maintain hygiene in the surrounding areas of the site



Take mosquitoes and dust mitigation measures



A hand holding a four-leaf clover against a blurred green background. The clover is bright green and has four distinct leaves. The hand is in the bottom right corner, with fingers gently holding the stem. The background is a soft-focus bokeh of green and yellow light.

APPENDICES

AWARDS, RECOGNITIONS AND CHARTERS

OCCUPATIONAL HEALTH AND SAFETY

2020

JULY

Construction Industry Safety Award Scheme 2019/ 20 - Safety Team Merit

Issued by

Labour Department

Company/Project

Hanison Construction Company Limited / Construction of Public Rental Housing Development at Shek Mun Estate Phase 2, Shatin

AUGUST

HKCA Proactive Safety Contractor Award for the Year 2019

Issued by

Hong Kong Construction Association

Company/Project

Hanison Construction Company Limited

OCTOBER

26th Considerate Contractors Site Award Scheme (Public Works - New Works)

- Bronze Award
- Model Worker
- Model Frontline Supervisor
- Model Subcontractor Frontline Supervisor

Issued by

Development Bureau, Construction Industry Council

Company/Project

Hanison Construction Company Limited / Construction of Sports Centre, Community Hall and Football Pitches in Area 1, Tai Po



Innovative Safety Initiative Award 2020

- Merit Award in Health and Welfare Category
- Merit Award in Safety Management System, Training and Promotion Category

Issued by

Development Bureau, Construction Industry Council

Company/Project

Hanison Interior & Renovation Limited / Fitting-out Works for the Proposed Hotel and Office Building at 43 Heung Yip Road



26th Considerate Contractors Site Award Scheme (Non-Public Works - New Works - Group A)

- Bronze Award
- Model Worker
- Model Frontline Supervisor
- Model Subcontractor Frontline Supervisor

Issued by

Development Bureau, Construction Industry Council

Company/Project

Hanison Construction Company Limited / Construction of Public Rental Housing Development at Choi Yuen Road Sites 3 & 4, Sheung Shui



Construction Safety Week 2020 - Lifting Safety Promotional Campaign - Innovative Enhancement for Lifting Safety - Silver Award

Issued by

Development Bureau, Construction Industry Council

Company/Project

Hanison Construction Company Limited



CORPORATE SOCIAL RESPONSIBILITY

2020

SEPTEMBER

Best Performance of School-Company Partnership Award

Issued by
Young Entrepreneurs Development Council

Company/Project
Hanson Construction Holdings Limited



2021

JANUARY

CSR Advocate Mark

Issued by
Hong Kong Quality Assurance Agency

Company/Project
Hanson Construction Holdings Limited



MARCH

Happy Company 5 years+

Issued by
Hong Kong Productivity Council

Company/Project
Hanson Construction Holdings Limited



OCTOBER

Good Employer Charter 2020

Issued by
Labour Department

Company/Project
Hanson Construction Holdings Limited



FEBRUARY

Caring Company

Issued by
The Hong Kong Council of Social Service

Company/Project
Hanson Construction Company Limited (10+)
Hanson Construction Holdings Limited (5+)
Hanson Interior & Renovation Limited



ENVIRONMENTAL

2020

AUGUST

Green Contractor Award 2019 - Bronze Award

Issued by
Architectural Services Department

Company/Project
Hanson Construction Company Limited / Construction of Sports Centre, Community Hall and Football Pitches in Area 1, Tai Po

OCTOBER

26th Considerate Contractors Site Award Scheme (Non-Public Works - New Works - Group A)

Outstanding Environmental Management & Performance Award - Merit Award

Issued by
Development Bureau, Construction Industry Council

Company/Project
Hanson Construction Company Limited / Construction of Public Rental Housing Development at Choi Yuen Road Sites 3 & 4, Sheung Shui



OCTOBER

26th Considerate Contractors Site Award Scheme (Public Works - New Works)

Outstanding Environmental Management & Performance Award - Merit Award

Issued by
Development Bureau, Construction Industry Council

Company/Project
Hanson Construction Company Limited / Construction of Sports Centre, Community Hall and Football Pitches in Area 1, Tai Po

ArchSD Annual Awards 2019/20

- Special Award (Sustainable Design)
- Merit Award

Issued by
Architectural Services Department

Company/Project
Hanson Construction Company Limited / Cognitio College (Kowloon) New Campus

DECEMBER

HKCA Hong Kong Construction Environmental Awards - 2020 Environmental Merit Award

Issued by
Hong Kong Construction Association

Company/Project
Hanson Construction Company Limited



Note:

