



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
2024**

Environmental, Social and Governance (ESG) Report

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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 Code set out in Appendix C2 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 the corporate governance report in the annual report of the Company prepared according to Appendix C1 of the Listing Rules.

This report covers the Group’s ESG-related from 1 January 2024 to 31 December 2024 (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 related to the Group, we conducted stakeholder engagement surveys to collect opinions from management, general staff and stakeholders like suppliers. We 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 assessment 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 balanced and fair information and discloses the achievements and challenges of the ESG performance in a transparent manner.
Consistency	This report is prepared in accordance with the Appendix C2 Environmental, Social and Governance Reporting Code 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 22 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 feedback 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 and is committed to integrating ESG considerations into the business operations and improving sustainability performance through resource optimisation.

To address ESG issues, the Group takes a top-down management approach. The Board is responsible for developing strategic plans and action plans for ESG issues, as well as reviewing and discussing target-setting, performance, ESG-related risks and opportunities. Through an internal Integrated Management System (“**IMS**”), the Group has established several environmental and social policies that integrate sustainability principles into its daily operations. These policies and IMS aim to protect the environment, promote the well-being of the staff and the community, manage risks in relation to quality, environmental, occupational health and safety, and energy aspects. To ensure that appropriate and effective policies and measures are in place, the management, under the leadership of the Board, is responsible for reviewing the Group’s ESG practices, coordinating with different departments to implement the ESG approaches, policies and action plans of the Group, and making recommendations to the Board for decision-making. The audit committee of the Board (the “**Audit Committee**”) reviews the risk exposure of the Group, including ESG risks, assesses the corresponding risk response and mitigation strategies, and reports its recommendations to the Board. The Company has also invited the management, general staff and stakeholders like suppliers to take part in an annual stakeholder survey, which aims to gather their perspectives on various ESG topics. With their valuable insights, the Company is better positioned to make informed decisions on allocating resources on major material ESG matters and ensure that appropriate and effective policies and measures are in place. In addition, to enhance operational efficiency and minimise environmental impacts, the performance and progress against relevant targets are regularly reviewed by the Board and disclosed in the ESG report annually.

As a foundation contractor, the Group recognises that its operations can have inevitable impacts on the environment. However, the Group is dedicated to protecting the environment and contributing to the society. The Hong Kong Council of Social Service has honoured the Group with the renowned “10 Years+ Caring Company” award, recognizing the Group’s continuous efforts in creating a positive impact on the society and environment. Besides, as a demonstration of the Group’s ongoing dedication to promoting long-term sustainability and its proactive efforts in addressing global environmental and social issues, the Group has mapped relevant United Nations Sustainable Development Goals (“**SDGs**”) to its business strategy and operation during the Reporting Period.

With the support and trust of the stakeholders, including customers, suppliers, employees, shareholders, investors, business partners and the local community, the Group will continue to make progress in achieving ESG-related targets and creating sustainable value for its stakeholders.

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4. Ongoing Communication with Stakeholders

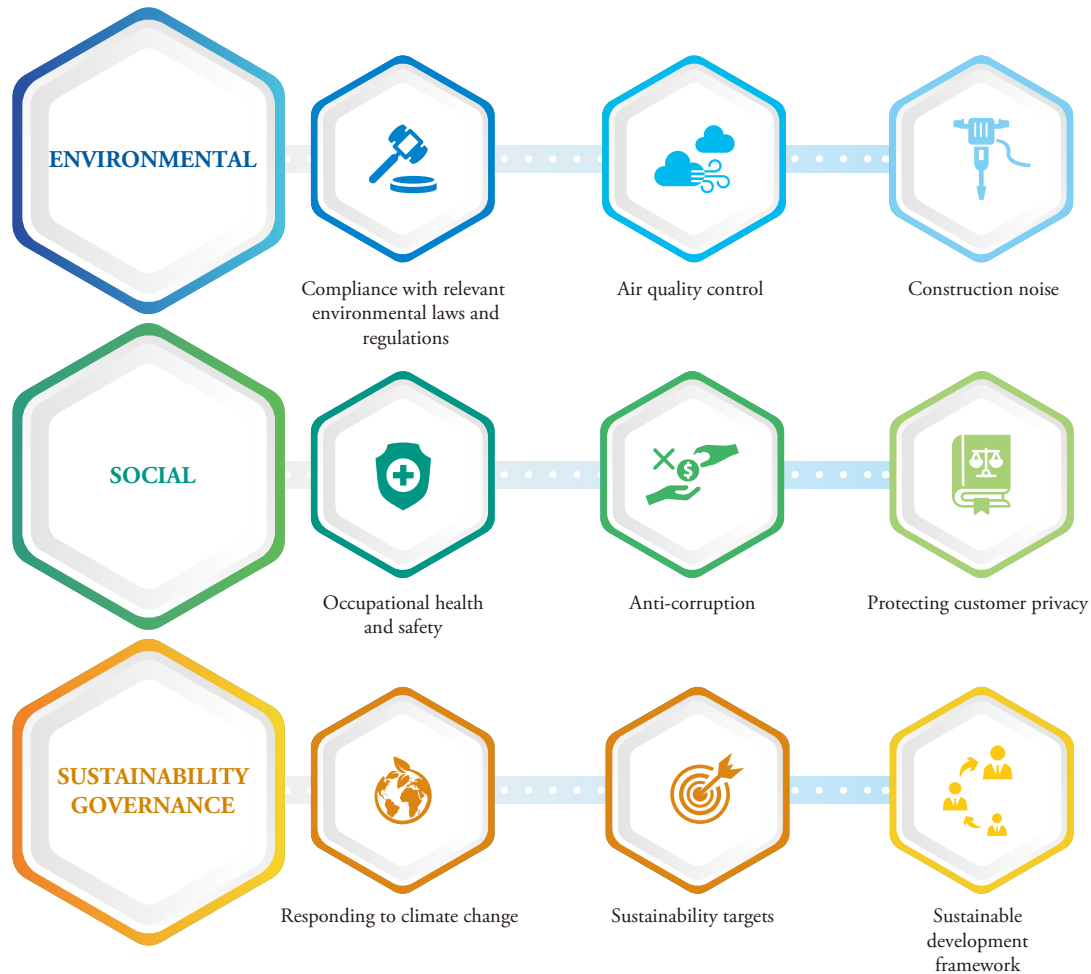
The Group recognises the importance of stakeholders' participation for the continuous improvement of its sustainability performance. To understand the opinion of its stakeholders on its operations and ESG-related issues, the Group maintains close communication with different stakeholders which benefits the Group's business development by addressing and prioritising the issues that stakeholders are more concerned about. By incorporating stakeholders' perspectives, the Group has optimized its resource allocation, enabling it to effectively tackle the identified critical issues.

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 an online stakeholder survey in the Reporting Period. A comprehensive internal ranking of the ESG-related topics resulting from the surveys was identified as follows:



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. To strive for improvements in sustainable development, the Group will maintain continuous engagement and communication with its stakeholders.


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5. Supporting the United Nations Sustainable Development Goals



During the Reporting Period, the Group aligned its sustainability efforts with the SDGs and reinforced its commitment to sustainable practices, contributing to global sustainability targets.

By integrating SDGs into its business, the Group aims to drive positive change and reduce negative impacts by promoting health and well-being in the workplace, increasing the use of renewable energy, upholding labour rights and equal opportunities, fostering innovation, maximising material efficiency and combating climate change.

The Group has mapped and identified 10 SDGs and 12 related targets that are most relevant to its business nature and impact areas. The following table summarises these identified targets, objectives, practices and actions of the Group:

Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
Goal 3: Good Health and Well-being 	3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services to employees. 3.9: Reduce the number of deaths and illnesses caused by hazardous chemicals and air, water and soil pollution and contamination.	Provide employees access to effective and high-quality medical care, including all relevant medical expenses (if applicable). Reduce and properly handle emissions to mitigate adverse impacts on human health and the environment.	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. To mitigate the risk of illnesses caused by air pollutants, the Group has taken measures to install sensors to monitor air quality at all construction sites. Additionally, chemical waste has also properly collected and stored to prevent any contamination or environmental pollution caused by leakage. During the Reporting Period, no deaths or illnesses attributed to environmental pollution were reported.





