



豐盛服務集團有限公司 FSE SERVICES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 331

Environmental, Social and Governance Report 2017-2018



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ABOUT THIS REPORT

About FSE Services Group Limited

FSE Services Group Limited (the “Company”, together with its subsidiaries, the “Group” or “FSE Services”) consists of four divisions – FSE Engineering Group, FSE Environmental Technologies Group, Waihong Environmental Service Group and New China Laundry Group. With their professionalism and expertise, together with the extensive synergies generated among the companies under FSE Services, the Group is able to build up a strong network and offers a full range of professional services to renowned clients and main contractors who are often engaged in property developments, public infrastructures, education and transportation facilities as well as entertainment and travel industries in Hong Kong, Macau and the Mainland China.

Our Vision

Better Life, Better Home, Better Quality to You Everyday

Our Mission

We offer superior service, we create an integrated, convenient and safe living environment.

- **CUSTOMERS:** We provide customized service and maintain long term partnership.
- **STAFF:** We promote work-life balance and create a strong sense of belonging.
- **COMMUNITY:** We maintain sustainable development and contribute to community.

Our Core Values

- Quality
- Teamwork
- Integrity
- Caring
- Passion
- Innovation

Note: To better identify the Group after acquisition of the businesses of facility services in this year, the Company revised its statements of visions, missions and values as above in early November 2018.

Reporting Standard and Scope

The Group prepared this Environmental, Social and Governance (“ESG”) Report in accordance with the ESG Reporting Guide (“ESG Guide”) issued by Hong Kong Exchanges and Clearing Limited (“HKEx”). It details our performance, policies and strategies in four key areas including human capital, environment, value chain and community, for the period from 1 July 2017 to 30 June 2018 (“the reporting year” or “FY2017/18”), and serves as a transparent channel for the Group to communicate its ESG-related initiatives and efforts to various stakeholders.

The report covers the Group’s E&M engineering services and environmental engineering services in Hong Kong, Macau and Mainland China. The reporting scope of FY2017/18 has been expanded to include our operations in Mainland China, providing a comprehensive account of our ESG performance^a.

Reporting Scope of FY2017/18

- Corporate Offices
- Warehouse and Workshop Operations
- E&M Engineering Segment
 - Installation Division
 - Maintenance Division
 - Trading and Retail Sales of Building Materials
- Environmental Management Services Segment

An ESG Content Index has been included on pages 33 - 35 for easy reference. We also welcome your feedback. Please send your suggestions or comments to johnlee@fseng.com.hk.

^a On 11 April 2018, the Group acquired Waihong Environmental Service Group and New China Laundry Group, which will be included in the reporting scope for the period from 1 July 2018 to 30 June 2019 (“FY2018/19”).

Stakeholder Engagement and Materiality Assessment

A structured, three-stage materiality assessment was undertaken to identify important ESG issues to be included in the report. A stakeholder engagement exercise and a materiality assessment were conducted by an independent consultant appointed by the Group.

Stage 1: Identification

To determine the current level of disclosure in the industry, a peer benchmarking exercise was conducted to review the ESG disclosure of local and international peers.

A half-day stakeholder engagement workshop was conducted to gather in-depth feedback from our internal stakeholders on the Group's current ESG performance and potential risks and opportunities. Participants were also asked to rank the importance of each ESG issue.

Stage 2: Prioritisation

The results of the peer benchmarking, the stakeholder engagement workshop and the online survey conducted during the period from 1 July 2016 to 30 June 2017 ("FY2016/17")^b were combined and analysed. A list of ESG issues of varying levels of materiality was consolidated for further validation.

Stage 3: Validation

The consolidated list was considered by the senior management of the Group to finalise a list of material ESG issues and the relevant HKEx Aspects and Key Performance Indicators ("KPIs") for disclosure in this report.

^b In FY2016/17, we invited our customers, main contractors, suppliers, consultants, government and community partners to participate in an online survey to rank ESG issues according to their relevance and importance to the Group.

GOVERNANCE STRUCTURE FOR SUSTAINABILITY

Our Management Approach

Under the leadership of an Executive Director, the Group's management committee oversees the implementation of the Group's Integrated Management System ("IMS") and sustainability policies. The IMS comprises three international management system standards - ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System. This integrated system allows us to monitor and manage ESG-related risks in an organised manner. In order to establish our IMS across operations in the Group, all departments are required to develop their own set of guidelines and are held responsible for compliance. The system is regularly audited by both internal and external parties and the results are reviewed by the Group's senior management to monitor performance and compliance. The effectiveness of the system is reported to the Company's board of directors on a regular basis. For more information on our corporate governance and risk management, please refer to the Group's Annual Report FY2017/18.

