



TYSAN HOLDINGS LIMITED

泰昇集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code : 687)

**Environmental, Social
and Governance Report**

2022



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Environmental, Social and Governance (ESG) Report

1. Company Profile

Tysan Holdings Limited (the “**Company**”, together with its subsidiaries the “**Group**”) has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**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. The Group believes that sustainable development is the foundation to high-quality property development and foundation works.

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 2022 to 31 December 2022 (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.

REPORTING PRINCIPLES	APPLICATION
MATERIALITY	To identify the material ESG-related issues to the Group, we conducted stakeholder engagement surveys to collect the opinions from the management and general staff, and incorporated the material ESG issues into the Group’s core business strategy.
QUANTITATIVE	The Group discloses its ESG performances in a quantitative manner to allow assess and comparison of performance over time. Definition and calculation formulae are clearly explained for better understanding by the stakeholders.
BALANCE	The Group prepares this report based on balance and fair information, and discloses the achievements and challenges of the ESG performances in a transparent manner.
CONSISTENCY	This report is prepared according to the ESG Reporting Guide issued by the Stock Exchange to provide consistent and comparable disclosures.

The reporting boundary and scope of this report covers the Group’s operations involving foundation piling in Hong Kong only, including the head office and 21 construction sites.

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

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2.2. Access and Response to this Report

The electronic versions of this report (in both English and Chinese versions) are available on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.tysan.com), under the section “Investor Relations”. If there is any conflict or inconsistency, the English version shall prevail.

To continue to 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

3. Board’s Statement

The board of directors of the Company (the “**Board**”) is fully responsible for the oversight and decision making of the Group’s ESG governance practices and is committed to incorporating environmental, social and governance considerations into the business operations, and dedicated to improve sustainability performance through resources optimisation.

The Group conducts a top-down management approach for ESG issues. The Board is in charge of strategizing and formulating ESG action plans, as well as reviewing and discussing target-setting, performance, ESG-related risks and opportunities. Through our internal Integrated Management System (“**IMS**”), the Group has established environmental and social policies which introduce sustainability elements into our daily operations and protect the well-being of the environment, our staff and our community, and implemented the IMS in fulfilling the terms of quality, environment, occupational, health and safety, risk and energy aspects. In order to ensure appropriate and effective policies and measures are well in place, the management, under the leadership of the Board, is delegated the responsibility to review regularly the Group’s ESG practices, coordinate different departments to implement the ESG approaches, policies and action plans of the Group and make recommendations to the Board. The audit committee of the Company (the “**Audit Committee**”) reviews the risks exposure of the Group including ESG risks, the corresponding risk responses and mitigation strategies, and reports its recommendations to the Board. To ensure that we are having the right approach, we have invited our management and general staff to take part in a stakeholder survey for the purpose of collecting their perspectives on various ESG topics. With their valuable insights, the Group is better positioned to make informed decisions on allocating resources on major material ESG matters.

As a foundation contractor, we realise that the environmental impact during our operations is inevitable. Environmental protection and social contributions of enterprises play an important role in the Group’s business. ESG-related targets specific to our business are set with an aim to improve the efficiency of our operations and reduce the environmental impact. Performance and progress made against relevant targets are regularly reviewed by the Board and the review results will be disclosed in the ESG report annually.

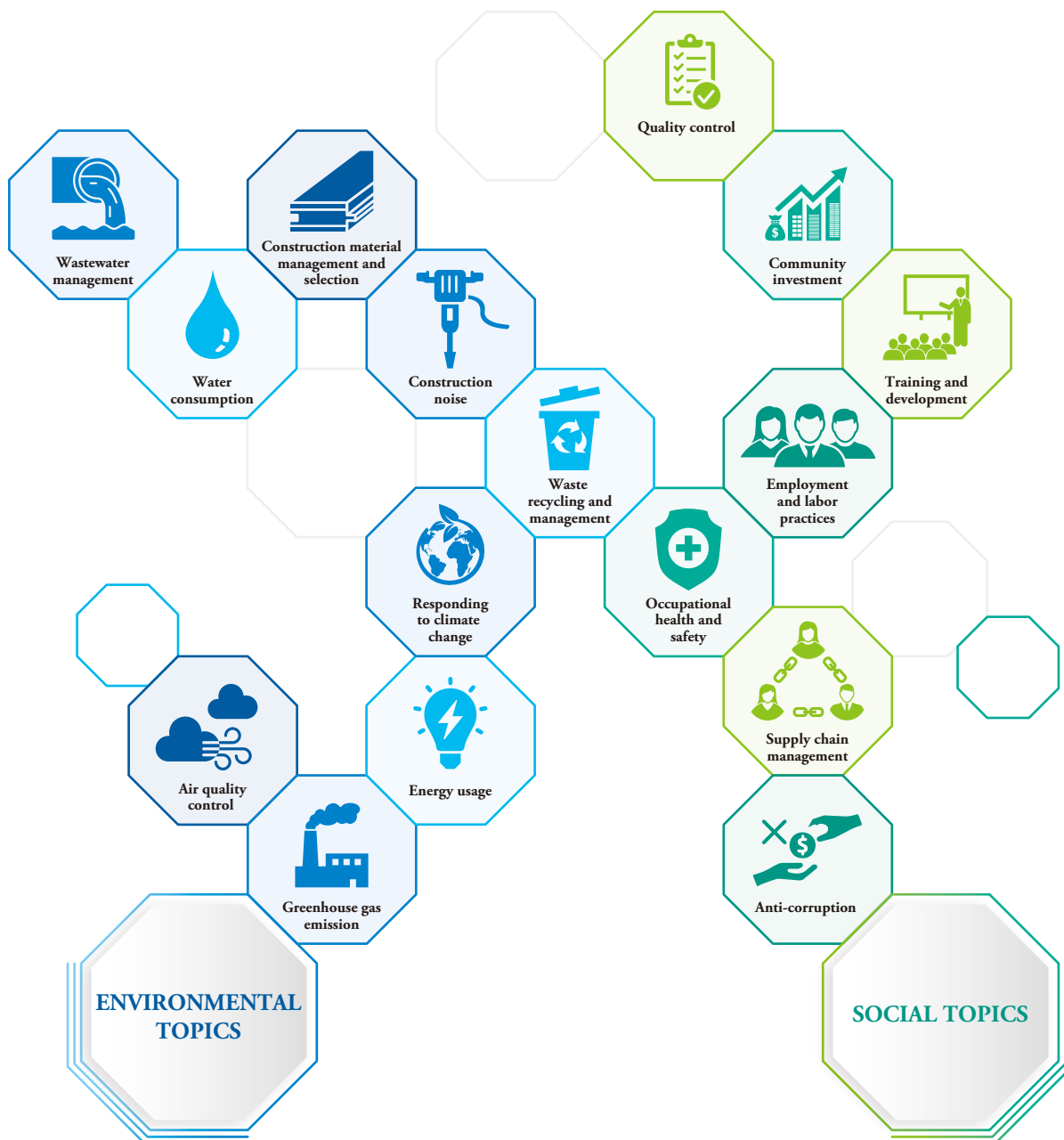
The steady growth of the Group relies on the support and trust from stakeholders, such as customers, suppliers, employees, shareholders, investors, business partners and the local community. We will continue to drive performance progress towards our ESG-related targets and create sustainable value for our stakeholders.

