



# 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

# 2020

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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 2020 to 31 December 2020 (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 table*

REPORTING PRINCIPLES	APPLICATION
<b>MATERIALITY</b>	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.
<b>QUANTITATIVE</b>	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.
<b>BALANCE</b>	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.
<b>CONSISTENCY</b>	This report is prepared according to the ESG Reporting Guide issued by the Stock Exchange to provide consistent and comparable disclosures.

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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 27 construction sites.

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

## 2.2. Contact Details

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

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

Tel: (852) 2882 3632  
E-mail: [info@tysan.com](mailto: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. Other departments such as the Foundation Department, Safety Department, Human Resources and Administration Department and Corporate Affairs Department collaborate and implement the ESG approaches, policies and action plans of the Group.

We have established environmental and social policies that compose the groundwork of our internal Integrated Management System ("**IMS**"). This functions as the channel to introduce sustainability elements into our daily operations and protects the well-being of the environment, our staff and our community. In order to systematically implement the IMS, the Group has implemented the Integrated Management Policy in fulfilling the terms of quality, environment, occupational, health and safety, risk and energy aspects.

Environmental protection and social contributions of enterprises play an important role in the Group's business and 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 have invited our management staff to take part in a stakeholder survey for the purpose of collecting their perspectives on various ESG topics. With their valuable insights, the Company is better positioned to make informed decisions on allocating resources on major ESG matters.

## 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 stakeholders' opinion, the allocation of resources of the Group has been enhanced and the Group would be able to address major issues identified accordingly.

# Environmental, Social and Governance (ESG) Report

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

## ESG Material Topics Table

The Group has incorporated these ESG-related issues into its core business strategy, as well as addressing them in this report.



# Environmental, Social and Governance (ESG) Report

During the Reporting Period, the Group also conducted an online stakeholder survey to consolidate management's views on the importance of ESG-related topics to the Group's business operations. A total of 17 responses were collected from the management. Together with the views of general employees of the Group collected in 2019, a comprehensive internal ranking of the ESG-related topics is as follows:

ASPECT	IMPORTANCE TO THE GROUP'S BUSINESS
<b>ENVIRONMENTAL</b>	<ol style="list-style-type: none"> <li>1. Compliance with relevant environmental laws and regulations</li> <li>2. Construction noise</li> <li>3. Air quality control</li> </ol>
<b>SOCIAL</b>	<ol style="list-style-type: none"> <li>1. Occupational health and safety</li> <li>2. Quality assurance</li> <li>3. Anti-corruption</li> </ol>
<b>SUSTAINABILITY GOVERNANCE</b>	<ol style="list-style-type: none"> <li>1. On-going communication channels with the stakeholders</li> <li>2. Sustainable development framework</li> <li>3. Sustainability targets</li> </ol>

The Group understands the importance of continuous stakeholder engagement and will maintain communication with its stakeholders and strive for improvement in sustainable development.

## 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 to reduce the adverse impacts throughout its operations.

The Group's IMS has attained the ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System certifications. The Group is dedicated to minimizing its environmental footprint from its operations.

### 5.1. Responsible Sourcing

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 from the sites. 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.

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. For instance, prioritizing local suppliers reduces air pollution from the transportation of materials. In support of the resource efficiency enhancement, the Group is exploring the feasibility of procuring recycled construction materials.

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## SELECTION OF CONSTRUCTION MATERIALS

	UNIT	2020	2019
Total weight of materials	tonnes	621,751	190,062
Total weight of materials manufactured within 800km	tonnes	477,148	165,808
% of materials manufactured within 800km	%	77	87

77% of materials manufactured within 800km in 2020



## 5.2. Energy Efficiency

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

# Environmental, Social and Governance (ESG) Report

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 carbon monoxide (“CO”), nitrogen oxides (“NOx”) and particulate matter (“PM”). The Group has implemented the following mitigation measures to reduce emission and energy use:



