









- p.38  **Sustainability Strategy**
- p.40  **ESG Governance**
- p.41  **Stakeholder Engagement and Materiality**
- p.42  **Better Economy**
 + Innovation and Technology
 + People and Talent Development
 + Operational Excellence
- p.50  **Better Environment**
 + Climate Change
 + Managing Environmental Impacts
 + Sustainable Procurement
- p.58  **Better Community**
 + Health and Safety
 + Community Involvement
- p.64  **Performance Data Summary**
- p.66  **ESG Content Index**



SOCAM takes a focused approach to sustainability. It also takes into consideration the broader sustainability trends impacting our company, the industry and the wider community, guiding our efforts to adopt sustainable practices in our business operations.

Environmental, Social and Governance Report

Better Tomorrow 2021-2030

Reporting Scope and Boundary

The Environmental, Social and Governance (ESG) Report reaffirms the Group's commitment to sustainability, and covers the efforts and performance of Construction Division, Maintenance Division, Interior Fitting-out Division, and Property Division of the Group in ESG aspects for the period from 1 January 2021 to 31 December 2021. The environmental data are collected from the Hong Kong headquarters, 7 major construction projects, 8 interior fitting out projects and 16 maintenance projects in Hong Kong, and 4 property projects in the Mainland China.

This report discloses the Group's ESG performance in compliance with the HKEX ESG Reporting Guide. While we continue to apply the Reporting Principles of Materiality, Consistency, Quantitative and Balance in preparing our ESG report, we have taken further steps this year to integrate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in our reporting.

Sustainability Strategy

SOCAM has been in the construction business in Hong Kong for more than 50 years. A generation ago, all construction projects involved a negative environmental footprint: noise, dust, emissions from on-site machinery and a general blight on the neighbourhood.

Today, our smart-site protocols driven by innovation and technology, would be unrecognisable to engineers and personnel of that time. SOCAM is an early adopter of computer modelling that now consolidates every component of the construction process and is calibrated to need-to-know progress from design to completion, and is now a key industry practitioner in reducing carbon emissions and construction waste. This is allied to our design-and-build expertise in creating buildings and dynamic community facilities that are energy-efficient and sustainable.

This is just one imperative in a total corporate commitment to making sustainability our cornerstone. In 2020, SOCAM set up a Sustainability Steering Committee to oversee every aspect of our efforts and societal contribution. This was codified in a sustainability strategy for the next ten years. Our 'Better Tomorrow 2021-2030' is a multi-faceted determination that is at the core of all SOCAM sets out to achieve.

Better Economy

To contribute to economic growth and support the long-term development of the Company's businesses through innovation and talent development.



Better Environment

To address climate change by reducing carbon emissions and creating a sustainable supply chain.



Better Community

To enhance safety and wellbeing among employees, and foster a caring culture to create long-term value for the society.

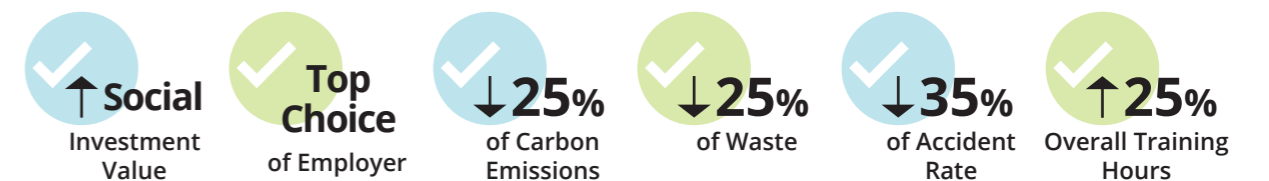


Purpose

SOCAM embarked on the Company's first sustainable development strategy "Better Tomorrow 2021-2030", setting the sustainability blueprint, vision and target, and guide our efforts for adopting sustainable practices in all business operations. Powered by the full strength of our team, our mission is to become a sustainable and resilient business through continuous innovation, creating more opportunities and positive impact for our employees and stakeholders.

Mid-Term Targets

As an important step towards alleviating climate-related environmental impacts and to deliver our sustainability commitment, we have set our mid-term targets 2024:



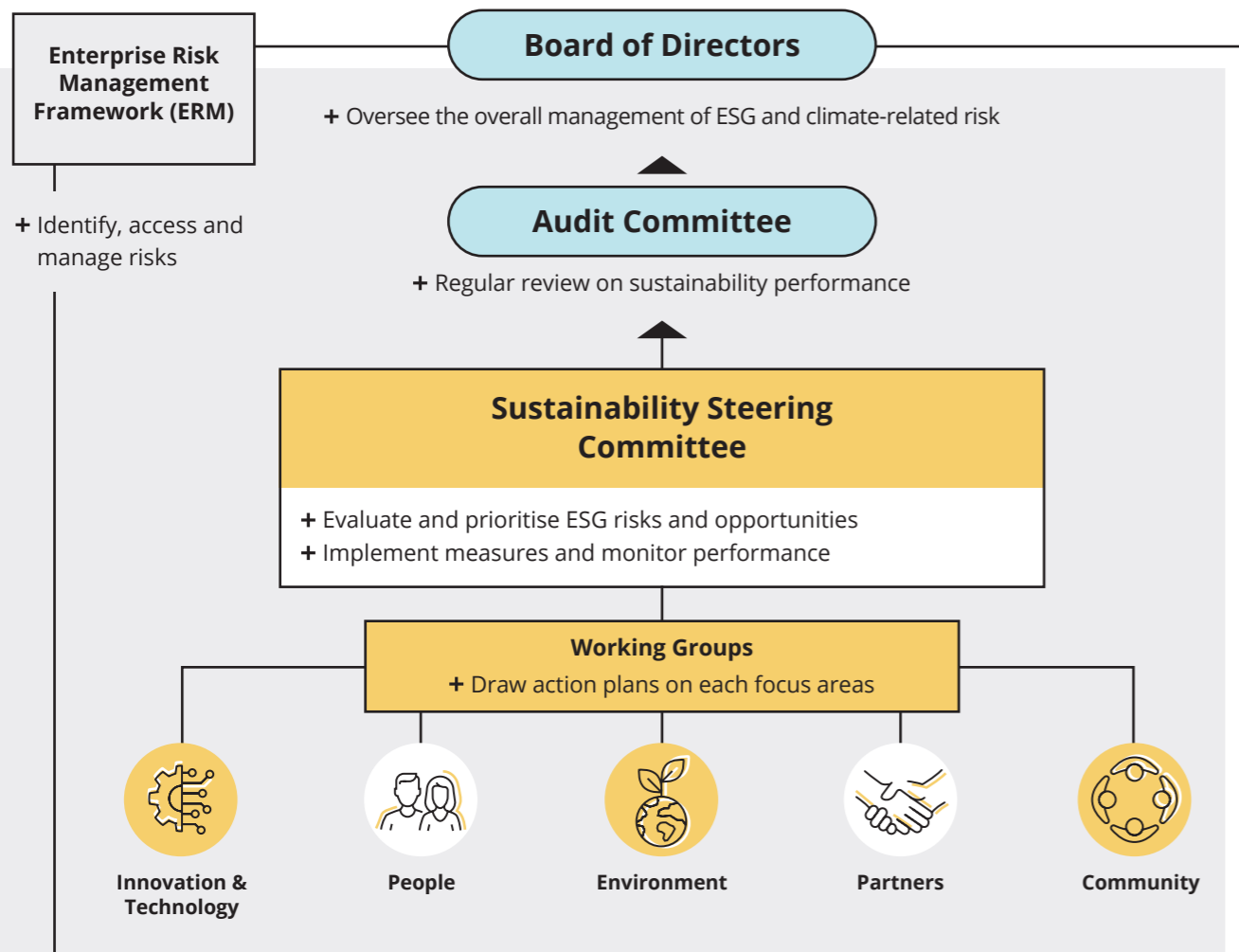
ESG Governance

SOCAM's ESG performance is overseen by the Group's Sustainability Steering Committee, comprising CEO and different business and functional unit heads, and supported by five working groups to push for ongoing improvement in the areas of ESG. The Sustainability Steering Committee will implement measures and monitor performance on a regular basis, and take stakeholders' feedback into consideration to achieve significant and continuous improvement.

Reporting to the Audit Committee bi-annually, the Committee is tasked with evaluation and prioritisation of material ESG risks and opportunities. The Group has in place an Enterprise Risk Management (ERM) framework to identify, assess, and manage key risks effectively. The Board, through the Audit

Committee, oversees the overall management of ESG and climate-related risks, and reviews the risk of a business continuity disruption and exposure to reputational concerns due to climate-related matters in alignment with Task Force on Climate-related Financial Disclosures recommendations. The framework enables us to adopt a structured approach to identifying and managing risks across the organisation, with on-going monitoring and review in place.

The Board is updated regularly by the Audit Committee on matters relating to sustainability management performance of the Group against ESG-related targets, and key material issues identified by stakeholders. The Group has a sustainability policy in place, and the Committee will evaluate the policy regularly to provide all the necessary resources and expertise to implement this policy effectively.