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4. Ongoing Communication with Stakeholders

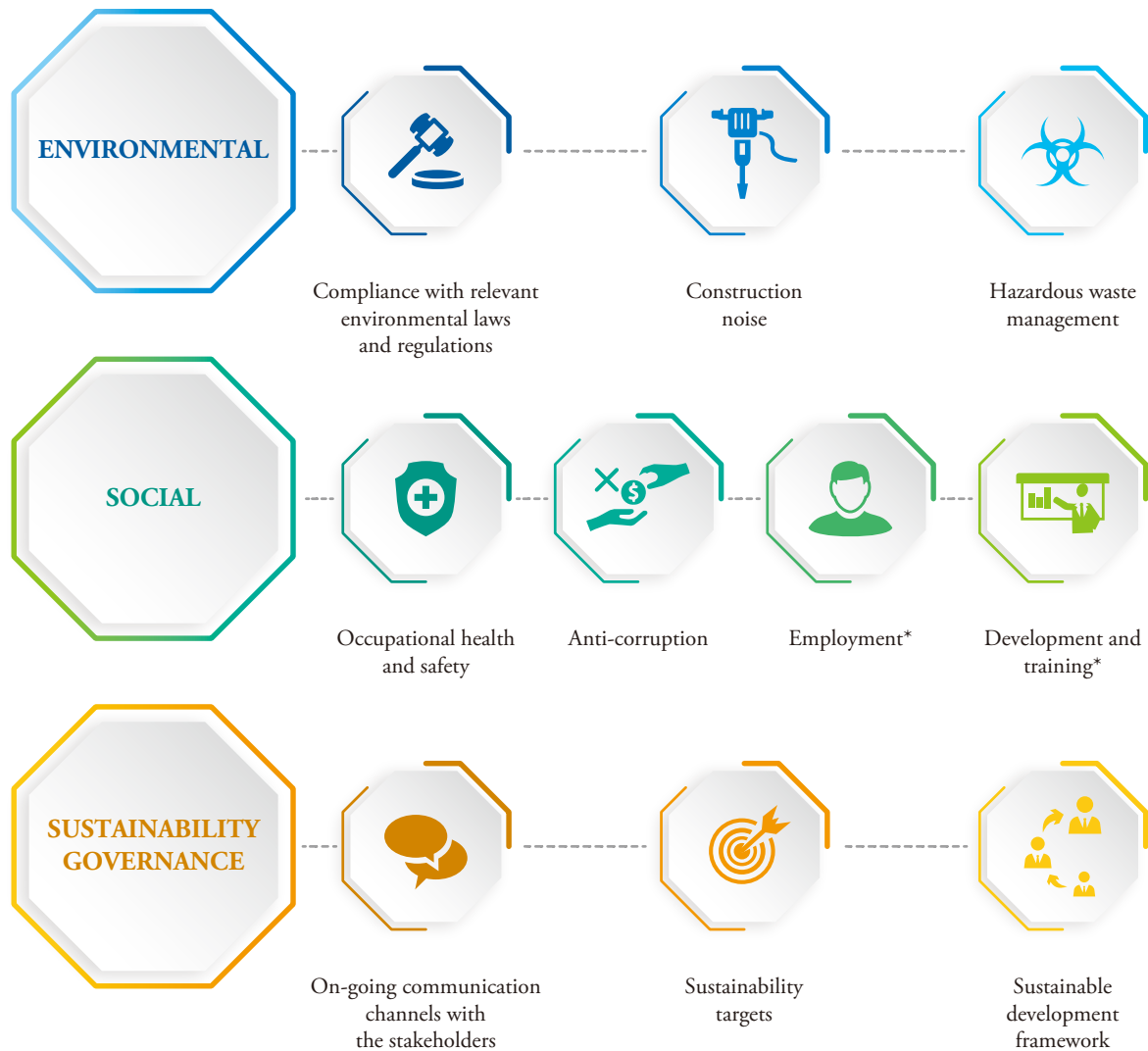
The Group recognizes the importance of stakeholders’ participation for the continuous improvement of its sustainability performance. In order to understand the opinion of the stakeholders on its operations and ESG-related issues, the Group maintains close communication with different stakeholders which benefits the Group’s business development by addressing and prioritizing the issues that stakeholders are more concerned. With the stakeholders’ opinion, the allocation of resources of the Group has been enhanced and the Group is able to address major issues identified accordingly.

The Group appointed the Consultant to identify and review various ESG issues and the following major issues were identified:



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The Group consolidated views on the importance of ESG-related topics to the Group’s business operations through online stakeholder surveys. A comprehensive internal ranking of the ESG-related topics resulted from the surveys were identified as follows:



* These two topics have the same average score according to the stakeholder engagement survey results.

The Group has incorporated these ESG-related issues and the internal ranking of the ESG related topics into its core business strategy, as well as addressing them in this report. In order to strive for improvement in sustainable development, the Group will maintain continuous engagement and communication with its stakeholders.

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5. 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 by integrating the IMS which has attained the ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management Systems certifications into the Group's operations, so as to minimize the environmental footprints and the adverse impacts throughout the operations.

5.1. Responsible Sourcing

The Group values procurement sustainability and encourages all departments to consider and adopt the 4R principles (i.e. reduce, reuse, recycle and replace) in the decision-making process.

During the tendering stage, environmental requirements of the Group are specified in the tender documents. After gathering quotations submitted by the subcontractors and suppliers, the Group will, if applicable, select those subcontractors and suppliers which are able to provide environmental friendly materials or services under ISO 14001:2015 Environmental Management Systems or similar system.

The Group views an environmentally sound supply chain management as an opportunity to mitigate the control risk linked with supplier practices and reduce logistic costs. Likewise, it helps to minimize the potential impact of construction material procurement on the environment and neighboring communities.

In pursuing responsible supply chain management, the Group is devoted to achieving sustainable procurement for its raw materials. As a means to reduce its carbon footprint and material cost, as well as to support the local economy, the Group prioritizes the use of building materials that are locally manufactured within 800 kilometers by road transportation; within 1,600 kilometers by rail transportation and within 4,000 kilometers by sea transportation from Hong Kong. During the Reporting Period, the Group engaged with a total of 50 local suppliers in Hong Kong.