Please refer to page 22 for HKIBIM Awards 2020-Bronze (BIM Department / Units / Teams Category) received by Hanson Construction Company Limited

CERTIFICATES

HONG KONG CERTIFICATION SERVICES INTERNATIONAL LIMITED

ISO 50001:2018 ENERGY MANAGEMENT SYSTEM

Hanison Construction Company Limited
(since 2013)



ISO 50001:2018
Certificate No.: CC 468

Hanison Contractors Limited
(since 2013)



ISO 50001:2018
Certificate No.: CC 469

HONG KONG QUALITY ASSURANCE AGENCY

OHSAS 18001:2007 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Hanison Construction Company Limited
(since 2007)



OHSAS 18001:2007
Certificate No.: CC 3496

Hanison Contractors Limited
(since 2007)



OHSAS 18001:2007
Certificate No.: CC 3497

Hanison Interior & Renovation Limited
(since 2007)



OHSAS 18001:2007
Certificate No.: CC 3498

ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM

Hanison Construction Company Limited
(since 2002)



ISO 14001: 2015
Certificate No.: CC 2269

Hanison Contractors Limited
(since 2002)



ISO 14001: 2015
Certificate No.: CC 2270

Hanison Interior & Renovation Limited
(since 2007)



ISO 14001: 2015
Certificate No.: CC 3344

ISO 9001: 2015 QUALITY MANAGEMENT SYSTEM

Hanison Construction Company Limited
(since 1995)



ISO 9001: 2015
Certificate No.: CC 314

Hanison Contractors Limited
(since 1998)



ISO 9001: 2015
Certificate No.: CC 1270

Hanison Interior & Renovation Limited
(since 2001)



ISO 9001: 2015
Certificate No.: CC 2111

KEY PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE

	Unit	2018 / 19			2019 / 20			2020 / 21		
Greenhouse Gas (GHG) Emissions										
Total GHG Emissions	tonnes CO ₂ e	3,075.84			2,336.92			2,636.93		
Direct Emissions (Scope 1)	tonnes CO ₂ e	1,079.80			772.50			896.70		
Indirect Emissions (Scope 2)	tonnes CO ₂ e	1,250.03			1,061.03			1,424.88		
Other Indirect Emissions (Scope 3)	tonnes CO ₂ e	746.01			503.39			315.35		
GHG Emissions Intensity	tonnes CO ₂ e / HK\$1 million revenue	1.62			2.65			1.89		
Air Emissions										
NOx	tonnes	N/A			N/A			0.26		
SOx	tonnes	N/A			N/A			0.0009		
Particulate Matters	tonnes	N/A			N/A			0.02		
Waste										
Chemical Waste	kg	1,530			3,470			1,660.00		
General Waste	kg	N/A			N/A			6,090.93		
Total Construction Waste	tonnes	153,849.16			67,512.71			26,794.02		
Construction Waste Intensity	tonnes / HK\$1 million revenue	84.97			80.44			19.94		
% of Construction Waste Goes to Fill Banks and Sorting Facilities	%	93.51			93.68			75.04		
Construction Waste by Business Division and Disposal Methods		HCCL/HCL	HIRL Sites		HCCL/HCL	HIRL Sites		HCCL/HCL	HIRL Sites	
Treated by Landfills	tonnes	8,724.29	1,257.28		2,843.95	1,422.42		6,121.78	566.30	
Treated by Fill Banks and Sorting Facilities	tonnes	140,414.81	3,452.78		62,036.32	1,210.02		20,046.13	59.81	
Energy										
Total Energy Consumption	'000 kWh	6,788.20			4,915.85			6,352.35		
Energy Consumption Intensity	kWh / HK\$1 million revenue	3,565.67			5,577.92			4,560.85		
Energy Consumption by Location and Energy Type		HO	HCCL/HCL Sites	HIRL Sites	HO	HCCL/HCL Sites	HIRL Sites	HO	HCCL/HCL Sites	HIRL Sites
Fuel Consumption	litre	25,461.97	208,878.72	756.00	27,260.95	264,701.04	228.00	38,893.92	299,972.52	0
Electricity Consumption	kWh	374,695.00	1,802,203.00	218,464.00	373,284.00	999,078.00	462,362.00	419,646.59	1,482,015.00	892,290.00
Water										
Total Water Consumption	m ³	123,798.05			27,900.27			34,605.85		
Water Consumption Intensity	m ³ / HK\$ 1 million revenue	68.38			33.24			24.85		
Water Consumption by Location		HO	HCCL/HCL Sites	HIRL Sites	HO	HCCL/HCL Sites	HIRL Sites	HO	HCCL/HCL Sites	HIRL Sites
Water Consumption	m ³	198.26	116,945.00	6,654.79	146.27	24,997.00	2,757.00	539.72	31,396.68	2,669.45