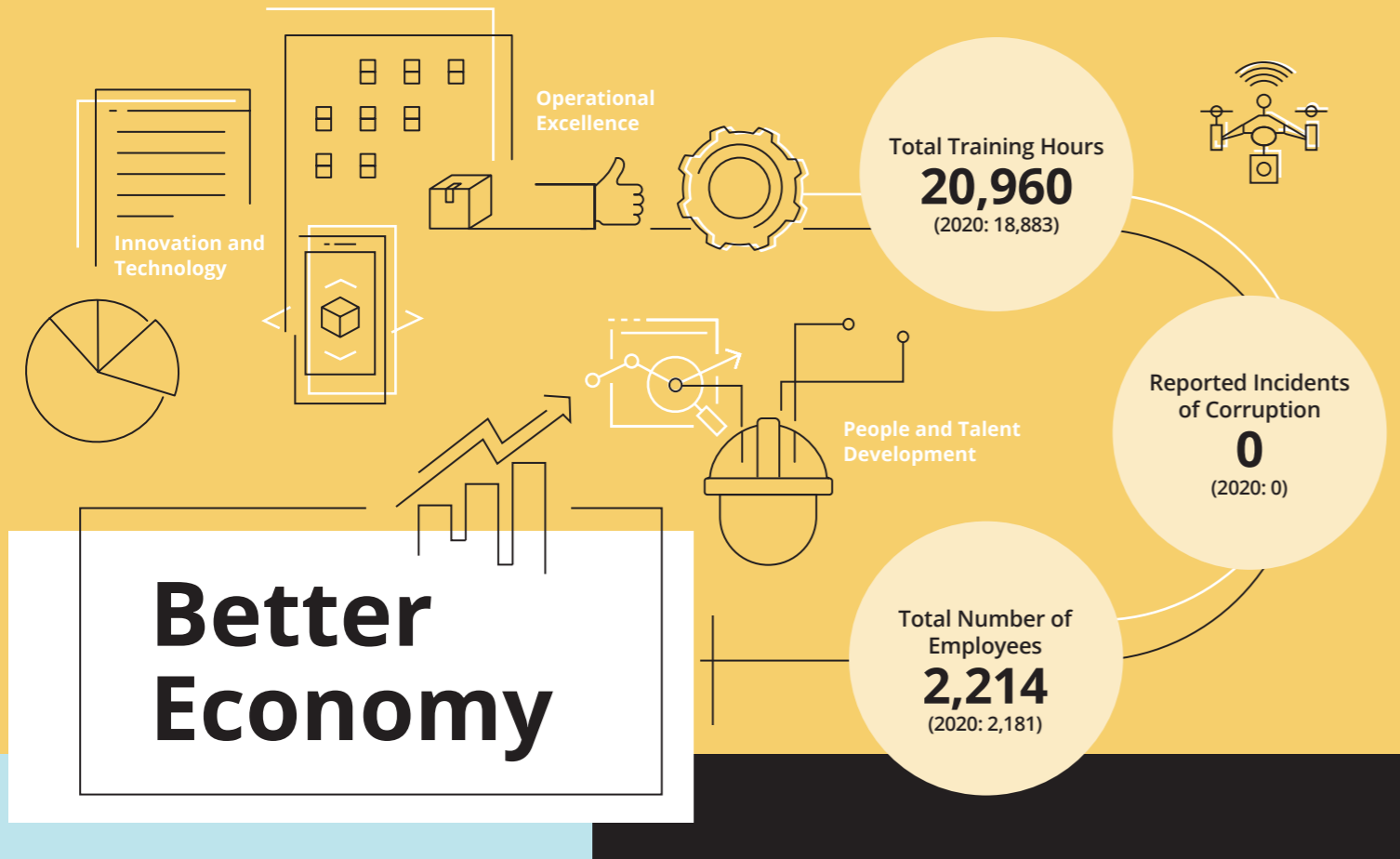


Stakeholder Engagement and Materiality

As part of our continual efforts to ensure a focused approach towards sustainability, SOCAM conducted a materiality assessment in 2020 – the process of defining the social and environmental factors that most impact our business philosophy and operations, and constantly reviewed by our Sustainability Steering Committee. This is refined into a quantifiable exercise in prioritisation. It also takes into consideration the broader sustainability trends impacting our company, the industry and the wider community. The list of identified materiality topics that was reviewed during the year and validated by our Sustainability Steering Committee is shown here, and our action taken in 2021.

- Transparency
- Health and Safety
- Energy Efficiency and Carbon Emissions
- Talent Development
- Environmental Compliance

Better Economy	Better Environment	Better Community
Material Topics / Key Areas		
+ Transparency + Talent development	+ Environmental compliance + Energy efficiency and carbon emissions	+ Health and safety
Stakeholders Groups		
+ Shareholders and investors + Regulatory institutions	+ Sub-contractors and suppliers + Clients, buyers & tenants	+ Employees + Community
Risk / opportunities		
+ As a responsible enterprise, maintaining full compliance and upholding ethical standards are the basics for building trust with our stakeholders + To harness our employees in order to react swiftly to fast-changing industry trends, risks and opportunities	+ As environmental policies become more stringent, we have to respond quickly to regulatory changes through exploring new technologies and enhance environmental management so as to mitigate the compliance risks	+ To maintain high safety standards for our workforce, and continue to place emphasis and resources in striving towards a minimal accident rate at our sites
Action undertaken in 2021		
+ Reinforced our commitment to integrity, and conducted training courses for all employees to share the best practices for preventing corruption + Disclosed climate-related risks aligning with TCFD recommendations + Set up learning management system to encourage e-learning, with approximately 75% of the total workforce completed more than one e-learning course	+ Applied advanced energy storage system to reduce our diesel fuel consumption by 61%, or carbon emissions by 496 tonnes + Partnered with energy experts to set up an intelligent control platform, saving energy consumption by 22% annually	+ Adopted AI technology on-site to instantly monitor unsafe movement and excavator operation, minimising possible safety hazards



Crucial to maintaining SOCAM's competitiveness and long-term growth is constant technology innovation and adoption, as well as attracting and retaining talented personnel. This also requires close collaboration with our partners and sub-contractors in the adoption of digitalisation and sustainable building technologies; and practical integration in construction practices.

Innovation and Technology

Among the Group's more recent adoptions of advanced technologies are Building Information Modelling (BIM) and the Modular Integrated Construction (MiC). Embracing technology enhances the Company's productivity and quality assurance while improving site safety and environmental impacts. In essence, this practice is in line with the 'Construction 2.0' proposed in the Chief Executive's Policy Address in 2018, promoting the industry's innovation, professionalisation and revitalisation.



Building Information Modelling (BIM)



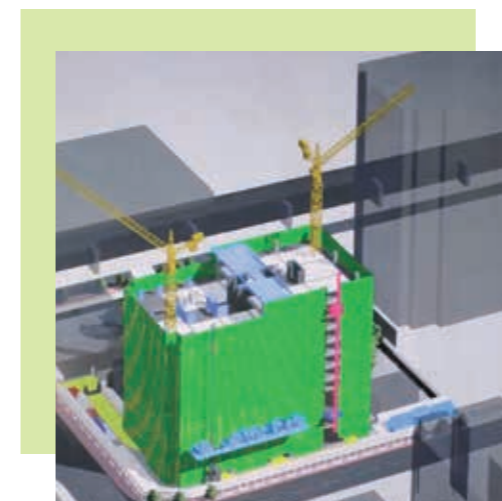
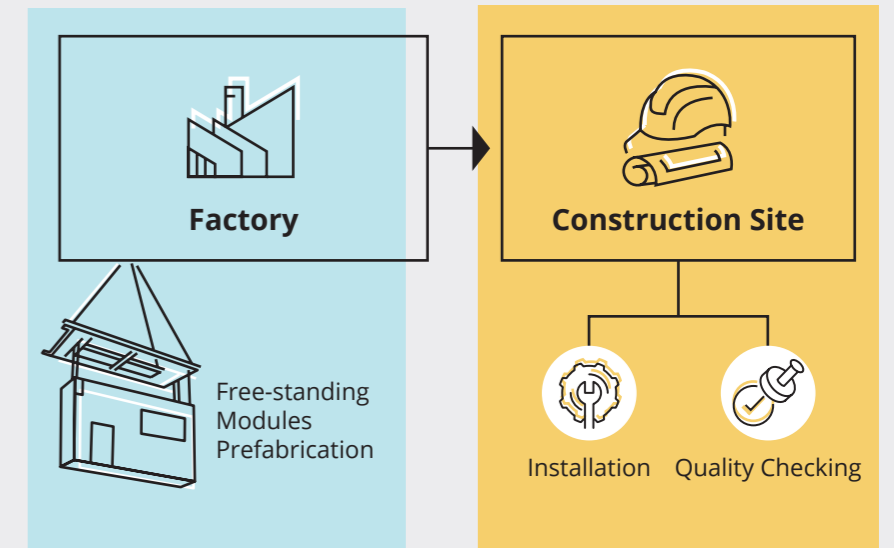
Modular Integrated Construction (MiC)



Digitalisation

Construction Technology

The Multi-welfare Services Complex in Area 29 of Kwu Tung North is SOCAM's first construction project with full MiC application, providing residential care places for the elderly and rehabilitation service facilities. Adopting the MiC methods, by which floor space is broken down into units – modules – and built in the factory to be assembled on-site. Free-standing modules with finishes, fixtures and fittings are prefabricated in the factory and then transported to the site for trial, installation and quality checking. The project is scheduled for completion in 2022.



+ Increasing built digital and robotics capabilities

MiC technology provides great flexibility to the construction process. Installation of interior fixtures and fittings are separated from piling and foundation works. Modules are constructed in the factory, further boosting efficiency and productivity. With the aid of MiC technology, the construction period has shortened to 28 months, which helps to expedite the delivery of a comfortable home to 1,750 elderlies and rehabilitation facilities to those in need.