Our Committees

To strengthen enterprise-wide operational management and support our long-term development, the Group has established the following eleven committees:

Committee	Purpose
Buildability Committee	<ul style="list-style-type: none">To provide training and workshops on Building Information Modelling ("BIM")To drive innovation and application of new technology
Business Development Committee	<ul style="list-style-type: none">To enhance business competitivenessTo explore new areas of development
CSR Committee	<ul style="list-style-type: none">To encourage employee participation in social servicesTo practice corporate citizenship and strengthen teamwork among employees

Committee	Purpose
Green & Safety Committee	<ul style="list-style-type: none"> To establish a green enterprise culture and policy To promote corporate social responsibility and strengthen environmental awareness To conduct regular safety workshops for employees and develop appropriate safety policies
IT, Technical & Training Committee	<ul style="list-style-type: none"> To introduce innovative technologies in the industry and continuously improve business quality To provide training to retain and nurture talents
Investor Relations Committee	<ul style="list-style-type: none"> To develop strategies for involvement and cultivation of investors
Labour Relations Committee	<ul style="list-style-type: none"> To enable better communication with labour unions on labour-related issues
Publication Committee	<ul style="list-style-type: none"> To promote company brand development and enhance corporate communications
Sports & Recreation Committee	<ul style="list-style-type: none"> To promote a healthy and balanced lifestyle for employees and strengthen their sense of belonging
Trade Association Committee	<ul style="list-style-type: none"> To gather feedback from contractors and other business partners on government policies and drafted legislation
Youth Committee	<ul style="list-style-type: none"> To gather innovative ideas from early-career employees within the Group

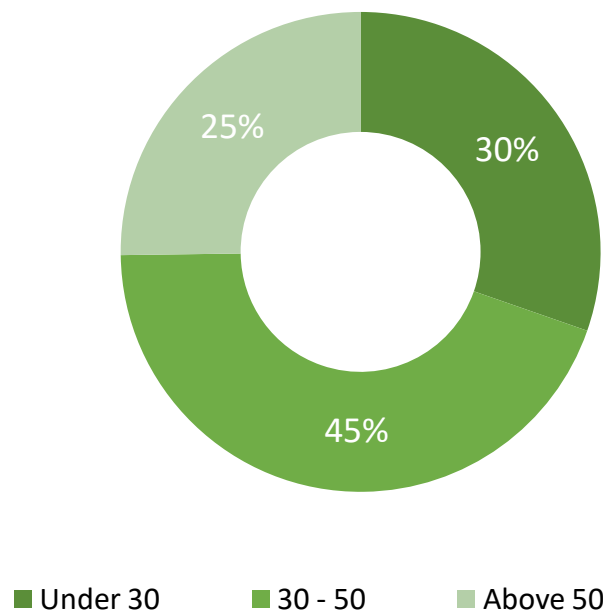
OUR HUMAN CAPITAL

Employees are the cornerstone of FSE Services's business and the Group is fully committed to creating a positive, respectful and collaborative work environment. This includes embracing diversity regardless of nationality, race, religion, gender, age or family status; promoting development and learning; encouraging engagement and involvement and maintaining safety and health standards.

A Competent and Diverse Workforce

Committed to creating benefits and value for individual staff as well as for the Group, we have established a set of well-defined and transparent procedures on talent acquisition and employee dismissal, which allow the Group to manage its human resources in a more efficient way. Recruitment decisions are based on the candidate's knowledge, area of competence, qualifications, and experience as part of the principle of equal opportunity. Our hiring procedures comply with the applicable laws and regulations related to labour standards in all locations where we operate.

Percentage of employees by age group^c



^c Includes both full-time and part-time employees in Hong Kong, Macau and PRC.

Our employees are rewarded with competitive remuneration packages and fringe benefits which are commensurate with their experiences and responsibilities. Our *Employee Handbook* stipulates the Group's policies and procedures, including benefits, compensation and professional behavioural expectations. We have established a fair and open performance appraisal system to monitor and evaluate employee performance annually. Guidelines are set out for performance appraisals to steer managers to make evidence-based objective decisions. The appraisals also provide a communication platform between employees and management to gather feedback, and discuss their career goals.

We also respect the data privacy of every staff member. Guided by the Group's Privacy Policy, all personal data collected from our current and former employees, including records of personal and family particulars, salary and allowances, and promotion assessment, are handled by designated personnel in strict confidence.

During the reporting period, there were no cases of non-compliance with the laws and legislation relating to employment, labour practices and the prevention of child and forced labour in all locations where we operate, including the Minimum Wage Ordinance (Cap. 608) and the Employment Ordinance (Cap. 57) in Hong Kong.

A Positive Workplace

At FSE Services, we believe that the well-being of all employees is essential to creating a positive workplace. The Group abides by the requirements under the Employment Ordinance (Cap. 57) to ensure reasonable working hours and rest days are arranged for our staff. We have organised a range of staff engagement activities such as 2018 World Cup Night, a bike tour, hiking, indoor mini soccer and other sports activities in order to accommodate the diverse interests of our employees. Apart from engagement activities with our staff, we have also extended our care to the family members of our employees. For instance, our FSE Children Academic Star Award provides an opportunity for the children of our employees to receive awards for their academic excellence.

We provide a range of communication channels to gather employee feedback, including regular lunch box meetings, newsletters, seminars and committee meetings. We seek to create more open communication channels between employees and management to ensure their voices are heard, initiate new staff development programmes and caring events and further develop our health and safety measures.

FSE Engineering Group Caring Programme

Established in 2017 for full-time employees at Hong Kong and Macau operations, the programme allows the Group to understand and address employees' needs in relation to work injury, serious illness, or a family member suffering from serious illness. Furthermore, an emergency relief fund is set up for both employees and subcontractors' workers who experience serious work injury. As a caring employer, we strive to provide the appropriate assistance to help employees through difficult times.

