

Environmental, Health and Safety Report 2019



Hongkong United Dockyards Limited

Content

	Page
Foreword	2
About this Report	3
Company Profile	4
Governance Structure	5
Our Commitment	6-7
Stakeholder Engagement	8
Health & Safety	9-15
Environment	16-18
Our People	19-21
Looking Forward	22
Appendix I - Key Statistics	23

We are pleased to present the Environmental, Health & Safety (EHS) Report of Hongkong United Dockyards Limited of year 2019.

Care & Trust is a common direction in HUD. With our care delivered to employees, we are building up mutual trust. Engineering Division has been adopting new technology in land projects which not only safeguards our workforce by hazard elimination but also contributes to work efficiency. Salvage & Towage Division is developing new work scopes of multi-disciplinary marine services apart from harbour towing and waste transport. By maintaining our safety management systems, safety initiatives are in place to provide a safe and environmentally friendly workplace and manage the identified risks to a controllable level.

We are facing challenges as we are engaged in new type of services. We believe zero incidents are achievable with the EHS ownership and great effort of every employee.

Foreword

David Murphy
Chief Executive Officer



About this Report

This annual EHS Report encompasses the Environmental, Health and Safety performance of the HUD Group. This report gives an overview of the Group's local business activities, EHS policy and performances during 2019.

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. For further EHS reference of HUD Group, please refer to the Sustainable Development Report of Swire Pacific Limited and the Environmental, Social and Governance Report of CK Hutchison Holdings Limited.



Company Profile

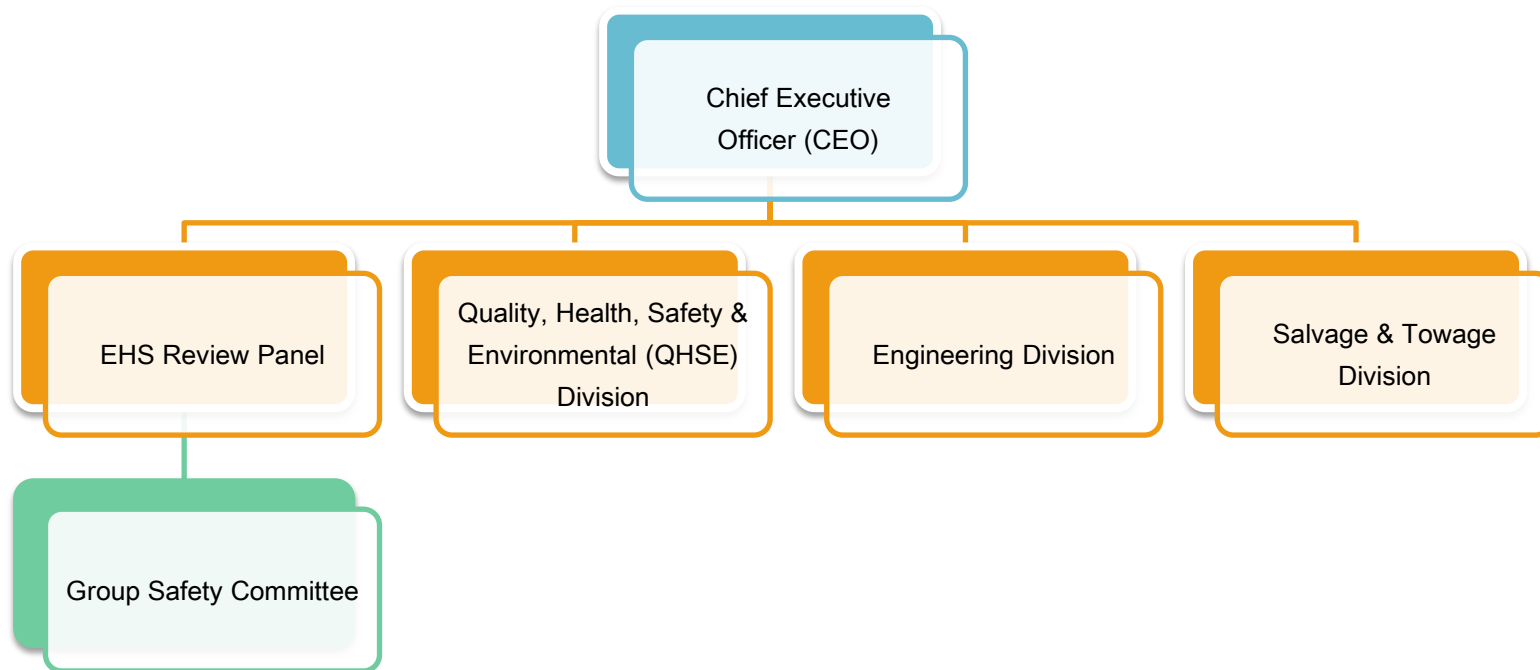
Hongkong United Dockyards Limited (HUD) was officially formed in 1972, from the amalgamation of Hongkong & Whampoa Dock Company and Taikoo Dockyard & Engineering Company, which had a history of service over 140 years in Hong Kong. In a corporate restructuring in 2002, when Hongkong Salvage & Towage became a division of HUD, HUD was renamed as HUD Group.

