



ABLE ENGINEERING HOLDINGS LIMITED

安 保 工 程 控 股 有 限 公 司

Incorporated in the Cayman Islands with limited liability
Stock Code: 1627

2018

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





VISION

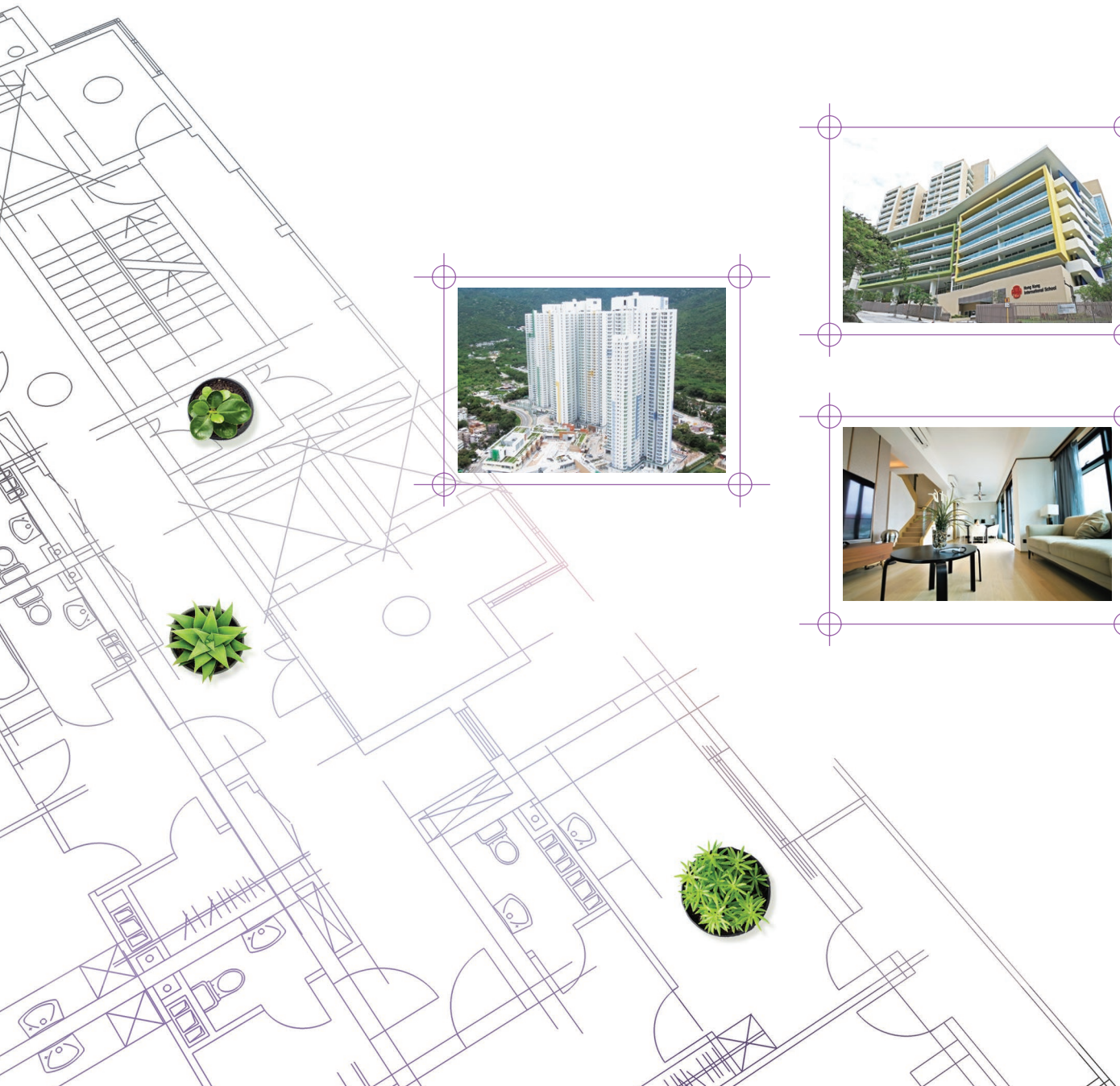
To exceed the expectations of customers, shareholders, employees, suppliers and subcontractors by provision of effective, efficient and high-quality construction and maintenance services and thus be a profitable construction company.

MISSION

To achieve customer's satisfaction by ensuring that customer's goals are met

To conduct business with clients, suppliers and subcontractors in an efficient and economically sound manner

To ensure that safe and environmentally sound construction practices are implemented



About the Report

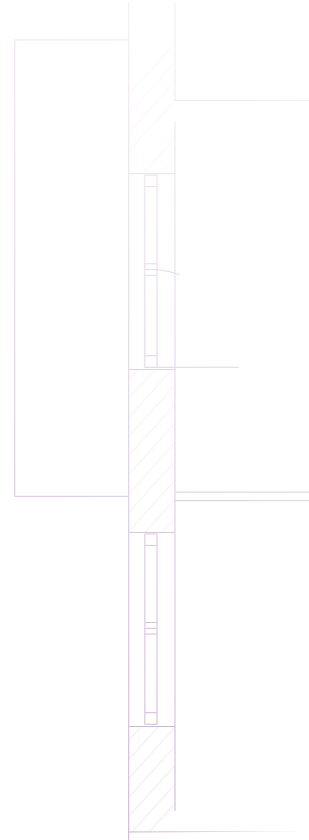
Able Engineering Holdings Limited (1627.HK) (“Able” or the “Company”, together with its subsidiaries referred to as the “Group”) has been listed on the Main Board of Hong Kong Stock Exchange (“HKEX”) since 2017. As a well-established multi-discipline construction corporation, the Group engages in building construction, repair, maintenance, alternation and addition works, building conversion, design and construction as well as fitting of works. Able employs more than 300 staff comprising managerial, professional, technical and supervisory grade working on various types of projects.

The Group, consisting of Able Engineering Company Limited and Able Building Construction Limited, is providing quality construction engineering services to both public and private sectors. Currently ongoing projects include but not limited to public and private housing construction, renovation and maintenance. With over 40 years of experience in Hong Kong, Able has gained widespread recognition for its accomplishments from clients, receiving a number of awards for architectural excellence, green building, occupational safety and more. The Group continues to work towards sustainable growth through communicating and cooperating with its key stakeholder groups.

Reporting Guideline and Scope

This is the second “Environmental, Social and Governance (“ESG”) Report issued by Able. It has been prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities of the Stock Exchange (the “Listing Rules”).