Such off-site construction provides workers with a safer and more pleasant working environment, alleviating the hardship of working outdoors and adverse weather, and mitigating the safety hazards of falling from heights. In addition, MiC performs well in environmental protection by reducing construction waste and minimising the impact of dust and noise.

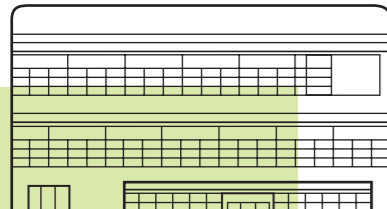
Although MiC is still at an early stage in Hong Kong, its full application in this project puts the Group in a leading place in the move toward sustainable construction with advanced technology.



+ Expanding the application of BIM

Improving Project Management by BIM

Digitalisation is a key sustainability enabler. SOCAM always attaches utmost importance to technological advancement and has expanded the application of new technologies to raise operational efficiency and reduce cost. BIM is a process that facilitates generation and management of building data, covering the entire life cycle of the building, from designing to planning, construction landscaping and the end-use environment.



The Kwu Tung North Multi-Welfare Services Complex

+ We also adopted Building Information Modelling (BIM) on planning the construction of the eight-storey Multi-Welfare Services Complex in Area 29. The complex structure is precisely presented in 3D simulation so that the engineering team can foresee potential problems and control the whole construction process at the early stage. It also significantly improves site safety and operational efficiency.



+ The 3D simulation of the modules interior space

The Central Market Revitalisation Project

- + The Central Market Revitalisation Project is the first urban renewal project of SOCAM to fully apply BIM technology. As Central Market is a Grade Three historic building, SOCAM applied BIM technology to enhance project management and minimise potential damages to the building, enabling a smoother construction and restoration process.
- + The project was completed in late 2020 and the grand reopening in August 2021 marked the success of the revitalisation of the building.

SOCAM continues to promote the application of BIM, an important milestone in sustainable development practices in the construction industry, and improve its in-house design and technical capabilities. Further resources will be invested to strengthen the building information modelling team, so as to promote wider application of relevant technologies in construction and interior decoration projects. For instance, 3D laser scanning was introduced during the year, allows surveyors to provide as-built surveys which improve productivity by identifying potential problems early in the design to construction phase.

To facilitate site monitoring we adopted Matterport technology in our construction projects. Matterport is a leader in virtual tours technology that creates accurate 3D models of the space, allowing our clients and partners an immersive experience of the actual environment and enabling progress review, spot-checking and necessary amendments. It greatly enhances efficiency in documentation and collaboration.

Other initiatives adopted during the year include using drones in surveying and monitoring construction progress to increase the efficiency of operation, and implementing Radio Frequency Identification (RFID) technology to manage and track materials which help reduce material wastage.

Digitalisation

Digitalisation has also become essential for enhancing efficiency and communication and the process has especially accelerated after the COVID-19 outbreak. In response, SOCAM has scaled up its move towards paperless working and process optimisation.

We have developed innovative new systems to steer our operations towards computerised and technology-driven. Company-wide digitalisation programmes including "SOCAM Portal", "Business Process Management System" and e-Signature continued during the year. Internal digital forms including the HSE eForms and ePermit, were developed, managing about 1,600 electronic transaction per month, processing 18,000 electronic transactions. The eTender System and Management Portal (Construction) were rolled out to achieve process optimisation and provide analytical data for insights generation.

In parallel, we boosted our investment in upgrading equipment and computer software to increase digital performance. In total, HK\$3.5 million was allocated to purchase 350 computers, including laptops and iPads for front-line colleagues.



SOCAM Portal



Business Process Management System



HSE eForms and ePermit



eTender System



Management Portal (Construction)



People and Talent Development

Talent development has always been a central focus. We put in significant efforts in attracting and retaining the best-fit talents and create rewarding career pathways, from knowledge know-how, industry expertise to gainful employment.

Aspiring to be an employer of choice, we put a special emphasise on life-long learning. During the year, we elevated our e-training and development capabilities, recording a total of 20,960 hours of training, an increase of 11%. Through different training programmes and activities, we strive to provide employees a caring and comfortable working environment, thus safeguarding their health and well-being.

In 2020 we established a talent development programme targeting high potential talents with at least five years of service with SOCAM. Employees from both project and general management level joining the programme are designated to be trained as

future management team. They are provided with job expansion opportunities across departments and business segments over 18 months. In 2021, 15 employees participated in this programme.

The staff voluntary turnover rate was 13.1% during the year, compared to 9.3% in 2020. In the face of intensifying competition for talents in the recent years, we implemented a number of measures beyond just monetary rewards and improved work conditions. We launched diverse professional training and opportunities tailored for middle project management teams, and Leadership Forum led by the Chairman.



+ Multi-function room specially designed for staff working at sites



+ Learning Management System for employee's self-learning

Learning and Development

Our face-to-face training was affected by COVID restrictions during the year, requiring a switch to digital platforms. We launched a Learning Management System (LMS) in early 2021 to enable self-learning with 26 courses offered. Approximately 75% of the total work force completed more than one e-learning course.

To enhance the sharing of the application of new technology, a Learning Gallery was organised and a digital panel was established to promote the sharing of progress and achievements. We held a Discovery Camp in 2021 to replace the usual management conference for Construction Division, and invited the middle management and young professional staff to encourage innovative approaches and drive collaborative change.

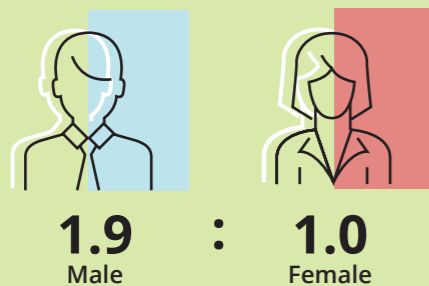
The construction industry is challenged by an ageing workforce and change in skills required. With this in mind, we continued to move forward with our Graduate Engineer Programme to attract young talents from the market. Our Graduate Engineer Programme targets fresh engineering graduates with potential to take on project management tasks. Job rotations and leadership training are promoted so that they can get familiar with diverse operations. In 2021, five engineering graduates and 10 interns joined our Graduate Engineer Programme and Internship Programme respectively.

During the year, the Group was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and preventing child or forced labour.

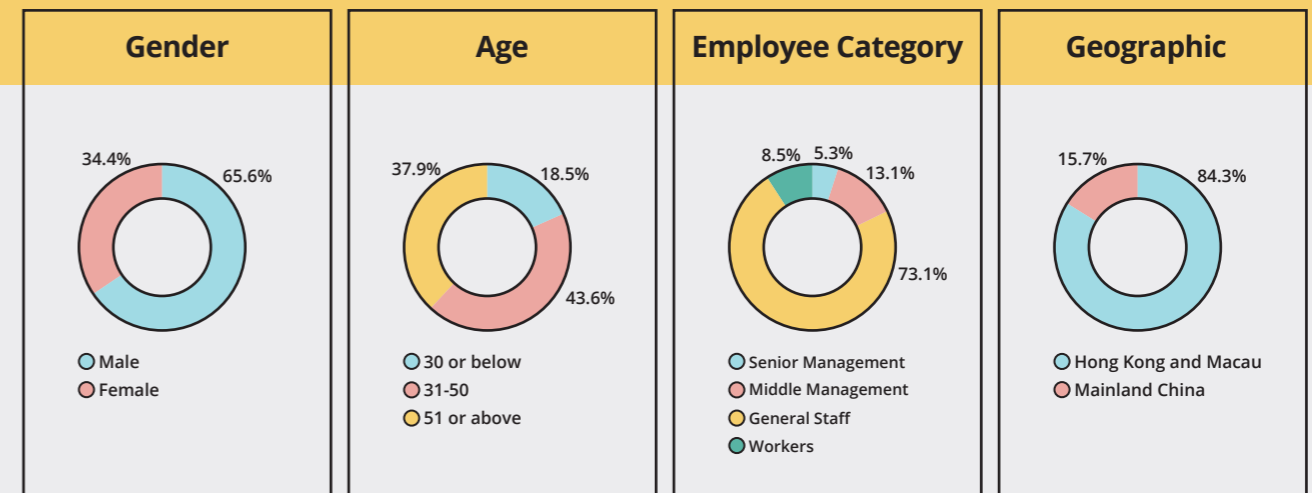
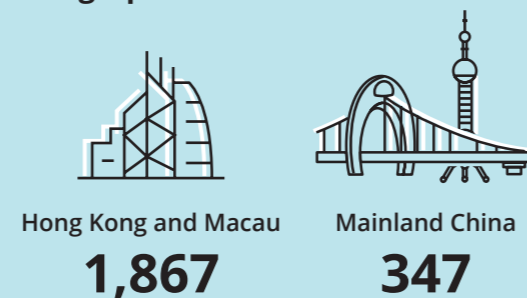
Our Workforce

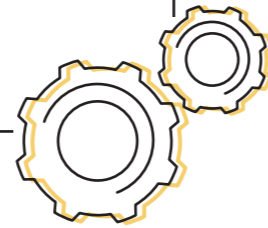
As of 31 December 2021, we employed 2,214 people in total, of which 1,867 were based in Hong Kong and Macau and 347 based in cities of Mainland China. The male to female ratio is approximately 1.9:1.0.

Gender Ratio



Geographic





Operational Excellence

SOCAM strives to conduct business in a spirit of integrity and fair play. We pursue operational excellence by providing high quality buildings, and infusing accountability in our supply chain.