		HO	HCCL/ HCL Sites	HIRL Sites	HO	HCCL/ HCL Sites	HIRL Sites	HO	HCCL/ HCL Sites	HIRL Sites
Use of Materials										
Steel	tonnes	N/A	4,985.53	13.58	N/A	8,730.25	0	N/A	6,930.31	0
Concrete	tonnes	N/A	95,508.96	119.28	N/A	92,592.48	32.64	N/A	74,150.40	0
Paper	tonnes	N/A			21.41			20.53		
Recyclables										
Printer Cartridges and Toner Bottles	nos	278			455			407		
Desktop Computers	nos	N/A			20			0		
Monitors	nos	N/A			14			0		
Uninterruptible Power Supply	nos	N/A			5			0		
Used Papers	kg	7,881			8,605			10,710		
Metal	tonnes	140.67			100.41			735.69		
Concrete	tonnes	635.33			65.62			380.57		

Notes:

1. "HCHL" denotes the Group – Hanison Construction Holdings Limited; "HO" denotes the head office and warehouse from 2020/21 onwards, but the head office only before 2020/21; "HCCL/HCL" denotes Construction Division which comprises Hanison Construction Company Limited and Hanison Contractors Limited, and "HIRL" denotes Interior & Renovation Division which comprises Hanison Interior & Renovation Limited; and "TBML" denotes the Building Materials Division which comprises Trigon Building Materials Limited.
2. The Greenhouse gases covered in the calculation of GHG emissions include CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆.
3. The emission factors and Global Warming Potential (GWP) used in the calculation of GHG emissions have been made reference to applicable local and international guidelines and standards, such as "Guidelines to Account for and Report on Greenhouse Gas, Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong", and the IPCC Fourth Assessment Report.
4. Direct Emissions (Scope 1) cover combustion of fuels for energy generation and mobile combustion, fugitive emissions (CO: fire extinguisher, refrigerant) and process emissions (acetylene combustion).
5. Energy Indirect Emissions (Scope 2) cover electricity purchased for the operations at sites and offices.
6. Other Indirect Emissions and Removals (Scope 3) cover: a) Transportation of major construction materials and C&D waste within Hong Kong; b) Electricity used for fresh water processing and sewage treatment; c) Major construction materials used (reinforced steel and concrete); d) Methane gas generation at landfills in Hong Kong due to disposal of paper waste.
7. Revenues generated from the Construction, Interior & Renovation, and Building Materials Division are taken into account for the calculation of GHG emissions intensity, energy consumption intensity, and water consumption intensity. Construction waste intensity is calculated based on the revenue of Construction and Interior & Renovation Division only.
8. For the calculation of air emissions, mileage records of road vehicle fleet were collected twice, i.e. at the beginning and the end of the financial year respectively. Some vehicles controlled by the Group were not covered due to data deficiency and some were newly added to the fleet during the year.
9. The Group's head office is shared by different operations, some of which are out of the reporting scope. Only the electricity and water consumed by Construction Division, Interior & Renovation Division, and Building Materials Division are reported. The calculation of electricity and water consumption of the three divisions in head office is based on the respective proportion of floor areas each division occupies. During the reporting year, the offices of Interior & Renovation Division, and Building Materials Division moved to another floor of the same building.
10. The fuel consumption under "head office" was attributed to the fuel consumed by mobile vehicles.
11. The conversion factor used for converting fuel consumption data from litre to kWh unit is sourced from the Energy Statistics Manual from the International Energy Agency.
12. Building Materials Division operates projects in sites owned and controlled by the main contractor, so waste, electricity, and water data are not available.
13. The types of fuel consumed include diesel and petrol (non-renewable sources). There is nil renewable fuel consumption.
14. There is no fuel consumption on heating, cooling and steam nor energy sold during the reporting year.
15. Steel and concrete are the two major non-renewable materials used to produce the Group's primary building products and services.
16. The figure of concrete consumption in previous reports should be reported in cubic meters, but incorrectly reported in tonnes. They are converted properly in this report assuming concrete density to be 2,400 kg/m³.
17. There is no water consumption from areas with water stress.