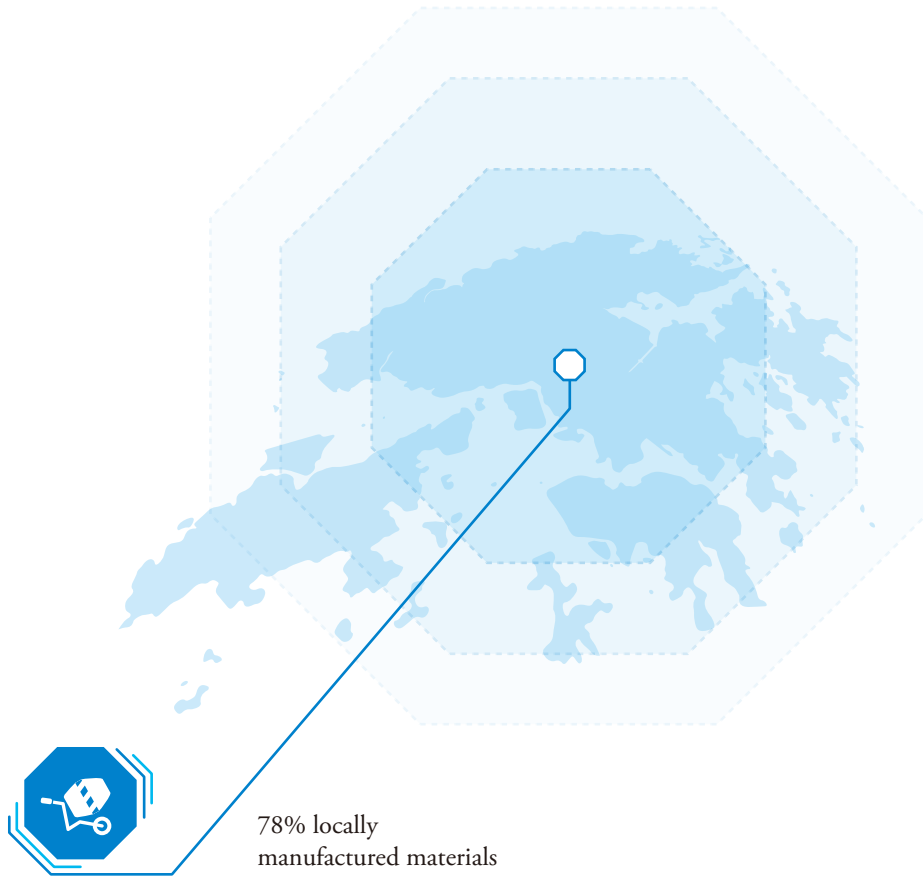
On top of regional procurement, the Group also places high importance on purchasing eco-friendly materials for daily operations. The Group supports suppliers and manufacturers that are committed to sustainable forestry management, for example, during the Reporting Period, all on-site wood products purchased were certified by the Forest Stewardship Council to prevent deforestation that contributes to climate change.

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SELECTION OF CONSTRUCTION MATERIALS

	UNIT	2022	2021
Total weight of materials	tonnes	364,689	364,923
Total weight of locally manufactured materials	tonnes	285,600	228,466
% of locally manufactured materials	%	78	63



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5.2. Energy Efficiency

Electricity and diesel are the major sources of energy in the office and construction sites. 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. To raise energy efficiency of operations, the Group’s IMS adopts the systematic approach outlined in the ISO 50001:2018 Energy Management Systems standards.

Given that the emission footprints were from energy sources, air quality control was identified as one of the material issues to the stakeholders. Air emissions generated from the Group’s operations include direct and indirect greenhouse gases (“GHG”), air pollutants such as sulphur oxides (“SOx”), nitrogen oxides (“NOx”) and particulate matter (“PM”). The Group has implemented the following mitigation measures to reduce emission and energy use:

01		Purchase energy-saving equipment to reduce GHG emissions and energy costs
02		Conduct energy audit to monitor and track closely the energy consumption patterns to explore opportunities of boosting energy efficiency
03		Switch on an energy-saving operating mode on mobile cranes to conserve energy during construction operation
04		Advocate the use of energy-efficient air conditioning and light-emitting diode fixtures
05		Switch off all idle engines and electrical appliances such as computers, photo copiers, lighting and air-conditioning
06		Maintain room temperature of office premises between 24 and 26 degree Celsius
07		Limit the SENNEBOGEN Crane in "Eco Mode" to maximum engine speed of 1,850rpm
08		Shut down all engine of machines in intermittent use between work periods or throttle down to a minimum idling speed
09		Switch off the engine while not in use
10		Regular maintenance of plant

ENERGY REDUCTION MEASURES

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ENERGY CONSUMPTION

	UNIT	2022	2021 ^{Note 6}
Total electricity consumption	Kilowatt hour (“kWh”)	878,384	842,828
	Gigajoules (“GJ”) ^{Note 1}	3,162	3,034
Head office	kWh	261,124	259,576
	GJ	940	934
Construction sites ^{Note 2}	kWh	617,260	583,252
	GJ	2,222	2,100
Total fuel consumption ^{Note 3} – Construction sites only ^{Note 4}	Litre (“L”)	11,979,469	9,064,785
	GJ	431,261	326,332 ^{Note 6}
Total energy consumption	GJ	434,423	329,366
Head office	GJ	940	934
Construction sites	GJ	433,483	328,432
Total energy intensity	GJ/million revenue ^{Note 5}	176	149
Head office	GJ/million revenue	0.38	0.42
Construction sites	GJ/million revenue	175	149

Note 1: 1 kWh = 0.0036 GJ.

Note 2: 2022 data included 21 construction sites whereas 2021 data included 19 construction sites.

Note 3: Only diesel was used on construction sites in 2022 and 2021.

Note 4: 1 GJ = 1,000 megajoules (“MJ”); assume diesel energy intensity as 36 MJ/L. (Source: IPCC 2006 Guidelines for National Greenhouse Gas Inventories).

Note 5: The Group’s revenue for the year ended 31 December 2022 and year ended 31 December 2021 were HKD2,473.646 million and HKD2,204.085 million, respectively.

Note 6: The relevant data for 2021 have been restated.

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GHG AND OTHER AIR EMISSIONS WITHIN THE GROUP

	UNIT	2022	2021 ^{Note 12}
Total GHG emissions	tonnes of CO₂ equivalent (“tCO₂e”)	31,851	24,292
Direct GHG emissions (Scope 1) ^{Note 7}	tCO ₂ e	31,348	23,721 ^{Note 12}
Indirect GHG emissions (Scope 2) ^{Note 8}	tCO ₂ e	503	571 ^{Note 12}
Total GHG emissions intensity	tCO₂e/million revenue ^{Note 9}	12.88	11.02
PM emissions ^{Note 10}	tonnes	21	16
NOx emissions ^{Note 10}	tonnes	330	250
SOx emissions ^{Note 11}	tonnes	0.193	0.146

Note 7: Scope 1 GHG emissions refer to the direct emissions from sources owned or controlled by the Group, which include construction machines.

