



Analogue Holdings Limited
安樂工程集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1977)

2022

Environmental,
Social and Governance Report



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CHAIRMAN'S STATEMENT

As we mark the 45th anniversary of the Group in 2022, sustainability remains at the top of our agenda. We remain focused on reform of our governance structure for sustainability to anchor and manage sustainability across all levels and different areas within the organisation. Another priority is to set aspirational yet realistic and purposeful goals. Our unified, dedicated team is meanwhile making progress in goal-oriented action planning.

Sustainability remains one of the greatest challenges of our times and no single sector can tackle it alone. It calls for stakeholders to take collective action along the value chain and across business sectors. We believe that the best way to amplify the impact of our solutions and transition to a smart and low-carbon future is by creating products and services for our customers to address their sustainability challenges.

Every effort counts, no matter how big or how small. I am confident that our business strategy of "New Technology, New Market, New Business Model" will pave the way to a sustainable society. We will continue to collaborate with all our key stakeholders and embed sustainability in our business planning, decision-making and operations to drive sustainable development on the whole.



“

Guided by our commitment – we conduct business in an environmentally and socially responsible manner, and we advocate with our stakeholders to collectively support the transition to a smart, low-carbon society.

”

Dr. Poon Lok To, Otto
Chairman

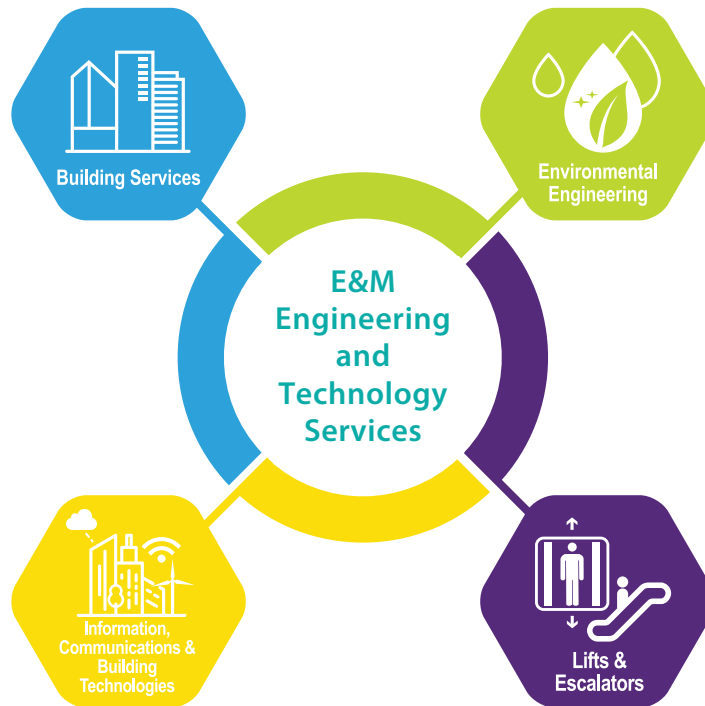
Hong Kong, 24 March 2023

ABOUT ANALOGUE HOLDINGS LIMITED

Our Business at a Glance

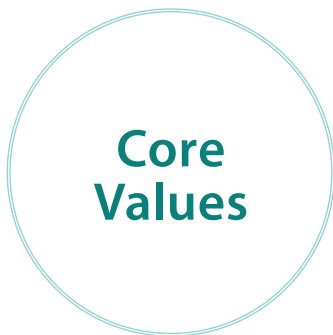
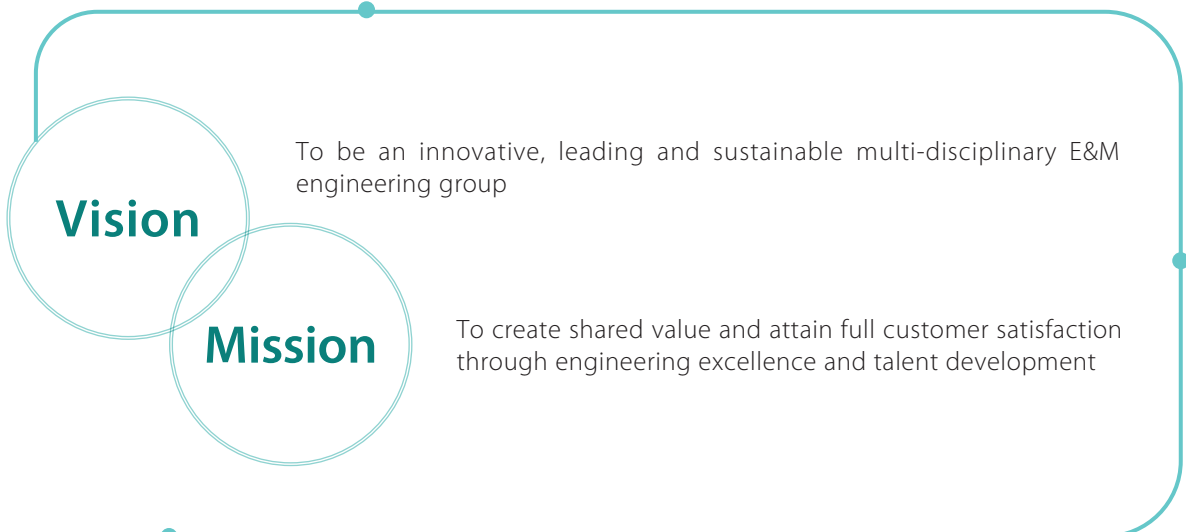
Established in 1977, Analogue Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”) (stock code: 1977) is a leading electrical and mechanical (“E&M”) engineering service provider headquartered in Hong Kong, with operations in Macau, Mainland China, the United States and the United Kingdom. Serving a wide spectrum of customers from public and private sectors, the Group provides multi-disciplinary and comprehensive E&M engineering and technology services in four major segments, including Building Services, Environmental Engineering, Information, Communications and Building Technologies (“ICBT”) and Lifts & Escalators.

Our Anlev Elevator Group also manufactures and sells lifts and escalators internationally and has entered into an alliance with Transel Elevator & Electric Inc., one of the largest independent lifts and escalators companies in New York, the United States. The Group’s associate partner, Nanjing Canal Data Centre Environmental Tech Company Limited (603912.SS), specialises in manufacturing of precision air conditioners.



Our Vision, Mission and Core Values

Our Vision, Mission and Core Values shape our culture and guide us to keep promises to our stakeholders. It drives a commitment to excellence and innovation to achieve our goals.



- **Trust**
We build trust and respect between our internal and external stakeholders through fulfilling our commitment to staff and customers.
- **Integrity**
We uphold integrity, fair play, and business ethics in everything we do.
- **Innovation**
We encourage innovative ideas to pioneer new approaches to achieve breakthroughs.
- **Customer Focus**
We respond to the needs of our customers to attain full customer satisfaction and long-term goodwill.
- **Drive for Results**
We strive for long-term growth by working collaboratively with our stakeholders to create shared value.
- **Safety**
We put the health and safety of our staff and workers as our priority through providing a safe working environment.
- **Sustainability**
We conduct our business in an environmentally and socially responsible manner whilst intensifying our support to customers on transitioning to a smart and low-carbon future.



OUR COMMITMENT TO SUSTAINABILITY

Our commitment to sustainability is clear, and this is the key to the sustainable growth of our business in the long term. We are motivated to be environmentally and socially responsible, and bring positive impacts. Together with our stakeholders and our community, we strive to shape a smarter, more connected low-carbon future.

With the establishment of our Corporate Sustainability Strategy, we have reformed our governance structure to anchor sustainability in the organisation. This enables all areas of the Group to devise action plans to work together towards our sustainability goals.

OUR COMMITMENT TO SUSTAINABILITY

Corporate Sustainability Strategy

Sustainability is all-important to us and has been throughout our history as a company. Our Corporate Sustainability Strategy serves as a holistic framework that helps us align the Group’s operations with core values of sustainability for economic growth, environmental protection and quality of life. It guides the Group in our operation and decision making, and is built on four key pillars – *Decarbonising Our Operations*; *Driving Smart City Development*; *Co-creating A Sustainable Value Chain*; and *Advancing Our People*.



Following the launch of the Corporate Sustainability Strategy last year, we are in the process of developing action plans and targets, with the aim of integrating and maximising our progress in each of these pillars. Through engagement with internal stakeholders at all levels, we seek to create a shared sense of responsibility across the organisation. Following internal stakeholder engagement, our key focus in each of the pillars going forward is as follows.

Decarbonising Our Operations



Low-Carbon Operations

To reduce our carbon footprint through operations that support the transition to a low-carbon future.



Resource Optimisation

To ensure effective use of resources to reduce the environmental impact of our operations, and to enhance operational efficiency and productivity.



Climate Risk Management

To identify and respond to climate-related risks across our operations and enhance our adaptability and resilience to climate change.

- The Group is committed to reducing its carbon footprint and optimising resource usage to support a low-carbon future. This includes developing carbon reduction targets and action plans to reduce carbon emissions, waste generation and resource consumption. It also includes commitments to the application of advanced construction technologies, such as Building Information Modeling ("BIM") and Design for Manufacture and Assembly ("DfMA") - Multi-Trade Integrated Mechanical, Electrical and Plumbing ("MiMEP"), to increase project efficiency and optimise material consumption.
- The Group is prioritising climate resilience by adopting the recommendations of Task Force on Climate-related Financial Disclosures to manage climate risks and opportunities in a systematic approach.

Driving Smart City Development



Smart and Healthy Living

To promote smart, healthy and livable cities using innovative applications to connect and improve people's living environment.



Climate Solutions

To optimise buildings and infrastructure to achieve energy conservation and carbon reduction.



Clean Water and Sanitation

To apply advanced technology for potable water and wastewater treatment to enhance water quality and resilience.

- Creating smart and sustainable cities requires the application of innovative technologies in urban contexts. Our investment in research and development ("R&D") includes a wide range of new technologies, from Digital Twin, Internet of Things ("IoT"), artificial intelligence ("AI") and Big Data Analytics, to BIM, Modular Integrated Construction, DfMA-MiMEP, environmental engineering technologies and robotic solutions. These benefit customers and the community. We aim to capture new business opportunities for sustainable business growth while intensifying our support to customers to realise their sustainability goals.

Co-creating A Sustainable Value Chain



Customers

To deliver quality, reliable and excellent products and services, while protecting the rights and interests of our customers.



Subcontractors and Suppliers

To manage and develop collaborative working relationships with our subcontractors and our wider supply chain partners to ensure project quality, manage supply chain risks and improve project efficiency.



Community

To make a difference to the long-term development of communities through corporate social responsibility programmes and philanthropy.

- The Group aims to attain full customer satisfaction by providing high-quality, in-time and cost-effective services. Our key focus going forward will be to improve workmanship and the quality of construction processes, while taking a systematic and proactive approach to customer engagement. We plan to review supply chain management mechanism to strengthen subcontractor management and engagement in order to create agile supply chain that rapidly responds to the ever-changing business environment while meeting the needs of customers.

Advancing Our People



People-Centric Workplace

To foster a people-centric culture and develop a healthy, supportive, and productive workplace where our employees can take pride in their work.



Nurturing Our People

To cultivate a culture of continuous learning and professionalism among our people at all levels to support their careers and personal development. We aim to nurture a pipeline of engineering professionals and leaders that can adapt to and succeed in a rapidly changing environment.



Health and Safety

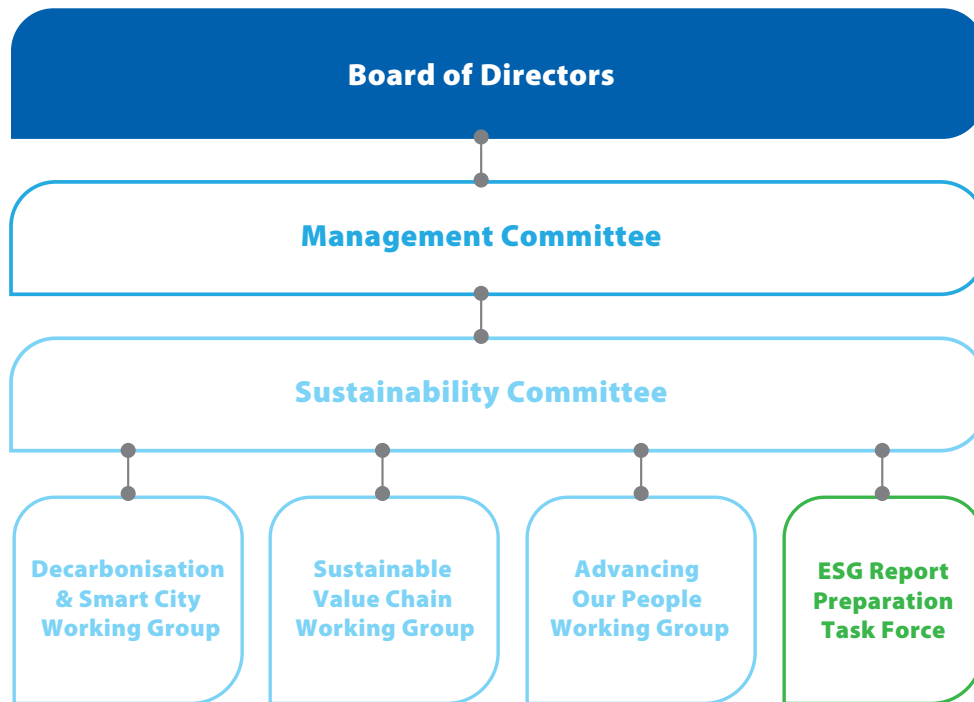
To safeguard the health and safety of employees and all interested parties and provide a safe and healthy workplace.

- The Group will partner proactively with a range of organisations to attract a diverse talent pool. We plan to expand the scope of our Graduate Trainee programmes to attract and nurture future industry experts.
- To develop and retain talent and high-potential future leaders, we will provide robust training and development programmes to enhance the core competencies of employees, support them in obtaining external qualifications, and career advancement. We will continue to provide customised training programmes to bridge knowledge and technology gaps in engineering and other disciplines.
- The Group aims to maintain a safe and healthy work environment for employees by adopting smart and innovative technologies, and promoting health and wellness programmes.

Sustainability Governance

Sustainability management builds on the strong foundations of robust corporate governance and organisation-wide efforts. In 2022, we seek to reinforce these foundations by reforming our governance structure to align our Corporate Sustainability Strategy to anchor sustainability management in all levels and areas of business operations to work together towards our sustainability goals.

The reform was built upon the results of various internal engagements and meetings. The new structure sets clear roles and responsibilities, ensuring accountability and transparency across all levels, from the Board to management and business and corporate units. This allows us to take account of the views from different levels to make informed decisions on key sustainability issues, and is of central strategic importance to accelerate our transformation to a more sustainable operation.



Board of Directors

Our sustainability governance begins with the Board, which has ultimate responsibility and accountability for sustainability. The Board oversees major decisions around sustainability, including overall direction, strategy and performance. With the support of the Sustainability Committee, the Board oversees implementation of our sustainability strategy and reviews sustainability performance regularly to ensure material sustainability considerations are holistically integrated into the Group’s strategic processes, and the agreed goals and targets are met.

Sustainability Committee

The Sustainability Committee is chaired by a Board member and composed of management staff from various business and corporate units who bring their expertise to contribute from their subject areas. With stewardship of the Board, the Sustainability Committee is responsible for management, implementation and monitoring of our sustainability strategy, targets, performance, action plans and reporting.

Sustainability Working Groups

Three working groups have been established to oversee and support the four key pillars of our Corporate Sustainability Strategy – the Decarbonisation and Smart City Working Group; Sustainable Value Chain Working Group, and Advancing Our People Working Group (collectively the “Sustainability Working Groups”). The membership of each working group was carefully considered to include representatives from various business and corporate units. The Sustainability Working Groups are responsible for planning and implementing policies and initiatives in each of the pillars. They also monitor the progress and effectiveness of implementation and regularly report to the Sustainability Committee. This ensures the sustainability targets and action plans set are relevant, practical and impactful.

During the Year, the Sustainability Committee and the Sustainability Working Groups focused on discussion of key sustainability topics of each pillar, including performance review and development of targets, action plans and indicators.



With the launch of the Corporate Sustainability Strategy, we have enhanced our governance to drive sustainability continuously in management as a whole. It’s fantastic to see we are making progress in developing sustainability action plans, key indicators and targets.



Sustainability Risk Management

The Group has incorporated sustainability risks into the enterprise risk management system at the group level. The Board oversees identification and analysis of major risk exposure, including the assessment and management of Environmental, Social and Governance (“ESG”)-related risks. Based on their potential impact and the likelihood of occurrence, the Group formulates action plans to control and mitigate ESG-related risks. At the project level, our tender and project risk management system helps identify and assess ESG-related risks for existing and prospective projects (including safety, quality and environmental risks), facilitating the development of proper mitigation measures.

Our structured risk management approach helps the Group manage material ESG-related risks on a systematic basis, enhancing the effectiveness of risk vigilance and mitigation measures. For more details, please refer to the section of “Risk Management and Internal Controls” in our Annual Report.

Sustainability Awareness

The Group proactively advocates its core sustainability values among our people to drive sustainable business growth and development. We have involved Board members, senior management and employees extensively in our sustainability work. To promote a sense of responsibility in sustainability, we have introduced diverse types of training and engagement activities to different target groups.

Apart from sharing updated information on sustainability issues in a timely manner, we have also carried out sustainability awareness campaigns to enrich the knowledge of our employees about sustainability. For example, we designed a sustainability quiz in 2022 to deepen employees’ understanding of sustainability concepts and trends. An “Introduction to Sustainability” session has been included in our graduate trainees training courses, which provides a general overview of sustainability concepts and trends, and the corporate sustainability strategy of the Group. In September 2022, we organised a sustainability workshop on the topic of “Pathways to a Low Carbon Economy: Carbon Reduction Strategies and Business Opportunities” to expand employees’ awareness of the low-carbon transition and climate resilience. We also held a seminar on the theme of “Introduction of BEAM Plus Data Centres” in January 2022 to introduce the new green building rating tool for data centres.

For our external stakeholders, we have taken an active role in promoting sustainability awareness and participated in a variety of events and seminars. Our representatives have shared their experience and knowledge around innovation and technological solutions to achieve sustainable development with our industrial peers, business partners and general public. For example, we shared insights into transforming the built environment with smart technologies at “Best Practice Sharing Session” held by the Hong Kong Productivity Council (“HKPC”) and introduced our Blue Ocean Strategy and innovative solutions. We also shared our achievements and social contributions in innovation, professionalism, revitalisation and corporate governance at the “CIC Power Talk” organised by Construction Industry Council (“CIC”).



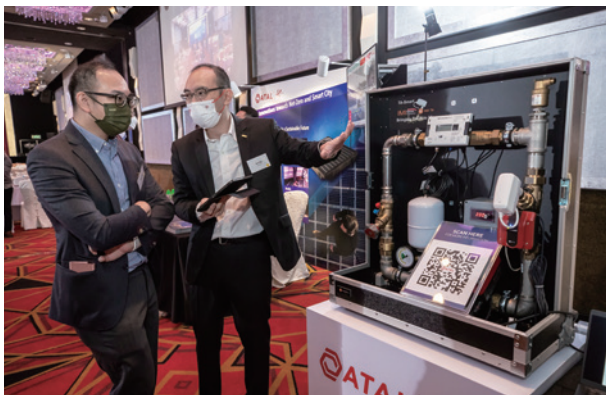
Our Environmental Engineering team joined the Business Environment Council Pavilion of ReThink HK, introducing the Group’s latest carbon neutral solutions during the two-day event.



Ir Dave Chan, Chief Executive of ICBT as a guest speaker of HKPC’s “Best Practice Sharing Session”, explaining how we shape the future of our built environment with smart technologies.

Case study: "ATAL Seminar Series: Smart Sustainability: People • Innovation • Environment"

We held a 3-day ATAL Seminar Series for the first time in October 2022, bringing together ATAL's thought leaders with industry experts and academics to share experiences on the theme of "Smart Sustainability: People • Innovation • Environment". The seminars explored topics in sustainability, innovation, talent and smart city development to help build a smarter, greener world. The event drew hundreds of participants who gave positive feedback that the seminars were timely and inspiring.



Building our Future through Young Talent Development

Our professionals highlighted our strategies in people development, and how we nurture young engineering and management talent to support sustainability.

Innovations towards Net Zero and Smart City

Our ICBT team shared our journey of digital and green transformation, and how we shape the future of our built environment with one-stop smart technologies.

Shaping the Environment for a Greener World

Our Environmental Engineering team introduced our smart technologies and sustainable solutions for water, wastewater and municipal waste treatment projects.



