



TYSAN HOLDINGS LIMITED

泰昇集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code : 687)

2019

**Environmental, Social and
Governance Report**



Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

Environmental, Social and Governance (ESG) Report

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Environmental, Social and Governance (ESG) Report

1. Company Profile

Tysan Holdings Limited (the “**Company**” and its subsidiaries the “**Group**”), formerly known as Hong Kong International Construction Investment Management Group Co., Limited, has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) since 1991 (Stock Code: 687). The principal businesses of the Group include foundation piling and site investigation, property development and investment, and investment businesses.

Over the past decades, the Group has devoted itself not only to high-quality and cost-effective foundation works and quality property development, but also to corporate sustainability. In an effort to lay a solid foundation for a sustainable future, the Group is committed to upholding full compliance with all applicable environmental, social and governance regulations in its day-to-day operations.

2. About this Report

2.1. Reporting Standard, Period and Scope

This report was prepared in accordance with the Environmental, Social and Governance (“**ESG**”) Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Information regarding corporate governance is included in the section of corporate governance report in the annual report of the Company according to Appendix 14 of the Listing Rules.

This report covers the Group’s ESG-related activities from 1 January 2019 to 31 December 2019 (the “**Reporting Period**”). The Group strictly adheres to the principles of materiality, quantitative, balance and consistency to report on the relevant measures and performances during the Reporting Period.

The scope of this ESG report covers the Group’s operations involving foundation piling in Hong Kong only, including the head office and 25 construction sites.

The Group has appointed Allied Sustainability and Environmental Consultants Group Limited (Stock Code: 8320) as an independent consultant to provide ESG consultancy and reporting services.

2.2. Contact Details

To continuously improve the Group’s sustainability strategies, we welcome any feedbacks and suggestions from our stakeholders. If you have any comments or enquiries, please contact the Group at:

Tysan Holdings Limited
20/F, One Island South,
2 Heung Yip Road, Wong Chuk Hang,
Hong Kong

Tel: (852) 2882 3632
E-mail: info@tysan.com

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3. Ongoing Communication with Stakeholders

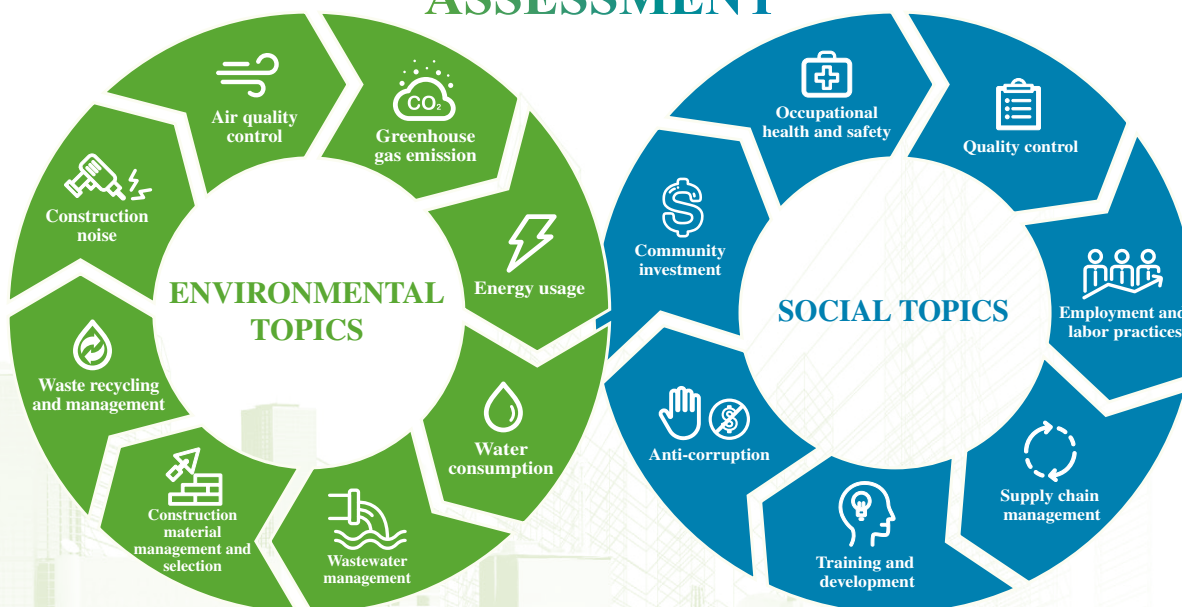
Stakeholders’ participation is an indispensable process for the Group to continuously improve its sustainable development performance. Therefore, the Group values opinion of various stakeholders on its operation and ESG matters. In order to understand, respond to and address the major concerns of different stakeholders, the Group have maintained close communication with all these stakeholders, including but not limited to employees, customers and communities.

During the Reporting Period, the Group engaged its employees in a stakeholder survey that served as a platform for soliciting their views on the importance of environmental, social and sustainability governance topics to the Group’s business. In the survey, a total of 73 responses were collected and the findings of top-ranked respective issues were shown as follows:

Aspect	Importance to the Group’s Business
Environmental	<ol style="list-style-type: none"> 1. Compliance with relevant environmental laws and regulations 2. Construction noise 3. Air quality control
Social	<ol style="list-style-type: none"> 1. Occupational health and safety 2. Employment 3. Anti-corruption
Sustainability governance	<ol style="list-style-type: none"> 1. On-going communication channels with the stakeholders 2. Setting up a sustainability committee 3. Sustainable development framework

In addition to the stakeholder survey conducted among the staff, the Group also appointed an independent consultant to advice on reviewing and identifying various sustainability issues. By consolidating the survey responses with the views of the Company’s management, the Group was able to identify the following material sustainability issues:

MATERIALITY ASSESSMENT



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Through identifying the above material topics, the Group is guided to prioritize and review the crucial sustainability issues and allocate resources to roll out various initiatives concerning the corresponding topics, and the Group publishes this ESG report that revolves around the material environmental and social issues.

The Group will remain dedicated to maintaining ongoing conversations with its stakeholders and collecting their valuable opinions, thereby attaining continuous improvement of its sustainable development initiatives.

4. Sustainability in Operations

Driving the Group's sustainable development is a continuous process that needs proactive environmental mitigation measures, regular monitoring and evaluation. In view of this, the Group is committed to reinforcing its day-to-day environmental management system to reduce the adverse impacts throughout its operations.

Adhering to relevant and applicable environmental laws and regulations under the frameworks of Integrated Management System ("IMS") and ISO certifications, especially ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System, the Group enhances its position as one of the leading foundation service providers in Hong Kong and strives to minimize the environmental impacts throughout its operations. The Group will continue to contribute to the sustainable growth of our community.