The company is a leading provider of ship repair, marine waste and harbour towage services in Hong Kong. Our Engineering Division provides round-the-clock ship repair service with a modern floating dock and also specializes in plant installation, steelwork, electrical engineering, building services, manufacturing and mechanical engineering. Salvage & Towage Division fleet provides 24-hour towing service within Hong Kong waters and emergency support in the Asia Pacific Region. We also operate 6 container vessels on behalf of the Hong Kong Special Administration Region (HKSAR) Government.



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 parent companies, Swire Pacific and CK Hutchison Holdings for final business strategy decision. HUD Group follows the guidelines and standards of both parent companies and periodically reports safety and environmental performance.



Our Commitment

In providing a sound working environment for our staff and workers, HUD is committed to the principle that safety should never be compromised in pursuit of business objectives. We fully and openly report our status on EHS issues to our stakeholders. We are also committed to continuous improvement of our performance in all aspects, and have set high standards beyond 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, establishing and reviewing EHS objectives, targets and the overall progress.

In addition to the EHS Review Panel, the Group Safety Committee chaired by the Head of Engineering Division meets bimonthly to discuss and coordinate the Group policy on work safety.

Roles of the Group Safety Committee

- 1 Make arrangements 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 Oversee the implementation of health and safety regulations

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

Our Commitment



Environmental, Health and Safety Policy

Hongkong United Dockyards Limited (HUD) is a joint venture between CK Hutchison Holdings Limited and Swire Pacific Limited. The Company provides multi-disciplinary marine services and a wide range of engineering services including fabrication, mechanical, electrical and industrial protective coating works.

HUD values health and safety, together with environmental protection, which is an integral part of business considerations. Our corporate goal is to prevent occurrences of incidents from our operations and minimize the burden on the natural environment for the needs of our present and future generations. We believe all incidents are preventable. We shall operate in a manner that safeguards the health and safety of all employees, customers, visitors, contractors, suppliers and those stakeholders who may be affected by our activities. We seek to continually improve our environmental, health and safety performance with full support of our employees who are required to be fully committed to the implementation of this policy.

In this spirit, it is HUD's Policy to:

- Provide and maintain a healthy, safe and environmentally friendly workplace, and entrust the responsibility to members of the company as well as contractors;
- Set our standards in accordance with applicable statutory requirements and compliance obligations;
- Encourage the use of more environmentally friendly, healthier and safer equipment, systems of work and technologies;
- Assess identified risks and establish proactive and cost-effective environmental, health and safety measures;
- Improve environmental, health and safety management systems by monitoring, reporting, inspection and audit of all operation units continually;
- Prepare for safety and environmental emergencies and test the response procedures regularly;
- Operate proper systems to encourage incident reporting and in-depth analysis of incidents across all related operations in order to learn from experience and prevent recurrence;
- Promote environmental, health and safety awareness among employees and support environmental, health, safety and sustainable development in our industry actively;
- Ensure that all necessary information, instruction, training and supervision are provided and effectively communicated to employees;
- Foster a strong safety culture in our operations.