## ENERGY REDUCTION MEASURES

# Environmental, Social and Governance (ESG) Report



## ENERGY CONSUMPTION

	UNIT	2020	2019
<b>Total electricity consumption</b>	Kilowatt hour (“kWh”)	1,622,631	1,718,567
	Gigajoules (“GJ”) <sup>Note 1</sup>	5,841	6,187
Head office	kWh	263,757	254,096
	GJ	950	915
Construction sites <sup>Note 2</sup>	kWh	1,358,874	1,464,471
	GJ	4,892	5,272
<b>Total fuel consumption</b> <sup>Note 3</sup> – Construction sites only <sup>Note 4</sup>	Litre (“L”)	7,679,171	12,605,656
	GJ	276,450	453,804
<b>Total energy consumption</b>	GJ	282,292	459,990
Head office	GJ	950	915
Construction sites	GJ	281,342	459,076
<b>Total energy intensity</b>	GJ/million revenue <sup>Note 5</sup>	92	169
Head office	GJ/million revenue	0.31	0.34
Construction sites	GJ/million revenue	92	169

Note 1: 1kWh = 0.0036 GJ.

Note 2: 2020 data included 27 construction sites whereas 2019 data included 25 construction sites.

Note 3: Only diesel was used on construction sites in 2019 and 2020.

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

Note 5: The Group’s revenue for the year ended 31 December 2020 and year ended 31 December 2019 were HKD3,054.113 million and HKD2,721.278 million, respectively.

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## GHG AND OTHER AIR EMISSIONS WITHIN THE GROUP

	UNIT	2020	2019 <sup>Note 6</sup>
<b>Total GHG emissions</b>	<b>tonnes of CO<sub>2</sub> equivalent (“tCO<sub>2</sub>e”)</b>	<b>20,923</b>	<b>34,083</b>
Direct GHG emissions (Scope 1) <sup>Note 7</sup>	tCO <sub>2</sub> e	20,095	32,986
Indirect GHG emissions (Scope 2) <sup>Note 8</sup>	tCO <sub>2</sub> e	828	1,097
<b>Total GHG emissions intensity</b>	<b>tCO<sub>2</sub>e/million revenue <sup>Note 9</sup></b>	<b>6.85</b>	<b>12.52</b>
PM emissions <sup>Note 10</sup>	tonnes	13	22
NOx emissions <sup>Note 10</sup>	tonnes	207	341
CO emissions <sup>Note 10</sup>	tonnes	69	113

Note 6: Scope 1 GHG emissions in 2019 has been revised in consistent with the GHG emission accounting methodology for 2020.

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 2020 and year ended 31 December 2019 were HKD3,054.113 million and HKD 2,721.278 million, respectively.

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

During the Reporting Period, the electricity consumption dropped slightly and the fuel consumption dropped significantly by 39%. The electricity and diesel consumption levels vary with project cycles and the choice of diesel and electricity used in different sites. The Group will continue to seek for further mitigation approaches to improve the energy efficiency and reducing fuel consumption at the construction sites.

### 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 System into the Group’s 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 ensured all the construction sites strictly abided by applicable laws and regulations such as the Water Pollution Control Ordinance.

## Environmental, Social and Governance (ESG) Report

Apart from water consumption, the Group is aware of the environmental impacts of wastewater generation from its operations. For the piling works under valid water discharge license, the Group sets up on-site drainage facilities to collect the wastewater generated and conducts 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, 121,934 cubic meters of wastewater was reused by the Group at the construction sites.

 <b>WATER CONSUMPTION</b>	UNIT	2020	2019
	<b>Total water consumption</b>	m <sup>3</sup>	297,705
Head office	m <sup>3</sup>	241	182
Construction sites	m <sup>3</sup>	297,464	641,045
<b>Total water intensity</b>	m <sup>3</sup> /million revenue <sup>Note 11</sup>	97	236
<b>Total wastewater reused</b>	m <sup>3</sup>	121,934	74,085

Note 11: The Group's revenue for the year ended 31 December 2020 and year ended 31 December 2019 were HKD3,054.113 million and HKD 2,721.278 million, respectively.