4.1. Responsible Sourcing

Procuring sustainable raw materials is one of the key elements of responsible supply chain management. In this regard, the Group carefully considers the potential impacts of construction materials on the environment and neighboring communities. Not only does the sustainable procurement minimize local pollution due to transportation of the construction materials, but it also reduces the logistics costs and controls risks associated with supplier practices.

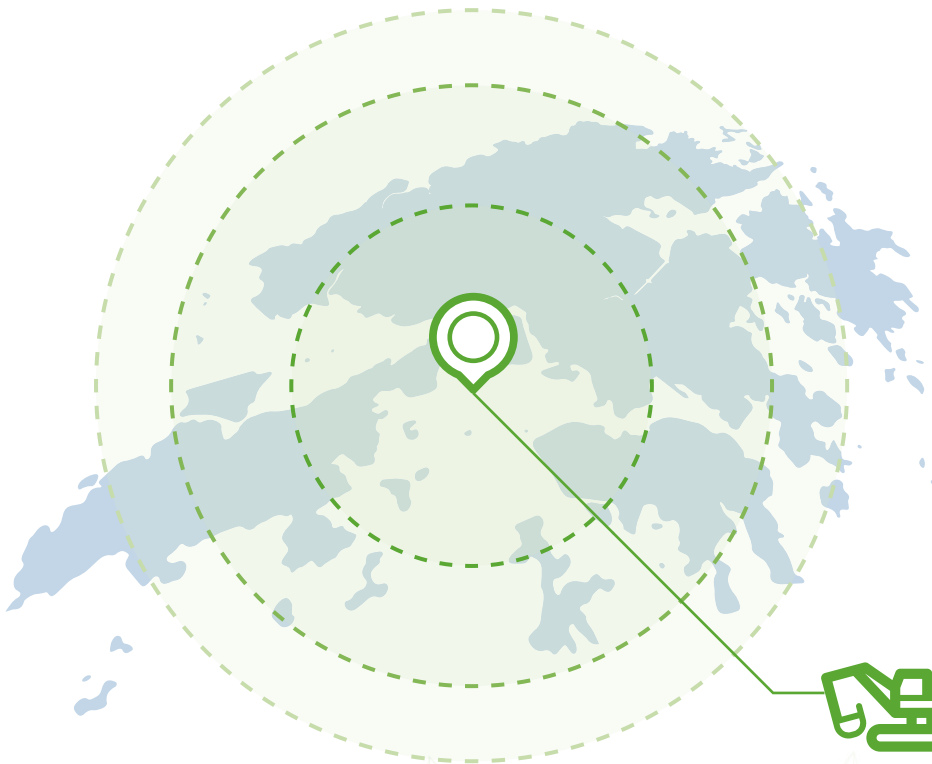
In support of local economy and material cost reduction, the Group prioritizes the use of building materials manufactured locally within 800 kilometers from its sites. These materials included concrete, steel bars and cement grout. Moreover, the Group engaged with a total of 50 local suppliers in Hong Kong so as to minimize the environmental footprints from transportation. The sourcing of building materials and engagement with local suppliers reflect the Group's commitment to provide products and services with less social, environmental and economic impacts.

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Selection of Construction Materials

	Unit	2019	2018
Total weight of materials	tonnes	190,062	459,216
Total weight of materials manufactured within 800km	tonnes	165,808	358,378
% of materials manufactured within 800km	%	87	78



87% of materials manufactured within 800km in 2019

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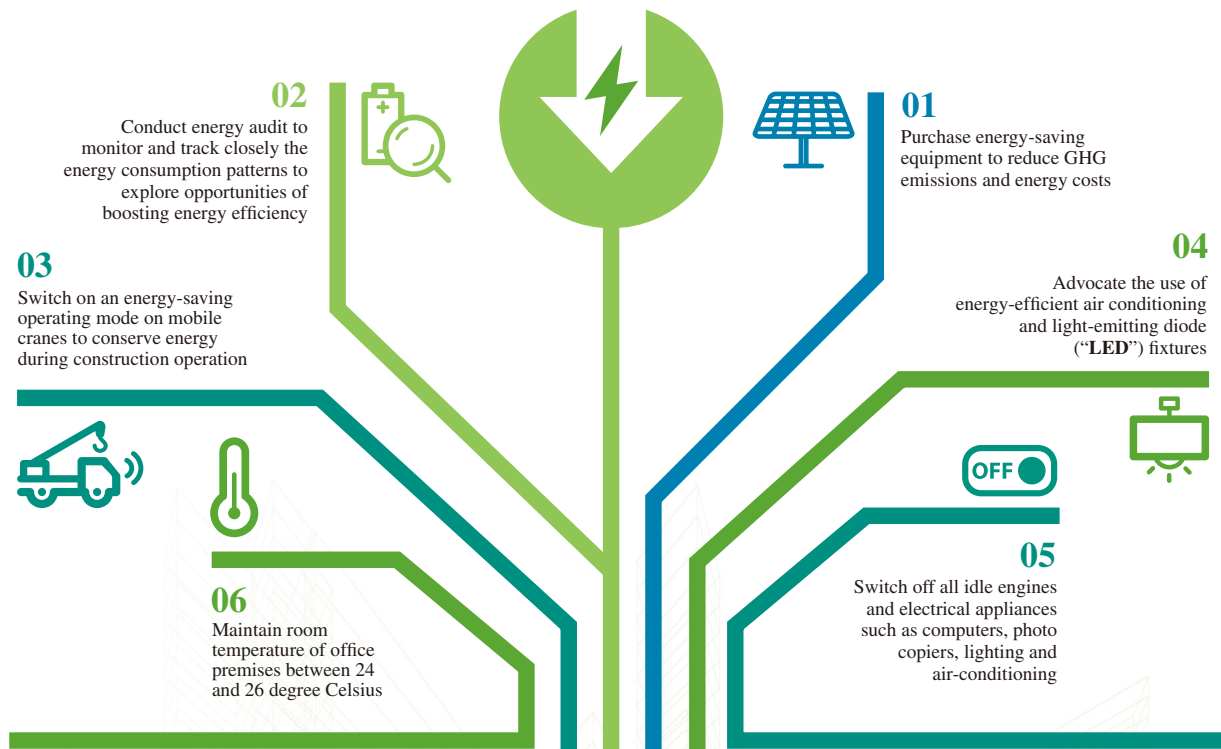
Apart from regional procurement, the Group also places great emphasis on sourcing eco-friendly raw materials for its daily operations. For instance, all wood products that the Group used on site are certified by the Forest Stewardship Council (“FSC”), accrediting suppliers and manufacturers who demonstrate sustainable management of forests products. Taking the lead in promoting responsible sourcing, the Group pursued constant efforts to purchase wood products that were all FSC-labelled during the Reporting Period.

