



豐盛生活服務有限公司
FSE LIFESTYLE SERVICES LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 331

Environmental, Social and Governance Report 2020-2021



CONTENTS

About This Report	2
Sustainability Governance	6
Our Human Capital	10
Our Environment.....	22
Our Value Chain	26
Our Community.....	28
Awards and Memberships in FY2020/21	33
Performance Data Summary	42
HKEx ESG Reporting Guide Content Index	45

Where the English and the Chinese texts conflict, the English text prevails.

ABOUT THIS REPORT

About FSE Lifestyle Services Limited

FSE Lifestyle Services Limited (the “Company”, together with its subsidiaries, the “Group” or “FSE Lifestyle”) is a leading lifestyle services conglomerate with three major business segments: property & facility management services, city essential services and E&M services.

- Property & Facility Management Services
 - Urban Group
 - Kiu Lok Service Management Group
- City Essential Services
 - Far East Engineering Group
 - FSE Environmental Technologies Group
 - Extensive Trading Group
 - Turning Technical Service
 - General Security Group
 - Hong Kong Island Landscape Company Limited
 - Nova Insurance
 - Waihong Services Group
- E&M Services
 - FSE Engineering Group

With their professionalism and expertise, together with the extensive synergies created among the companies, the Group is able to build a strong network and offers a full range of professional services to renowned clients and main contractors who are engaged in property developments, public infrastructures, education and transportation facilities as well as entertainment and travel industries in Hong Kong, Macau, and 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

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 2020 to 30 June 2021 (the “reporting year” or “FY2020/21”), and serves as a transparent channel for the Group to communicate its ESG-related initiatives and efforts to various stakeholders.

This report covers the Group’s E&M engineering services segment in Hong Kong, Macau, and Mainland China, environmental management services and integrated property & facility management services^a in Hong Kong as listed below:

Reporting Scope for FY2020/21

- E&M Engineering Services
 - FSE Engineering Group
- Environmental Management Services
 - FSE Environmental Technologies Group
- Integrated Property & Facility Management Services
 - Urban Group
 - Kiu Lok Service Management Group
 - Waihong Services Group

An ESG Content Index has been included in pages 45 - 48 for easy reference. We also welcome your feedback. Please send your suggestions or comments to johnlee@fseng.com.hk.

^a This year, we have expanded our reporting scope to include Urban Group and Kiu Lok Service Management Group as data for the full financial year is available since acquisition. General Security Group, Hong Kong Island Landscape Company Limited and Nova Insurance are newly acquired subsidiaries. ESG disclosures for these subsidiaries will be included in ESG Report 2021/22.

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 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. This year, we invited employees, suppliers, clients, investors and non-governmental organisations (“NGOs”) to complete an online survey to rank the importance of each ESG topic.

Stage 2: Prioritisation

The results of the peer benchmarking and the latest online survey were combined and analysed. A prioritised list of potential material ESG issues was consolidated for further validation.

Stage 3: Validation

The consolidated list was considered by the Sustainability Committee to finalise a list of material ESG issues and the relevant HKEx Aspects and Key Performance Indicators (“KPIs”) for disclosure in this report.

SUSTAINABILITY GOVERNANCE

Board Statement

The Board of Directors (the “Board”) holds the overall accountability for the Group’s ESG management approach, strategy and performance. The Board’s responsibilities include reviewing the Group’s material ESG topics and approving the ESG related policies and targets. The Board also reviews and signs off the annual ESG Report. To support the Board’s oversight and systematic management of the ESG issues, we have set up a Board-level Sustainability Committee in early 2021. The members of the Committee are appointed by the Board and composed up three executive directors (one of the executive directors is the Chairman) and two non-executive directors of the Company. The Sustainability Committee meets regularly to review the Group’s sustainable development and provide recommendations on relevant ESG matters to the Board. The recommendations are examined and endorsed by the Board, for various departments to drive ESG performance accordingly.

Through regular stakeholder engagement and materiality assessment, we identify, prioritise and validate ESG issues. Relevant findings are discussed by the Sustainability Committee to finalise a list of material ESG issues which are reviewed and endorsed by the Board for report disclosure. Progress of environmental target setting and implementation are discussed, reviewed and endorsed by the Board as part of material ESG issues.

