

CHerish Holdings Limited

東盈控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 2113



2018

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Introduction

This is the second Environmental, Social and Governance (“ESG”) report of CHerish Holdings Limited (the “Company” or “CHerish”) and its subsidiaries (collectively, the “Group”). The Board of Directors (the “Board”) is responsible for the Group’s ESG strategy and reporting, and endeavours to ensure that appropriate and effective ESG risk management and internal control systems are in place.

CHerish is committed to annually report on its sustainability programme, including both qualitative and quantitative information about its economic, environmental and social impacts and initiatives in a transparent and accountable manner. Its sustainability programme includes the Group’s ESG management approaches, strategies, priorities and objectives, which are communicated along with our ESG performances through this report.

Through stakeholder engagements, the Group understands the concerns of its stakeholders, and intends to address these concerns through this annual ESG report (the “Report”). It presents the Group’s sustainability management approach, initiatives and performances undertaken within the Group’s corporate office and project sites for the year ended 31 March 2018 (the “Reporting Period”), unless specified otherwise. Relevant environmental and social key performance indicators may be further limited to the Group’s corporate office only. The Group will continuously improve its data collection system and expand the scope of data in the future.

The Report has been prepared in accordance with the “comply or explain” and “recommended disclosures” provisions of the Environmental, Social and Governance Reporting Guide contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

CHerish highly values your input on our sustainability approach and performance. If you have any comments or suggestions, please send us an email at info@cherishholdings.com.

Our Approach to Sustainability

OUR BUSINESS

The Group is committed to achieving sustainable growth in site formation works in Hong Kong. As a subcontractor, the Group offers comprehensive and innovative site formation solutions to our customers.

COMPREHENSIVE SITE FORMATION SOLUTIONS

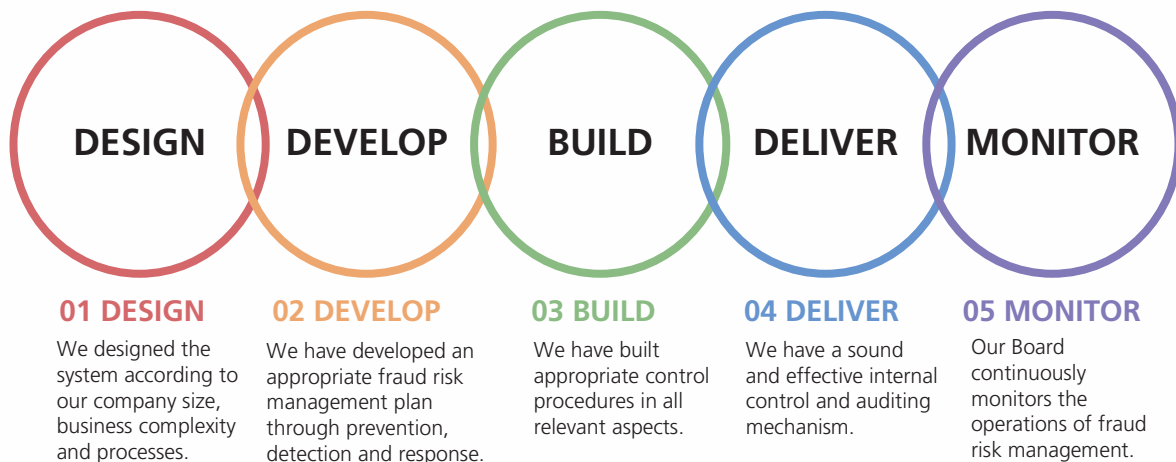
<p>GENERAL EARTHWORKS</p> <p>Soil and rock excavation, disposal of construction and demolition materials, backfilling and compaction for forming a new site or achieving designed formation level</p>	<p>TUNNEL EXCAVATION WORKS</p> <p>Rock excavation works for construction of tunnels through drilland break and/or drill and blast methods as well as construction of associated temporary tunnel support structures</p>	<p>FOUNDATION WORKS</p> <p>ELS works and associated structural works for construction of pile caps for commercial and residential building projects</p>	<p>ROAD AND DRAINAGE WORKS</p> <p>Construction of access roads and drainage systems at construction sites</p>	<p>ANCILLARY SERVICES</p> <p>Steel fabrication and installation of steel working platform</p>
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We are dedicated to ensuring that our business operations bring sustained value to our shareholders, employees and customers, and make a positive contribution to the environment and communities in which we work and live in. We shall continue to operate in an accountable and sustainable manner through integrating sustainable development considerations into our daily operations.