In addition, the Group will explore the feasibility of utilizing recycled sources including recycled steel reinforcement bars as construction materials in order to improve resource efficiency and save energy costs.

4.2. Energy Efficiency

The major energy sources used in offices and construction sites of the Group are electricity and diesel. Meanwhile, the Group is aware of the operational emission footprints arisen from using these energy sources, from direct and indirect greenhouse gas (“GHG”) emissions to other air pollutants including carbon monoxide (“CO”), nitrogen oxides (“NO_x”) and particulate matter (“PM”). As energy consumption plays a pivotal role in its day-to-day operations, the Group is committed to reducing the energy usage and maximizing the energy efficiency.

Under the frameworks of the international certification, ISO 50001:2018 Energy Management System and the internally established IMS, the Group devotes itself to cultivating various energy-saving habits in the workplace with the aim of optimizing energy consumption.



ENERGY REDUCTION MEASURES

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Energy Consumption

	Unit	2019	2018
Total electricity consumption	Kilowatt hour (“kWh”)	1,718,567	1,022,459
	Gigajoules (“GJ”) ^{Note 1}	6,187	3,681
Head office	kWh	254,096	263,986
	GJ	915	950
Construction sites ^{Note 2}	kWh	1,464,471	758,473
	GJ	5,272	2,731
Total fuel consumption ^{Note 3}	L	12,605,656	11,119,354
– Construction sites only ^{Note 4}	GJ	453,804	400,200
Total energy consumption	GJ	459,990	403,881
Head office	GJ	915	950
Construction sites	GJ	459,076	402,931
Total energy intensity	GJ/million revenue ^{Note 5}	169	136
Head office	GJ/million revenue	0.34	0.32
Construction sites	GJ/million revenue	169	136

Note 1: 1kWh = 0.0036 GJ.

Note 2: 2019 data included 25 construction sites whereas 2018 data included 29 construction sites.

Note 3: Only diesel was used in construction sites in 2019 while diesel and biodiesel were used in 2018.

Note 4: 1 GJ = 1,000 megajoules (“MJ”); assume diesel energy intensity as 36 MJ/L. (Source: <http://www.forestry.gov.uk/fr/bee-h-abslby>).

Note 5: The Group’s revenue for the year ended 31 December 2019 and year ended 31 December 2018 were HKD 2,721.278 million and HKD 2,971.170 million, respectively.

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GHG and Other Air Emissions within the Group

	Unit	2019	2018
Total GHG emissions	tonnes of CO₂ equivalent (“tCO₂e”)	34,049	29,755
Direct GHG emissions (Scope 1) ^{Note 6}	tCO ₂ e	32,952	29,097
Indirect GHG emissions (Scope 2) ^{Note 7}	tCO ₂ e	1,097	658
Total GHG emissions intensity	tCO₂e/million revenue ^{Note 8}	12.51	10.00
PM emissions ^{Note 9}	tonnes	22	19
NO _x emissions ^{Note 9}	tonnes	341	300
CO emissions ^{Note 9}	tonnes	113	99

Note 6: Scope 1 GHG emissions refer to the direct emissions from sources owned or controlled by the Group, which include construction machines.

Note 7: Scope 2 GHG emissions refer to the indirect emissions resulting from the generation of the electricity which the Group purchased.

Note 8: The Group’s revenue for the year ended 31 December 2019 and year ended 31 December 2018 were HKD 2,721.278 million and HKD 2,971.170 million, respectively.

Note 9: Emission factors of non-road mobile machinery referenced from EMEP/EEA air pollutant emission inventory guidebook 2016 – updated in May 2017.

As compared with the previous year, the Group has noticed the increases in total energy intensity and total GHG emissions intensity by 24% and 25% respectively. The rise in diesel consumption is due to higher number of piling works projects conducted during the Reporting Period, whereas the increase in electricity use is attributed to the project life cycle. The Group will continue to explore the feasibility of implementing other energy reduction measures on-site.

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4.3. Water Conservation

Incorporated into the Group's IMS framework, ISO 14001:2015 Environmental Management System guides all construction sites to implement a series of measures to cut down on water consumption resulting from mixing concrete, washing equipment and dust removal. In an effort to disseminate the message of water conservation to employees at all levels, the Group offered regular toolbox talks and training programs to frontline workers. During the Reporting Period, the Group ensured all the construction sites strictly abided by applicable laws and regulations such as the Water Pollution Control Ordinance. The Group has also placed on-site water storage tanks that are equipped with water meter for more systematic water resources management.

As a responsible foundation piling and construction corporate, the Group pays extra attention to the generation of wastewater. On-site drainage facilities were set up to collect and treat the wastewater from piling works under valid water discharge license. In order to maximize water efficiency, the treated wastewater was further reused at the construction sites to serve as dust removal, site cleaning and bored piling works. During the Reporting Period, the Group reused 74,085 cubic meters of wastewater at the construction sites.



Water Consumption

	Unit	2019	2018
Total water consumption	m³	641,227	311,758
Head office	m ³	182	183
Construction sites	m ³	641,045	311,575
Total water intensity	m³/million revenue ^{Note 10}	236	105
Total wastewater reused ^{Note 11}	m³	74,085	/

Note 10: The Group's revenue for the year ended 31 December 2019 and year ended 31 December 2018 were HKD 2,721.278 million and HKD 2,971.170 million, respectively.

Note 11: The Group has started collecting and disclosing the data of wastewater reused since the commencement of the Reporting Period, and therefore no data were available in 2018. The data on wastewater reused were collected from the respective construction sites only.

The increase in total water intensity by 125% as compared with the previous year is attributed to a rise in number of piling works projects conducted during the Reporting Period. The Group will continue to seek ways to conserve precious water resources throughout its operations.

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4.4. Waste Management

From site clearance to excavation and concreting, the Group's daily operation of construction works leads to generation of inert construction and demolition ("C&D") waste and non-inert wastes including timber and steel. In addition, the Group identified the main hazardous wastes generated on site such as lubricants, machinery maintenance oils, and empty paint cans.

The Group is dedicated to promoting optimal resources management to improve resource utilization and reduce waste. During the Reporting Period, the Group fully complied with the relevant local regulations in dealing with the hazardous and non-hazardous waste generated on all construction sites and office premises.