This report discloses the ESG management approach of the Company and its subsidiaries in Hong Kong for the period 1 April 2017 to 31 March 2018. The data for environmental and occupational health and safety aspects presented in this report covers 5 on-going construction sites during the reporting year, while data on workforce and training covers the entire Group.



Feedback

The Group shall in the future continue to improve on the content and delivery of information disclosed in this report. We welcome your feedback. Your suggestions, where appropriate, would be incorporated in the upcoming reporting cycles. Please direct your feedback and comments to:

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Message from CEO

Dear Stakeholders,

This is the second ESG report of the Group and we are taking further action for meeting stakeholders' expectations and fulfilling our social responsibility as a listed company. Through conducting materiality assessment and stakeholder engagement during the year, we are able to better understand the impact of our business on the environment and the society, as well as ESG topics that we and stakeholders believe are material. We strive to align the topics with our risks and opportunities and respond to stakeholders' concerns, which are presented in this report.

Able is committed to reducing negative environmental impacts of its operations. In addition to complying with all applicable environmental laws and regulations, we have established waste management practices on our sites and adopted green building designs. During the reporting period, one of our projects received the Special Architectural Award for sustainable design from the Architectural Services Department.

As one of the founding members of the UGI Consortium¹, Able fully supports technological innovation. We adopted the Building Information Modeling ("BIM") technology to improve our operational quality and efficiency and minimize the waste of construction materials caused by abortive work. I am glad to see the research projects and innovative ideas being practiced on our construction sites, showing satisfactory progress and results. Able will continue to collaborate actively with the government and the academia for contributing to sustainable development of the construction industry in Hong Kong.

Protecting the safety and well-being of our employees is our top priority. Enhancing employees' safety awareness is a long-term mission. During the year, we launched the "Safety. My Habit" campaign, advocating good safety habits in daily operations through education. Besides conducting internal audits, hazards assessments and safety inspections following the OHSAS 18001:2007 standards, innovative technologies are also adopted to digitalize the safety procedures. Safety trainings are also our key focus in preventing accidents. We understand that much work is yet to be done for eliminating health and safety risks and we are determined to achieve better performance through investigating and improving our safety risk management systems and measures.



¹ UGI Consortium, initiated by the Hong Kong Polytechnic University, is a collaborative research platform started jointly by the industry, the University and the government for developing and implementing new technologies and solutions for sustainable development.

We work in close partnerships with our subcontractors regarding their environmental and social impacts. Safety trainings are provided for workers of subcontractors to ensure that they understand and follow our environmental, safety, quality and ethical standards, in order to meet customers' expectations.

Sustainability becomes an inseparable part of our operations as our business develops. We value feedback from all stakeholders to improve our ESG performance. Through constantly monitoring and establishing effective practices, we aim to mitigate risks and create new opportunities for our development. I would like to take this opportunity to thank all stakeholders for their support during the year and we look forward to working more closely with them in the future.

By Order of the Board

Rex Ip
CEO

Hong Kong, 19 October 2018





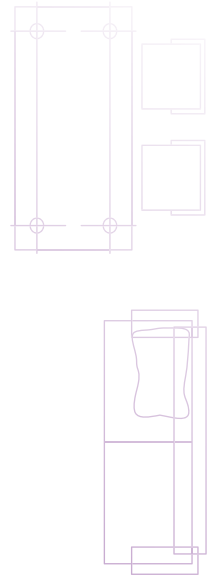
ESG Management Approach

Able views sustainability as an integral part of its business strategy, though ESG is yet to be fully incorporated into our operations. Our ESG management is led by the CEO who oversees and reviews Able's ESG initiatives. Through regular meetings attended by the senior management personnel, site agents and ESG coordinators of each project, we communicate our motives and strategies to our staff. The ESG coordinators are responsible for organizing and implementing all ESG initiatives and other related matters.



We are committed to addressing environmental and social issues in a responsible and effective manner. The Group adheres to 3 principles on sustainability management: safety first, living up to society's expectations and serving the community. Our approach also comes in 3 parts: establish professional operations methods, maintain good on-site work practices and adopt green design and innovation.

We take all environmental, health and safety and quality requirements into consideration at planning, designing and construction stages. Operating procedures are formulated with an aim to ensure good work practices on site in all aspects including waste management, pollution control and safety. Innovative designs are also adopted to facilitate more effective and efficient project management.



Stakeholder Engagement and Materiality Assessment

The Group engages with its stakeholders including customers, suppliers, sub-contractors, employees, shareholders and investors and the community on an ongoing basis. The Group maintains effective communication channels with its employees, listening and responding to their concerns. During the year, we conducted a materiality assessment to better understand our sustainability impact and issues important to our stakeholders. The process is carried out through online surveys. With reference to Global Reporting Initiative's ("GRI") Sustainability Reporting Standards, 21 topics are identified, prioritized, validated and reviewed by key stakeholders including employees, suppliers and investors etc. The top 6 material issues are waste management, compliance, business ethics, occupational health and safety, anti-corruption and use of materials and construction practices.

		● Environment	● Employee	● Operation
Significance to the Group	High			<ul style="list-style-type: none"> ● Waste management ● Compliance ● Business ethics ● Occupational health and safety ● Anti-corruption ● Use of materials and construction practices
	Medium	<ul style="list-style-type: none"> ● Diversity & inclusion ● Supply chain management ● Greenhouse gas emissions ● Precautionary measures of child/forced Labour 	<ul style="list-style-type: none"> ● Community investment and participation ● Energy consumption ● Pollution management ● Employee training and promotion ● Complaint handling 	<ul style="list-style-type: none"> ● Quality management ● Contractors management ● Employment and benefits
	Low		<ul style="list-style-type: none"> ● Participation in green building ● Technological innovation 	<ul style="list-style-type: none"> ● Employee communication
		Low	Medium	High
		Significance to Stakeholders		



ESG Management Approach

Apart from the online surveys, the Group maintains regular communication with relevant stakeholder groups. For example, we communicate with shareholders about our business performance through general meetings and annual reports. Regular meetings and sharing sessions are held with customers on exchanging information on sustainability issues. We also communicate with suppliers and sub-contractors through meetings and training sessions on site management and safety issues. Below are the engagement approach and sustainability issues that stakeholders are concerned about.