SOCIAL PERFORMANCE

Workforce

Employment (No. of People)		2019 / 20				2020 / 21			
Total Workforce (Group)		547				523			
Workforce by Gender	Male	356				360			
	Female	191				163			
Workforce by Employment Type	Full-time	517				507 (Male: 357; Female:150)			
	Part-time	30				16 (Male:3 ; Female:13)			
		HCHL	HCCL/HCL	HIRL	TBML	HCHL	HCCL/HCL	HIRL	TBML
Workforce by Employment Category and Business Division (Male:Female)									
Director		14 (14:0)	8	3	1	13 (13:0)	7	3	1
Senior Manager		18 (16:2)	13	0	0	20 (18:2)	15	0	0
Manger		23 (21:2)	18	0	1	24 (23:1)	18	2	1
Assistant Manager or Below		414 (280:134)	254	42	22	396 (281:115)	263	34	23
Labour and Contract Technical Assistant		78 (25:53)	40	11	0	70 (25:45)	46	9	0
Workforce by Age and Business Division (Male:Female)									
25 years old or below		30 (23:7)	21	4	2	31 (21:10)	29	1	0
26 - 35 years old		131 (80:51)	82	10	13	134 (93:41)	87	10	13
36 - 45 years old		137 (92:45)	81	13	6	129 (83:46)	81	10	8
46 - 55 years old		125 (76:49)	66	15	3	111 (72:39)	70	12	4
56 - 65 years old		116 (80:36)	79	14	0	112 (87:25)	79	15	0
66 years old or above		8 (5:3)	4	0	0	6 (4:2)	3	0	0

Voluntary Turnover Rate (VTR) by Age, Gender and Division

	2019/20				2020/21			
	HCHL	HCCL/HCL	HIRL	TBML	HCHL	HCCL/HCL	HIRL	TBML
Total VTR (%)	16.01	15.16	10.34	16.00	22.62	26.69	21.78	16.33
VTR by Age (%)								
25 years old or below	29.33	30.19	0	28.57	40.00	31.82	133.33	0
26 - 35 years old	28.37	31.02	10.00	8.00	39.69	48.52	40.00	30.77
36 - 45 years old	9.49	7.14	7.41	33.33	18.25	16.25	33.33	0
46 - 55 years old	8.66	4.00	0	0	10.53	17.39	0	0
56 - 65 years old	11.95	9.25	23.53	0	15.57	19.51	6.45	0
66 years old or above	30.77	50.00	0	0	42.86	57.14	0	0
VTR by Gender (%)								
Male	14.47	14.94	11.76	15.38	23.50	26.14	21.92	15.38
Female	19.02	15.79	6.45	18.18	20.81	28.25	21.43	20.00

Notes:

1. Employees are defined as persons who are in direct employment relationship with the Group or its subsidiaries. The Group's total workforce includes employees hired under all operations including but not limited to Construction Division, Interior & Renovation Division, Building Materials Division. Workers hired by contractors are not included in our HR data system. The employee numbers are expressed in the number of head count.
2. The training-related figures and calculations are based on the records in the calendar year ended on 31 December 2020, which aligns with the company's HR data system.
3. The voluntary turnover rate reflects the number of employees who leaves employment voluntarily, including normal retirement and contract end during the reporting period.
4. The number of employees trained is represented in terms of the number of attendance.
5. The percentage of employees trained in relevant categories: The number of employees trained in the specified category / total workforce who took part in respective business division x 100%.
6. The average number of training hours per employee in relevant categories: Total number of training hours of employees in the specified category / number of employees in the specified category at the end of 2020.

Training

	2019 / 20				2020 / 21			
Number and Percentage of Total Employees Who Took Part in Training (Group)	(141) 25.78%				(108) 20.61%			
Average Number of Training Hours Per Employee (Group)	4.02 hours				1.50 hours			
	HCHL	HCCL/HCL	HIRL	TBML	HCHL	HCCL/HCL	HIRL	TBML
Number and Percentage of Employees Trained by Gender and Business Division								
Male	103 (73.05%)	94 (78.33%)	0 (0%)	5 (71.43%)	77 (71.30%)	68 (68.69%)	7 (100%)	2 (100%)
Female	38 (26.95%)	26 (21.67%)	4 (100%)	2 (28.57%)	31 (28.70%)	31 (31.31%)	0 (0%)	0 (0%)
Number and Percentage of Employees Trained by Employee Category and Business Division								
Director	3 (2.13%)	3 (2.5%)	0 (0%)	0 (0%)	19 (17.59%)	15 (15.15%)	3 (42.86%)	1 (50%)
Senior Manager	3 (2.13%)	3 (2.5%)	0 (0%)	0 (0%)	3 (2.78%)	3 (3.03%)	0 (0%)	0 (0%)
Manager	10 (7.09%)	9 (7.5%)	0 (0%)	1 (14.29%)	9 (8.33%)	9 (9.09%)	0 (0%)	0 (0%)
Assistant Manager or Below	121 (85.8%)	101 (84.2%)	4 (100%)	6 (85.71%)	77 (71.30%)	72 (72.73%)	4 (57.14%)	1 (50%)
Labour and Contract Technical Assistant	4 (2.83%)	4 (3.33%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total Training Hours by Gender and Business Division (hours)								
Male	1,732	1,633	0	69	576.5	463.5	14	99
Female	469	409.5	30	31.5	209	209	0	0