Delivering High-Quality Buildings

SOCAM aims to create value for clients, tenants and communities. Our buildings are designed and built to provide high functionality and to lift the spirits.

We have integrated ISO9001:2015 Quality Management System certification into our operations, while Health, Safety and

Environment (“HSE”) Policy and Quality Policy are in place to ensure compliance with relevant industry standards. Department heads regularly conduct site inspections at each construction project for quality, health and safety and progress assessment. At site level, the Environmental Team conducts regular inspections and held meetings to manage the daily operations. Communication channels are in place to handle general enquires and customer complaints in accordance with the project plan. During the year, we did not receive any material complaints related to our projects.

Number of Suppliers and Sub-contractors



105

Property in Mainland China



741

Construction in Hong Kong



283

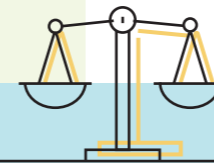
Interior Fit-out in Hong Kong and Macau

Supply Chain Management

Construction industry involves a complex supply chain, and hence our supply chain partners are essential to our success. During the pandemic, our focus in 2021 was to keep suppliers and sub-contractors safe. We proactively engage and communicate our requirements to supply chain partners on operational procedures. Review meetings with sub-contractors are also organised on a weekly basis on the latest HSE updates and policies.

With an extensive supply chain comprising materials and product suppliers, sub-contractors for construction and property management agencies, maintaining an effective communication are the key to promote responsible practices among our major suppliers.

The Group’s procurement department has standardised procedures to select, evaluate, supervise and review the performance of suppliers and sub-contractors. Assessments are conducted quarterly to review the quality of materials, progress of work, site safety, environmental protection performances and wage payments. Site management teams are required to commit to the highest service standards, and ensure emergency preparedness plans are in place.



Business Ethics Policy

Whistle-blowing Policy



Staff Handbook



Ethics and Integrity

Integrity is the key to maintaining trust and long-term relationships with stakeholders. Over the years, our Shui On Culture has cultivated a set of shared beliefs on which all our policies and actions are based. Through engaging employees, business partners and suppliers, we ensure that we conduct our business in a spirit of fairplay.

The Management is fully committed to enforcement of our code of business ethics and to ensuring employee knowledge and compliance. A business ethics policy, whistle-blowing policy and staff handbook are in place to maintain and enhance employee awareness and understand their rights and obligations.

We constantly work with the Independent Commission Against Corruption (ICAC) to organise staff training to strengthen employee awareness of ethics, in order to share the best practices for preventing corruption. In 2021 we launched e-learning programmes on anti-corruption and integrity, and made business ethics a compulsory topic in our new staff orientation programmes. Sessions were also arranged for the Board of Directors to update the latest trend and best practices, to continuously improve the standards of business ethics.

During the year, the Group’s operations complied with all relevant laws and regulations relating to bribery, extortion, fraud and money laundering.

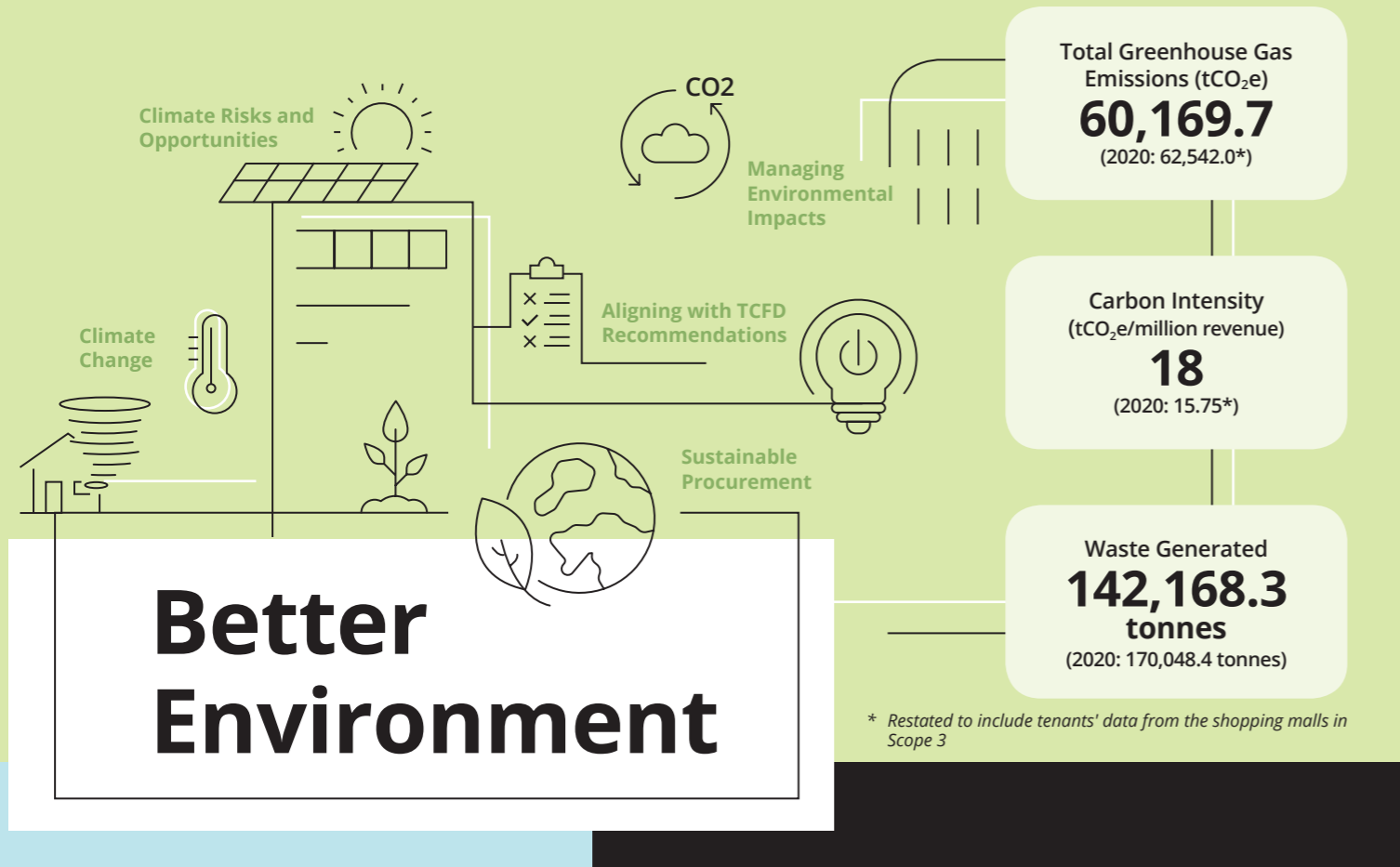
Data Security and Confidentiality

Data is one of the most vital assets of business today. We are aware that policies and protocols will enable maintenance of security and privacy across our entire operations. In 2021, SOCAM obtained ISO/IEC 27001 certification for Information Security Management Systems to provide us with controls over possible cyber-attacks or data breaches, and maintained the highest standards of protecting the confidentiality and integrity of sensitive data.

During the year, the Group was not aware of any incidents of non-compliance with laws and regulations that could have had any significant impact on the Group concerning health and safety, advertising, signage or any other related matters.



+ Accredited with ISO 27001 Information Security Management Systems certification in 2021



Better Environment

The Group is ever-diligent in exploring environmental sustainability solutions, to reduce our carbon footprint through energy and waste reduction and, with recycling, our resource consumption. Addressing a more localised responsibility, we make every effort to minimise our neighbourhood construction presence in terms of noise, dust and heavy-vehicle activity.

Climate Change

Buildings, materials manufacturing and construction processes account for 90% of electricity used in Hong Kong, generating over 60% of Hong Kong's carbon emissions. There are two primary types of carbon emissions generated by the construction industry: first, from manufacturing, transporting and installing construction materials; second, from energy consumption.

With our climate change policy in place, the Group is determined to play our part in mitigating climate change, from on-site practices to office protocols, adapting our construction process to achieve our reduction targets.

Disclosure

- + ensure collection of reliable high-quality data of Greenhouse Gases (GHG) emissions, right calculations and documentation;
- + disclose GHG emissions and reduction actions annually;
- + disclose climate-related risks and opportunities according to the recommendations of the TCFD.

Assessment

- + assess climate-related risks and opportunities regularly;
- + address climate-related risks as part of risk management process by adoption of effective mitigation measures.

Implementation

- + adopt energy efficient practices and technologies in construction projects and operations;
- + implement eco-friendly practices in our procurement process, including choosing environment friendly raw materials and equipment;
- + encourage our employees to adopt low-carbon practices in daily operations.







Aligning with TCFD Recommendations

Globally stakeholders are paying increasing attention to issues related to climate change, SOCAM took another step forward in carbon reduction efforts to address the potential risks and opportunities. To enhance our climate-related disclosures, we began to follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) this year, focusing on: "Governance", "Strategy", "Risk Management" and "Metrics and Targets".

