

# Corporate Social Responsibility

At the heart of our business model



Low Carbon Park, Dalian Tiandi

Corporate Social Responsibility (“CSR”) is at the heart of SOCAM’s commitment to good business practice and is of equal importance in our pursuit of good corporate governance and results as well as the expansion of our business.

SOCAM has put in place CSR policies and staff members in our Group are encouraged to be involved in their implementation. In these pages, we highlight how they impact our business, and the tangible and lasting benefits they have brought to the environment, the community and our people.

## CSR and the environment

The rapid development of China and the move towards urbanisation and massive infrastructural investment offers both opportunities and challenges to a company like ours to be proactive and environmentally sensitive in our property development, cement production and construction activities.

In all of our operations, we are mindful to the need to conserve energy and natural resources as well as find ways to reduce waste and emissions. Design-and-build operations, for example, incorporate aesthetic and practical benefits to end-users. Recently, much more emphasis has been placed on sustainable green communities which we have made a major pledge of our corporate objectives.

### Unveiling the Low Carbon Park at Dalian Tiandi – A green landmark

The low carbon park at the Dalian Tiandi, a knowledge community project of over 3 million square metres in Dalian in which SOCAM is the managing partner, was open. The overall planning and design of Dalian Tiandi was based on and directed by the concept of self-sustainable development, with its low carbon park demonstrates the living of reducing emissions of greenhouse gases, conserving energy resources and raising awareness of environmental protection, further serving as a kind of popular science education. Through this

project, it is expected a change of our living, as well as living in harmony with the nature.

Some of the green features for energy conservation and waste reduction include renewable energy systems such as wind turbines, solar power system, solar distillation, usage of lightguides, heat recovery system, rain water collection system, organic toilets, green roofs, bicycle tracks and forestation, aiming to bring zero carbon emission and actualise the concept of sustainable development.

### Pioneering greener buildings

SOCAM's property and construction projects are now designed to achieve LEED (Leadership in Energy and Environmental Design) issued by U.S. Green Building Council or BEAM (Building Environmental Assessment Method) certification issued by BEAM Society, both of which are internationally recognised standards in environmentally responsible buildings. Our property projects have achieved most of the criteria of LEED in aspects of building envelopes, energy efficiency, water efficiency, materials usage and indoor environmental quality. Among these areas, the project buildings are designed to maximise the use of natural ventilation and lighting, utilise heat recovery system and apply waste recycling and reduction.

## Green building certificate updates in 2010 – Property and construction projects

Property projects	LEED pre-certification	Target to achieve
Chengdu Central Point Phase II	Obtained in March 2010	Silver Level of Core & Shell
Guangzhou Parc Oasis	Obtained in July 2010	Silver Level of Core & Shell for clubhouse
Shenyang Project Phase I	Obtained in February 2010	Silver Level of Core & Shell for commercial portion
Dalian Tiandi	Obtained in 2010	Silver Level of Core & Shell
Construction projects	BEAM certification	Target to achieve
Hong Kong Headquarters Building of Custom and Excise Department	Provisional award was obtained	Platinum
Hong Kong Tung Chung Municipal Building	Provisional award was obtained	Gold
The Rehabilitation Block at Tuen Mun Hospital, Hong Kong	Provisional award was obtained	Platinum

# CORPORATE SOCIAL RESPONSIBILITY REPORT

## CSR AND THE ENVIRONMENT

The construction division is committed to building as greenly as possible. We have also attempted to minimise the impact of site works on nearby communities, and have adopted a systematic management of resources, including the recycling of waste materials whenever possible. To enhance communication, real-time LED indicators are posted at site entrances to monitor energy consumption. These devices serve as reminders for staff and the passing public on energy conservation.

### Pilot schemes for public housing estates

The construction criteria for the Shek Kip Mei Public Housing Estate Phase 5 have outshined many other housing projects in terms of environmental awareness. Among various environmentally-friendly features, the site adopts a pioneering energy saving device that helps save up to 8% of the total power consumption compared to any similar site. More energy-efficient LED lights provide approximately 75% of the illumination of the entire project, an on-site rarity in Hong Kong construction.