Innovation: An Enabler of Sustainability

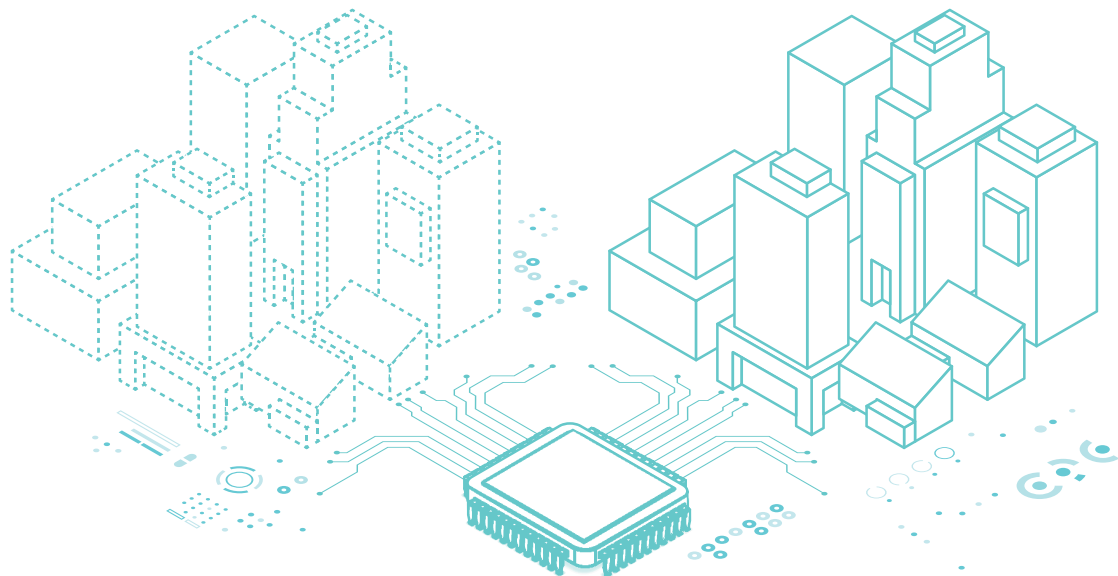
As one of its core competencies, the Group attaches utmost importance to innovation in driving its long-term growth and promoting environmental and social sustainability. We have made significant investments in R&D and innovative technologies, including advanced building technologies, new environmental engineering technologies, information and communication technology, AI and optimisation of energy consumption. Our investment will ultimately benefit our customers and the community by reducing costs, increasing productivity, and improving safety, quality, and resource efficiency. To steer innovation, we encourage new ideas, including process improvements, and novel business concepts, enhancing our capacity to embrace material market opportunities.



Case study: Digital Transformation

Along with the steady improvement in in-house R&D capacity and employee participation in innovation, we have accelerated our digital transformation and development of proprietary technologies, including Digital Twin technology for real-time analytics. This empowers facility managers to visualise and optimise building performance and conduct effective strategic planning for better space use, energy savings, indoor environmental quality (“IEQ”) management, tenant comfort, equipment management and manpower allocation. This can also be extended to the IoT and big data analytics technology for predictive maintenance of lifts and escalators and other applications such as fault diagnosis of electrical and mechanical systems.

We will deploy our AI-enabled Digital Twin Platform in an existing world-class office and commercial building located in Central. We are also applying Digital Twin technology in industrial processes. For example, Digital Twin technology is used to monitor the quality of incoming sewage at a sewage plant in one of our wastewater treatment projects, optimising operational efficiency.



To support our “New Technology, New Market, New Business Model” strategy, we encourage an innovation culture within the Group. An Innovation Fund provides support for innovative initiatives and projects focusing on “New Product” and “New Process”. In addition, our biennial Chairman’s Innovation Award aims to promote an innovation culture by supporting creative thinking and adoption of cutting-edge technologies. There has been smooth progress in shortlisting innovative projects during the Year, including an Environmental, Health and Safety (“EHS”) site management app, robotic welding, and a smart chemical dosing programme. We have also continued our quarterly InnoSmart Award to encourage R&D and innovation. Through employee training, we strive to keep abreast of the latest technological and innovation trends. During the Year, we held a half-day seminar on “Virtual World Technologies for the E&M and Construction Industry” to discuss potential business opportunities arising from virtual world technologies, such as blockchain, non-fungible tokens and the metaverse.

As another step to support a culture of innovation, the Group has also participated in the “ConTech Accelerator” programme. We will share our experience and strengths in driving digital transformation of the industry through this collaborative platform.



Robotic solution of ATAL Training Centre

In 2022, we introduced a robot at the ATAL Training Centre, which can perform body temperature measurements for visitors, disinfection services, tour guiding and other functions to assist the daily operations of ATAL Training Centre.

Our Approach to Engage with Stakeholders

We acknowledge the importance of stakeholder engagement to understand the concerns and expectations of different stakeholders, as well as the impact of sustainability trends in the broader business context, which enable us to make advances in our sustainability strategies, measures and performance. Our approach is to sustain continuous, regular dialogues with our internal and external stakeholders so as to identify, prioritise and respond to material sustainability topics.

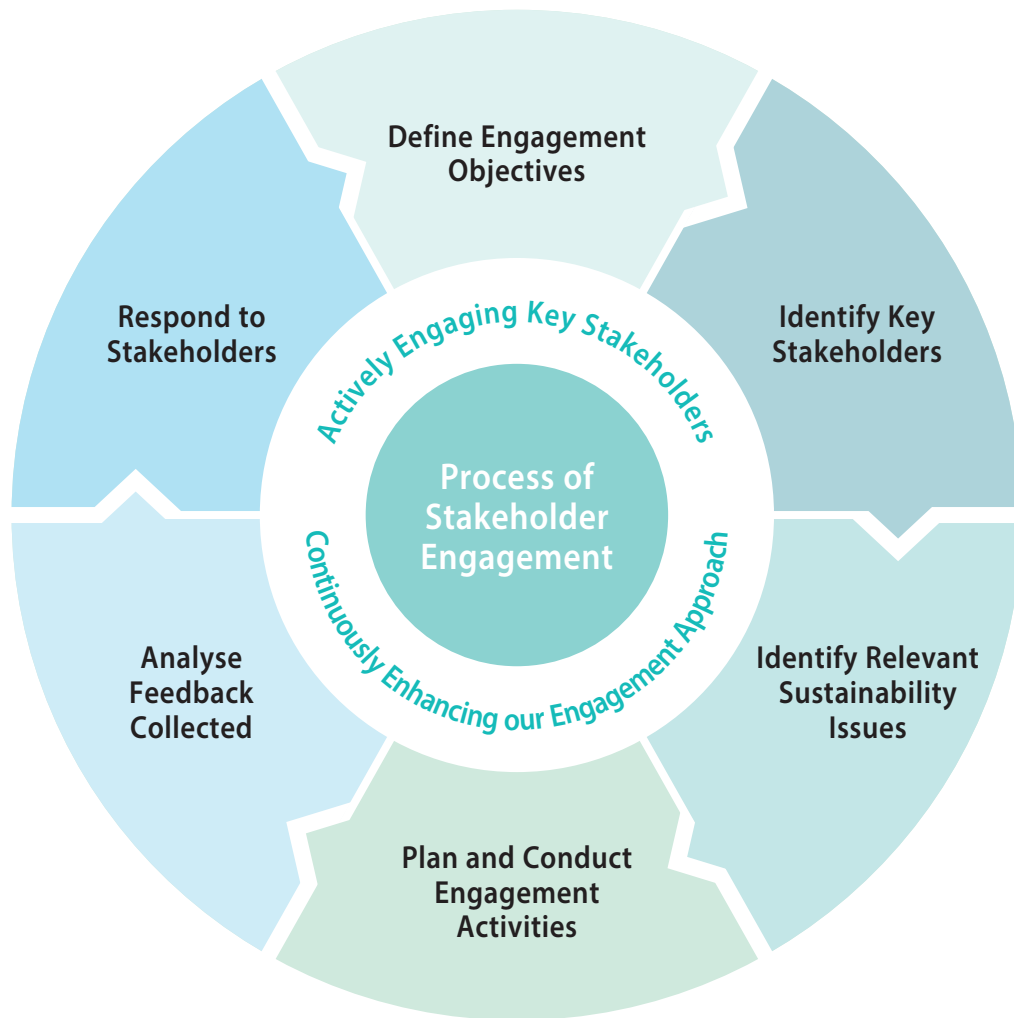
In 2022, an internal review was conducted by the Sustainability Committee to evaluate the materiality assessment results in 2021 and to examine how the business may be affected by megatrends, stakeholders' expectations and business priorities. In view of the extreme labour shortage in the construction industry, the Sustainability Committee decided to upgrade the level of materiality of the "labour shortage" topic from "important" to "very important". The level of materiality of the other identified sustainability topics remains unchanged after careful consideration.

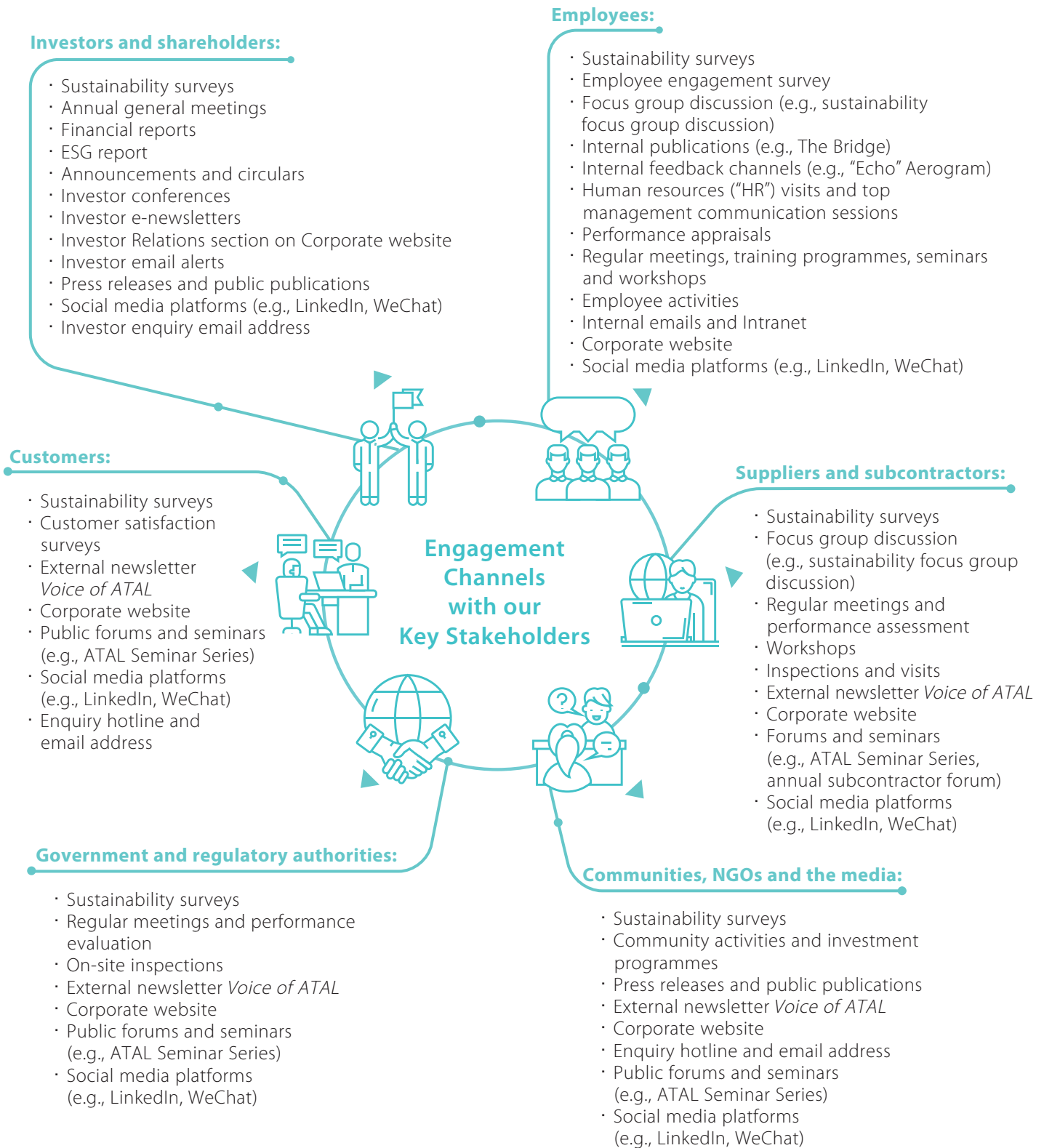


Materiality Assessment Result in 2022

Category	Topic	Level of materiality
Leadership & Governance	<ul style="list-style-type: none"> • Compliance management • Innovation and technology • Anti-corruption • Prevention of anti-competitive practices 	Very important
Employment and Labour Practices	<ul style="list-style-type: none"> • Talent attraction, development and retention • Health, safety and well-being • Human rights • Labour shortage 	
Operating Practices	<ul style="list-style-type: none"> • Supply chain engagement • Protection of customer information and privacy • Protection of intellectual property rights • Quality and safety of products and services 	
Environment	<ul style="list-style-type: none"> • Impacts on the environment and natural resources • Climate change • Energy 	
Employment and Labour Practices	<ul style="list-style-type: none"> • Diversity and inclusion 	Important
Operating Practices	<ul style="list-style-type: none"> • Supply chain risk management 	
Environment	<ul style="list-style-type: none"> • Waste 	
Operating Practices	<ul style="list-style-type: none"> • Responsible marketing and advertising 	Moderate
Environment	<ul style="list-style-type: none"> • Materials • Air emissions • Water and effluents 	
Community	<ul style="list-style-type: none"> • Community investment 	

Stakeholder engagement serves as an important reference to develop and improve our approach to sustainability. We have maintained effective communication channels with our key stakeholders on business strategies and sustainability initiatives. We have also collected stakeholder feedback through regular dialogue, which are taken into account when formulating our sustainability strategies, targets and reports, so as to create greater value for our stakeholders and the wider community.






Sustainability Performance at a Glance


In order to maintain transparency and accountability for our commitment to sustainable development, we report to our stakeholders on our progress and achievements in sustainability. We constantly review our sustainability performance, and seek improvements and necessary actions to infuse sustainability into every aspect of our business for future growth and maintain excellence.

DECARBONISING OUR OPERATIONS

Formulating a **carbon-reduction target** and action plan



Adoption of **advanced construction technologies** in over **50%** of our building services projects to optimise material consumption and enhance project efficiency



DRIVING SMART CITY DEVELOPMENT

Application of proprietary **Digital Twin technology** in building management and industrial process



Started our **first retro-commissioning ("RCx") project** for commercial building




Adopted state-of-the-art **water, wastewater and waste treatment technologies** to support **environmental sustainability**



CO-CREATING A SUSTAINABLE VALUE CHAIN

Obtained the **highest ratings of "Safety Star" and "Service Quality Stars"** in the lift and escalator contractors' performance ratings for **40 consecutive quarters**, since they were launched by Electrical & Mechanical Services Department ("EMSD") of the Hong Kong Government




Average score of customer satisfaction surveys between **"good" and "excellent"**

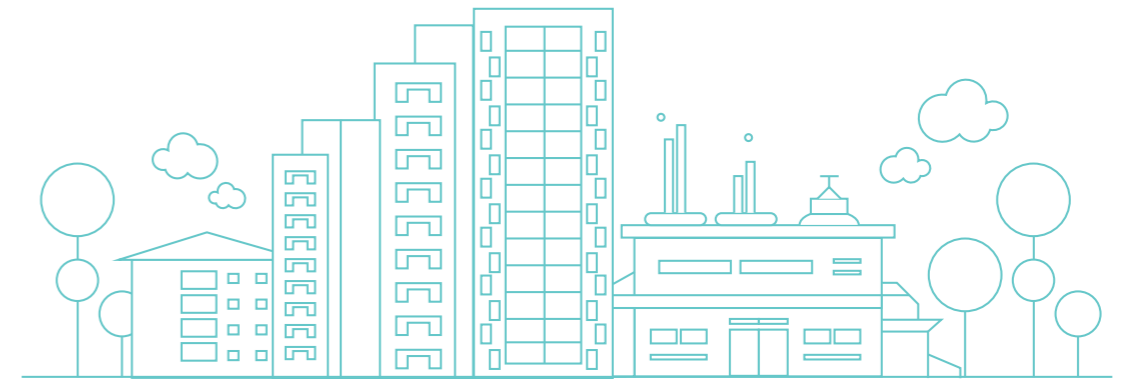


3,000+ suppliers and subcontractors worldwide



Donation **HK\$ 705,000**





Revised sustainability governance structure of the Group




Target to obtain a green building certification under **BEAM Plus** with our **new green headquarters — ATAL TOWER**




ADVANCING OUR PEOPLE


Number of **Graduate Trainees and Technician Trainees** since 1984: **1,000+**




Total training hours¹ **67,000+** hours; **↑30%**




Average training hours¹ **↑32%**



Industrial accident rate¹ **↓19%**



Fatality and occupational disease: **0**



REINFORCING BUSINESS ETHICS AND INTEGRITY

Conducted a wide range of **training on business ethics**



Adopted **Endpoint Detection and Response** solution to **enhance cybersecurity**



¹ Comparison of figures is made against the sustainability performance in 2021.

Award Highlights



Special ESG Awards – Outstanding ESG Performer of the Year (Listed Company) – Platinum Award

Criteria set by Fund Managers – Outstanding ESG Company – Platinum Award

IESGB ESG Achievement Awards 2021/2022
Institute of ESG and Benchmark



Commendation for the Best ESG Report (Small-cap)

Hong Kong ESG Reporting Awards 2022
Hong Kong ESG Reporting Awards



Management Award for ESG Contribution (Electrical and Mechanical Engineering) – Green Contribution Organisation (Mitigate Climate Change)

HKQAA Recognition Program 2022
Hong Kong Quality Assurance Agency



Best ESG Enterprise Award

Sing Tao Services Awards 2021
Sing Tao Daily



No.1 ESG Engineering Enterprise Award

Headline No.1 Awards 2022
Headline Daily



Excellence in Green Sustainability – SDGs



Excellence in Social Sustainability – SDGs

GBA Corporate Sustainability Awards 2022
Metro Finance



HKSAR 25th Anniversary Enterprise Outstanding Contribution Award (Construction Industry)

HKSAR 25th Anniversary Enterprise Outstanding Contribution Award
Metro Broadcast, Hong Kong Coalition



Certificate of Excellence (Large Organization Category)

HKMA Sustainability Award 2022
Hong Kong Management Association (HKMA)



Grand Award in Joyful@Healthy Workplace Best Practices Award (Enterprise/Organisation Category)

17th Occupational Health Award
Occupational Safety and Health Council, the Labour Department, the Department of Health, the Pneumoconiosis Compensation Fund Board and the Occupational Deafness Compensation Board



Special Award: The Hong Kong Jockey Club Excellence in Future Talent Development

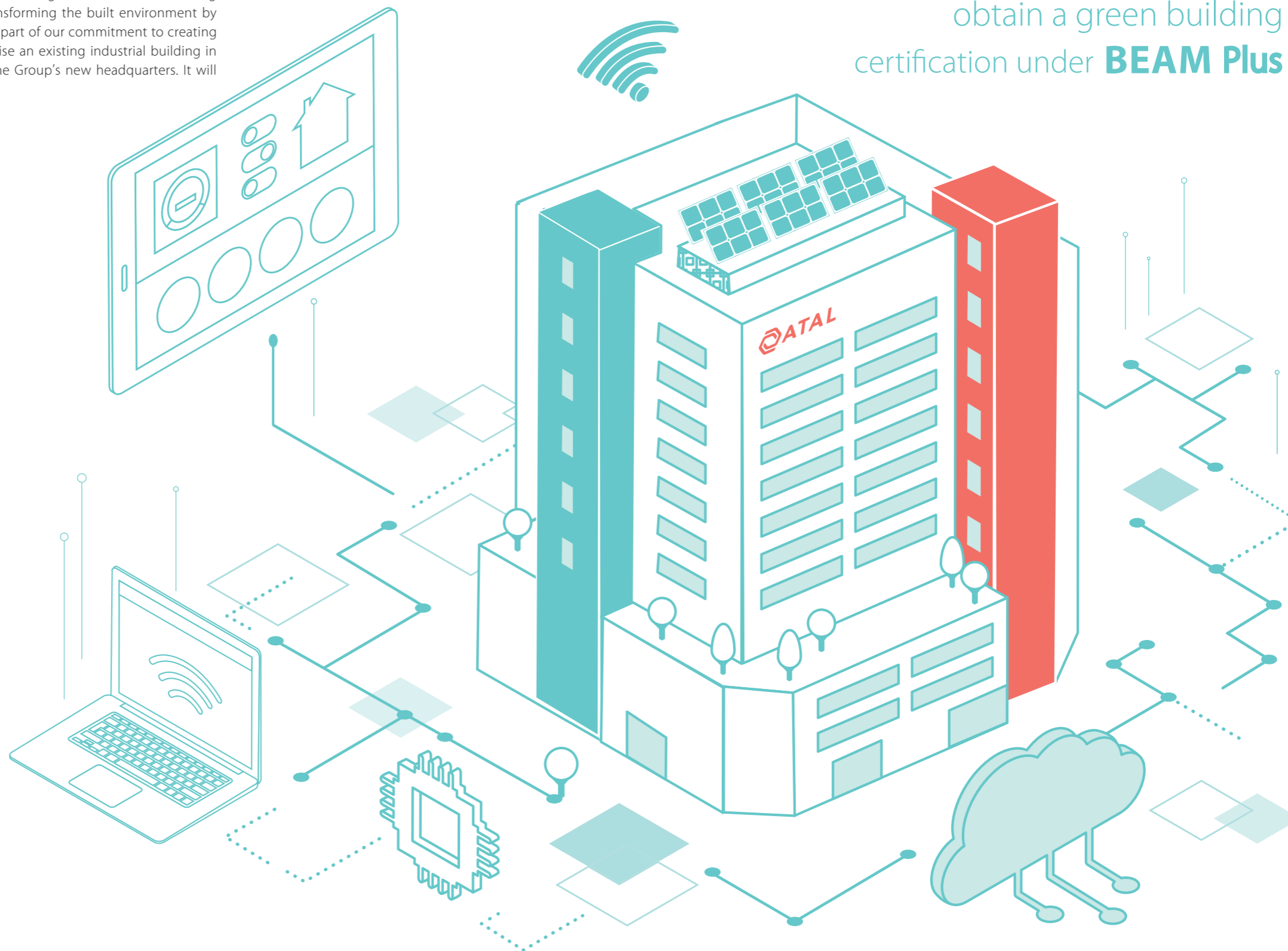
Award for Excellence in Training and Development 2022
Hong Kong Management Association

Green Transformation of New Headquarters – ATAL Tower

In Hong Kong, buildings account for 90% of electricity consumption and generate over 60% of Hong Kong's carbon emissions. Businesses play a significant role in transforming the built environment by prioritising sustainability throughout their business operations. As part of our commitment to creating a green, healthy and productive workplace, the Group will revitalise an existing industrial building in Kwai Chung as a green office building, which will be served as the Group's new headquarters. It will be known as ATAL Tower.