HUD requires each subsidiary/ division under its management control to apply this policy in a way which is relevant to its business and to use its influence to promote it in its business partners.

The EHS Review Committee monitors the compliance with this policy, reviews this policy not less than once in each 2-year period and makes any amendments as deemed appropriate.

David Murphy
Chief Executive Officer

Date: 16th April 2020

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, our EHS policy was updated in April 2020. It summarizes commitments on utilizing resources in a sustainable way, minimizing environmental impacts and using our influence to promote business partners to apply the same.

We also participate in shareholders' environmental and safety working groups. In order to better manage risks that could affect our business, the QHSE Division together with senior management have developed a business continuity plan incorporating various scenarios, likely outcomes and contingencies to ensure that we are prepared for any emergency.

Stakeholder Engagement

HUD takes a proactive approach to engaging with stakeholders. We actively participate in emission and climate change projects with non-governmental organizations (NGOs). We discuss with suppliers on their own EHS policies as well as their sustainability practices. Besides, we work closely with the Government as well as Professional & Advisory Committees. Regular internal meetings with employees are held to ensure active exchange on EHS issues.

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



Safety Management System

Owing to the difference in industry standards and operational scope, HUD has developed Safety Management System (SMS) for both divisions respectively. The systems implementation and enforcement are supported and monitored by the QHSE Division. Engineering Division SMS is established to ensure compliance to Factories and Industrial Undertakings (Safety Management) Regulations. SMS of Salvage & Towage Division is certified in compliance with ISM Code by Lloyd's Register. We proactively manage the identified risks by widely adopting job safety analysis technique in our workplace.



Health & Safety

Continuous Improvement

We seek continuous improvement (CI) opportunities in the field of occupational health and safety, and environmental protection. We encourage all levels of the organization to identify and report CIs which are valuable to the management. The reported CIs are monitored by QHSE Division to ensure that the concerned parties investigate and formulate initiatives.

Safety Reward Schemes

Various safety reward schemes have been adopted for years. With the aim to achieve zero incidents, the departments with no injury cases are recognized and commended. The reward is widely known in the Engineering Division that all workers perform their own roles together to achieve the same target.

Meanwhile, we deliver message of “Safety First” to frontline staff to create a safe working atmosphere in HUD through safety model worker nomination. The model workers are good examples who work in a safer manner that bring positive influence to their colleagues and even contractors.





Promotion on occupational health and safety, and environmental protection

Promotion is one of the major components to maintain an effective SMS. Among all kinds of activities, we choose the most effective and efficient approach to communicate the practical safety information. Divisional management attend fleet vessels regularly as an open forum to discuss safety issues with ship crew. Safety Promotion Day has been organised in Salvage & Towage Fleet including but not limited to refreshing control measures of high risk work processes and reviewing departmental safety performance.

Great effort has been maintained to reinforce the safety ownership in workforce. Each engineering department has been sharing their safety initiatives on a rotated basis in our Safety Committee. Safety mind-set trainings have been frequently provided to the frontline in respect to relevant works and recent topics. Safety performance and environmental protection information has been regularly communicated through our QHSE Notice Board in every workshop.



Safety Quiz is one of our customs to refresh occupational safety and health knowledge. Not only do we arrange the quiz internally, but we also participate in the annual Open Safety Quiz organized by Occupational Safety & Health Council.





Emergency Preparedness

Unforeseen circumstances may happen every now and then and timely response largely reduces loss. That is why we focus on training our people for emergency. Regular drills and exercises are carried out during the year according to scheduled plan and procedures. Emergency equipment is well-maintained for readily use.



We investigate all lost time injuries using Kelvin Top-Set methodology in order to identify the root causes. The investigation panel is chaired by an EHS Review Panel member involving with both operational and non-operational staff members to provide their diversified opinions. The root cause is addressed with follow-up actions to avoid reoccurrence. We widely communicate the lesson learned not only to the work team in which the incident occurs but also circulate in relevant departments of similar risk.