Strategic Retreat 2017 - Building from Core and Expanding Beyond

On 8 December 2017, around 150 managerial employees took part in the Strategic Retreat to discuss and develop high-level business strategies. The retreat focuses on four pillars: customer engagement and expansion, innovation and technology for process and control improvement, collaboration and team work, and talent acquisition and retention. Followed by a presentation on the market position of the Group and the emerging trends in the industry, our employees participated in a structured workshop and developed strategic business plans to address the Group's risks and opportunities in the coming year. The retreat encouraged collaboration, team connectivity and cohesiveness, and inspired creative thinking and new ideas that can be carried back into daily work.



Training and Development

FSE Services encourages and organises job-specific training and development opportunities in order to further improve work performance and enhance career development within the Group.

In a constantly changing business and social environment, it is important to equip our staff with up-to-date knowledge and skill set to remain competitive in the market. To suit the different needs of our operations staff, we arrange tailor-made training sessions on a variety of topics such as engineering trainee workshops. Our established Training and Education Subsidy Scheme allows the Group to cultivate a continuous learning culture. The Scheme effectively explores the potential of our employees and helps to foster staff growth and development.

We are also dedicated to nurturing young talents. In addition to the Graduate Scheme 'A' Training approved by the Hong Kong Institute of Engineers, Project Management Procedures Training Programme, a mentorship programme and the Big Brother and Sister Program for junior engineers have been established since April 2018.

TOTAL TRAINING HOURS^d

57,062

Hours

AVERAGE TRAINING HOURS^e

33

Hours/Employee

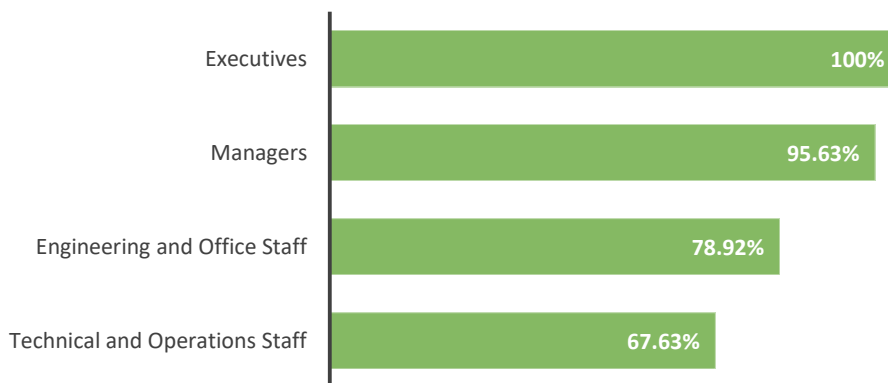
^d Received by all employees in Hong Kong, Macau and PRC.

^e Equals to total training hours divided by total number of employees in Hong Kong, Macau and PRC.

Average training hours completed per employee by employee category



Percentage of employees trained by employee category



Mentorship Programme

The mentor and mentee programme is one of the key opportunities for junior staff to learn valuable experience and skills from their supervisors and the management. Tailor-made training and seminars for mentees including on-the-job training, experience sharing and briefing sessions are provided regularly. To effectively evaluate this mentorship programme, the retention rate of employees of a particular age range is taken into account as one of the KPIs. This programme contributes to the development of a better-trained and engaged workforce. Currently, we have around 60 mentors to guide 106 mentees in building positive work relationship and identifying appropriate skill set for development.

Occupational Health and Safety

One of the Group's top priorities is to provide a healthy and safe working environment for our staff. We have implemented the OHSAS 18001 Occupational Health and Safety Management System to mitigate and control occupational health and safety hazards in our operations. In Mainland China, the GB/T28001-2011/OHSAS 18001:2007 Occupational Health and Safety Management System and the Safety Management Handbook effectively manage occupational health and safety hazards at our operations at all times.

Our safety-related proactive and preventive measures are in place to eliminate and reduce occupational risks for our employees. To effectively manage and mitigate such health and safety risks, we carefully examine and analyse each potential hazard and actively engage with relevant stakeholders to develop and implement appropriate health and safety measures. Following the Group's success of inventing light-duty detachable gas cylinder carts to avoid welding injuries, we concentrated our efforts to reduce risks associated with working at height this year. We are currently developing an "Overhead Drilling System" to prevent falls from height when engaging in ceiling drilling, and anchors and hangers fixing activities.



The prototypes of the "Overhead Drilling System"

Subcontractor health and safety is also a top priority as they work closely with our employees on site. We provide on-the-spot training to ensure work-related hazards and preventive measures are clearly communicated. To further enhance safety knowledge and awareness, our safety award scheme acknowledges subcontractors and workers with good performance in health and safety management.

With the elevated safety awareness of our staff and the safety measures that we have implemented, there were no work-related fatalities during the reporting year. Meanwhile, the Group's average accident rate is 8.95 per 1,000 workers during the reporting year, much lower than the published industrial average accident rate of 34.5 per 1,000 workers^f.

In FY2017/18, there were no significant non-compliance cases relating to the provision of a safe working environment and the protection of employees from occupational hazards.

