



SUSTAINABILITY REPORT 2017-2018 ABSTRACT



AMBITIONS 2030



CEO MESSAGE



2017 to 2018 were transformative years for Alliance. Market demand for construction materials began to shrink in the reporting period as we saw the completion of major infrastructure projects. The gross value of construction works for the public sector

dropped significantly. The market change prompted increased focus on customer satisfaction and continuous improvement in order to sustain our market position. Over this period the “not in my backyard” attitude shown by the community towards locating of operations considered undesirable, continued to be the pressing issue for our related industries and the wider Hong Kong. Globally, the threat from climate change has driven various policy changes and, Hong Kong was no exception. The call for an acceleration on action for climate protection has boosted the demand for green and low carbon construction materials. Under this growing trend towards a green economy, we continue to make it our responsibility to bolster our strategy by moving from risk management to looking for opportunities for further carbon reduction. To realize our commitments toward being a responsible corporation, this reporting period saw the development of the Alliance Sustainability Ambitions 2030 plan which is our sustainability roadmap for current and future contributions to sustainable development. In response to our stakeholders, we have increased some focus on our contribution to our community by supporting different vulnerable groups while taking more visible action on improving our employees’ wellbeing.

The support of all our stakeholders, the commitment of our employees are essential to our success. I would like to express my sincere gratitude to them. This is our first online report, we hope you find a good balance between the readability and completeness and enjoy reading it.

VINCENT YU
CHIEF EXECUTIVE OFFICER

Resulted from the stakeholder engagement processes and materiality assessment, we have developed the Alliance Sustainability Ambitions 2030 to address major concern of our stakeholders.

People

- Occupational Safety and Health
- HR Development
- Recruitment of Younger Talents
- Employee Consultation and Engagement

Community

- Community Engagement
- Our Impacts
- CSR and Community Development

Resources

- Waste Management and Reduction
- Energy Management and Carbon Reduction
- Raw Materials Supply and Consumption

Innovation

- Products and Services Development
- Upgrading of Workplace Standards
- Enhancement of Productivity and Efficiency
- Reuse and Recycling Practices

Governance

- Sustainability Risks & Opportunities Management
- Legal Compliance
- Business Ethics & Behavior

ABOUT THE REPORT

This is the 5th report since we started our voluntary reporting in 2011. We publish an online report this year to support environmental protection. This Abstract is the summary of our sustainability performance. You may visit <https://2017-2018.sustainability.concrete.hk> to read the complete report. This report covers our performance from 1 Jan 2017 to 31 Dec 2018 at our controlled assets. At our non-operated assets, we actively promote our good practices and monitor their performance. This report has been prepared in accordance with the GRI Standards: Core option and verified by HKQAA.



Full Report

ABOUT ALLIANCE

Alliance is the leading concrete and aggregates total solutions provider in Hong Kong.

Our Production

- 6 concrete plants strategically located throughout Hong Kong
- Annual concrete production capacity of 4 million m³
- Strong rock reserve of 70 million tonnes
- Strict environmental protection practices in all production facilities

Our Delivery

- Strategically located plants to shorten delivery time and reduce carbon emission
- Environmental friendly Euro V mixer truck fleet

Our Materials

- All raw materials are from traceable sources to ensure good quality
- Regionally manufactured materials and rock products from green quarries
- Usage of recycled materials

Our Contribution

- Support the city's development by infrastructure and other construction projects, creating usable land via quarry rehabilitation, as well as green products and services development

Testing and Laboratory Services

Through Concrete Services Limited, our HOKLAS-accredited laboratory, we provide a full range of professional services, including concrete mix design, lab testing and on-site testing.

2017-2018 PERFORMANCE HIGHLIGHT

Fatality Rate:

0%

(2004-2018)

Lost-Time-Injury
for Direct
Employee:



No. Of Road Traffic
Incident (Concrete
Mixer Truck):

↓ 42%
(from 2016)

Carbon Intensity:

↓ 21%

From 2007
(base-year)

Waste Concrete/
Reclaimed Aggregates
Recycled:

**12,532
tons**

Absolute Carbon
Emission (2018):

**13,687
tons CO2-e**
(- 25% from 2007
(base-year))

Water
Recycled:

**256,693
M³**

People

Our people are fundamental to achieving our goal of being the total aggregates and concrete solution provider. We aim to provide a safe and nurturing working environment where they can have the requisite resources, opportunities and guidance to fulfil their passions.