In adherence to the 4R principle, specifically reduce, reuse, recycle and replace, a comprehensive waste management approach has been adopted. To reduce waste at source, recycling bins are set up to capture useful materials such as waste paper, scrap metal and plastics. Moreover, construction waste including non-inert, metal and hazardous wastes is sorted and stored orderly. In particular, the Group has appointed qualified waste collectors and recyclers for the sites' proper and safe disposal of hazardous waste on a regular basis.

Through regular trainings as well as clear and concise signage on site, the Group aims to instill waste reduction culture in its business. Furthermore, incentives were given to employees and contractors with satisfactory waste management practices, setting a good example for other staff. In a bid to drive continuous improvement in waste mitigation, the Group has assigned project team members to conduct waste audits to oversee relevant measures and closely monitor the waste data including waste disposal and recycling rate.



(The Group provided the frontline workers with regular training with the aim of enhancing their awareness of environmental impacts.)

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In addition to proactive waste management on construction sites, the Company's head office also strives to contribute to waste avoidance. For instance, by recycling festive plants such as Christmas trees, peach blossom trees and tangerines, the Group spares no efforts to participate in the Tree Conservation Scheme organized by the Hong Kong Environmental Protection Association, leading to 600 kilograms of carbon footprint reduction. By joining this scheme, yard waste is diverted from landfills and is turned into organic fertilizers to build a greener city.



Waste Generation and Management

		Unit	2019	2018
Non-hazardous waste	Non-inert C&D waste disposed to landfill	tonnes	933	2,369
	Inert and non-inert C&D waste diverted from landfill (sent to public fill/recycling facilities)	tonnes	823,927	3,420,665
Hazardous waste	Liquid hazardous waste	tonnes	1	6
	Solid hazardous waste	tonnes	0	0.23
Waste intensity	Non-hazardous waste	tonnes/million revenue ^{Note 12}	303	1,152
	Hazardous waste	tonnes/million revenue ^{Note 12}	0.0004	0.0021

Note 12: The Group's revenue for the year ended 31 December 2019 and year ended 31 December 2018 were HKD 2,721.278 million and HKD 2,971.170 million, respectively.

To increase the resource efficiency on site, the Group strives to reuse most of the remaining C&D waste in other construction projects. As a result of sound material management, the non-hazardous waste intensity has decreased by 74% during the Reporting Period, compared with the previous year. Besides, owing to regular maintenance checks conducted during the Reporting Period, the use of lubricant oil was decreased so the Group's hazardous waste intensity has dropped by 81%. Despite the declines in the waste intensities, the Group will consistently look into further minimizing the waste generation in its day-to-day operations.

4.5. Mitigation of Environmental Impacts

As a responsible provider of foundation services and construction works, the Group pays extra attention to mitigating the adverse impacts on environmental sensitive receivers such as domestic premises, educational institutions and hospitals during operational phase.

In an effort to avoid causing nuisance during construction works, the Group commissioned external organizations such as Hong Kong Quality Assurance Agency to conduct environmental assessments to identify the existing environmental sensitive receivers in the proximity to construction sites prior to the commencement of each project.

In addition, the Group deployed proactive actions not only for legal compliance, but for further dust suppression and noise abatement as well. The measures implemented on-site to avoid dispersion of construction dust include daily misting water sprays, use of green labelled generators of non-road mobile machinery and hoarding. As for noise mitigation, the Group adopted quieter equipment and noise barriers, as well as appropriate scheduling of construction tasks within restricted hours.

In compliance with statutory and mandatory guidelines, the Group not only ensured its construction works were carried out under valid construction noise permits, but also conducted weekly dust monitoring as well as monthly noise level measurement to assess the effectiveness of its mitigation measures during operations.

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4.6. Case Study: Adoption of Good Environmental Practice for Construction Sites

Foundation and Demolition for Public Rental Housing Redevelopment at Pak Tin Estate Phase 10

Providing new residential blocks and other recreation facilities for neighboring residents, the two-phase Redevelopment Project at Pak Tin Estate was commenced in 2018 and is scheduled to be completed by June 2020. The Group's main operations are foundation piling, pile caps and footing works.

In order to advocate sustainability in its day-to-day operations, the Group manages environmental footprints on site. As shown below, a series of eco-friendly measures were implemented in the Redevelopment Project at Pak Tin Estate.

CASE STUDY: ADOPTION OF GOOD ENVIRONMENTAL PRACTICE FOR CONSTRUCTION SITES



MATERIAL USE

C&D materials were recycled systematically and can be reused in future projects.



AIR QUALITY

Photo-catalyst (TiO₂) was used as exhaust purifier to remove harmful air pollutants and deodorize.



Water cannons were provided for regular dust suppression.



ENERGY USE

All lightings were LED and energy-efficient fluorescent tube with timer switch installed.



Energy saving toilets were equipped with solar-powered ventilation fans and lights with motion sensors were installed.



NOISE

Noise barriers were installed to minimize potential noise impacts.



Silent rock breakers that are 8 decibels lower than conventional hydraulic breakers were served as rock splitter on-site.



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5. Values Creations for People

The Group regards employees as its valuable assets. Therefore, in addition to maintaining a safe workplace with inclusiveness and business integrity, the Group also emphasizes talent recruitment and retention through staff training and development.

5.1. Developing Safety Working Culture

Safety is always the foundation of sustainable operations. The Group takes health and safety of its employees seriously and is dedicated to providing a safe working environment to them. In view of this, the Group has adopted an occupational health and safety management system that is certified to comply with both Occupational Health and Safety Management System OHSAS 18001:2007 and ISO 45001:2018, and reviews the management system annually. Under the management system, the Group has implemented a series of health and safety measures:



Hinging on the occupational health and safety measures, the Group recorded no fatality incidents during the Reporting Period.

According to the Occupational Safety and Health Statistics issued by the Labour Department in Hong Kong, the accident rate per 1,000 workers of the construction industry in 2018 was 31.7. The Group's accident rate per 1,000 employees during the Reporting Period is 19.29, which is 39.1% lower than the statistics of the Labour Department.

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To facilitate the speedy recovery from work injuries, the Group will arrange timely private medical care, such as consultation with general practitioners and orthopedists, X-ray service, MRI examination and physiotherapy, and cover all relevant medical expenses under the Group's rehabilitation scheme.

With a view to immersing employees in safe working culture, the Group has launched the Safety Culture Scheme for the second consecutive year. The scheme aims to avoid any critical unsafe conditions or behaviors by conducting a self-initiative localized work suspension and implementing corresponding occupational hazard mitigation measures. During the Reporting Period, there were a total of 5 self-initiative localized work suspension cases amongst all construction sites, and all of the cases were assisted by enhancement measures to minimize possible safety hazards.