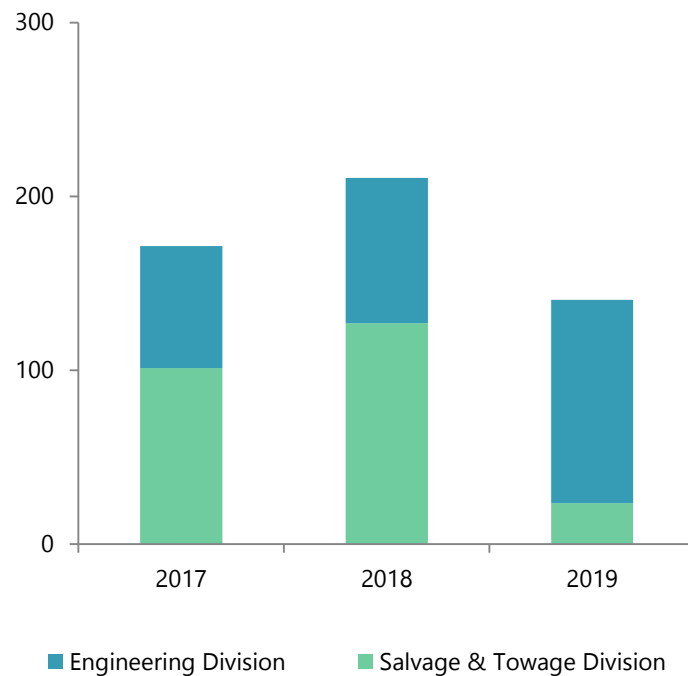


Figure 1* Lost Day Rate

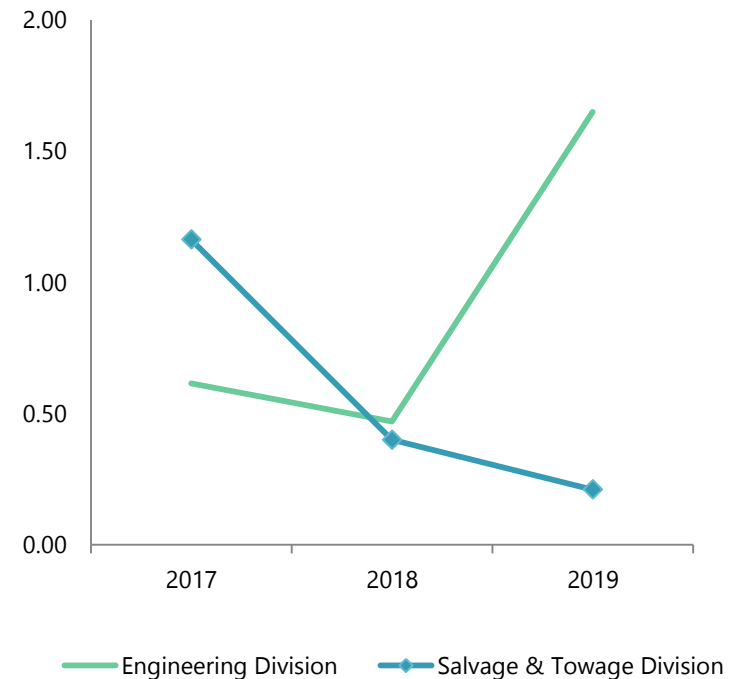


Figure 2* Lost Time Injury Rate

*This represents rate for 100 employees, based on 40 hours per week for 50 weeks a year.

In 2019, our group carbon emissions decreased from 30,655 tonnes to 30,589 tonnes. During the reporting year, marine gas oil contributed the most to emissions at 91%. We have been working on monitoring tugs speed by Tug Controllers through Automatic Identification System (AIS) in order to remind coxswains of tug boats to navigate at economic speed for fuel efficiency.