Anti-Corruption

We are committed to maintaining high ethical standards and integrity in our business operations. The Group's *Employee Handbook* details the requirements of professional conduct with which all staff are required to comply. We have adopted strict rules on accepting gifts from business partners. An internal notice is also distributed to our staff as a reminder of the rules during festive seasons. Moreover, our Anti-Fraud Policy and Whistleblowing Policy provide a dedicated confidential reporting channel for employees and external stakeholders such as customers and suppliers to raise their concerns regarding unethical behaviour, and report malpractice and misconduct. This procedure enables employees and management to collaborate to resolve any issues and avoid further misconduct. During the reporting period, the Group complied fully with laws and regulations relating to bribery, extortion, fraud and money laundering.

^f This figure is extracted from "Occupational Health and Safety Statistics 2016" published by the Labour Department, HKSAR in August 2017.

OUR ENVIRONMENT

Since the Group's core business involves a wide range of engineering services, indirect environmental impacts may arise from installation, commissioning and maintenance works. Although there are no major environmental impacts associated with the nature of our business, it is our responsibility to contribute to a greener future in principle. We aim to enhance energy efficiency, reduce emissions, conserve resources, manage waste and promote environmental awareness to optimise the benefits of environmental protection.

To monitor and manage our environmental performance, we have established an ISO 14001 Environmental Management System. This systematic approach allows us to effectively identify and mitigate the environmental issues associated with our operations through a continuous improvement cycle. Our Environmental Aspect Register identified environmental issues in order to take appropriate mitigation measures in a timely manner and keep track of improvements over time.

Energy Consumption and Emissions

The Group aims to reduce energy consumption and greenhouse gas emissions throughout all phases of engineering operations, from design and installation to operation and maintenance. As electricity usage in the city mostly comes from buildings, we actively integrate green building principles in our services, and offer our clients energy efficient electrical and mechanical solutions.

We also strive to reduce energy consumption in our daily operations. To conserve energy from the lighting and air conditioning systems, we have adopted the following measures:

- Installation of occupancy sensors to control lighting and outdoor air intake;
- Installation of UV protection window film to help maintain the indoor temperature; and
- Switching off lighting and air conditioning systems after working hours at the offices.

GHG INTENSITY^g

0.53

Tonnes of CO₂e/Full-time Employee

ENERGY INTENSITY^h

0.91

'000 kWh/Full-time Employee

FSE Services is a signatory of the “Energy Saving Charter” and the “4Ts Charter” launched by the Hong Kong Government’s Environmental Protection Department (“EPD”). We believe that it is crucial to promote internal environmental awareness to achieve an overall reduction of our carbon footprint. We share energy saving tips with our employees through quarterly newsletters and emails to encourage behavioural change. Our active participation in external initiatives such as “No Air Con Night” and “Earth Hour” also reflects our staunch commitment and enhances energy conservation awareness among employees.

Waste Management

Chemical Waste

In our daily engineering service operations, chemical waste such as lube oil may be generated, which requires specified treatment before disposal. We fully comply with the Waste Disposal Ordinance (Cap. 54) in Hong Kong by following strict procedures to ensure the proper and safe handling of chemical waste. As part of the EPD’s requirement, we are registered as a Chemical Waste Producer, and only engage licensed waste collectors to collect and properly dispose of chemical waste.

Steel Scrap

A solid waste reduction programme was launched at our Fanling workshop to reduce the disposal of scrap pipe sections generated during steel pipe pre-fabrication processes. While we strive to achieve optimal resource utilisation, some pipe sections may not be reused after being cut into smaller pieces. Through our solid waste reduction programme, we recycle all unused pipe sections which helps conserve natural resources. We will continue to explore new technologies to maximise opportunities to reuse materials at our operations.

^g Equals to total greenhouse gas (“GHG”) emissions generated by fuel consumption in fleet and electricity consumption divided by total number of full-time employees in Hong Kong, Macau and PRC.

^h Equals to total energy consumption divided by total number of full-time employees in Hong Kong, Macau and PRC.

Paper Waste

With our newly-introduced Green Office Guidelines, we continue with our well-established policies to reduce paper waste. To encourage the reuse of paper which has only been printed on one side, scrap paper boxes are placed next to printers for employees. Paper recycling bins are also deployed at various locations. To further prevent reusable paper materials from being disposed of in landfills, we have extended our waste reduction policies to our site offices and workshops. We also purchase printing paper with green labels, and are coordinating with our main contractors to arrange monthly collection of waste paper by qualified collectors for recycling.

During the year, there were no significant non-compliance cases relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.

Building a Culture of Sustainability

We believe fostering behavioural change within the Group is a key to driving sustainable growth. To nurture an environmentally friendly culture within the Group, the Green Office Guidelines were officially launched in November 2016. The Guidelines focus on paper use reduction, energy conservation and materials recycling at our offices, sites, workshops and plant rooms. Announcements have been made to all employees to introduce the new green initiatives.

Green activities are regularly organised to further promote environmental stewardship among our employees. During the reporting year, we arranged a technical visit to T-Park and a guided tour of the Zero Carbon Building and the Construction Innovation and Technology Application Centre, enabling our employees to gain a deeper understanding of low carbon building design and technologies adopted in Hong Kong. We also organised an eco-tour to Jockey Club Museum of Climate Change to enhance employees' understanding of sustainable development and green living.