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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 6: Clean Water and Sanitation</p> 	<p>6.4: Increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p>	<p>Increase water-use efficiency by reducing unnecessary water consumption.</p>	<p>To increase water-use efficiency, 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 equipped with water meters to regularly monitor water withdrawal. The Group also conducts regular toolbox talks and training programmes for frontline workers to raise their awareness of water conservation.</p>
<p>Goal 7: Affordable and Clean Energy</p> 	<p>7.2: Increase substantially the share of renewable energy in the energy mix.</p>	<p>Increase the utilisation of renewable energy to reduce dependence on fossil fuels.</p>	<p>The Group is committed to exploring clean energy sources. During the Reporting Period, the Group installed solar panels at 9 site offices to power the lighting systems by solar energy.</p>



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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
Goal 8: Decent Work and Economic Growth 	8.5: Achieve full and productive employment and decent work for all women and men, including for young people, and equal pay for work of equal value.	Ensure all employees receive fair remuneration, safe working environment and opportunities for development based on their qualification, experiences and capability, avoiding any discrimination related to factors such as race, gender, age and religion.	<p>The Group has strictly complied with the Minimum Wage Ordinance, Employees' Compensation Ordinance, Mandatory Provident Fund Schemes Ordinance, anti-discrimination ordinances and other relevant regulations protecting employees in terms of remuneration, compensation and social security. The Group has ensured that all employees receive fair remuneration.</p>
	8.8: Protect labour rights and promote safe and secure working environments for all workers.	Pursue zero fatality and work-related injury while eliminating all forms of forced and child labour.	<p>The Group considers work safety as its first priority and has obtained ISO 45001:2018 Occupational Health and Safety Management Systems certification to ensure safe working environments. Upholding the principle of safeguarding labour rights, no instances of illegal labour practices were identified during the Reporting Period.</p> <p>The Group takes all necessary measures to prevent the use of forced labour and child labour. The Human Resources and Administration Department (the “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. With regard to any illegal labour practices, the HR Department shall terminate the employment and take appropriate follow-up actions immediately.</p> <p>Ensuring a safe and healthy working environment is a top priority for the Group. The Group achieves this by enforcing stringent safety protocols and providing appropriate personal protective equipment to workers when appropriate. Safety officers are appointed to monitor the safety issues of the construction sites and ensure preventive measures in the safety plan are well implemented. Regular safety activities including site safety meetings, safety inspections and safety trainings also help employees understand the importance of workplace safety and their roles in upholding it.</p>

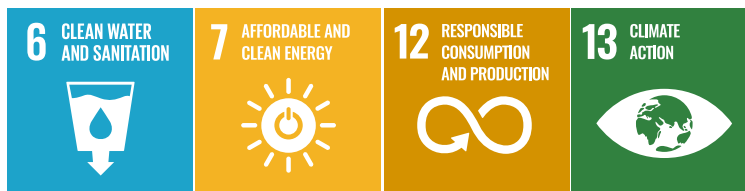
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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 9: Industry, Innovation and Infrastructure</p> 	<p>9.5: Enhance scientific research, upgrade the technological capabilities.</p>	<p>Enhance efficiency in project management and delivery by implementing innovation and technology.</p>	<p>Innovative strategy is a key part of the Group's daily operations. During the Reporting Period, the Group integrated various innovative technologies, such as Building Information Modelling (BIM) (in over approximately 45% of its projects), 360 Camera and Alerting System on Mobile Plant.</p>
<p>Goal 10: Reduce Inequalities</p> 	<p>10.3: Ensure equal opportunity and reduce inequalities of outcome, including eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p>	<p>Enforce equal opportunities for employees and foster anti-discrimination culture in the workplace.</p>	<p>The Group prioritises fairness in the workplace and strives to provide equal opportunities while preventing discrimination by adhering to relevant rules and regulations. 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 Group firmly upholds a zero-tolerance policy towards any form of discrimination within the workplace.</p>
<p>Goal 11: Sustainable Cities and Communities</p> 	<p>11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p>	<p>Reduce waste generation through waste management strategies.</p>	<p>The Group is committed to promoting resource utilisation and reducing waste generation through sound waste management practices.</p>
<p>Goal 12: Responsible Consumption and Production</p> 	<p>12.5: Reduce waste generation through prevention, reduction, recycling and reuse.</p>	<p>Divert waste away from landfill to minimise the wastage of resources.</p>	<p>The Group's waste management approach is based on the 4R principles: reduce, reuse, recycle and replace. During the Reporting Period, the Group disclosed the quantities of recycled paper, plastic, and metals separately to enhance the efficiency of the waste stream monitoring.</p>

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Mapped SDGs	Targets of the SDGs	The Group's Objectives	The Group's Practices and Actions
<p>Goal 13: Climate Action</p> 	13.2: Integrate climate change measures into policies, strategies and planning.	Minimise carbon emission and strengthen resilience to climate-related risks.	The Group is working on integrating climate change considerations into its long-term strategies. During the Reporting Period, the Group included biofuel consumption in its overall fuel consumption to gain a better understanding of the energy mix to plan for carbon reduction measures more effectively.
<p>Goal 16: Peace, Justice and Strong Institutions</p> 	16.5: Substantially reduce corruption and bribery in all their forms.	Minimise corruption and bribery in the Group's operation.	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 an 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.

6. Sustainability in Operations



Driving the Group's sustainable development is a continuous process that requires proactive environmental mitigation measures, regular monitoring and evaluation. The Group is committed to minimising its environmental footprints and mitigating adverse impacts throughout its operations by adopting clean energy, ensuring sustainable consumption, and reducing emissions.

In view of this, the Group reinforces 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.

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6.1. Responsible Sourcing

The Group places great importance on procurement sustainability and encourages the adoption of the 4R principles (i.e. reduce, reuse, recycle and replace) across all departments in the decision-making process.

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

The Group views 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 minimise the potential impact of construction material procurement on the environment and neighbouring communities.

In its commitment to responsible supply chain management, the Group is dedicated to implementing sustainable procurement strategies for sourcing raw materials. With the aim of lessening its carbon footprint, cutting material expenses, and bolstering the regional economy, the Group places emphasis on utilizing building materials sourced within specific proximity limits: within 800 kilometers by road transport, 1,600 kilometers by rail, and 4,000 kilometers by sea from Hong Kong. During the Reporting Period, the Group engaged with a total of around 100 local suppliers in Hong Kong.

In addition to 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, all on-site wood products purchased during the Reporting Period were certified by the Forest Stewardship Council to ensure that they were sourced responsibly and to minimise deforestation. The weight of materials during the Reporting Period increased compared to 2023 due to changes in the work scope of the projects.

SELECTION OF CONSTRUCTION MATERIALS

	Unit	2024	2023
Total weight of materials	tonnes	681,498	206,245
Total weight of locally manufactured materials	tonnes	628,449	200,163
% of locally manufactured materials	%	92	97