Management Approaches and Strategies

By fully integrating OSH with different business processes and decisions, providing equal development opportunities and engagement channels to our employees, we help them to grow with the company.



Strive for Zero Harm

We placed much effort in upgrading basic safety measures, e.g. tightening Personal Protective Equipment requirement, publishing Alliance Cardinal Rules to increase risk awareness, adding safety platform for elevated works, introducing new lifting system to replace manual works.



Develop Innovative Safety Initiatives

Innovative safety initiatives were launched to achieve the safety goals, e.g. Safety Leadership Training, Safety Conversation, Clean Site is Safe Site Program and Traffic Safety Program.



Support Growth and Improve Wellbeing

Abundant training and coaching sessions were designed to help our employees pursue their career goals. We also organized different activities to improve employee wellbeing and work-life balance, e.g. company outing, sports activities, free medical check and seasonal vaccination.



Expand Engagement Channels

We held a new engagement event "Happy Hour with the CEO" in 2018 to enable a close communications with the management. Together with staff forum, meetings and surveys, these events can further improve our employee relations.

Governance

Corporate Governance is strong foundation for our sustainable development. To ensure we are running in a legal, ethical and transparent manner, we set clear goals, guidelines and control mechanisms in our corporate governance planning.



Community

We recognize the importance of being a good corporate citizen and believe responsible community engagement is an integral and essential part of our operations.

Management Approaches and Strategies

Our key community management approaches include supporting sustainable development through different environmental protection and CSR initiatives, involving our employees in chaitable CSR activities and organizing community engagement activities to address our operation impacts.



Good Neighbor Practices

To be a responsible neighbor, we implemented stringent pollution control measures, effective traffic safety and parking management practices.



Care for Children & the Elderly

We visit different elderly homes under United Christian Nethersole Community Health Service every year since 2014. In 2018, we held a Dream-Come-True Tour to HK International Airport for the underprivileged children from The Hub Hong Kong.



Develop our Younger Generation

By offering summer internship program and scholarships for higher education institution students, we helped our younger generation to prepare for career development.



Support Vulnerable Groups

We actively participated in different CSR activities, e.g. The Salvation Army Orienteering and UNICEF Charity Run. As a long-term supporting organization of Caritas, we also support their social services.

Going forward, we will be more innovative in upholding workplace standards, enhance employee's OSH competence through training and recognition. Our training programs will assist employees to grow and plan their career development. To attract more talent, we will provide competitive remuneration packages, acquire younger talent through career programs, develop more engagement channels and improve staff welfare.

To improve our community relations, we will continue to adopt strict legal and ethical standards in our operations. We have already formed a CSR and Community Engagement Committee in 2019, it will be responsible for strategic planning of all our future initiatives.

Governance Structure

The overall corporate governance of Alliance is managed and monitored by the Board of Directors and Executive Committee, and supported by the 4 committees.



Resources

It's a fact that aggregates and concrete industry consume natural resources. We therefore focused on the efficient use of resources and minimizing our negative impacts on the environment.

Management Approaches and Strategies

Our resources management emphasizes the transition from a linear economy to a Circular Economy and contributing to climate protection through carbon reduction. We offer whole life solutions covering 4 processes in the product life cycle:

1 Raw Materials Extraction and Sourcing

- Responsible sourcing and extraction of raw materials
- Extend the value/ life of the resource
- Reduce waste generation

2 Manufacturing

- Deploying Conservation measures in entire manufacturing and delivery process
- Improve energy efficiency and reduce carbon emissions
- Reduce waste disposal and promote recycling

3 Product in Use

- Innovate to extend the useful life of our products and the buildings
- Support customers' green building initiatives by low carbon or other environmental friendly solutions

4 End of Life Recycling

- Promote and enhance R&D on using recycled materials
- Invest in recycling facilities
- Work on the rehabilitation of local quarries

Our Actions towards Circular Economy and Climate Protection



Green Quarries in the PRC

All our aggregates are from Huidong Quarry and Taisheng Quarry, both quarries comply with the best green practices and adopt the strict management system from Hong Kong.