Areas	Actions Taken
Governance Governance measures to address climate-related risks and opportunities	Board's Oversight and Management's Role + Chaired by the CEO, the Sustainability Steering Committee identifies and assesses ESG-related risks and opportunities, including climate-related issues. The Sustainability Steering Committee reports bi-annually to the Audit Committee which oversees ESG matters and managing goals and targets. + We have formulated a Climate Change Policy to guide our management approach to climate-related issues.
Strategy Impacts of climate-related risks and opportunities on the Group's businesses, strategies, and financial planning	Climate-related Risks and Opportunities + We are aware of the risks of extreme weather and floods caused by climate change as these can damage our construction sites and facilities. In the long term, prolonged extremely hot weather also poses health risks to workers. + We are also aware of transitional risks, such as changing policies, potential increment in energy costs, and the need for green building technologies. + We have identified some opportunities in the transition to a low-carbon economy, such as reduction in operating costs due to higher energy usage efficiency facilitated by technology advancement.
Risk Management The process of identifying, assessing and managing relevant climate-related risks	Climate Risk Assessment + We assess the physical and transitional risks climate change can bring to our operations, and incorporate them into our sustainability strategy. Our risk management and internal control system take into consideration the ESG and climate-related issues.
Metrics and Targets Metrics and targets in relation to climate-related risks and opportunities	Carbon Emissions and Reduction Target + To monitor our performance, we have been measuring and disclosing our energy consumption and Scope 1, 2 and 3 emissions. + We have set a target of reducing our GHG emissions intensity by 25% by 2024. Our efforts in energy saving and carbon footprint reduction are described in detail in the "BETTER ENVIRONMENT" section.

Climate Risks and Opportunities

We have identified climate risks and opportunities that are relevant to our business operations, and the actions taken, as below:

Type	Risks/Opportunities	Potential Financial Impacts	Our Actions	Corresponding Section
Physical risks				
Acute	 Frequent Extreme Weather	+ Extra cost may incur due to disruption of project completion + Increased costs due to damage of structures and facilities	+ Conduct emergency drills and specialised training for employees	+ Health and Safety
Chronic	 Prolonged period of extreme hot weather	+ Higher manpower costs because of increased health issues	+ Implement measures during times of extremely hot weather	+ Health and Safety
Transitional risks				
Policy and Legal Risks	 More stringent government policies for decarbonisation	+ Increased cost of compliance and operation	+ Set a carbon reduction target	+ Carbon and Waste Reduction
Technology Risks	 Intensified competition in green building construction	+ Reduced revenue due to competition	+ Adopt sustainable construction technologies	+ Innovation and Technology
Opportunities				
Resource Efficiency	 Improved resource efficiency in response to market demand	+ Reduced operating costs due to resource conservation	+ Implement energy-saving initiatives and digitalisation + Promote industry best practices	+ Innovation and Technology + Managing Environmental Impacts
Products	 Advancement in green building technologies	+ Increased revenue through low emission infrastructure + Increased revenue with strengthened capabilities	+ Increase the use of renewable energy	+ Managing Environmental Impacts

Managing Environmental Impacts

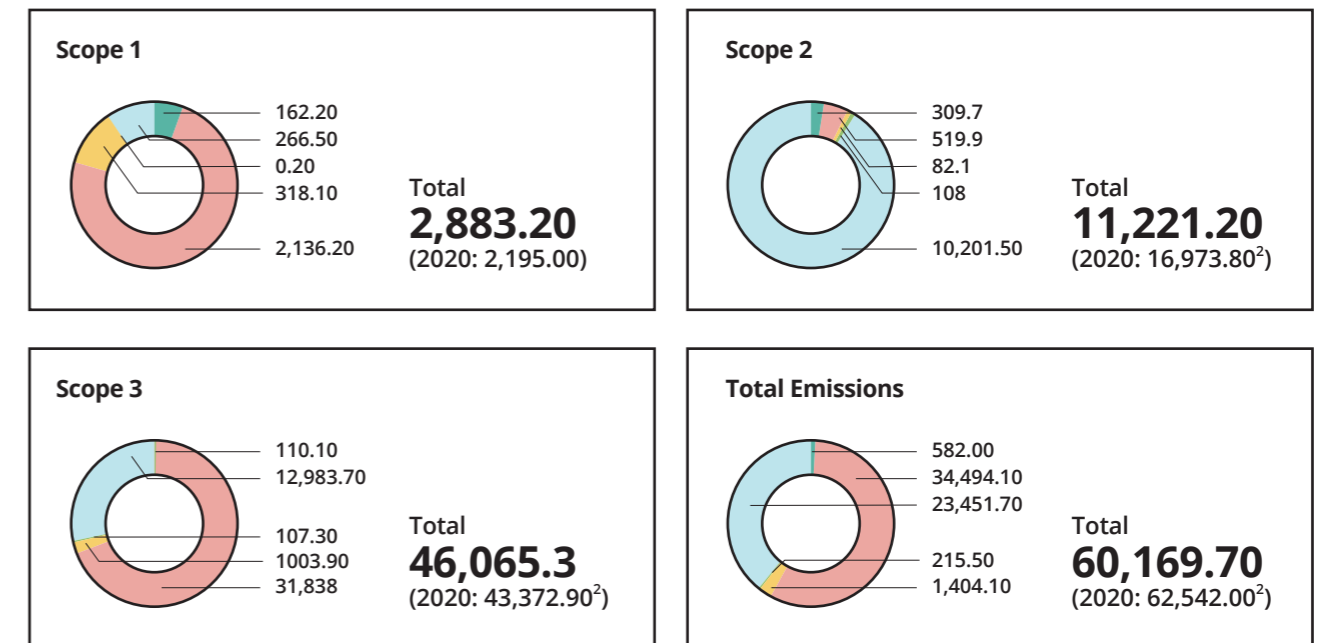
We have been tracking our energy consumption and carbon emissions closely since 2013. With our target set to reduce 25% of carbon footprint by 2024, in line with Hong Kong's goal for carbon neutrality by 2050, we are determined to identify and implement innovative solutions in partnership with our clients and partners in moving towards a cleaner and more sustainable source of energy.

Our annual carbon emissions are much influenced by the project development cycles, as we are involved in a range of

projects that vary in scale and stages of work progress every year. We are fully aware that more efforts are needed as we continue to manage and improve our reduction plans in order to meet our carbon reduction target in 2024.

Below table shows our carbon emissions in 2021 from different business segments. During the year, the total carbon emissions amounted to approximately 60,169.7 tonnes of carbon dioxide equivalent (tCO₂e), representing a decrease of 3.8% in the total emissions. Carbon intensity is 18.0 tCO₂e per million turnover.

Carbon Emissions (tCO₂e)¹ in 2021



¹ The scopes of carbon emissions are defined as below:
 Scope 1 Direct fuel consumption of generators, vehicles and work processes.
 Scope 2 Indirect emissions from purchased energy and heating.
 Scope 3 Water and sewage processing, waste treatment, raw material usage, logistics and business travel.

² Restated to include tenants' data from the shopping malls in Scope 3.

+ The increase in Scope 1 is due to the increase in direct combustion from two New Works projects and petrol consumption from head office. The drop in scope 2 carbon emissions was attributable to the increased deployment of electricity saving initiatives.



Cutting Carbon in Kwu Tung North Project

Heading towards the era of "Construction 2.0", SOCAM strives to move towards a cleaner, safer and more sustainable future, and adopted an advanced, compact and connected battery systems in lieu of the traditional diesel generators. We deployed four of these battery systems for powering tower cranes in our Multi-welfare Services Complex construction site in Kwu Tung North. As result, it has helped lessen our diesel fuel consumption by 61%, saving HK\$850,000 every year on fuel expenses and reducing carbon emissions by 496 tonnes.

With the ability to store electricity, the battery system is more stable and reliable in powering heavy equipment especially in remote areas where permanent grid power is often insufficient. Being controlled by fully automated self-managing systems, where constant maintenance is not required, it helps enhance productivity. Cloud connections allow us to track energy usage in real time, providing unparalleled levels of data transparency. Besides, it is 32 times quieter than diesel generators with the Noise Cooling System, minimising the impact on the neighbourhood.

Stage 1 Planned the project by breaking the floor spaces into units

Stage 2 Designed the interior for modules prefabrication



Stage 3 Factory mass production of MiC modules



Stage 4 On-site installation of MiC modules and jointings

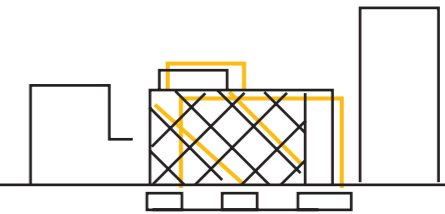


Stage 5 Completed the installation of 1,764th module in February 2022

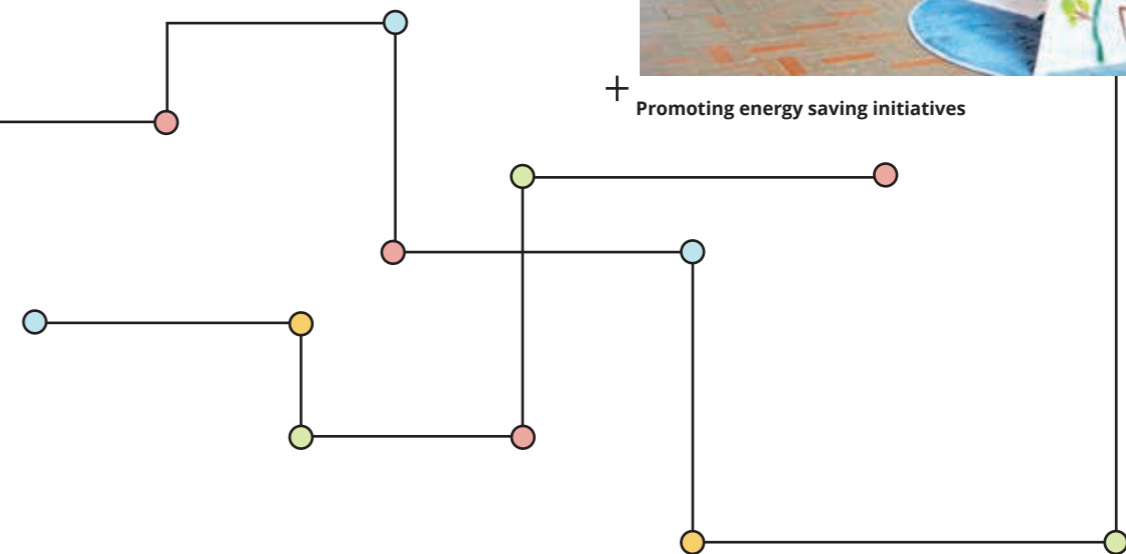
Reducing Energy Use in Shopping Mall

Air conditioning is the largest electricity consuming item in shopping malls. During the year, in partnership with CLP, we piloted to install an intelligent control platform at Chengdu Centropolitan, aiming to improve the existing energy management of the central air conditioning system.