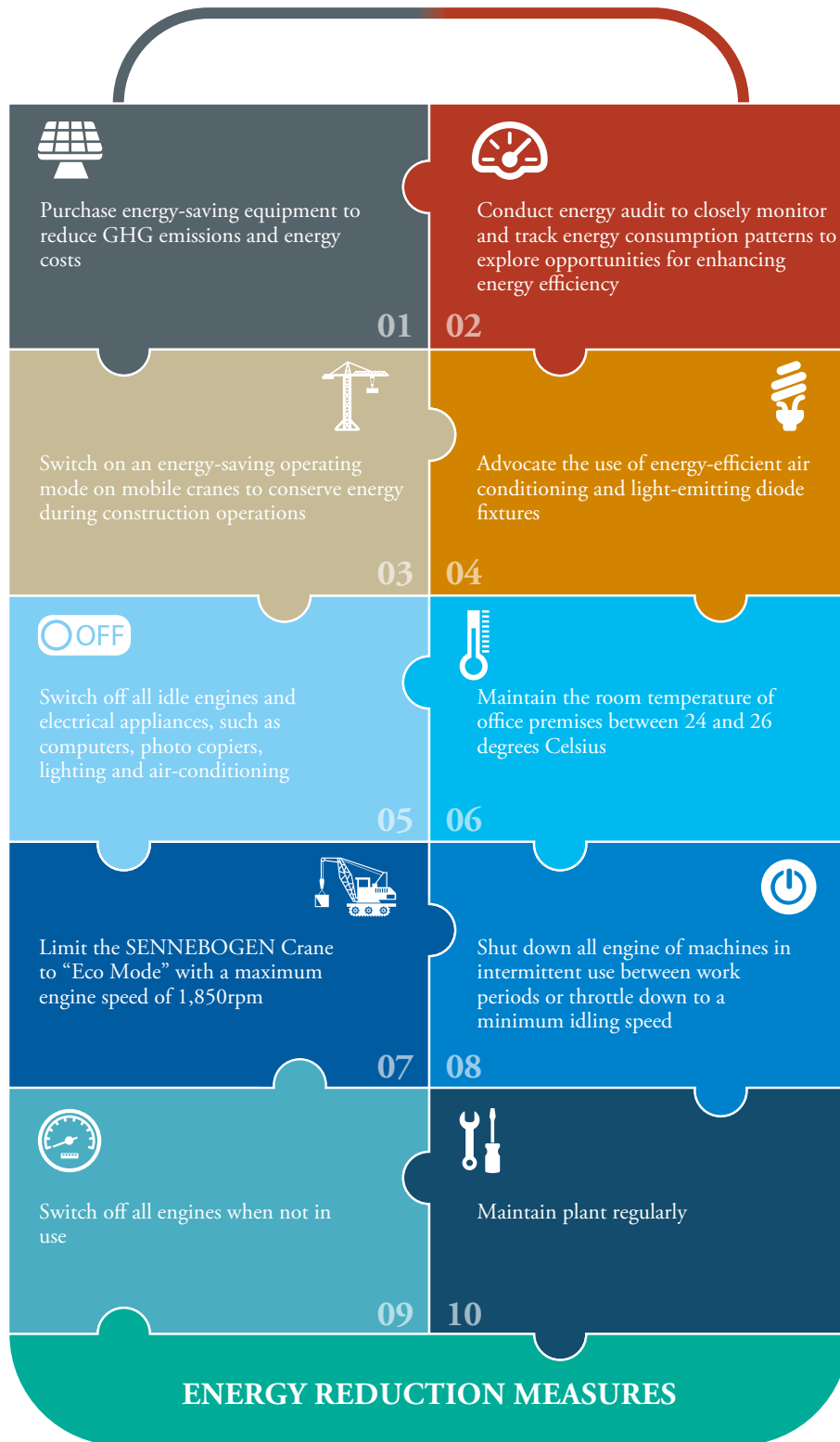
6.2. Energy Efficiency

Electricity and diesel fuel consumption are the major sources of energy utilised in the office and construction sites. Recognising the pivotal role of energy consumption in its day-to-day operations, the Group is committed to reducing energy usage and maximising energy efficiency. To raise operational energy efficiency, the Group's IMS adopts a systematic approach which is in line with the ISO 50001:2018 Energy Management Systems standard. Additionally, the Group actively incorporates the use of biofuel as a sustainable energy source, further promotes its commitment to environmental responsibility. During the Reporting Period, the Group accounted for the use of biofuel to complement its energy consumption data.

Air emissions generated from the Group's operations include direct and indirect GHG, air pollutants such as sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM"). The Group has implemented the following mitigation measures to reduce emission and energy use:

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ENERGY REDUCTION MEASURES



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ENERGY CONSUMPTION

	Unit	2024	2023
Total electricity consumption	Kilowatt hour (“kWh”)	258,560	752,657
	Gigajoules (“GJ”) ^{Note 1}	931	2,710
Head office	kWh	251,978	259,641
	GJ	907	935
Construction sites ^{Note 2}	kWh	6,582	493,016
	GJ	24	1,775
Total fuel consumption – Construction sites only ^{Note 3, 4}	Litre (“L”)	16,328,564	15,203,312
	GJ	587,616	547,319
Total energy consumption	GJ	588,547	550,029
Head office	GJ	907	935
Construction sites	GJ	587,640	549,094
Total energy consumption intensity	GJ/million revenue ^{Note 5}	245	203
Head office	GJ/million revenue ^{Note 5}	0.38	0.35
Construction sites	GJ/million revenue ^{Note 5}	245	203

Note 1: 1 kWh = 0.0036 GJ.

Note 2: 2024 data included 22 construction sites whereas 2023 data included 20 construction sites.

Note 3: The calculation of fuel consumption in 2023 included diesel and biodiesel; and 2024 included diesel, biodiesel, and petrol for vehicles, therefore, the total consumption is higher.

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); assume petrol energy intensity as 32.8 MJ/L (Source: IPCC 2006 Guidelines for National Greenhouse Gas Inventories).

Note 5: The Group’s revenue for the year ended 31 December 2024 and year ended 31 December 2023 were HKD2,402.834 million and HKD2,703.266 million, respectively.

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GHG AND OTHER AIR EMISSIONS WITHIN THE GROUP

	Unit	2024	2023
Total GHG emissions ^{Note 6}	tonnes of CO₂ equivalent (“tCO₂e”)	42,336	39,971
Direct GHG emissions (Scope 1) ^{Note 7}	tCO ₂ e	38,129	39,556
Indirect GHG emissions (Scope 2) ^{Note 8}	tCO ₂ e	155	415
Other Indirect GHG emissions (Scope 3) ^{Note 9}	tCO ₂ e	4,052	N/A
Total GHG emissions intensity	tCO₂e/million revenue ^{Note 10}	17.62	14.79
PM emissions ^{Note 11}	tonnes	25	27
NO _x emissions ^{Note 11}	tonnes	384	413
SO _x emissions ^{Note 12}	tonnes	0.26	0.245

Note 6: Calculation methodologies and emission factors for GHG emissions:

- We have referred to “How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange (the “**Appendix**”) for the calculation of Scope 1 and Scope 2 emissions and have followed the Greenhouse Gas Protocol for the calculation of Scope 3 emissions which are commonly used guidelines in Hong Kong.
- The energy conversion and emission factors are referenced from the Appendix; the emission intensity for electricity sold is referenced from publications by CLP Power Hong Kong Limited and The Hong Kong Electric Company Limited; the GHG emissions due to electricity used for freshwater processing are referenced from publication by the Water Supplies Department; sewage processing is referenced from publications by the Drainage Services Department, and the United Kingdom Department for Environment, Food & Rural Affairs.
- Global Warming Potential (GWP) values are referenced from IPCC Sixth Assessment Report (AR6).
- The GHG calculations cover Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃) and are included in GHG calculations.
- An operational control approach was adopted to aggregate the data. No changes were made during the Reporting Period.

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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, and the Scope 2 emissions have been disclosed according to a location-based approach.

Note 9: Scope 3 GHG emissions refer to other indirect emissions resulting from assets not owned or controlled by the Group. The year ended 31 December 2024 marks the Group's first year of disclosing its Scope 3 GHG emissions, which included emissions from purchased water, on-site waste generation and business travel.

Note 10: The Group's revenue for the year ended 31 December 2024 and the year ended 31 December 2023 were HKD2,402.834 million and HKD2,703.266 million, respectively.

Note 11: Emission factors of non-road mobile machinery are referenced from the EMEP/EEA air pollutant emission inventory guidebook 2019.

Note 12: Emission factors for SO_x emissions are referenced to the Appendix.

The electricity and diesel consumption levels and the choice of fuel vary with project cycles and different sites. During the Reporting Period, the Group's total fuel consumption increased compared to the previous year. This change primarily stems from the increase of diesel and biodiesel usage, and the first time inclusion of petrol consumption for vehicles in the collection scope. In terms of total GHG emissions, this report represents the Group's first disclosure of Scope 3 emissions, which has resulted in an overall increase in GHG emissions compared to the prior year. However, when focusing solely on Scope 1 and Scope 2 emissions, the Group has achieved a reduction this year. The Group will continue to improve energy efficiency and reduce its overall fuel consumption at the construction sites through its energy measures.