SAFETY AWARDS



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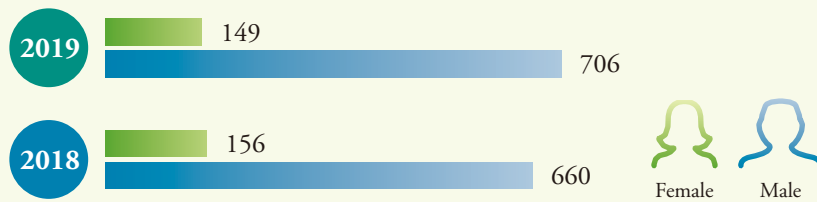
5.2. Recruiting and Retaining Talents

Recognizing human capital is the valuable assets to the business, the Group strives to attract and retain talented staff to sustain the business development. With a decent and inclusive working environment for its employees, the Group advocates the culture of fairness and is committed to eliminating all forms of discrimination.

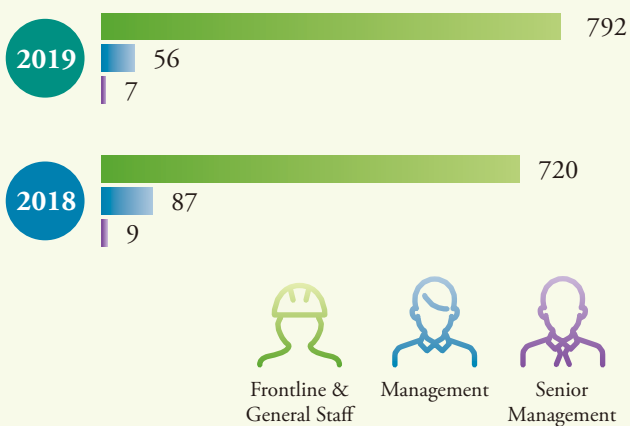
During the recruitment process, potential candidates are assessed by their qualification, experience and capability to the job regardless of their gender, age, race, religion or any other factors that are irrelevant to the job. Besides, the Human Resources (“HR”) department verifies candidates’ identification documents prior to the official employment to prevent child and forced labor. In response to any illegal labor practices, the HR department shall terminate the employment and take appropriate follow-up actions immediately.

In order to retain talents, the Group endeavors to provide employees with various welfare and benefits, such as medical insurance, maternity and paternity leaves on full pay for monthly-paid staff. There was a total of 855 employees as at 31 December 2019, and the breakdowns are as follows:

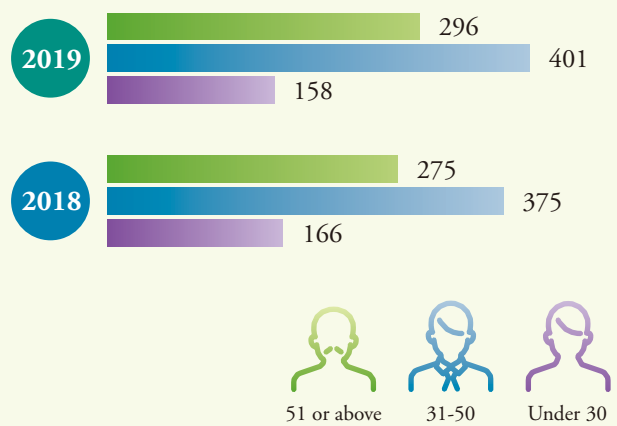
Employees Breakdown by Gender



Employees Breakdown by Employee Category



Employees Breakdown by Age Group



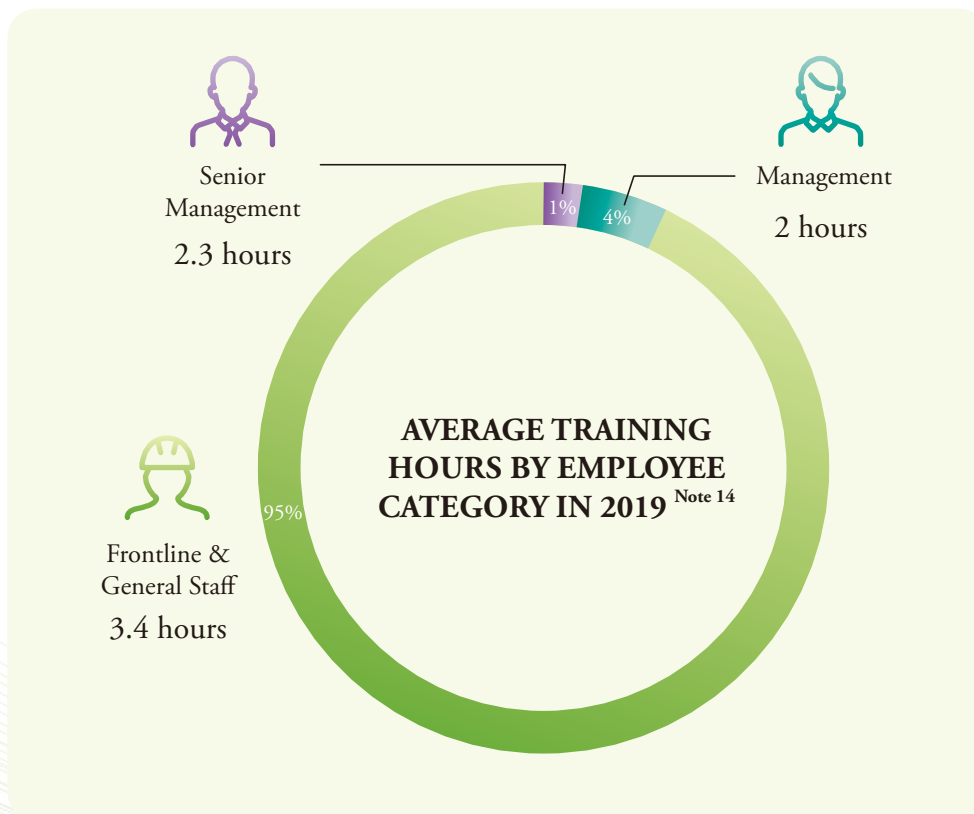
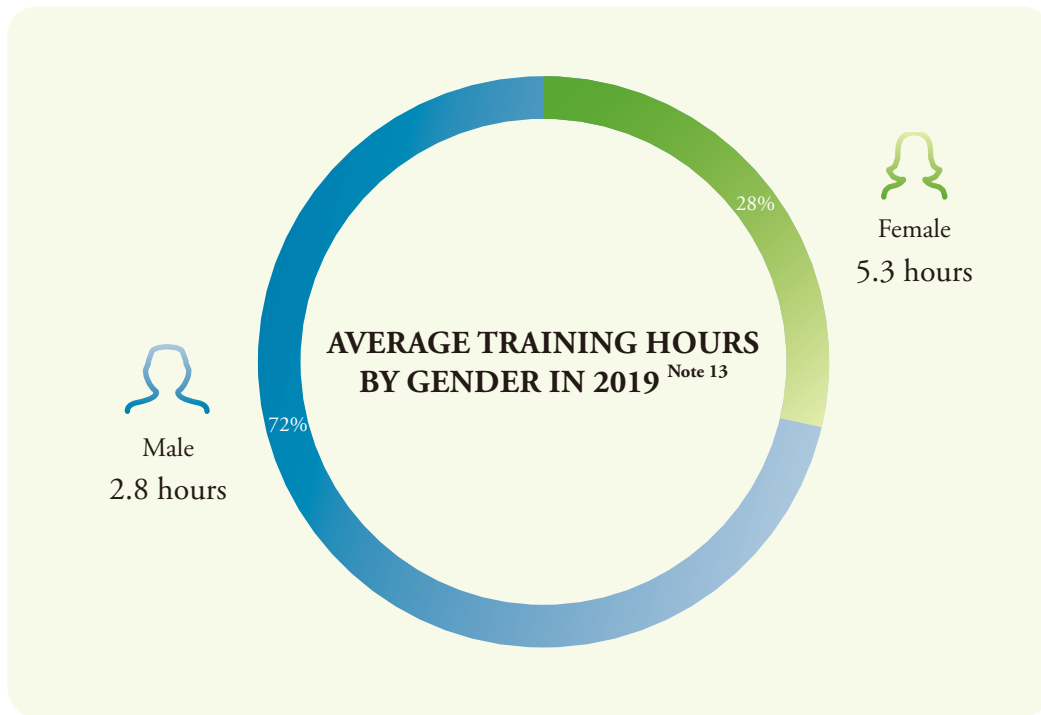
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Turnover Rate		2019
Overall turnover rate		31.5%
Turnover rate by gender	Male	32.2%
	Female	28.2%
Turnover rate by age group	Under 30	51.2%
	31 – 50	29.6%
	51 or above	22.8%