Stakeholder Group	Engagement Method	Topics
Customers	<ul style="list-style-type: none"> • One-on-one meetings • Company website 	<ul style="list-style-type: none"> • Compliance • Operational risk • Business ethics
Community	<ul style="list-style-type: none"> • Support community care and environmental protection activities 	<ul style="list-style-type: none"> • Environmental impact • Community Investment
Employees	<ul style="list-style-type: none"> • Performance appraisals • Training sessions • Employee activities 	<ul style="list-style-type: none"> • Training and Development • Health and Safety • Employee Well-being
Government	<ul style="list-style-type: none"> • Industry collaboration consortium • Communication on the latest development of relevant laws and regulations 	<ul style="list-style-type: none"> • Industry innovation • Compliance • Employee protection
Investors and Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Annual and ESG Reports • Newsletter 	<ul style="list-style-type: none"> • Corporate governance • Information disclosure • Risk management
Suppliers and sub-contractors	<ul style="list-style-type: none"> • Meetings • Training sessions • Safety and environmental evaluation 	<ul style="list-style-type: none"> • Health and Safety • Green practices • Compliance

Environmental Management

Undertaking major construction contracts throughout Hong Kong, we place utmost priority on the management of our environmental impacts.

Able manages its environmental impacts systematically to drive continuous improvement. Certified to adhere to ISO 14001:2015, our Environmental Management Plan addresses the full scope of our environmental impacts. The Environmental Management Committee, headed by our directors, ensures all policies and procedures are implemented and reviewed with due diligence. Periodic committee meetings are convened to gather the perspectives of environmental supervisors, foremen and site agents along every project stage. Systematic monitoring and evaluation occur via monthly environmental reports submitted to the Committee. During the reporting year, we have not encountered any breach of applicable environmental laws and legislations.²



Green Innovations

We are always looking for ways in which sustainability concepts may be incorporated into our product offerings. Awarded the “Special Award (Sustainable Design)” by the Architectural Services Department, the “Design and Construction of Redevelopment of Tai Lam Centre for Women” has received commendation for its unique green features. After a thorough analysis, a natural ventilation shaft atop the Centre was designed to capture maximal prevailing wind while also optimizing occupants’ thermal comfort. Moreover, during the construction phase, our in-house teams designed sound-blocking ventilation windows that effectively mitigated against noise nuisance to occupants. Able is looking forward to the next opportunity to deploy its expertise to impart sustainable architectural concepts and create positive impact.

² Air Pollution Control Ordinance (Cap. 311); Air Pollution Control (Construction Dust) Regulation (Cap. 311R); Air Pollution Control (Asbestos) (Administration) Regulation (Cap. 311P); Buildings Ordinance (Cap. 123); Dangerous Goods Ordinance (Cap. 295); ETWB Technical Circular (Works) 19/2005; Factories and industrial Undertakings Ordinance (Cap. 59); Noise Control Ordinance (Cap. 400); Ozone Protection Ordinance (Cap. 403); Professional Note PN 1/93 – Noise from Construction Activities Statutory; Professional Note PN 1/94 – Construction Site Drainage; Professional Note PN2/93 – Noise from Construction Activities Non-Statutory Controls; Public Health and Municipal Services Ordinance (Cap. 132); Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C); Waste Disposal Ordinance (Cap. 354); Waste Disposal (Charge for Disposal of Construction Waste) Regulation (Cap. 354N); Water Pollution Control Ordinance (Cap. 358)



Environmental Management

BIM technology and sustainability

Able advocates the BIM (Building Information Modeling) technology, which utilizes 3D-based modeling for better project planning and design. Waste generated from abortive works are radically reduced via BIM modelling which allows identification of any spatial conflicts prior to project execution. Site logistics management is also streamlined as the visualisation allows better coordination of installation procedures.

Emissions Management

Handling materials of various nature, discharges into the air, water and land are inevitable part of our everyday operations. Adhering to the strictest of methodologies, Able conducts periodic monitoring of air and water quality as well as noise emissions.

In our projects, air emissions control is pertinent to several onsite processes. Our Environmental Management Plan establishes detailed protocols for debris handling, general site management and vehicle maintenance to mitigate the adverse impacts of air pollutants. This year, our fleet of vehicles is estimated to have emitted approximately 0.174 tonnes of nitrogen oxides, 0.001 tonnes of sulphur oxides and 0.015 tonnes of particulate matter.

Debris handling	Site maintenance	Vehicles
<ul style="list-style-type: none"> • Keep debris piles covered at all times with impervious sheeting • Restrict the minimum height at which excavated material may be unloaded • Water sprays should be used during all excavation 	<ul style="list-style-type: none"> • Erect dust/smoke screens • Open burning of debris, construction waste, vegetation or other materials is prohibited 	<ul style="list-style-type: none"> • On-site diesel vehicles run only on Ultra-low-sulphur diesel ("ULSD") • Regular monitoring of vehicle exhaust gas parameters • No idling engines on-site • Vehicle speed is restricted to 8km/hour on-site • Wheel washers stationed at exits

As the construction projects involve generation of construction runoff and sewage, Able takes appropriate measures to avoid contamination and blockage of public drains and sewers and ensures the discharge of effluents complies with standards specified by the Environmental Protection Department (“EPD”) and the Water Pollution Control Ordinance. The wastewater treatment system is established with a sedimentation unit to remove suspended solids contained in concrete washings and site runoff. To ensure treatment of wastewater is carried out properly, we maintain drainage systems, sedimentation units and wastewater treatment systems on a regular basis. In addition, we aim to minimise water consumption through utilising site runoff in sprinkler system for dust suppression.

For construction industry, noise control is a material issue as it has direct impact on stakeholders locations surrounding the project site. Project teams strictly abide by statutory regulations regarding noise permit applications for carrying out work during restricted hours. Able also strives to go beyond compliance through the selection of Quality Powered Mechanical Equipment (“QPME”) type generators, which are quieter alternatives to the traditional types. In addition, various noise abatement measures are implemented, such as installation of noise barriers and acoustic mats. We also directly respond to neighbourhood concerns and are always open to arranging work schedules that avoid school examination periods. Monthly construction noise monitoring report is prepared to review the adequacy of such measures.

Energy and Carbon Management

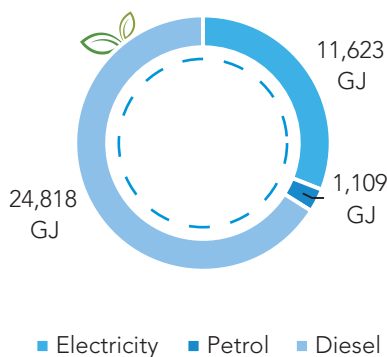
Embarking on the first year of disclosing our environmental performance, we have selected 5 projects that represent a significant part of the work portfolio and collected their respective energy usage data. The energy intensity recorded was 0.012 tCO_{2e} per thousand HKD revenue. Our operations rely on heavy-duty machinery and equipment that are mainly powered by diesel, which constituted over 65% of our entire energy consumption this year. Electricity usage accounted for just below a third of total energy consumption, while petrol consumption was comparatively less at 3%. Our energy consumption makes up the entire carbon footprint. In the coming years, we shall seek to broaden the scope of our carbon footprint boundary to account for the impact on our value chain.



