



# Environmental, Health and Safety Report 2020

**Hongkong United Dockyards Limited**

---



# TABLE OF CONTENTS

FOREWORD	2
ABOUT THIS REPORT	3
COMPANY PROFILE	4
GOVERNANCE STRUCTURE	5
OUR COMMITMENT	6
STAKEHOLDER ENGAGEMENT	8
HEALTH & SAFETY PERFORMANCE	9
OUR ENVIRONMENT	17
OUR PEOPLE	22
KEY PERFORMANCE STATISTICS	24
CONTACT US	26

# FOREWORD

We are pleased to present the Environmental, Health & Safety (EHS) Report of Hongkong United Dockyards Limited of year 2020.

Coronavirus pandemic has been a prevailing challenge all over the world. As a caring employer, to eliminate spread risk in company premises is our primary objective. Since the Chinese New Year of 2020, Business Continuity Plan has been activated and managed in a way to strike a balance between coronavirus risks and maintaining service provision to customers. Multiple control precautions were effectively delivered to employees and contractors, for example, work team segregation, virtual conferences, COVID-19 test for employee who lived in confirmed case building, restrictions for ship calling our yard. Adequacy of these actions was regularly reviewed in response to the dynamic situation. Fortunately, none of our employees were infected.

In such tough times for business, QHSE promotion by various means was arranged to raise our staff's awareness on health and safety. With the effort of all employees, our injury rate has achieved historical low and our environmental performance was also recognised by local authority.

While taking the opportunity to gradually resume normal operation, proactive safety culture and minimizing environmental impact of our operation will continue to be our objectives. Safeguards for our employees and contractors will be well-planned when we anticipate new projects. The vision of sustainability for tomorrow arises from action today.



**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 the year of 2020.



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 Sustainability Report of CK Hutchison Holdings Limited.

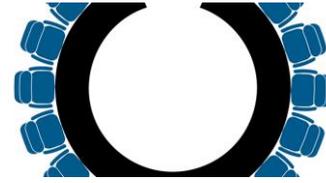
## COMPANY PROFILE

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 150 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.

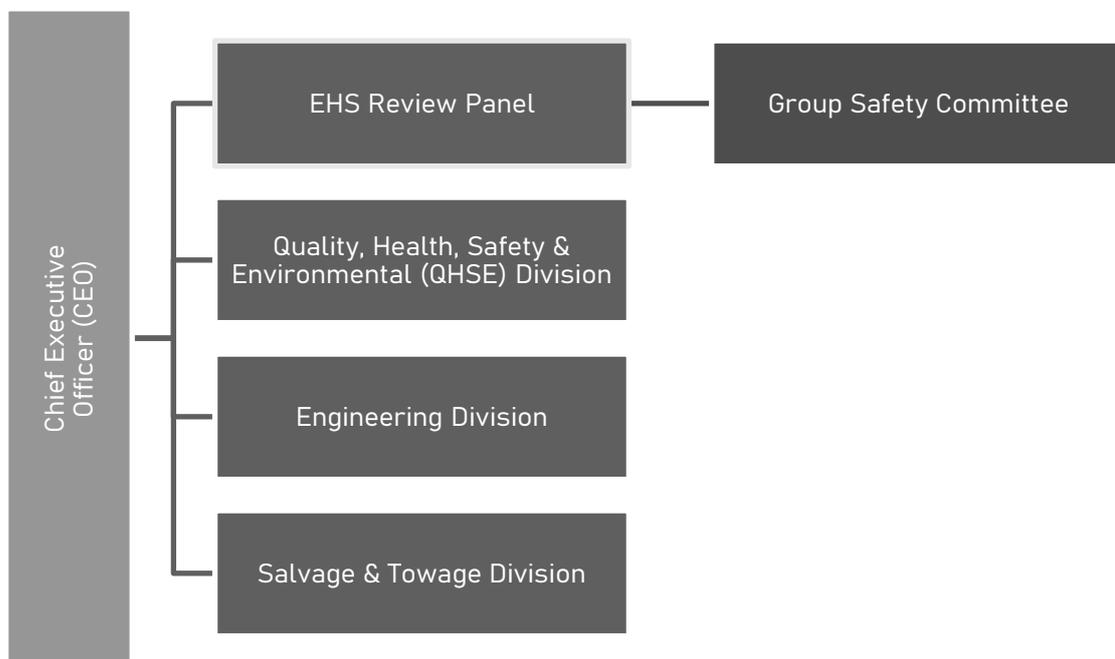
The company is a leading provider of ship repair, marine waste and harbour towage services in Hong Kong. Our Engineering Division provides round-the-clock ship repair service with a modern floating dock and specializes in plant installation, steelwork, electrical engineering, building services, manufacturing 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 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 quarterly 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 the 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, 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 encourage business partners to apply the same.