## Recycling nature for green promotion – Hong Kong Garden at Xi’an

The Hong Kong Garden is one of the features of the International Horticultural Exposition 2011 running in Xi’an for six months from late April 2011. The 716 square metre garden showcases a well-planned and sustainable public area. It is a design-and-build project awarded to SOCAM's Construction Division by the Architectural Services Department. With a good track record in realising green concepts, Shui On Building Contractors Limited was in charge of the design and construction processes. The garden showcases the use of wind energy and recycled materials. A tree-like feature, called Tree-ZE, composes of 360 mini-windmills which generate electricity for circulating water between a pond at its base and the top of its pergola. Hexagonal floor tiles made from recycled glass and cement have also been used. It also features plants from different geographical locations, and species include the Hong Kong orchid tree, dwarf red ixora, Chinese hibiscus, rhododendron, banana shrub and sweet osmanthus. Spatial techniques have been used to enhance the apparent size of the garden, such as the planting of foliage of varying heights at different levels of terraces. Twelve million visitors are expected to visit the exposition and will be able to see Hong Kong's concept for the future of enhanced public spaces.



Hong Kong Garden of the International Horticultural Exposition 2011 in Xi'an

## Sustainable cement shapes an environmentally friendly skyline

Modern cement production methods reduce the effects of emissions, natural resource depletion, waste output and degradation of land through quarrying. Lafarge Shui On Cement (LSOC) is the leader in these fields in Southwest China.

In December 2010, LSOC entered into an agreement with China Energy Conservation and Environmental Protection Group to develop low-temperature waste heat recovery systems for seven LSOC's production plants, each with over 2,000 tonne-per-day (tpd) capacity, in Yunnan and Guizhou. When these systems are put into operation in the fourth quarter of 2011, the seven plants will each consume about 30% less power and, in aggregate, generate 220 million kilowatt-hour of electricity each year, which equals to a saving of 71,000 tonnes of coal and a reduction of 176,000 tonnes of CO<sub>2</sub> emission.

## Stakeholders' engagement

The Group placed major emphasis on spreading the green message throughout 2010. Three company-wide events – "Green Innovation Contest", "Green Office Audit" and "Low Carbon Living Campaign" – were held to raise staff awareness on more eco-friendly living with new initiatives across a number of areas, culminating in a 60-question test on carbon footprint knowledge. The Group also continued to spread the green message to communities in which our businesses operate, from recycling campaigns in a primary school in Chengdu to eco-education campaigns for students in Hong Kong.



# CORPORATE SOCIAL RESPONSIBILITY REPORT

## CSR AND THE COMMUNITY

### CSR and the community

SOCAM is engaged in a wide range of initiatives to help the less privileged in society and promote education in Hong Kong and the Chinese Mainland. By extending the “Shui On – We Care” culture out into the wider community, we are able to contribute our time and expertise, as well as donations, to the needy and the elderly.

### Promoting volunteering

We play an active role in encouraging Shui On Group’s staff to engage in volunteer services. The Shui On Seagull Club, the employee-run community service unit registered with the HKSAR Government, has been involved with voluntary social services since 1982. Our unceasing efforts in this area gained welcome recognition in 2010, when the newly set-up Hong Kong Outstanding Corporate Citizenship Award of the Hong Kong Productivity Council awarded us the Corporate Volunteer Team Merit Award, the best recognition for our

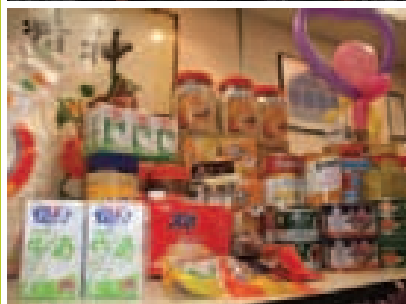
employees’ continued devotion to helping the needy both in Hong Kong and the Chinese Mainland. In 2010, the total of 671 hours SOCAM volunteers contributed to good causes were recognised with a Silver Certificate for Organisations while two of our volunteers were awarded Individual Bronze Certificates from the Volunteer Movement of the Social Welfare Department in Hong Kong.