The total water consumption dropped by 54% during the Reporting Period as the water consumption level may vary with different project cycles. The amount of total wastewater reused increased by 65% compared to that in 2019. This is due to the implementation of wastewater reuse record and the data collection enhancement in most of the construction sites.

### 5.4. Waste Management

The Group is committed to promoting resources utilization and reducing waste generation with sound waste management. The Group's daily operation in construction sites includes site clearance, excavation and concreting generates inert construction and demolition ("C&D") waste and non-inert wastes such as timber and steel. Regarding hazardous waste, the Group has identified lubricants, empty paint cans and machinery maintenance oils as the major hazardous waste generated on-site.

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 waste, and oversee the respective measures.

The Group's waste management approach is based on the 4R principles: reduce, reuse, recycle and replace. On construction sites, recycling bins are set up to collect materials such as wastepaper, scrap metal and plastics 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.

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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

# Environmental, Social and Governance (ESG) Report



## WASTE GENERATION AND MANAGEMENT

		UNIT	2020	2019
Non-hazardous waste	Non-inert C&D waste disposed to landfill	tonnes	1,167	933
	Inert and non-inert C&D waste diverted from landfill (sent to public fill/recycling facilities)	tonnes	1,064,551	823,927
Hazardous waste	Liquid hazardous waste	tonnes	2.21	1
	Solid hazardous waste	tonnes	0	0
Waste intensity	Non-hazardous waste	tonnes/million revenue <sup>Note 12</sup>	349	303
	Hazardous waste	tonnes/million revenue <sup>Note 12</sup>	0.0007	0.0004

Note 12: The Group's revenue for the year ended 31 December 2020 and year ended 31 December 2019 were HKD3,054.113 million and HKD 2,721.278 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 increased by 25% and 29% respectively, since some projects were conducting Excavation and Lateral Support Construction (ELS) works, which generated a large amount of C&D waste.

### 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. Ahead of 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 deploys proactive actions to monitor dust and noise levels in compliance with statutory and mandatory guidelines. All construction works are undertaken in adherence to 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.

For noise pollution mitigation, 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. For suppressing construction dust dispersions, the Group has implemented measures including the use of hoarding, green labelled generators of non-road mobile machinery and applying daily misting water sprays.

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## 5.6. Case Study: Implementing Good Environmental Mitigation Measures at Construction Sites

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

This Housing Authority's project is a two-phase Redevelopment Project at Pak Tin Estate to provide new residential blocks and other recreation facilities for neighboring residents. Commenced in 2018, this project expanded the operation scope during the Reporting Period to bored pile, footing, excavation and lateral support, and pile cap works. In order to mitigate the environmental footprints on-site, the Group implemented several eco-friendly measures. These measures are as follows:

#### CASE STUDY: IMPLEMENTING GOOD ENVIRONMENTAL MITIGATION MEASURES AT CONSTRUCTION SITES

 <p><b>SAFETY</b></p>	 <p>Construction workers conducted safety meeting and briefing on-site.</p>	 <p><b>MATERIAL USE</b></p>	 <p>Construction materials such as welding rods were collected and recycled.</p>  <p>General recycling boxes were installed at the construction site.</p>
 <p><b>AIR QUALITY</b></p>	 <p>Sensors were applied to monitor the air quality at the construction site.</p>	 <p><b>POLLUTION CONTROL</b></p>	 <p>Digital display board was placed to display the real time air and noise pollution level on-site.</p>  <p>Daily misting water spray was applied to suppress construction dust.</p>
 <p><b>HAZARDOUS WASTE</b></p>	 <p>Chemical waste was collected in proper storage to prevent leakage and pollution to the neighboring environment.</p>	 <p><b>NOISE</b></p>	 <p>Noise barriers were installed to minimize potential noise impacts.</p>
 <p><b>PUBLIC HEALTH AND HYGIENE</b></p>	 <p>Larvicide sand was placed to enhance mosquito control.</p>		

# Environmental, Social and Governance (ESG) Report

## 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 both Occupational Health and Safety Management System OHSAS 18001:2007 and ISO 45001:2018. The Group also reviews the management system 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 safety working culture, the Group continued implementing 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 96 self-initiative localized work suspension cases and one work-related fatality case amongst all construction sites. Meetings have been held to discuss to avoid recurrence of similar incident.