The Board will continue our commitment to sustainable development in every aspect of our operations as we integrate sustainability into day-to-day operations.

Our Management Approach

Sustainability Committee

We have set up a Board-level **Sustainability Committee** in early 2021 to support the Board’s oversight of the ESG issues. The duties of the Sustainability Committee include:

- 1) Review, endorse and report to the Board the Group’s sustainability strategies, priorities and policies;
- 2) Advise the Board on the adoption of sustainability targets and measures;
- 3) Oversee the development and implementation of the Group’s sustainability initiatives;
- 4) Review and evaluate the adequacy and effectiveness of the actions taken by the Group based on its sustainability strategies and priorities and recommend improvements;

- 5) Monitor and review existing and/or emerging issues, trends, legislation and regulation relating to the Group's sustainability development;
- 6) Review and provide recommendations to the Board for approval of the annual ESG report and related disclosures in the Group's annual report; and
- 7) Report to the Board after each Sustainability meeting and make recommendations to the Board on any areas within its remit where action or improvement is needed.

This year, the Sustainability Committee convened three meetings to discuss the ESG issues including materiality assessment, environmental target setting and ESG report. The Sustainability Committee reviewed stakeholder engagement results and selected 33 out of 36 KPIs for report disclosure. Reduction environmental targets for electricity consumption, greenhouse gases emissions and paper consumption for FY2021/22 are also endorsed by the Sustainability Committee. The KPIs for report disclosure and environmental targets are subsequently approved by the Board in February and June 2021 respectively.

Risk Management

The Board has overall responsibility for the maintenance of sound risk management and internal control systems within the Group and reviewing their effectiveness. A formal risk management policy has been put in place to ensure the regular identification, evaluation and management of the risks (including environmental and social risks) faced by the Group. Chaired by an Executive Director, the **Risk Management Committee** takes the lead in the effective implementation of the risk management policy by all divisions and business units of the Group. Risk assessment and evaluation are an integral part of the annual planning process. Each division/business unit of the Group is to set its strategic objectives, identify specific risks and assess the effectiveness of its risk management actions and internal control measures to ensure that the risks it faces are addressed by the controls that have been or will be implemented.

Internal Audit

The Board has entrusted the **Audit Committee** with the responsibility to review the risk management and internal control systems of the Group, which include financial, operational and compliance controls. The internal audit function, which is fully independent of the daily operations of the Group, is conducted by the Company's Internal Audit Department. The senior executive in-charge reports directly to the Audit Committee and is provided with unrestricted access to all information on the Group's assets, records and personnel in the course of auditing. All the directors are informed of the findings of internal audit assessments.

The Internal Audit Department carries out an analysis and independent appraisal of the adequacy and effectiveness of the risk management and internal control systems of the Group through, among others, examination of risk-related documentation, conducting interviews with employees and internal control self-assessment questionnaires. It has also conducted special audits on individual operation units.

Integrated Management System

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 ISO 45001 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 studied 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, risk management and internal control, please refer to the Group's Annual Report FY2020/21.

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 where 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. We also promote ethical culture through effective communication with staff. This year, we invited the Independent Commission Against Corruption ("ICAC") to deliver two anti-corruption training sessions to our staff and directors in May and July 2021. During the reporting period, the Group complied fully with laws and regulations^b relating to bribery, extortion, fraud and money laundering.

^b The laws and regulations that are the most relevant to the Group include, but not limited to, the Prevention of Bribery Ordinance (Cap. 201).