Average Training Hours	2020 / 21			
	HCHL	HCCL/HCL	HIRL	TBML
By Gender and Business Division (hours)				
Male	1.60	1.84	0.38	5.21
Female	1.27	2.55	0	0
By Employment Category and Business Division				
Director	4.15	10.00	1.00	1.00
Senior Manager	0.15	0.20	0	0
Manager	1.62	2.21	0	0
Assistant Manager or below	1.72	2.20	0.31	4.67
Labour and Contract Technical Assistant	0	0	0	0

Maternity / Parental Leave (Group)

		Unit	2019 / 20	2020 / 21
Male	No. of person taken leave	no. of persons	13	6
	Return to work rate	%	100	100
	Retention rate	%	76.92	84.62
Female	No. of person taken leave	no. of persons	3	4
	Return to work rate	%	100	100
	Retention rate	%	100	0

Suppliers

	Business Division	Unit	2019 / 20	2020 / 21
Number of Suppliers / Subcontractors / Service Providers Engaged (Percentage of Local Suppliers)	HCHL	no.(%)	55 (100%)	67 (100%)
	HCCL/HCL		174 (99.9%)	178 (100%)
	HIRL		44 (100%)	41 (100%)
	TBML		7 (82.9%)	10 (100%)

Safety

	Business Division	Unit	2019 / 20	2020 / 21
Work-related Fatality Number and Rate	HCHL	no. of cases	0	0
Accident Rate by Business Division	HCCL/HCL	per thousand workers	2.15	7.74
	HIRL		4.81	7.51
	TBML		0	0
Days Lost due to Work Injuries by Business Division	HCCL/HCL	no. of days	2,731	2,209
	HIRL		338	290
	TBML		0	0

- Retention is defined as the employees who were still employed 12 months after returning to work from parental leave.
- We adopt the same definition of work-related injuries that are reportable under the Employees' Compensation Ordinance (Cap. 282) i.e. resulting in incapability for more than three days.
- Local supplier is defined as an organisation or a person that provides a product or service to the Group and that is based in Hong Kong (that is, no transnational payments to the suppliers are made).
- For supplier chain management, each business entity operates independently; therefore, the figure of the Group doesn't include suppliers of its subsidiaries.
- The presentation format of training data this year is refined to facilitate readers' comprehension.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Since the reporting year of this report commences prior to 1 July 2020, the 2019 Amendments to the Main Board Listing Rules and the ESG Reporting Guide do not apply.

Environmental		Reference Section	Page Number
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment	36-44
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions	39
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas (GHG) Emissions	39
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste and Resources Management	42-43
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste and Resources Management	42-43
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Emissions Use of Resources Case Study: Decarbonisation on site	39 40-41 44
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste and Resources Management	42-43
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment Use of Resources	36-44 40-41
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).	Energy	40-41
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water	41
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Energy Case Study: Decarbonisation on site	40-41 44
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water	41
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable under the reporting scope	N/A
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environment	36-44
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Stewardship	37-38

Social		Reference Section	Page Number
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People Employment	24-28 26-28
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment Key Performance Indicators	26-28 58-59
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Key Performance Indicators	26-28 58-59

Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	31-35
KPI B2.1	Number and rate of work-related fatalities	Occupational Health and Safety	31-35
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety	31-35
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	31-35
Aspect B3: Development and Training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development	28-30
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Training and Development Key Performance Indicators	28-30 58-59
KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and Development Key Performance Indicators	28-30 58-59
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Child and Forced Labour	21
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Child and Forced Labour	21
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Child and Forced Labour	21

Operating Practices		Reference Section	Page Number
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	19-20
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	19-20
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.	Supply Chain Management	19-20
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Operating Practices	16-23
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Management and Assurance	17-18
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Management and Assurance	17-18
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights / Data Privacy	21
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management and Assurance	17-18
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Intellectual Property Rights / Data Privacy	21
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	20-21
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.	Anti-corruption	20-21
KPI B	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption	20-21

Community		Reference Section	Page Number
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community	45-51
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Community	45-51
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community	45-51

GRI STANDARDS CONTENT INDEX

General Notes:

GRI number in parenthesis '(GRI XXX)' indicates that this has not been identified as a material issue but data is available and has historically been disclosed. While data is generally reported according to GRI principles, they may not fully comply with disclosure requirements. All GRI Standards are 2016 version, unless otherwise specified.