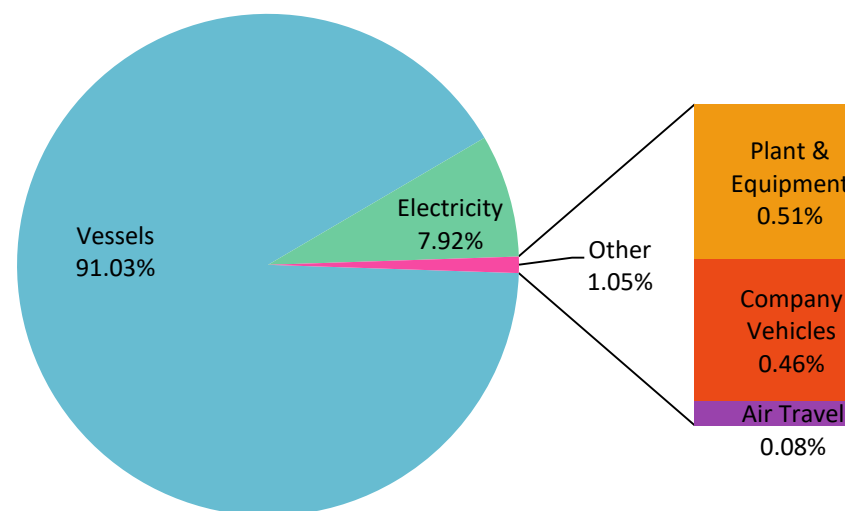
Earth Hour

HUD has been participating in world's largest collective environmental action - Earth Hour for years. We switched off non-essential lightings around workshops on 30th March 2019. The theme of Earth Hour 2019 was "Reduce and Rethink". HUD takes the responsibility to spread this message to all staff in the company.



Our Environment

Figure 3 Distribution of Emission Sources



Source Separation of Commercial and Industrial Waste - Gold Award

HUD received the Gold Award in Commendation Scheme on Source Separation of Commercial and Industrial Waste 2018/19. This programme was launched by Environmental Protection Department (EPD). HUD has developed and implemented mechanisms for waste separation and recycling in our workplace. HUD will keep on monitoring and improving the existing waste management scheme.



Commendation Scheme on Source Separation of Commercial and Industrial Waste Awards for 2018/19



Pure Office

Name of Premises	Management Office	Award [Note]
HUD Administration Building	Hongkong United Dockyards Limited	Gold
CEO and CGO	Guardian Property Management Limited	Silver
The Hong Kong Jockey Club Headquarters	The Hong Kong Jockey Club	Bronze





E-waste Recycling

To give a “new life” for old electronic appliances, HUD cooperated with Caritas Computer Workshop (明愛電腦工場) in 2019 again. After collecting electronic appliances, the Workshop refurbishes reusable products and gives them to those in need. As for unusable ones, the Workshop contacts suitable contractors to recycle them.



Materials Recycling

Battery Recycling

The chemicals inside batteries are harmful to environment. Proper recycling of used batteries is crucial. HUD is one of the “Green Friends” of Hong Kong Battery Recycling Centre (HKBR). We choose suitable recycling contractors and encouraging material recycling in our daily operation activities.

Lai See Packet Recycling

To reduce the amount of red packets disposed of in the landfills, we invited our colleagues to donate their used red packets for reuse. We collected around 6.4 kg in 2019.



Our People

Building on the great work and momentum the HUD team has gained in 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.

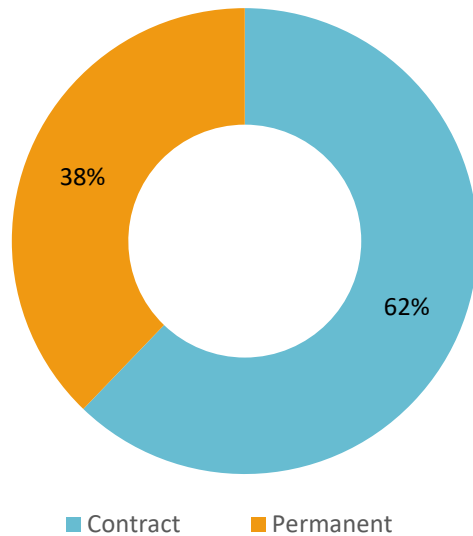


Figure 4 Staff by employment contract

Training & Development

HUD believes that our people are the most important asset to the Company. Our key to success is to create and enhance the knowledge and skills of employees, and develop and utilize the talents. We have well-established training programs with a centralized recruitment process to recruit the right candidates to join our different business divisions at the right time.