ICAC Anti-corruption Training in Classroom and Virtual Mode

Our Committees

To strengthen enterprise-wide operational management and support our long-term development, the E&M Engineering Group has established the following 13 committees:

Committee	Purpose
BIM Buildability Technologies 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 competitiveness To explore new areas of development
CSR Committee	<ul style="list-style-type: none"> To encourage employee participation in social services To practice corporate citizenship and strengthen teamwork among employees
Green Committee	<ul style="list-style-type: none"> By promoting green policy and measures, organising green activities and keeping update for the environmental news To build up a green culture within our working environment To be more responsible for the environment and contribute more to our society
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

Committee	Purpose
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
Sustainability Committee	<ul style="list-style-type: none"> To review the Group's sustainable development and related policies To make recommendations on matters concerning the Group's sustainability development to the Board
Trade Association & Institution 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
Caring & Safety Committee	<ul style="list-style-type: none"> To promote safe and caring culture in our life To take care our colleagues, workers and their families as our neighbours

OUR HUMAN CAPITAL

Employees are the cornerstone of our business and the Group is fully committed to creating an inclusive, 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 high safety and

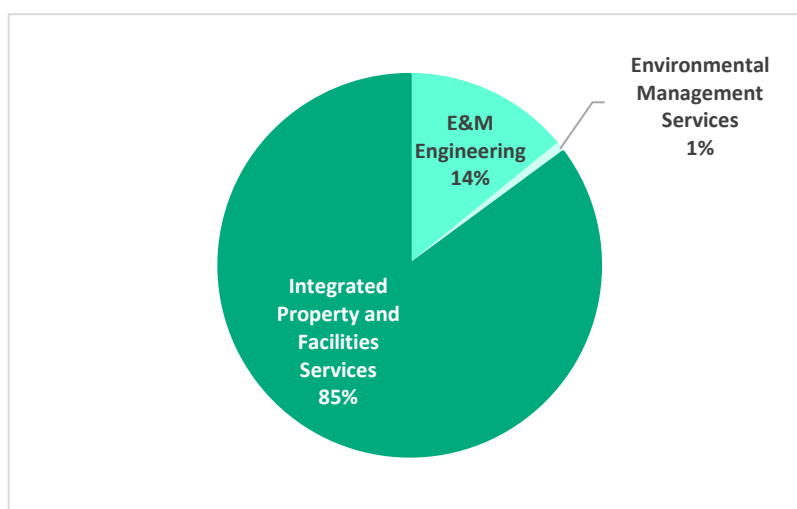


health standards. Being a Signatory of the Good Employer Charter 2020, FSE Lifestyle pledges to adopt employee-oriented good human resource management practices.

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 policies and procedures on talent acquisition and employee dismissal, which allows the Group to manage its human resources in a more efficient way. As part of the principle of equal opportunity, our recruitment decisions are based on the candidate's knowledge, area of competence, qualifications, and experience. Our recruiting procedures comply with the applicable laws and regulations related to labour standards in all locations where we operate. In accordance with relevant laws and regulations, the employment of child workers is strictly prohibited. The Group requires all job applicants to provide a proof of age to ensure compliance with relevant laws and regulations.

Total Workforce by business segment^{c&d}



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 to steer managers to make evidence-based objective decisions for performance appraisals. The appraisals also serve as a two-way communication platform between employees and management to gather feedback and discuss their career goals.

^c Includes both full-time and part-time employees in Hong Kong, Macau and the People's Republic of China ("PRC").

^d Data for the newly acquired subsidiaries will be available for disclosure in the next financial year. Therefore, grouping of "Property & Facility Management Services", "City Essential Services" and "E&M Services" will be presented in the next ESG Report.

We respect data privacy of every staff member. Governed 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.

To ensure compliance with all applicable legal and regulatory requirements^e, the management reviews our employment policies and guidelines on a regular basis. Additionally, our employment practices and expectations are provided to new recruits during an orientation session and briefings; while existing staff are reminded of the Group's expectations and requirements with relevant refresher workshops. 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.

A Positive Workplace

We believe that the well-being of all employees is essential to creating a positive workplace. The Group abides by the statutory requirements to ensure reasonable working hours and rest days are arranged for our staff. Our **Sports & Recreation Committee** has launched various staff activities to promote a healthy and balanced lifestyle for employees and strengthen their sense of belonging. Towards this end, we have organised a series of staff activities such as outings with staff and their families, hiking, staff birthday parties, afternoon tea gatherings and regular sport team practices such as football, basketball, badminton, dragon boat etc. Our Sports & Recreation Committee has also organised different sports activities and invited other partner companies to join the events in order to promote friendship and relationship with them.