The Group recognizes the importance of employees' personal growth to the business development. With the aim of upholding the commitment to quality products and services, the Group strives to strengthen employees' skills and knowledge.

The HR department organized various training sessions and courses to its frontline and general staff on health and safety as well as quality management periodically. In order to enhance the management's knowledge on corporate governance standard, the HR department arranged executive trainings for the management. In addition to provision of training programs, the Group also reimbursed part of or all tuition fees for training courses attended by the employees to encourage them to unleash their potential through continuous education. During the Reporting Period, the employees had received training that covered a wide variety of topics including health and safety, quality management, corporate governance standard and other professional development.

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Note 13: The percentage in the diagram represents breakdown of trained employees by gender.

Note 14: The percentage in the diagram represents breakdown of trained employees by employee category.

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5.3. Adhering to Business Ethics

The Group is committed to upholding ethical rigors and does not tolerate any corruption practices including bribery, extortion, fraud and money laundering in its operations or across the supply chain. The Group prohibits employees from accepting benefits from or giving to any parties such as suppliers and contractors.

In order to prevent and combat corruption, the Group has adopted a whistleblowing policy. Employees are encouraged to report any suspicious case to Chairman of the Audit Committee of the Group through the corresponding channels. The Audit Committee would conduct investigation on the reported case and report to the authority when necessary. To ensure the effectiveness of the whistleblowing mechanism and anti-corruption practices, the Audit Committee also reviews these policies and measures regularly.

Hinging on the initiatives promoting business integrity, the Group did not have any concluded legal cases regarding corrupt practices during the Reporting Period.

5.4. Building a Harmonious Workplace

The Group strives to develop an inclusive and friendly culture among its employees and advocate work-life balance. During the Reporting Period, the Group not only implemented a number of measures such as annual appraisal and exit interviews to understand employees' experience and feedback relating to their work with a view for further improvement, but also arranged various staff activities to enhance employees' communication and promote their wellness.



(Annual Dinner Celebration held in 2019)



(2019 Christmas Party)

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6. Striving for Operational Excellence

Stressing the quality of services and operational efficiency, the Group scrutinizes every stage of its construction works to guarantee the satisfaction of customers. During the Reporting Period, the Group was committed to incorporating stringent quality control into its daily operational practice.

6.1. Quality Assurance

Under the framework of ISO 9001:2015 Quality Management System, the Group carefully selects its suppliers and subcontractors by conducting assessments on the quality of their products and services, health and safety, and environmental performances to ensure the compliance with relevant laws and regulations. Upon the completion of each tender or contract, the Group assigns the project manager, the procurement contracts manager, the senior safety manager and the IMS manager to closely monitor and review the chosen suppliers and subcontractors' ESG-related performance. Based on the results of assessments, the Group regularly updates the Approved List of Suppliers accordingly for future reference.

Widely recognized in the industry, the Company endeavors to maintain high quality of its foundation services and is honored to be commissioned as contractor of the Hong Kong and Macau SAR Governments in broad categories. These project experiences have strengthened the Company's position as one of the leading foundation service providers.

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List of Qualifications

Issuer	Licenses
Development Bureau	Ground Investigation Field Works (Group II) Land Piling (Group II) <ul style="list-style-type: none"> • Hand Dug Caisson • Large Diameter Bored Pile (with bell-out) • Mini Pile • Precast/Prestressed Tubular Pile • Steel H Pile • Steel Tubular Pile • Rock Socketed Steel H-Pile Site Formation (Group B) Landslip Preventive/Remedial Works to Slopes/Retaining Walls
Housing Authority	Large Diameter Bored Piling Percussive Piling Ground Investigation Works Demolition Works
Buildings Department	Registered General Building Contractor Registered Specialist Contractor (Foundation) Registered Specialist Contractor (Demolition) Registered Specialist Contractor (Site Formation) Registered Specialist Contractor (Ground Investigation Field Works)
Land, Public Works and Transport Bureau of the Macau SAR	Site Investigation Work, Foundation & Piling Building & Maintenance Civil Engineering Building Service & Installation Public Works & Others

6.2. Complaint Handling Mechanism

The Group places great emphasis on feedbacks from its customers for continual improvement. The Group's Complaint Policy provides guidance on standardized complaint-handling procedure to ensure customer feedback is processed in a consistent and efficient manner. Depending on the nature of comments and complaints, the Group shall take remedial, correction, and/or prevention actions, and keep systematic records for closed cases. During the Reporting Period, no major complaints have been received.