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 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 system before entering the sites. Besides, electronic means of communication were used to maintain social distancing. Further, the Group also provided masks and alcohol rub sanitizers for free to all staff at work.

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 between work stations to maintain a safe distance between staff members. Regular deep cleaning of the carpet and air-con ventilation system were also arranged to avoid the air transmission of the virus.



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



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

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**Civil Engineering Site Category:  
Silver Prize**  
Construction Industry Safety  
Award Scheme 2019/2020  
Issuer: Labour Department



**Civil Engineering Sites  
Category:  
Outstanding Performance in  
Work-at-height Safety Prize**  
Construction Industry Safety  
Award Scheme 2019/2020  
Issuer: Labour Department



**Merit Award  
Innovative Enhancement  
Lifting Safety**  
Issuer: Development Bureau/  
Construction Industry Council

**Certificate of Good Performance  
in the Safety Teams**  
Construction Industry Safety  
Award Scheme 2019/2020  
Issuer: Labour Department



**Merit Award  
Innovative Safety Initiative Award**  
Issuer: Development Bureau/  
Construction Industry Council/  
Hong Kong Construction  
Association



## SAFETY AWARDS

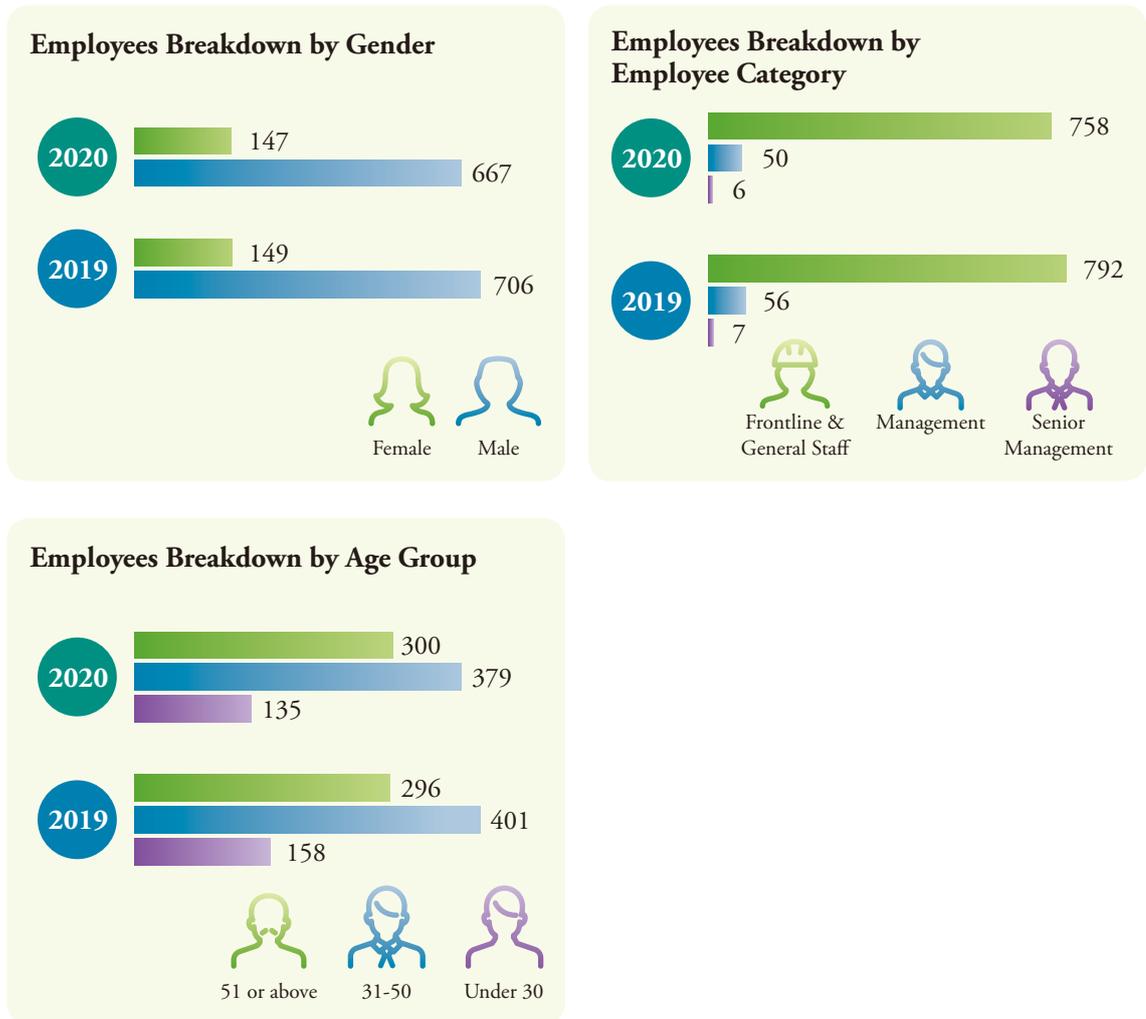
# Environmental, Social and Governance (ESG) Report