CORPORATE GOVERNANCE

Corporate ethics is central to our operations. We are committed to operating our business with integrity and in accordance with the highest ethical standards. Our operations is guided by a fraud risk management system to prevent fraud through corporate governance, internal control and risk management. Designed according to our company size, business complexity and processes, an appropriate fraud risk management plan is developed through prevention, detection and response. The Group has also built appropriate control procedures in relevant aspects, and has a sound and effective internal control and auditing mechanism. The Board of Directors (the "Board") also plays a major role in continuously monitoring the operations of fraud risk management.

FRAUD RISK MANAGEMENT SYSTEM





Our Approach to Sustainability

Fraud risk management system defines fraud as corruption, misappropriation of assets, and misrepresentation. It is the Board and management's responsibility to engage in prevention and detection of fraud, to ensure the effective reduction in fraud risk. By implementing various preventative strategies and initiatives, the Group strives to establish and promote a corporate culture based on honesty and integrity as its core values. Periodic trainings and communications are given to continuously instil and promote corporate ethics.

Employees are encouraged to submit any positive and constructive criticism for the Group to enhance its services or work environment. All comments are seriously considered, and may be implemented with management approval. All requests for confidentiality are treated in confidence.

Whistleblowing channels are established within the Group and are detailed within the staff handbook, which are issued and distributed to every employee. Employees are encouraged to raise concerns and report any possible improprieties or matters in relation to business ethics. All reports are treated confidentially.

Confidentiality is also stressed for employees who receive or draft all records and memos that may contain trade secrets or confidential information, pertaining to the company, its suppliers, subcontractors, or customers. Employees are expected to keep all information confidential, even after employment with the company, and to prevent release of any confidential information for personal or public use.

An internal control manual sets out the Group's internal control policies and the specific roles of different departments on the Group's operations. Employees are expected to follow the operational procedures explained in the manual to avoid malpractices and ensure customer satisfaction. The manual is subject to the Board's periodic review and amendments to maintain the efficiency and effectiveness of our operations.

Details of our corporate governance structure and practices are available within the Corporate Governance Report on pages 12 to 20 in our 2018 Annual Report.

COMPLIANCE WITH LAW AND REGULATIONS

Compliance is essential to the healthy operations of our Group. We are meticulous and are committed in ensuring compliance with all applicable statutory and regulatory requirements, especially for material ESG aspects that have a significant impact on our operations. During the Reporting Period, we were not aware of any material non-compliance incidents with relevant statutory or regulatory requirements that has a significant impact on our operations.

Our Approach to Sustainability

STAKEHOLDER ENGAGEMENT

Communications is an important aspect of our daily operations. For companies in the contracting industry such as ours, stakeholder engagement and communications are crucial in understanding the expectations and priorities of our stakeholders, and delivering high quality and safe operations to our customers, business partners and general public.

The Group values the opinion of our stakeholders and has thus set up and maintained various communications channels for different stakeholder groups. Comments and suggestions are welcomed as they represent an opportunity to improve the company and its services.

Stakeholder	Key Communication Channels	Most Concerned Topics
Shareholders	<ul style="list-style-type: none"> Announcements and circulars Interim and annual reports Shareholders' meetings Company website 	<ul style="list-style-type: none"> Financial performance Corporate image Corporate governance
Customers	<ul style="list-style-type: none"> Business visits and meetings Audit and performance feedback 	<ul style="list-style-type: none"> Quality, environmental and safety performance Management of explosives Code of conduct implementation Labour relations and rights Compliance with laws and regulations Transparency and reliability of information disclosure
Employees	<ul style="list-style-type: none"> Company internal website, correspondences, suggest box Annual performance appraisal Onsite safety trainings and meetings 	<ul style="list-style-type: none"> Employment practices, including salaries and benefits Labour relations and rights Workplace safety
Suppliers and subcontractors	<ul style="list-style-type: none"> Business correspondences Procurement contracts and letters of undertaking Performance appraisals 	<ul style="list-style-type: none"> Fair competition Management of explosive Suppliers evaluation
Government and regulatory authorities	<ul style="list-style-type: none"> Compliance inspections Due submissions Conferences and seminars 	<ul style="list-style-type: none"> Compliance with law and regulations Corporate governance
Community and public	<ul style="list-style-type: none"> Sponsorship of public welfare activities Community visits and volunteering Press releases and news 	<ul style="list-style-type: none"> Environmental management Career opportunities Community welfare outreach



Our Approach to Sustainability

SUSTAINABILITY MODEL

Our sustainability model is driven by our commitment to excel in the industry through enhancing and continuously improving our service quality, environmental performance, and safety aspects of our work environment.