The project, including optimising the chiller, and setting up variable speed drives, AI control system, smart metre and energy consumption monitoring system, saw encouraging results, reducing energy consumption of 22.3% annually.



+ Promoting energy saving initiatives



Managing Waste

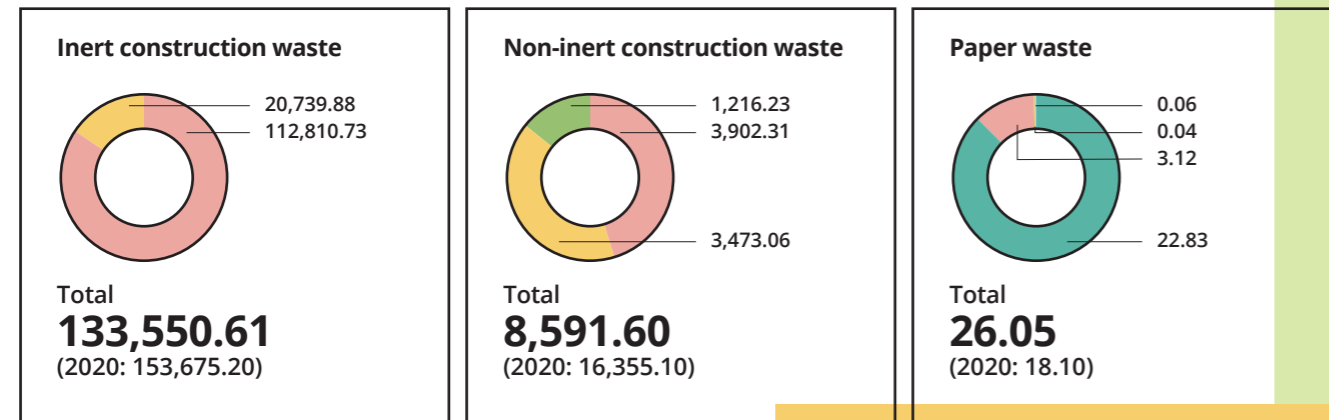


Committed to a waste reduction target of 25% by 2024, we strive to adopt smart technologies which enables us to design, plan and procure more efficiently.

Waste generation are largely affected by construction activity. Despite an addition of one more construction project in the

boundary, the New Works inert construction waste declined by 26% year-on-year while the non-inert construction waste recorded a decrease of 73% year-on-year. The total inert and non-inert construction waste in 2021 was 133,550.61 tonnes and 8,591.60 tonnes respectively.

Non-hazardous Waste (tonnes)



- Head Office
- Interior Fitting Out Projects
- New Works
- Shopping Malls
- Maintenance Projects



MiC Construction

Applies MiC construction methods to reduce the impact of dust and noise in the surrounding environment. Less construction waste is generated.



Prefabricated Rebar Products

Adopts the prefabricated rebar products to produce high-quality pre-made products in a safe environment, thereby improving engineering efficiency, avoiding the loss of steel bar materials and reducing the generation of waste metals on site.



Iron and Aluminium Formwork

The extensive use of iron and aluminium formwork to replace timber formwork can greatly decline the number of waste timber on site.



Paperless Workplace

Implement paperless workplace and other measures to decrease the use of paper.

Reuse and Recycle

- + reuse precast concrete slabs for hard paving and facilitate inter-project materials transfer through an in-house materials platform.
- + reuse hoarding materials at site, including concrete block and steel H-iron, which helps reduce procurement of new materials.
- + recycle and reuse building materials such as protective canvas for assembly of composite components to reduce waste on site.

In our head office, we received the certification in "Green Office Awards Labelling Scheme (GOALS)" awarded by World Green Organisation, recognising our efforts in adopting green office practices in the areas of resources conservation, waste reduction, green procurement, environmental management, internal awareness raising, and green innovation.



+ Our efforts in adapting green office practices earned us the "Green Office" certification



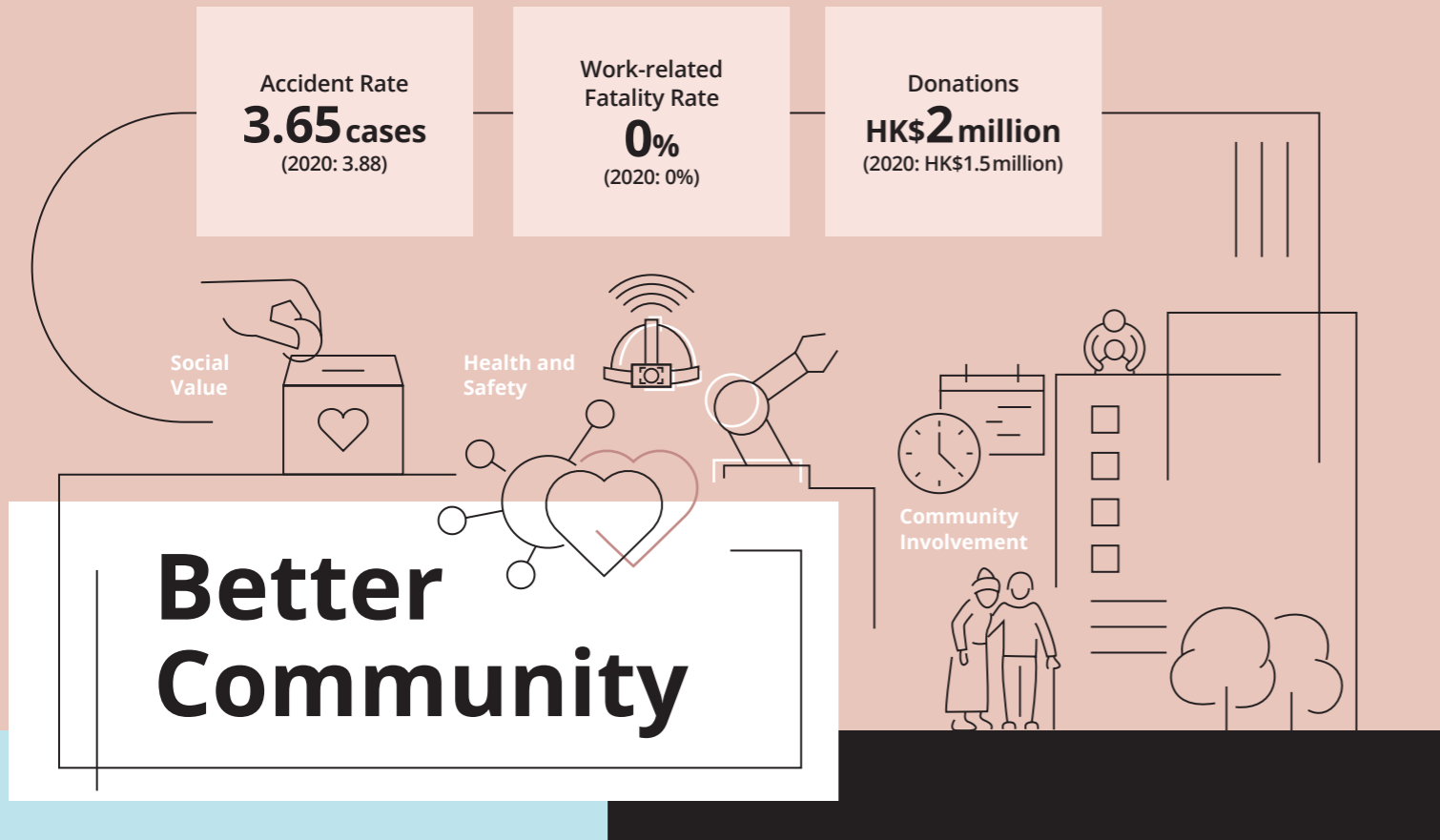
Saving Water

SOCAM consumes water resources during the construction process. We are continually working to improve our water management. During the year, we collected rainwater and recycle wastewater for reuse; and electrical sensor switches were installed in washrooms to reduce water wastage. With the adoption of MiC construction method, our sites greatly reduce the use of fresh water in the process to maintain concrete.



Sustainable Procurement

The Group incorporates environmental parameters into the building life cycle, including building design, construction method, raw material handling, waste disposal and facilities selection, encouraging the selection of the best options based on the price and environmental parameters. We also extend these eco-friendly practices to the entire supply chain, promoting efficient use of natural resources including raw materials and water by adhering to the green procurement guidelines monitored by the Procurement Department.