## 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 only 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 position. The Human Resources and Administration Department (“HR”) is responsible for verifying candidates’ identification documents prior to official employment to prevent child and forced labor. In response to any illegal labor practices, the HR department shall terminate the employment and take appropriate follow-up actions immediately.

In terms of talent retention, the Group endeavors to provide a number of benefits and welfare to the employees, including medical insurance, maternity and paternity leave on full pay for monthly-paid staff. There was a total of 814 employees as at 31 December 2020 who are based in Hong Kong. The breakdowns are as follows:



## Environmental, Social and Governance (ESG) Report

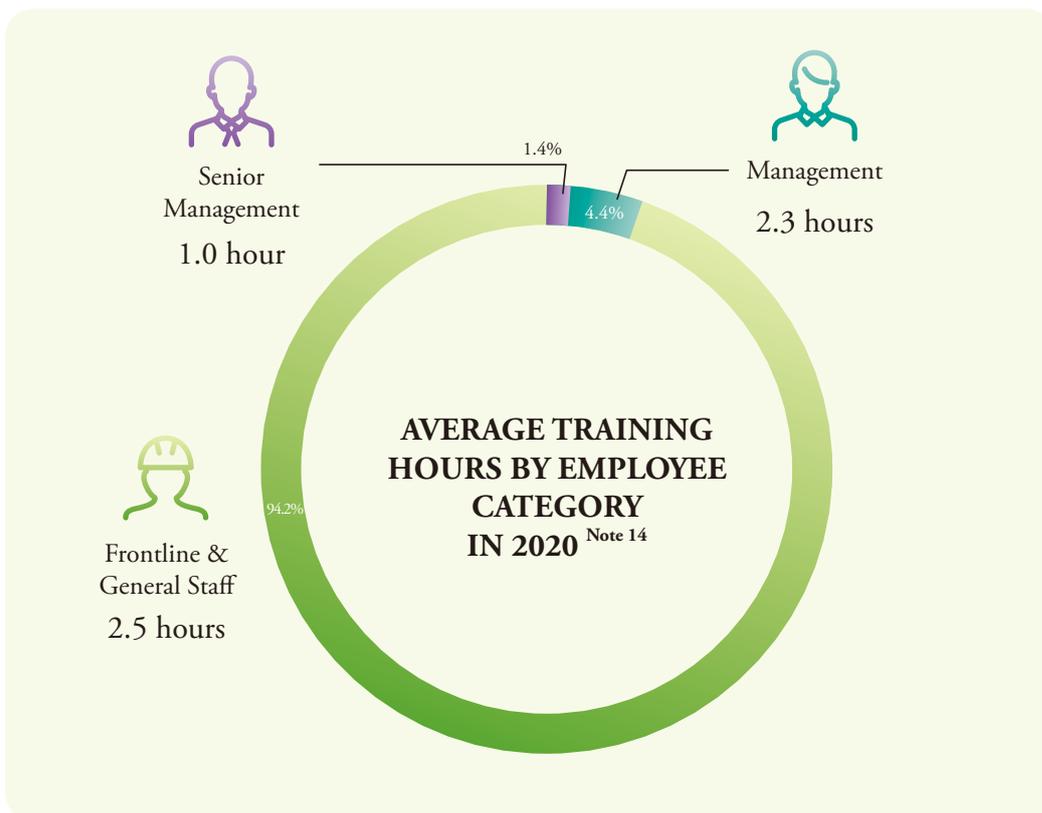