In terms of our service quality, we are committed to meeting all clients' requirements and increase client satisfaction through service improvement. We are also committed to ensuring we fulfil our and our clients' contractual and statutory requirements in a planned and systematic manner, in terms of quality and health and safety.

Our Group commits to continuously improving its environmental performance and minimising all environmental impacts resulting from our operations, activities and services. The Group is also committed to identifying materials, processes, products and wastes that may cause pollution, and implementing measures to avoid, reduce or control pollutions where technically and economically viable. All applicable environmental laws, regulations, code of practices and other requirements would be strictly complied.

The Group is committed to safeguarding the health and safety of all personnel employed, the public and any other who may come in contact with the Group's operations, by integrating all reasonably practical safety measures into project planning.

To fulfil our commitments in the area of quality, environment, and health and safety, the Group has established and since operated under an Integrated Management System (IMS). The IMS allows the company to operate a Quality Management System (QMS), an Environmental Management System (EMS), and an Occupational Health and Safety Management System (OHSMS), which fully comply with the requirements of the international standard ISO 9001:2015, ISO 14001:2015, and OHSAS 18001:2007 respectively.

The IMS is developed and implemented to demonstrate the Group's ability to consistently provide services to meet client and applicable regulatory and statutory requirements, and to address client satisfaction through effective application of the IMS, which emphasizes continual improvement and prevention of non-conformity.

Engaging in Stronger Social Relationships

The Group internalizes the importance of retaining high-calibre employees within the industry it operates in. Therefore, the Group must provide a healthy, safe, fair, encouraging and positive work environment for our employees.

HEALTH AND SAFETY

To engage in stronger relationships with our employees and their families, it is of utter importance that CHerish safeguards the health and safety of all its employees, subcontractors and general public. The construction industry is inherently high risk regarding health and safety due to the fact that its operations involve the use of heavy machineries and explosives. In Hong Kong, the construction industry records the highest number of fatalities and accident rate among all industry sectors in recent years. Therefore, the Group is dedicated to implementing effective health and safety policies and plans to manage and address safety risks, and to secure people's physical wellbeing.

Reviewed annually, it is our Group's policy to ensure health and safety is a top priority above all others in any circumstances, and to acknowledge that health and safety awareness is integrated within all business activities. Our Group is committed to implementing and maintaining a high level of health and safety performance, with full compliance of all statutory and contractual obligations with respect to occupational health and safety, as the minimum standard.

Health and safety components have been integrated across our business. The Group's IMS assures that the Group operates with a certified OHSMS in accordance with OHSAS 18001 requirements. The Group has set two targets:

1. Strengthen employees' safety awareness through relevant in-house safety training
2. Ensure that accident incidents is less than 3 cases per year

Guided by OHSMS, the Group has implemented multiple layers of health and safety precautionary initiatives, including establishment of a dedicated committee, communications through project safety plans, risk assessments, and more. Further to reaching the two aforementioned safety targets, the Group has set safety goals and developed action plans in 2017. We understand that there is room for improvement, and we shall continue to pursue the ultimate goal of achieving zero accident.

Meeting biannually, a Health and Safety Committee is established to maintain a safety management system, which includes the preparation of health and safety plan, risk assessment reports, safety inspections, safety audits, regular safety meetings, written safe working procedures, and communication systems. The committee also reports and evaluates on all accident reports and statistics, as well as considers and adopts recommendations for improvement.

Each project site also has a dedicated site safety committee that closely monitors the safety policy, safety plan and procedures, organization, accident and statistics, health and safety training, as well as safety promotions on site. On each project site, the safety organization comprises of safety managers, senior safety officers, safety officers, safety supervisors, first aiders and health care officers, to undertake all safety related concerns.

Engaging in Stronger Social Relationships

Project safety plans are laid out to effectively address a process of identification, organization and planning, implementation, monitoring and review of all activities of the site operations to protect the health and safety of all personnel engaged on the project and others, who may be affected by the activities undertaken. These plans also serve to ensure that relevant legislation, code of practices, and contractual obligations are approved and observed.

Risk assessments in relation to health and safety issues are conducted periodically during the works/services stages, as well as prior to the implementation of any corrective and preventive actions for accidents, incidents or non-conformances. Result of the risk assessments will be used to develop health and safety procedures, training material and checklist for implementation. This can ensure that plant, personal protective equipment and trainings provided are in accordance with health and safety procedures, method statements, or permit to work.