The Group attaches great importance to GHG emission reduction and energy efficiency. As fuel consumption is one of the main contributors to GHG emissions, the Group is seeking clean energy sources and improving energy efficiency to achieve carbon reduction targets. For example, some of the site offices have incorporated solar-powered lighting systems to reduce the use of electricity.



Solar-powered Lighting for Site Office

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The Group also encourages the use of Ampd Enertainer in project sites to replace traditional diesel power generators. Ampd Enertainer is an advanced energy storage system which provides diesel-free power for different types of machines and plants to reduce carbon emissions. Please also refer to the section headed 8.3 “Innovative Technology” for details.

In the Reporting Period, the Group updated the target for reducing GHG emissions and energy consumption as follows:

- Reducing the total Scope 1 & 2 GHG emissions intensity by 10% by 2030 as compared with 2023, while lowering the energy consumption level compared to the preceding year.

The Group will continue to review the target and monitor the progress to drive decarbonisation efforts. The GHG emissions covered in the above target are the same as those data disclosed in the section “GHG and other Air Emissions within the Group” above. The current target, which encompasses gross GHG emissions, covers only Scope 1 and 2 GHG emissions. The Group plans to set a target for Scope 3 GHG emissions in the future.

6.3. 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 equipped with water meters to regularly monitor water withdrawal. The Group also conducts regular toolbox talks and training programmes for frontline workers to raise their awareness of water conservation. During the Reporting Period, the Group updated the water efficiency target for consumption level as follows:

- Reducing total water consumption by 3% by 2030 as compared with 2023, while lowering the water consumption level compared to the preceding year.

Apart from the water consumption, the Group is aware of the environmental impacts of wastewater generated from its operations. With strict adherence to regulations, the Group sets up on-site drainage facilities for piling work sites that possess valid water discharge licenses 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 optimise water efficiency. During the Reporting Period, 187,040 cubic metres (“m³”) of wastewater was reused by the Group at the construction sites.

WATER CONSUMPTION

	Unit	2024	2023
Total water consumption (excluding the reused water)	m³	352,560	184,829
Head office	m ³	182	173
Construction sites (water withdrawal)	m ³	352,378	184,656
Construction sites (reused water)	m ³	187,040	139,695
Total water intensity	m³/million revenue ^{Note 13}	147	68

Note 13: The Group’s revenue for the year ended 31 December 2024 and year ended 31 December 2023 were HKD2,402.834 million and HKD2,703.266 million, respectively.

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The water consumption level may vary with different project cycles. During the Reporting Period, the total water consumption increased due to certain construction activities, such as bored pilling, which required a significant amount of water.

6.4. Waste Management

The Group is committed to promoting resources utilisation and reducing waste generation through sound waste management practices. Daily site operations 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 cans, and machinery maintenance oil.

To foster a waste reduction culture across its business units, the Group implements several initiatives. This includes conducting regular on-site training, providing clear signages, and offering incentives to employees and contractors who demonstrate satisfactory waste management performance to encourage peers to follow. In addition, the Group has assigned project team members to conduct waste audits for the monitoring of data on recycling and waste disposal and the overseeing of the respective measures.

The Group’s waste management approach is based on the 4R principles: reduce, reuse, recycle, and replace. For example, steel used in temporary working platforms at construction sites will be reused to reduce the consumption of resources. Besides, recycling bins are placed to collect materials such as wastepaper, scrap metal, and plastic to reduce waste at source. The Group also ensures the appropriate sorting and storage of construction wastes, 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.

Apart from the construction sites, the Group is also committed to optimising waste management in the Company’s head office. For instance, the Group participated in the Tree Conservation Scheme organised 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 fertilisers 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	2024	2023
Non-hazardous waste	Non-inert C&D and general waste disposed to landfills	tonnes	521	3,280
	Inert, non-inert C&D and general waste sent to public fill reception facilities/sorting facilities/recycling facilities/reused in other projects	tonnes	733,730	746,662
	Recycled paper/cardboard packaging ^{Note 14}	tonnes	0.0460	0.0051
	Recycled plastic (plastic bottles/containers and plastic/foam from packaging material) ^{Note 14}	tonnes	0.0015	0.0019
	Recycled metals (aluminium can/steel bar/metal strip) ^{Note 14}	tonnes	613	3,179
Hazardous waste	Hazardous waste	tonnes	15	301
Waste intensity	Non-hazardous waste	tonnes/million revenue ^{Note 15}	306	277
	Hazardous waste	tonnes/million revenue ^{Note 15}	0.0062	0.1113

Note 14: The separate amounts of recycled paper, plastic, and metals have been disclosed since the year ended 31 December 2023.

Note 15: The Group's revenue for the year ended 31 December 2024 and year ended 31 December 2023 were HKD2,402.834 million and HKD2,703.266 million, respectively.

The amount of waste generated may vary depending on the scope of construction works. The amount of hazardous waste decreased during the Reporting Period compared to the previous year. The Group has arranged for a licensed collector to dispose of the asbestos waste to comply with the Waste Disposal (Chemical Waste) (General) Regulation.

The Group has recognised the importance of waste management and has implemented different waste management measures, such as recycling and reducing disposable materials. In order to further optimise the waste management process, during the Reporting Period, the Group updated the target as follows:

- By 2030, the Group aims to reduce the percentage of non-hazardous waste sent to landfills by 3% compared to 2023. At the same time, the Group will continue to monitor its progress towards this target.

Environmental, Social and Governance (ESG) Report

6.5. Mitigation of Environmental Impacts

As a responsible provider of foundation services and construction works, the Group places significant emphasis on mitigating adverse impacts on environmental sensitive receivers such as domestic premises, educational institutions, and hospitals during the construction phase. Before the commencement of each project, the Group commissions external organisations to conduct environmental assessments to identify environmental sensitive receivers around the construction sites.

Tree Projection

The Group recognises that trees play a crucial role in the ecosystem. The Group is taking proactive steps by conducting a comprehensive tree survey and implementing effective tree protection measures at its construction sites, in particular the construction site located at the junction of Sai Yee Street and Argyle Street, Mongkok. Before commencing the project, the Group conducted a detailed tree survey to assess the health, types and surrounding environmental conditions of the trees in order to develop targeted protection plans. During the project, the Group installed tree protection fences to shield root zones, carried out routine fertilization, watering and pest management, and placed clear signage to remind workers of tree protection protocols. Moreover, monthly tree health and risk assessment and regular inspections were executed to review the health, structure and condition of trees to identify any issues or potential hazards and to ensure the effectiveness of implementation of all protective measures. Furthermore, the Group maintained close collaboration with environmental experts and relevant institutions to adjust its protection strategies in response to the changes in the sites. The Group also organised workshops for its workforce, highlighting the critical importance of ecosystem preservation. The Group believes these initiatives not only safeguard the environment but also reinforce its commitment to sustainable development.



Tree Protection Fences

Environmental, Social and Governance (ESG) Report

Sustainable Building Materials

In response to the rising demand for energy conservation and carbon neutrality, the construction industry is increasingly turning to sustainable materials. The Group has embraced this shift by replacing Pulverised Fuel Ash (PFA) with Ground Granulated Blast-furnace Slag (GGBS) in concrete for construction projects. GGBS, a by-product of steel production, enhances concrete's compressive strength and durability.

In the Western Police Married Quarters project, GGBS concrete improved structural performance and lifespan, exceeding industry standards for strength and resilience. Beyond structural benefits, GGBS plays a crucial role in reducing carbon emissions associated with concrete production, aligning seamlessly with the Group's sustainability objectives. Additionally, its superior resistance to weathering and chemical erosion helps lower maintenance costs, ensuring long-term efficiency.

This initiative underscores the Group's commitment to eco-friendly practices while setting a benchmark for future projects. Positive feedback from stakeholders highlights the growing importance of sustainability in construction, further reinforcing the Group's determination to ESG principles and paving the way for a more sustainable built environment.

Noise Pollution Mitigation

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.