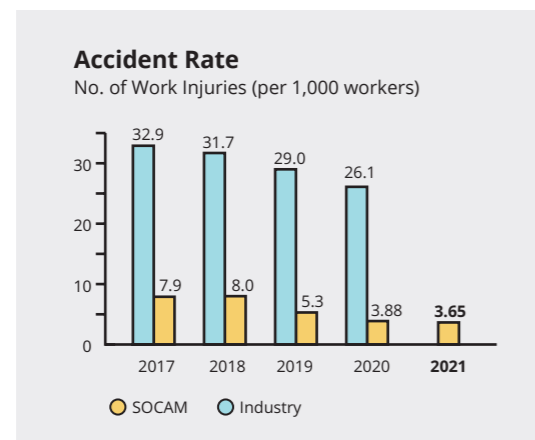


Health and Safety

Over the past many years SOCAM has had an outstanding record in site safety management, reporting incidents of injury significantly below industry averages. We put safety first and keep on improving our performance by adopting artificial intelligence during the year. From an already industry-low injury rate of 5.32 cases per thousand workers in 2019, we aim to achieve a reduction of 35% by 2024.

Strengthen Governance

A corporate HSE Steering Committee was set up during the year, overseeing the key risk areas, and systematically reviewing operational practices and training needs. Risk assessment and audits of operational safety are conducted in accordance with the ISO45001 Occupational Health and Safety Standard.



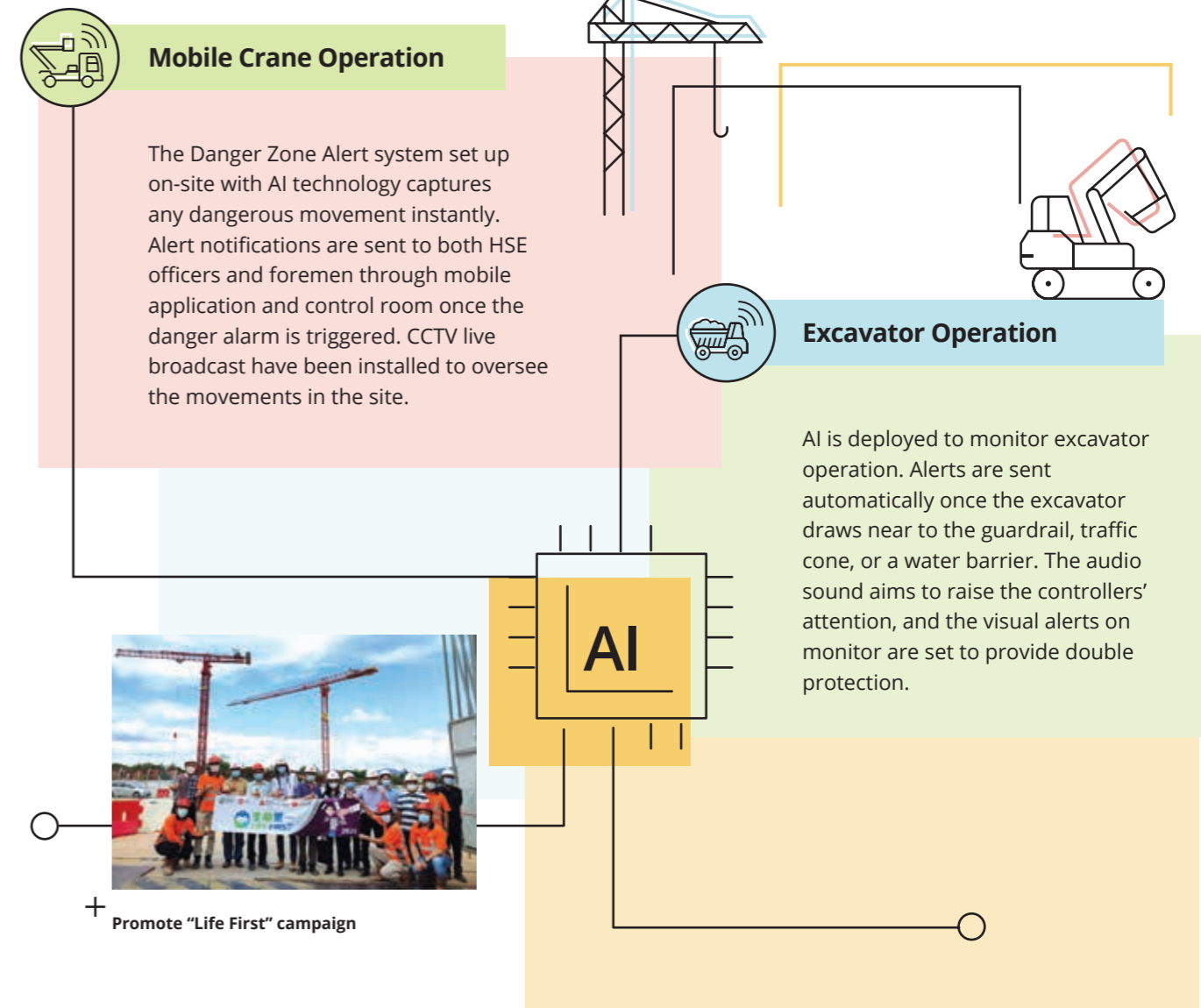
In 2021, we recorded an accident rate of 3.65 cases per thousand workers, the lowest record in recent years. A total of 2,230 lost days due to work injuries were reported during the year. There were 12 documented work-related injury cases, compared to 13 in 2020. In the last three years, there were no work-related fatalities.

Application of AI Technologies to Enhance Safety

New technologies were adopted to upgrade the safety standards. During the year, we signed a memorandum of strategic cooperation with ViAct to introduce the latest artificial intelligence technology to ensure site safety. By combining with AI technology, raw data is transformed and assembled into insightful information for the use of management decision-making regarding occupational safety.



+ Using VR for immersive safety training





This year, we upgraded the devices at the construction sites. Smart Helmets are adopted to show workers' real-time status including safety and position during work. Robotic machines such as mobile glass handlers are used to transport glass in a safe manner.



+ AI technology to enhance remote site safety monitoring

Engagement and Training

This year, the Group co-organised a Health and Safety talk with Construction Charity Fund for front-line workers, providing them with work-related safety information such as preventing heat stroke during extreme hot weather. To ensure adequate communication with sub-contractors, safety performance review meetings were held more frequently.

We engage with employees to communicate onsite safety messages and instructions, reinforcing safety culture by upgrading incident alert system and implementing industry leading work practices.

The Group has also subscribed to a virtual-reality (VR) training package with several modules related to construction practices for the front-line workers. Employees enrolled in the VR training can experience and understand each procedure more safely and clearly in a stimulative way.

Although the pandemic has disrupted face to face training, we arranged a total of 74,257 person times safety training in 2021, compared to 105,350 in 2020.



Protect Employee Safety during COVID-19

In the face of the challenging pandemic environment, we implemented immediate measures to safeguard the health and safety of employees, and established a set of preventive protocols across our operations. We installed a wide range of virus preventive solutions both at sites and offices including anti-bacterial treatments for public areas, upgraded sanitation and disinfected purifiers, while temperature screening and facial ID checks were made mandatory at site entrances to facilitate contact tracing.

Our internal communication channels are used to disseminate precautionary reminders and response measures to provide our employees with clear communications on the latest incidents.



+ Tailor-made mask for employees

Community Involvement

At SOCAM, we actively encourage employee engagement with the wider community in ways that are fun, emotionally rewarding and have quantifiable benefits. We also make donations to those admirable charities dedicated to helping the less-fortunate in society.

SOCAM was awarded the "15 Years Plus Caring Company Logo" by the Hong Kong Council of Social Service in 2021, recognising the Group's continued commitment to caring for the community, employees and environment for more than 15 years. Our community engagement programmes focus on supporting young people through experiential learning, and providing home care and support services for the vulnerable especially the elderly.

Fighting COVID-19

As a key industry player in the construction business, we are fully committed to supporting industry events, especially during difficult times. As the pandemic continued to impact people's health and the construction industry during the year, we donated HK\$500,000 to the "Construction Industry Caring Campaign" launched by the Construction Industry Council, offering financial relief to construction workers and their families who have been affected by the epidemic. We also implemented an incentive scheme for our employees, including a lucky draw and paid vaccination leave in support of the HKSAR Government's COVID-19 vaccination drive and in the interest of public health.



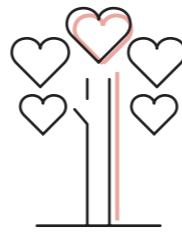
+ Support the vulnerable in our society during pandemic

Donated
HK\$500,000
to Construction Industry
Caring Campaign

Engaging the Youths and the Community

Students' Programme to Encourage Innovation

The development of youth is a priority for SOCAM. In 2021, we set up the Shui On Innovation Fund which supports learning, innovation and student projects. The Fund, in collaboration with the Hong Kong University of Science and Technology's Division of Integrative Systems and Design programme, has supported 14 student projects, benefiting over 60 students, to work on specific projects ranging from robotics to smart construction. Through these joint programmes, we aim to provide students design thinking, hands on experience and project-based learning to nurture next-generation innovators and technologists.



+ Student's project on Smart Construction

Community Outreach

During the year, SOCAM teamed up with University of Hong Kong's Department of Civil Engineering as part of their Project Mingde. This worthy initiative is set up to build or refurbish properties in Hong Kong and the Mainland. We partnered with students on an interior design and maintenance project for the headquarters of

Saint Barnabas' Society and Home, a charity for the poor and homeless. In collaboration with the students, giving guidance where necessary, we undertook numerous building improvement tasks including waterproofing and solar panel installation.