Implementation of New Waste Recycling Practices in Offices

To align with the tightened waste recycling policy in Mainland China and the recent clean recycling publicity campaign launched by the EPD, the Group has implemented new recycling practices at its offices in Kowloon Bay and Chai Wan. At both offices, three types of waste paper collection bins have been set up to collect and separate cardboard, newspapers and office paper. Metal and plastic are also being collected at the Kowloon Bay office for recycling. To ensure effective implementation of the new recycling practices, relevant guidelines have been distributed to the employees. With support from our employees, we aim to promote environmental awareness and reduce our ecological footprint.

Encouraging Self-initiated Environmental Projects

FSE Services encourages junior engineers to submit proposals for self-initiated environmental projects. The Group will review the submitted proposals and evaluate their effectiveness in enhancing operational efficiency and improving environmental performance. For example, we have adopted renewable energy systems and energy efficient devices proposed by our junior engineers in several projects. Through this on-going programme, we hope to spark innovation and promote a collaborative atmosphere that enables our junior engineers to turn their ideas into reality.

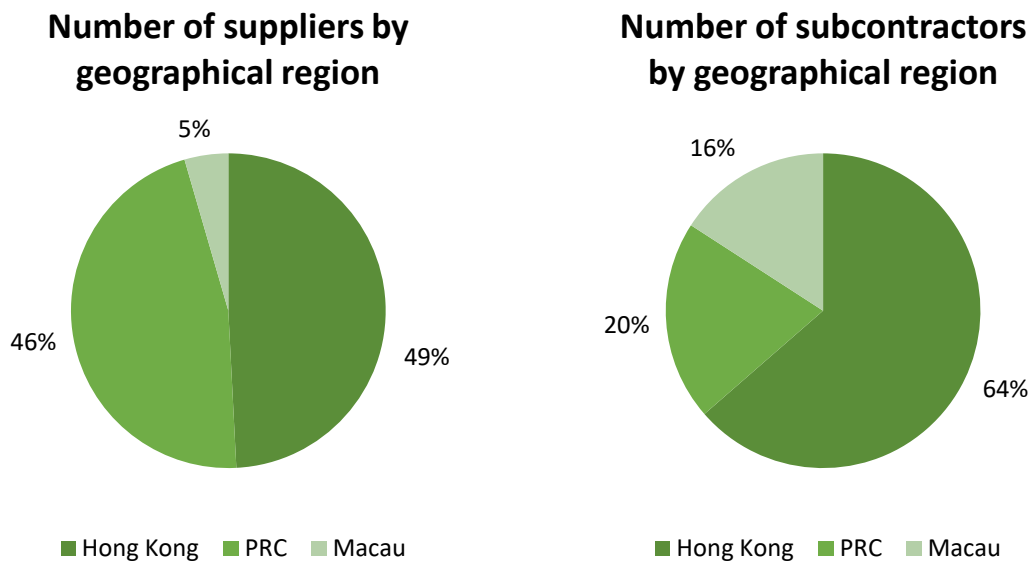
Research and Development Projects

Over the years, FSE Services has strengthened its commitment in research and development to enhance our existing services and protect the environment. Through collaboration with The Nano and Advanced Materials Institute Limited (“NAMI”), FSE Services has participated in two R&D projects involving water treatment and solid waste treatment. Currently, we are undertaking field tests for the water treatment project whilst the solid waste treatment project is in the research and design phase. Both projects are targeted to be completed in the coming year and we will continue to explore new technologies for a greener future.

OUR VALUE CHAIN

Supply Chain Management

Being one of the leading diversified service providers in Hong Kong, FSE Services recognises the opportunity to extend sustainability considerations across its supply chain. In pursuit of long-term performance improvement, thereby, effectively managing and mitigating supply chain risks, we actively incorporate responsible corporate practices into our supply chain management.



With an extensive network of suppliers and subcontractors, we select partners who share our sustainability vision. Our Procurement and Subletting Manual stipulates that potential suppliers and subcontractors are required to submit an application form and attend an interview, which will be assessed based on aspects such as project experience, reputation, safety and financial performance. If the criteria are met, the suppliers and subcontractors will be admitted to an approved list on a probationary basis. Until the completion of their first project, we will closely monitor newly admitted suppliers and subcontractors for 12 to 24 months before admitting them to the permanent approved list.

A comprehensive system is in place to assess the performance of existing suppliers and subcontractors. For example, in our operations in Mainland China, suppliers and subcontractors are reviewed on a semi-annual basis and quarterly basis, respectively, to ensure the quality and consistency of our services. Substandard suppliers and

subcontractors will be suspended or even removed from our approved list in case of serious non-compliance.

Responsible Services

The provision of efficient, professional and quality services is crucial to maintaining a high customer satisfaction rate. Apart from our long-standing IMS, guidelines have been established by each department to ensure a clear accountability within the organisation. Regular audits are conducted to identify potential risks and defects in the production line and a standard audit system has been established for all our projects. In cases of substantial quality and safety concerns, we will conduct in-depth investigations to identify the causes and execute appropriate measures to prevent recurrence of the incidents.