Apart from engagement activities with our staff such as presenting Long Service Recognition, HKIE EGT Scheme A Trainee Outstanding Performance Award, Outstanding Employees Award and Community Caring Award, we have also extended our care to 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.

^e The laws and regulations that are the most relevant to the Group include, but not limited to, the Employment Ordinance (Cap. 57), the Labour Law of the PRC, the Provisions on Prohibition of Child Labour of the PRC, and the Labour Relations Law in Macau.



Long Service Recognition



FSE Children Academic Star Award



Waihong Group's Joyful@Healthy Workplace Best Practices Award

To create an open-minded atmosphere within our organisation, we provide a range of communication channels to gather employee feedback, including regular lunch box meetings, management chatting with young staff, 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.



Promoting Workplace Wellness

FSEE participated in The Lok Sin Tong Benevolent Society, Kowloon's "Smoking Cessation Program in Workplace" to promote wellness in the workplace. During the event, we provided fruits to our employees and encouraged them to quit smoking and embrace a healthy lifestyle.



Friendly Soccer Match with Tung Wah Group of Hospitals

To promote a healthy lifestyle and employee well-being, the Group participated in a friendly soccer match organised by The Tung Wah Group of Hospitals in November 2020.



Celebrating Festive Seasons with Our Employees

While most of our staff events were suspended considering the health concern during COVID-19, we continue to celebrate festive seasons with our employees. Urban presented gifts to employees as a token of appreciation for their hard work over the year.

Training and Development

We believe our employees are the most valuable resources for our success. To assure the quality of our employees at all levels and to secure a stable supply of future generations of management personnel, we have set up the **IT, Technical and Training Committee** to plan, organise and oversee a comprehensive and structured training and development programme. Our goal is to identify and develop talent, with the aim of providing upward mobility within our company, fostering employee loyalty and incorporating customised mentoring, coaching and training.

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. The Group has maintained the staff profile including their personal development plan and their areas of interest. This is crucial for us to continuously provide tailored training and career guidance to suit our staff's needs on different aspects such as general and technical knowledge and skills including integrated management systems, risk assessment, cost control, project management and soft skills, project experience sharing, safety management, green and environmental protection, the latest legal compliance regulations and specialised knowledge in their respective service segments.

Our established Training and Education Subsidy Scheme allows the Group to cultivate a continuous learning culture and effectively explores the potential of our employees which helps foster staff growth and development. An education subsidy policy up to 80% subsidy is put in place, under which employees can apply for subsidies to pursue further studies of Master or Degree programs relevant to their jobs. Under our training subsidy policy, employees could attend the training courses relevant to their jobs, such as BIM Basic/Advance Modelling Courses during office hours.

This year, we have nominated 60 managerial level staff to participate in the Executive Development Programme. This training curriculum is one-year extensive programme commenced from November 2020, covering two site visits and seven modules including finance for non-finance managers, change management and business process improvement, strategic planning and marketing management, risk and crisis management, executive presence and communication skills, creative thinking and innovation management, leadership and team building management. Through workshops and site visits, our participants have actively engaged in group discussions and gained practical knowledge and insights in various aspects.

Through partnering with the Vocational Training Council ("VTC") for over 30 years, we have been able to train many technical professionals for the industry. Our apprenticeship training scheme provides systematic on-the-job training for apprentices registered under the Apprenticeship Ordinance. Sponsorships are also provided to our apprentices to attend relevant training courses and to further develop their career path. As a result, some of our apprentices have been nominated for the Outstanding Apprentice Award and garnered the award.

Nurturing Young Talents

We are dedicated to nurturing young talents. To develop our young talents into well-rounded leaders of the future, seven young staff have been selected to join the 2-year YoungSTAR program in January 2019. Due to the COVID-19 outbreak, most of the training programmes were conducted on-line this year. Over 1,500 hours of tailor-made training sessions such as design thinking, public speaking skills and strategic career planning were provided to the trainees. Since the programme commencement, the participants have gained valuable experience from different courses under this programme and have provided positive feedback during their journey. In February 2021, our seven trainees were successfully graduated from this programme.