Target to obtain a green building certification under **BEAM Plus**

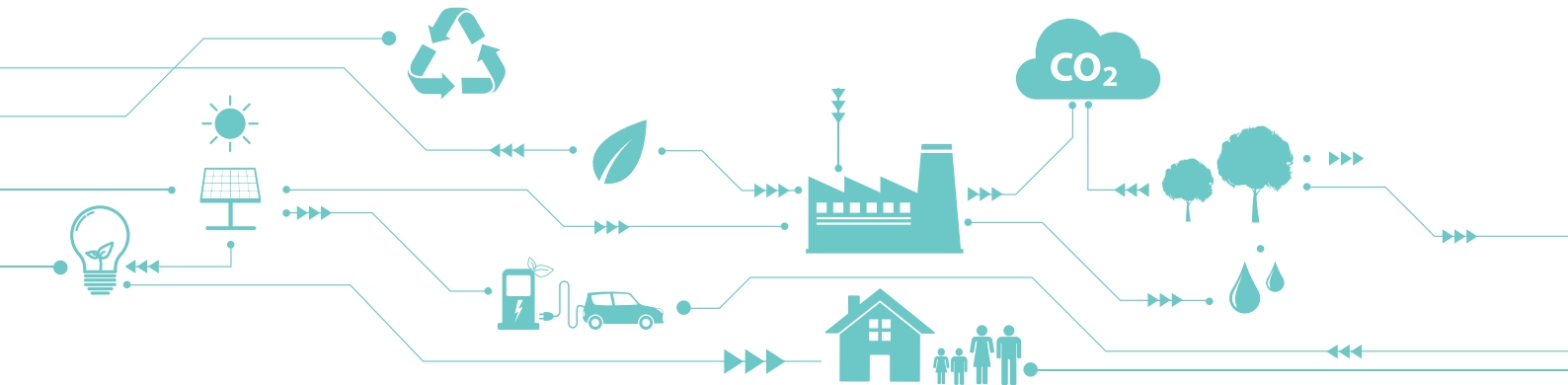
-  AI-enabled smart energy management system
-  IEQ monitoring with sensors
-  High efficiency water cooled chiller system
-  Chilled beam and variable air volume system
-  Video analytics technology
-  Intelligent wireless lighting control system
-  LED lightings
-  PV panels
-  Green construction materials
-  Indoor and outdoor greenery
-  Rest and recreational areas
-  Flexible workspace design for co-creation
-  Smart washrooms
-  Electric vehicle charging facilities



Following three major principles of workplace design – Connectivity, Flexibility and Sustainability – ATAL Tower will be equipped with a wide range of green and intelligent building technologies to improve energy efficiency, the comfort of its occupants and productivity. We will deploy our proprietary Smart Building Platform, which connects all building systems and devices with a sensor network. Our Smart Building Platform is backed by pioneering technologies, such as Digital Twin, IoT, AI, physics-guided machine learning, and big data analytics. These generate valuable insights and help to optimise building performance. The platform allows us to centralise all structured and unstructured data for monitoring, analytics, control and optimisation.

In addition, we adopted BIM in the planning, design, construction as well as operations and maintenance of ATAL Tower. During the construction stage, we will adopt smart and green construction technologies, including offsite prefabrication and DfMA – MiMEP to optimise the efficiency of resource use and the construction process. When the building is in use, the digital record of this building will also be integrated into the Smart Building Platform, to enhance the efficiency of facility management and maintenance. We will also develop a dynamic ESG dashboard to display useful building data and ESG performance for better decision making, performance tracking and communication.

Such efforts will allow ATAL Tower to obtain a green building certification under BEAM Plus, and will attest to our commitment to sustainability.





DECARBONISING OUR OPERATIONS

We are committed to protecting the environment and taking responsibility for minimising the negative environmental impact of our operations. Through decarbonisation, digitalisation, responsible resource consumption and by improving energy efficiency, we strive to integrate sustainability practices into our operations and address the threats posed by climate change to businesses, the environment and society.

DECARBONISING OUR OPERATIONS

Carbon Reduction and Resource Optimisation

Management Approach

With our commitment to transitioning to a low-carbon, smart future together with our stakeholders, we have prioritised and reinforced our efforts to reduce carbon emissions and enhance resource optimisation in our operations. Our EHS Policy advocates responsible operations to minimise our impact on the environment and human health, and promotes efficient use of energy, water and other natural resources for environmental protection.



In our decarbonisation journey, digitalisation and employee engagement are key elements to enhancing our environmental performance and promoting carbon reduction.

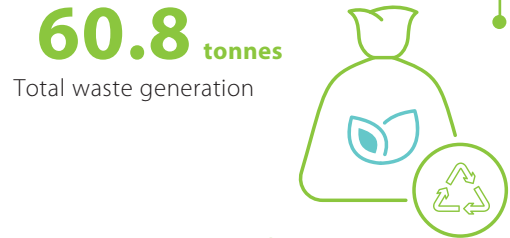
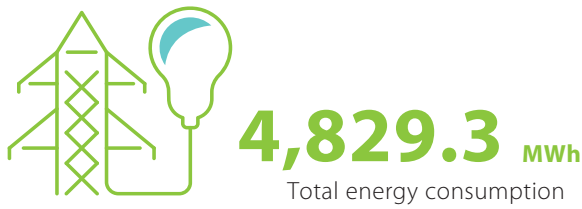
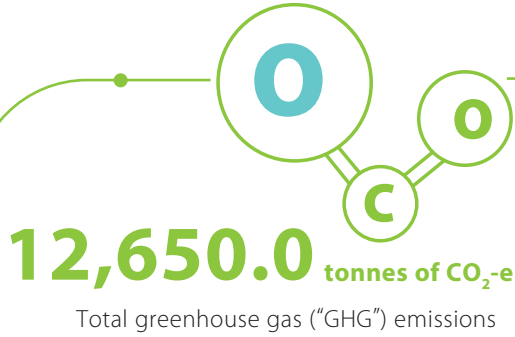


Established in accordance with the ISO 14001:2015 standard, our integrated environmental management system (“EMS”) is implemented across our operations in Hong Kong, Macau, Mainland China, and the United Kingdom. The EMS underpins a robust framework to strengthen environmental management in strict compliance with relevant laws and regulations. To address potential environmental risks, it also provides guidance for the formulation of appropriate precautionary and mitigation measures.

Our Corporate EHS Committee is responsible for monitoring our EHS management system, which manages all EHS activities of the Group. To promote effective management, the committee conducts regular reviews of our environmental measures and performance to improve environmental strategies and accelerate our environmental objectives. Through stringent internal and external auditing processes, we reinforce our EMS based on EHS-related trends, practices, and local and international standards. For implementation, our Corporate Quality, Safety and Environment (“QSE”) Manual sets out procedures and work instructions to foster our environmental targets in carbon reduction and resource optimisation.

Progress Update

Highlights

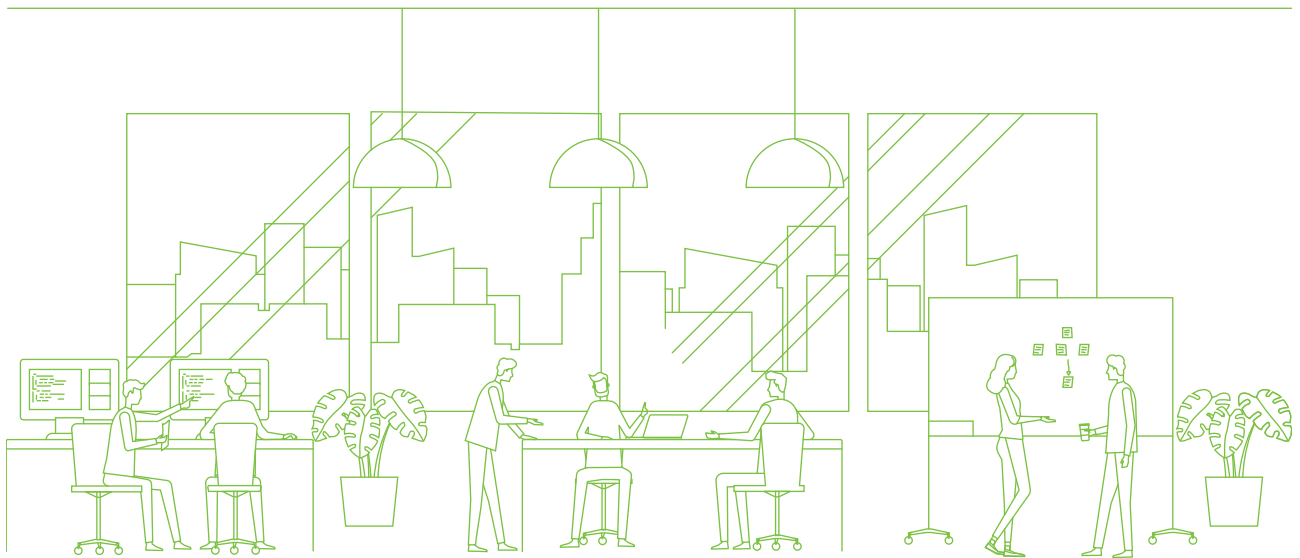


Setting Carbon Reduction Targets

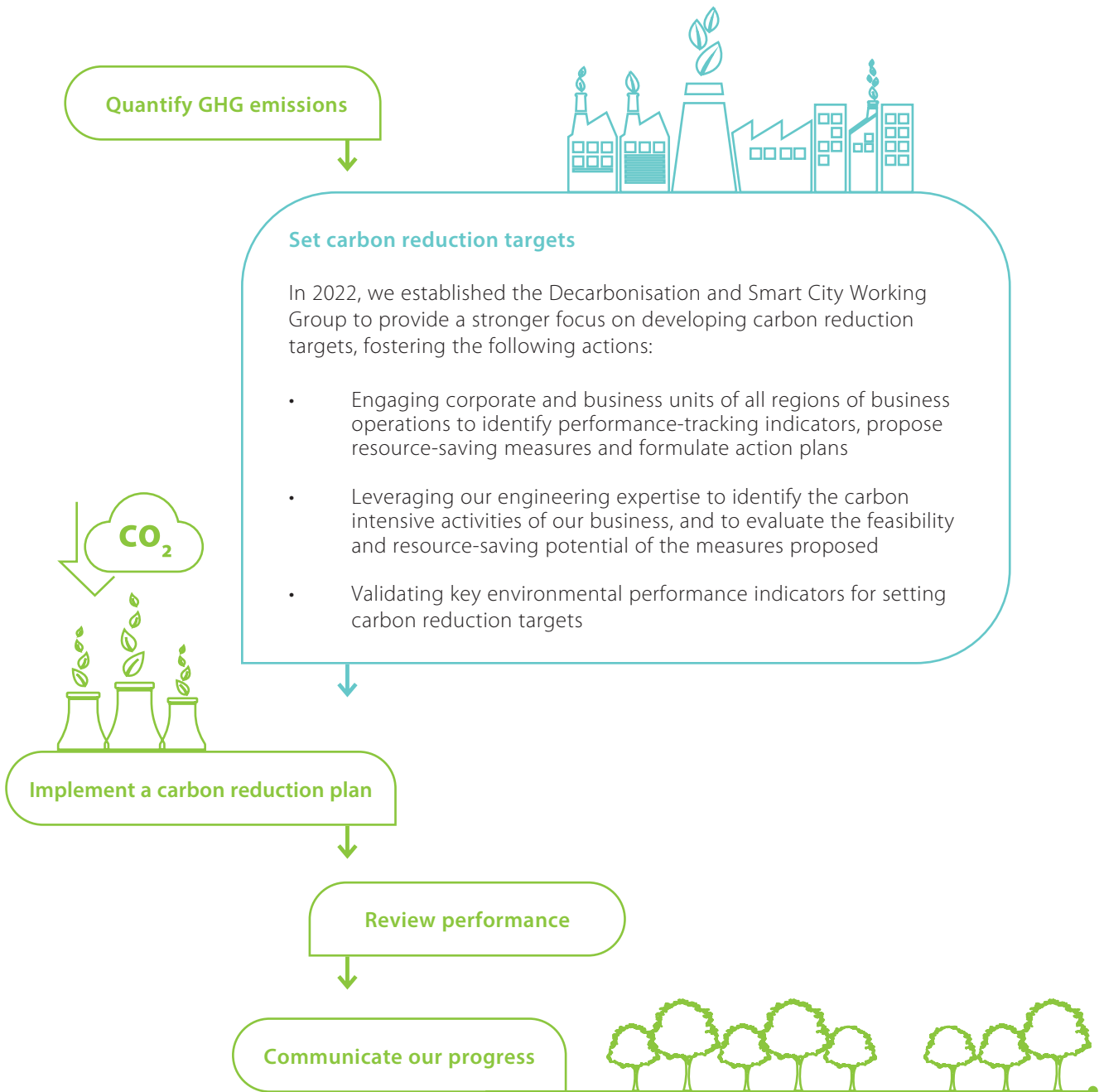
In order to support the Hong Kong Government’s goal of achieving carbon neutrality before 2050, we have made a concerted effort to decarbonise by setting targets through our carbon reduction target-setting exercise.

In order to align more closely with changes in our business, we have revised the scope of our data collection to cover various categories of operation in our business and to provide accurate assessment of our 2022 GHG emissions. We conducted regular reviews and analysis to track our environmental performance and to identify the carbon-intensive activities of our business. In order to facilitate establishment of carbon reduction targets, the Decarbonisation and Smart City Working Group has been working with employees from corporate and business units to propose resource-saving measures, which include replacing the existing lightings with more energy-efficient light-emitting diode lighting fixtures, adoption of high-performance air-conditioning systems, introducing an AI-enabled smart energy management system, installation of renewable energy system and switching to electric vehicle fleet.

Leveraging our in-house expertise and resources, the Group endeavors to calibrate carbon reduction targets and action plans aligned with our reductions in energy, water consumption and waste generation. We will share our progress in achieving carbon reduction goals on an ongoing basis with different stakeholders in the future.



Carbon Reduction Target Setting



Sustainable Resource Consumption

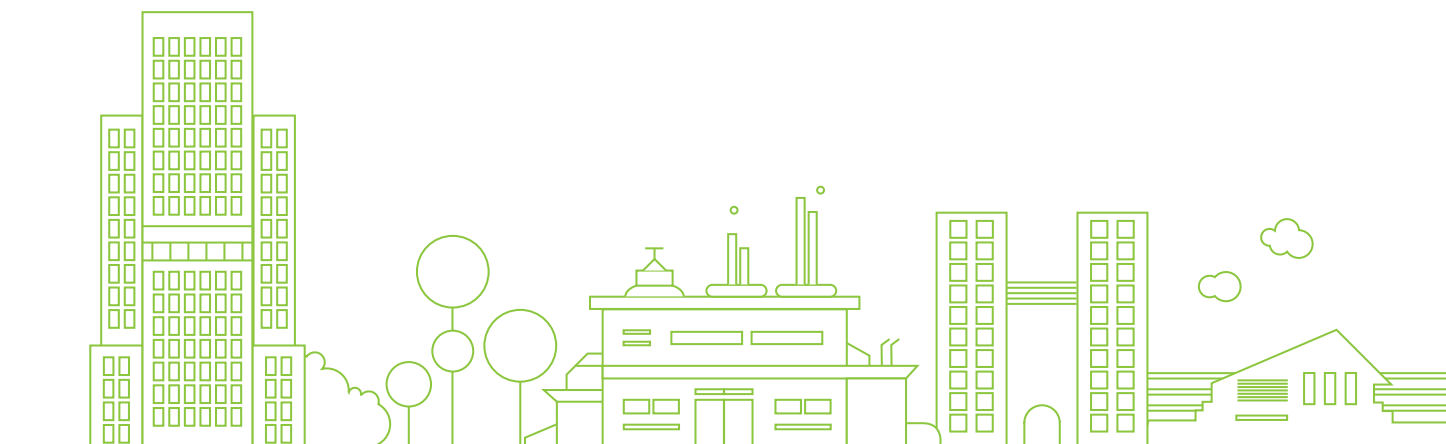
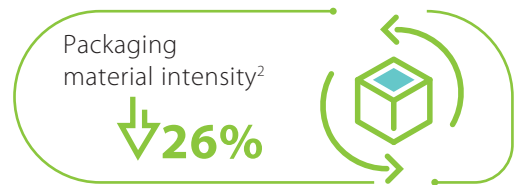
In line with the Group’s carbon reduction goals, we have implemented a set of green office initiatives to boost resource consumption efficiency across our office operations.

To promote energy savings, we have developed a Building Management System (“BMS”) to monitor our energy consumption in the offices. Sensor networks help monitor the office environment and allow automatic and precise control of the heating, ventilation and air conditioning (“HVAC”) and lighting systems, reducing unnecessary electricity usage. We have also introduced other green and smart office initiatives such as installing smart washrooms and IEQ sensors, updating the requirements of HVAC and lighting to optimise the efficiency of our electricity consumption. In addition, we have strengthened the management of company vehicles to lower fossil fuel consumption and air emissions.

We have continued to adopt water conservation and paperless office measures to reduce resource consumption. For example, water-saving devices are installed at our offices to restrict water flow. We also enhance workflow digitalisation and the use of electronic communication platforms to promote a paperless workplace. As part of the process streamline and automation plan, we have updated our Human Resources Information System with a new e-Letter feature in 2022.

We also encourage green procurement. Higher priority is given to environmentally preferable products. For example, our new company jacket is made of recycled polyester fibers.

Regarding the packaging materials used in our lifts and escalators manufacturing plant, we altered the packaging method during the Year so as to increase the efficiency of packaging material usage. Thus, the packaging material usage intensity is lower in 2022, compared to that in 2021.



² The packaging material intensity is calculated using the sales revenue figures of the lifts and escalators segment only, covering both external transactions and inter-company transactions.

Advanced Construction Technology

The Group has always been at the forefront when it comes to adopting advanced technologies to upgrade our E&M support in building services, bringing our productivity, cost control, quality and safety to the next level. We have applied advanced construction technology in over 50% of our building services projects, such as BIM, DfMA – MiMEP system, AI and Big Data Analytics. Adoption of advanced construction technology not only enhances project efficiency and quality, but also improves work safety and helps to optimise material consumption.

In accordance with Hong Kong’s BIM roadmap, we elevated the overall BIM capability of the Group by creating and maintaining the appropriate BIM environments, methodology and facilities as well as providing training, coaching and guidance to our staff. We conducted over 1,000 hours of internal training for more than 500 employees on BIM theory, software and management in 2022.



Adoption of **advanced construction technologies** in over **50%** of our building services projects to optimise material consumption and enhance project efficiency



DfMA-MiMEP allows manufacturing of MEP components offsite and just-in-time delivery of the MEP modules to construction sites for assembly or installation, final testing and commissioning. This approach reduces material wastage, increases project efficiency, work quality and work safety.