Supplementary Cementitious Materials

By using ground granulated blast furnace slag (GGBFS) and pulverised fuel ash (PFA) in concrete production, our products can reduce waste, lower energy consumption and GHG emissions.



Environmental Conservation Promotion

We constantly organize events with different environmental themes, e.g. Annual HSE Seminar for our employees in the past 15 consecutive years.

Innovation

We believe that innovation means having the ability to continuously transform challenges into opportunities and develop advanced solutions.

Management Approaches and Strategies

The Way We Work:

Enhance productivity and efficiency by digitalization and automation, while upgrading HSE standards, environmental protection measures and recycling practices

The Products We Make:

Improve existing products' performance or develop new products with sustainable benefits

The Services We Offer:

More innovative services and customer support to create better customer experience



New/Improved Products

By developing new or improved products e.g. Self-Compacting Concrete, Fair-faced Concrete, Long Pumping Concrete and products using supplementary cementitious materials, we help customers overcome construction challenges.



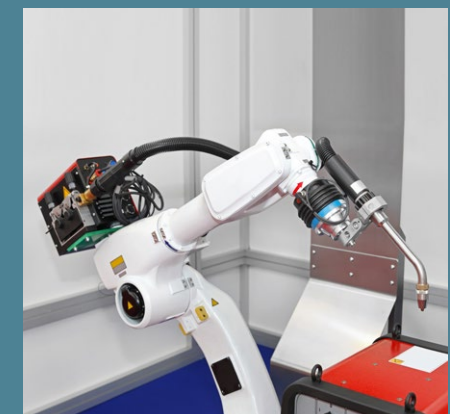
Recycled Aggregates

An innovative Recycle Concrete Treatment Machine was introduced to transform wet concrete waste into recycled aggregates. They can be reused as civil work materials or used in concrete production.



Digitalized Operations

We built the first Automated Aggregates Supply System in Hong Kong to enhance the dispatching and unloading efficiency. Other innovations included new system to reduce concrete batching time and an automated concrete temperature calculating system.



Workplace Improvement Projects

New project team was formed in 2018 to explore new technologies to eliminate hazardous manual work, e.g. removing concrete build-up in confined spaces and cleaning of production equipment.

To achieve our long term mission of climate protection and enabling a Circular Economy, we will continue our responsible sourcing and quarrying practices. Besides, we will invest more on improving the durability of concrete products and developing innovative recycled materials.

We will continue to put innovative ideas into practice, such as accelerating climate protection, usage of renewable energy in our operation, replacement of fossil fuel for our truck fleet. With focus on safety by design and automation, we will further eliminate hazardous manual works. For products and services, we will continue to invest in innovation, such as new recycling processes and recycled materials application.

Alliance's Sustainability Management Process

Alliance's Sustainability Management Process (ASMP) is a formal process to turn our sustainability management from purely part of the voluntary reporting into a core business process. The ASMP for 2017 to 2018 included 2 management workshops in June and November 2018, where our senior management team reviewed the sustainability priorities and identified major risks and opportunities to our business sustainability. By incorporating insights from the management workshops, the input from the Board of Directors and feedback from the stakeholder engagement process, we developed the Alliance Sustainability Ambitions 2030.



Legal Compliance Highlight

Fair competition was our focus of legal compliance for 2017 and 2018. We aimed to ensure that our fair competition practices included a robust policy, guidelines and control procedures, incident reporting and detection mechanism and provision of training. We set up an E-learning platform on Competition Law in Hong Kong for our employees since July 2017. Our managers were required to complete the training and obtain more than 85% in the tests in order to receive the certificates.



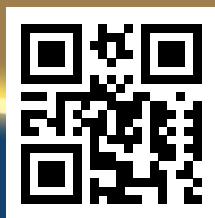
OUR AWARDS AND RECOGNITION



YOUR FEEDBACK

We welcome your feedback, please contact us anytime by your preferred channels.

Alliance Construction Materials Limited
T: 852 2862 2000
E: Sustainability@concrete.hk



www.concrete.hk