Note 8: Scope 2 GHG emissions refer to the indirect emissions resulting from the generation of the electricity which the Group purchased.

Note 9: The Group’s revenue for the year ended 31 December 2022 and year ended 31 December 2021 were HKD2,473.646 million and HKD2,204.085 million, respectively.

Note 10: Emission factors of non-road mobile machinery were referenced from EMEP/EEA air pollutant emission inventory guidebook 2019.

Note 11: Emission factors for sulphur oxides emissions were referenced from “How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.

Note 12: The relevant data for 2021 have been restated.

The electricity and diesel consumption levels vary with project cycles and the choice of diesel and electricity used in different sites. During the Reporting Period, the electricity consumption increased slightly by 4% and the fuel consumption increased by 32%. The Group will continue to improve the energy efficiency and reduce fuel consumption at the construction sites through switching off idling engines and machines, prioritising the use of energy efficient equipment and regular monitoring and maintenance of equipment.

The Group attaches great importance to greenhouse gas emission reduction and energy efficiency. As fuel consumption is one of the main contributors to greenhouse gas emissions, the Group is seeking clean energy sources and improving energy efficiency to achieve carbon reduction targets. In the future, the Group will plan to reduce GHG emission and energy use through:

- Maintaining (or lowering) consumption level of energy compared to last year

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5.3. Water Conservation

As the Group's principal business includes construction and foundation piling, there is water consumption from the processes of concrete mixing, equipment washing and dust removal. Therefore, the Group has embedded ISO 14001:2015 Environmental Management Systems into its IMS framework to reduce water consumption. For instance, the Group has installed on-site water storage tanks with water meters to regularly monitor water withdrawal. The Group also offers regular toolbox talks and training programs to the frontline workers in order to raise the awareness of water conservation among the employees. During the Reporting Period, the Group had two non-compliance cases under the Water Pollution Control Ordinance. In response to the incidents, the Group has reminded the project team members to comply with the relevant regulations. Going forward, the Group will set a water efficiency target to consumption level that:

- Maintaining (or lowering) consumption level of water compared to last year

Apart from water consumption, the Group is aware of the environmental impacts of wastewater generation from its operations. For the piling works sites under valid water discharge license, the Group sets up on-site drainage facilities to collect the wastewater generated and conduct relevant treatment. The treated wastewater is then further reused in the construction sites for site cleaning, bored piling works and dust removal to optimize water efficiency. During the Reporting Period, 27,901 cubic meters of wastewater was reused by the Group at the construction sites.



WATER CONSUMPTION

	UNIT	2022	2021
Total water consumption ^{Note 13}	m ³	134,803	318,570
Head office	m ³	195	229
Construction sites (water withdrawal)	m ³	134,608	318,341
Construction sites (reused water)	m ³	27,901	63,294
Total water intensity	m³/million revenue ^{Note 14}	54	145

Note 13: From 2021, reused water on construction sites shall be included in the total water consumption.

Note 14: The Group's revenue for the year ended 31 December 2022 and year ended 31 December 2021 were HKD2,473.646 million and HKD2,204.085 million, respectively.

The water consumption level may vary with different project cycles. During the Reporting Period, the total water consumption dropped by 58% and achieved last year's target. Due to variation of scope of construction works, the amount of total wastewater reused in 2022 decreased by 56% compared to that in 2021.

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5.4. Waste Management

The Group is committed to promoting resources utilization and reducing waste generation with sound waste management. Daily operations in site including clearance, excavation and concreting generate inert construction and demolition (“C&D”) waste, non-inert waste such as timber and steel, and hazardous waste such as lubricant, empty paint can and machinery maintenance oil.

The Group seeks to cultivate a waste reduction culture throughout its entire business units. This includes providing regular training and clear signages on-site, and giving incentives for employees and contractors with satisfactory waste management performance to encourage peers to follow. In addition, the Group has assigned project team members to conduct waste audits to monitor the waste data including recycling and waste disposal, and oversee the respective measures.

The Group’s waste management approach is based on the 4R principles: reduce, reuse, recycle and replace. For example, steel used to form the temporary working platform at the construction sites will be reused to reduce the consumption of natural resources. Besides, recycling bins are set up to collect materials such as wastepaper, scrap metal and plastic to reduce waste at source. The Group also sorts and stores the construction waste orderly, such as non-inert, metal and hazardous waste. Qualified waste collectors and recyclers are also appointed for safe and proper disposal of hazardous waste on a regular basis.



Temporary Steel Working Platform

Apart from the construction sites, the Group is also committed to optimizing waste management in the Company’s head office. For instance, the Group participated in the Tree Conservation Scheme organized by the Hong Kong Environmental Protection Association to recycle festive plants such as Christmas trees, peach blossom trees and tangerines. Throughout the scheme, yard waste is diverted from landfills and is turned into organic fertilizers to build a greener city.



Natural Christmas Trees Recycling Programme
Certificate of Appreciation



Peach Blossom Trees Recycling Programme
Certificate of Appreciation

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WASTE GENERATION AND MANAGEMENT

		UNIT	2022	2021
Non-hazardous waste	Non-inert C&D and general waste disposed to landfill	tonnes	5,068	2,506
	Inert, non-inert C&D and general waste diverted from landfill (sent to public fill/recycling facilities)	tonnes	820,268	556,294
Hazardous waste	Liquid hazardous waste	tonnes	7.83	2.76
	Solid hazardous waste	tonnes	0	0
Waste intensity	Non-hazardous waste	tonnes/million revenue ^{Note 15}	334	254
	Hazardous waste	tonnes/million revenue ^{Note 15}	0.0032	0.0013

Note 15: The Group's revenue for the year ended 31 December 2022 and year ended 31 December 2021 were HKD2,473.646 million and HKD2,204.085 million, respectively.

The increase in liquid hazardous waste during the Reporting Period was due to the increasing use of machine oil for regular maintenance at the construction sites. For non-hazardous waste, the amount disposed to landfill and diverted from landfill have both increased in the Reporting Period and the overall amount of non-hazardous waste increased, which was due to increase in construction sites and variation of scope of construction works. However, out of the total amount of non-hazardous waste, the Group has maintained diverting around 99% of inert, non-inert C&D and general waste from landfill during 2022 and 2021.

The Group has recognized the importance of waste management and implemented different waste management measures, such as recycling and reducing disposable materials. In order to further optimize the waste management process, the Group will take the following action to:

- Maintain the proportion of non-hazardous waste to be diverted from landfill compared to last year

5.5. 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. Before the commencement of each project, the Group commissions external organizations such as Hong Kong Quality Assurance Agency, to conduct environmental assessments that identify environmental sensitive receivers around the construction sites, such as domestic premises, educational institutions and hospitals.