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7. Caring for Community

As a responsible corporate, the Group believes community empowerment is one of its commitments in addition to environment, employees and customers. Through charity involvement and donations, the Group aspires to give back to the community, especially the youth, creating shared values to shape a better living environment.

7.1. Charity Involvement

The Group sponsored and recruited its employees to participate in the annual charity walk organized by Rainbow Foundation during the Reporting Period. The event embodies the philosophy of “Waste Reduction, Celebration of Life”, echoing with the Group’s core values including community outreach and environmental protection. The proceeds raised were allocated to support activities for orphans, children with cancer, and children from low-income and single-parent families.



(The Group is the Diamond Sponsor for Charity Walk of Rainbow Foundation.)

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7.2. Youth Empowerment

Realizing teens are the future leaders of the sustainable communities, the Group pursues constant efforts to empower the youth and support them in growing and pursuing their dreams through dedicating resources to support youth development.

In support of growing at-risk youth into responsible members of the community, the Group has joined hands with Youth Outreach (“YO”) since 2001. In a bid to show support for YO, the Group has donated HKD 130,000 during the Reporting Period, and has actively participated in events organized by YO. Moreover, the Group and YO co-organized a basketball game; the Group’s staff enjoyed the interactions with teenagers while helping them build up their confidence during the process.

The Group is devoted to giving back and encouraging the youth in the communities. The Group has donated a total of HKD 408,500 and contributed 140 hours of social services to various charitable organizations throughout the Reporting Period.



(Staff joined the Charity Walk to help raise funds for youth development.)



(The Group co-organized a basketball match with the teenagers of Youth Outreach.)

8. Way Forward

In continuous pursuit of excellence in service quality of foundation services and responsible operations, the Group strives to monitor its environmental and social performance and explore rooms for steady improvement. The Group aspires to infuse sustainability values into all levels of its operations and services through various forms of stakeholder engagement in the near future. Looking ahead, the Group will embrace all upcoming challenges and turn them into opportunities of building a better society.

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9. Performance Table



Environmental Performance

Energy Consumption			
	Unit	2019	2018
Total electricity consumption	Kilowatt hour (“kWh”)	1,718,567	1,022,459
	Gigajoules (“GJ”) ^{Note 1}	6,187	3,681
Head office	kWh	254,096	263,986
	GJ	915	950
Construction sites ^{Note 2}	kWh	1,464,471	758,473
	GJ	5,272	2,731
Total fuel consumption ^{Note 3}	L	12,605,656	11,119,354
– construction site only ^{Note 4}	GJ	453,804	400,200
Total energy consumption	GJ	459,990	403,881
Head office	GJ	915	950
Construction sites	GJ	459,076	402,931
Total energy intensity	GJ/million revenue ^{Note 5}	169	136
Head office	GJ/million revenue	0.34	0.32
Construction sites	GJ/million revenue	169	136
GHG and Other Air Emissions within the Group			
	Unit	2019	2018
Total GHG emissions	tonnes of CO2 equivalent (“tCO₂e”)	34,049	29,755
Direct GHG emissions (Scope 1) ^{Note 6}	tCO ₂ e	32,952	29,097
Indirect GHG emissions (Scope 2) ^{Note 7}	tCO ₂ e	1,097	658
Total GHG emissions intensity	tCO₂e/million revenue	12.51	10.00
PM emissions ^{Note 8}	tonnes	22	19
NOx emissions ^{Note 8}	tonnes	341	300
CO emissions ^{Note 8}	tonnes	113	99
Water Consumption			
	Unit	2019	2018
Total water consumption	m³	641,227	311,758
Head office	m ³	182	183
Construction sites	m ³	641,045	311,575
Total water intensity	m³/million revenue	236	105
Total wastewater reused ^{Note 9}	m³	74,085	/

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Waste Generation and Management				
		Unit	2019	2018
Non-hazardous wastes	Non-inert C&D waste disposed to landfill	tonnes	933	2,369
	Inert and non-inert C&D waste diverted from landfill (sent to public fill/recycling facilities)	tonnes	823,927	3,420,665
Hazardous waste	Liquid hazardous waste	tonnes	1	6
	Solid hazardous waste	tonnes	0	0.23
Non-hazardous waste intensity		tonnes/million revenue	303	1,152
Hazardous waste intensity		tonnes/million revenue	0.0004	0.0021
Regional Material Selection				
		Unit	2019	2018
Total weight of materials		tonnes	190,062	459,216
Total weight of materials manufactured within 800km		tonnes	165,808	358,378
% of materials manufactured within 800km		%	87	78

Note 1: 1kWh = 0.0036 GJ.

Note 2: 2019 data included 25 construction sites whereas 2018 data included 29 construction sites.

Note 3: Only diesel was used on construction sites in 2019 while diesel and biodiesel were used in 2018.

Note 4: 1 GJ = 1,000 megajoules ("MJ"); assume diesel energy intensity as 36 MJ/L. (Source: <http://www.forestry.gov.uk/fr/bee-h-abslyb>).

Note 5: The Group's revenue for the year ended 31 December 2019 and year ended 31 December 2018 were HKD 2,721.278 million and HKD 2,971.170 million, respectively.

Note 6: Scope 1 GHG emissions refer to the direct emissions from sources owned or controlled by the Group, which include construction machines.

Note 7: Scope 2 GHG emissions refer to the indirect emissions resulting from the generation of the electricity which the Group purchased.

Note 8: Emission factors of non-road mobile machinery referenced from EMEP/EEA air pollutant emission inventory guidebook 2016 – updated in May 2017.

Note 9: The data on wastewater reused were collected from the respective construction sites only.

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Social Performance

Employees by Gender		
	2019	2018
Male	706	660
Female	149	156
Employees by Employee Category		
	2019	2018
Frontline and general staff	792	720
Management	56	87
Senior management	7	9
Employees by Age Group		
	2019	2018
Under 30	158	166
31 – 50	401	375
51 or above	296	275
Employees by Geographical Region		
	2019	2018
Hong Kong	855	790

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Turnover Rate			
		2019	2018 ^{Note 10}
Overall		31.5%	/
By gender	Male	32.2%	/
	Female	28.2%	/
By age group	Under 30	51.2%	/
	31 – 50	29.6%	/
	51 or above	22.8%	/

Average Training Hours by Gender			
	Unit	2019	2018
Male	hours	2.8	4.5
Female	hours	5.3	7.9

Average Training Hours by Employee Category			
	Unit	2019	2018
Frontline and general staff	hours	3.4	5
Management	hours	2	3.6
Senior management	hours	2.3	34.5

Note 10: The data on turnover rate were not collected in 2018.