Process Control Programmes

Separate process control programmes, along with references, safety rules and procedures are laid out for the following:

Fire arrangement	Electricity
Working at height	Portable tools
Housekeeping	Substances hazardous to health
Health and safety in office	Ladders and accesses
Manual materials handling	

The Group also communicates and promotes health and safety through onsite bulletin boards at prominent locations, newsletters, and suggestion boxes. The following are especially displayed:

- The Company's IMS Policy Statement
- Newly issued safety procedures
- Minutes of last Health & Safety Committee Meeting
- Previously publications from relevant authorities
- Accident information and statistics
- Other issues related to health and safety matters

Safe campaign of prevention of heat stroke will launch in the summer of 2018, with promotional events such as tool box talk related to heat stress and dehydration indicators and preventive measures, conducted to enhance the knowledge on how to prevent heat strokes for all site employees.

Within the Reporting Period, there was one reported work injury incident. Our Group shall continue to provide health and safety trainings to employees to improve their awareness to potential health and safety risks. Further information on safety training can be found in the Training and Development section on page 9.

Engaging in Stronger Social Relationships

EMPLOYMENT

Fairness is integrated throughout the employment process, as employment at CHerish emphasizes on work performance. Annual performance assessments are held to review employees’ work performance throughout the year. Salary raises, promotions and bonuses are based on each employee’s performance assessment, to ensure a competitive and fair incentive and remuneration package. All wages and compensation are adequately remunerated, and meet, or exceed, legal and industry minimum standards.

Discrimination is strictly forbidden in the company, especially during recruitment, employment, promotion, or other human resource development. Anti-discriminatory employment process guarantees the Group’s strategy and ability to attract diverse and qualified employees. It also signifies CHerish’s effort in implementing and encouraging inclusive employment practices. The Group’s employment practices are exercised without discrimination of any kind based on age, gender, religion, political background, disability, marital and family status or other status.

The Group respects its employees and guarantees to safeguard the privacy of each employee. Personal details of all employment are protected within a secure system, whereby only authorized personnel are granted access.

All employees are issued a staff handbook that details employees’ rights and responsibilities. Within the employment period, employees are expected to abide by the rules and regulations of the Group, as detailed within the staff handbook. Any violation may result in disciplinary actions or penalties.

As of 31 March 2018, the Group employed a total of 222 full time staff members (31 March 2017: 114 staff), of which 205 are male and 17 are female. 146 employees are equipped with professional licenses. Further breakdown of our employment data can be found in the ESG Performance Table on page 18.

During the Reporting Period, the Group has not experienced any significant problems with its employees due to labour disputers, nor has it experienced any difficulty in the recruitment or retention of experienced staff.

TRAINING AND DEVELOPMENT

The Group recognizes and supports the diverse development needs of each employees. We arrange high quality training programmes for employees to develop and refine their skills, acquire market insights and updates, and pursue further knowledge. These programmes allow our employees to perform with higher efficiency, effectiveness, and accuracy. In addition, our employees are also free to explore and request for special training or retraining from external training sources. It is highly important for our company to instil a continuous learning culture within the Group.

Overall safety training needs are identified through training needs analysis, and training modules are developed to suit the identified needs. The company annually reviews, evaluates, and updates the training programme.

On the other hand, all site employees at project sites are required to attend all necessary and relevant occupational health and safety trainings provided by our occupational safety consultant or main contractors at the project sites, prior to entering or working onsite. All newcomers are required to attend site safety induction training prior to work commencement. Onsite safety trainings may include method statement, blasting, rock trimming, excavation, noise barrier maintenance, proper usage of Personal Protective Equipment, and others.

Training Modules (for onsite personnel)

- 01 Induction Training
- 02 Green Card Training
- 03 Tool Box Talk
- 04 Trade Specific Training (Safety)
- 05 Safety Training (Supervisory staff)
- 06 Safety Training (Managerial staff)

Engaging in Stronger Social Relationships

COMMUNITY INVESTMENT

The Group strives to extend its care from its employees to the greater community where it operates in, in order to fulfil its commitment to give back to the community. Through various charitable and voluntary activities, it is our ultimate goal to enrich our employees’ lives, and to empower underprivileged groups for the betterment of our society.

To understand the current needs of the local groups and charities, a few of our employees visited the Hong Kong Federation of the Women’s Centre (“HKFWC”) in October 2017 to learn more about their “Cherish Food” programme. “Cherish Food” specialises in constructing a strong and rigid network to collect remaining fruits, vegetables and bread at the Sham Shui Po wet markets to upcycle them as delicious feasts for the local community. It leverages the exceptional cooking and food preparation skills of local unemployed women to serve the bigger community, which allows for the empowerment of women and the community at the same time.