The Group also takes proactive actions to monitor dust and noise levels in compliance with statutory and mandatory guidelines. All construction works are undertaken in compliance with the requirements of valid construction noise permits. To ensure the effectiveness of the mitigation measures during the operation, the Group conducts monthly noise level measurement and weekly dust monitoring.

In respect of noise mitigation measures, the Group schedules the construction tasks during an appropriate time within the restricted hours. Quieter equipment and noise barriers are also implemented to reduce the noise level from the construction sites. Apart from the above measures, the Group has implemented measures including the use of hoarding, green labelled generators of non-road mobile machinery and applying daily misting water sprays for suppressing construction dust dispersions.

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5.6. Implementing Good Environmental Mitigation Measures at Construction Sites

In order to mitigate the environmental footprints on site, the Group implemented several eco-friendly measures. These measures are as follows:



5.7. Climate Change and TCFD

With the irreversible impact of climate change on the earth's ecology, sectors and geographical regions have successively announced the goals of carbon neutrality and will gradually transit to a low-carbon economy. The Group recognizes that its operations will be affected by the phenomena of climate change such as rising temperature, typhoon and extreme weather. The climate-related risks are summarized with reference to the four core pillars recommended by the Task Force on Climate-related Financial Disclosures ("TCFD") which are governance, strategy, risk management and metrics.

Governance

The Board evaluates the materiality of the identified ESG risks, oversees the progress made against ESG-related targets and initiatives and sets the overall direction for the Group's ESG strategies integrating ESG considerations as part of the business decision-making progress.

Strategy

Typhoons and floods have been identified as potential physical climate risks that will have negative impacts on climate. The Group will take appropriate measures to mitigate the possible impacts of extreme weather, e.g. to introduce secured and mounted bamboo scaffolding and piled up sandbags and display of typhoon or extreme weather signals on-site. Besides, the Group will strengthen its emergency preparedness and various operation practices to prevent losses and incidents, including the effect of more frequent and intense hot weather.

Transition climate risks are the evolution of the regulatory, technological and market landscape due to climate change action. With regard to the Group's operations, it was noted that low-carbon policies are being enacted by the authorities in the construction sites. As set out in the Development Bureau Technical Circular (Works) No.13/2020 – Timely Application of Temporary Electricity and Water Supply for Public Works Contracts and Wider Use of Electric Vehicles in Public Works Contracts, it seeks to (i) reduce the use of diesel power generators to provide electricity to the construction sites before the availability of the central power supply; and (ii) specify the minimum number of electric vehicle to be used in each public works contract. Given that the property developers are prioritising the sustainability impacts of their contractors' activities, the Group shall promote sustainability in its construction projects, comply with the relevant requirements and contribute to a low-carbon future.

Risk Management

The Group acknowledges the importance of internal control and risk management. A structured internal control and risk management system is closely related to the sustainable development of an enterprise. Therefore, the Board continues to monitor the internal systems in order to identify climate change risks and opportunities to enhance the Group's resilience.

Metrics and Targets

As the potential impacts of climate change on the Group's operation are growing, the Group plans to enhance the strategies and performance on decarbonization. The Group aims to reduce its carbon emissions year-on-year and has implemented numerous measures to reduce energy, water and material use during daily operation to achieve the target. The Group will continue to explore more approaches and take proactive actions to limit the emissions.

Future Planning

In order to reduce the global warming and extreme weather effects, the following targets will be implemented by the Group:

- Adoption of smart digitalisation system in construction sites
- Achievement of higher environmental standards in the construction works

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6. Value Creation 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.

6.1. Developing a Workplace Safety Culture

The Group emphasizes employees' health and safety, where providing a safe working environment is one of the top priorities. The Group's occupational health and safety management system is in compliance and certified with ISO 45001:2018 Occupational Health and Safety Management Systems, which is reviewed annually to ensure all health and safety measures are up to date. These health and safety measures include:



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To promote a safety working culture, the Group continues to implement the safety culture scheme. The scheme aims to stop any critical unsafe conditions or behaviors timely in situ by conducting a self-initiative localized work suspension and implementing corresponding occupational hazard mitigation measures. During the Reporting Period, there were a total of 16 self-initiative localized work suspension cases and 1 work-related fatality case amongst all construction sites. Meetings have been held to discuss to avoid recurrence of similar incident. Besides, an external consultant was engaged to review the safety management of the Group.

In the case of any work-related accidents causing injuries to employees, the Group arranges timely private medical care (when appropriate) and covers all relevant medical expenses under the Group's rehabilitation scheme to assist recovery. The medical care includes X-ray service, MRI examination and physiotherapy.

The Group has implemented a number of mitigation measures in response to the outbreak of COVID-19 during the Reporting Period. At the construction sites, staff and visitors were required to check their body temperature and sign the health declaration form before entering the sites. Besides, electronic means of communication were used to maintain social distancing. In addition, the Group also provided masks and alcohol rub sanitizers for free to all staff at work. Furthermore, rapid antigen test (RAT) kits were provided to all staff for regular surveillance checking to minimize the risk of virus transmission.

At the head office, on top of the above measures, the Group has arranged temporary special working hours for staff to avoid travelling on public transport during peak periods. For some departments, the Group arranged temporary seating and installed transparent partitions inside the meeting rooms and between work stations to maintain a safe distance between staff members. Regular deep cleaning of the carpet and air-con ventilation system was also arranged regularly to minimize the air transmission of the virus. Besides, a smart robot powered by a disinfection system is stationed in the head office, which operates on auto-pilot along preset routes to spray and disinfect the premises several times a day with disinfectants proven safe for humans in lab tests.



Transparent partitions have been installed in the meeting rooms of the head office.



Transparent partitions have been installed between work stations in the head office.



Medical masks and alcohol rub sanitizers are distributed to all staff at work.



A smart robot powered by a disinfection system is stationed in the head office, which operates on auto-pilot along preset routes to spray and disinfect the premises.

6.2. 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, the Group assesses the potential candidates by their qualification, experiences and capability, regardless of their race, gender, age, religion or any other irrelevant factors to the job positions. The Human Resources and Administration Department (“**HR Department**”) is responsible for verifying candidates’ identification documents prior to official employment to comply with the applicable rules and regulations, and to prevent the engagement of child and forced labour. For any illegal labour practices, the HR Department shall terminate the employment and take appropriate follow-up actions immediately.