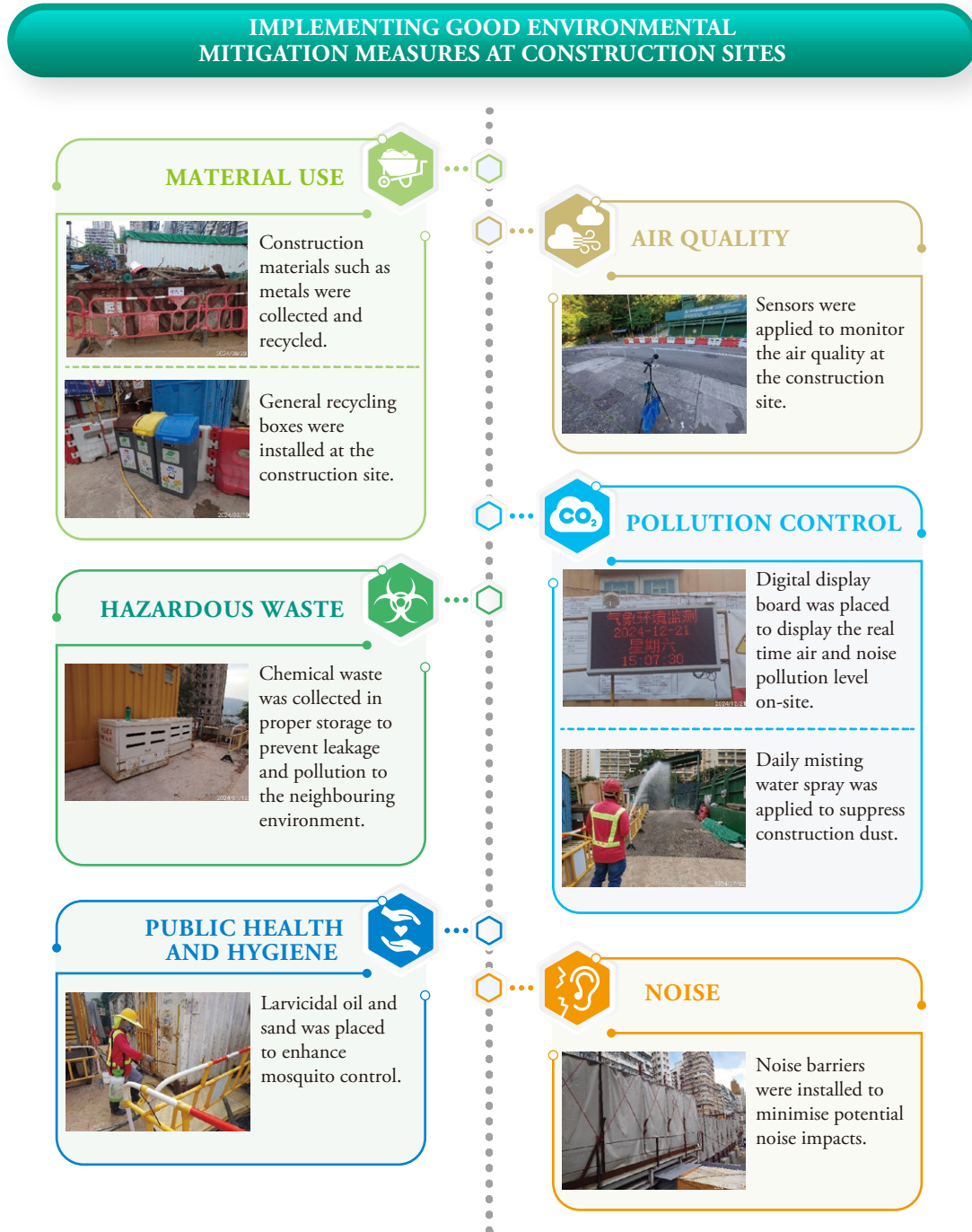
To ensure the effectiveness of mitigation measures during operations, the Group conducts monthly noise level measurements and weekly dust monitoring. To minimise dust and noise impact, the Group carefully schedules construction activities within appropriate timeframes and uses quieter equipment alongside noise barriers, including inflatable ones, to reduce noise levels. Further measures include using hoarding, green-labeled generators for non-road mobile machinery, and daily misting water sprays to suppress dust dispersion.

Inflatable sound barriers are particularly effective in urban environments, as they absorb and deflect sound waves to minimise noise pollution. Their flexibility and ease of installation make them ideal for dynamic construction sites, allowing for quick adaptation to changing project needs. Beyond enhancing the working environment, these measures help build positive community relations by proactively addressing residents' concerns and demonstrating the Group's commitment to responsible construction practices.

Environmental, Social and Governance (ESG) Report

6.6. Implementing Good Environmental Mitigation Measures at Construction Sites

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



6.7. Climate Change and Climate-related Disclosures

Given the irreversible effects of climate change on the earth's ecology, numerous sectors and geographical regions are now committing to carbon neutrality goals and the gradual shift towards a low-carbon economy.

The Group recognises that its operations will be affected by the phenomena of climate change such as rising temperatures, typhoons, extreme weather, and transition risks associated with the shift to a low-carbon economy. The climate-related risks are summarised with reference to the Stock Exchange's enhanced climate-related disclosures.

Governance

The Board oversees the Group's sustainability strategy and material ESG issues, including climate-related risks and opportunities and integrates ESG considerations into annual business planning to ensure comprehensive coverage of relevant issues. To strengthen governance, the Audit Committee conducts an annual review of the enterprise risk assessment report (including climate risk), ensuring effective risk management.

The Board is supported by the management from different business functions in monitoring, managing and overseeing climate-related risks and opportunities. Climate-related performance targets are initiated at management level to assist the Board in evaluating the effectiveness of its climate strategy and measures on an annual basis.

To ensure the Board keeps up with the latest trend of climate-related risks and opportunities, the Board was provided with climate-related training where external legal advisers were invited to share on climate-related topics during the Reporting Period. Reading materials on climate disclosure requirements were also provided to the Board.

Strategy

The Group understands that climate change could lead to both physical and transition risks to its business. Through conducting the climate risk identification exercise, the Group has identified key physical risks, key transition risks, potential impacts, resilience strategies and potential opportunities as set out in the table below.

The Group does not currently have a climate-related transition plan, it anticipates developing one in the near future.

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Climate Risk Assessment

Acknowledging that monitoring climate-related risks are integral to the Group's ongoing growth, the Group has assessed the resilience of its business operations under various plausible climate change eventualities, considering key climate-related risks and opportunities in accordance with International Financial Reporting Standards S2 requirements.

Taking into account the nature of the Group's business, it is anticipated that both physical and transition risks will have impacts in the short, medium, and long terms and the Group has defined the time horizon as below:

Short-term: FY2030

Medium-term: FY2050

Long-term: FY2080

Physical Risks

Physical risks arise from chronic changes due to long-term climate patterns or acute risks stemming from extreme climate events. Given the nature of the Group's business, frequent and severe typhoons and floods, along with intense and prolonged heat, can significantly disrupt operational efficiency and worker safety. Construction sites in coastal areas are particularly vulnerable to long-term flooding, and the Group anticipates some level of damage to those construction sites. While the Group is experiencing an increased severity of extreme weather events currently, it anticipates that physical risks will have a more profound impact in the medium (FY2050) to long (FY2080) term.