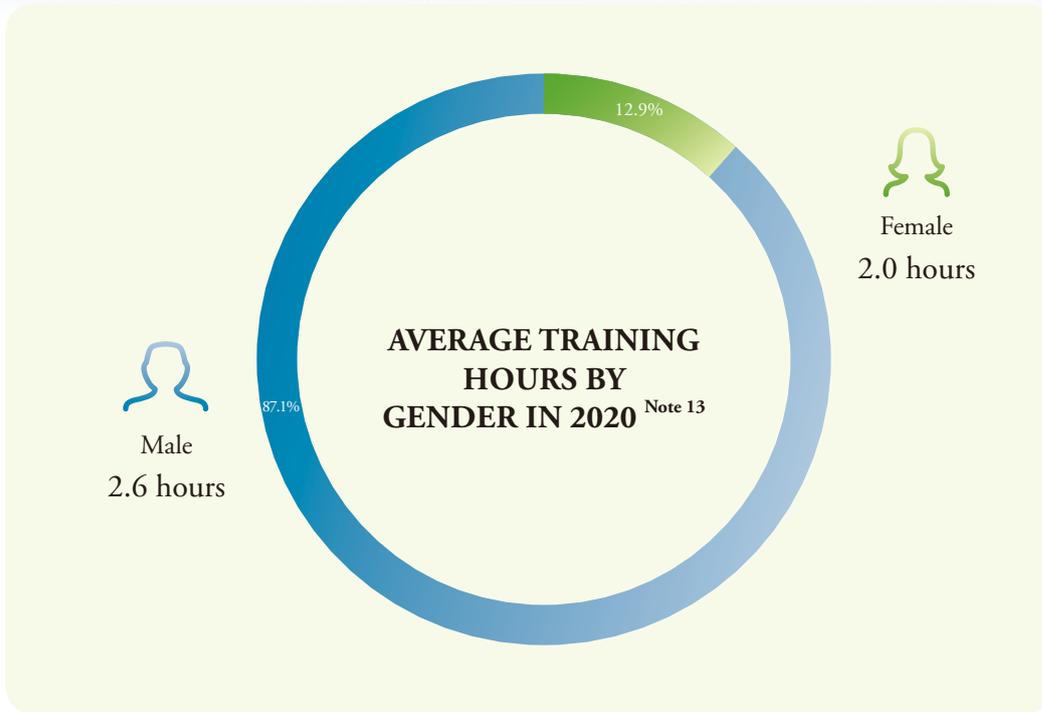


## EMPLOYEES TURNOVER

		2020
<b>Total turnover rate</b>		<b>16.1%</b>
<b>By gender</b>	Male	17.3%
	Female	10.1%
<b>By category</b>	Senior management	30.8%
	Management	11.3%
	Frontline & general staff	16.3%
<b>By age group</b>	Under 30	31.4%
	31 – 50	13.1%
	51 or above	12.4%
<b>By geographical region</b>	Hong Kong	16.1%

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 training sessions and courses on health and safety and quality management regularly. For the management staff, the Corporate Affairs Department arranged executive training to improve the knowledge on corporate governance standards. In addition to the training programs, the Group encourages employees to pursue continuous learning and education and it 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 2020 is 36.1%.