In terms of talent retention, the Group endeavors to provide a number of benefits and welfare to the employees, including medical insurance, maternity and paternity leaves on full pay for monthly-paid staff and other allowances. There was a total of 814 employees as at 31 December 2022, and the breakdowns are as follows:

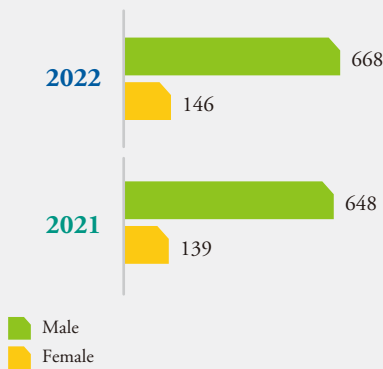
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Total number of employees

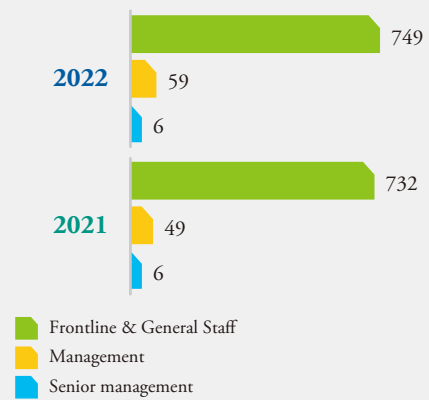


Note 16: The relevant data for 2021 have been restated.

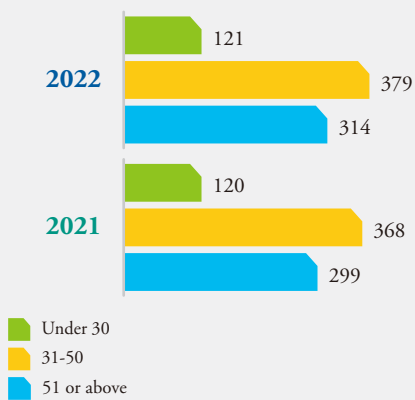
Employees Breakdown by Gender



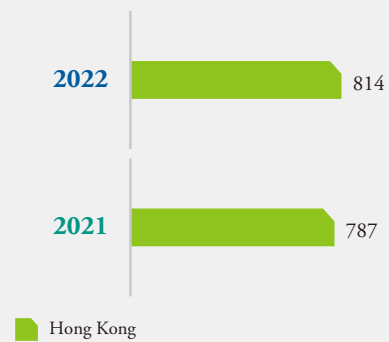
Employees Breakdown by Employee Category



Employees Breakdown by Age Group



Employees Breakdown by Geographical Region



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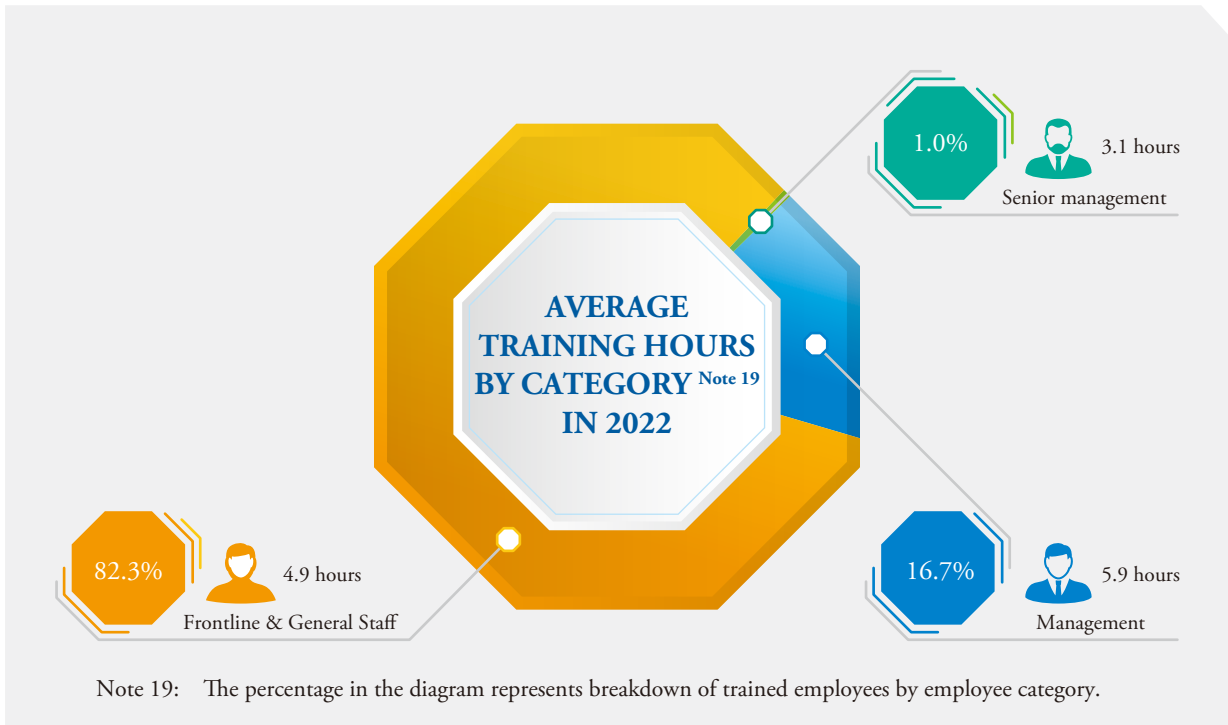
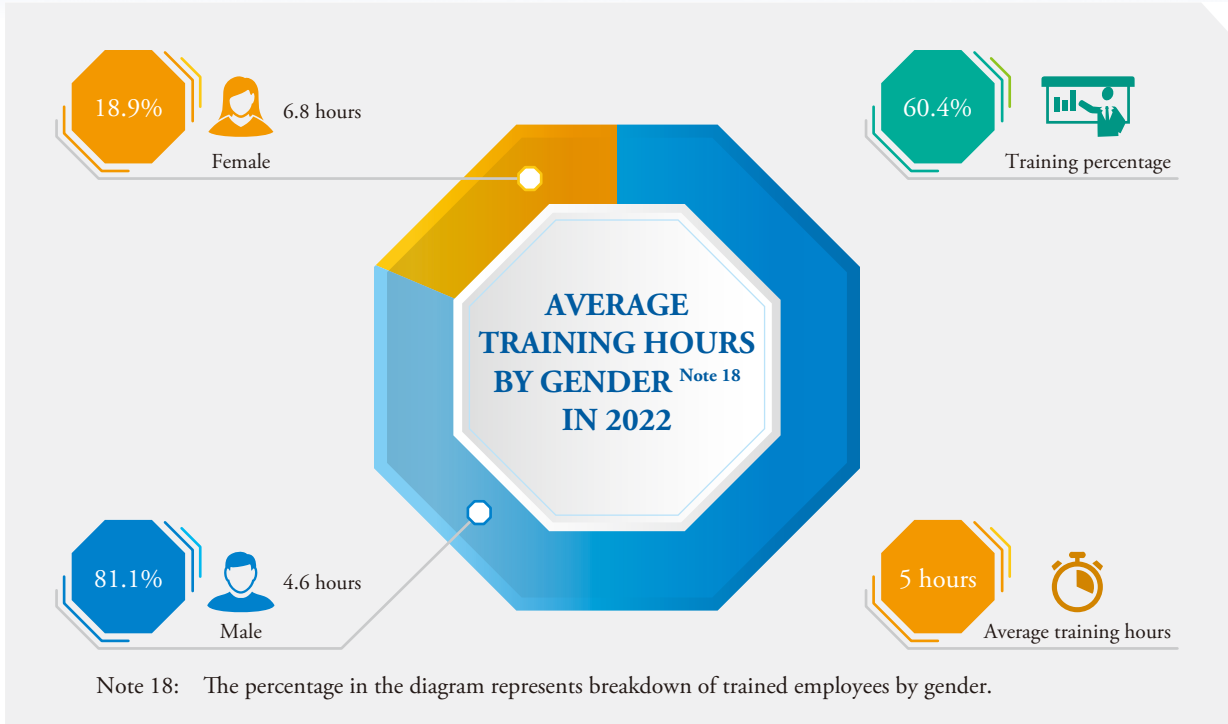
EMPLOYEES TURNOVER