Key Physical Risks	Potential Impacts	Resilience Strategies	Potential Opportunities
Increased severity of extreme weather events (e.g. flooding, typhoons, and intense rainfall)	<p>Damage construction sites, equipment and materials, leading to project delays and additional costs for resuming the operations.</p> <p>Create unsafe working conditions, posing a threat to workers' safety.</p> <p>Delay in project completion due to the need to halt for safety reasons or due to damage caused by the weather.</p> <p>Delay in project delivery and cost overruns due to operational and supply chain disruption of key materials, such as steel or concrete.</p>	<p>Effective contingency and business resumption plan</p> <ul style="list-style-type: none"> Project team and safety team will develop effective contingency and business resumption plan to accommodate weather-related delays and adopt weather forecasts and alerts for early disruption warnings. 	<p>Develop and implement flood-resistant foundations and structures that can withstand extreme weather events, ensuring the safety and longevity of buildings in vulnerable areas.</p> <p>Integrate smart technologies that monitor and respond to environmental changes, enhancing the resilience and functionality of the Group's projects.</p>

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Key Physical Risks	Potential Impacts	Resilience Strategies	Potential Opportunities
Gradual shifts in weather patterns (e.g. rising temperature and sea levels)	<p>Prolonged project duration due to rising temperatures that may pose health risks to construction workers, leading to heat-related illnesses such as heat exhaustion or heatstroke.</p> <p>Increase cost on risk mitigation strategies (e.g. insurance premiums) and adaptive infrastructures, affecting the cash flow and reducing capital for business expansion.</p> <p>Existing foundations may require retrofitting or reinforcement due to long-term climate changes that may alter soil conditions over time.</p> <p>Rising temperatures can cause thermal expansion in materials, leading to potential cracking or structural issues that require monitoring and maintenance.</p>	<p>Worker Safety and Comfort</p> <ul style="list-style-type: none"> Establish safety protocols for workers during extreme weather, including heat stress assessment and management programs that provide shaded rest areas, air ventilation equipment, sufficient drinking water points and work and rest schedules according to heat stress at work warning, and training on heat-related illnesses. Personal protective equipment such as breathable uniform, air vent safety helmet and cooling vests can be provided to the workers. <p>Climate Vulnerability Assessment</p> <ul style="list-style-type: none"> Conduct climate vulnerability assessments for projects. <p>Financial Preparedness</p> <ul style="list-style-type: none"> Allocate budget reserves for unforeseen costs due to weather disruptions and implement a comprehensive monitoring program to assess the condition of existing foundations for early signs of deterioration. 	<p>Develop and implement flood-resistant foundations and structures that can withstand extreme weather events, ensuring the safety and longevity of buildings in vulnerable areas.</p> <p>Integrate smart technologies that monitor and respond to environmental changes, enhancing the resilience and functionality of the Group's projects.</p>

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Transition Risks

Transition risks refer to the risks that arise from the process of transitioning to a low-carbon and sustainable economy. These risks can stem from policy, legal, technological, market, and reputational changes associated with the transition to a more climate-resilient economy. Taking into account the nature of the Group's business, it is anticipated that transition risks will have a more profound impact in the short (FY2030) to medium (FY 2050) term.

Key Transition Risks	Potential Impacts	Resilience Strategies	Potential Opportunities
Enhanced and emerging regulatory requirements both locally and internationally	<p>Increasing stringent public disclosure requirements.</p> <p>Increasing operational costs to comply with these standards and increasing risks of non-compliance with the new requirements.</p>	<p>Establish monitoring mechanisms to track progress towards compliance goals and ensure ongoing adherence to standards.</p> <p>Engage in open communication with regulatory authorities to stay informed about evolving standards and requirements.</p>	Regulatory requirements may push for the adoption of advanced technologies, embracing these technologies can improve efficiency, accuracy, and safety.
A shift in market demand reflects a preference for low-carbon practices	Risk of losing clients and investors if the Group fails to demonstrate climate resilience or adapt to green standards.	<p>Invest in innovative technologies and construction methods that promote low-carbon practices, such as advanced foundation piling techniques that reduce environmental impact and enhance sustainability.</p> <p>Collaborate with suppliers and industry partners that offer sustainable materials and services to ensure a supply chain that supports low-carbon practices.</p>	By demonstrating the Group's commitment to sustainability and climate resilience, the Group can attract more clients who are under pressure to meet their own sustainability goals.
Introduction of carbon taxes or cap-and-trade systems	Increase operational costs for heavy machinery and transportation.	<p>Implement measures to reduce the Group's carbon footprint by optimising operations, using energy-efficient equipment.</p> <p>Invest in low-carbon technologies and equipment to minimise greenhouse gas emissions.</p> <p>Explore carbon offsetting programs to neutralize the Group's carbon footprint.</p>	By proactively reducing the Group's carbon emissions, this can differentiate the Group in the market and enhance the Group's reputation, attract eco-conscious clients, and provide a competitive edge over competitors.

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Key Transition Risks	Potential Impacts	Resilience Strategies	Potential Opportunities
Reputation risks for the Group if failed to align with sustainability trends	Failure to align with sustainability trends can damage the Group's reputation, reducing its attractiveness to investors and clients.	<p>Demonstrate a clear commitment to sustainability by adopting environmentally friendly practices, reducing carbon footprint, and incorporating green technologies across operations.</p> <p>Engage with stakeholders, including customers, investors, employees, local communities, and regulatory bodies, to understand their sustainability expectations and incorporate their feedback into sustainability strategies.</p>	Alignment with global sustainability standards can enhance the Group's attractiveness to institutional investors, improving access to finance and lowering its the cost of capital.

Risk Management

Climate risk assessment identified the physical and transition risks across the Group's value chain through industry benchmarks, Board discussions and stakeholder engagement surveys. The Group has considered impacts over a timeframe from short-term (FY2030), medium-term (FY2050), and long-term (beyond FY2050 until FY2100). The Group relies on the extensive experience of the management professionals, who are adept at identifying risks and opportunities through their daily oversight of construction sites and operations. By thoughtfully considering relevant climate parameters, including industry reports and stakeholder feedback, the Group gains a more comprehensive understanding of the associated risks.

In addition, the Group engages an independent internal audit consultant to provide an annual enterprise risk assessment report (including the environmental risk) and an internal control report to evaluate the effectiveness of the Group's overall risk management and internal control systems.

Metrics and Targets

As the potential impacts of climate change on the Group's operations increase, the Group intends to strengthen its strategies and performance related to decarbonization. The Group's environmental performance indicators now comprehensively encompass Scope 1, Scope 2, and Scope 3 emissions, with the Scope 3 emissions include emissions from purchased water, on-site waste generation and business travel. The calculations of greenhouse gas (GHG) emissions comply with established standards, such as the Greenhouse Gas Protocol. The Group leverages its data management system to improve data collection and target setting, which enhances the quality of the Group's reporting.

Looking ahead, the Group is committed to reducing its carbon emissions annually and has implemented various measures to decrease energy, water, and material consumption in daily operations to meet this goal. The Group will also continue to explore additional strategies and take proactive steps to further limit emissions.

Environmental, Social and Governance (ESG) Report

Future Planning

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 by the establishment of an electronic project management system
- Enhancement of environmental standards in the construction works
- Promotion of usage of battery energy storage system in construction sites
- Promotion of usage of sustainable building materials (Ground Granulated Blast-furnace Slag (GGBS) etc.) in construction sites
- Implementation of energy-efficient technologies
- Collection and reuse of rain water, e.g., install systems to capture rainwater for use in construction activities, reducing reliance on municipal water supplies
- Zero waste initiatives

7. Value Creation for People



The Group regards employees as its valuable assets and is committed to maintaining a safe and inclusive workplace to ensure healthy lives and reduce inequality with a strong commitment to business integrity. Therefore, the Group places emphasis on talent recruitment and retention through staff training and development.

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7.1. Developing a Workplace Safety Culture

The Group emphasises employees' health and safety, where providing a safe working environment is one of its top priorities. The Group's internal occupational health and safety management system complies and is 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:



Environmental, Social and Governance (ESG) Report

To promote a safe working culture, the Group continues to implement the safety culture scheme. The scheme aims to stop any critical unsafe conditions or behaviours timely in situ by conducting a self-initiative localised work suspension and implementing corresponding occupational hazard mitigation measures. During the Reporting Period, there were 24 self-initiative localised work suspension cases and 17 work-related injury cases amongst all construction sites.

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 in recovery. The medical care includes X-ray service, physiotherapy and MRI examination.

7.2. Recruiting and Retaining Talents

Recognising the value of human capital to the business, the Group strives to attract and retain talented staff to facilitate and sustain the business development. By cultivating a respectful and inclusive work environment, the Group is committed to providing equal opportunities and eliminating all forms of discrimination.

During the recruitment process, the Group assesses the potential candidates by their qualifications, experiences and capabilities, regardless of their race, gender, age, religion or any other irrelevant factors to the job positions. The HR Department is responsible for verifying candidates' identification documents prior to official employment to ensure compliance with the applicable rules and regulations, and to prevent the involvement of child and forced labour. For any illegal labour practices, the HR Department shall terminate the employment and take appropriate follow-up actions immediately.