We also participate in shareholders' environmental and safety working groups. In order to better manage risks that may 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.



## 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: 16<sup>th</sup> April 2020



# STAKEHOLDER ENGAGEMENT



HUD takes a proactive approach to engage 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.

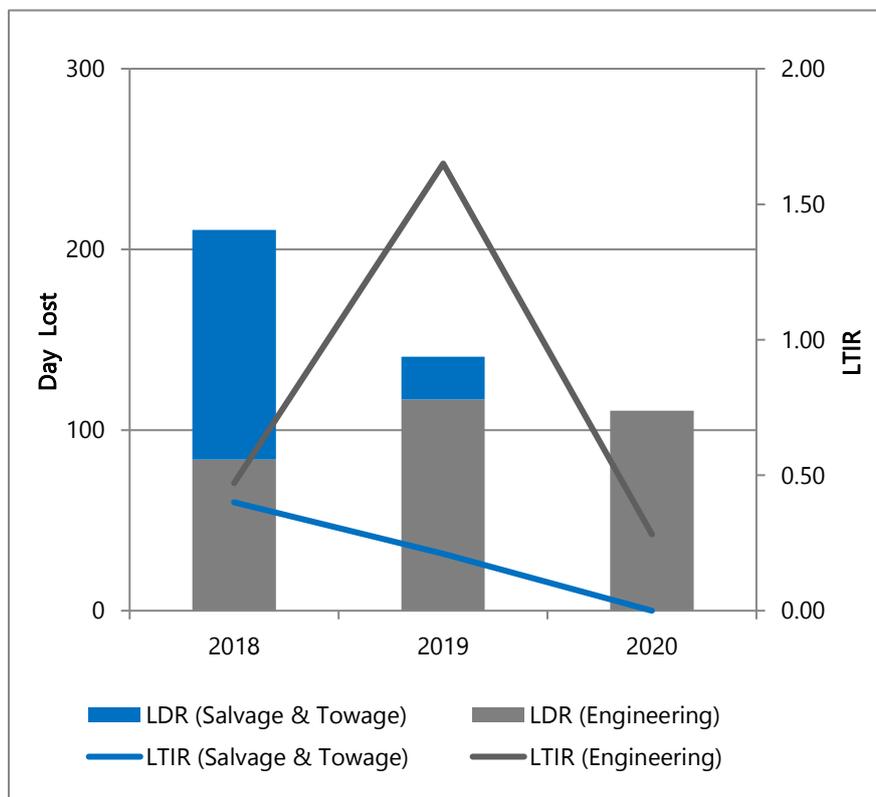
Through these channels, we understand the expectations and comments of our stakeholders well and strive to incorporate them into our business strategy.

## HEALTH & SAFETY PERFORMANCE

The 12-month rolling lost time injury rate (LTIR<sup>1</sup>) of HUD Group was significantly decreased by 88% as compared with 2019. The main reason was that most of our works were conducted in the company premises, which was a familiar working environment, that made it easier to manage hazards. The 17% reduction of work hours due to the COVID-19 also contributed to the LTIR decrease.