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

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

# Environmental, Social and Governance (ESG) Report

## 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. The Group prohibits employees from accepting benefits from or giving to any parties such as suppliers and contractors.

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

During the Reporting Period, the Group did not have any concluded legal cases regarding corrupt 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 is also adapting to the new norm under COVID-19. Since social distancing has limited the interaction between employees, the Group has 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, boosting work morale and improving their sense of belonging.



“Club Tysan” distributed “Pandemic Relief Bag” (抗疫福袋) to employees at both the office and construction sites.

# Environmental, Social and Governance (ESG) Report



2020 Annual Dinner Celebration



2020 Christmas Lucky Draw



## 7. Striving for Operational Excellence

### 7.1. Quality Assurance

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. 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.

When selecting suppliers and subcontractors, the Group adopts the ISO 9001:2015 Quality Management System 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's business has integrated any aspect of ESG practices. For future reference, the Group regularly updates the approved list of suppliers based on the assessment result.

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## LIST OF QUALIFICATIONS

ISSUER	LICENSES
<b>DEVELOPMENT BUREAU</b>	Ground Investigation Field Works (Group II) Land Piling (Group II) <ul style="list-style-type: none"> <li>• Hand Dug Caisson</li> <li>• Large Diameter Bored Pile (with bell-out)</li> <li>• Mini Pile</li> <li>• Precast/Prestressed Tubular Pile</li> <li>• Steel H Pile</li> <li>• Steel Tubular Pile</li> <li>• Rock Socketed Steel H-Pile</li> </ul> Site Formation (Group B) Landslip Preventive/Remedial Works to Slopes/ Retaining Walls
<b>HOUSING AUTHORITY</b>	Large Diameter Bored Piling Percussive Piling Ground Investigation Works Demolition Works
<b>BUILDINGS DEPARTMENT</b>	Registered General Building Contractor Registered Specialist Contractor (Foundation) Registered Specialist Contractor (Demolition) Registered Specialist Contractor (Site Formation) Registered Specialist Contractor (Ground Investigation Field Works)
<b>LAND, PUBLIC WORKS AND TRANSPORT BUREAU OF THE MACAU SAR</b>	Site Investigation Work, Foundation & Piling Building & Maintenance Civil Engineering Building Service & Installation Public Works & Others

## 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 products or services related complaints had been received.

## Environmental, Social and Governance (ESG) Report

### 8. Caring for Community

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

During the Reporting Period, the Group donated over HKD455,000 to various charitable organizations and contributed in various of community care engagement activities. These activities ranged from supporting construction industry participants to fight against coronavirus, supporting underprivileged people and youth and eliminating avoidable blindness. Unfortunately, due to the outbreak of COVID-19, community activities and events were either cancelled or suspended during the Reporting Period. In recognition to our efforts in community involvement and youth outreach, the Group was awarded as “Caring Company” for the 8th years by the Hong Kong Council of Social Service.

### 9. Way Forward

Facing the challenges of the global pandemic, 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. Looking forward, the Group will continue to engage its stakeholders and embed sustainability into its operation to build the foundation for a better community.