### Good samaritans

The Shui On Seagull Club has been working with the Hong Kong Young Women’s Christian Association since 2009 in a campaign to offer assistance and care to elderly members of the community who are living on their own. Many of them are struggling financially or having chronic diseases and receive little help from society. To raise their living standards, our volunteers have helped organise a number of events to cheer up these under-privileged elderly citizens. Festive gatherings and outings were arranged during 2010, and we have brought laughter to some 60 retirees.

1	3	6	9	12
2	4	7	10	13
	5	8	11	14

1. Shui On Seagull Club was awarded Hong Kong Outstanding Corporate Citizenship Award – Corporate Volunteer Team Merit Award
2. Food Bank Project
3. Membership programme of The University of Hong Kong
4. Joint-city Rural Education Project in Chongqing
5. SOCAM and its subsidiaries were awarded Caring Company Logos
6. Run-up Two ifc Charity Race
7. Shui On Seagull Club Charity Walk 2010
8. SOCAM Employee Blood Donation Day
9. Volunteers read quality story books to children
10. Tai O Stilt House Restoration and Community Development Project of Habitat for Humanity China
11. Joint-city Rural Education Project in Guangzhou
12. WWF-Hong Kong Corporate Membership Programme
13. Environmental education campaign and donation to Chengdu primary school
14. New year visit to Huangnichuan Primary School in Dalian



As well as participating in ongoing projects, in collaboration with other established charities and foundations, our dedicated staff also raised money and materials for good causes. These included joining activities to raise money for Haiti Earthquake Relief, the Hong Kong Cancer Fund, The Salvation Army, The Community Chest of Hong Kong and the Hospital Authority Health InfoWorld. For in-kind donation, we collected food items among our employees to support a Food Bank project and organised blood donation, used clothes and computer donations in response to the direct and basic needs of the deprived members of our communities.

### Utilising our expertise for a good cause

SOCAM strives to contribute in small ways that can make a big difference, especially with the professional skills and knowledge we can offer. Using their considerable engineering expertise, staff in Chengdu have helped rebuild a local kindergarten that collapsed in the Sichuan earthquake. In Hong Kong, staff worked with the Habitat for Humanity

China in the Tai O Stilt House Restoration and Community Development Programme, volunteering their construction skills and suggesting better ways of execution. We launched rural education programmes in Guangzhou and Chongqing, to bring extra curricular education to local students, while Chengdu staff returned to an earthquake-shattered primary school after it was rebuilt, with donations from the Group. In Hong Kong, library donations were also made and read-aloud training was organised for children to serve families which do not have access to quality books.

As avid supporters of education, our top management is actively involved in the Mentorship Programme of the Faculty of Business and Economics at The University of Hong Kong, coaching a number of university students during the year. Our Annual Charity Walk raised funds to support the library and training programmes of Bring Me A Book Hong Kong to spread knowledge through reading to many parts of our community.





# CORPORATE SOCIAL RESPONSIBILITY REPORT

## CSR AND OUR PEOPLE

### CSR and our people

SOCAM seeks to create a working environment that helps to attract and retain talented individuals and foster a strong sense of team spirit. This manifests itself in a number of ways, including putting site safety as a priority, facilitating personal development and promoting a healthy work-life balance.