		2022	2021 ^{Note 17}
Total turnover rate		20.7%	23.0%
By gender	Male	19.9%	24.0%
	Female	24.6%	18.2%
By category	Senior management	Nil	Nil
	Management	7.4%	10.1%
	Frontline & general staff	21.9%	24.0%
By age group	Under 30	38.2%	43.9%
	31-50	20.9%	22.5%
	51 or above	13.7%	14.7%
By geographical region	Mainland China	Nil	100%
	Hong Kong	20.7%	23.0%

Note 17: The relevant data for 2021 have been restated.

In order to maintain the quality of the products and services, the Group seeks to strengthen the knowledge and skills of employees by providing professional training and development. For frontline and general staff, the Safety Department organized regular training sessions and courses on health and safety and quality management regularly. In addition to the training programs, the Group encourages employees to pursue continuous learning and education and reimburses a portion or the entire tuition fee for training courses attended by the employees. During the Reporting Period, employees received training on various topics including but not limited to health and safety, quality management, corporate governance standard and other professional development. The overall training percentage of the Group in 2022 is 60.4% and the average training hour is 5 hours.

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6.3. 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. Employees are prohibited from accepting benefits from or giving to any parties such as suppliers and contractors and the relevant policies have been set out in the employees' handbook.

In order to prevent and combat corruption, the Group has adopted a whistleblowing policy. Employees are encouraged to report any suspicious case to the Chairman of the Audit Committee through the corresponding channels. The Audit Committee will 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.

During the Reporting Period, the Group provided a total of 24.5 hours of anti-corruption training for 24 employees and the Group did not have any concluded legal cases regarding corruption practices.

6.4. 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 staff activities to enhance employees' communication and promote their wellness.

The Group established "Club Tysan" across different departments in order to sustain employee bonding during the pandemic. Through the organization of a wide range of activities, employees are able to stay connected and learn more about each other, boost work morale and improve their sense of belonging.



2022 Labour Day activity

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2022 Mid-Autumn Festival



2022 Christmas Lunch



2022 giving out Christmas presents

7. Striving for Operational Excellence

7.1. Quality Assurance

As one of the leading foundation service providers, the Group is reputed in the industry and honored to be commissioned as a contractor of the Hong Kong SAR Government in broad categories. Provision of quality foundation services is part of the Group's business commitments to satisfy the needs and expectations of the customers.

The Group incorporates stringent quality control into its daily operational practice to maintain high efficiency of the operation at every stage of its construction works. The Group's IMS documents such as IMS Manual, IMS Procedures, IMS Supplementary Procedures, IMS Objectives and Targets, IMS Major Legislation and Code of Practices Register, IMS Standard Forms and communications with external parties, are complied with the ISO Standards (i.e. ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems, ISO 45001:2018 Occupational Health and Safety Management Systems and ISO 50001:2018 Energy Management Systems), which provide the Group a comprehensive framework for compliance with the statutory and corporate governance requirements, as well as to enhance operational efficiency.

When selecting suppliers and subcontractors, the Group adopts the ISO 9001:2015 Quality Management Systems and conducts quality assessments. Potential suppliers and subcontractors are assessed based on their health and safety, environmental performance, and product and service quality, in order to ensure compliance with relevant laws and regulations. The Group closely monitors and reviews the contracted suppliers and subcontractors' ESG-related performance upon the completion of each tender or contract by the assigned project manager, procurement contracts manager, senior safety manager and IMS manager. In addition, the Group also developed a supplier ESG risk assessment form to assess whether the supplier has integrated any aspect of ESG practices into its business. Based on the results of the assessment, the Group regularly updates the Approved List of Suppliers for future reference.

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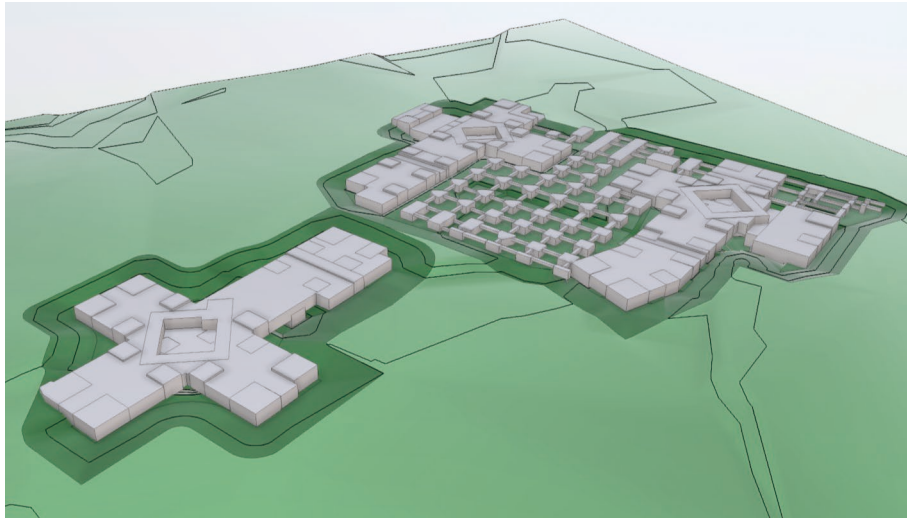
LIST OF QUALIFICATIONS

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

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Innovative Technology

The Group has applied various construction related innovative technologies (i.e. Building Information Modelling (BIM), 360 Camera and Alerting System on Mobile Plant) and keeps on enhancing the occupational health, safety performance and operational efficiency of the Group.



BIM

Ampd Enertainer

In order to enhance the sustainable development, the Group encourages the project sites to use Ampd Enertainer to replace the traditional electric generator. Ampd Enertainer is an advanced energy storage system which provides diesel-free power for the different types of machines and plants. In addition, compared with traditional electric generator, Ampd Enertainer can reduce carbon emissions.



Ampd Enertainer

7.2. 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 had been received.