2019 Training Hours by Training Topics					
Training Topics Covered	Number of Training Hours				
	By Gender		By Employee Category		
	Male	Female	Senior Management	Management	Frontline and General Staff
Total	2,003.5	783	16	110	2,660.5
Staff Orientation	45	22	0	3	64
Executive Training	13	3	16	0	0
Professional Training	126	253.5	0	65	314.5
Health and Safety	1,506.5	301	0	0	1,807.5
Quality Management	313	203.5	0	42	474.5

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10. ESG Content Index

Aspect	KPI	Description	Statement/Section
SUBJECT AREA (A) ENVIRONMENT			
A1: EMISSIONS			
A1	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 4. Sustainability in Operations (b) During the Reporting Period, the Company has two cases in breach of Cap. 400 Noise Control Ordinance. In response to the incidents, the Group has undertaken mitigation measures and upgraded the on-site equipment to further abate noise levels in accordance with the relevant laws and regulations. With regard to other environmental laws and regulations including Water Pollution Control Ordinance, Air Pollution Control Ordinance, Noise Control Ordinance and Public Health and Municipal Services Ordinance, save as disclosed above, there was no material non-compliance noticed during the Reporting Period.
<i>A1.1</i>		The types of emissions and respective emissions data.	4.2 Energy Efficiency
<i>A1.2</i>		Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Energy Efficiency
<i>A1.3</i>		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4 Waste Management
<i>A1.4</i>		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4 Waste Management
<i>A1.5</i>		Description of measures to mitigate emissions and results achieved.	4. Sustainability in Operations
<i>A1.6</i>		Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.4 Waste Management

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Aspect	KPI	Description	Statement/Section
A2: USE OF RESOURCES			
A2	<i>General disclosure</i>	Policies	4.2 Energy Efficiency 4.3 Water Conservation
	<i>A2.1</i>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.2 Energy Efficiency
	<i>A2.2</i>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.3 Water Conservation
	<i>A2.3</i>	Description of energy use efficiency initiatives and results achieved.	4.2 Energy Efficiency
	<i>A2.4</i>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.3 Water Conservation The Group did not encounter any issues in sourcing water throughout its daily operations
	<i>A2.5</i>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3: THE ENVIRONMENT AND NATURAL RESOURCES			
A3	<i>General disclosure</i>	Policies	4. Sustainability in Operations
	<i>A3.1</i>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.6. Case Study: Adoption of Good Environmental Practice for Construction Sites

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Aspect	KPI	Description	Statement/Section
SUBJECT AREA (B) SOCIAL			
B1: EMPLOYMENT			
B1	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 5.2 Recruiting and Retaining Talents (b) With regard to Minimum Wage Ordinance, Employees' Compensation Ordinance, Mandatory Provident Fund Scheme Ordinance, Discrimination Ordinances and other relevant regulations protecting employees in terms of remuneration, compensation and social security, there was no material non-compliance noticed during the Reporting Period.
	<i>B1.1</i>	Total workforce by gender, employment type, age group and geographical region.	5.2 Recruiting and Retaining Talents 9. Performance Table
	<i>B1.2</i>	Employee turnover rate by gender, age group and geographical region.	5.2 Recruiting and Retaining Talents
B2: HEALTH AND SAFETY			
B2	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 5.1 Developing Safety Working Culture (b) During the Reporting Period, the Company has three cases in breach of Cap. 59 Factories and Industrial Undertakings Ordinance. In response to the incidents, the Group has undertaken rectification works and upgraded the on-site equipment to further protect workers' safety in accordance with the relevant laws and regulations. With regard to other laws and regulations relating to health and safety including Occupational Safety and Health Ordinance, save as disclosed above, there was no material non-compliance noticed during the Reporting Period.

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Aspect	KPI	Description	Statement/Section
	B2.1	Number and rate of work-related fatalities.	5.1 Developing Safety Working Culture
	B2.2	Lost days due to work injury.	Lost days due to work injury in 2019 were 1,878, whereas those in 2018 were 1,928.
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.1 Developing Safety Working Culture

B3: DEVELOPMENT AND TRAINING

B3	<i>General disclosure</i>	Policies	5.2 Recruiting and Retaining Talents
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Recruiting and Retaining Talents
	B3.2	The average training hours completed per employee by gender and employee category.	5.2 Recruiting and Retaining Talents

B4: LABOUR STANDARDS

B4	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 5.2 Recruiting and Retaining Talents (b) With regard to relevant laws and regulations relating to child and forced labour such as Employment Ordinance, there was no material non-compliance noticed during the Reporting Period.
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.2 Recruiting and Retaining Talents
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.2 Recruiting and Retaining Talents

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Aspect	KPI	Description	Statement/Section
B5: SUPPLY CHAIN MANAGEMENT			
B5	<i>General disclosure</i>	Policies	4.1 Responsible Sourcing 6. Striving for Operational Excellence
	<i>B5.1</i>	Number of suppliers by geographical region.	4.1 Responsible Sourcing
	<i>B5.2</i>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4.1 Responsible Sourcing 6.1 Quality Assurance
B6: PRODUCT RESPONSIBILITY			
B6	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 6. Striving for Operational Excellence (b) With regard to relevant laws and regulations relating to product responsibility including Trade Marks Ordinance and Competition Ordinance, there was no material non-compliance noticed during the Reporting Period.
	<i>B6.1</i>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
	<i>B6.2</i>	Number of products and service related complaints received and how they are dealt with.	6.2. Complaint Handling Mechanism
	<i>B6.3</i>	Description of practices relating to observing and protecting intellectual property rights.	Not applicable
	<i>B6.4</i>	Description of quality assurance process and recall procedures.	6.1 Quality Assurance
	<i>B6.5</i>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Not applicable

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Aspect	KPI	Description	Statement/Section
B7: ANTI-CORRUPTION			
B7	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 5.3 Adhering to Business Ethics (b) With regard to relevant laws and regulations relating to anti-corruption, there was no material non-compliance noticed during the Reporting Period.
	<i>B7.1</i>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5.3 Adhering to Business Ethics
	<i>B7.2</i>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.3 Adhering to Business Ethics
B8: COMMUNITY INVESTMENT			
B8	<i>General disclosure</i>	Policies	7. Caring for Community
	<i>B8.1</i>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7. Caring for Community
	<i>B8.2</i>	Resources contributed (e.g. money or time) to the focus area.	7. Caring for Community