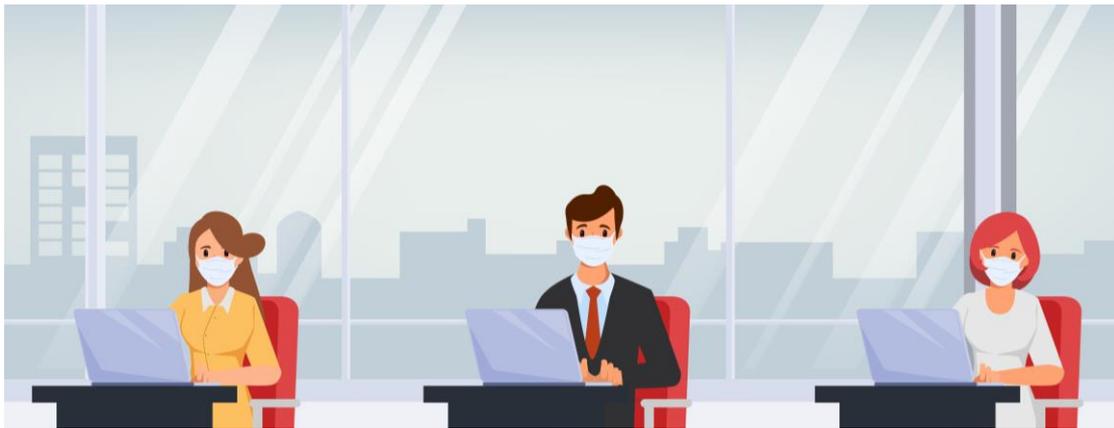
We are proud that both of our operational divisions achieved zero lost time injury this year. Salvage & Towage Division also accomplished zero 12-month rolling LTIR target even when their working hours were increasing.

**Figure 1 Lost Day Rate (LDR) and Lost Time Injury Rate (LTIR)**



<sup>1</sup> LTIR represents the number of injuries per 100 employees per year. It is calculated by multiplying the total number of injuries by 200,000 and then dividing the product by the total number of hours worked. The factor 200,000 is the annual number of hours worked by 100 employees, based on 40 hours per week for 50 weeks per year.

<sup>2</sup> LDR represents the number of lost scheduled working days per 100 employees per year, calculated in the same way as LTIR.



## COVID-19 Preventive Measures

In 2020, COVID-19 pandemic was an unexpected crisis which caused uncertainty worldwide. By executing Emergency Response Procedures and Business Continuity Plan, HUD adopted various measures to protect our employees from this disease while continuously providing services to our client.

- ★ Flexible work arrangements including segregated work team and work from home;
- ★ Free COVID-19 test for designated high-risk employees;
- ★ Health Declaration for employees and visitors;
- ★ Monitoring body temperature of employees and visitors;
- ★ Providing face mask and keeping adequate stock for contingency;
- ★ Regular meetings to review appropriate actions according to the latest epidemic situation in Hong Kong.



## Safety Management System

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

## Continuous Improvement Reward

We seek Continuous Improvement (CI) opportunities in the field of occupational health and safety, and environmental protection. We encourage all levels of the organization especially the frontline 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 take initiatives. CIs of more significant impact and higher possibility of occurrence in terms of safety and environmental protection are granted with reward.





## EHS Trainings

Various environmental, occupational health and safety trainings were provided throughout the year. Sometimes they had to be arranged with the government social gathering restrictions in place. We have safety refreshers and safety mind-set training to cover general safety knowledge. Meanwhile in-depth trainings sessions on specific topics were also arranged to recap the safety and environmental highlights e.g., chemical wastes handling and confined space entry. Relevant staff also participated in Hutchison Ports online safety trainings.



## Emergency Preparedness

Unforeseen circumstances may arise 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 according to the drill plan and procedures. Emergency equipment are well-maintained and ready for use.



In the view of the pandemic, the joint emergency exercise with government team was suspended. Instead, we conducted internal fire evacuation twice in the year. Table-top exercise was also arranged to simulate communication between ship and shore office.