Workflow of ATAL DfMA System



Case study: Rebranding public mortuary facilities through Adoption of Advanced Construction Technologies

We successfully completed a public mortuary project by mobilising teams of workers on very short notice to help expand urgently-needed capacity to meet surging demand from increased mortality rates during the COVID wave in the first half of the year.

We applied BIM from design through construction in the public mortuary reprovisioning project. We also voluntarily proposed the application of DfMA-MiMEP to accelerate installation and improve project management and construction efficiency. Coupled with the adoption of ATAL Building Services Prefabrication and Modularisation Construction Technology, the reprovisioning project was completed with optimal consumption of materials, improved quality, safety, cost and project management. The extensive use of advanced construction technologies in the project also largely reduced the number of on-site work hours during the worst outbreak of the pandemic in the first quarter of the Year.

In recognition of its success in putting the full BIM lifecycle into practice and our development and application of new technologies, the project won the “Autodesk Hong Kong BIM Awards 2021”.



Waste Management

The Group has waste management policies in place to manage and monitor waste generated, providing clear guidance regarding the handling of hazardous waste, general waste and construction waste. We employ licensed waste contractors to collect and process hazardous waste including fluorescent light tubes, waste cartridges, waste toner bottles and batteries. For non-hazardous waste, we classify waste items, collect non-recyclable waste for landfill disposal and sort out recyclables for reuse, recycling or donation to charities.

Raising Environmental Awareness

We have raised environmental awareness among employees through sustainability newsletters, seminars, training and workshops, advocating green and low-carbon practices and educating our workforce in sustainability concepts.

During the Year, our newsletter, *Road to Sustainability*, shared sustainability information regarding Hong Kong’s Climate Action Plan 2050, daily habits for low-carbon living, creating a green workplace, recycling, and so on. Another publication, *Going Green Tips*, also provided industry updates and best practices on environmental protection.



Climate Risk Management

The worsening consequences of climate change and extreme weather events point to the urgent necessity of action to combat climate change. According to the “Climate Change 2022: Impacts, Adaptation and Vulnerability” report published by the Intergovernmental Panel on Climate Change (IPCC), human-induced climate change, including more frequent and intense extreme events, has caused widespread adverse impacts on nature and people, beyond climate variability caused by natural factors.

As a sustainable multi-disciplinary E&M engineering group, we care about the impact of climate change and have taken actions to mitigate both the impact on the Group’s business and the impacts by our business to the natural and built environment.

In terms of the built environment, we enhance the climate resilience of our clients by integrating climate solutions into projects. For example, for projects that are more likely to be exposed to or more vulnerable to extreme weather events, such as projects located in low-lying coastal areas, we propose measures to mitigate climate risk to our clients during the design stage.

Internally, we pay close attention to identifying and responding to climate-related risks and opportunities across our operations. To lower safety risks due to adverse weather events, we have sent alert message and suggested preventive and mitigation measures when adverse weather warning is issued. Considering the increased risk of heat-related illness as a result of the increasingly hot weather, we have also carried out heat stroke prevention campaign and implemented heat stroke preventive measures. In pursuing climate adaptation and resilience, research and meetings were held not only to comprehend climate risks and opportunities but also to investigate what we could do to subject our business operations to scenario analysis. The process would help us pin down and assess climate-related risks and give us data to develop strategies to mitigate risks.

To ensure our staff recognises the significance of managing climate risks, we keep our employees updated on climate-related issues, strategies, measures and progress. For example, to enhance their awareness, we published an internal newsletter in 2022 to introduce physical and transition climate risks.

Heat stroke preventive measures:



Providing water bottles, cooling towel, anti-heat stress uniform, portable waist fan, sun-protection arm sleeves



DRIVING SMART CITY DEVELOPMENT

Our ambition is to employ cutting-edge innovations for smart city development. We are committed to fostering an innovation culture to deliver AI, robotic solutions, energy optimisation, energy storage, renewable energy, digitalisation and environmental engineering solutions that will benefit customers and the wider communities.



DRIVING SMART CITY DEVELOPMENT

Smart and Healthy Living

We support the development of a smart, healthy and livable city through capacity building for new technologies of Digital Twin, IoT, AI and Big Data Analytics, and wide application of advanced construction technologies, environmental engineering technologies and robotic solutions. With the proprietary know-how developed by our R&D team, the Group captures the business opportunities to bring benefits to our customers through our projects, including energy-efficient solutions for buildings, digital solutions for enhancing operational efficiency, and improved delivery of healthcare and other services for the betterment of communities.

AI and Custom-designed IoT Solutions

We provide one-stop services, including systems design, supply of equipment, development of IoT networks, integration services, and most importantly, customised data analytics applications. Among our pioneering IoT-based innovations, our in-house developed Smart Building Platform centralises and analyses building data in real time, including temperature, humidity, energy consumption, and water leakage. It leverages statistical analysis to optimise building performance with predictive maintenance capabilities and makes it possible for clients to take timely actions and perform analytics by monitoring all their building systems and devices on a single platform.

“Taking into account the ever-increasing demand in the market for tech-driven solutions and automation, we will maintain our commitment to furthering our internal resources and creating bespoke solutions, as well as progressing our digital twin offering to support smart city progress.”

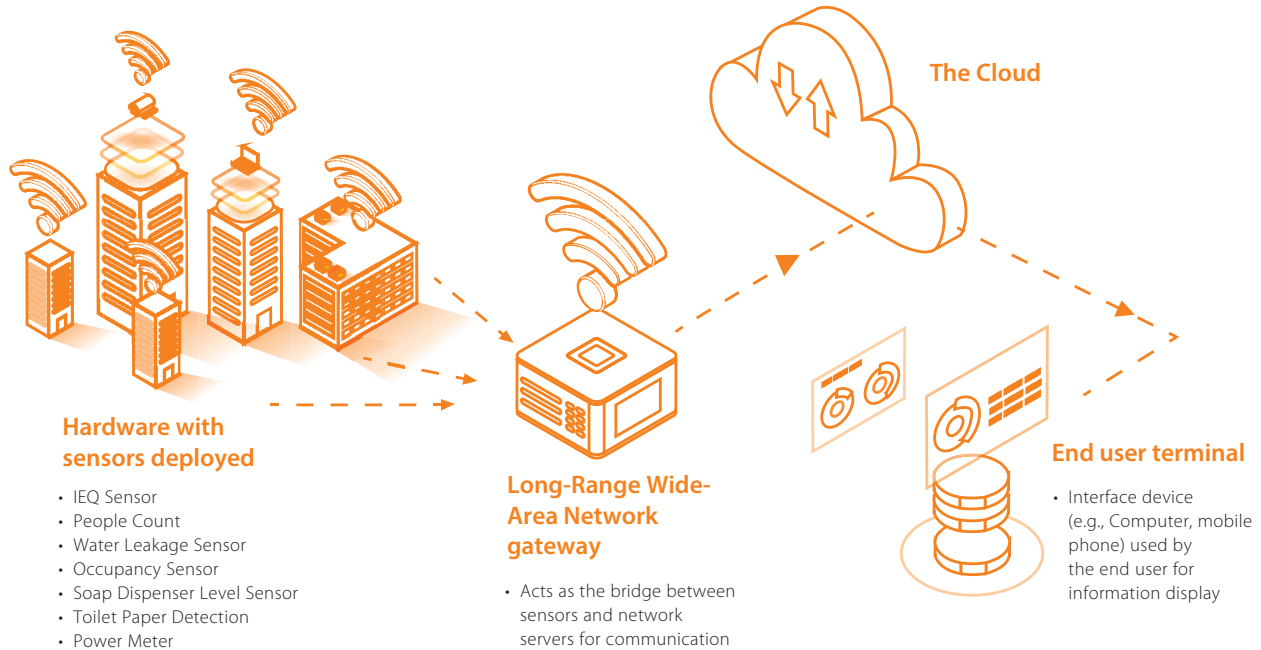
ATAL Smart Building Platform

Analytics and Applications	Digital Twin	Energy Optimisation	Automatic Fault Detection & Diagnosis	Smart Facility Management	Visitor Management			
	Smart Space	IEQ Monitoring	ESG Dashboard and Reporting	Smart Toilet	Sustainability Monitoring			
	Physics-Guided Machine Learning		Domain Knowledge		Artificial Intelligence			
Visualization	Mobile App	Dashboard	Alarm Notification	Report and Logging				
Data Management	Data Lake			Data Cleansing				
Data Collection	BMS	Extra Low Voltage	IoT, and Information and Communications Technology	Video	E&M	Operation Data	Spatial and BIM	Other Open Data

Through integrating IoT systems and BIM on our Smart Building Platform, we offer smart solutions for streamlining operations for facility management and predictive maintenance. In our zero carbon park project, we have developed an As-Built BIM Model with verified asset data to interface with the IoT system. This encompasses monitoring of E&M equipment vibration, wetland, aquaculture, power, and the indoor environment. The ability to gain real-time insights and data helps inform decisions and results in effective and accurate problem-solving for facility management. It makes it possible to mitigate delays in processes, resulting in lower costs and more efficient budgetary allocations. Continuous monitoring reduces potential risks and losses by preventing re-work and material damage.

In addition to the zero carbon park project, we have also applied IoT technology to our real-time location system in a government infrastructure project. Using smart tags, we are able to create a dashboard display for real-time location of equipment from various departments that is accurate and cost-efficient, improving resource allocation and operational efficiency.

Our smart washroom solution has adopted advanced Long-Range Wide-Area Networks coupled with IoT technology. This promotes effective management and high-level user experience by connecting various sensors to a Smart Building Platform dashboard, including sensors for IEQ, people count and water leakage. This solution has been applied to commercial buildings, Grade A offices, a heritage retail site in Central and other projects.



Automatic Storage and Transportation System (“ASTS”)

The provision of supporting services and facilities is critical to cope with the heavy demand for public healthcare services. The Group was awarded the design, supply and installation of ASTS for a supporting service centre. For laundry collection, cleaning and sorting, the ASTS comprises a Shuttle System, Conveyor System and Lading Station. The system is fully automatic from reception, scanning and storing data, transporting, boxing and sorting to the lading process. The sync operation of ASTS and warehouse management system will streamline the laundry production process, enhancing the capacity of public medical services in Hong Kong.

State-of-the-art Technologies to Improve Lift Performance and Reliability

In April 2022, we completed the Central to Mid-Levels Escalator and Walkway System refurbishment project, the transport system for more than 78,000 pedestrian trips per day, and the world’s longest covered outdoor escalator and walkway system.

The narrow work site and various physical constraints posed a myriad of technical challenges in the refurbishment project. With our state-of-the-art technologies, meticulous planning, thorough execution and careful consideration of the needs of the neighbourhood, we finished the project on a tight schedule to the client’s satisfaction.

The refurbishment of the system has made it safe, reliable and eco-friendly within the Central and Mid-levels community. In recognition of this project, the Group won first place in the “Escalators: Modernisation” category of the Elevator World’s “2021 Project of the Year” award contest for innovation, originality, creativity, installation methods and techniques and its adoption of advanced technology.



Climate Solutions

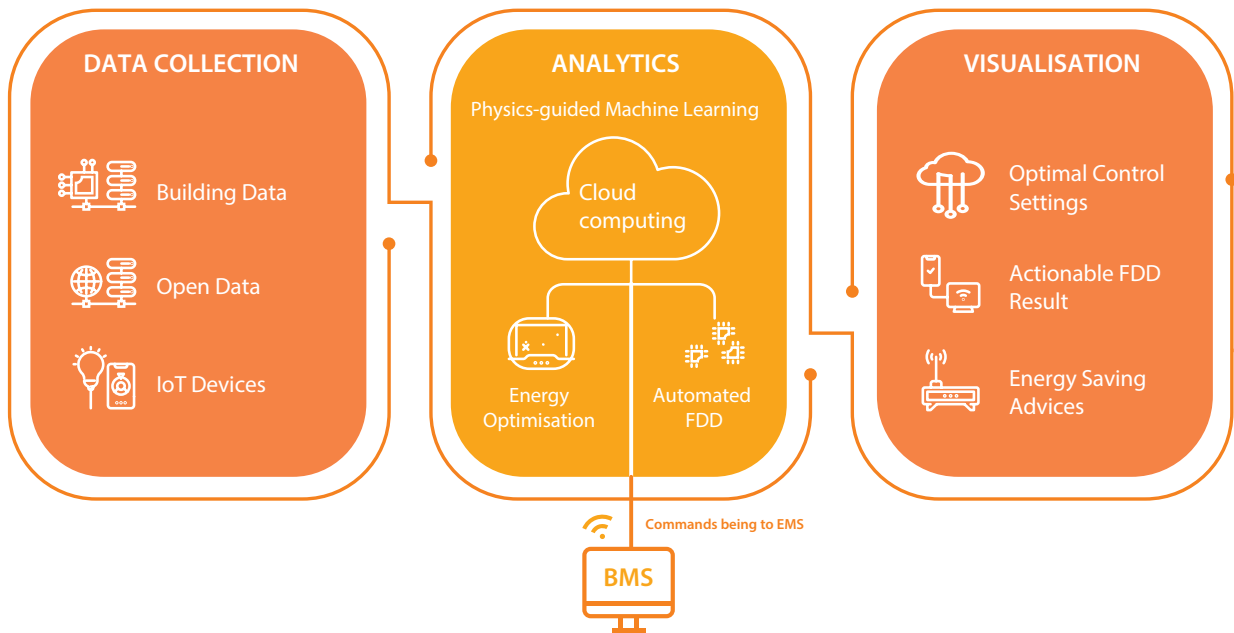
The Group serves as a driving force for carbon emission reduction in Hong Kong, through diverse climate solutions that deploy cutting-edge technologies and innovations. We provide end-to-end solutions for energy-saving, from energy audits, RCx and design to monitoring energy usage. Our in-house R&D teams and green building experts help design customised IoT-based energy optimisation systems to assist our clients in achieving energy-saving targets.

In addition, we offer tailor-made renewable energy solutions to suit environments with limited space. Our renewable energy solutions include solar PV systems, solar thermal systems, renewable energy lamp posts, solar pavements, solar cooling systems, and wind turbine systems. These support our clients in reducing electricity consumption and electricity costs.

Energy Optimisation with Energy Analytics Module

The innovative Energy Analytics module on our Smart Building Platform is an all-in-one intelligent solution leveraging big data analytics and machine learning for achieving energy efficiency in HVAC systems. It enables data-driven optimisation, alongside automated fault detection and diagnosis ("FDD") to improve energy performance.

Achieving up to **30%** per year energy-saving on HVAC systems



This solution uses advanced modeling and optimisation techniques to maximise energy savings, based on self-trained physics-guided machine learning models with existing operational data. The solution has helped HVAC systems in various Grade-A office buildings and data centres to realise total optimisation. Depending on the building type and the building’s current energy performance, buildings can achieve up to 30% energy savings on HVAC systems with the use of the Energy Analytics module.

RCx and Energy Audit Services

The Group has been providing consultancy services for RCx and energy audits on buildings. We help identify energy-saving potential and improve energy performance of buildings.

Apart from conducting RCx for government and institutional buildings, we started our first RCx project for commercial buildings. We conducted data analytics and scenario diagnostics on building services systems, including HVAC systems, electrical systems, lighting systems, lifts and escalators, as well as plumbing and drainage systems, identifying operational and maintenance gaps that contributed to inefficient energy use and unsatisfactory indoor environments. Based on our analysis, we developed an RCx plan, including operational and maintenance improvement work, to enhance the building’s energy savings, reliability and thermal comfort performance. In addition, we provided training and instruction to the users of the building and offered ongoing commissioning services to sustain optimal energy efficiency.

What is RCx?

RCx is an important part of the review process to ensure that a building services systems are efficiently operated and maintained. It focuses on identifying faults or inefficiencies in existing building services systems and making necessary upgrades or repairs to those systems. It also helps to improve energy efficiency, reduce costs and create a comfortable environment for occupants. By using modern technological solutions such as automation, sensing, analytics and other tools, RCx can optimise any existing system within a building to ensure it is operating at peak performance.

Clean Water and Sanitation

One of our hallmarks as a company is our innovative approach to developing systems for delivery of quality water treatment and waste management services.

The Group adopts state-of-the-art water and wastewater treatment technologies to support environmental sustainability in both the public and private sectors, including the Aerobic Granular Sludge treatment process, high-power ultrasound technology, and ATAL Multi-stages Flocculation Sedimentation III (“AMSFS III”) technology. In 2022, the China National Intellectual Property Administration gave our sewage treatment technology AMSFS III its Utility Model Patent. It also obtained the “2021-22 Hong Kong Awards for Industries: Innovation and Creativity” from Hong Kong General Chamber of Commerce, a “Certificate of Merit” in the “2021 Hong Kong Green Innovations Awards” from the Environmental Campaign Committee, and a “Certificate of 2022 Shenzhen and Hong Kong Outstanding Innovation Eco Environmental Technologies and Achievements” from the Hong Kong Productivity Council.

Developed in-house, AMSFS III is a flexible and fully automatic all-in-one wastewater treatment system, which reduces negative environmental impacts on site and saves labour and maintenance costs. It has been widely applied in our sewage treatment projects in Mainland China.



Advancing Waste Management in Hong Kong

The Group has continued to develop waste management infrastructure. Our game-changing “waste to energy” project O · PARK1 has been serving food waste treatment in Hong Kong since 2018. This organic resources recovery centre adopts an anaerobic digestion process to convert food waste into biogas. This is then turned into heat and electricity and supports the needs of the facility, providing self-sustainable energy as well as delivering surplus electricity to the grid. Apart from reducing food waste disposed of at landfills, O · PARK1 also upcycles residue from the anaerobic digestion process into compost for landscaping and agricultural use, supporting Hong Kong’s waste management strategy. In 2022, it won the National Overall Winner and FIRE Category Winner in the “Energy Globe Award 2022” for its outstanding performance in adopting innovative design to tackle climate change.



We have recently secured two waste infrastructure projects, augmenting our environmental engineering portfolio in waste management. These includes the contract for the food waste pre-treatment facility in a sewage treatment works in Sha Tin, and the contract for the Leachate Treatment Works at the Landfill Extension in Ta Kwu Ling. Since we are responsible for the design, construction, operation and maintenance of this new food waste pre-treatment facility, we are adopting Separation Mill as the core pre-treatment technology for food waste to facilitate anaerobic co-digestion with sewage sludge. Our advanced technologies and expertise will help raise Hong Kong’s capacity for food waste treatment.

Landfill extension works form an integral part of the Government’s waste management plan, and the Leachate Treatment Works in Ta Kwu Ling is a major contributor in this area. The latest technologies will be applied to reduce the concentration of ammonia and other biodegradable contents in leachate generated from landfill waste in the design and construction of this project. This will help maintain an ongoing waste disposal service in an ecologically friendly way.



Optimising the Capacity of Water Treatment Facilities

The Group’s in-situ re-provisioning project for water treatment works in Sha Tin won the Autodesk Hong Kong BIM Awards 2022. The new treatment works adopt advanced treatment technologies including two-stage ozonation, inclined plate settler for sedimentation, two-stage filters and ultra-violet disinfection, which would enhance the treatment and disinfection capabilities and enhance the reliability of water supply. We have adopted BIM in design and construction throughout the project life cycle. By utilising BIM, we were able to visualise the integration of existing and new elements, design change, construction sequence, site logistics and future project deliverables, while enabling multi-disciplinary parties to collaborate closely for precise and timely completion.





CO-CREATING A SUSTAINABLE VALUE CHAIN

To maintain close and mutually beneficial partnerships with key stakeholders, we have embedded sustainability principles into our value chain by leveraging engineering excellence, professionalism, and quality service. We are dedicated to customer satisfaction and supporting long-term community development to build a better future.

CO-CREATING A SUSTAINABLE VALUE CHAIN

Customers

Management Approach

The Group prioritises the needs of our customers and offers customised and innovative solutions to attain customer satisfaction. We attach great importance to delivery of world-class quality, reliability and excellence through our products and services. The robust management and monitoring embedded in our quality assurance process also protects the rights and interests of our customers.

In strict accordance with the ISO 9001:2015 Quality Management System standard, we apply our quality management system to all our core operations. It ensures effective management and control of our products and services in order to attain full customer satisfaction as set out in our Quality Policy and elaborated in quality plans and procedures.

Under the “Cross Business Unit QSE Inspection Scheme”, we conduct cross business unit inspections at our construction sites to exchange good practices and promote workmanship and a high standard of product quality and safety. Regular internal and external audits are conducted for ensuring system compliance and continual improvement. Concerning substandard products, we have formulated systematic procedures to address all quality issues, including product recalls and quality tracking, to resolve the root causes of any nonconformity and prevent recurrence of quality deviations.

