



Hongkong United Dockyards Limited

Environmental, Health and Safety Report 2018



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Foreword

We are pleased to present the Environmental, Health & Safety Report of Hongkong United Dockyards Limited of year 2018.

Our Engineering Division is moving a great proportion of business to non-marine sectors and has protected stakeholders from hazards and environmental impacts of our operation activities. Salvage & Towage Division has implemented safety management system for several years and has voluntarily certified the system in compliance with the ISM Code as the sole tug operator doing so in Hong Kong.

The lost time injury rate keeps decreasing and the rate in year 2018 is the lowest among these years. We are continuously putting efforts in promoting proactive safety culture by adopting various safety initiatives widely in the Group.

Aiming at zero incident, HUD will train our employees in proactive safety measures, raise their pollution prevention awareness and recognize occupational health, safety and environmental protection an integral part of business considerations.



Chief Executive Officer
David Murphy

About the Report

This annual report encompasses the Environmental, Health and Safety (EHS) performance of the HUD Group. This report gives an overview of the Group's local business activities, EHS policy and performance during 2018.

It is also intended to give business partners, staff, suppliers, our stakeholders and the general public a better understanding of the Group's strategies on its EHS management. Further information on HUD Group economic performance could be found in the integrated report of Swire Pacific Limited and the annual report of CK Hutchison Holdings Limited.

Company Profile

Hongkong United Dockyards Limited (HUD) was established in 1972, from the amalgamation of Hongkong & Whampoa Dock Company and Taikoo Dockyard & Engineering Company, which had a history of service of over 140 years in Hong Kong. The “small boat” fleets of the two yards were combined under the umbrella of the Hongkong Salvage & Towage Company Limited in the same year. In a corporate restructuring in 2002, when Hongkong Salvage & Towage became a division of HUD, HUD was renamed as HUD Group. The company is a leading provider of multi-disciplinary marine services and engineering solutions in Asia.

Engineering Division



Our Engineering Division provides round-the-clock ship repair service with a modern floating dock having a lifting capacity of 40,000 tonnes that can hold vessels of up to 300 m x 41.5 m. The floating dock, “United”, is located at HUD headquarter on Tsing Yi Island. It is supported by well-equipped workshops including steel workshop, machine shop, electrical workshop and all other departments, as well as experienced project engineers and craftsmen. We are the contractor for a number of engineering works involving both the public and private sectors. The Division specializes in plant installation, steelwork, electrical engineering, building services, manufacturing and mechanical engineering.