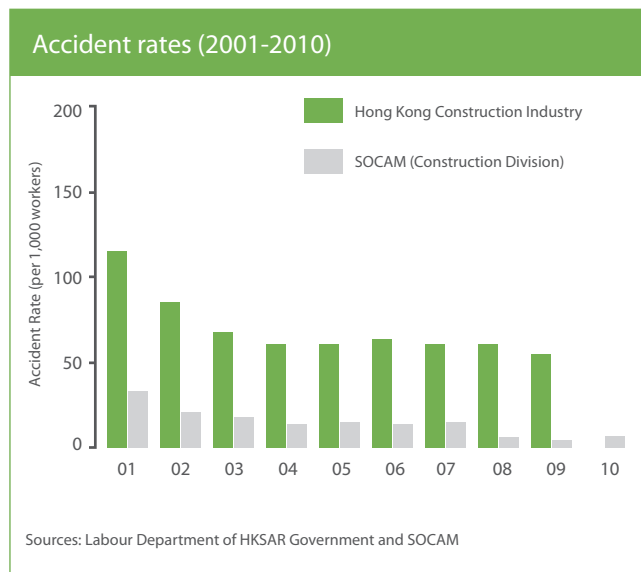
### Safety always comes first

We continue to be one of the safest major companies in the construction industry in Hong Kong, with an exceptionally low accident rate of 5.72 cases per 1,000 workers in 2010. This compares very favourably with the Hong Kong construction industry average of 55 cases per 1,000 workers in 2009. We strive to improve safety performance by engaging contractors through a number of effective initiatives in workers' site practices:

- Behaviour observation by a Behavioural-based Safety (BBS) Working Group was conducted and a BBS briefing to subcontractors' safety representatives was given.
- To recognise the top safety performers, a picnic for model workers in safety concerns was held in April with a total of 170 participants including safety prefects and workers with their family members. A model worker in safety was elected monthly for each site.
- Specific training on safe operation of tower cranes and material hoists was offered to operators.

Health and safety also extends to the office environment where indoor air quality has become an important concern in modern life as most people spend more than 70% of their time indoors. To ensure a healthy environment for our valued employees, SOCAM conducted an on-site assessment of the indoor air quality at its Hong Kong Office according to the Guidance Notes for the Management of Indoor Air Quality in Offices and Public Places of the HKSAR Government.

The Group conducted a total of 11 compliance audits and 12 management audits in Hong Kong in 2010 to verify the effectiveness of management functions governed by the Health, Safety and Environment Management System and for compliance with the Factories and Industrial Undertakings Ordinance (Safety Management) Regulations. We also conducted external audits including ISO 14001, OHSAS 18001 and regular safety audits by independent auditors for construction sites every three months.

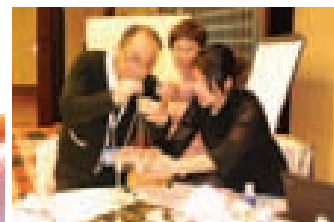


## Promoting a SOCAM community spirit

The Group encourages its staff to achieve a satisfying balance among work, leisure and the family. Within and beyond the workplace, we also look to promote health, harmony and team spirit in creative ways. Our Recreation Club regularly disseminates information through the SOCAM intranet that leads staff at all levels to activities, outings and personal development opportunities.

Professionals are engaged to deliver workshops on issues such as anti-stress and personal development techniques. Employees are encouraged to share their skills in leisure activities with their fellow colleagues in relaxing after-hours interest groups. A list of specific fun activities, workshop opportunities, and wellness series initiatives conducted during the year include:

- Wellness Series:
  - Enneagram and Family Education
  - The Golden Ratio of Quality Life
  - Upgrading Your IQ, EQ and AQ
  - Fit for Life – Chinese Medicine
- Interests class taught by our talented employees:
  - Cantonese Opera Class
  - Knitting Class
- Employees sharing sessions:
  - monthly birthday party
  - health drink and fruit series
  - Seasonal celebrations like Happy Women’s Day and Moon Festival Celebration



## Enhancing career development

Throughout 2010, we continued to implement structured career development programmes for SOCAM staff. Opportunities for skills and career development included:

- Management Cadet Programme, Management Trainee Programme and Graduate Engineer Programme. Our continuous investment in aptitude training over the years has seen many junior staff rising to senior positions, taking with them the experience of working at various levels within the Group, often across several locations and in different divisions.
- Learning and development opportunities to encourage active self-learning by employees through e-learning and library facilities in addition to traditional in-class training.

## Training record

Category	Man-time
Professional Skills Training	3,403
Onsite Health, Safety and Environmental Training	65,980