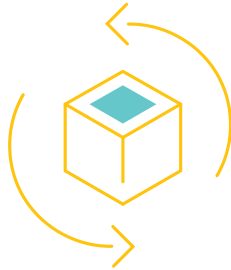
We provide comprehensive and accurate information and constantly collect customer opinions of our operations to maintain continuous improvement in our products and services. Upon contract completion, we conduct customer satisfaction surveys to investigate and evaluate their satisfaction level. In handling complaints, we have detailed quality assurance procedures to guide us to customer grievances. Business units are required to respond in a timely and appropriate manner in accordance with our quality assurance procedures to all customer feedback that we collect.

“

Close cooperation along our value chain drives synergies that are conducive to our sustainability and business development; we will continue to maintain active communication and allocate adequate resources for collaboration.

”

Progress Update



Product recalls as a result of health and safety issues:

0

Highlights



Average scores of **customer satisfaction** surveys between

“good” and **“excellent”**

Obtained the **highest ratings** of the **“Safety Star”** and **“Service Quality Stars”** in the Registered Lift and Escalator Contractors’ Performance Rating for **40** consecutive quarters, since they were launched by EMSD of the Hong Kong Government



ATAL Construction Work Quality Improvement Programme

In December 2021, we launched our “ATAL Construction Work Quality Improvement Pilot Programme”, and worked with different business units to develop solutions to improve workmanship and quality for construction processes. The programme also promotes the sharing of experience and skills by experienced employees and subcontractors with the frontline engineering staff.

2021

Reviewed major incidents of deficient work quality that resulted in reworking, defects, fines, complaints or other issues of concern.

- ☑ Identified major quality deficiencies through workshops with business units and subcontractors.



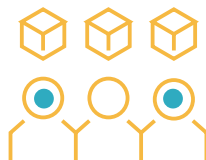
2022

Held a series of brainstorming workshops with frontline engineers, subcontractors’ gangers and workers with in-depth discussion.

- ☑ Conducted cause-and-effect analysis to determine possible factors causing unsatisfactory quality throughout the workshops.
- ☑ Designed a key enhancement programme which includes revising existing work instructions, developing a series of promotional video, and incorporating construction hold points in critical work processes.

2023

Strengthen the mechanisms for quality incident investigation and extend the programme to other business units.



Case study: Multi-disciplinary Work at a Museum in the West Kowloon Cultural District

A museum in the West Kowloon Cultural District showcases precious artifacts and artworks from Mainland China, Hong Kong and overseas. The Group was engaged to carry out plumbing and drainage system installation at the museum, as well as the design, supply and installation of a heavy-duty lift for the smooth conveyance of the priceless art treasures. From the onset of the project, we took great care to meet the museum’s exceptionally high professional standards and create the best possible environment for safe handling and display of internationally significant art treasures.

Highlights of our work include an Industrial Deionised Water Supply System installed to provide water of sufficient purity to be used in the museum’s laboratories. This is crucial for performing conservation work on the art pieces. To ensure safe and smooth transportation of the national treasures, the Group has specially designed a heavy-duty lift for the museum to carry valuable exhibits, leveraging a large lift car with special anti-vibration material for the flooring. The lift is also equipped with an AC Variable Voltage Variable Frequency lift drive to save energy.

As the exhibits are highly sensitive to light and humidity, our teams help create the best environment for the art treasures as well as optimal visitor experience. To meet the venue’s high acoustic treatment requirements, which stipulate a low noise sensitivity level for E&M services and equipment throughout the building, we also provided our teams with soundproofing training.



Subcontractors and Suppliers

Management Approach

We are committed to maintaining close, long-term collaborations with our suppliers and subcontractors and jointly developing, a sustainable value chain for positive environmental and social impacts. Our procurement incorporates requirements for sustainability performance of products and services from suppliers and subcontractors to manage ESG-related risks along our supply chain. Relevant sustainability requirements are clearly stated in our Code of Conduct for Suppliers and Subcontractors. Our QSE Manual provides comprehensive supply chain management procedures to guide our purchasing and subcontracting processes from selection to performance evaluation.

Selection

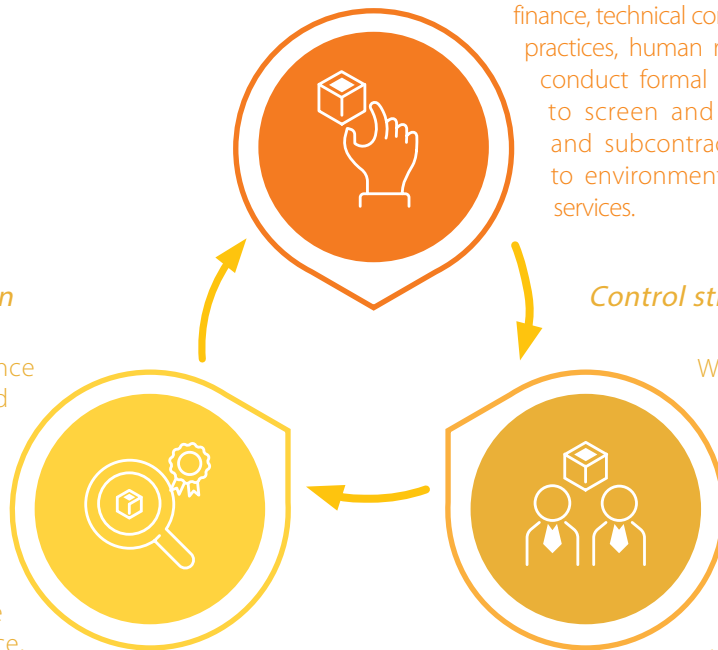
We apply environmentally and socially responsible practices in supply chain management. With selection criteria covering finance, technical compliance, EHS, quality, ethical practices, human rights and labour rights, we conduct formal and objective assessments to screen and select suitable suppliers and subcontractors. We give preference to environmentally-friendly products and services.

Control strategy

We maintain close and sustained monitoring of suppliers and subcontractors throughout the project life cycle to mitigate supply chain risks. Since subcontractors often perform high-risk activities at construction sites, we have included stringent conditions in the contracts with subcontractors, stipulating safety and environmental protection rules, management system protocols, and relevant green building requirements. Internal procedures are also in place to monitor the overall performance of our suppliers and subcontractors.

Review and evaluation

We perform due diligence with qualitative and quantitative scorings to assess the performance of our suppliers and subcontractors. We give preference to suppliers and subcontractors who demonstrate outstanding performance, whereas underperformers will be downgraded or delisted from our tender list. The performance-based mechanism emphasises sustainability performance of our suppliers and subcontractors, which helps foster mutual beneficial relationships. To promote continuous improvement of our supply chain, we conduct regular meetings to engage existing suppliers and subcontractors; we also undertake periodical internal and external audits and inspections for monitoring.



Progress Update

During the Year, we revised our purchasing and subcontracting procedures to ensure fairness and avoid potential conflicts of interest in our procurement process. We incorporated a two-layer declaration system. Apart from self-declaration of interest, relevant employees, suppliers and subcontractors are required to sign a declaration on compliance with business ethics, non-collusion and confidentiality. We also segregated procurement duties, and provided all potential suppliers and subcontractors the same guidance on procurement requirements and specifications, including technical clarifications.



To co-create a sustainable value chain, we proactively engage and communicate with our suppliers and subcontractors to reinforce our supply chain management. We conduct regular meetings and workshops to share experiences and best practices. In the future, we will continue to strengthen our engagement effort and collaboration along our supply chain, including our annual subcontractor forum to share our strategic direction and good practice, as well as to collect feedback.

Community

Management Approach

As a socially responsible corporation, the Group is committed to bringing positive changes to local communities and supporting their long-term development through employee volunteering, and donations. Guided by our Corporate Social Responsibility Policy, we engage in community and charitable activities to support the underprivileged and care for community wellness.

Progress Update

In recognition of our sustained commitment to caring for the community, employees and the environment, the Group has been awarded the “15 Years Plus Caring Company Logo 2021/22” by the Hong Kong Council of Social Service. It reflects our long-term commitment to corporate social responsibility and the continuous support and contribution from our staff and social service partners over the last 16 years.

Volunteer Services to Give Back to Our Community

We actively engaged our people and their families in a variety of community volunteering programmes during the Year.

We have shown our care and shared our good fortune with the vulnerable through volunteer activities and social services. Following last year's participation in the "Joint Caring Event – Happy Bags Delivery to Elderly" programme, where we visited the elderly at their homes and delivered "happy bags" with food and daily appliances, we collaborated with Caritas again to initiate the "ATAL-Caritas Home Improvement Day 2022" on 19 November 2022, the day before "Senior Citizens Day", to show our care and respect for the elderly. We mobilised more than 50 staff volunteers to provide home improvement services to 45 elderly households. Our volunteers helped repair or replace domestic appliances such as fans and exhaust fans, lighting fixtures and refrigerators. The team also brought fortune bags to greet the elderly. We are grateful for the opportunity to give back to the community with our professional knowledge and appreciate the selfless efforts of our staff volunteers.



The Group jointly organised “Green Day in Ma Wan” with the Rainbow Foundation in December 2022. Through interaction with youngsters, the event aimed to share environmental knowledge and reinforce awareness of environmental protection. Our volunteers joined 30 secondary students to visit an organic farm and learn about biodiversity and natural farming, as well as to experience harvesting herb plants. We also shared our knowledge of food waste based on our O · PARK1 project and held a food waste upcycling workshop with students.



We supported a number of charity campaigns while raising employees’ sense of social responsibility. For example, we joined the “Dress Pink Day” in October 2022 in support of Hong Kong Cancer Fund’s breast cancer awareness campaign. We also participated in the “Biz-Green Dress Day” campaign, part of the overall Hong Kong Green Building Week 2022 co-organised by Hong Kong Green Building Council (“HKGBC”) and CIC, to encourage green working lifestyles. HKGBC and CIC awarded us the “Most Engaged Award – Gold” in the “10 Biz-Green Outfits Social Challenge”.



Donations to Support Charitable Causes

The Group also supports community programmes to foster the betterment of our society through donations and fundraising initiatives.

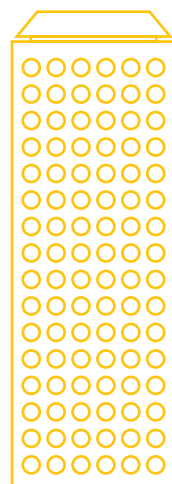
In September 2022, a 6.8-magnitude earthquake and subsequent heavy rainfall and landslides occurred in Luding county, Sichuan Province in Mainland China, resulting in severe casualties and injuries. To support local disaster relief operations and help local victims, the Group raised a total of HK\$500,000 with active donations by our people, reflecting our corporate spirit of mutual assistance and caring for society.

As a caring enterprise in the construction industry, the Group made donations to charity campaigns for construction workers. We sponsored the Construction Charity Fund Integrated Service Centre Limited and CIC Scholarship for Family Members of Registered Construction Workers, which provide financial assistance to construction workers.



The Group also made charitable donations to support mental wellness campaigns during the Year, especially valuable given the social distancing measures during the pandemic. We helped raise funds for the Suicide Prevention Services and the WEMP Foundation, both of which provide support services to promote mental well-being in Hong Kong.

We continued with our campaign to encourage employees to maintain physical health and wellness through participating in "Walk Up Jardine House 2022", the annual charity event of MINDSET. With the theme of "Beyond the Steps", a "Boost-up Station" was set up in our workplace and fitted-out with a step machine for our employees to contribute their steps to charity while working out.



Achieved

323,664



steps

Equals to climbing up

Jardine House

341 times



ADVANCING OUR PEOPLE

The Group understands that our employees' contributions are fundamental to our success. We devote our best effort to fostering a people-centric, inclusive and healthy workplace and supporting a continuous learning and innovative culture to foster our talent development.



ADVANCING OUR PEOPLE



Attracting and keeping talented individuals is critical to our plans for sustainable growth; We hope to create shared value by actively investing in talent development and nurturing generations of high-calibre talent.



People-Centric Workplace Management Approach

Our objective is to establish and maintain an efficient workforce management system and maintain our talent pool. To enrich our human capital, our Corporate HR Unit strategically partners with all business and corporate units in implementing a people-centric approach. Our HR policies stipulate fair employment practices in strict compliance with statutory requirements. We have standardised guidelines covering the entire business and employment life cycle spectrum. These include manpower planning, recruitment, compensation, benefits, welfare, staff relations, work arrangements, training and development, promotions, and termination.

We take a stance of equal opportunity, diversity and inclusiveness in HR management. We ensure

fair treatment to all employees regardless of their race, colour, ethnicity, national origin, sex, age, marital status, sexual orientation, or religious and political beliefs. Any form of discrimination, harassment and unfair treatment is prohibited. To further safeguard the legitimate rights of our employees, we have established specific internal policies and operating procedures, outlawing any types of child labour, forced labour or prejudice within our enterprise. For example, the recruitment process requires verification of the applicant’s identity and employment eligibility. Different types of work patterns, rest days, holidays and leave are explicitly defined to ensure reasonable working hours. We also have a Grievance Handling Policy to handle any suspicious violation.

Progress Update

Employee Engagement

We maintain multiple internal communication channels to create meaningful, two-way communications with our people. These include our “Echo” Aerogram to collect employees’ ideas and opinions, our quarterly corporate magazine and internal newsletters to share updates, regular HR visits, employee engagement surveys, employee focus group discussions and top management communication sessions to understand employees’ concerns and problems at work. We handle all feedback seriously and implement appropriate follow-up actions.



The Group makes considerable efforts to cultivate our corporate culture by ensuring that our employees are aware of and committed to our Vision, Mission and Core Values. We have continued our “Understanding Our Core Values” campaign and published video episodes featuring our seven core values. The latest video episodes featured our staff representatives sharing their experiences and insights on “Customer Focus”, “Drive for Results”, “Safety” and “Sustainability”, helping employees apply our core values to their roles.

³ Including permanent, contract, term-contract, part-time, and temporary staff working in Hong Kong, Macau, Mainland China and the United Kingdom.

Through rewards and encouragement, the Group motivates staff and outstanding teams for their contributions. Every year we launch award and recognition programmes to demonstrate our appreciation for the hard work of our employees. These include the Best Performance Award, Project Award, Quality Grand Award, EHS Grand Award, Innovation Award, Outstanding Employee Award, Best Apprentice Award, Best Graduate Trainee Award, Service Star Award, Best Trainer Award, Long Service Award, Retirement Award and many others.

Talent Attraction and Retention

Attracting and retaining competent and talented employees is one of the Group’s priorities to drive business growth. In terms of employee retention, we reward performance to recognise and motivate our employees, as part of our corporate branding of being “supportive and caring”. We provide competitive compensation and benefits packages for our employees, which cover medical, life and personal accident insurance. Regular market review is conducted to prompt improvements in employee benefits and welfare and ensure fair pay to our employees.

Case study: Celebrating staff contributions with the 45th Anniversary Share Award Scheme

To celebrate our 45th anniversary, we launched an unprecedented Share Award Scheme for our eligible employees as a token of appreciation for their valuable contributions over the years. We expressed our gratitude for our employees’ dedication and unswerving support in contributing to the Group’s success through the Scheme. All eligible employees of the Group in Hong Kong, Macau, Mainland China, and the United Kingdom were granted 4,500 shares each on a one-off basis.



In addition, we also conduct regular meetings with different business units and department heads to identify high-potential individuals and help facilitate their career development. We guide supervisors to begin career conversations and provide career coaching for the targeted employees to support their career advancement.

From September to November 2022, our Corporate HR Unit carried out road shows and site visits to listen to employees' challenges at work and their opinions on areas that need improvement, reinforcing the theme of "supportive and caring".

To enhance our competitiveness in terms of human capital, we put considerable effort into recruitment of talented individuals by widening the scope of recruitment and reaching out to talents who have yet to decide their career path.

The Group supports branding of E&M industry to attract young people to the industry after graduation. During the Year, we participated in the "Business-School Partnership Programme", in which we launched a career talk and a 3-day work experience workshop for secondary school students. To help students understand the industry, we coordinated with various secondary schools to offer company visits. In addition, we strengthened our recruitment through a wide range of channels, including recruiting university graduates, higher diploma graduates, and technician apprentices, as well as offering summer internship and on-site industrial attachment opportunities.

On the other hand, we have opened up employment opportunities for inclusion and diversity. We have collaborated with four minority associations in Hong Kong to expand our local talent pool. We participated in a recruitment job fair to attract local talents and talented youth from the Greater Bay Area. For our existing "Employee Referral Programme", we enhanced the attractiveness of the programme to encourage more employee referrals throughout the Year.

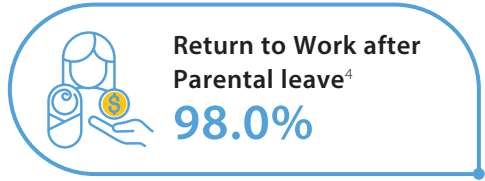
Case study: Establishment of ATAL Alumni to connect previous and existing employees

Established in July 2022, the ATAL Alumni aims to keep in contact with our ex-ATAL staff for re-joining opportunities and brand building. Regular newsletters are published to share job opportunities and news updates about the Group. As of 31 December 2022, we had a total of 353 members in our community.



Caring for Our People and Their Families

As a supportive employer, not only do we put in significant effort to promote mental and physical health of our employees, but we also care for their families. We support employee well-being through a number of welfare programmes, health and wellness activities, family-friendly policies and initiatives.



The ATAL Recreational and Welfare Affairs Club (“ARWA Club”) plays a critical role in team building and cultivating a positive and healthy workplace. We have formed various sports teams to organise gatherings, friendly matches and training, to encourage our employees and their family members to enjoy their leisure time. During the Year, the ARWA Club held a number of entertainment and welfare activities, including the lantern riddle challenge, dragon boat and football competitions, a rug tufting workshop and Christmas tree workshop, Movie Day and more.



We strive to create a people-oriented work environment through promoting employees’ mental and physical health. In 2022, we launched a Healthy Body Series and held two health-related presentations. We also provided influenza vaccination subsidies for our staff and their families for the seasonal influenza in October 2022. To create a mental health-friendly workplace, we have organised two online mindfulness activities during the Year.

⁴ Return to work rate = (Number of employees that returned to work after parental leave during the Reporting Period / Number of employees due to return to work after parental leave during the Reporting Period) x 100%

We introduced a number of family-friendly initiatives to show care for our people and their families. For example, we have a flexible work arrangement in place for staff with personal needs. We also continued the “ATAL Academic Scholarship Programme for Employees’ Children” in 2022 to help the children of employees with outstanding academic performance and subsidise their education.

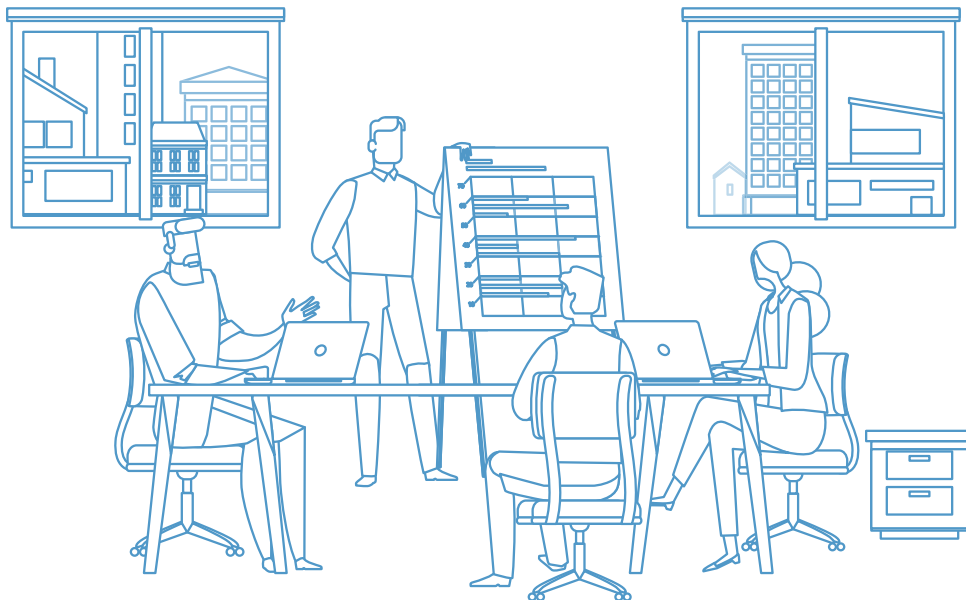
We participated in “Joyful@Healthy Workplace” programme organised by Occupational Safety & Health Council since 2018 to create a healthy work environment. In recognition of our ongoing efforts in promoting a happy, healthy and supportive work environment, the Group received the Grand Award in Joyful@healthy Workplace Best Practices Award (Enterprise/Organisation) in the 17th Occupational Health Award.

Nurturing Our People

Management Approach

We work hard to nurture a group of talented individuals at the forefront of the E&M industry in order to support excellence and innovation. Training and development of such individuals is one of our fundamental HR strategies.