Regarding employee retention, the Group strives to offer a range of benefits and welfare provisions to its staff. These include medical insurance, maternity and paternity leaves on full pay for monthly-paid staff and other allowances. There was a total of 733 employees as of 31 December 2024, and the breakdowns are as follows:

Employees		2024	2023
Total number of employees		733	791
By gender	Male	595	649
	Female	138	142
By category	Senior management	6	6
	Management	53	59
	Frontline & general staff	674	726
By age group	Under 30	99	105
	31-50	343	385
	51 or above	291	301
By geographical region	Mainland China	0	0
	Hong Kong	733	791

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Employees turnover		2024	2023
Total turnover rate		25.5%	24.3%
By gender	Male	24.1%	24.8%
	Female	31.4%	22.2%
By category	Senior management	Nil	Nil
	Management	17.9%	8.5%
	Frontline & general staff	26.3%	25.8%
By age group	Under 30	43.1%	44.2%
	31–50	20.3%	20.7%
	51 or above	25.7%	21.5%
By geographical region	Mainland China	Nil	Nil
	Hong Kong	25.5%	24.3%

To maintain the quality of the services, the Group seeks to strengthen the knowledge and skills of employees by providing professional training and development. For every new employee, the Group provides orientation training to ensure that they are well acquainted with the Group's policies and job responsibilities. For frontline and general staff, the Safety Department organises regular training sessions and courses on health and safety and quality management.

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.

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During the Reporting Period, employees received training on various topics including but not limited to health and safety, quality management, corporate governance standards and other professional development. The overall training percentage of the Group in 2024 is 24% and the average training hour is 1.5 hours.

Training		2024	2023
Training percentage		24.0	24.8
By gender	Male	76.7	79.1
	Female	23.3	20.9
By category	Senior management	3.4	0.5
	Management	13.6	3.1
	Frontline & general staff	83.0	96.4
Average training hours		1.5	1.8
By gender	Male	1.3	1.1
	Female	2.2	4.9
By category	Senior management	2.5	2.8
	Management	7.5	1.0
	Frontline & general staff	1.0	1.9

7.3. Adhering to Business Ethics

The Group is dedicated to maintaining high ethical standards 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 benefits to any parties such as suppliers and contractors. 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 through the designated channels to the Chairman of the Audit Committee. 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.

During the Reporting Period, the Group provided 1 hour of anti-corruption and anti-bribery training to each Director and the Group did not have any concluded legal cases regarding corruption practices.

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7.4. 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 has 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. To foster employee cohesion, the Group established the "Club Tysan" across different departments. Staff activities were held to enhance employee communication, promote wellness, boost work morale, and improve employees' sense of belonging during the Reporting Period.



Staff Activity: Christmas Party

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8. Striving for Operational Excellence



As one of the leading foundation service providers, the Group has established a strong reputation within the industry and is honoured 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. Moreover, the Group plays a proactive role in advancing the digital transformation of the construction sector in Hong Kong by embracing and integrating a range of innovative technologies. Emphasizing sustainable industrial practices and cultivating a culture of innovation are central pillars of the Group's business strategy.



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

Environmental, Social and Governance (ESG) Report

8.1. Quality Assurance

The Group upholds rigorous quality control measures in its daily operations to ensure optimal efficiency at every phase of its construction projects. The Group's IMS documents include 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, all abide by 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). Equipped with a comprehensive framework, the Group effectively fulfils both statutory and corporate governance obligations, while improving operational efficiency.

When selecting suppliers and subcontractors, the Group adopts the ISO 9001:2015 Quality Management Systems and conducts quality assessments. To ensure compliance with relevant laws and regulations, potential suppliers and subcontractors are evaluated based on their health and safety, environmental performance, and the quality of their product and service quality. 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 has developed a supplier ESG risk assessment form to determine whether the supplier has integrated any aspect of ESG practices into its business. Based on the assessment results, the Group regularly updates the Approved List of Suppliers for future reference.

8.2. Sustainable Site Management

In addition to implementing the aforementioned sustainability measures, the Group also promotes a considerate attitude and good work safety, health and environmental practices for its construction sites. The Group has particularly showcased its efforts in striving for excellence such as in its projects located at (i) Tung Chung Area 42; (ii) junction of Sai Yee Street and Argyle Street, Mongkok; (iii) Shap Pat Heung Road, Yuen Long; (iv) Western Police Married Quarters; and (v) Mei Tin Estate Phase 4, Shatin through innovative designs and measures.

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Safety Management

The Group places utmost importance on safety in site management. Before commencing daily work, site agents and safety officers lead morning exercises, briefings, pre-work checks, and hazard identification activities to proactively prevent any potential safety hazards. To foster a culture of safety consciousness, regular safety workshops are conducted, and native speakers are invited to provide safety training for minority workers. During the execution of works, the Group has implemented a comprehensive on-site traffic control system that includes separate walkways and haul road for workers and mobile plant/vehicles respectively. Signboards and signals are used to remind individuals about traffic safety and to limit vehicle speeds. To ensure security management and deter crime, all individuals entering the site are required to register at the site entrance, and multiple CCTV cameras are installed to monitor the entire site, including the site office and entrance. The Group also adheres to high standards for lifting operations, working at heights, and electricity works.



Safety Training for Minority Individuals

Care of Workers and Others

The Group recognises the significance of caring for workers to retain talent and has implemented various initiatives to prevent heat stroke and promote health. For example, the Group ensures an adequate supply of drinking water and Pocari Sweat Powder, places sun umbrellas and shelters and encourages workers to wear sunglasses, helmet shades, and cool towels. To prevent heat stroke, regular heat stroke drills and safety training sessions are conducted to enhance workers' preparedness and practical skills to respond to heat stroke related emergencies. The Group also provides anti-heat stress uniforms to improve comfort, which can reduce body heat storage by 28.8% compared to traditional uniforms.

The Group acknowledges that air pollution and noise issues at construction sites impact not only the surrounding community but also the workers themselves. Tradition diesel generators have contributed to these problems. In response, the Group has opted to replace traditional diesel generators with the Enertainer which is powered by hydrogen. This initiative underscores the Group's commitment to sustainability and prioritising employee health and well-being while reducing its environmental footprint.



Distribution of Pocari Sweat Powder



Heat Stroke Drill

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Environmental Consciousness

To mitigate the adverse environmental impacts, the Group has implemented ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Energy Management Systems. To address the concerns about noise and dust, the Group conducts noise performance test during percussive piling works. All applicable construction equipment utilised has obtained quality powered mechanical equipment label that demonstrates quieter, more environmentally friendly and high-performance features. A multi-sensor display board is installed on-site to display real-time information on on-site noise and dust levels, humidity, and temperature.

Furthermore, an artificial green roof is implemented on the site office roof. Performance tests have shown that the green roof significantly reduces the temperature of the building, demonstrating its ability to insulate heat. This in turn, subsequently reduces the reliance on air conditioning and promotes energy conservation.



Multi-sensor Display Board



Artificial Green Roof

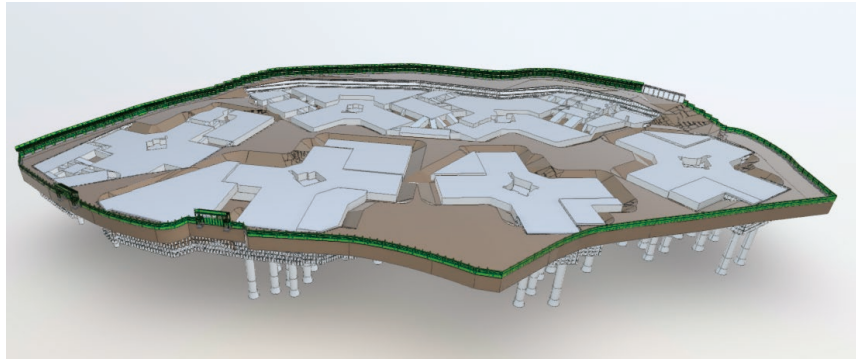
Being Considerate to Neighbourhood

The Group acknowledges that the construction works may have negative impacts on the neighbourhood and passers-by. Therefore, the Group is committed to minimising the nuisance caused by the construction through informing residents, visiting local schools and estate offices in advance about the timing of percussive piling work and restricting noisy operations if applicable. Please also refer to the section headed “8.3 Innovative Technology” for details on the use of inflatable sound barriers.