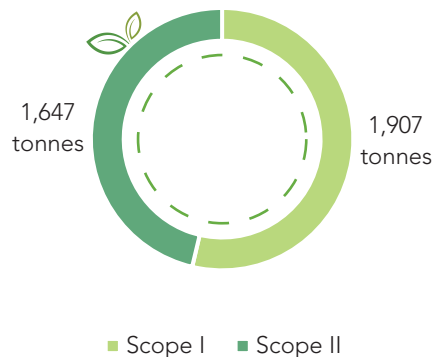
Environmental Management

Our carbon footprint is represented by Scope I and II emissions. This year we have included that associated with freshwater processing and sewage treatment. We shall broaden the scope of our carbon footprint boundary in the future.

Our Energy Profile



Our Carbon Footprint



In response to increasing calls for climate change action, Able is playing its part by actively managing consumption of energy resources. We have established an ISO 50001:2011 certified energy management system that lays out the framework for all aspects of energy management in our operations. The system outlines a comprehensive action plan with established targets to curb and minimize our energy usage. This goes hand-in-hand with the conduct of energy consumption analysis that assists in determining the areas for potential actions. Aligned with the ISO standards principle of driving continual improvement, the Group ensures the system is subject to review mechanisms via management reviews and internal audits.



Our Energy Management System goes beyond basic measures and aims to deeply ingrain the relevant values in all aspects of our operational processes. Energy efficiency is always the top consideration during the design of our worksite facilities, as well as in procurement of any energy services, products and equipment. Thorough pay-back analysis is carried out to ensure investments make sound economic and environmental sense.

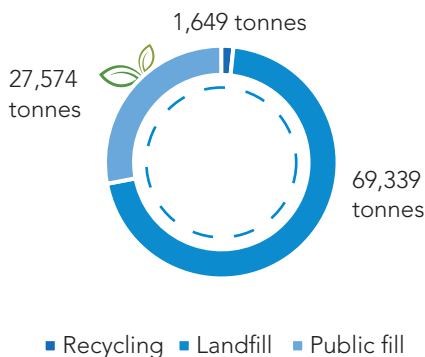
Waste Management

Able acknowledges possible environmental impacts of waste generated during the course of its operations such as site clearance, excavation works, construction and fitting out works. We strive to mitigate environmental impacts by adopting the right waste management strategy, prioritizing avoidance and minimisation of waste generation, reuse of materials, recovery and recycling. Waste treatment and disposal are only the last resort. We achieve minimization of waste through formulating proper work plans and site management practices to prevent over-ordering of materials and cross contamination of reusable and recyclable materials.



Waste Management Strategy

Non-hazardous Waste Disposal Methods



Waste is categorized into different types by workers through visual inspection and is stored in designated areas in order to ensure proper reuse, recovery, recycling, treatment and disposal plans. To prevent the mixing of materials, workers should confirm with the foreman, site engineer or site agent whenever they are not certain about the type of waste.

The recyclable waste such

as paper, metals and plastics are sent to licensed recyclers, while the hazardous waste such as chemicals defined by the Schedule 1 of the Waste Disposal (Chemical Waste) (General) Regulation are collected by the licensed collectors approved by Environmental Protection Department (“EPD”). We are registered with EPD as Chemical Waste Producer. All our storage, handling, transportation and disposal practices of chemical waste are in accordance to the EPD publication “Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes”. Chemical waste are stored tidily at the chemical waste cabinet, with all records of waste collection kept. This reporting year, the five selected sites of our environmental data boundary generated a total of 98,562 tonnes of non-hazardous waste and 7.89 tonnes of hazardous waste.



Environmental Management



Plastic tubes



Timber boards



Packaging papers

During various stages of operations, we implement corresponding control measures for waste mitigation. For instance, sludge generated from drilling process is reused for backfilling; plastic tubes, timber boards and packaging papers are collected by relevant recyclers for recycling. Regarding the disposal of materials at public fill reception facilities, sorting facilities and landfill, the Group ensures it complies with requirements under Schedule 6 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. CCTV systems are installed in vehicles to monitor and ensure the legal dumping of construction materials.

Apart from waste management of construction materials, we encourage our employees to adopt and participate in a sustainable and more "green" lifestyle. We introduce green policies to enhance the awareness of environmental protection among staff with the aim of saving energy, fully utilizing resources and recycling wastes in our daily office operation. Some of measures implemented during the year ended 31 March 2018 are listed below:

- To support the government's "green" practice in promoting wastes reduction at source the Group has stopped selling water in bottles of one litre or less at all construction sites and head office
- Provision of reusable plastic bottle to all staff and workers and maintain adequate water dispensers on all construction sites and the head office to encourage them to refill their reusable bottles and promote a "bring your own bottle" culture
- Encourage our employees to print on both side of paper and utilise paper that is used only on one side for internal printing
- Provision of cotton towel to employees and encourage them to use less paper towel
- The use of paper which is certified by Forest Stewardship Council (FSC) or with Programme for the Endorsement of Forest Certification (PEFC)



Nurturing the Culture

At Able, we recognise that sustainability endeavors can lead to fruition only through collaborative efforts. Thus, we place importance on inter-functional collaborations through a range of environmental training programmes.

Management staff training

All new site management staff are required to complete comprehensive Environmental Management Courses run by the Construction Industry Council Training Academy ("CICTA"). Besides the fundamental course, regular in-house sessions ensure that our leaders contribute to further development of our environmental policies.

Environmental training

The Safety and Environmental Officer evaluates the training needs of relevant personnel in charge of projects with significant environmental impacts. Detailed risk management ensures that the project conforms to the Environmental Management Policy and takes into account all potential scenarios.

Toolbox talks

Along with safety considerations, qualified trainers deliver weekly toolbox talks to on-site workers. Addressing in-house rules and regulations in detail, the talks ensure all workers, subcontracted or not, well understand the requirements of the task-on-hand.