Our Training & Development (“T&D”) team has been instrumental in promoting a culture of continuous learning and professionalism within the Group. Our ATAL T&D framework, T&D System and T&D Advisory Committee support the T&D team in implementing training strategies and managing development programmes for different levels of employees to align with our business goals systemically and effectively. We have also established an online training information system, called *ATALent*. This user-friendly platform offers updated training information, including training course materials, to encourage the self-learning by our employees.



Knowledge and Skills for Excellence: Comprehensive Training and Development Programmes

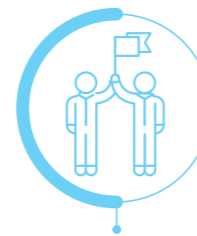
We offer diversified and holistic training programmes to address employees' needs and strengthen our talent development, providing solid and extensive support to enhance their competencies and promote their professional growth.

Structured Training Programme



HKIE Scheme A Training Scheme

Target: Graduate Trainees
To equip Graduate Trainees with the necessary technical and managerial knowledge and skills to be professional engineers



Apprenticeship Training Programme

Target: Apprentices
To develop apprentices into professional and multi-skilled technicians



Training Series

Target: All employees
To provide the entire workforce with comprehensive job-related knowledge and skills. The clear classification of the training series makes it easy to set learning objectives

The T&D Advisory Committee reviews the topics covered in the training series during the quarterly meeting to keep abreast of industry knowledge and market trend

Technical skills	Project Management	Compliance
ATAL Familiarisation	Building Information Modeling	Management Sharing
People Management	Contract Management	Quality, Safety, Environment and Sustainability
Corporate Functions	Soft Skills	Enterprise Resources Planning, Information Technology

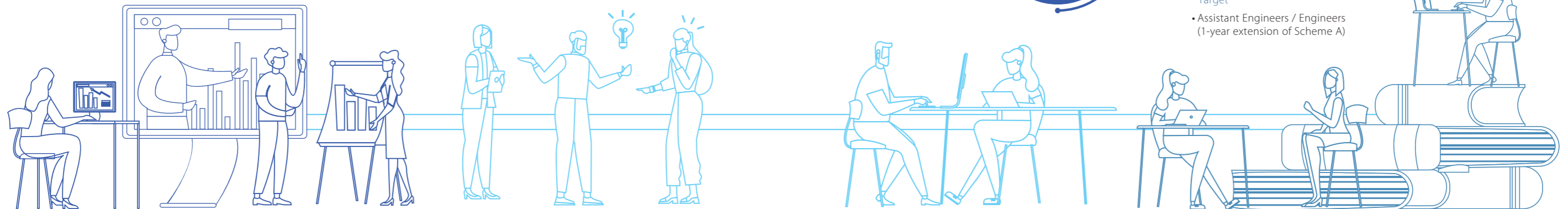
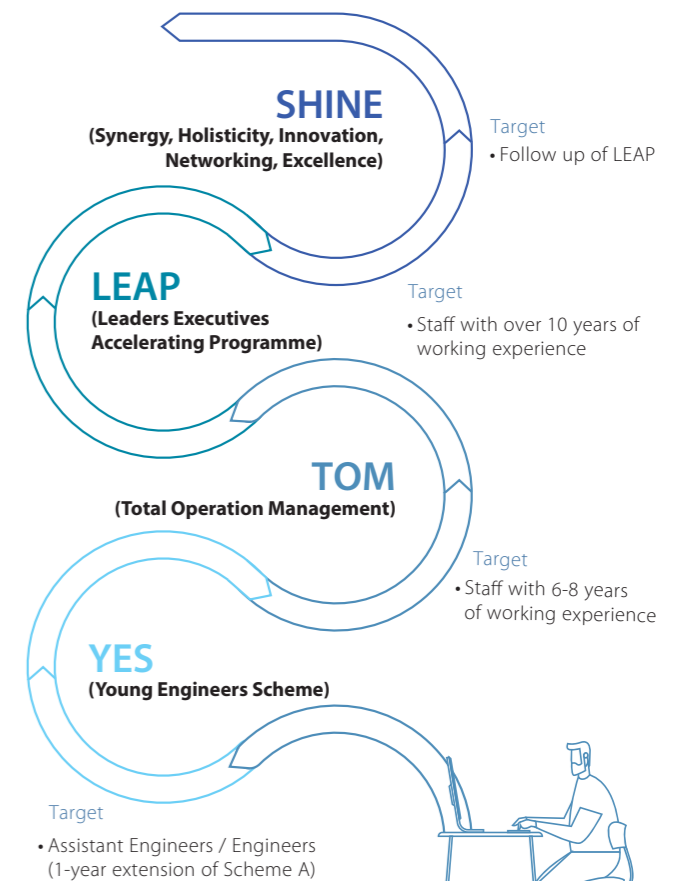
Joint Training Programme

Customised training programmes jointly developed by T&D team and various business units

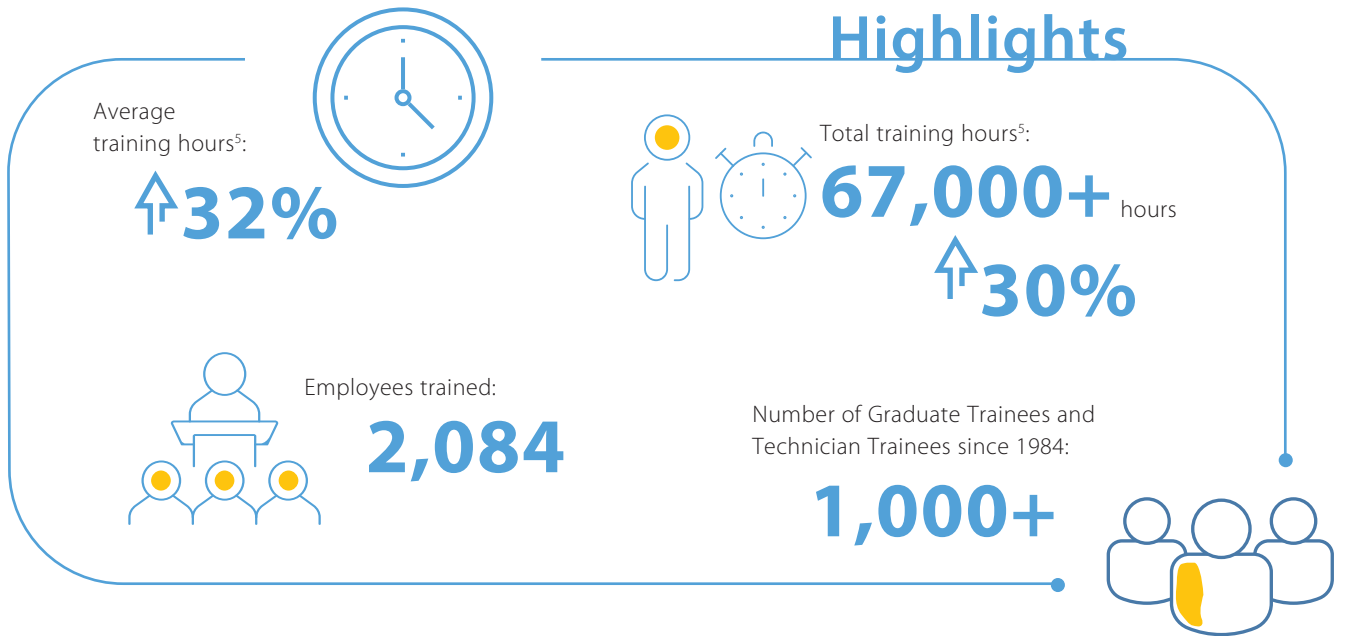


Tailored Development Programme

Tailor-made training programmes for specific groups of young talents with different levels of professional working experience and development needs to assist with their career advancement



Progress Update



We implemented our training plan, conducting a wide range of professional training and development programmes based on job requirements and career development plans. Moreover, our ATAL Training Centre has continued to serve our staff, providing advanced equipment and innovative technologies to support our training programmes.

The Group also has a “Training and Development Recognition Programme” in place to encourage a continuous learning culture among our staff. All eligible employees are entitled to a subsidy of annual subscription fee to corporate memberships of recognised professional institutions. In addition, we established a Best Trainer Award to demonstrate our appreciation to trainers with outstanding training delivery.

⁵ Comparison of figures is made against the sustainability performance in 2021.

Grooming Future Leaders

We endeavor to identify and nurture all-rounded engineers and technicians to enter the Group’s talent pipeline as well as the E&M industry more broadly. We have conducted HKIE Scheme “A” Graduate Training Programme since 1984, which emphasises the practical application of theoretical knowledge and hands-on experience. We have provided numerous training activities for participants, teaching specialist skills to develop a strong, well-rounded foundation for a career in engineering. During the two-year journey, the graduate trainees work with individual mentors in various roles, receiving the necessary coaching and guidance to develop their skills and advance their career.

To bolster the leadership skills of our staff in the Infrastructure and Healthcare Engineering (“IHCE”) business, we launched the “IHCE Development programme for Engineering And Leadership” (“IDEAL”) programme in 2022. The programme allows our future leaders to gain expertise and acquire the ability to mentor and cultivate their colleagues through the experience of designing training materials, teaching processes, and evaluations.

In 2022, we continued to provide four tailor-made talent development programmes which are YES, TOM, LEAP, and SHINE, targeting specific groups of young professionals with different levels of work experience and development needs. Paving career pathways for successful leaders and executives, we have set 3 key themes for LEAP: Visionary and Strategic; Agile and Resourceful; and Cultivating and Inspiring. Selected individuals are in the LEAP Programme for 2.5 working days, with training on strategic and business thinking, leadership and stakeholder engagement, and team development strategies. These help to improve senior staff’s management skills and capability in preparation for future career advancement.



To nurture future leaders, we provide targeted assistance for the career development of high-potential employees. After identifying and understanding their development needs, we create management training plans, including coaching, job rotation, external networking exposure and more to help them acquire crucial skills and experience.

Multi-skill Training

Since 1984, we have organised the “Vocational Training Council Apprenticeship Programme” annually to develop professional and multi-skilled technicians through on-the-job training and mentorship. The Programme have trained around 400 technicians, enabling our apprentices to acquire work experience and improve their knowledge.

During the Year, we have continued to implement our BEST Programme (Building Services Skill Enhancement Scheme for Technicians), to refine the technical skills, knowledge and capabilities of our technicians. This training programme covers fire services, mechanical ventilation and air conditioning, electrical services, and plumbing and drainage for operations and maintenance of building services.

In 2022, we also introduced the “ANLEV Training Initiative for Generic Engineering Normal Programme” (“ANTIGEN”) targeting engineers for lifts and escalators. Focusing on QSE, project management, collaboration, customer services and people management, we have conducted training sessions to help engineers enhance their management skills, in order to become more effective in delivering best-practice engineering services to customers.

Nurturing Talents for the E&M Industry

We support a talent pool for the E&M Industry with our ongoing investment in young talent acquisition and development. We have scholarship grants to assist the younger generation in pursuing their studies and career development in the E&M field. In 2022, the Group awarded a total of HK\$160,000 to 22 students across five of the local tertiary education institutions.

Recognising the Group’s contributions and achievements in elevating professionalism and supporting career and personal development, the Group won awards for “Special Award: The Hong Kong Jockey Club Excellence in Future Talent Development” in the Hong Kong Management Association’s Award for Excellence in Training and Development 2022, as well as the “Excellence in Social Sustainability – SDGs” from the “GBA Corporate Sustainability Awards 2022”.

Health and Safety

Management Approach

The Group fosters a health and safety culture that takes into consideration the well-being of all employees as well as subcontractors' workers. Our EHS Policy underscores our commitment to minimising potential hazards and providing a safe and healthy workplace.

We are certified for the ISO 45001:2018 Occupational Health and Safety Management System. Our QSE management system has clear policies, objectives, targets, and evaluation mechanisms to manage health and safety matters at both the corporate and subsidiary levels, covering our operations in Hong Kong, Macau, Mainland China, and the United Kingdom. Under our integrated management system, our Corporate QSE Manual lays out clear standards, practical guidelines, and measures to ensure the occupational safety and health of our employees and subcontractors' workers. We conduct regular reviews of safety objectives, targets, and effectiveness to raise the level of safety.

Through open communication and active engagement, we have integrated our safety culture into all aspects and levels of the Group. From general staff, EHS professionals, and operational management to senior executives and the Board, we have established clear lines of responsibility to ensure effective leadership for occupational health and safety.



Our Corporate QSE Unit is responsible for the implementation, maintenance and improvement of the QSE management system, supported by Corporate EHS Committee and various Site EHS Committees across different business units to monitor the on-site implementation. We have carried out job hazard identification and risk assessment, and developed and implemented appropriate mitigation measures to ensure overall protection of occupational health and safety. We provide practical guidelines and comprehensive training, and conduct scheduled and surprise site walks, regular evaluation and analysis of safety performance to maintain our safety standards and imbue an atmosphere of “Think Safety and Work Safely” in the workplace.



We have delegated internal teams and independent third parties to conduct periodic inspections and audits to supervise the health and safety performance of our daily operations. Relevant performance data and findings are reported during the regular Site EHS Committee meetings and reviewed by the Corporate EHS Committee, to evaluate the effectiveness of our implementation of health and safety measures. From incident reporting and site observation, we analyse data including reported injuries, dangerous occurrences, near-miss events, and subcontractors' accidents, and review the effectiveness of our measures to drive ongoing improvement of our safety performance. Among routine measures are the "Cross Business Unit QSE Inspection Scheme" and senior management walks, through which our management and different business units exchange good practices and opinions to promote safety on construction sites.

We pay considerable attention to subcontractor safety as part of supply chain management. Under our Code of Conduct for Suppliers and Subcontractors, all subcontractors must comply with our safety requirements. Concerning the safety of frontline workers, we maintain close, ongoing communication with our subcontractors to assess the safety level of frontline workers, to avoid potential accidents and raise safety awareness.



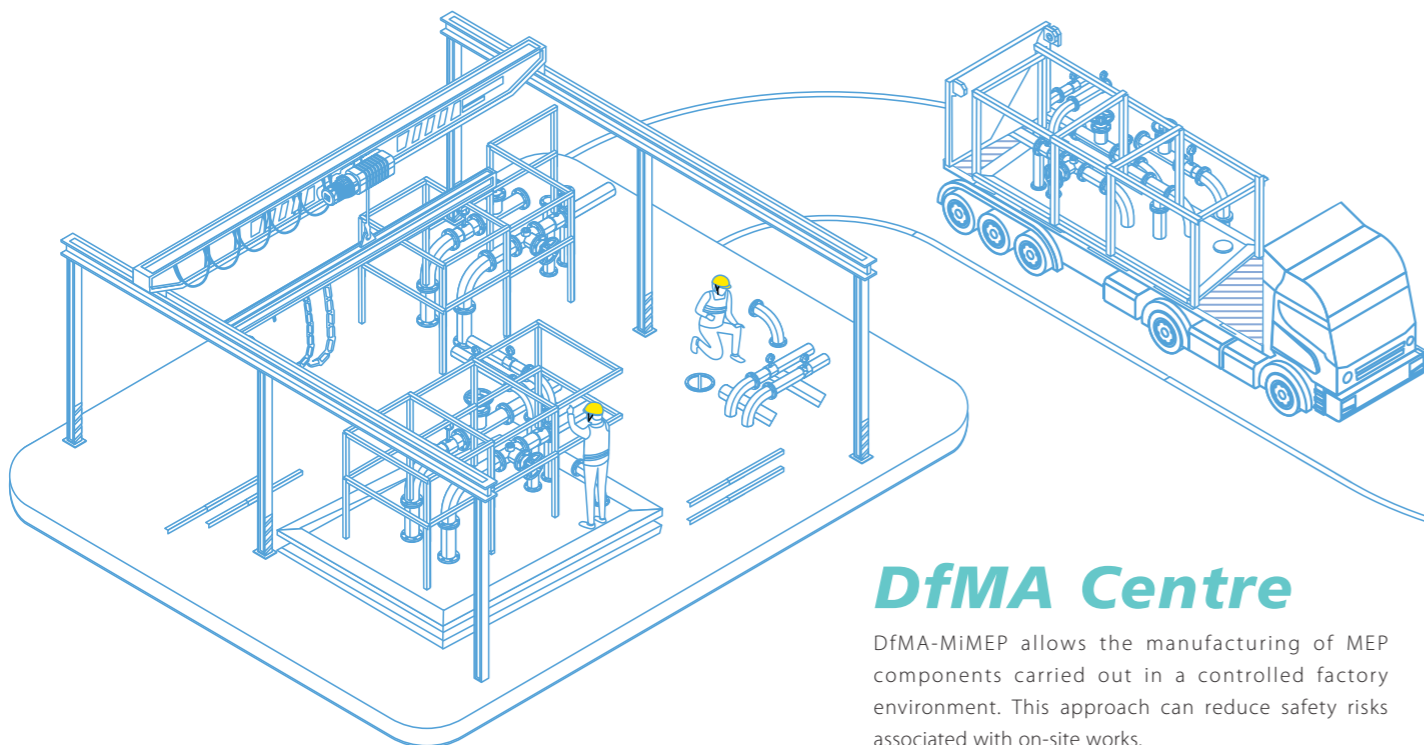
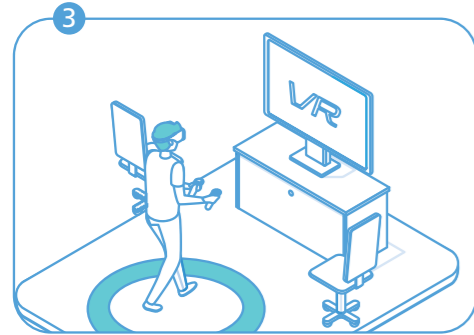
ATAL Smart Site Safety System

Advanced safety technology and smart devices play a crucial role in maintaining the safe operations of our construction work. Through establishing a smart site safety system, we aim to foster the adoption of innovative solutions and minimise potential occupational safety risks.



Office

- 1 Digital Works Supervision System**
 Digital Works Supervision System allows digital submission, review, and approval of works and inspection documents. It enhances the standard and efficiency of works supervision as well as the quality and safety of works.
- 2 Construction Reality Capture Software**
 Coupled with a 360° camera, Construction Reality Capture Software could automatically turn site images into "Street View" of a construction site to allow for remote monitoring of site safety and work process. With a full and timely documentation of the construction site, it facilitates dynamic risk assessment and analysis.
- 3 Virtual Reality Training for Safety**
 Using virtual reality technology for safety training allows workers to experience high-risk activities and the serious consequences of accidents, thereby raising their safety awareness.



DfMA Centre

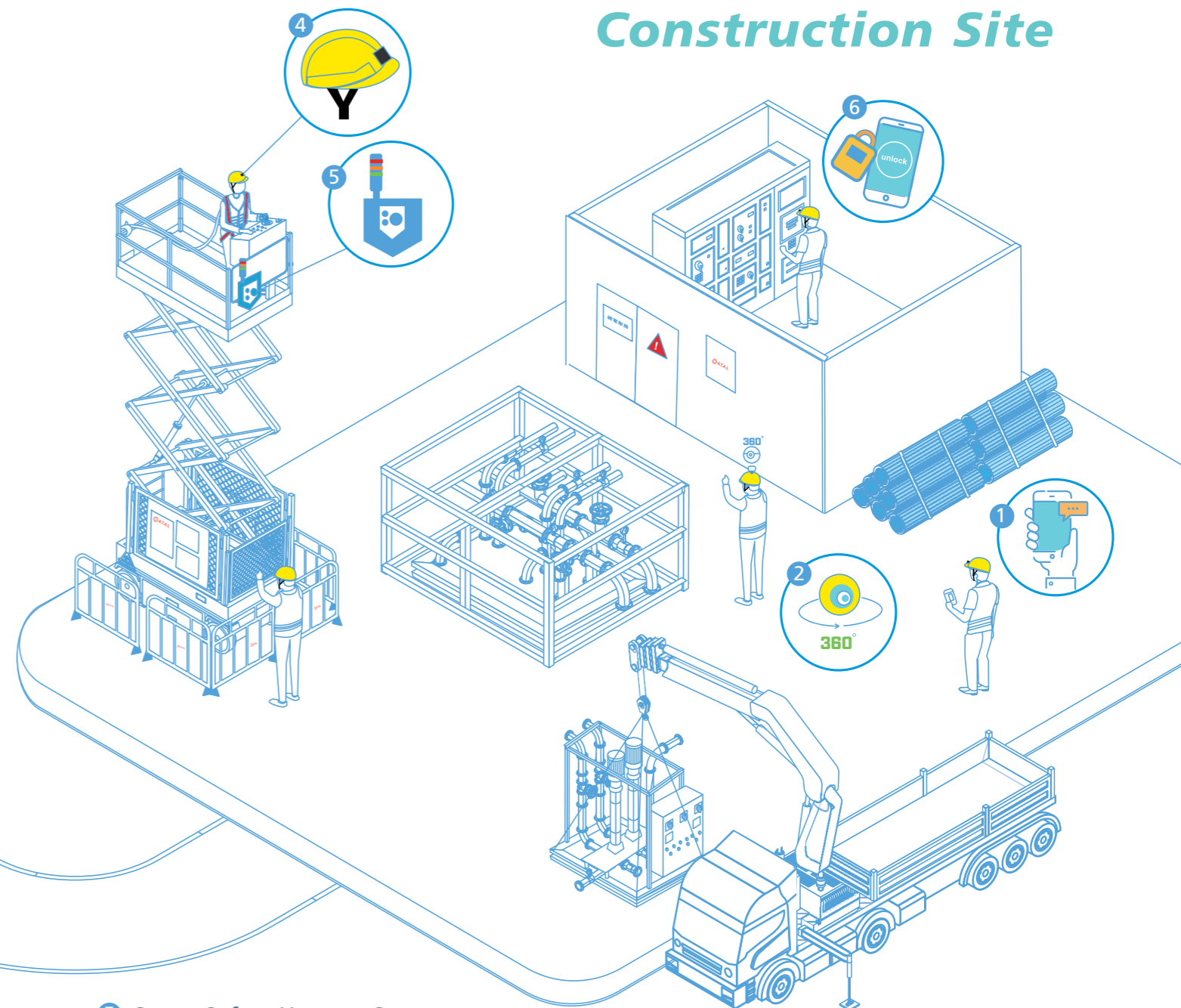
DfMA-MiMEP allows the manufacturing of MEP components carried out in a controlled factory environment. This approach can reduce safety risks associated with on-site works.