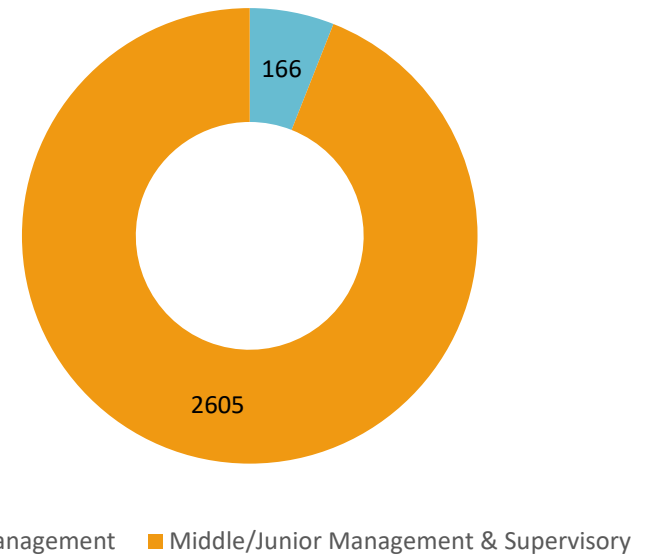


Figure 5 Training hours by employee category

HUD Mahjong Tournament

In view of the good responses to the first HUD Mahjong Tournament in 2018, we coordinated the HUD Mahjong Tournament in 2019 again. There were a total of 36 teams joining this second tournament.



Maritime and Aviation Training Fund (MATF)

We continue to support the MATF programme which has been launched by the Transport and Housing Bureau since 2014. In 2019, we offered 11 internships and provided the interns with early exposure to the wide spectrum of career opportunities within the maritime industry.



The Pacific Basin Soccer Sixes Competition

Soccer is also one of the favourite activities in HUD. In preparation for the competition, we have recruited skilful and passionate new blood, conducted several intensive trainings and joined some friendly matches. With the support from our colleagues, HUD won the “Plate Runner Up” among 20 teams from the maritime industry in December 2019.



Home Visit to Elderly

HUD employees enjoy engaging in volunteering work. In April 2019, 14 participants paid a visit to the elderly home at Wong Tai Sin. It was heart-warming to see the elderly smile throughout the visit and they were happy when receiving gifts.



Maritime Awareness Week

As a key player in the Hong Kong maritime community, HUD presented the “Sung Kong”, one of our 6,500 BHP multi-purpose tugs for public display at Central Pier 9, next to the Maritime Museum, during the Maritime Awareness Week in November 2019. 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.