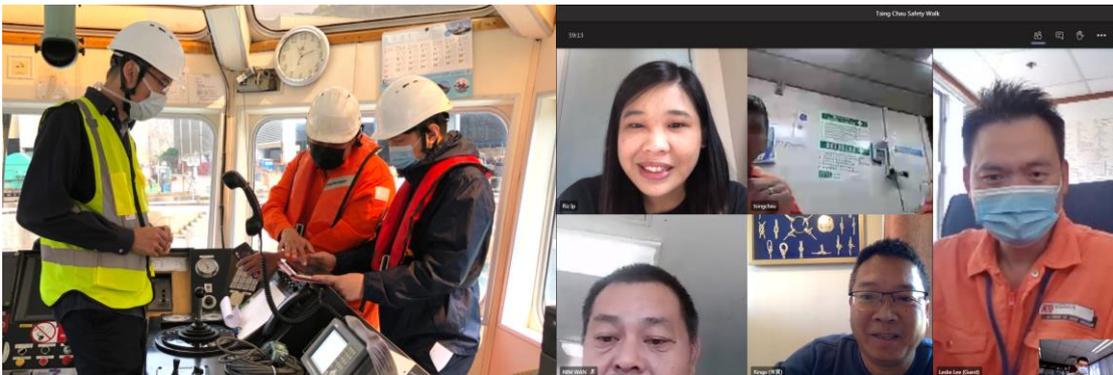
## OHSC Quiz

It is one of our customs to join the Safety Quiz organized by Occupational Safety & Health Council. Our staff took the opportunity to refresh overall occupational safety and health knowledge and practices.



## Management Safety Walk

Management team in Salvage & Towage Division regularly visit ships as an open forum to discuss safety issues with ship crew. During the 4<sup>th</sup> wave of epidemic in Hong Kong, safety walk was arranged by virtual means to minimise physical contact.



## Safety Model Worker

Various safety reward schemes have been adopted in both Divisions to promote proactive safety culture. We deliver message of “Safety First” to frontline staff to create a safe working atmosphere in HUD through Engineering Division safety model worker nomination. The model workers are good examples who work in a safer manner and bring positive influence to their colleagues and contractors.



## Ship Good Practice Sharing

Sharing and learning are not only based on incidents but also on industry best practices. In Salvage & Towage Division, crew members often take effective initiatives to work in a safer manner and preventing pollution. These actions are normally simple and feasible and can be applied to other vessels. In the year, we collected good practices and introduced to other fleet vessels via internal circulars.

## Zero Injury Zero Accident Award

The reward is widely known in the Salvage & Towage Division that encourages all crew members to take care of one another by recognising their effort as a team. Different colours of flags represent different rolling performance sustained for 1,2,3 and 4 years.



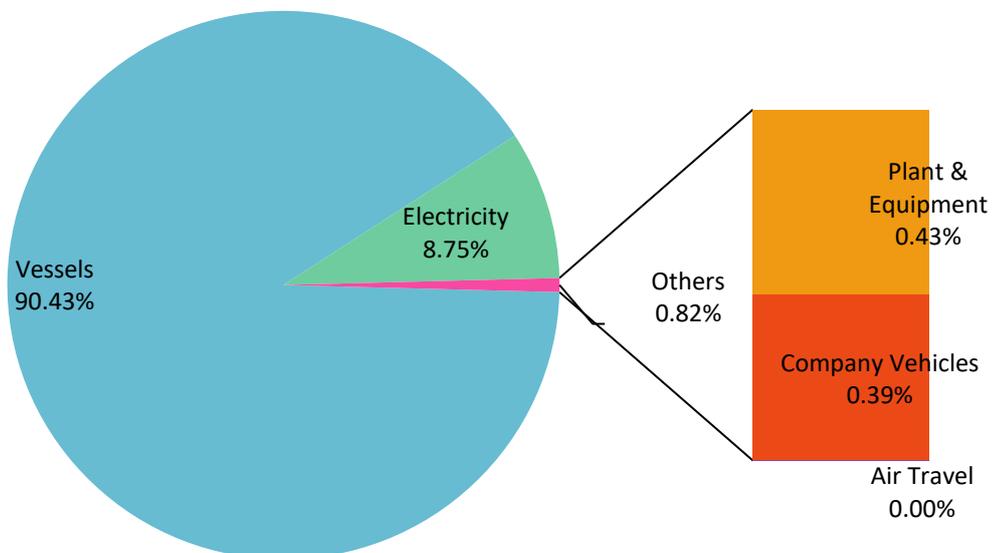
## OUR ENVIRONMENT

HUD Group Environmental, Health and Safety Policy outlines the corporate goal to minimize burden on the environment for the needs of our present and future generations. Our Salvage & Towage Division has implemented Environmental Management System since 2009 certified with ISO14001. We are continuously seeking opportunities to reduce emission and any impact on the environment within our operations for sustainable development. This includes using low-sulphur marine gas oil for ship fuel, adopting fuel saving initiatives, using product with longer life cycles and using renewable energy.