4 Smart Safety Helmet

Smart safety helmet monitors workers' health conditions and detects accidental fall or standstill situation. It provides early warning alarms for various alertness levels.

6 Bluetooth Smart Lock

Bluetooth smart lock enables straight access control for E&M facility rooms and main switchboards, enhancing safety and security in construction sites. Coupled with our self-developed app, all access records would be automatically uploaded and stored in the cloud drive for monitoring.



Construction Site

5 Smart Safety Harness System

Smart Safety Harness System is a monitoring system for ensuring safety of workers working at height. By adopting AI and IoT technology, it can detect inappropriate use of harness by workers on elevating work platforms and prevent severe accidents through a real-time alerting and reporting system.

Progress Update

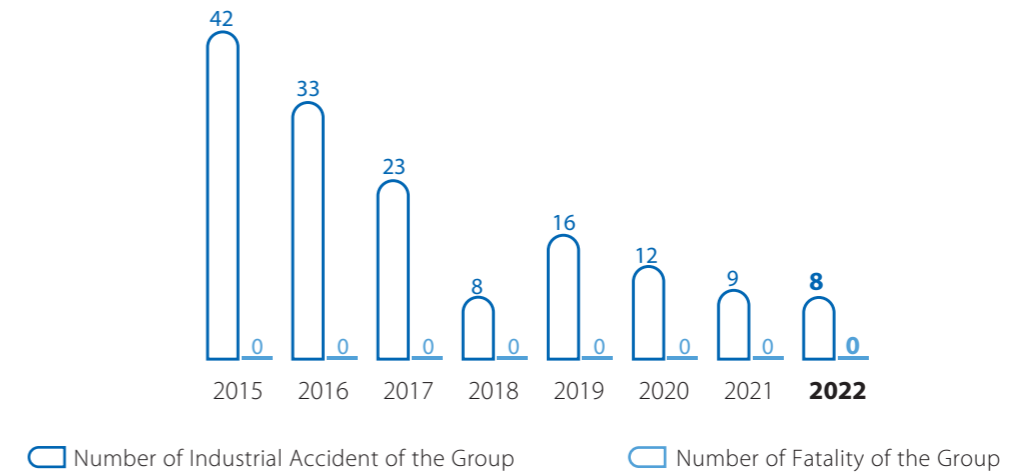


⁶ Comparison of figures is made against the sustainability performance in 2021. Case of fatality and occupational disease covers both employees and subcontractors' workers.

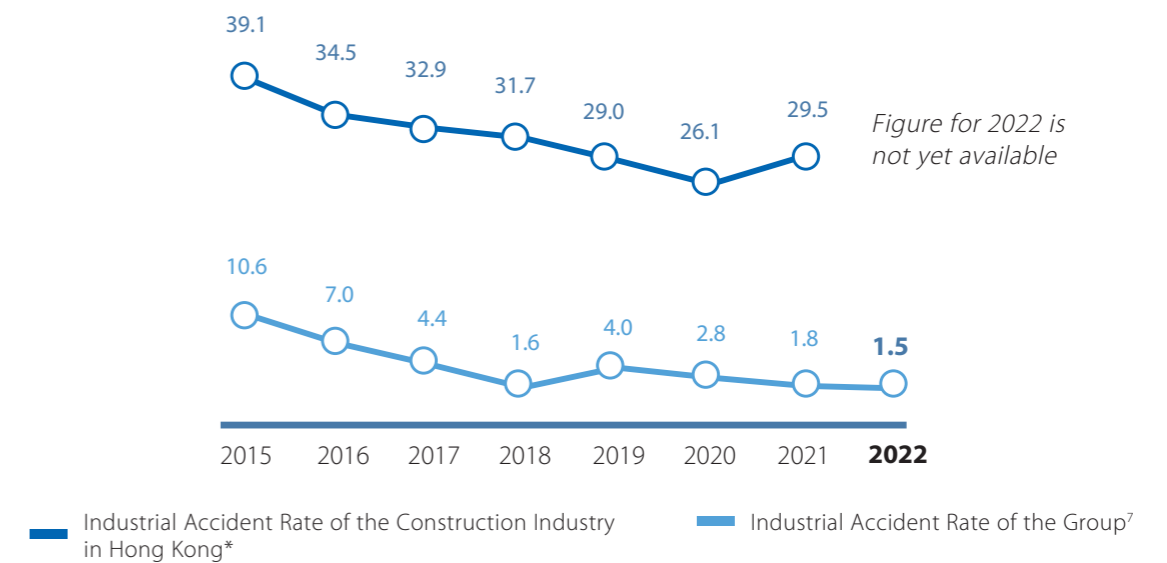
⁷ Comparison of figures is made against the sustainability performance in 2021. Industrial accident rate covers both employees and subcontractors' workers. Regarding the calculation, industrial accident rate = (Number of reportable industrial accidents sustained by an employee or a subcontractor's worker / Average number of employees and subcontractor's workers in the Reporting Period) x 1,000. Reportable industrial accident is defined as an incident resulting in 3 days or more of sick leave.

⁸ Comparison of figures is made against the sustainability performance in 2021. Non-industrial accident rate covers employees only. Regarding the calculation, non-industrial accident rate per 1,000 employees = (Number of reportable non-industrial accidents sustained by an employee / Average number of employees in the Reporting Period) x 1,000. Reportable non-industrial accident is defined as an incident resulting in 3 days or more of sick leave.

Number of Industrial Accident and Fatality of the Group



Industrial Accident Rate of the Construction Industry in Hong Kong and the Group



* Source from Labour Department, HKSAR Government

Reviewing Safety Mechanisms

Based on feedback from internal consultation as well as external audits, during the Year we revised our internal QSE procedures and work instructions, covering hazardous work processes such as electrical works, maintenance work, use of power-operated elevating working platforms, and handling and storage of compressed gas cylinders. The newly enhanced requirements help our health and safety management system meet the latest safety standards.

Boosting Health and Safety Consciousness

Maintaining a high degree of awareness of health and safety is a critical part of ensuring the effectiveness of health and safety management. We conduct a range of promotional and training activities to raise health and safety awareness and promote safe practices among our people and subcontractors.

We regularly publish a newsletter, *Safety Alert*, to share safety information and raise awareness. Apart from mandatory basic safety training, we regularly hold thematic seminars and workshops on safety, including on the practical safety inspection, work-at-height safety and safe uses of anchor bolts, in order to provide a wide range of health and safety-related information to our employees.



We organised a series of safety awareness-raising events at our offices and construction sites to coincide with the World Day for Safety and Health at Work 2022 to remind employees of the importance of safety in the workplace.





As part of our ongoing effort to promote occupational safety, we carried out a five-day "Life First" Promotional Campaign in June 2022. We conducted silent tributes to raise safety awareness at work sites. We also took the opportunity to understand the safety concern of frontline workers, rethink processes based on serious accidents in the construction industry and explore possible preventive measures. We arranged joint top management site walks to review site operations and promote risk management. We also engaged our frontline supervisors and staff in safety briefings, workshops, safety inspections, toolbox training, and safety reviews.



Case Study: Operating a Coronavirus-safe Workplace

The COVID-19 pandemic over in the past three years has posed significant challenges to business conditions and employees' health in all industries. In order to mitigate the risks of the ongoing COVID-19 pandemic we have adopted a series of measures and amassed relevant resources to protect the safety of our employees and assure operational continuity.

At the onset of the COVID-19 pandemic in a timely manner, we reacted swiftly to establish a Coronavirus Special Task Force, which is chaired by our Managing Director and comprises employees from different corporate units and business units. It is responsible for preparing and coordinating precautionary measures, anti-contagion resources and contingency work arrangements as epidemics and pandemics emerge. We appointed a Coronavirus-Buster-In-Charge (CBIC) and Coronavirus Prefect (CP) in different offices and workplaces for systematic coordination, communication and implementation of all business continuity measures to minimise the risk of virus transmission.

<p>Infection control</p> 	<ul style="list-style-type: none"> Established an online infection case reporting system to allow timely reporting and handling of individual cases Introduced remote work arrangements and social distancing measure utilising virtual communication tools to maintain adaptive operations of essential and critical services Implemented necessary adjustments to work schedules, project deployment and manpower allocation, to minimise personal or face-to-face contact and enable traceability
<p>Provision of support and resources</p> 	<ul style="list-style-type: none"> Developed an electronic system to monitor the inventory level of anti-contagion materials to ensure sufficient anti-contagion materials are distributed to our staff and subcontractors' workers Provide free nucleic acid testing and vaccination leave to all employees to support early identification, isolation and treatment, and fortify protective barrier
<p>Maintaining workplace hygiene</p> 	<ul style="list-style-type: none"> Conduct regular cleaning and disinfection at workplaces to prevent the spread of viruses Provide personal anti-contagion products such as face masks, sanitizers and rapid antigen test kits to employees
<p>Promotion of employees' awareness</p> 	<ul style="list-style-type: none"> Launched an infection control information platform to update and inform staff members about in-house rules for epidemic prevention and control Newsletters and seminars strengthened internal awareness of healthy lifestyle and mental health

With concerted efforts from the team and a systematic anti-pandemic and anti-epidemic approach, we are able to demonstrate our resilience and adaptability and rise above a challenge that affected the entire world over the period of the COVID-19 pandemic.



REINFORCING BUSINESS ETHICS AND INTEGRITY

The Group maintains an unswerving commitment to business ethics and integrity in operations by embracing transparency, accountability and responsibility. We maintain compliance through anti-corruption measures as well as measures to prevent anti-competitive practices. We place the highest value on maintaining business integrity and ethics in all of our interactions with our business partners, customers, staff and the community.

REINFORCING BUSINESS ETHICS AND INTEGRITY

Business Ethics and Data Management

Management Approach

Business ethics and integrity are critical to the Group’s success and reputation. We are committed to high ethical standards for transparency, integrity, and accountability in all of our business and operations. We maintain zero tolerance for extortion, fraud, money laundering, corruption, and anti-competitive activities and have a range of policies to ensure our legal and regulatory compliance. We follow the Hong Kong Competition Law Compliance Manual that lays out regulations and guidelines for ethical dealing with competitors, vendors, distributors, and indirect resellers. We also have our own Code of Conduct that establishes clear internal standards, under which all employees are required to declare any Conflict of Interest upon joining the Group and after every 3 years of employment.

We include ethics training in staff orientation for onboarding and organise regular training for existing employees, emphasising the importance of anti-corruption and prevention of anti-competition behaviours to promote awareness and compliance with our ethical standards.

We have a Whistle-blowing Policy and a confidential reporting channel to encourage reporting of possible violations and malpractices. The Group investigates any reports of potential ethics violations and takes appropriate action in a fair and timely manner, including disciplinary action, termination of employment or preventive action. We also protect whistle-blowers against unfair dismissal, victimisation, or unwarranted disciplinary actions.



Recognising our responsibility to be compliant with data privacy and cybersecurity laws and regulations, the Group affords full respect to proprietary intellectual property and protection for all confidential information. Upon joining the Group, all staff are required to sign the Intellectual Property, Staff Invention and Confidential Information Agreement and the Staff’s Declaration on Software Policies for the Group. Offenders will be subject to different levels of disciplinary action, including possible dismissal.

To prevent abuse or misuse of any confidential, privileged or personal information entrusted to the Group, our Personal Data and Privacy Policy has specified obligations and procedures for data collection, retention, and data access and correction. Our Operation Manual has detailed procedures to regulate proprietary intellectual property, including a requirement for patent protection for all products and software-related inventions, subject to the laws and regulations of the countries in which we operate. Apart from policies and procedures, we have invested a significant amount in cybersecurity technologies to protect our systems, network and data.

Progress Update

During the Year, we maintained our subscription to the Construction Industry Integrity Charter to sustain a culture of integrity in operations and integrity management in the construction industry. We have improved our compliance management in terms of business ethics, anti-corruption capability and employee awareness through a range of seminars and training programmes, including integrity training for employees. Senior management has integrity training at least once a year and Board members undergo periodic anti-corruption training.

Continuous education remains key to deepening understanding and building awareness. We have continued to conduct compliance trainings for business integrity and social responsibility. Throughout the Year, we have organised activities in which representatives from regulatory bodies have shared the latest legal and regulatory developments to raise compliance awareness among employees. For example, we invited employees to join three webinar sessions provided by Competition Commission representatives. Staff involved in sales and marketing, procurement and tendering were required to complete quizzes after attending the webinars. Moreover, during the Year, we have revised our internal procedures for preparing the quotations and tender submissions by incorporating a declaration system and reinforcing segregation of duties in order to avoid potential conflicts of interest and maintain compliance.

With regard to cybersecurity, in 2022 we adopted the Endpoint Detection and Response solution in the face of growing cyber risks. This serves as critical cybersecurity protection against the majority of ransomware and malicious code. We enhance cyber-vigilance and risk assessment capabilities of the Group on an ongoing basis. To mitigate cybersecurity threats and maintain a high degree of awareness, we have held cybersecurity awareness training programmes and periodically sent cybersecurity reminders to all staff. We will be pursuing the ISO 27001 certification in the coming year and develop an information security management system in order to ensure company and customer data is processing in a secure manner that complies with the ISO 27001 standard, and to minimise the risk of cyber security incidents.

Compliance Management

Management Approach

We have strict policies, guidelines and practices to maintain a high standard of ethics, honesty, integrity and accountability. We pay close attention to current and emerging legislation and regulatory changes relevant to our business. We conduct regular internal reviews to ensure compliance with the latest requirements and communicate significant updates and amendments to our employees in a timely manner.

Progress Update

The Group aims at strict adherence to all applicable laws and regulations through close monitoring of any legislative or regulatory changes in order to ensure robust compliance. In 2022, we entered into a Cooperation Agreement (“Cooperation Agreement”) with the Competition Commission, Hong Kong (“CC”), under which a group-wide Competition Law Compliance Programme reflecting our dedication to business ethics and integrity was agreed to be established. The table below summarises our performance in compliance management during the Year under review.

Significant reportable cases ⁹ of breaches in legal or regulatory compliance in 2022		
Compliance category		Supplementary Information
Business Practices (relating to corruption and anti-competitive practices)	<p>The CC filed an application with the Competition Tribunal in June, 2022 to seek various reliefs as described in the application against the Company, a subsidiary of the Company and various third parties (the "Proceedings") in relation to alleged contravention of the Competition Ordinance.</p> <p>In November, 2022, the Company and the subsidiary of the Company entered into the Cooperation Agreement with CC in relation to the resolution of the Proceedings and a second set of proceedings to be issued by CC against the subsidiary of the Company and various third parties (the "Second Proceedings"). The Company is not a party to the Second Proceedings.</p> <p>Among others, a pecuniary penalty of HK\$150 million, subject to the orders from the Competition Tribunal to be made, was agreed to be paid by a subsidiary of the Group to the Government under the Cooperation Agreement in relation to the subject matter of the Proceedings and the Second Proceedings.</p>	<p>The Board wishes to emphasise that the Group does not condone any acts and activities that contravene the Competition Ordinance, and the Group will continue to enforce compliance with the relevant guidelines and procedures. To anticipate and mitigate risk, the Group has internal guidelines on employee conduct as well as on tender submission procedures. We have also reached an accord with the CC on enactment of a comprehensive compliance programme.</p> <p>In terms of policy amendments, Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong ("HKEX") requires establishment of policy to promote and support anti-corruption laws and regulations. Under the Group's Code of Conduct, the Group has set out the prohibition of bribery and corruption. There has been no change in the Group's Code of Conduct in relation to anti-corruption guidelines during the Year.</p>
Employees and subcontractors (relating to employment practices, labour standards, and occupational health and safety)	No reportable cases	Nil
Product Responsibilities (relating to client privacy, product and service information, and customer health and safety)	No reportable cases	Nil
Environment (relating to air and GHG emissions, discharges to water and land, and waste generation)	No reportable cases	Nil

⁹ The number of significant reportable cases of non-compliance with relevant laws and regulations. The level of significance of the non-compliance is determined by considering the material effect it has on the Group; or the environment and society and the monetary value of the penalty (i.e., fines over HK\$50,000 are considered significant).

ABOUT THIS REPORT

Reporting Scope

This ESG Report outlines the Group’s sustainability strategy, policies, measures and key performance on material sustainability topics, aiming to facilitate open and effective communication with stakeholders of the Group. It covers the reporting period from 1 January to 31 December 2022 (the “Year” or the “Reporting Period”).

This ESG Report discloses relevant information, impacts and achievements of the Group regarding all its core business operations in Hong Kong, Macau, Mainland China and the United Kingdom (excluding operations within businesses in which the Group has less than a 50% equity interest). The Group has progressively extended the environmental performance scope to enhance the disclosure’s comprehensiveness¹⁰, and will continue to review the impact of its businesses on sustainability for inclusion in the ESG Report.

This ESG Report complies with the mandatory disclosure requirements and the “comply or explain” provisions set out in the ESG Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on HKEX. Relevant information is provided based on the four reporting principles of “Materiality”, “Quantitative”, “Consistency” and “Balance”.

Reporting Principles	Implementation
Materiality	The ESG Report describes significant economic, environmental and social impacts of the Group’s operations. We have identified material sustainability issues through ongoing communication with stakeholders. Details may be found in the section “Our Approach to Engage with Stakeholders”.
Quantitative	This ESG Report presents information with quantitative measurements wherever feasible, including standards, methodologies, and the assumptions used. Past performance data are provided for comparison over the years.
Consistency	Consistent information, including the scope of disclosure, reporting methods and indicators, is presented as far as practical for stakeholders to analyse and evaluate changes in the Group’s performance over time. We conduct due diligence to ensure the quality and accuracy of the information disclosed, and provide specifications if there are any changes.
Balance	This ESG Report describes achievements and challenges faced by the Group and provides an unbiased overview of the Group’s performance in sustainability.

¹⁰ The data collection scope of environmental performance indicators has been extended to include all offices, depots, workshop, and warehouses in all regions of the Group’s business operation, as well as a manufacturing plant in Mainland China.

Performance Data Summary

Environmental Key Performance Indicators^{11, 12}

Environmental Key Performance Indicators	2022	2021	Unit
Air Emissions¹³			
Nitrogen oxides (NO _x)	667.8	816.3	kg
Sulphur oxides (SO _x)	3.6	4.0	kg
Respirable suspended particles (RSP)	60.9	75.1	kg
GHG Emissions			
Scope 1 Direct Emissions			
Combustion of fuels in mobile sources	523.6	591.3	tonnes of CO ₂ -e
Fugitive emissions from equipment and systems ¹⁴	10,467.0	17,206.5	tonnes of CO ₂ -e
Emissions from welding ¹⁵	1.1	1.0	tonnes of CO ₂ -e
Scope 1 total	10,991.7	17,798.7	tonnes of CO₂-e
Scope 2 Energy Indirect Emissions			
Purchased electricity	1,145.0	1,179.8	tonnes of CO ₂ -e
Purchased cooling ¹⁶	363.1	338.7	tonnes of CO ₂ -e
Scope 2 total	1,508.1	1,518.5	tonnes of CO₂-e
GHG emissions in total (Scope 1 and 2)	12,499.9	19,317.3	tonnes of CO₂-e
GHG intensity (Scope 1 and 2, by floor area)	25.9	41.5	tonnes of CO₂-e/thousand ft²
Scope 3 Other Indirect Emissions¹⁷			
Paper waste disposal ¹⁸	138.8	142.8	tonnes of CO ₂ -e
Use of fresh water ¹⁹	1.7	1.4	tonnes of CO ₂ -e
Sewage discharge ¹⁹	0.9	0.7	tonnes of CO ₂ -e
Business air travel	8.7	10.9	tonnes of CO ₂ -e
Scope 3 total	150.1	155.8	tonnes of CO₂-e
GHG emissions in total (Scope 1, 2 and 3)	12,650.0	19,473.0	tonnes of CO₂-e
GHG intensity (Scope 1, 2 and 3, by floor area)	26.3	41.8	tonnes of CO₂-e/thousand ft²

¹¹ Slight discrepancies may exist between the sum of the individual quantities and the quantities in total due to rounding.