The Group also endeavours to engage its employees to raise their awareness towards environmental protection by enlightening them on the devastating outcomes of climate change. In March 2018, we supported and participated in a charitable hike, “Climate Discovery 2018”, organised by CarbonCare Innolab, which aimed to introduce the risks and threats experienced by the Tai O community in terms of climate change, and what can be done to reduce this vulnerability. Participants also had the opportunity to enjoy the natural beauty of Lantau Island through the 6 km hike. All donations from event are raised for CarbonCare Innolab programmes that aim at combating climate change in Hong Kong.



Driving Operational Excellence

CHerish strives to enhance customer satisfaction and corporate values by excelling in its operational practices by following the principles of sustainable development. Our QMS is devised with reference to international standards, which ensures not only operational compliance, but also operational excellence.

To maintain consistent quality services for our customers, we have established a formal QMS that is certified to be in compliance with the requirements of ISO 9001 within our IMS. Our QMS specifies in-house quality assurance requirements, including work procedures for performing different types of site works, personnel responsibilities, quality inspection procedures and standards, among others. Our employees and subcontractors are required to follow these procedures, and various trainings are provided to ensure they understand our requirements.

Quality control must meet our customers' requirements, be completed within the deadline and budget allocated for the project, and comply with all relevant laws and regulations. In particular, the Group closely monitors overall work quality and project progress, as well as work quality of our subcontractors.

The Group shall continue to exercise due care in the pursuance of its existing core business and furtherance of its development plans to balance the risks and opportunities in the construction industry in Hong Kong.

SUPPLY CHAIN

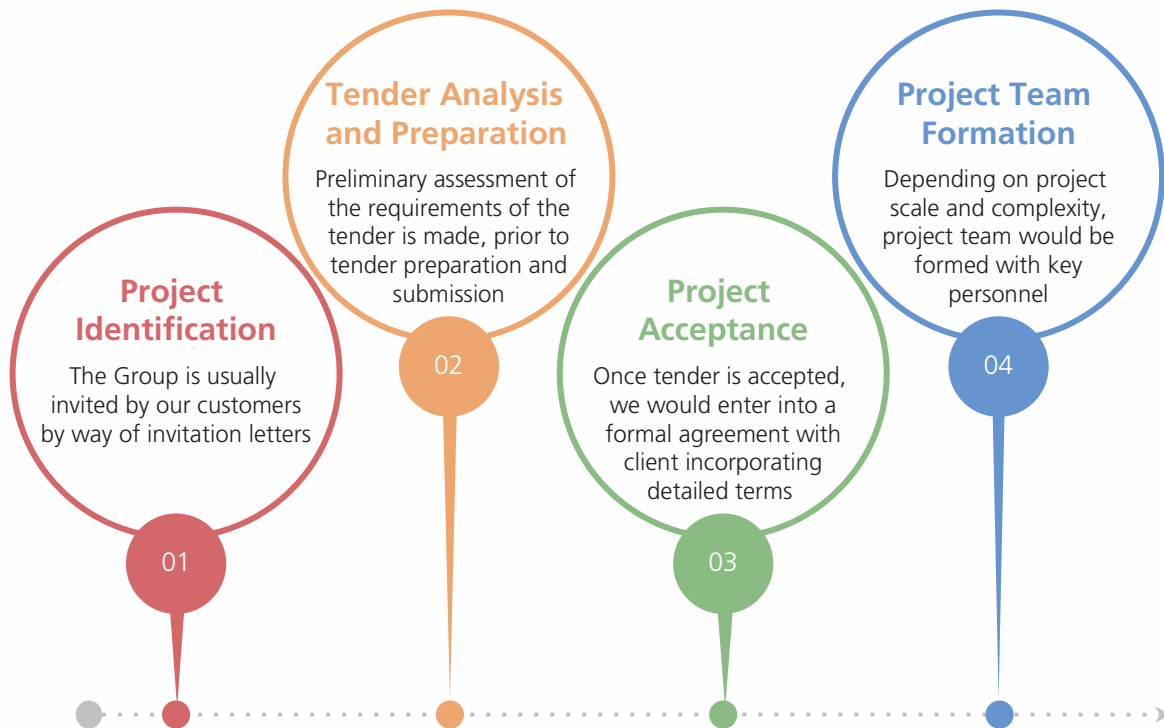
Our direct customers are mostly main contractors of various types of infrastructural and commercial and residential buildings in Hong Kong. These projects are generally categorised into public and private sector projects¹. Throughout the Reporting Period, majority of our work lies in public sector projects, where we are engaged by the main contractors included on the List of Approved Contractors for Public Works as subcontractors for such projects.