### Environmental Performance

In general, our group carbon emissions decreased 7% from 30,589 tonnes to 28,387 tonnes comparing to 2019. Our fleet vessels fuel consumption, which contributed the most to emissions at 90% decreased 7.90%. There was no business air travel from February 2020. Besides, decrease in emissions of diesel light truck was also significant.

**Figure 2 Distribution of Emission Sources**



## Wastes Recycling



E-wastes are harmful to human beings and the environment. Disposal of e-wastes is a critical issue in Hong Kong. HUD cooperated with Metro Good Engineering Limited in 2020 to collect e-wastes. Apart from office electronic wastes, unusable home appliances were collected from our colleagues for recycling.



To reduce wastage of valuable resources, HUD participated in the “Project Green Moon 2020 - Mooncake Boxes Recycling” event jointly organized by Swire Properties and Maxim’s Group which donated all proceeds from recycling boxes and mooncakes to The Salvation Army.



## Usage of Solar Power

One of the most prevalent and effective initiatives of sustainable development is the use of renewable energy. We believe small changes in daily operation could accumulate to significant influence. Solar panels with rechargeable batteries are installed on our container ships to wholly power the CCTV cameras on the remote location. We have also installed solar deck lights to provide adequate illumination for work at night.

## LED Light

We are replacing compact fluorescent lamp when they reach the end of their lifespan with LED lamps of longer lifespan and higher efficiency. This also reduces the use of light bulbs containing mercury.



## Earth Hour



HUD has shown support to Earth Hour for years and pledged to continue this global event in 2020. We switched off non-essential lightings in the shipyard on 28<sup>th</sup> March 2020. The theme of Earth Hour 2020 was “Change the way we live” – the changes we make in our daily lives will help us create a better future. HUD takes the responsibility to spread this message to all staff in the company.



## Recognition

### Diamond Award of Commendation Scheme on Source Separation

HUD has continued to participate in Commendation Scheme on Source Separation of Commercial and Industrial Waste. Relying on the cooperation of our staff, we received the Diamond Award for year 2019/2020 which was the highest recognition in this scheme.

Waste management scheme is one of the focal points in HUD's environmental policy. We have systematic waste separation and recycling programme for operational wastes and office wastes. We keep reviewing and improving our waste management in order to lessen the burden on Hong Kong landfill.



## 減廢證書

Wastewi\$e  
—Certificate—

### Green organization – Wastewi\$e Certificate

HUD has been preparing for the application of The Wastewi\$e Certificate in 2020. It is one of the certificates of the Hong Kong Green Organisation Certification (HKGOC) scheme. This certification programme provides plenty of practical advice on waste reduction measures. The company not only reduces waste generation, but also makes more efforts to turn waste into resources.

### Green Friends of Batteries Recycling

HUD has become one of the “Green Friends” of Hong Kong Battery Recycling Centre (HKBR).

Lead Acid Batteries are commonly used in electrical equipment in shipyard and on vessels. HKBR treats collected batteries in Hong Kong Ecopark to ensure that our used batteries are locally processed and recycled.