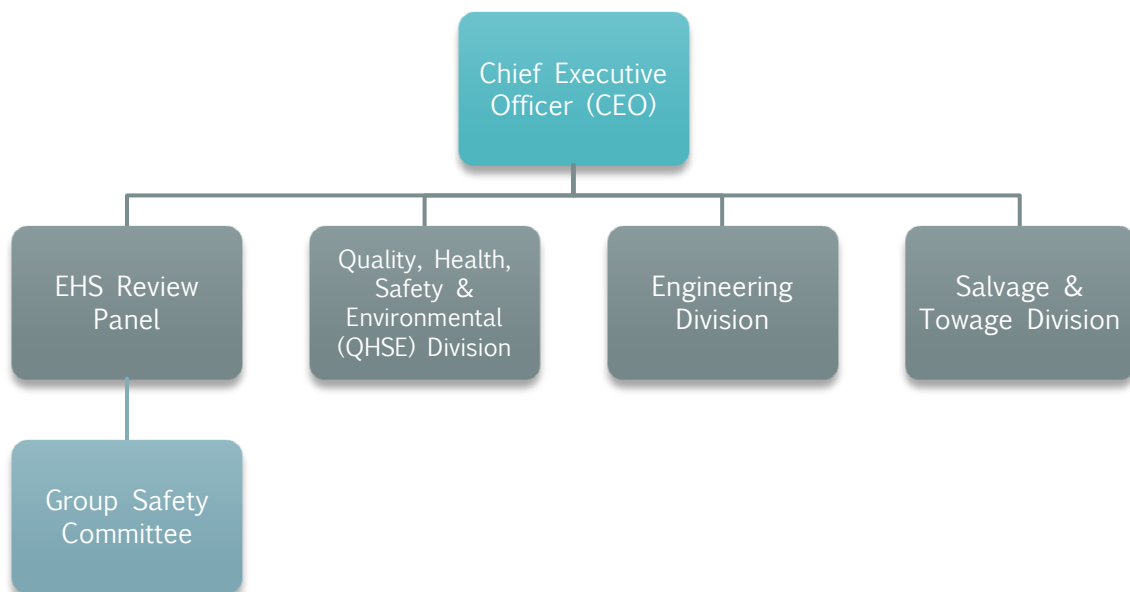
Salvage & Towage Division



Our tug fleet is stationed at Tsuen Wan and consists of 15 tugs, one multi-purpose workboat and one passenger launch totalling 67,000 BHP with an average age of 9 years. The fleet provides regular towing service within Hong Kong waters as well as emergency support and ocean tows in the Asia Pacific Region, operating twenty four hours a day and seven days a week. We also operate 6 container vessels on behalf of the Hong Kong Special Administration Region (HKSAR) Government, providing maritime transport of refuse to and from the strategic landfill at Nim Wan in Tuen Mun.

Governance Structure

EHS within the HUD Group forms an integral part of the Quality, Health, Safety and Environmental (QHSE) Division of the company. The QHSE Division reports directly to the Chief Executive Officer (CEO), who reports directly to the Boards of both Swire Pacific and CK Hutchison Holdings for final business strategy decision.



HUD takes a proactive approach to engage stakeholders. We actively cooperate with non-government organization (NGOs) on emission and climate change projects. We also discuss with suppliers on their own EHS policies as well as their sustainability practice. Besides, we work closely with the Government as well as Professional & Advisory Committees.

Regular internal meetings with employees are held to ensure that we actively exchange views on EHS issues.

Through these channels, we understand the expectations and comments of our stakeholders and strive to incorporate them into our business strategy.

Our Commitment

To provide a safe working environment to our staff, HUD adheres to the principle that safety can never be compromised for business objectives. We also report our status on EHS issues fully and openly to our stakeholders. We are committed to continually improving our performance in all aspects and have set for ourselves high standards to do more than regulatory requirements.

Our EHS Review Panel, chaired by the Chief Executive Officer, is responsible for overseeing our EHS performance and reviewing our EHS Policy regularly. Panel members meet to monitor the Group's performance in EHS and compliance with EHS policy. It coordinates overall Group policy regarding EHS issues by monitoring the effectiveness of the Safety Management System, identifying potential areas for improvement, and establishing and reviewing EHS objectives, targets and the overall progress.

Under the EHS Review Panel, members of the Group Safety Committee meet in a bimonthly meeting chaired by the Head of Production to discuss and coordinate the Group policy on work safety.

ROLES OF THE GROUP SAFETY COMMITTEE

1. Establish arrangement for securing occupational health and safety
2. Review accidents and recommend measures to prevent recurrence
3. Monitor the adequacy and effectiveness of safety training as well as communication within workplace
4. Overview the implementation of health and safety regulations

The Group Safety Committee also acts as a platform for HUD employees and contractors to communicate with management on occupational health and safety issues.

Our Commitment

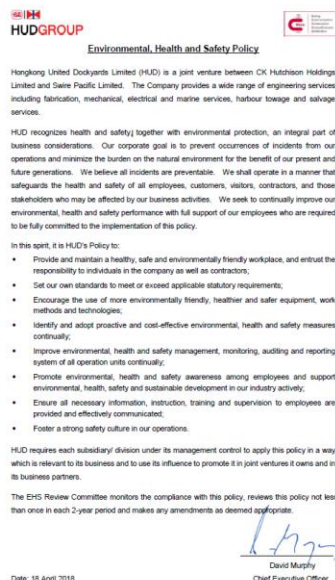
The Group policies and operating procedures are embedded in our code of conduct, which is given to all our staff and contractors. Committed to the protection of our people and the environment, we updated our EHS policy in April 2018. It summarizes aspects including utilizing resources in a sustainable way, minimizing environmental impacts and protecting the health and safety of our workforce.

We also participate in shareholders' environmental and safety working groups, for example, the Environmental Best Practice Working Group as well as the Health and Safety Committee.