Environmental and Site Hygiene Management Meetings

Key personnel meet to ensure that the management approach taken to manage onsite environmental and hygiene matters are effective and that necessary follow-up actions are implemented. Any incidents of non-compliance with our Environmental Management Plan are scrutinized and rectified.

Besides maintaining training records for each employee, mechanisms have been established so that site personnel, teams and sub-contractors demonstrating the requisite environmental care are not overlooked and given recognition. Communication channels, such as HS&E Newsletter, on-site bulletin board and posters, are effective means by which all organizational members are updated. Two-way dialogue is also encouraged through the "Environmental Suggestion Box" placed at every project site.



Our People

Believing that employees are the cornerstone of Able's success, we are committed to building a fair, safe and healthy workplace. We devote resources to ensuring work safety and assisting employees' career development.

Employment and Labour Practice

The Group complies with Employment Ordinance, Minimum Wage Ordinance and all relevant employment laws and regulations in Hong Kong. Any forms of child and forced labour are strictly prohibited in our business operations. Arrangements on remuneration, overtime payments, basic welfare such as leave, Mandatory Provident Fund ("MPF") are implemented according to statutory requirements. Medical insurance and study leave are also provided. All labour related policies are communicated to employees through internal documents, which are revised under authorization of the Director when necessary for any changes in laws and regulations.

We strictly uphold the principles of meritocracy and equal opportunity regarding recruitment and promotion. The Group does not tolerate any discrimination or harassment based on age, gender, race, marital status, family status or disability. We strive to build respectful and harmonious relations among employees. Complying with the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance and other relevant laws, disciplinary measures are taken in case of any breach of code of conduct, including verbal or written warning, demotion or dismissal. Within the reporting period, the Group observed no incidents of violations of any relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. There were no cases of child and forced labour reported during the year.

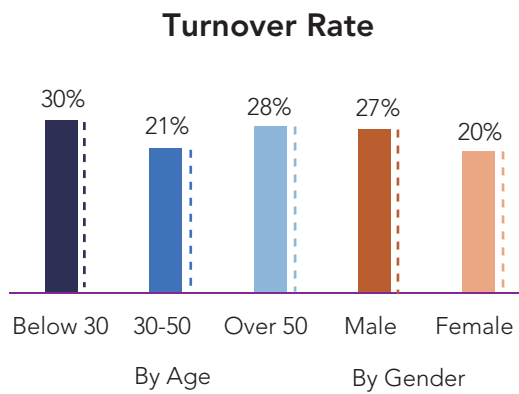
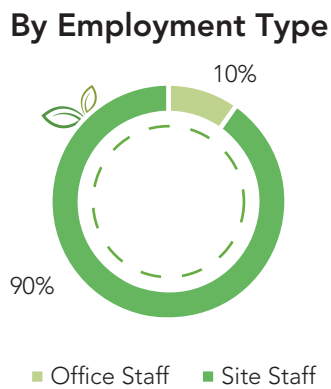
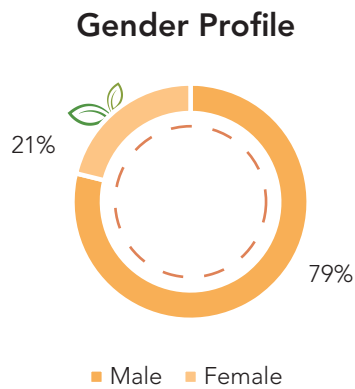
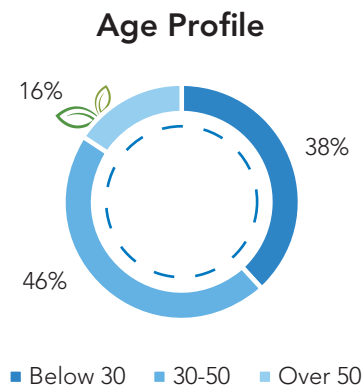
We highly value employees' dedication and contribution to the Company. Employees with outstanding performance are commended and rewarded. Incentive travel is also organized to provide greater motivation and opportunities for employees to engage with the Company. The Group also welcomes all valuable feedback from employees regarding all employment

matters. They can express their opinions and grievances to the operating officer who carries out investigations and discussions to offer feasible solutions to the issues.



Employee profile

As at 31 March 2018, the Company has 388 employees and all of them are positioned in Hong Kong. The detailed workforce demographics and turnover rates are presented below:





Our People

Building a Stronger Team

Building a strong and healthy workforce not only brings a motivated working environment but also boosts team spirit and cohesion within the Company. We strive to achieve work-life balance, encouraging employees to take a break, stay healthy and bond with each other.

Various interest groups such as football, hiking, badminton, basketball and photography etc. are organized by the Group. Hiking and football are the most popular activities; last year we organized "ABLE Team Hiking Competition 2017" Where 52 employees



gathered and formed 13 teams to compete and exchange experience on hiking. The Group also arranged football pitches regularly for employees to practice their skills, so that they are well-prepared for the internal "Able League" and the annual "Vantage Cup" where we compete with other teams.

Able Dragon was set up in 2016 to take part in dragon boat races. During the year, we competed in the "Mui Wo Dragon Boat Race Open 2017", the "Dragon Boat Race 2017 – CIC Lo Pan Cup" and the "2017 Hong Kong Dragon Boat (traditional boat) Championship"; our team showed full dedication and excellent teamwork in all these events.



Health and Safety

The Group attaches great importance to occupational health and safety ("OHS"), since we believe the issue is fundamental to our business. The Group is certified with OHSAS 18001:2007 Health & Safety Management System, which forms the basis of our safety manual. We comply with all relevant laws and regulations related to OHS including Occupational Health and Safety Ordinance.

Our OHS policy:

- Ensure compliance with international standards and legislations
- Improve the effectiveness of the OHS management system
- Assess and analyze OHS risks and minimize them
- Promote awareness of OHS among employees and stakeholders
- Establish targets and programs to measure and improve OHS performance

The occupational health and safety management system is formulated, implemented and reviewed by the Safety and Health Management Committee, chaired by a director. The project manager and site agent of each project establish a Site Safety Committee to formulate safety plans and monitor safety performance. We have on-going hazard identification and risk assessments conducted, covering all activities, including potential hazards outside of the workplace, work procedures, equipment and materials used, as well as the design of work areas. A monthly report is prepared and submitted to the committee by the safety officer for review in order to ensure compliance and effectiveness of the OHS system.