We are always looking for opportunities to enhance customer experience. Therefore, we conducted quarterly customer satisfaction surveys to collect customer feedback on our projects in Hong Kong and Macau. In FY2017/18, we received an overall rating of 7.3/10 from our clients, consultants, contractors and other business partners. We will continue to work with our stakeholders and strive for continuous improvement.

The Group is committed to safeguarding consumer data and privacy. In August 2017, the *Employee Handbook* was updated to include clauses concerning the use and storage of customer data. Only authorised personnel have access to customer data and all personal data must be handled in an indiscriminate and appropriate manner.

It is our responsibility to ensure that the products and services we provide do not involve any act of copyright infringement. All employees are required to follow the Company Policy on Matters relating to the Intellectual Property (Miscellaneous Amendments) Ordinance when carrying out their business duties, including the installation of computer software and the use of other copyrighted works.

During the reporting year, we strictly complied with laws and regulations related to customer health and safety, advertising, labelling, intellectual property rights and privacy matters in all locations where we operate.

OUR COMMUNITY

With a deep-rooted spirit of giving back, the Group is dedicated to serving the environment and the needy, especially children, the elderly and other disadvantaged groups. During the reporting year, we went beyond Hong Kong and initiated various charitable activities in Macau and Mainland China. Contributing 2,392 volunteer hours, our enthusiastic colleagues served over 724 beneficiaries, creating positive impacts in our shared community.

Caring for the Environment

As an environmentally responsible company, we actively participate in an array of green living and energy-saving events to demonstrate our commitment and raise the environmental awareness of our employees. In collaboration with WWF-Hong Kong, we continued to participate in “Earth Hour 2018” in response to the global challenge of climate change. In September 2017, we supported “No Air Con Night 2017” organised by Green Sense and switched off the air conditioners at our offices from 7 pm to 7 am of the following day. We also joined the “Biz-Green Dress Day 2017” organised by the Hong Kong Green Building Council, where employees were encouraged to dress light to reduce energy consumption from air conditioning.



Biz-Green Dress Day 2017

Caring for the Elderly

To show appreciation for the contributions our senior citizens made to the development of our community, we take part in various elderly services to express our respect and gratitude. For the ninth year, we have cooperated with the Tung Wah Group of Hospitals to celebrate the Dragon Boat Festival with over 100 elders. In June 2018, 92 volunteers paid a visit to the mobility-challenged elderly. A festive lunch was arranged at Dragon Centre and our volunteers prepared gift packs and performances for the elders. Spreading our care across the border, we continued our collaboration with the Macao Federation of Trade Unions to provide home support services to senior citizens. Throughout the reporting year, our staff volunteers also paid visits to the singleton elderly in Mainland China, including in Beijing, Shanghai and Shenyang.



Over 90 volunteers visited the singleton elderly in Hong Kong to celebrate the Dragon Boat Festival



Our volunteers visited the singleton elderly in Shenyang, Mainland China

Caring for Underprivileged Children

Child welfare is one of the focus areas of our community services. Working closely with the Hans Andersen Club, we organised different activities for children from grass-roots families. In October 2017, we sponsored the "The Curious Garden" storytelling activity, delivering an enchanting tale with the theme of environmental protection. Through creative drama and games, our volunteers demonstrated to the children the concept of "great power from little kids". In Shenyang, Mainland China, our volunteers arranged a visit to an orphanage in October 2017. Taking a holistic approach to learning and development, the children created artworks with our volunteers and received learning kits and household goods.



The Curious Garden organised by the Hans Andersen Club

Caring for the Disadvantaged

To promote social inclusion, we worked closely with different organisations and shared seasonal cheer with the disadvantaged throughout the reporting year. In collaboration with the Hong Kong Down Syndrome Association, we prepared interactive games and art sessions for individuals with Down syndrome and autism during the Mid-Autumn Festival. Continuing our cooperation with the Evangelical Lutheran Church Social Service, our enthusiastic volunteers revisited the Kwai Shing hostel and shared Christmas gifts and blessings with groups in need in December 2017.



Cooperation with the Evangelical Lutheran Church Social Service to visit the disadvantaged

AWARDS AND MEMBERSHIPS IN FY2017/18

Awards and Recognitions

Issuer	Award	Company
Development Bureau and Construction Industry Council	The 24 th Considerate Contactors Site Award Scheme (Public Works – RMAA Works) – Merit Award	YEC
Employees Retraining Board	ERB Manpower Developer Award Scheme – Manpower Developer First	FSEE
Environmental Campaign Committee	Wastewise Certificate - Excellence Level	FSEE
Evangelical Lutheran Church Social Service – HK	Business Partner Awarding Ceremony 2017 – Appreciation Certificate	FSE Services
	“Tomorrow is Another Day” Celebrity Charity Screening – Silver Sponsor	FSE Services
Hong Kong Council of Social Service	Caring Company Logo Award	FSE Services
	10 Years PLUS Caring Company Logo Award	FSEE
Hong Kong Productivity Council and Committee on the Promotion of Civic Education	The 8th Hong Kong Outstanding Corporate Citizenship Awards for Enterprise Category & Volunteer Category	FSE Services FSEE
	5 Year Plus Hong Kong Corporate Citizenship Logo	FSEE
Mediazone Limited	Most Valuable Companies in Hong Kong 2018 Awards	MEC
Occupation Safety and Health Council	Occupational Health Award 2017-18 – Merit Award	FSE Services
Promoting Happiness Index Foundation	Happy Company Award 5 Year +	FSEE
	Happy Company Award	FSE Services FSEET EXT