In order to better manage risks that could affect our business, the QHSE Division together with the senior management have developed a business continuity plan incorporating various scenarios, likely outcomes and contingencies to ensure that we are well-prepared.

HUD Environmental, Health & Safety Policy

Refer to our company website for the full version: [Link](#)



The lost time injury rate (LTIR) of HUD Group decreased by 48.66% as compared with 2017. The decrease was achieved through the collective ownership of individual line departments in treating health and safety as their main concern instead of relying on the central support of QHSE Division in the past. Meanwhile, we are putting more efforts into safety training and activities to improve frontline safety awareness.

HUD has implemented two Safety Management Systems (SMS) respectively in Engineering Division and Salvage & Towage Division for its own suitability. The SMS in Engineering Division is audited annually in accordance with Factories & Industrial Undertakings (Safety Management) Regulation. Salvage & Towage Division has taken the initiative to become the only tug operator implementing SMS certification in compliance with the ISM Code in Hong Kong.

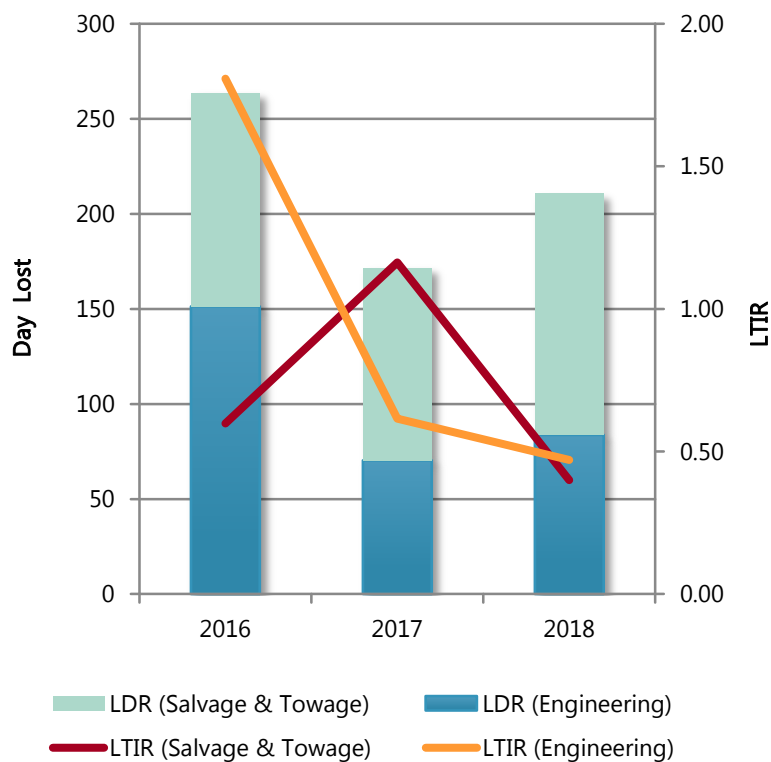


Figure 1
Lost day rate (LDR) and lost time injury rate (LTIR)



Incident Investigation Training

New staff and crew members of HUD have been continuously trained on the incident investigation skills in Kelvin TOP-SET methodology.



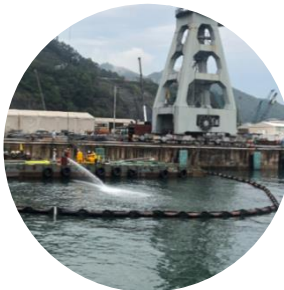
Emergency Exercise



Emergency exercise was carried out jointly with various HKSAR Government emergency response teams this year. The exercise involved identifying issues with the process and procedures. It helped HUD and various government emergency teams improve their emergency response.



Oil Spill Drill



The group organized a joint oil spill drill in 2018 with a planned scenario in which our tugs assisted with the cleaning of spilled oil at sea.



OSHC Quiz



Three teams of our employees participated in the 2018 Safety Quiz, co-organized by Occupational Safety and Health Council and Labour Department. Two teams entered quarter-finals.

Safety Initiative Sharing



Workshops are held to launch safety initiatives and improvement programmes and to present good safety practices implemented in their workplaces. Speakers of workshops share their good safety practices and the actual situations of implementation of measure in safety committee meetings. This ensures continuous improvement in workplace safety.