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8.3. Innovative Technology

The Group has applied various construction-related innovative technologies into its operations, these technologies include BIM, 360 Camera and Alerting System on Mobile Plant. By leveraging these innovative tools, the Group is continuously improving its occupational health and safety standards, as well as enhancing overall operational efficiency.



BIM

Hydrogen Energy and Enertainer

The Group has not only leveraged BIM but has also adopted cutting-edge technology known as “Si+” for hydrogen power generation. This innovation has been seamlessly integrated with the “Enertainer” industrial power storage system to supply zero-emission electricity to the Group’s public housing project located at Tung Chung Area 42.

Hydrogen energy is gaining attention as a clean energy source, particularly through the use of high-purity silica sand (“Si+”), which offers significant advantages over traditional hydrogen production methods. Silica sand can produce hydrogen immediately after mixing with alkaline water, ensuring on-demand supply at construction sites while minimizing safety risks associated with transportation. Silica sand is safe, easy to store, and non-hazardous, demonstrating stability in fire tests. The hydrogen production process utilizes metallurgical silicon, sourced from sand and carbon or recycled from discarded solar panels, generating silicate as a by-product that can be repurposed into green cement, promoting zero emissions and financial benefits. The “Enertainer” system, powered by over 10,000 lithium-ion batteries, connects to the grid, producing no harmful emissions and serving as a quieter, cleaner alternative to diesel generators, which are major contributors to air and noise pollution. This battery system also features remote monitoring and management capabilities, enhancing operational efficiency and safety. By integrating “Si+” and “Enertainer,” in the Group’s projects located at Tung Chung Area 42 and Shap Pat Heung Road, Yuen Long, the Group aims to support zero-emission sustainable development.



Enertainer

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Inflatable Sound Barriers

The integration of inflatable sound barriers aligns with the Group's goal of reducing noise pollution and improving overall community well-being. Inflatable sound barriers are an innovative solution in construction, particularly valuable in urban areas where construction noise can significantly disrupt the daily lives of residents. These barriers are designed to effectively absorb and reflect sound, thereby reducing the noise generated by machinery and construction activities. This not only enhances on-site working conditions for construction crews but also plays a crucial role in fostering positive community relations.

A prime example of their application is seen in the Group's projects, such as Mei Tin Estate Phase 4 in Shatin, where the use of inflatable sound barriers has proven beneficial. Their quick deployment and ability to be adjusted according to site-specific needs make them a versatile tool for construction companies.



Inflatable Sound Barrier

8.4. Complaint Handling Mechanism

The Group places great emphasis on feedback from its customers for continual improvement. The Group's complaint policy provides guidance on standardised 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 were received.

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9. Caring for Community

The Group is dedicated to empowering the community and creating positive societal impacts through its sustainable operations and growth. With the goal of contributing to the community, fostering shared values, and enhancing the quality of life for all, the Group actively engages in charitable donations and community involvement initiatives.

During the Reporting Period, the Group donated HK\$198,000 to various community care engagement activities which focused on fostering the growth and development of the youth. The Group actively supported, among others, two activities organised by Youth Outreach to support their service to youth. To foster a culture of inclusiveness, the Group also supported two activities organised by Rainbow Foundation to engage with youth and children, in particular special educational needs (SEN) children.

10. Way Forward

As a responsible corporation, the Group is unwavering in its dedication to honouring its obligations and striving to make meaningful contributions to the sustainable advancement of society and the environment. The Group remains steadfast in seeking avenues to enhance its environmental and social impacts continuously, while introducing innovative solutions to provide exceptional foundation piling services.

Going forward, the Group is committed to actively involving its stakeholders and embedding sustainability into its core operations as part of its efforts to address climate change challenges and enhance societal well-being. Through collaborative teamwork and persistent initiatives, the Group is resolute in its mission to cultivate a more sustainable and resilient future for all, emphasizing a harmonious balance between economic progress, environmental stewardship, and social responsibility.

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11. 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) 6. Sustainability in Operations</p> <p>(b) During the Reporting Period, the Group had two non-compliance cases under the Public Health and Municipal Services Ordinance and three 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 Water Pollution Control 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	A1.1	The types of emissions and respective emissions data.	6.2 Energy Efficiency
	A1.2	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).	6.2 Energy Efficiency
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4 Waste Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4 Waste Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	6.2 Energy Efficiency
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.4 Waste Management

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Aspect	KPI	Description	Statement/Section
A2: USE OF RESOURCES			
	<i>General disclosure</i>	Policies	6.2 Energy Efficiency 6.3 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).	6.2 Energy Efficiency
	<i>A2.2</i>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.3 Water Conservation
A2	<i>A2.3</i>	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.2 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.	6.3 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 due to the business nature.
A3: THE ENVIRONMENT AND NATURAL RESOURCES			
	<i>General disclosure</i>	Policies	6. 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.	6.6 Implementing Good Environmental Mitigation Measures at Construction Sites
A4: CLIMATE CHANGE			
	<i>General disclosure</i>	Policies	6.7 Climate Change and Climate-related Disclosures
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			
B1	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 7.2 Recruiting and Retaining Talents (b) With regard to Minimum Wage Ordinance, Employees' Compensation Ordinance, Mandatory Provident Fund Scheme Ordinance, anti-discrimination ordinances and other relevant regulations protecting employees in terms of remuneration, compensation and social security, save as disclosed, 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.	7.2 Recruiting and Retaining Talents
	<i>B1.2</i>	Employee turnover rate by gender, age group and geographical region.	7.2 Recruiting and Retaining Talents

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Aspect	KPI	Description	Statement/Section
B2: HEALTH AND SAFETY			
B2	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 7.1 Developing a Workplace Safety Culture (b) During the Reporting Period, the Group had one non-compliance case 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.
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7.1 Developing a Workplace Safety Culture The work-related fatality incidents in 2024, 2023, 2022 are 0, 0, and 1 respectively.
	B2.2	Lost days due to work injury.	Lost days due to work injury in 2024 were 747, whereas those in 2023 were 1,492.
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	7.1 Developing a Workplace Safety Culture
B3: DEVELOPMENT AND TRAINING			
B3	<i>General disclosure</i>	Policies	7.2 Recruiting and Retaining Talents
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.2 Recruiting and Retaining Talents
	B3.2	The average training hours completed per employee by gender and employee category.	7.2 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) 7.2 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.	7.2 Recruiting and Retaining Talents
	<i>B4.2</i>	Description of steps taken to eliminate such practices when discovered.	7.2 Recruiting and Retaining Talents
B5: SUPPLY CHAIN MANAGEMENT			
B5	<i>General disclosure</i>	Policies	6.1 Responsible Sourcing 8. Striving for Operational Excellence
	<i>B5.1</i>	Number of suppliers by geographical region.	6.1 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.	6.1 Responsible Sourcing 8.1 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.	6.1 Responsible Sourcing 8.1 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.	6.1 Responsible Sourcing 8.1 Quality Assurance 8.2 Sustainable Site Management

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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) 8. 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.
B6	<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.
	<i>B6.2</i>	Number of products and service-related complaints received and how they are dealt with.	8.4 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. However, the Group affords full respect to proprietary intellectual property and shall refrain from using any ideas, products and goods without proper authorisation.
	<i>B6.4</i>	Description of quality assurance process and recall procedures.	8.1 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			
B7	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 7.3 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.	7.3 Adhering to Business Ethics
	<i>B7.2</i>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	7.3 Adhering to Business Ethics
	<i>B7.3</i>	Description of anti-corruption training provided to directors and staff.	7.3 Adhering to Business Ethics
B8: COMMUNITY INVESTMENT			
B8	<i>General disclosure</i>	Policies	9. Caring for Community
	<i>B8.1</i>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	9. Caring for Community
	<i>B8.2</i>	Resources contributed (e.g. money or time) to the focus area.	9. Caring for Community