Issuer	Award	Company
Shenyang Hope Volunteers Association	2017 The Best CSR Company	FSEE PRC
Social Welfare Department	Gold Award for Volunteer Service	FSE Services
	Bronze Award for Volunteer Service	FSEE
The Hong Kong General Chamber of Small and Medium Business	5 Years Partner Employer Award	EPS
	Partner Employer Award 2017/2018	JET
	Partner Employer Excellence Award 5 Years	FSEE FE MEC YEC
The Hospital Authority Charitable Foundation	Hospital Authority New Year Run 2018 - Donation Bronze Award	FSE Services
The Lok Sin Tong Benevolent Society Kowloon	Hong Kong Corporate Smoke-Free Logo Award	FSE Services FSEE
The Mandatory Provident Fund Schemes Authority	Good MPF Employer	FSE Services FSEE ELS EPS EXT FE JET
	E-Contribution Award	MEC TEC YEC
	Support for MPF Management Award	
Green Sense	"Hong Kong No Air Con Night 2017" Certificate	FSE Services
The Hong Kong Institute of Financial Analysts and Professional Commentators Limited	Outstanding Listed Companies Award 2017	FSE Services

Memberships

Association	Membership Type	Company
Association of Engineering Professionals in Society	Ordinary Membership	MEC
Business Environment Council	General Membership	EPS
Commissioning Specialists Association	Associate Membership	FE
Hong Kong Association for Testing, Inspection and Certification	Ordinary Membership	JET
	Membership	ELS
Hong Kong Chamber of Commerce in China	Membership	FSEE PRC
Hong Kong Construction Material Association	General Membership	EXT
Hong Kong Electrical Contractors' Association	Life Membership	MEC
Hong Kong Institute of Human Resource Management	Membership	FSEE
Hong Kong Occupational Safety and Health Association	Membership	FSEE
Hong Kong Plumbing and Sanitary Ware Trade Association	Membership	MPL EXT
Hong Kong Shanghai Pudong Association	Membership	FSEE
Macao Chamber of Commerce	Membership	FEM MEM YEM
Macao Air-conditioning & Refrigeration Chamber of Commerce	Membership	YEM
Macao Construction Association	Life Membership	MEM YEM
Macao Management Association	Membership	YEM
Shanghai Fire Protection Association	Membership	YECS
Shanghai Intelligent Building Construction Association	Membership	FSEE PRC

Association	Membership Type	Company
The Association of Registered Fire Service Installation Contractors of Hong Kong	Life Membership	MEC
	Ordinary Membership	FE
The Hong Kong Air Conditioning & Refrigeration Association	Fellow Membership	YEC
	Associate Membership	FE
	Membership	EXT
The Hong Kong E&M Contractors' Association	Associate Council Membership	YEC
	Membership	MEC
The Hong Kong Federation of Electrical and Mechanical Contractors	Ordinary Membership	EXT FE MEC MPL YEC
The Hong Kong General Chamber of Commerce	Membership	EXT FE MEC YEC
The Hong Kong Green Building Council	Institutional Membership	MEC YEC
	Membership	EPS
Water Quality Association	Membership	JET

List of Abbreviation

FSE Services	FSE Services Group Limited
FSEE	FSE Engineering Group Limited
FSEET	FSE Environmental Technologies Group Limited
ELS	FSE Environmental Laboratory Services Limited
EPS	Environmental Pioneers & Solutions Limited
EXT	Extensive Trading Company Limited
FE	Far East Engineering Services Company Limited
FEM	Far East Technical Services (Macao) Limited
JET	Joneson Environmental Technologies Limited
MEC	Majestic Engineering Company Limited
MEM	Majestic Engineering (Macao) Company Limited
MPL	Majestic Plumbing Engineers Limited
TEC	Tridant Engineering Company Ltd
YEC	Young's Engineering Company Limited
YEM	Young's Engineering (Macao) Company Limited
FSEE PRC	FSE Engineering Limited
YECS	Young's Engineering (Shanghai) Company Limited

PERFORMANCE DATA SUMMARY

HKEx KPI		Unit	FY2017/18
A. Environmental			
A1.1	The types of emissions and respective emissions data ⁱ		
	- NOx	Tonnes	0.31
	- SOx	Tonnes	0.0008
	- PM	Tonnes	0.03
A1.2	Greenhouse gas emissions in total and intensity		
	Scope 1 emissions	Tonnes of CO ₂ e	138
	Scope 2 emissions	Tonnes of CO ₂ e	781
	Scope 3 emissions ^j	Tonnes of CO ₂ e	180
	Total (Scope 1 and 2 emissions)	Tonnes of CO ₂ e	919
	Intensity (Scope 1 and 2 emissions)	Tonnes of CO ₂ e /FTE	0.53
A1.3	Total hazardous waste produced		
	Lube oil - in total	kg	940
	- by intensity	kg/FTE	0.55
A1.4	Total non-hazardous waste produced ^k		
	Paper Recycled - in total	kg	10,764
	- by intensity	kg/FTE	6.26
	Compact Disc Recycled - in total	pcs	672
	- by intensity	pcs/FTE	0.39

ⁱ Based on the fuel consumption of the Group's vehicles in Hong Kong, Macau and PRC.