Safety Promotion Day & Safety Quiz



Safety Promotion Day and Safety Quiz were arranged in 2018 to improve employee's awareness of safety and environmental performance. Over 120 employees participated in the Safety Promotion Day in 2018.

Safety Model Worker



With the aim of encouraging workers to work safely and observe safety rules at all times, the Engineering Division has been running a Safety Model Worker Award Scheme since 2017. Workers who have achieved the above aims are appointed as Safety Model Workers every month by the Management of Engineering Division.

Shipboard Safety Meeting



Operational staff has been participating in the shipboard monthly safety meeting since 2018. They share safety information and promote safety culture at various levels of the organisation in the open forum.

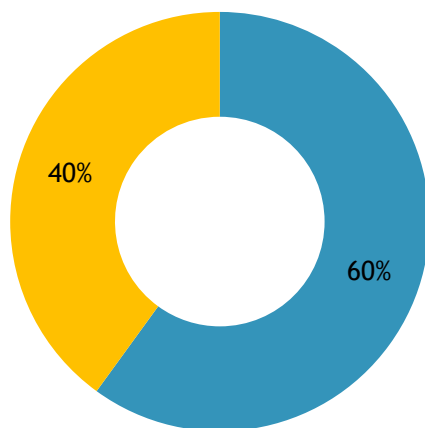
Safety Refresher Training

Safety refresher training is provided to all frontline workers to enhance their safety knowledge and safety awareness. Each worker has to take safety refresher training at least once every 2 years.

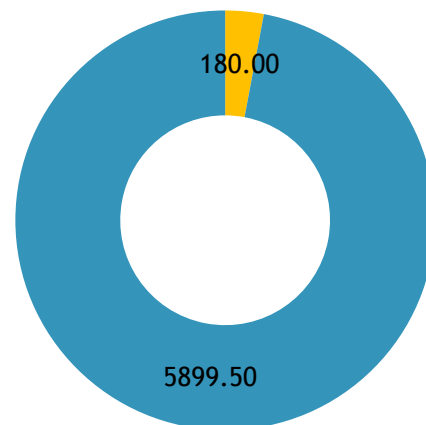
Building on the great work and momentum the HUD team has been driving the past few years, we continue our journey to deliver our strategy and staff engagement programme **CMore** which comprises Caring, Communication, Collaboration, Competitiveness and Celebration.

Training & Development

HUD believes that our people are the most important asset to the Company. Our key to success is to fully develop and utilize the talents, strengths, knowledge and skills of our employees. We have well established training programs with a centralized recruitment process in recruiting the right candidates to join our different business divisions at the right time including management trainees, technician trainees and apprentices.



■ Permanent ■ Contract



■ Management ■ Supervisor/General

Figure 2 Staff by employment contract

Figure 3 Training hours by employee category

Our People

HUD encourages work-life balance and 2018 was another great year when our staff participated in various recreational activities and achieved excellent results. Cheering colleagues and their families were all out to support our participants in each event.



HK Charity 24 hour Pedal Kart Grand Prix

In addition to joining the Grand Prix competition, we have also joined the “Pedal Kart for fun” – a Tugboat which meant staff and their family members enjoyed the fun of riding too! A total of HK\$26,522 was raised by staff which included dollar for dollar matching by the Company and donated to the Association of Round Tables.



Sun Life Stanley International Dragon Boat Championship

Good team spirit was shown by all the dragon boat members!



Swire Intra-Group Running Competition

Being a subsidiary of the Swire Group, it was really fun to compete with representatives from other Swire companies in this running tournament.



HUD Mahjong Tournament

HUD employees voted Mahjong to be one of their most favourite after work activities. A total of 34 mahjong teams started the tournament from July onwards resulting with the winning of HUD Mahjong King at the Company’s annual spring dinner in January 2019

Our People



Bowling Party Night

Another fun evening during the festive seasons for staff and their family members to enjoy!



Maritime and Aviation Training Fund (MATF)

In 2018, we continued to support the Internship Network initiative of the Maritime and Aviation Training Fund (MATF), launched by the Transport and Housing Bureau, through which we offered 12 internships and provided the interns with early exposure to the wide spectrum of career opportunities within the maritime industry.