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8. Caring for Community

The Group is pledged for community empowerment and bringing positive impacts to society in addition to its sustainable operation and development. Through charity donations and involvements, especially focusing on the growth and development of the youth, the Group is keen on giving back to the community to create shared values and to build a better living environment for all.

During the Reporting Period, the Group donated over HK\$143,600 to various charitable organizations and contributed 7.5 hours of social services to various community care engagement activities which were targeted at supporting the disabled and disadvantaged communities. The Group recruited its employees to participate in the activities organized by Rainbow Foundation and Hong Kong Construction Association (“HKCA”) during the Reporting Period.



“Hear with you – Walkathon in Ma Wan 2022” by Rainbow Foundation



“Lo Pan Rice” Campaign by HKCA

9. Way Forward

Facing the challenges of the global climate change, the Group will continue to improve its environmental and social performances and deliver high quality foundation piling services. The Group strives to fulfil its commitments as a responsible corporate during these difficult times, and pursues to bring positive impacts to both society and the environment. Going forward, the Group will continue to engage its stakeholders and embed sustainability into its operations to contribute to the foundation for a better community.

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10. ESG Content Index

Aspect	KPI	Description	Statement/Section
SUBJECT AREA (A) ENVIRONMENT			
A1: EMISSIONS			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	<p>(a) 5. Sustainability in Operations (b) During the Reporting Period, the Group had two non-compliance cases under the Water Pollution Control Ordinance. In response to the incidents, the Group has reminded the project team members to comply with the relevant regulations.</p> <p>With regard to other environmental laws and regulations including Public Health and Municipal Services Ordinance, Air Pollution Control Ordinance and Noise Control Ordinance, save as disclosed above, there was no material non-compliance noticed during the Reporting Period.</p>
A1	<i>A1.1</i>	The types of emissions and respective emissions data.	5.2 Energy Efficiency
	<i>A1.2</i>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.2 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).	5.4 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).	5.4 Waste Management
	<i>A1.5</i>	Description of emission target(s) set and steps taken to achieve them.	5.2 Energy Efficiency
	<i>A1.6</i>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.4 Waste Management

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Aspect	KPI	Description	Statement/Section
A2: USE OF RESOURCES			
	<i>General disclosure</i>	Policies	5.2 Energy Efficiency 5.3 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).	5.2 Energy Efficiency
	<i>A2.2</i>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.3 Water Conservation
A2	<i>A2.3</i>	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.2 Energy Efficiency
	<i>A2.4</i>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.3 Water Conservation The Group did not encounter any issues in sourcing water through its daily operation.
	<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			
	<i>General disclosure</i>	Policies	5. Sustainability in Operations
A3	<i>A3.1</i>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.6 Implementing Good Environmental Mitigation Measures at Construction Sites
A4: CLIMATE CHANGE			
	<i>General disclosure</i>	Policies	5.7 Climate Change and TCFD
A4	<i>A4.1</i>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

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Aspect	KPI	Description	Statement/Section
SUBJECT AREA (B) SOCIAL			
B1: EMPLOYMENT			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	<p>(a) 6.2 Recruiting and Retaining Talents (b) During the Reporting Period, the Group had two non-compliance cases under the Construction Workers Registration Ordinance. In response to the incidents, the Group has reminded the project team members to comply with the relevant regulations.</p> <p>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, save as disclosed above, there was no material non-compliance noticed during the Reporting Period.</p>
B1			
	<i>B1.1</i>	Total workforce by gender, employment type, age group and geographical region.	6.2 Recruiting and Retaining Talents
	<i>B1.2</i>	Employee turnover rate by gender, age group and geographical region.	6.2 Recruiting and Retaining Talents

Environmental, Social and Governance (ESG) Report

Aspect	KPI	Description	Statement/Section
B2: HEALTH AND SAFETY			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 6.1 Developing a Workplace Safety Culture (b) During the Reporting Period, the Group had three non-compliance cases under the Factories and Industrial Undertakings Ordinance. With regard to the 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.
B2	<i>B2.1</i>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.1 Developing a Workplace Safety Culture The work-related fatality incidents in 2022, 2021, 2020 are 1, 1 and 1 respectively.
	<i>B2.2</i>	Lost days due to work injury.	Lost days due to work injury in 2022 were 1,649, whereas those in 2021 were 3,420.
	<i>B2.3</i>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	6.1 Developing a Workplace Safety Culture
B3: DEVELOPMENT AND TRAINING			
	<i>General disclosure</i>	Policies	6.2 Recruiting and Retaining Talents
B3	<i>B3.1</i>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2 Recruiting and Retaining Talents
	<i>B3.2</i>	The average training hours completed per employee by gender and employee category.	6.2 Recruiting and Retaining Talents

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Aspect	KPI	Description	Statement/Section
B4: LABOUR STANDARDS			
B4	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 6.2 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.
	<i>B4.1</i>	Description of measures to review employment practices to avoid child and forced labour.	6.2 Recruiting and Retaining Talents
	<i>B4.2</i>	Description of steps taken to eliminate such practices when discovered.	6.2 Recruiting and Retaining Talents
B5: SUPPLY CHAIN MANAGEMENT			
B5	<i>General disclosure</i>	Policies	5.1 Responsible Sourcing 7. Striving for Operational Excellence
	<i>B5.1</i>	Number of suppliers by geographical region.	5.1 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.	5.1 Responsible Sourcing 7.1 Quality Assurance
	<i>B5.3</i>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.1 Responsible Sourcing 7.1 Quality Assurance
	<i>B5.4</i>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.1 Responsible Sourcing 7.1 Quality Assurance

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Aspect	KPI	Description	Statement/Section
B6: PRODUCT RESPONSIBILITY			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 7. 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 disclosed since this is not a material issue to the Group's business.
B6	<i>B6.2</i>	Number of products and service related complaints received and how they are dealt with.	7.2 Complaint Handling Mechanism
	<i>B6.3</i>	Description of practices relating to observing and protecting intellectual property rights.	Not disclosed since this is not a material issue to the Group's business.
	<i>B6.4</i>	Description of quality assurance process and recall procedures.	7.1 Quality Assurance
	<i>B6.5</i>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Not disclosed since this is not a material issue to the Group's business.

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Aspect	KPI	Description	Statement/Section
B7: ANTI-CORRUPTION			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 6.3 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.
B7	<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.	6.3 Adhering to Business Ethics
	<i>B7.2</i>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	6.3 Adhering to Business Ethics
	<i>B7.3</i>	Description of anti-corruption training provided to directors and staff.	6.3 Adhering to Business Ethics
B8: COMMUNITY INVESTMENT			
	<i>General disclosure</i>	Policies	8. Caring for Community
B8	<i>B8.1</i>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. Caring for Community
	<i>B8.2</i>	Resources contributed (e.g. money or time) to the focus area.	8. Caring for Community