We have maintained a stable relationships with our major customers. As a subcontractor, we secure our projects from main contractors or other contractors through tenders by invitation. Tender invitations are provided along with preliminary information on the specifications, site conditions and relevant drawings. Upon receiving tender or quotation details, our Group makes a preliminary assessment on the requirements, including consideration of whether to bid, profitability, feasibility, our expertise and capacity, available manpower resources, project schedule, quality expectation, preliminary safety and environmental risk analysis and other possible risk factors associated. On-site inspections of the conditions of sites may also be conducted.

¹ Public sector projects refer to projects where the main contractors are employed by the Government or statutory bodies, while private sector projects refer to those that not public sector projects.

Driving Operational Excellence

Depending on the scale and complexity of the project, a project team would be formed and is generally comprised of the following key personnel: project manager, engineer, superintendent, quantity surveyor and foreman. If blasting works are involved, the project team will also include blasting engineer and registered shotfirer.



Depending on the Group's capability, project schedule, resources level, cost effectiveness and complexity of each project, we may subcontract specific parts of projects to our subcontractors in Hong Kong. The Group conducts rigorous evaluation, selection and control of all subcontractors and material suppliers, prior to the inclusion into the List of Approved Subcontractors/Suppliers. Performance reviews, especially safety performance appraisals, are conducted at yearly intervals, for the assessment of continuing suitability and potential for future projects.

All subcontractors and suppliers are expected to abide by laws and regulations, contractual requirements, the Company's instruction and work instructions. Failure to comply with safety requirements or other special obligations may lead to disciplinary actions or other serious repercussions.

Especially for the procurement of safety equipment, a List of Approved Suppliers includes recommended manufacturer pending availability of stock. All safety equipment is ordered as per the approved list; where specific or special safety equipment is required and is not on the approved list, the specification of the order shall undergo further comments and verifications. All safety equipment brought onsite by subcontractors or suppliers are subject to examination and should comply with established standards. Defective equipment shall be discarded immediately.

This year, we worked closely with 183 suppliers and 21 subcontractors.



Driving Operational Excellence

QUALITY ASSURANCE

Quality assurance for all our works are conducted by both our project teams and customer representatives. We must ensure that all project are completed, tested and approved to the satisfaction of our customers, verified with inspections and free of apparent defect.

All construction works are executed by our direct labours and/or our subcontractors under strict supervision of our on-site project teams and customers representatives. Throughout the construction, our project manager will meet with our customers to review work progress and resolve any issues identified during the course of construction.

The Group would monitor work progress, project performance, customer comments and follow-up matters for each project. Progress meetings are also held with our customers throughout the project to ensure we keep our customers informed of project status and major issues identified. Our team is responsible for monitoring of quality and ensuring that all projects are executed in accordance with our quality standards.

CUSTOMER RELATIONS

Cherish has yielded many professional and satisfactory customer relationships, through its comprehensive quality standards and procedures, its employees' meticulous care in providing outstanding products, and unequivocally excellent customer services.

In addition, "listening" and "engaging" are important attributes in achieving client satisfaction. Multiple channels for engagement with the Company has been set up for our clients to express their feedback, including a biannual client satisfaction survey. Surveyed client satisfaction data, information and feedback allows us to reflect on our operations and analyze client expectations and needs. The Group shall continue to review these biannual results and strive to improve its product and service offerings.

Preserving our Ecosystems and Resources

CHerish understands the importance of preserving our precious ecosystems and scarce resources for the sustainability of our operations, the cities we operate in, and the world. The contracting industry often work with different kinds of equipment, machineries and agents that may pose an ongoing threat to the natural environment.

To reduce the likelihood of damage to the environment, the Group strictly complies with all relevant laws and regulations, and considers numerous natural environmental factors in our overall operational plans. To further manage our environmental impact, the IMS involves an EMS that fully complies with the requirements of the internationally recognized ISO 14001 certifications. The EMS organizes the way we manage explosives, air and noise emissions, waste generation and disposal, and water and energy usage.

Our environmental goals include:

1. To receive less than 3 cases of environmental complaint per quarter
2. To conduct environmental awareness training
3. To implement better waste and recyclables management on project sites

Based on the operating activities and services from the project sites and office, an identification of potential environmental impacts arising from the work activities shall be conducted. All environmental aspects shall be evaluated to identify their significance. Environmental aspects that have relevant statutory requirements or have influential environmental impact shall be considered significant and shall be handled with due care.

The “Environmental Control” procedure within the IMS outlines basic environmental guidelines for the handling and disposal of project site discharges, as well as working practices and measures to reduce air pollutants, dust emissions, noise, and other wastes, during our operations.