During the reporting year, the Group recorded 16 cases of health and safety accidents, representing an accident rate per 1,000 workers of 8.44. The loss time injuries frequency rate ("LTIFR") per 1,000,000 hours worked was 3.19. Regrettably, a fatal accident occurred in one of the sites. The fatality rate per 1,000 workers was 0.53. Necessary financial assistance and other support were provided to the family of the worker. Thorough investigation was undertaken to avoid recurrence. We implemented corrective actions, including enhanced training, restricted workflow and compulsory safety measures for all workers.

Innovating for a Safe Workplace

Controlling and eliminating safety risks is always a part of our work practices. Apart from establishing safe working procedures and emergency plans, in the construction site for Public Rental Housing Development at Lai Chi Kok Road – Tonkin Street, we adopted innovative designs to enable a more efficient and effective implementation of safety measures. The use of technology simplifies and standardizes safety management procedures, which reduce oversight and errors that may lead to accidents on one hand and provide a basis for improving preventive measures on the other.

PPE self-service machines with RFID (Radio-frequency identification) technology are available on our sites. Workers are able to access Personal Protective Equipment ("PPE") at sites as well as offices. All information of PPE usage, including items selected, quantity, name of worker and time taken are recorded through the scanning of the CWR (Construction Workers Registration) card. Such data are valuable for us in understanding workers' safety habits and providing appropriate supervision and training.





Our People

In order to facilitate our works, we implemented a Mobile Apps that allows subcontractors to apply for work permit via mobile phone after conducting safety hazards assessment and implementing safety measures. Photos of safety measures and information of the working team can be uploaded to the app for review and approval by the foreman before the permit is issued. The app also allows the engineer, general foreman, safety officer and foreman to verify the permit, ensuring the subcontractor has passed all safety inspections before operations commence. They can also supervise site work anytime from anywhere on their own mobile devices.



Implementation and Checking

In construction sites, we use large concrete paving slabs, providing a hard-paved surface for machinery operations which reduce accidents often caused because of uneven ground surface. This also helps avoid a dusty environment that affects workers' health. We have also begun to replace bamboo scaffolding with metal scaffolding in order to reduce the risk of working at height.

To ensure adequacy of the OHS management system, regular evaluation and internal audits are scheduled to check whether the system has been strictly conformed to. The audit results are reviewed by the management for checking compliance of all legal requirements and standards, and whether the OHS policy objectives are met. Any updates on laws and regulations, as well as progress of OHS performance are followed up with recommendations for improvement.

Increasing Safety Awareness

We believe that the involvement of all employees in OHS is the key to prevention of accidents. The "Safety. My Habit" scheme was launched in August 2017 with the objective of transforming safety measures into actual habits of each employee. We encourage and assist all workers to develop a personal safety habit of wearing appropriate PPE and strictly following safety precautions before entering the construction sites. Through this initiative, we aim to send clear messages to them that one small change in habit is essential in avoiding accidents.

Conducting safety training is the major step to raise workers' awareness of work safety. The Group provides training sessions, lectures and seminars at different levels for employees according to their roles, responsibilities and literacy. Taking reference from guidelines by the Occupational Safety and Health Council, morning safety meetings and hazard identification activities are held on site to ensure workers and subcontractors understand all hazards and safety practices. Regular communication with subcontractors also takes place to strengthen cooperation of the construction team in which everyone takes responsibility to ensure work safety. During the year, 155 and 4,939 hours of safety training were provided to our employees and workers from subcontractors respectively.

In order to increase the safety performance of the Group, we participate in a number of health and safety award schemes. Through the preparation and benchmarking with our peers, we further embed safety habits among our employees and subcontractors and motivate them to take action to practice safety measures in daily work. The table below shows the OHS related awards received during the reporting year.





Our People

Name of Organization	Name of Award	Name of Project/Group
Occupational Safety and Health Council	Safety Quiz 2017 • Bronze Award in Plate Final	Construction of Subsidised Sale Flats Development at Texaco Road
	Occupational Health Award Forum and Award Presentation 2017-18 “Joyful @ Healthy Workplace” Best Practices Award – Excellence Award Prevention of Pneumoconiosis Best Practices Award – Innovative Improvement Award – Excellence Award Hearing Conservation Best Practices Award – Innovative Improvement Award – Excellence Award	Construction of Subsidised Sale Flats Development at Texaco Road Construction of Subsidised Sale Flats Development at Sha Tin Area 16, Wo Sheung Tun Street
Hong Kong Construction Association (HKCA)	HKCA Construction Safety Award 2016 – Proactive Safety Contractors Award 2016	Able Engineering Company Limited
Labour Department	Construction Industry Safety Award Scheme 2017/2018 – Safety Team – Merit Award – Certificate of Good Performance	Construction of Subsidised Sale Flats Development at Sha Tin Area 16, Wo Sheung Tun Street



Training and Development

We spare no effort in nurturing talents to maintain our competitiveness and service quality. Training needs are identified through appraisals and communication with employees in order to provide appropriate programmes to enhance skills and knowledge. We also offer subsidies and study leave to employees applying for Continuing Professional Development courses.

The Group strongly supports young talents who wish to develop their careers in the construction and engineering industry. Our Graduate Scheme "A" training offers comprehensive training approved by the Hong Kong Institution of Engineers for graduates of engineering or construction related degrees. With an aim to develop our trainees into registered professional engineers, our management staff and external tutors are invited to become mentors, assisting and advising young graduates on the course. Tens of our graduate engineers have successfully completed the course, after which some of them have been promoted to Site Agents or even Project Managers.

Having recognised the high demand for young leaders in the company and in the industry, developing youth leadership has become one of our objectives on talent management. During the year, the Group nominated 3 young engineers to participate in The Peak 2017 organized by Junior Chamber International Tai Ping Shan. The programme enhanced their leadership skills through a series of training programmes and community services.



The colleagues received 1 gold and 2 bronze awards.

During the year, a total of 4,181 hours of training have been recorded across the Group. An average of 11.08 hours are recorded for male and 9.63 hours for female respectively. Office and site staff received on average 1.66 hours and 11.77 hours of training respectively.



Our People

Our Community

As a construction and engineering company, we recognize our responsibilities for not only contributing to the industry's development but also serving the community. We actively participate in charity and fundraising initiatives for helping the disadvantaged. In January 2018, we joined the "Construction Industry Happy Run and Carnival 2018". Donations are made to the Construction Charity Fund to aid construction practitioners in need.

Able is eager to contribute to the local community and help the underprivileged in improving their lives. During the year, we donated 93 of our retired computers and 11 old LCD monitors to Caritas Computer Workshop, an NGO which refurbishes and donates the computers to grassroot families.