In similar regard, in 2021, SOCAM also supported the Hong Kong branch of Ronald McDonald House Charities that provides shelter and care for the young around the world.

As a company, we are constantly on the look-out for ways to help deserving charities and, where we can, provide practical learning experience and mentoring for young students outside the confines of the classroom.



+ Empower student development

Volunteer Services

The Group fosters employee engagement with the wider community in ways that are both emotionally rewarding and have quantifiable benefits. Our shared goal, as SOCAM regularly contributes to deserving charities, is to do our part to support the vulnerable in our society and alleviate poverty where we can.

Upholding the long tradition of the Shui On spirit, the Shui On Seagull Club, our employee run volunteering service unit, with 313 employees volunteered and worked for 792 hours in 2021 (2020: 321 and 540 respectively) despite the disruptions caused by COVID on our volunteering efforts. These included our volunteer services for St. James' Settlement, Hong Kong Young Women's Christian Association (YWCA), Hong Kong Cancer Fund, and Hong Kong Red Cross, among others.

We also continued to provide pandemic relief services such as packing and distributing face masks and lunchboxes to the vulnerable, working with YWCA.

Our Annual Charity Walk was an important event that we co-organised with the Hong Kong Society for the Blind during the year. Funds raised were used to equip the visually impaired for business work, which in turn helps maximise their potential and capabilities in the long run. However, the COVID-19 situation was serious, and we had to hold only a virtual event, because of considerations related to safety of our staff and to follow the social distancing norms. Nevertheless, the benefits of the event were still concrete and substantial.



Project Mingde
bringing learning outside
the traditional boundary
of the classroom



792
Volunteering
Hours



313
Employees
Volunteered



**Shui On
Innovation Fund**
Support 14 projects,
benefiting over 60
students

Performance Data Summary

	Unit	2021	2020	
Employees	Head count at Year End			
	Group-wide	Person	2,214	2,181
	By Gender			
	Male	Person	1,453	1,469
	Female	Person	761	712
	By Business Lines			
	Construction Division	Person	1,210	1,160
	Property Division	Person	851	863
	Others	Person	153	158
	By Employee Category			
	Senior Management	Person	117	119
	Middle Management	Person	289	292
	General Staff	Person	1,619	1,600
	Workers	Person	189	170
	By Age group			
	Under 30	Person	409	415
	31-50	Person	965	951
	51 or above	Person	840	815
	By Geographical Region			
	Hong Kong and Macau	Person	1,867	1,811
	Mainland China	Person	347	370
	Turnover rate (%)			
	Group-wide	%	13.1	9.3
	By Gender			
	Male	%	9.1	6.4
	Female	%	4.0	2.9
	By Age group			
Under 30	%	4.2	2.9	
31-50	%	6.0	4.7	
51 or above	%	3.0	1.7	
By Geographical Region				
Hong Kong	%	27.1	16.1	
Macau	%	5.2	5.6	
Mainland China	%	7.1	6.2	
Training & Development	Training Hours			
	Group-wide (excluding HSE training)	Hour	20,961	18,883
	By Gender			
	Male	Hour	14,855	11,107
	Female	Hour	6,106	7,776
	By Employee Category			
	Senior Management	Hour	2,557	1,809
	Middle Management	Hour	4,695	2,366
	General Staff	Hour	12,224	14,709
	Workers	Hour	1,485	-
	Average Training Hour			
	Group-wide	Hour	9.5	8.7
	By Gender			
	Male	Hour	10.2	7.6
	Female	Hour	8.0	10.9
	By Employee Category			
	Senior Management	Hour	21.9	15.2
	Middle Management	Hour	16.2	8.1
	General Staff	Hour	7.6	9.2
	Workers	Hour	7.9	-

	Unit	2021	2020	
	Percentage of Employees Trained			
	Group-wide	%	74.5	86.7
	By Gender			
	Male	%	74.5	58.2
	Female	%	74.5	28.4
	By Employee Category			
	Senior Management	%	93.2	5.6
	Middle Management	%	90.0	12.8
	General Staff	%	75.8	68.2
	Workers	%	26.5	-
Health & Safety	Lost days due to work injury	Day	2,230	3,225
	Work-related injury rate	per 1,000 workers	3.65	3.88
	Work-related injury	Number	12	13
	Work-related fatalities	Number	0	0
	Number of participants in safety training	Person	74,257	105,350
	Environment	Total Resource Consumption		
Electricity		kWh	12,282,215	15,932,688*
Petrol		Litre	147,983	95,083
Diesel		Litre	839,537	562,842
Natural Gas		m ³	150,079	111,725
Acetylene		m ³	398.7	3,567
Heat		kWh	6,338,977	7,780,512*
Total energy consumption		kWh	31,785,567	35,798,173
Energy intensity		kWh/million turnover	9,602.9	9,036
Water		m ³	156,637	168,616*
Water intensity		m ³ /million turnover	47.3	42.6
Greenhouse Gas Emission (tCO₂e)				
Scope I		tCO ₂ e	2,883.2	2,195.0
Scope II		tCO ₂ e	11,221.2	16,973.8*
Scope III		tCO ₂ e	46,065.3	43,372.9*
Total		tCO ₂ e	60,169.7	62,542.0
GHG intensity		tCO ₂ e/million turnover	18	15.75
Air Emissions				
Sulphur oxides	kg	15.7	10.9	
Non-hazardous waste				
Inert construction waste	tonnes	133,550.6	153,675.2	
Non-inert construction waste	tonnes	8,591.6	16,355.1	
Paper waste	tonnes	26.1	18.1	
Waste intensity	tonnes/million turnover	42.9	42.9	
Community	Volunteer hours (Including non-staff)	hours	792	540
	Donations (including funds raised by staff)	HK\$	2 million	1.5 million

*Footnotes:

- Data from previous year including electricity and water was adjusted as corresponding tenants' data from PRC shopping malls was ascertained and taken out from the Group's electricity and water consumption. This change also brought subsequent adjustment to previous year's Scope 2 and 3 emissions.
- The amount of heat consumed from previous year was revised due to an amendment of previous year's data on floor area.

ESG Content Index

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
A. Environmental		
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.	BETTER ENVIRONMENT
KPI A1.1	The types of emissions and respective emissions data.	PERFORMANCE DATA SUMMARY
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	BETTER ENVIRONMENT – Managing Environmental Impacts
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No significant generation of hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	BETTER ENVIRONMENT – Managing waste PERFORMANCE DATA SUMMARY
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	BETTER ENVIRONMENT
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	BETTER ENVIRONMENT – Managing waste
Aspect A2 Use of resources		
General disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	BETTER ENVIRONMENT – Managing Environmental Impacts
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).	BETTER ENVIRONMENT – Managing Environmental Impacts PERFORMANCE DATA SUMMARY
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	BETTER ENVIRONMENT – Managing Environmental Impacts PERFORMANCE DATA SUMMARY
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	BETTER ENVIRONMENT – Managing Environmental Impacts
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	We source our water from the municipal water supply, and do not encounter any issue in sourcing water that is fit for purpose.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	No packaging materials used
Aspect A3 The environment and natural resources		
General disclosure	Policies on minimising the issuers' significant impacts on the environment and natural resources.	BETTER ENVIRONMENT
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	BETTER ENVIRONMENT
Aspect A4 Climate Change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	BETTER ENVIRONMENT – Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	BETTER ENVIRONMENT – Climate Change
B. Social		
Aspect B1 Employment and labour practices		
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.	BETTER ECONOMY – People and Talent Development
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	BETTER ECONOMY – Our workforce PERFORMANCE DATA SUMMARY
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	PERFORMANCE DATA SUMMARY
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.	BETTER COMMUNITY – Health and safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	BETTER COMMUNITY – Strengthen Governance PERFORMANCE DATA SUMMARY
KPI B2.2	Lost days due to work injury.	BETTER COMMUNITY – Strengthen Governance PERFORMANCE DATA SUMMARY
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	BETTER COMMUNITY – Health and safety

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
Aspect B3 Development and training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	BETTER ECONOMY – People & Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	PERFORMANCE DATA SUMMARY
KPI B3.2	The average training hours completed per employee by gender and employee category.	PERFORMANCE DATA SUMMARY
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.	We implement appropriate protocols in our recruitment process to ensure child and forced labour is absent in our operations.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Aspect B5 Supply chain management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	BETTER ECONOMY – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	BETTER ECONOMY – Supply Chain Management
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.	BETTER ECONOMY – Supply Chain Management BETTER ENVIRONMENT – Sustainable procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	BETTER ECONOMY – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	BETTER ENVIRONMENT – Sustainable procurement
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.	BETTER ECONOMY – Operational Excellence
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable/There were no cases of product recall during the year.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	BETTER ECONOMY – Operational Excellence
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable/Our construction business has limited involvement in intellectual property rights.
KPI B6.4	Description of quality assurance process and recall procedures.	BETTER ECONOMY – Operational Excellence
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	BETTER ECONOMY – Data Security and Confidentiality
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.	BETTER ECONOMY – Ethics and Integrity
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.	No concluded legal case regarding corrupt practices were recorded during the year
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	BETTER ECONOMY – Ethics and Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	BETTER ECONOMY – Ethics and Integrity
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.	BETTER COMMUNITY – Community Involvement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	BETTER COMMUNITY – Community Involvement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	BETTER COMMUNITY – Community Involvement PERFORMANCE DATA SUMMARY