YoungSTAR Graduation Ceremony in February 2021

Executive leadership programmes are vital to our succession planning and long-term business success. In June 2021, the Group launched a two-year Young Executive Training Program for 60 young executives aged below 40. This programme aims to develop and inspire our young executives in achieving their full potentials in leadership self, leading people and leading business. It comprises of instructor-led training workshops, three dialogue sessions with internal and external business leaders and two visits to local corporation and innovation hub.

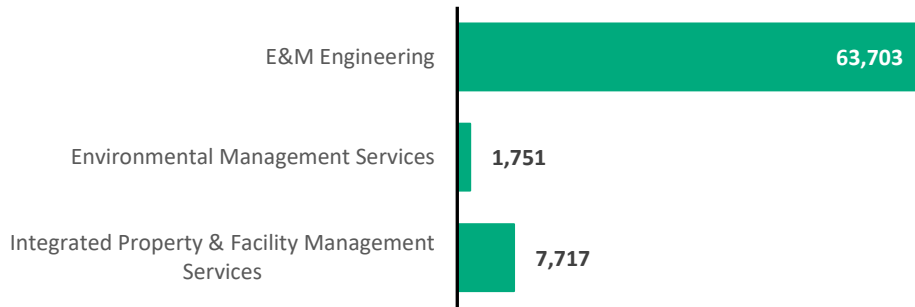


Young Executive Training Program

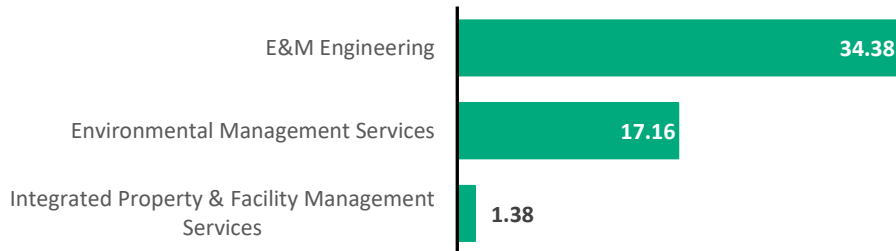


In addition to the Graduate Scheme 'A' Training approved by The Hong Kong Institution of Engineers, Project Management Procedures Training Programme, a mentorship programme and the Big Brother and Sister Program for junior engineers have also been established since April 2018.

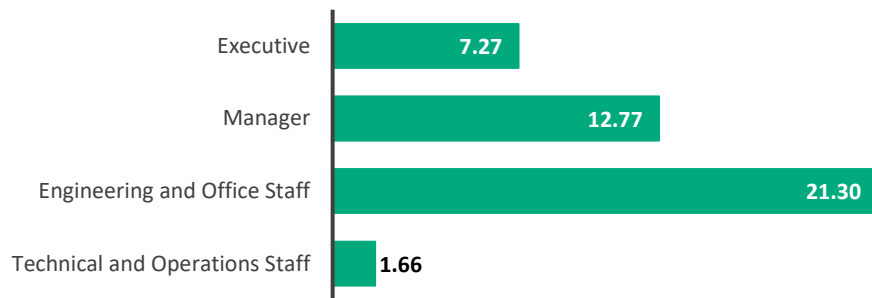
Total training hours by business segment



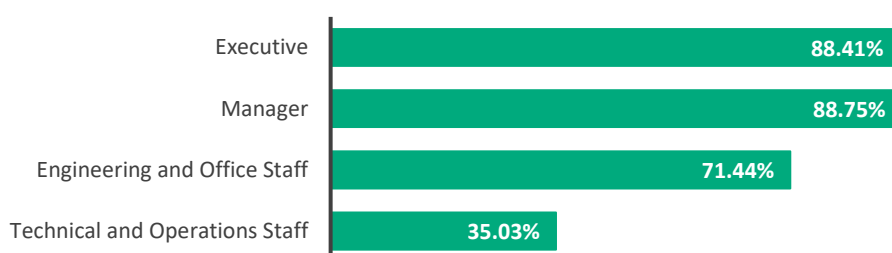
Average training hours completed per employee by business segment