60 of our employees joined the "Sowers Action Challenging 12 Hours" race held in October 2017. Funds raised were dedicated to support the education of orphans living in remote areas in the Mainland China. The Group won the Corporate Participation Gold Award for the high number of participants and the Bronze Foot Award was won by the Corporate Team for the amount of funds raised for two consecutive years.

Able has also been participating in the "Oxfam Trailwalker". Eight of our employees took the challenge to complete the 100km MacLehose Trail. They supported each other along the way and also raised funds for supporting Oxfam's work on poverty alleviation and emergency relief projects in Africa and Asia.



Operational Excellence

We are committed to maintaining the highest quality standard of all our projects, through stringent quality control, subcontractor management and adopting new technologies. We also strive to ensure business ethics are upheld as we engage with our business partners and stakeholders.

Product Responsibility

Able persistently maintains high quality standards in its construction projects, aiming to fulfil all requirements specified in the contract and to meet the expectations of its customers, employees, subcontractors and suppliers. We adopt strict quality control practices to reduce variability and eliminate defects and manage quality through the implementation of our quality management system which is based upon the international standard of ISO 9001:2015. This exercise is spearheaded and supported by the Director and all department managers, and is reviewed annually to ensure its effectiveness and improvement.



Complementing the quality management system, we have formulated a quality policy and a hierarchy of documents such as quality manual, procedure manual, quality plan, work instructions, etc. These documents provide guidelines on how quality management should be performed to fulfil requirements of the relevant international standards. We conduct training sessions for employees, suppliers as well as sub-contractors to effectively disseminate our requirements of quality standards. In addition, we display our quality policy in prominent locations in the head office and work sites as a reminder.

Apart from supervision and inspection carry out on subcontractors throughout the projects, we also maintain an organized documentation system, keeping all records of site works including inspection records and photographic evidence of specification compliance.

The Group upholds its product responsibility. Our operations do not involve any product advertising and labelling. During the year, the Group was not aware of any non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

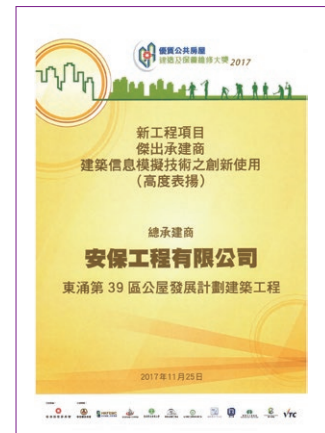


Operational Excellence

Driving Industry Innovation

Able believes that technological innovation is the key to propel industrial growth and it can lead us towards a smart and sustainable city. As a founding member of University-Government-Industry Consortium (UGI Consortium), we support the research initiated by the Research Institute for Sustainable Urban Development set up by The Hong Kong Polytechnic University, and we collaborate to develop and implement innovative technologies to enhance site safety and operations efficiency.

Internally, we have set up the Innovation & Technology Department, striving to promote and apply innovative technologies in construction projects. In particular, we conduct trials for adopting Building Information Modeling (“BIM”) in our projects, namely, the Construction of Public Housing Development at Tung Chung Area 39, Eastern Harbour Crossing Site Phase 7 and Lai Chi Kok Road – Tonkin Street Phases 1 & 2. BIM, compared to the traditional construction model, has superior advantages in visualization and analysis. It enhances the accuracy of construction work by facilitating simulation and enables engineers to design by way of digital representations of construction sites. It can also conduct Clash Detection by combining different building plans into 3D models to detect the problems in design. The application of BIM technology helps Able to achieve higher productivity and mitigate project delays. We have received the highly commended award for Innovative Use of BIM Technology Quality at Public Housing Construction & Maintenance Awards 2017 organised by the Hong Kong Housing Authority, in recognition of our efforts for adopting BIM technology in construction projects. We believe that adoption of new technology is the first step of change and we will keep supporting development of BIM technology, driving innovation in the construction industry.



Supply Chain Management

Able actively manages its suppliers and subcontractors, ensuring fulfillment of our environmental and safety standards. We regularly review the performance of suppliers and sub-contractors. Our management including procurement manager, contract manager and project managers conduct appraisals on a half-yearly basis. The appraisal reports are reviewed by the Director to decide if any further action is needed such as suspension or removal of a supplier or a sub-contractor from our list.

The Group maintains close communication with subcontractors through training and meetings. We provide environmental training and site-specific induction training to the subcontractors, covering our environmental management policy, their respective roles and responsibilities and the significant environmental impacts related to their work. Meanwhile, we also hold a monthly environmental and site hygiene management meeting to discuss any on-site environmental issues and suggest follow-up actions on defects and deficiencies. Regarding safety issues, we ensure that our safety policy is fully communicated to our sub-contractors and suppliers.

Confidentiality

Maintaining confidentiality is essential for a company to build trust with its business partners. We have been striving hard to safeguard the confidentiality of information we process during the course of business and strictly adhere to Personal Data (Privacy) Ordinance. As stipulated in our Code of Conduct, employees are required to adequately safeguard data to prevent leakage, abuse or misuse of confidential information, including but not limited to clients' information, tender information, sources of supply, etc. They shall not divulge any confidential or insider information of the Company for their own personal interest.

To limit the access of confidential information, we follow the principle of "less privilege" when granting access rights. Minimum rights are granted to individuals adequate for them to perform their duties. For any system that handles confidential information, it must be protected with password-based access control. During the year, the Group was not aware of any violation of relevant laws and regulations that have a significant impact on the Group relating to privacy matters.

Business Ethics

Able is committed to upholding the highest ethical standards when conducting business. We aim to protect fair competition by prohibiting any anti-competitive behaviors. For ensuring adherence to the Competition Ordinance, our employees are required to avoid exchanging competitively sensitive information with competitors; participating in price fixing, collective boycotts or market sharing arrangements; or imposing restrictions on customers or suppliers. During the year, there were no reported cases of non-compliance relating to anti-competitive behaviors.