¹² The figures of 2021 are updated to align with the extended scope of disclosure of environmental indicators in 2022.

¹³ From unleaded petrol and diesel consumed by vehicles.

¹⁴ 99.9% of the fugitive emissions come from our services of conducting hydraulic pressure test for clients' pressurised cylinders of fire suppression systems in Hong Kong. Due to technical constraint in the industry, a certain amount of fire suppression agent would be emitted during hydraulic pressure testing.

¹⁵ Relates to welding in the manufacturing plant in Nanjing. Other business operations do not involve welding process.

¹⁶ Includes purchased cooling from the facility management companies for centralised air conditioning systems in Hong Kong only.

¹⁷ Not all scope 3 activities along our value chain are covered.

¹⁸ For Hong Kong and the United Kingdom operations only.

¹⁹ For operations in Hong Kong only.

Environmental Key Performance Indicators	2022	2021	Unit
Generation of Hazardous and Non-hazardous Waste			
Generation of Hazardous Waste			
E-waste ²⁰	2.0	0.8	tonnes
Waste cartridge	0.2	0.1	tonnes
Waste filter cotton ²¹	0.1	0.1	tonnes
Waste paint bucket ²¹	3.2	0.7	tonnes
Waste activated carbon ²¹	4.0	0.0	tonnes
Waste paint residue ²¹	3.5	0.7	tonnes
Waste toner bottles	0.16	0.01	tonnes
Total hazardous waste	13.2	2.3	tonnes
Hazardous waste intensity (By floor area)	0.027	0.005	tonnes/thousand ft²
Generation of Non-hazardous Waste			
By recycling			
Metal	1.1	1.7	tonnes
Paper	8.4	10.3	tonnes
Plastic	0.1	0.3	tonnes
By disposal			
General waste	38.1	38.0	tonnes
Total non-hazardous waste	47.6	50.4	tonnes
Non-hazardous waste intensity (By floor area)	0.1	0.1	tonnes/thousand ft²

²⁰ Based on the estimated weight of personal computers, notebooks, hard disks, liquid crystal display, server, switch and network attached storage devices, which were donated to a charitable organization.

²¹ Relates to the waste filter cotton, waste paint bucket, waste activated carbon and waste paint residue generated at the manufacturing plant in Nanjing. Other business operations do not involve generation of those waste.

Environmental Key Performance Indicators	2022	2021	Unit
Energy Consumption			
Petrol	1,272.2	1,447.2	MWh
Diesel	602.6	704.5	MWh
Electricity	2,228.4	2,274.6	MWh
Cooling ²²	723.1	614.3	MWh
Acetylene ²³	3.0	2.3	MWh
Total energy consumption	4,829.3	5,043.0	MWh
Energy intensity (By floor area)	10.0	10.8	MWh/thousand ft²
Water Consumption			
Total water consumption	11,347.6	8,516.1	m³
Water intensity (By floor area)	23.6	18.3	m³/thousand ft²
Paper Consumption²⁴			
Total paper consumption	38.8	41.9	tonnes
Packaging Material Consumption²⁵			
Poplar plywood	48.8	92.4	tonnes
Heat shrink film	3.8	4.1	tonnes
Stretch film	0.3	0.3	tonnes
Bubble wrap	0.2	0.6	tonnes
Total packaging material consumption	53.1	97.4	tonnes
Packaging material intensity²⁶ (By million of sales revenue)	0.8	1.1	tonnes/HK\$ million

²² Relates to cooling from the facility management company for centralised air conditioning systems in Hong Kong.

²³ Relates to welding in the manufacturing plant in Nanjing.

²⁴ Data from procurement records.

²⁵ Relates to packaging materials used at the lifts & escalators manufacturing plant in Nanjing only. Other business operations do not involve the use of packaging materials.

²⁶ Includes the sales revenue of the lifts and escalators segment only, covering both external transactions and inter-company transactions. The packaging material intensity in 2021 has been revised to more precisely evaluate the intensity.

Social Key Performance Indicators²⁷

Social Key Performance Indicators						
Employment						
	2022		2021		2020	
	Number	Distribution (%)	Number	Distribution (%)	Number	Distribution (%)
Workforce Profile at the end of the Reporting Period	2,701	N/A	2,770	N/A	2,686	N/A
By gender						
Male	2,234	82.7%	2,305	83.2%	2,240	83.4%
Female	467	17.3%	465	16.8%	446	16.6%
By contract type						
Permanent	2,273	84.1%	2,231	80.5%	2,193	81.7%
Contract	84	3.1%	108	3.9%	90	3.4%
Term contract	205	7.6%	246	8.9%	232	8.6%
Part time	53	2.0%	74	2.7%	68	2.5%
Temporary	86	3.2%	111	4.0%	103	3.8%
By age						
Under 30 years old	704	26.1%	818	29.5%	736	27.4%
30-50 years old	1,459	54.0%	1,381	49.9%	1,431	53.3%
Over 50 years old	538	19.9%	571	20.6%	519	19.3%
By grade						
Management	7	0.3%	6	0.2%	6	0.2%
Senior executive	38	1.4%	30	1.1%	27	1.0%
Executive	276	10.2%	269	9.7%	244	9.1%
Professional	916	33.9%	876	31.6%	840	31.3%
General staff	1,464	54.2%	1,589	57.4%	1,569	58.4%
By location						
Hong Kong	2,340	86.6%	2,458	88.7%	2,390	89.0%
Macau	31	1.1%	26	0.9%	24	0.9%
Mainland China	325	12.0%	282	10.2%	272	10.1%
United Kingdom	5	0.2%	4	0.1%	N/A	N/A

²⁷ Unless specified otherwise, workforce figures include permanent, contract, term-contract, part-time, and temporary staff working in Hong Kong, Macau, Mainland China and the United Kingdom.

Social Key Performance Indicators						
Employment						
	2022		2021		2020	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
New Employee²⁸	660	24.1%	685	25.1%	681	26.0%
By gender						
Male	552	24.3%	558	24.6%	575	26.4%
Female	108	23.2%	127	27.9%	106	24.1%
By contract type						
Permanent	467	20.7%	425	19.2%	351	10.9%
Contract	30	31.3%	57	57.6%	53	63.9%
Term contract	111	49.2%	26	10.9%	59	26.5%
Part time	15	23.6%	42	59.2%	32	50.4%
Temporary	37	37.6%	135	126.2%	186	194.8%
By age						
Under 30 years old	274	36.0%	381	49.0%	401	55.7%
30-50 years old	288	20.3%	228	16.2%	202	14.4%
Over 50 years old	98	17.7%	76	13.9%	78	15.6%
By grade						
Management	1	15.4%	0	0.0%	0	0.0%
Senior executive	3	8.8%	1	3.5%	3	11.5%
Executive	25	9.2%	23	9.0%	14	5.8%
Professional	184	20.5%	148	17.2%	114	13.8%
General staff	447	29.3%	513	32.5%	550	36.2%
By location						
Hong Kong	576	24.0%	610	25.2%	608	26.2%
Macau	6	21.1%	4	16.0%	7	29.8%
Mainland China	77	25.4%	68	24.5%	66	24.4%
United Kingdom	1	22.2%	3	75.0%	N/A	N/A

²⁸ New employee rate = (Number of employees who joined the Group during the Reporting Period/Average number of employees of the Reporting Period) x 100%

Social Key Performance Indicators						
Employment						
	2022		2021		2020	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Employee Turnover²⁹	560	20.5%	426	19.3%	288	13.4%
By gender						
Male	466	20.5%	343	18.8%	241	13.5%
Female	94	20.2%	83	21.6%	47	12.7%
By age						
Under 30 years old	215	28.3%	207	44.2%	119	18.3%
30-50 years old	292	20.6%	190	13.2%	146	12.0%
Over 50 years old	53	9.6%	29	9.5%	23	8.0%
By grade						
Management	0	0.0%	0	0.0%	2	33.3%
Senior executive	1	2.9%	0	0.0%	1	3.8%
Executive	40	14.7%	31	12.2%	25	10.5%
Professional	239	26.7%	173	20.5%	114	14.0%
General staff	280	18.3%	222	20.6%	146	13.7%
By location						
Hong Kong	503	21.0%	383	20.1%	219	11.8%
Macau	2	7.0%	0	0.0%	3	13.3%
Mainland China	55	18.1%	43	26.4%	66	24.4%
United Kingdom	0	0.0%	0	0.0%	N/A	N/A

²⁹ Employee turnover rate = (Number of permanent employees who left the Group during the Reporting Period / Average number of permanent employees in the Reporting Period) x 100%

Social Key Performance Indicators						
Parental Leave ³⁰						
	2022		2021		2020	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Employees Entitled to Parental Leave³¹	2,701	100.0%	2,669	96.4%	2,571	95.7%
By gender						
Male	2,234	100.0%	2,214	96.1%	2,135	95.3%
Female	467	100.0%	455	97.8%	436	97.8%
Employees that Took Parental Leave³²	50	1.9%	34	1.3%	40	1.6%
By gender						
Male	43	1.9%	19	0.9%	37	1.7%
Female	7	1.5%	15	3.3%	3	0.7%
Return to Work after Parental Leave³³	48	98.0%	33	97.1%	40	100.0%
By gender						
Male	41	97.6%	19	100.0%	37	100.0%
Female	7	100.0%	14	93.3%	3	100.0%
Retention of Employees that Took Parental Leave³⁴	24	72.7%	33	82.5%	51	91.1%
By gender						
Male	14	73.7%	31	83.8%	47	92.2%
Female	10	71.4%	2	66.7%	4	80.0%

³⁰ Parental leave includes paternity leave and maternity leave.

³¹ Rate of employees entitled to parental leave = (Number of employees entitled to parental leave as of the end of the Reporting Period / Number of employees as of the end of the Reporting Period) x 100%

³² Rate of employees that took parental leave = (Number of employees that took parental leave during the Reporting Period / Number of employees entitled to parental leave as of the end of the Reporting Period) x 100%

³³ Return to work rate = (Number of employees that returned to work after parental leave during the Reporting Period / Number of employees due to return to work after parental leave during the Reporting Period) x 100%

³⁴ Retention rate of employees that took parental leave = (Number of employees retained 12 months after returning to work following a period of parental leave / Number of employees returning from parental leave in the prior Reporting Period) x 100%

Social Key Performance Indicators						
Health and Safety						
	2022		2021		2020	
	Number	Rate	Number	Rate	Number	Rate
Fatality (employees and subcontractors' workers)	0	0.0	0	0.0	0	0.0
Occupational Disease (employees and subcontractors' workers)	0	0.0	0	0.0	0	0.0
Industrial Accident³⁵	8	1.5	9	1.8	12	2.8
Employees³⁶						
Hong Kong	3	1.3	0	0.0	0	0.0
Macau	0	0.0	0	0.0	0	0.0
Mainland China	0	0.0	0	0.0	0	0.0
United Kingdom	0	0.0	0	0.0	N/A	N/A
Subcontractors' workers³⁷						
Hong Kong	4	2.4	9	5.2	7	6.6
Macau	1	3.5	0	0.0	4	9.5
Mainland China	0	0.0	0	0.0	1	6.9
United Kingdom	0	0.0	0	0.0	N/A	N/A
Lost Days due to Industrial Accident³⁸	900		980		1,457	
Employees						
Hong Kong	100		0		0	
Macau	0		0		0	
Mainland China	0		0		0	
United Kingdom	0		0		N/A	

³⁵ Industrial accident rate per 1,000 employees and subcontractors' workers = (Number of reportable industrial accidents sustained by an employee or a subcontractor's worker / Average number of employees and subcontractor's workers in the Reporting Period) x 1,000. Reportable industrial accident is defined as an incident resulting in 3 days or more of sick leave

³⁶ Industrial accident rate per 1,000 employees = (Number of reportable industrial accidents sustained by an employee / Average number of employees in the Reporting Period) x 1,000

³⁷ Industrial accident rate per 1,000 subcontractors' workers = (Number of reportable industrial accidents sustained by a subcontractor's worker / Average number of subcontractors' workers of the Reporting Period) x 1,000

³⁸ Number of days of absence from work.

Social Key Performance Indicators						
Health and Safety						
	2022		2021		2020	
	Number	Rate	Number	Rate	Number	Rate
Subcontractors' workers						
Hong Kong	545		980		1,019	
Macau	255		0		414	
Mainland China	0		0		24	
United Kingdom	0		0		N/A	
Non-industrial Accident (employees only)³⁹	2	0.7	0	0.0	1	0.4
By location						
Hong Kong	2	0.8	0	0.0	1	0.4
Macau	0	0.0	0	0.0	0	0.0
Mainland China	0	0.0	0	0.0	0	0.0
United Kingdom	0	0.0	0	0.0	N/A	N/A
Lost Days due to Non-industrial Accident (employees only)⁴⁰	404		0		8	
By location						
Hong Kong	404		0		8	
Macau	0		0		0	
Mainland China	0		0		0	
United Kingdom	0		0		N/A	

³⁹ Non-industrial accident rate per 1,000 employees = (Number of reportable non-industrial accidents sustained by an employee/Average number of employees in the Reporting Period) x 1,000. Reportable non-industrial accident is defined as an incident resulting in 3 days or more of sick leave

⁴⁰ Number of days of absence from work.

Social Key Performance Indicators						
Training and Development						
	2022		2021		2020	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
Employees Trained⁴¹	2,084	77.2%	1,750	63.2%	1,810	67.4%
By gender						
Male	1,687	75.5%	1,397	60.6%	1,481	66.1%
Female	397	85.0%	353	75.9%	329	73.8%
By contract type						
Permanent	2,032	89.4%	1,674	75.0%	1,681	76.7%
Contract	24	28.6%	26	24.1%	24	26.7%
Term contract	0	0.0%	42	17.1%	89	38.4%
Part time	6	11.3%	3	4.1%	4	5.9%
Temporary	22	25.6%	5	4.5%	12	11.7%
By grade						
Management	7	100.0%	6	100.0%	5	83.3%
Senior executive	32	84.2%	23	76.7%	26	96.3%
Executive	242	87.7%	243	90.3%	227	93.0%
Professional	736	80.3%	682	77.9%	618	73.6%
General staff	829	56.7%	796	50.1%	934	59.5%
By location						
Hong Kong	1,846	78.9%	1,539	62.6%	1,668	69.8%
Macau	12	38.7%	12	46.2%	13	54.2%
Mainland China	221	68.0%	195	69.1%	129	47.4%
United Kingdom	5	100.0%	4	100.0%	N/A	N/A

⁴¹ Percentage of employees trained = (Number of employees that have completed their training sessions and who remain employed with the Group as of the end of the Reporting Period / Number of employees as of at the end of the Reporting Period) x 100%

Social Key Performance Indicators			
Training and Development			
	2022	2021	2020
	Hour	Hour	Hour
Total Training Hours⁴²	67,062.0	51,453.9	30,950.0
Average Training Hours⁴³	23.0	17.5	11.0
By gender			
Male	23.5	16.8	10.7
Female	20.7	20.8	12.1
By contract type			
Permanent	27.3	21.5	12.9
Contract	2.2	3.1	1.9
Term contract	0.0	1.0	3.9
Part time	0.3	0.1	0.2
Temporary	0.2	0.1	0.4
By grade			
Management	12.3	26.0	16.6
Senior executive	36.4	30.0	24.2
Executive	25.3	21.7	24.1
Professional	24.9	20.6	13.6
General staff	21.2	14.8	7.3
By location			
Hong Kong	24.5	18.2	11.8
Macau	2.7	8.1	5.4
Mainland China	14.5	12.1	4.1
United Kingdom	24.0	32.0	N/A

⁴² Total number of hours of training received by employees during the Reporting Period (including employees who have left the Group during the Reporting Period).

⁴³ Average training hours = Number of hours of training received by employees who remain employed with the Group during the Reporting Period / Number of employees as of the end of the Reporting Period

Social Key Performance Indicators						
Responsible Operations						
	2022		2021		2020	
	Number of subcontractors	Number of suppliers	Number of subcontractors	Number of suppliers	Number of subcontractors	Number of suppliers
Subcontractors and Suppliers	925	2,084	898	1,991	863	1,887
By location						
Americas	2	32	1	33	1	32
Asia-Pacific excluding Hong Kong and Mainland China	24	35	24	35	22	31
Europe & Middle East	1	83	1	72	1	61
Hong Kong	814	1,080	812	1,083	798	1,072
Mainland China	84	854	60	768	41	691
	Number		Number		Number	
Product Recalls due to Health and Safety Issues	0		0		0	
Customer Complaints	74		86		96	
Community Investment						
	2022		2021		2020	
	HK\$		HK\$		HK\$	
Donation	705,000		746,000		415,000	

Content Index for HKEX ESG Reporting Guide

Description of Disclosures		Chapter/Section	Page Number/Remarks
Mandatory Disclosure Requirements			
Governance Structure		OUR COMMITMENT TO SUSTAINABILITY	4-26
Reporting Principles		Reporting Scope	83
Reporting Boundary		Reporting Scope	83
A. Environmental			
A1 Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Carbon Reduction and Resources Optimisation, Compliance Management	28-36, 81-82
A1.1	The types of emissions and respective emissions data.	Carbon Reduction and Resources Optimisation, Performance Data Summary	28-36, 84-95
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.		
A1.3	Total hazardous waste produced and intensity.		
A1.4	Total non-hazardous waste produced and intensity.		
A1.5	Description of emission target(s) set and steps taken to achieve them.		
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.		

Description of Disclosures		Chapter/Section	Page Number/Remarks
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Carbon Reduction and Resources Optimisation	28-36
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Carbon Reduction and Resources Optimisation, Performance Data Summary	28-36, 84-95; In 2022, the Group did not encounter problem in sourcing water.
A2.2	Water consumption in total and intensity.		
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.		
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.		
A2.5	Total packaging material used for finished products and per unit produced.		
	Total packaging material used for finished products with reference to per unit produced		
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Carbon Reduction and Resources Optimisation	28-36;
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		In 2022, the Group had no significant impacts on the environment and natural resources in its operations.
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Carbon Reduction and Resources Optimisation, Climate Risk Management	28-37
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.		

Description of Disclosures		Chapter/Section	Page Number/Remarks
B. Social			
B1 Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People-Centric Workplace, Compliance Management	59-63, 81-82
B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Data Summary	84-95
B1.2	Employee turnover rate by gender, age group and geographical region.		
B2 Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety, Compliance Management	69-78, 81-82
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety, Performance Data Summary	69-78, 84-95
B2.2	Lost days due to work injury.		
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Nurturing Our People	63-68
B3.1	The percentage of employees trained by gender and employee category.	Performance Data Summary	84-95
B3.2	The average training hours completed per employee by gender and employee category.		

Description of Disclosures		Chapter/Section	Page Number/Remarks
B4 Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People-Centric Workplace, Compliance Management	59-63, 81-82
B4.1	Description of measures to review employment practices to avoid child and forced labour.		
B4.2	Description of steps taken to eliminate such practices when discovered.		
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Subcontractors and Suppliers	53-54
B5.1	Number of suppliers by geographical region.	Subcontractors and Suppliers, Performance Data Summary	53-54, 84-95
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Subcontractors and Suppliers	53-54
B6 Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customers, Business Ethics and Data Management, Compliance Management	49-52, 81-82
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Customers, Performance Data Summary	49-52, 84-95
B6.2	Number of products and service-related complaints received and how they are dealt with.	Performance Data Summary	84-95

Description of Disclosures		Chapter/Section	Page Number/Remarks
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Ethics and Data Management	80-81
B6.4	Description of quality assurance process and recall procedures.	Customers	49-52
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Business Ethics and Data Management	80-81
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics and Data Management, Compliance Management	80-82
B7.1	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.	Compliance Management	81-82; No concluded legal cases regarding corrupt practices brought against us or our employees in 2022.
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Data Management	80-81
B7.3	Description of anti-corruption training provided to directors and staff.		
B8 Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community	54-57
B8.1	Focus areas of contribution.	Community	54-57
B8.2	Resources contributed to the focus area.	Community, Performance Data Summary	54-57, 84-95



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