GRI Standards	Disclosure	Reference Section / Supplementary Information	Page Number
GRI 102: General Disclosures			
Organizational Profile			
102-1	Name of the organization	Company Profile	03
102-2	Activities, brands, products, and services	Company Profile	03
102-3	Location of headquarters	Company Profile	03
102-4	Location of operations	Hong Kong	N/A
102-5	Ownership and legal form	2020/2021 Annual Report	N/A
102-6	Markets served	Company Profile Reporting Period, Scope and Boundary Types of Customers: Developers, Contractors, Facilities/Buildings Owners, Government	03 08
102-7	Scale of the organization	Employment 2020/2021 Annual Report	26-28 N/A
102-8	Information on employees and other workers	Employment Key Performance Indicators	26-28 58
102-9	Supply chain	Supply Chain Management	19-20
102-10	Significant changes to the organization and its supply chain	No significant changes to the organisation and its supply chain	N/A
102-11	Precautionary Principle or approach	Structure of the CSR Committee, Risk Management 2020 / 2021 Annual Report - Risk Management and Internal Control (p.75-77)	11-12
102-12	External initiatives	Awards, Recognitions and Charters Certificates Unless otherwise specified, the initiatives are of a voluntary nature	53-54 55
102-13	Membership of associations	Member of Hong Kong Construction Association Member of Hong Kong Industrial Safety Association Member of Hong Kong Green Building Council	N/A
Strategy			
102-14	Statement from senior decision-maker	CSR Policy Statement Managing Director's Message General Manager's Message	inner front cover 04 05
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	Vision, Mission and Values	01

GRI Standards	Disclosure	Reference Section / Supplementary Information	Page Number
Governance			
102-18	Governance structure	CSR Governance 2020 / 2021 Annual Report - Board Composition (P. 59-61)	10-15
102-19	Delegating authority	CSR Governance	10-15
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Governance	10-15
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement Materiality	13 14-15
102-22	Composition of the highest governance body and its committees	2020 / 2021 Annual Report - Board Composition (p.59-61) Board and Committees (p.66-67)	N/A
102-23	Chair of the highest governance body	2020 / 2021 Annual Report - Chairman and Managing Director (p.63)	N/A
102-24	Nominating and selecting the highest governance body	2020 / 2021 Annual Report - Nomination Committee (p.69-71)	N/A
102-25	Conflicts of interest	2020 / 2021 Annual Report - Board of Directors (p. 58-59)	N/A
102-32	Highest governance body's role in sustainability reporting	Reporting Principles Materiality	09 14-15
102-35	Remuneration policies	2020 / 2021 Annual Report - Employees and Remuneration Policy (p.56)	N/A
102-36	Process for determining remuneration	2020 / 2021 Annual Report - Employees and Remuneration Policy (p. 56) Remuneration Committee (p. 71-72)	N/A
102-38	Annual total compensation ratio	2020 / 2021 Annual Report – Directors' and Employees' Emoluments (p.97)	N/A
102-39	Percentage increase in annual total compensation ratio	2020 / 2021 Annual Report – Directors' and Employees' Emoluments (p.97)	N/A
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	13
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	13
102-43	Approach to stakeholder engagement	Stakeholder Engagement Materiality	13 14-15
102-44	Key topics and concerns raised	Stakeholder Engagement Materiality	13 14-15
Reporting Practice			
102-45	Entities included in the consolidated financial statements	2020 / 2021 Annual Report - Group Structure (p.04) Operations under Property and Health Division are not entirely covered in this report	N/A
102-46	Defining report content and topic Boundaries	About This Report Materiality	08-09 14-15
102-47	List of material topics	Materiality	14-15
102-48	Restatements of information	Nil	N/A
102-49	Changes in reporting	Nil	N/A
102-50	Reporting period	Reporting Period, Scope and Boundary	08
102-51	Date of most recent report	October 2020	N/A
102-52	Reporting cycle	Annual	N/A
102-53	Contact point for questions regarding the report	Inner back cover	Inner back cover
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Standards	09
102-55	GRI content index	GRI Standards Content Index	62-66
102-56	External assurance	Report Assurance Assurance Statements	09 67-68