# Environmental, Social and Governance (ESG) Report

## 10. ESG Content Index

Aspect	KPI	Description	Statement/Section
<b>SUBJECT AREA (A) ENVIRONMENT</b>			
<b>A1: EMISSIONS</b>			
A1	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	<p>(a) 5. Sustainability in Operations</p> <p>(b) During the Reporting Period, the Company had a non-compliance case under Cap. 400 Noise Control Ordinance. In response to the incidents, the Group has reminded the project team members to ensure that they will carry out construction work during the permitted hours.</p> <p>The Company also had three non-compliance cases under Cap. 132 Public Health and Municipal Services Ordinance. In response to the incidents, the Group has reminded the project team members and kept the project sites in good hygiene condition.</p> <p>With regard to other environmental laws and regulations including Water Pollution Control Ordinance, Air Pollution Control Ordinance, Noise Control Ordinance and Public Health and Municipal Services Ordinance, save as disclosed above, there was no material non-compliance noticed during the Reporting Period.</p>
<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

# Environmental, Social and Governance (ESG) Report

Aspect	KPI	Description	Statement/Section
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.4 Waste Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Although the Group has not disclosed any emission targets, we are working towards further disclosure as soon as practicable.
	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.	5.4 Waste Management Although the Group has not disclosed any waste reduction targets, we are working towards further disclosure as soon as practicable.
<b>A2: USE OF RESOURCES</b>			
A2	<i>General disclosure</i>	Policies	5.2 Energy Efficiency 5.3 Water Conservation
	A2.1	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
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.3 Water Conservation
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Although the Group has not disclosed any energy efficiency targets, we are working towards further disclosure as soon as practicable.
	A2.4	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.  Although the Group has not disclosed any water efficiency targets, we are working towards further disclosure as soon as practicable.
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable

# Environmental, Social and Governance (ESG) Report

Aspect	KPI	Description	Statement/Section
<b>A3: THE ENVIRONMENT AND NATURAL RESOURCES</b>			
A3	<i>General disclosure</i>	Policies	5. Sustainability in Operations 5.5 Mitigation of Environment of Impacts
	<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 Case Study: Implementing Good Environmental Mitigation Measures at Construction Sites
<b>A4: CLIMATE CHANGE</b>			
A4	<i>General disclosure</i>	Policies	Although the Group has not disclosed the information on climate change, we are working towards further disclosure as soon as practicable.
	<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.	
<b>SUBJECT AREA (B) SOCIAL</b>			
<b>B1: EMPLOYMENT</b>			
B1	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance	(a) 6.2 Recruiting and Retaining Talents (b) With regard to Minimum Wage Ordinance, Employees' Compensation Ordinance, Mandatory Provident Fund Scheme Ordinance, Discrimination Ordinances and other relevant regulations protecting employees in terms of remuneration, compensation and social security, there was no material non-compliance noticed during the Reporting Period.
	<i>B1.1</i>	Total workforce by gender, employment type, age group and geographical region.	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
<b>B2: HEALTH AND SAFETY</b>			
B2	<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 Company had a legal case relating to Cap. 59 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.
	<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 2020, 2019 and 2018 were 1, 0 and 0 respectively.
	<i>B2.2</i>	Lost days due to work injury.	Lost days due to work injury in 2020 were 2,837, whereas those in 2019 were 1,878.
	<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
<b>B3: DEVELOPMENT AND TRAINING</b>			
B3	<i>General disclosure</i>	Policies	6.2 Recruiting and Retaining Talents
	<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

# Environmental, Social and Governance (ESG) Report

Aspect	KPI	Description	Statement/Section
<b>B4: LABOUR STANDARDS</b>			
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
<b>B5: SUPPLY CHAIN MANAGEMENT</b>			
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

# Environmental, Social and Governance (ESG) Report

Aspect	KPI	Description	Statement/Section
<b>B6: PRODUCT RESPONSIBILITY</b>			
B6	<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.
	<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.

# Environmental, Social and Governance (ESG) Report

Aspect	KPI	Description	Statement/Section
<b>B7: ANTI-CORRUPTION</b>			
B7	<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.
	<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.	Although the Group has not disclosed the information on anti-corruption training, we are working towards further disclosure as soon as practicable.
<b>B8: COMMUNITY INVESTMENT</b>			
B8	<i>General disclosure</i>	Policies	8. Caring for Community
	<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