關於我們 • 服務 • 設備 • 媒體 • 相關法律法規 • 聯繫我們 • Eng 英

### 綠色夥伴

## 綠色夥伴 Green Friends

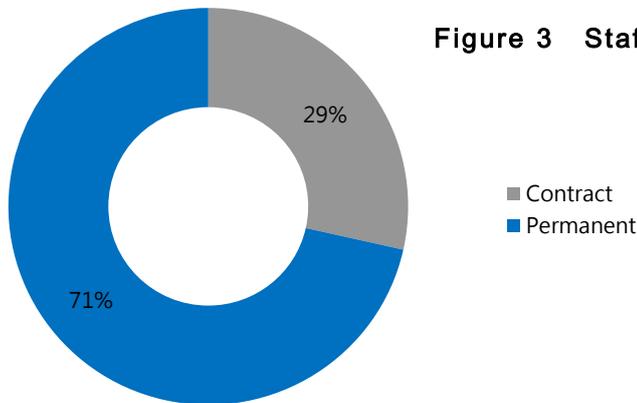


# OUR PEOPLE

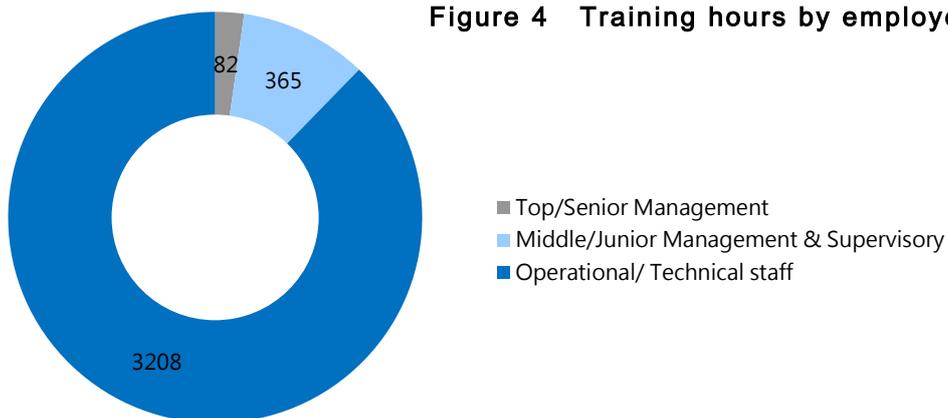
## Training & Development

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.

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



**Figure 3 Staff by employment contract**



**Figure 4 Training hours by employee category**

## The Community Chest Flag Day

HUD employees enjoy engaging in volunteering work. In November 2020, 20 participants joined the Flag Day in Kwai Fong. It was heart-warming to see them offering their time to raise money for social welfare agencies providing local social services to those in need.



## Maritime Aviation Training Fund Program

We continue to support the Maritime Aviation Training Fund programme which has been launched by the Transport and Housing Bureau since 2014. In 2020, we offered 4 internships and provided the interns with early exposure to a wide spectrum of career opportunities within the maritime industry.



## Caring Company

Our company has joined caring company programme since 2009. This year, we are also nominated by The Hong Kong Community Chest. With the effort of our employees, we are glad to be a qualified caring company. We care for the community, employees, and the environment. This achievement is good evidence to show our unity in contributing to Hong Kong.



# KEY PERFORMANCE STATISTICS

PARAMETER	Unit	2020	2019	2018	
<b>RESOURCES CONSUMED</b>					
Electricity	kWh	4,602,040	4,481,516	4,281,308	
Marine Gas Oil (MGO)	litres	8,592,175	9,320,011	9,374,917	
Industrial diesel	litres	53,956	73,839	94,708	Consumption includes equipment on floating dock and vehicles
Unleaded Petrol	litres	14,129	14,557	20,023	
LPG	kg	16,355	14,920	6,110	
Portable water	m3	85,903	81,380	84,878	
Paper	kg	2,196	3,060	3,672	
<b>WASTE RECYCLED</b>					
Scrap metal	tonnes	201	230	206	
Wastepaper	kg	868	6,458	2,150	
Printing cartridges	no.	26	23	84	
Wastewater discharged to sea	m3	22,040	21,257	19,701	Treated water from shore-based activities
<b>LEGAL COMPLIANCE</b>					
New warning letters received	no.	0	0	0	
New prosecution actions	no.	0	0	0	
Oil spill incidents	no.	0	0	0	

PARAMETER	Unit	2020	2019	2018	
<b>HEALTH &amp; SAFETY</b>					
No. of employees	no.	448	564	705	No. of employees recorded as of December 31
Total hours worked	hrs	1,702,904	2,052,267	2,271,426	
Accidents	no.	1	10	5	
Total lost days to accidents	hrs.	393	750	1,168	Days recorded as of December 31
LTIR	no.	0.12	0.97	0.44	
Fatalities	no.	0	0	0	
<b>GHG EMISSIONS</b>					
Direct CO <sub>2</sub> e emissions	tonnes	25,901	28,127	28,334	
Indirect CO <sub>2</sub> e emissions	tonnes	2,485	2,423	2,298	
Total CO <sub>2</sub> e emissions	tonnes	28,386	30,550	30,632	

## CONTACT US



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

Hongkong United Dockyards Limited  
TYTL 108RP, Sai Tso Wan Road, Tsing Yi Island,  
New Territories, Hong Kong  
2431 2828  
<http://www.hud.com.hk>

July 2021