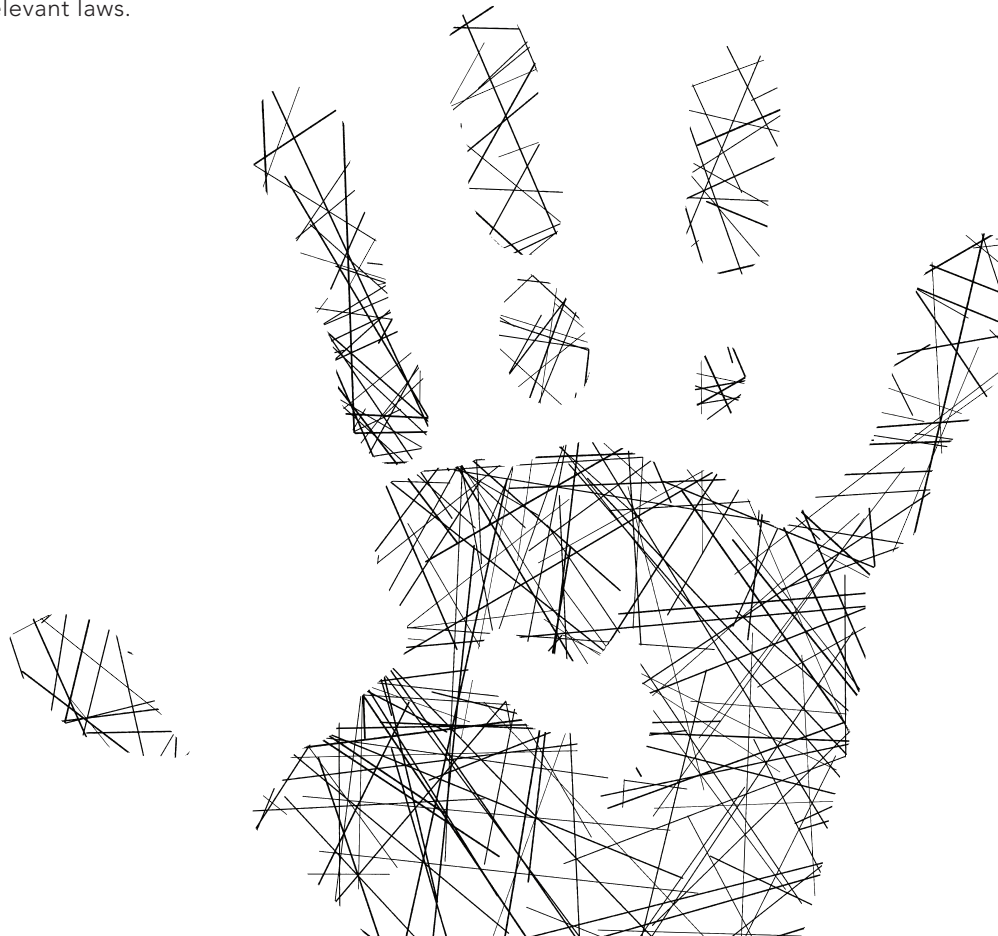


Operational Excellence

Anti-corruption

Able regards honesty, integrity and fairness as important values. Each employee is expected to adhere to these principles and protect the reputation of the Company. We strictly comply with the Prevention of Bribery Ordinance. During the year, the Group was not aware of any violations of relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. There were no reported cases of corruption.

Subsequent to the reporting year, the Group has obtained ISO 37001: 2016 anti-bribery management systems certification. To prevent corruption related practices, we have formulated an Employee Code of Conduct, setting out the basic standard of behavior for all employees. It provides guidelines for handling conflict of interest, acceptance of advantages, entertainment, company records and accounts, etc. The Code is reviewed and updated from time to time. We have a whistleblowing policy in place for employees to report any case of suspected unethical behavior to the Director. Complaints are treated promptly and fairly upon receipt. Any violation of this Code may lead to verbal or written warnings, demotion, dismissal and, in some circumstances, prosecution under the relevant laws.



Performance Data Summary

		Unit	2018
Workforce	Total workforce		388
	By Gender		
	Male		306
	Female		82
	By Age		
	30 or below		148
	31-50		179
	Over 50		61
	By Employment Type		
	Office Staff		38
	Site Staff		350
	Turnover rate		
	By Gender		
	Male		27%
	Female		20%
	By Age		
30 or below		30%	
31-50		21%	
Over 50		28%	
Training and Development	Average training hours		
	By Gender		
	Male	Hours	11.08
	Female	Hours	9.63
	By Employment Type		
	Office Staff	Hours	1.66
Site Staff	Hours	11.77	
Health & Safety	Work-related fatalities	Person	1
	Fatality rate	Per 1,000 workers	0.53
	Work-related accidents (cases of over 3 lost days)	Number	16
	Work-related accident rate	Per 1,000 workers	8.44
	Loss Time Injuries Frequency Rate (LTIFR)	Per 1,000,000 hours worked	3.19
	Safety training for employees	Hours	155
	Safety training for subcontractors	Hours	4,939



Performance Data Summary

		Unit	2018
Environment	Resource Consumption		
	Total energy consumption	GJ	37,548.78
	Total energy intensity	GJ/HK\$'000	0.012
	Electricity	kWh	3,228,502.00
	Diesel	litre	693,126.00
	Petrol	litre	34,789.99
	Water	m ³	157,124.96
	Water intensity	m ³ /HK\$'000	0.05
	Greenhouse Gas Emission		
	Total GHG emissions	tCO ₂ e	3,553.14
	Scope I	tCO ₂ e	1,906.61
	Scope II	tCO ₂ e	1,646.54
	Air Emissions		
	Nitrogen oxides	tonnes	0.174
	Sulphur oxides	tonnes	0.001
	Particulate matter	tonnes	0.015
	Hazardous waste		
	Total hazardous waste generated	tonnes	7.89
	Non-hazardous waste		
	Waste to landfill	tonnes	69,339.14
	Inert construction waste (public fill)	tonnes	27,574.06
	Paper recycled	tonnes	6.63
Metal recycled	tonnes	1,640.84	
Plastic recycled	tonnes	1.18	

Note: The data for environmental and occupational health and safety aspects presented in this report covers 5 on-going construction sites during the reporting year, while data on workforce and training covers the entire Group.

HKEX 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.	Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions management
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Energy and carbon management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Waste Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Emissions management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management



HKEX ESG Content Index

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy and carbon management
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy and carbon management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Energy and carbon management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Emissions management <i>The Group has no issues in sourcing water.</i>
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	<i>This KPI is not applicable as our business operations do not involve the use of packaging materials for finished products.</i>
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimizing the issuers' significant impact on the environment and natural resources.	Green innovations, Nurturing the Culture
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green innovations, Nurturing the Culture

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
B. Social		
Aspect B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	Employment and Labour Practice
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Profile
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Profile
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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
Aspect B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Training and development



HKEX ESG Content Index

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
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 or forced labour.	Employment and Labour Practice
Aspect B5		
Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Supply Chain Management
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.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
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.	Our Community
KPI B8.1	Focus areas of contribution.	Our Community