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2 October 2019

Head Department of Civil Engineering The University of Hong Kong Pokfulam, Hong Kong

Attn.: Prof. Francis T.K. Au

Dear Professor Au,

I am pleased to write to you about the benefits brought to our company through the Carbon Labelling Scheme, which I understand was developed from your department's research and which is now administered by the Zero Carbon Building under the Construction Industry Council (CIC).

Gammon values opportunities to reduce its impacts on the environment and it was the first Hong Kong-based construction company to publicly release a sustainability report back in 2003. Concrete is the most utilized man-made construction material and at Gammon's concrete production arm, we have been actively developing new concrete designs and production technologies to reduce the carbon footprint of our ready-mixed concrete products.

The CIC Carbon Labelling Scheme provides us with a fair and systematic assessment framework and auditing tool for evaluating the carbon footprint of these ready-mixed concrete products. It also helps us to pursue continuous improvements in reducing the carbon footprint of our concrete.

To date, Gammon has had 66 ready-mixed concrete products accredited under the CIC Carbon Labelling Scheme, 42 of which were awarded the highest label of "Outstanding". We supply a significant percentage of the total ready-mixed concrete consumed in Hong Kong and these 66 products account for about 15% of our concrete mix product list.

The CIC Carbon Labelling Scheme has also helped our company to set a higher sustainability benchmark in its other activities, since the carbon-labelled ready-mixed concrete products are often used in construction projects undertaken by Gammon and her joint venture.



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Prof. Francis T.K. Au Department of Civil Engineering The University of Hong Kong

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Despite higher prices for labelled ready-mixed concrete products, we have been able to secure market advantages, including clients' recognition, product design optimisation, and productivity improvement, etc. In short, the CIC Carbon Labelling Scheme has helped Gammon to substantiate its leadership at the frontier of the sustainable construction market.

Yours faithfully,

10. Herbert Zheng (Ir Dr.)

General Manager, Concrete Services Concrete Technology Department Gammon Construction Ltd.

HZ/mc