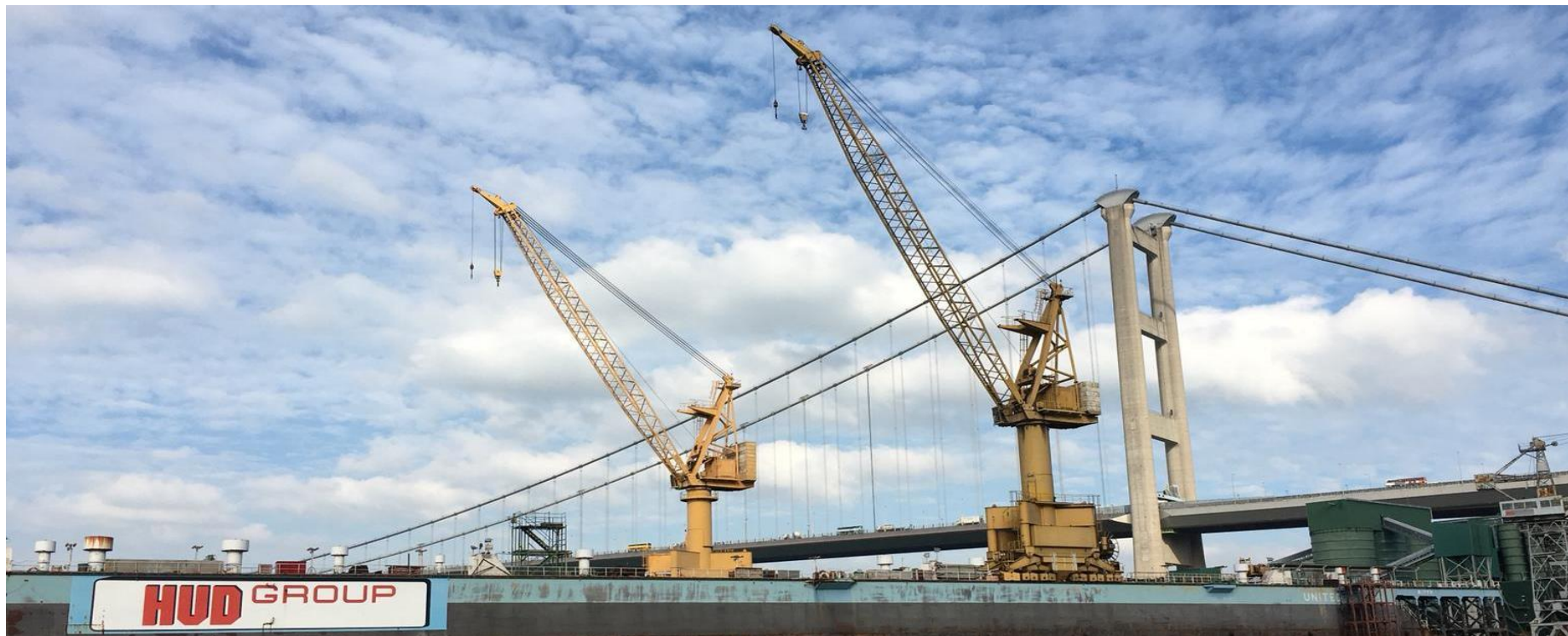
Looking Forward

Safety

- Reduce number of lost-time-injury by 10%
- Strive for zero harm in more and more departments, aiming at all departments accomplishing it ultimately

Environmental

- Reduce fuel consumption by 1%
- Replace all energy saving lamps on vessels with LED ones when lamp service life ends



Appendix I - Key Statistics

Parameter	Unit	2019	2018	2017	Remarks
Resources Consumed					
Electricity	kWh	4,481,516	4,281,308	4,799,745	Consumption includes equipment on floating dock and vehicles
Marine Gas Oil (MGO)	litres	9,320,011	9,374,917	9,255,215	
Industrial diesel	litres	78,807	94,708	114,221	
Unleaded Petrol	litres	14,557	20,023	20,868	
LPG	kg	14,920	6,110	11,392	
Portable water	m3	83,704	84,878	114,763	Water used in hull washing process
Paper	kg	3,060	3,672	4,260	
Waste Recycled					
Scrap metal	tonnes	230	206	82	Treated water from shore-based activities
Waste paper	kg	6,458	2,150	2,320	
Printing cartridges	no.	23	84	69	
Wastewater discharged to sea	m3	21,257	19,701	21,285	
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.	564	705	756	No. of employees recorded as of December 31
Total hours worked	hrs	2,052,267	2,271,426	2,332,233	
Accidents	no.	10	5	10	Accident form completed and leave taken
Total lost days to accidents	hrs.	750	1,168	979	Days recorded as of December 31
LTIR	no.	0.97	0.44	0.86	No. of accidents/ working hours x 200,000
Fatalities	no.	0	0	0	
GHG Emissions					
Direct CO2e emissions	tonnes	28,140	28,334	28,042	
Indirect CO2e emissions	tonnes	2,423	2,298	2,697	
Total CO2e emissions	tonnes	30,564	30,632	30,739	

We welcome and value your comment and view on our EHS work and this report.

Contact information –

Address: HUD Administration Building,
TYTL 108RP, Sai Tso Wan Road,
Tsing Yi Island,
New Territories, Hong Kong

Web: <http://www.hud.com.hk>

Tel no.: 2431 2828

July 2020

