

**Business Sustainability & Risk Management
Case Analysis Competition 2017**
2017 企業可持續發展及風險管理案例分析比賽

Case Analysis Data

1. Notes for preparation

In the following paragraphs you are given the background of a locally based company that is going to prepare a Corporate Social Responsibility (CSR) Report for published in 2017 based on GRI G4 requirements.

Based on the information given you are required to prepare a brief report that is ready for integration to the company's 2016 CSR Report.

Candidates are encouraged to input additional information wherever they think fit so long it is deemed applicable and logical.

For further instruction please refer to the "Entry Requirements"

2. The Company

Good Hope Group is a Hong Kong based building construction company. They act as main contractor and bid for commercial, residential and industrial building contracts only. They are listed in the Hong Kong Stock Exchange.

Tasks carried out by the company as main contractor are :

- preparing bidding materials
- selection of sub-contractors
- procurement of building materials
- budget control
- quality control

The headquarters, already existing for more than 10 years, is based in Hong Kong and have a representative office in Guangzhou, China because they are in the process of entering China market. The office in China is only 2 years old.

Duties of Hong Kong Office :

- Administration of both Hong Kong and Guangzhou office
- Preparing bids for projects in both Hong Kong and China
- Monitoring of Hong Kong projects, including site offices
- Building materials procurement for both local and China projects
- Sub-contractors monitoring

Duties of Guangzhou Representative office

- Top management comes from Hong Kong office
- Monitoring of local construction projects, including site offices
- Budget management
- Sub-contractors monitoring

The company is now preparing its first CSR report and the reporting period is from 1.1.2016 to 31.12.2016. Thereafter the company is considering to publish its CSR report every 2 years.

Following are the selected G4 indicators that you are required to research, analysis and write up the reporting materials

3. Provide a description of key impacts, risks, and opportunities

Candidates are required to prepare a report (**max. 4 pages of no more than 1,000 words**) based on following criteria.

Ref. : GRI G4 Indicator G4-2

The organization should provide two concise narrative sections on key impacts, risks, and opportunities.

Section One should focus on the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally recognized standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:

- ✚ A description of the significant economic, environmental and social impacts of the organization, and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally recognized standards and norms
- ✚ An explanation of the approach to prioritizing these challenges and opportunities
- ✚ Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance
- ✚ A description of the main processes in place to address performance and relevant changes

Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:

- ✚ A description of the most important risks and opportunities for the organization arising from sustainability trends
- ✚ Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and (if possible) quantitative financial value drivers
- ✚ Concise description of governance mechanisms in place specifically to manage these risks and opportunities, and identification of other related risks and opportunities

Notes to Candidates:

Candidates are free to identify risk factors to the industry. For this competition, candidates are requested also to take into consideration risk factors arising in the process of sourcing, suppliers and sub-contractors management and protection of workers safety.

4. Wage Allocation

Ref. : GRI G4 Indicator G4-EC5

Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

- a. When a significant proportion of the workforce is compensated based on wages subject to minimum wage rules, report the ratio of the entry level wage by gender at significant locations of operation to the minimum wage.
- b. Report whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, report which minimum wage is being used.
- c. Report the definition used for 'significant locations of operation'.

Workforce & wage allocation data:

Top Management : directors are receiving a monthly wage plus year end director's bonus. The amount of bonus, if any, depends on turn-over and net profits/losses of previous year.

Staff : all staff is paid monthly wage plus a bonus during Chinese New Year. The amount is based on individual performance and company earnings of the year.

Day labourers: in the site office the company employed day labourers on project basis and are paid based on daily rate. The number is around 5-10 persons depending on size of the site.

Workforce breakdown for Hong Kong and China office:

Candidates are free to decide on the number of directors and staff at both offices

Projects 2015

Projects completed in 2016

Hong Kong	commerical building	2
	residential blocks	3
	Industrial buildings	2
Guangzhou office :	Industrial buildings	1

Projects in progress and will be continued into 2017:

Hong Kong Office	residential blocks	3
	Industrial buildings	2
Guangzhou Office	residential blocks	1
	Industrial buildings	2

Notes to Candidates:

1. You can create position grading and wage scale
2. You can include any other welfares that is complusory or voluntary
3. Take note of MPF contribution in Hong Kong
4. Take note of social insurance contribution in China
5. For this competition we are not taking the company's yearly turn-over into consideration but candidate should create figures that reflect current business environment and that the figures so created should be logical.

5. Effluents and Wastes

Ref. : GRI G4 indicators G4-EN22 to G4-EN26

- a. Waste by type and disposal methods
- b. Signicificant spills
- c. Hazardous wastes
- d. Biodiversity affected by runoff

Notes to Candidates

Hong Kong Office : Hong Kong Office is located in their own commerical building which is more than 10 years old. The building is 30 storey high and the company occupied the top 3 floors while the rest are rented out.

China office rented 1 floor in a multi-storey commerical building.

Notes to Candidates:

1. Candidate is free to create category and quantity of effluents discharged and wastes generated and disposed off
2. Candidate is free to assume reduction of effluent discharge and waste disposal for coming years but the assumption should be realistic
3. Candidates should include figures from construction sites as well
4. Candidates are requested to create a scenerio where there is damage in either b, c or d which occurred during the reporting period in one of the projects. The damages are repaired and there is no penalty from the government

Remarks : effluent and waste monitoring applied also to the construction sites

6. Anti-corruption

Ref. : GRI G4 indicator SO3 – SO5

- a. Risks related to corruption
- b. Communications and training on anti-corruption
- c. Confirmed incidents of corruption, if any

Notes to Candidates:

Candidates are free to create figures and numbers for this section

7. Supplier assessment for impact on society

Ref. : GRI G4-SO9 – G4-SO10

- a. New supplier screening for impacts
- b. Negative impacts on society in the supply chain

Notes to candidates:

Candidates are free to create its own data in this section as long as it is practical and logical.

--- The End ----