GRI Standards	Disclosure	Reference Section / Supplementary Information	Page Number
(GRI 201) Economic Performance			
103	Management approach	2020/2021 Annual Report - Chairman's Statement (p.06-15) Operations Review (p.16) Financial Review (p.48-55) Not a material issue but data is available and has been historically reported	N/A
201-1	Direct economic value generated and distributed	2020/2021 Annual Report - Financial Highlights (p.05) Chairman's Statement (p.06-15)	N/A
201-3	Defined benefit plan obligations and other retirement plans	2020/2021 Annual Report - Retirement Benefits Schemes (p.115)	N/A
(GRI 202) Market Presence			
103	Management approach	2020/2021 Annual Report - Employees and Remuneration Policy (p.56) Not a material issue but data is available and has been historically reported	N/A
202-2	Proportion of senior management hired from the local community	All senior management (director grade) are hired from local community of significant locations of operation, i.e. Hong Kong.	N/A
(GRI 203) Indirect Economic Impacts			
103	Management approach	Community Not a material issue but data is available and has been historically reported	45-51
203-1	Infrastructure investments and services supported	Community	45-51
(GRI 204) Procurement Practices			
103	Management approach	Supply Chain Management Not a material issue but data is available and has been historically reported	19-20
204-1	Proportion of spending on local suppliers	Supply Chain Management	19-20
GRI 205 Anti-corruption			
103	Management approach	Anti-corruption	20-21
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption	20-21
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption No confirmed incidents of corruption	20-21
(GRI 206) Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Anti-competitive behavior	21
(GRI 301) Materials			
103	Management approach	Environmental Stewardship Not a material issue but data is available and has been historically reported	37-38
301-1	Materials used by weight or volume	Materials Used in 2020/21	42
(GRI 302) Energy			
103	Management approach	Environmental Stewardship Case Study: Decarbonisation on site Not a material issue but data is available and has been historically reported	37-38 44
302-1	Energy consumption within the organization	Energy Non-renewable fuel types used include diesel and petrol	40-41
302-3	Energy intensity	Energy	40-41
302-4	Reduction of energy consumption	Case Study: Decarbonisation on site	44
(GRI 303) Water and Effluents (2018 version)			
103	Management approach	Environmental Stewardship Not a material issue but data is available and has been historically reported	37-38
303-5	Water consumption	Water	41

GRI Standards	Disclosure	Reference Section / Supplementary Information	Page Number
(GRI 305) Emissions			
103	Management approach	Environmental Stewardship Not a material issue but data is available and has been historically reported	37-38
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas (GHG) Emissions in 2020 / 21	39
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas (GHG) Emissions in 2020 / 21	39
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas (GHG) Emissions in 2020 / 21	39
305-4	GHG emissions intensity	Greenhouse Gas (GHG) Emissions in 2020 / 21	39
305-5	Reduction of GHG emissions	Environmental Performance and Disclosure Greenhouse Gas (GHG) Emissions in 2020 / 21	38 39
(GRI 306) Effluents and Waste			
103	Management approach	Environmental Stewardship Not a material issue but data is available and has been historically reported	37-38
306-2	Waste by type and disposal method	Waste and Resources Management	42-43
306-3	Significant spills	Zero non-compliance	N/A
306-4	Transport of hazardous waste	Nil	N/A
306-5	Water bodies affected by water discharges and/or runoff	No water bodies and related habitats are significantly affected by water discharges and/or runoff. All discharge at sites are licensed.	N/A
(GRI 307) Environment - Compliance			
103	Management approach	Environmental Stewardship Not a material issue but data is available and has been historically reported	37-38
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance	38
GRI 401 Employment			
103	Management approach	Rethink HR Management Under Pandemic Employment	25 26-28
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment	26-28
401-3	Parental leave	Employment	26-28
GRI 403 Occupational Health and Safety (2018 version)			
103	Management approach	Occupational Health and Safety	31-34
403-1	Occupational health and safety management system	Occupational Health and Safety	31-34
403-5	Worker training on occupational health and safety	Occupational Health and Safety	31-34
403-6	Promotion of worker health	Promotion on Employees' Health	34
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	31-34
403-9	Work-related injuries	Occupational Health and Safety Thorough investigative process is carried out for every incident which covers necessary information of the injuries and fatalities	31-34
GRI 404 Training and Education			
103	Management approach	Training and Development	28-30
404-1	Average hours of training per year per employee	Training and Development Key Performance Indicators	28-30 58-59
404-2	Programs for upgrading employee skills and transition assistance programs	CSR Report 2015/16 Training and Development	N/A 28
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development	28-30