^j Includes emissions from business travel by air.

^k Covers office operations in Hong Kong only.

HKEx KPI		Unit	FY2017/18			
A2.1	Energy consumption by type					
	Total Direct Energy Consumption					
	- in total		'000 kWh	476		
	- by intensity		'000 kWh/FTE	0.28		
	Diesel Oil					
	- in total		'000 kWh	139		
	- by intensity		'000 kWh/FTE	0.08		
Petrol						
- in total		'000 kWh	336			
- by intensity		'000 kWh/FTE	0.20			
Total Indirect Energy Consumption (Purchased Electricity)						
- in total		'000 kWh	1,085			
- by intensity		'000 kWh/FTE	0.63			
Total Energy Consumption (Direct and Indirect)						
- in total		'000 kWh	1,561			
- by intensity		'000 kWh/FTE	0.91			
B. Social						
B1.1	Total workforce by employment type and gender		Male		Female	
	Full-time	No. of people	1,406		313	
	Part-time	No. of people	17		5	
	Total workforce by employment type and age group		Under 30	30-50	Above 50	
	Full-time	No. of people	521	770	428	
	Part-time	No. of people	7	4	11	

HKEx KPI		Unit	FY2017/18		
B1.2	Employee turnover rate by gender		Male		Female
		%	10.54		7.86
	Employee turnover rate by age group		Under 30	30-50	Above 50
		%	17.05	8.53	4.33
B2.1	Number and rate of work-related fatalities				
	- By number	No. of people	0		
	- By rate	%	0		
B2.2	Lost days due to work injury				
	- Staff	Days	769		
B3.1	The percentage of employees trained by employee category and gender				
	- Executive	%	100		
	- Manager	%	95.63		
	- Engineering and Office Staff	%	78.92		
	- Technical and Operations Staff	%	67.63		
	- Male	%	79.13		
	- Female	%	72.96		
B3.2	The average training hours completed per employee by employee category and gender				
	- Executive	Hours	37.58		
	- Manager	Hours	36.51		
	- Engineering and Office Staff	Hours	27.93		
	- Technical and Operations Staff	Hours	44.54		
	- Male	Hours	36.82		
	- Female	Hours	14.67		

HKEx KPI		Unit	FY2017/18		
B5.1	Number of suppliers by geographical region				
			Hong Kong	Macau	PRC
	- Suppliers	No.	787	72	741
	- Subcontractors	No.	449	112	145
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons (%)				
	0				
B6.2	Number of products and service related complaints received				
	0				
B7.1	Number of concluded cases regarding corrupt practices brought against the company				
	No. of cases		0		

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Aspect	KPI	Description	Page Number/ Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	14 – 16
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	A1.2	Greenhouse gas emissions in total and intensity	15, 29
	A1.3	Total hazardous waste produced and intensity	29
	A1.4	Total non-hazardous waste produced and intensity	29
	A1.5	Description of measures to mitigate emissions and results achieved	14 – 15
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	15 – 17
A2 Use of Resources	A2	General Disclosure	14
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	15, 30
	A2.2	Water consumption in total and intensity	Note (i)
	A2.3	Description of energy use efficiency initiatives and results achieved	14 – 15
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Note (i)
	A2.5	Total packaging material used for finished products	Note (ii)
A3 The Environment and Natural Resources	A3	General Disclosure	14 – 17
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	14 – 17

Aspect	KPI	Description	Page Number/ Remarks
B. Social			
Employment and Labour Practices			
B1 Employment	B1	General Disclosure	7 – 9
	B1.1	Total workforce by gender, employment type, age group and geographical region	30
	B1.2	Employee turnover rate by gender, age group and geographical region	31
B2 Health and Safety	B2	General Disclosure	12 – 13
	B2.1	Number and rate of work-related fatalities	13, 31
	B2.2	Lost days due to work injury	31
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	12 – 13
B3 Development and Training	B3	General Disclosure	10 – 11
	B3.1	Percentage of employees trained by gender and employee category	11, 31
	B3.2	Average training hours completed per employee by gender and employee category	10, 31
B4 Labour Standards	B4	General Disclosure	7 – 8
Operating Practices			
B5 Supply Chain Management	B5	General Disclosure	18
	B5.1	Number of suppliers by geographical region	18, 32
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where and how the practices are being implemented and monitored	18 – 19

Aspect	KPI	Description	Page Number/ Remarks
B6 Product Responsibility	B6	General Disclosure	19
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	32
	B6.2	Number of products and service related complaints received and how they are dealt with	32
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	19
	B6.4	Description of quality assurance process and recall procedures	19
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	19
B7 Anti-corruption	B7	General Disclosure	13
	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	32
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	13
Community			
B8 Community Investment	B8	General Disclosure	20 – 23
	B8.1	Focus areas of contribution	20 – 23
	B8.2	Resources contributed to the focus area	20 – 23

Notes:

- (i) Water use has been identified and confirmed as non-material to FSE Services.
- (ii) The use of packaging material has been identified and confirmed as non-material to FSE Services.