MANAGEMENT OF EXPLOSIVES

CHerish’s business operations involve the use of explosives on a regular basis, as an efficient mean of blasting rock. Hence the Group recognizes its responsibility in ensuring environmental impact from the use of explosives is minimized to the greatest extent.

The Group strictly complies with the Dangerous Goods Ordinance, all other relevant legislation, and safety regulations relating to explosives and blasting. It also guarantees that all certifications, licenses, and permits are obtained from the Mines Division of Civil Engineering and Development Department, prior to the use of explosives at a work site for carrying out blasting works. The Group relies on its suppliers and the Government to ensure they also obtained the correct licenses required for the storage and transportation of such explosives.

The Group also exercises stringent control on the use of explosives. Assessments are conducted to identify key hazards and constraints for blasting works. Practical measures are applied to reduce air pollutants or dust emissions, as well as to ensure the safety of all onsite personnel and the public.

Preserving our Ecosystems and Resources

AIR AND NOISE EMISSIONS

The protection of air quality is highly significant within our operations. Atmospheric emissions stem mostly from our excavation and earthwork operations, including dust from plant operations, soil stockpile, and excavation process. Smoke emissions during the cutting and welding work of structural steel works, as well the hauling of construction materials also contribute to the generation of atmospheric emissions.

Some general precautionary site practices are implemented to reduce air pollutants or dust emissions:

1. Cover dusty materials on vehicles, aggregate stockpile with impervious material, exposed surface of excavation, cement bags, among others
2. Water or dampen necessary excavation area, unpaved areas used by site traffic and active construction areas, and during other operations, such as drilling
3. Carry out regular maintenance for vehicles and equipment
4. Secure or remove materials that may be blown away in any windy area

Various noise management initiatives are in place to reduce the amount of disturbance we create on the project sites. These management initiatives target excavation, concreting, piling and road works. In addition to applying for construction noise permit for works to be carried out during off-peak hours, the Group utilizes quieter or silenced type equipment whenever possible. Regular maintenance are carried out for relevant equipment and machineries to ensure all operations are conducted as fast as possible to minimize all impacts.

Another air emissions is the emissions of greenhouse gases (“GHG”) through our operations. Our GHG emissions mainly comprise of direct emissions from fuel combustions of our vehicles and indirect emissions from electricity consumption. Although GHG emissions from our operations is currently not considered significant to the environment within our environmental aspect identification, we shall not underestimate its potential impact in the natural environment and in the world.

The Group is committed to conducting annual evaluation of our GHG emissions. We will also continuously consider various reduction and remediation initiatives our Group can contribute in. This year, the Group has commissioned an independent professional consultancy, CKP Sustainability Consultants, in assessing its annual GHG emissions. The scope of which covers our offices and project sites.

GHG Emissions	Unit	2017
Total Emissions	tCO ₂ e ⁻	4,791.70
Scope 1: Direct Emissions	tCO ₂ e ⁻	4,783.67
Scope 2: Energy Indirect Emissions	tCO ₂ e ⁻	8.03
GHG Emission Intensity by Unit Revenue	tCO ₂ e ⁻ /HKD '000	0.02

Understanding the environmental impact our vehicles may affect the people and neighbouring communities, we take precaution and endeavour to minimize air emissions from our vehicles, including GHG emissions and other air pollutants, such as nitrogen oxides (“NOX”), sulphur oxides (“SOX”) and respiratory suspended particles (“RSP”, also known as Particulate Matter (“PM”)). There is currently insufficient data to calculate an accurate amount of air pollutants our vehicles emit, due to lack of monitoring systems practices in place. While we consider the necessity of transportation of materials and wastes, other measures such as regular vehicle maintenance are conducted.

On the other hand, electric vehicles may have the potential for significant contributions towards reducing our reliance on diesel fuel and associated air pollutions through fuel combustions. Within the Reporting Period, the Group has introduced the first electric vehicle as a mode of transportation for our employees.



Preserving our Ecosystems and Resources

WASTE GENERATION AND DISPOSAL

As CHerish mainly operates within Hong Kong, the Group is inevitably aware of and concerned with the city's imminent waste problem at landfills. Relying on landfills alone in treating waste is not sustainable and hence we are in support of the Government's initiative in reducing waste at source. Wherever applicable, appropriate general practices to relieve landfill pressure are assessed and applied.

Waste management is material in the contracting industry. Currently, all wastes at project sites are sorted, segregated and collected for delivery to public fill reception facilities and other outlets. The increase in construction waste disposal charges within the Reporting Period has encouraged the Group and the industry to further reduce and reuse construction waste.