Maritime Awareness Week

As a key player in the Hong Kong maritime community, we presented the “YAM O”, one of our 5,000 BHP multi-purpose tugs for public display at Central Pier 9 during the Maritime Awareness Week in November 2018. As usual, the event attracted much public interest. It was a successful event both in terms of promoting our business and our Salvage & Towage division’s presence in the industry.



Home visit to the Elderly

HUD employees enjoyed engaging in volunteering work and in September 2018, they paid a visit to the elderly home at Lam Tin. It was heart-warming to see the elderly smile throughout the visit and they were happy when receiving gifts.



The Pacific Basin Soccer Sixes Competition

With the excellent skills of our new soccer team players, we won the Plate Championship in 2018.

Environmental Performance

In 2018, our group carbon emissions decreased by 0.35% from 30,739 tonnes to 30,632 tonnes. During the reporting year, marine gas oil was the largest contributor to emissions at 91.36%. We are continually working on raising Ship Masters' awareness on fuel and emission reduction by using economic speed this year. Compared with 2017, the vessel fuel consumption per engine running hour decreased by 2.26%.

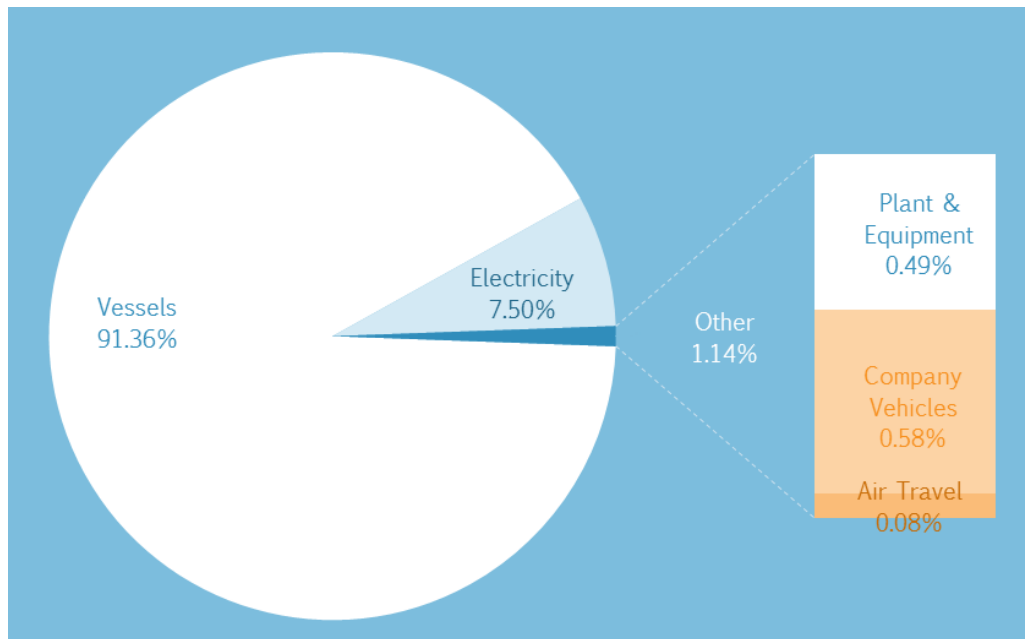
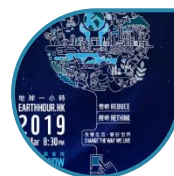