GRI Standards	Disclosure	Reference Section / Supplementary Information	Page Number
(GRI 405) Diversity and Equal Opportunity			
103	Management approach	Diversity and Equal Opportunity Not a material issue but data is available and has been historically reported	28
405-1	Diversity of governance bodies and employees	Employment Key Performance Indicators 2020/2021 Annual Report - Board Diversity (p.62)	26-28 58-59
(GRI 406) Non-discrimination			
103	Management approach	Diversity and Equal Opportunity Not a material issue but data is available and has been historically reported	28
406-1	Incidents of discrimination and corrective actions taken	Nil	N/A
(GRI 408) Child Labor			
103	Management approach	Child and Forced Labour Not a material issue but data is available and has been historically reported	21
408-1	Operations and suppliers at significant risk for incidents of child labor	Child and Forced Labour	21
(GRI 409) Forced or Compulsory Labor			
103	Management approach	Child and Forced Labour Not a material issue but data is available and has been historically reported	21
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Child and Forced Labour	21
(GRI 413) Local Communities			
103	Management approach	Community Not a material issue but data is available and has been historically reported	45-51
413-1	Operations with local community engagement, impact assessments, and development programs	100%	N/A
413-2	Operations with significant actual and potential negative impacts on local communities	No significant negative impacts on the local communities	N/A
(GRI 418) Customer Privacy			
103	Management approach	Intellectual Property Rights/ Data Privacy Not a material issue but data is available and has been historically reported	21
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints	N/A
(GRI 419) Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Public Health and Municipal Services Ordinance, Cap.132 Security and Guarding Services Ordinance, Cap. 460 Total number of non-compliance cases relating to the above ordinances: 2 Total fines: HK\$7,200	N/A

ASSURANCE STATEMENTS



1

GHG Verification Statement: VC 003/2021

The inventory of greenhouse gas emission in the reporting period from 1st April 2020 to 31st March 2021 of

Hanison Construction Company Limited,

Hanison Contractors Limited,

Hanison Interior & Renovation Limited,

Trigon Building Materials Limited and

construction sites

Addresses were listed on the subsequent pages has been verified in accordance with ISO 14064-3: 2006 and the GHG Programme, namely the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Industrial Purposes) in Hong Kong, 2010 edition, by EMSD and Environmental Protection Department” and meet the requirements of

ISO 14064-1: 2006 Standard

From the Reporting Organization,	Quantity of Emissions
Direct GHG Emissions:	896.70 Tonnes of CO ₂ e
Energy Indirect GHG Emissions:	1424.88 Tonnes of CO ₂ e
Other Indirect GHG Emissions	315.35 Tonnes of CO ₂ e
Total GHG Emissions:	2636.93 Tonnes of CO ₂ e

Verified by

Authorized by

29 June 2021

Page 1 of 5 (Total 5. pages)

Hong Kong Certification Services International Limited
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ASSURANCE STATEMENTS



VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency ("HKQAA") has been engaged by the Hanison Construction Holdings Limited (Stock Code: 896) "HCHL" to undertake an independent verification of its Environmental, Social and Governance Report 2020 – 2021 ("the Report"). The Report stated the economic, environmental and social performance of HCHL in the period of 1st April 2020 to 31st March 2021 for its major operations in Hong Kong. The reporting scope covers HCHL's operations in Hong Kong including the head office as well as some project sites operated under Hanison Construction Company Limited (HCCL), Hanison Contractors Limited (HCL), Hanison Interior and Renovation Limited (HIRL), and Trigon Building Materials Limited (TMBL).

The aim of this verification is to provide a reasonable assurance on the reliability of the report content. The Report has been prepared in accordance with the Core Option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and Appendix 27 "Environmental, Social and Governance Reporting Guide" ("ESG Guide") of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited ("SEHK").

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the Core Option of the GRI Standards and the ESG Guide of the SEHK.

The verification process included verifying information relevant to reporting and management procedures, including stakeholder engagement methods and result, and materiality assessment processes. In addition, system and process for collecting, collating and reporting sustainability performance data were verified. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

Independence

HCHL is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are independent from HCHL. There was no relationship between HKQAA and HCHL that would affect the independence of HKQAA for providing the verification service.

Conclusion

Based on the verification results, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the Core Option of the GRI Standards and the ESG Guide of the SEHK;
- The Report illustrates the sustainability performance of HCHL in a balanced, clear, comparable and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

Nothing has come to HKQAA attention that the selected sustainability performance information and data contained in the Report has not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria. In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of HCHL and the construction companies, and discloses transparently their sustainability performance that is commensurate with their sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

P C Chan
Deputy Chief Executive Officer
14 July 2021



Report

www.hanison.com/eng/CSR/Reports.aspx?sm=c18



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