Whenever possible, the Group strives to fully utilize ordered materials to avoid generation of abandoned materials, designate sufficient area for storage of different types of waste including excavated materials, conduct regular housekeeping work, use spill tray for fuel storage, and transport inert waste to approved landfill sites.

When the generation of chemical waste is applicable, the Group would abide by the Waste Disposal (Chemical Waste) (General) Regulation. The Group would register as chemical waste producer and appoint a licensed chemical waste collector to collect and transport all chemical waste, including used fuel, oil and lubricants, to a licensed waste treatment centre for proper handling.

On the other hand, the Group's office operation produces limited domestic waste, which is non-hazardous in nature. As the amount of domestic waste we generate is minimal and significantly lower than construction waste and chemical waste, we did not record our domestic waste production during the Reporting Period. However, the Group encourages the wise use of resource and shall consider engaging more in recycling in the future.

As of 31 March 2018, the Group has recorded approximately 148,000 tonnes of construction waste from all of our project sites, with an average construction waste per project site of roughly 13,500 tonnes. The Group did not use any packaging material during the Reporting Period.

Preserving our Ecosystems and Resources

WATER AND ENERGY USAGE

Water is mainly used for dust suppression and cleaning purposes at the project sites. To minimize dust stir up, whenever applicable, we water any unpaved areas used for site traffic and any active construction areas, and we wash off any dust or mud from the wheels of all vehicles leaving project sites. Especially during excavation, site employees ensure that exposed surface is wet prior to, during and after excavation works. Water spraying is also carried out whenever possible for drilling works.

As the use of water is inevitable and essential in our operation, it is important for us to minimise our consumption by following the general practices as articulated on the Environmental Control. Whenever possible and appropriate, we use recycled water and rainwater for cleaning at the sites. We also require site personnel to use the resource responsibly at all times.

Due to the primary purpose of water in dust suppression within our operations, we must also consider wastewater quality when discharged. A list of general practice is described in the Environmental Control and would be applied when possible. Some ongoing initiatives are the use of sedimentation tanks, recycling of treated water, and regular maintenance of drainage systems. A temporary drainage management plan would normally be set up on project sites and handled by main contractors.

On the other hand, energy usage is mostly dedicated to fuel consumption for the hauling of construction materials, as well as electricity usage at the office. Electric vehicles may have potential for significant contributions towards reducing our reliance on vehicle fuel consumption. Within the Reporting Period, the Group has introduced the first electric vehicle as a mode of transportation for our employees.

As we have no operational or financial control of water or electricity use on project sites, we are unable to present any onsite water or electricity consumption data. Within the office, we have recorded a total water consumption of 7.835m³ during the Reporting Period. Our electricity consumption at the office is around 15,000 kWh, with an intensity of 67.65 kWh per full time employee. Our electric vehicle charging dock consumed 735 kWh.

Energy	Unit	2017
Electricity Consumption	kWh	15,753.32
• Office	kWh	15,017.42
• Electric Vehicle Charging Station	kWh	735.90
Gasoline Consumption	L	12,710.00
Diesel Consumption	L	1,815,265.00
Total Energy Consumption	MJ	70,552,742.76

ESG Performance Table

Key Performance Indicators	Unit	Office	2017 Project Sites	Total
ENVIRONMENTAL				
Water Consumption	m ³	7.84	N/A	7.84
Water Consumption Intensity by FTE ²	m ³ /Person	N/A	N/A	0.04
Energy Usage	MJ	N/A	N/A	70,522,742.76
Electricity Usage	kWh	15,753.32	N/A	15,753.32
Gasoline Consumption	L	0	12,710.00	12,710.00
Diesel Usage	L	0	1,815,265.00	1,815,265.00
Energy Intensity by Revenue	MJ/HKD'000	N/A	N/A	366.81
Energy Intensity by FTE	MJ/Person	N/A	N/A	317,670.01
GHG Emissions (Scope 1-2)	tCO ₂ e	8.03	4,783.67	4,791.70
GHG Emission Intensity By Revenue	tCO ₂ e/HKD'000	N/A	N/A	0.02
GHG Emission Intensity By Project	tCO ₂ e/Project	N/A	N/A	435.61
Hazardous Waste				
Construction Waste Disposed	Tonnes	N/A	148,369.60	148,369.60
Construction Waste Disposed Intensity By Revenue	Tonnes/HKD'000	N/A	N/A	0.77
Use of Resources				
Paper Consumption	Tonnes	0.19	0.44	0.62
SOCIAL				
Total Workforce	Person		222	
Workforce by Gender				
Male	Person		205	
Female	Person		17	
Accident Rate				
Lost Days Due to Work-Related Injuries	Number of Days		386	

² FTE stands for full-time employee.