Figure 3 Distribution of Emission Sources



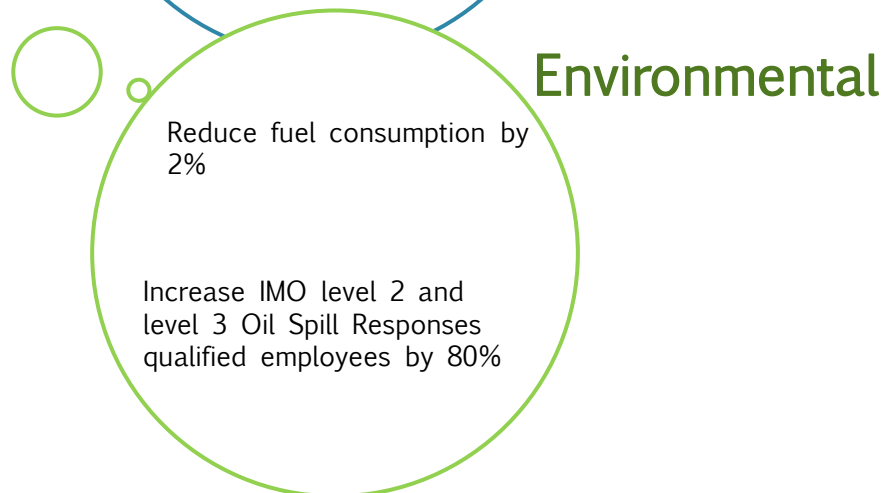
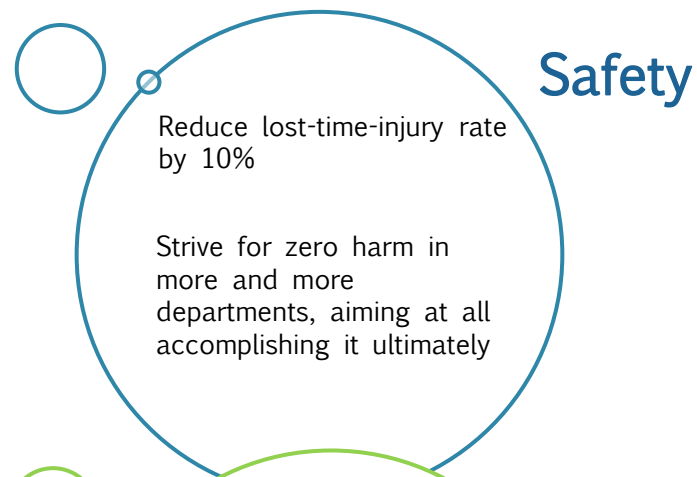
Lai See Packet Recycling

·To reduce the amount of red packets to be disposed into the landfills, we invited our colleagues to salvage their used red packets for reuse. We collected around 4.8 kg in total in 2018.



Earth Hour

·HUD has been supporting Earth Hour and a living planet for over a decade. By switching off all unnecessary lightings, we promote concept of low carbon office and raise awareness through this programme.



2018 Key Performance Statistics

Environmental and Safety Key Performance Statistics

	Unit	2018	2017	2016	
Resources Consumed					
Electricity	kWh	4,281,308	4,799,745	5,181,240	
Marine Diesel	litres	9,374,917	9,255,215	8,998,578	
Industrial diesel ¹	litres	94,708	114,221	35,390	¹ Consumption includes equipment on floating dock and vehicles
Unleaded Petrol	litres	20,023	20,868	13,402	
LPG	kg	6,110	11,392	7,640	
Potable water	m ³	84,878	114,763	76,948	
Chemicals (liquid)	litres	2,980	2,775	1,283	
Metal	kg	423	24,750	26	
Paper	kg	3,672	4,260	2,928	
Printing cartridges					
- Refilled	no.	0	0	0	
- New	no.	98	123	58	
Waste Recycled					
Scrap metal	tonnes	206	82	182	
Waste paper	kg	2,150	2,320	2,493	
Printing cartridges	no.	84	69	35	
Wastewater discharged to sea	m ³	19,701	21,285	15,971	Treated water from shore-based activities
Legal Compliance					
New warning letters received	no.	0	0	0	
New prosecution actions	no.	0	0	0	
Oil spill incidents	no.	0	0	0	
Health & Safety					
No. of employees	no.	705	756	663	Days recorded as of December 31
Total hours worked	hrs	2,271,426	2,332,233	1,995,528	
Accidents	no.	5	10	12	Accident form completed and leave taken
Total lost days to accidents	days	1,168	979	1,314	Days recorded as of December 31
LTIR	rate	0.44	0.86	1.2	No. of accidents/ working hours x 200,000
Fatalities	no.	0	0	0	
GHG Emissions					
Direct CO ₂ e emissions	tonnes	28,334	28,042	27,036	
Indirect CO ₂ e emissions	tonnes	2,298	2,697	2,919	
Total CO ₂ e emissions	tonnes	30,632	30,739	29,955	

Contact Us

We welcome and value your comments and views on our EHS work and this report.

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