Average training hours completed per employee by employee category



Percentage of employees trained by employee category



Creating a Culture of Innovation

Under the megatrend of digital transformation, the business environment and markets are rapidly changing. Recognising the need to cultivate innovative capabilities and strengthen business resilience, we have implemented initiatives on talent development and knowledge sharing within the industry. During the DfMA MiMEP Tradeshow 2021, FSEE showcased its latest technologies including cooling tower model made by 3D printing, recent projects that utilise Design for Manufacture and Assembly (“DfMA”) and other designs that incorporates DfMA concepts and Building Information Modelling (“BIM”). We aim to drive knowledge sharing within the industry, as these innovative designs help modernise our industry, improve productivity, enhance safety and reduce environmental impacts.



FSEE’s Demonstrations in DfMA MiMEP Tradeshow 2021

To foster an innovative culture for young talents, we supported the Institute of Vocational Education’s (“IVE”) internship programme. Apart from the regular on-the-job training for the 48 Higher Diploma students, we also shared our experience on BIM technologies and applications. We hope that this helps instill an innovative mindset for the students. We have also conducted recruitment seminar and career expo with case sharing on DfMA and other latest technologies.

We procured a mobile application “Training & Activity Apps” which covers over 60 training courses ranging from maintenance, projects, contract administration, BIM and design, environment, health, safety, information technology and other topics. This learning platform plays a vital role in boosting employee engagement, efficiency and performance since they can continue learning anywhere and anytime. We will continue to inspire our staff and young talents and drive innovation within the industry.

Occupational Health and Safety

Caring, which is one of our six core corporate values, is the Group's top priority for building a safe, inclusive and caring workplace. We have implemented the ISO 45001:2018 OHS Management System to mitigate and control occupational health and safety hazards in our operations. In Mainland China, we adopt the GB/T28001-2011/OHSAS 18001:2007 Occupational Health and Safety Management System and the Safety Management Handbook, which effectively manage occupational health and safety hazards in 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. According to our past accident records, we have identified that over 70% of the accidents occurred are due to imperfect site conditions. These site conditions, such as objects scattered around passageways or protruding rebars extended from partition walls, often lead to slips and trips in the workplace. To alert workers of potential workplace hazards, we display site safety messages through digital screens at our sub-contractor's workshops so that workers can receive safety messages when reporting daily duties. We believe this can help enhance their site safety awareness and mitigate construction safety risks.

Enhancing Our Safety Performance

Maintaining high safety awareness from senior management to frontline workers is vital to our long-term success in safety management. This year, FSEE joined Construction Industry Council's "Life First" campaign to promote safety awareness. Our senior management conducted safety inspections at multiple work sites and are committed to carry out safety inspections regularly. In addition, we have installed digital screens at our two new project sites to show potential safety hazards and latest safety news. Through this campaign, we are able to demonstrate our commitment in safety, deliver key safety messages to all levels of workforce and effectively raise safety awareness.



“Life First” Campaign

At Waihong, a risk reporting system is in place to monitor high-risk activities at the workplace. Information is collected by personnel in charge of the site and consolidated at the designated department. The department will then implement relevant plans for onsite inspections and monitoring. In addition, we commission Registered Safety Officers (“RSOs”) to perform regular safety inspections to identify potentially hazardous risks and recommend relevant control measures. The RSOs also conduct accident investigations, emergency preparedness and risk assessments in order to mitigate and manage any potential occupational health and safety hazards.

Subcontractors’ health and safety is also our top priority as the subcontractors work closely with our employees on site. We provide on-the-spot training and risk assessment 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.

Ensuring Workplace Health and Safety During the COVID-19 Pandemic

As the COVID-19 pandemic has become a major health crisis, maintaining the health and safety of our employees is our first and foremost task. To ensure our management systems are addressing health issues across the group, a Crisis Management Committee which consists of senior staff from various departments was established. We have developed guidelines for preventive measures as well as arrangements and reporting procedures for suspected cases. Some of our preventive measures include:

- Enhance our cleaning protocol
- Implement flexible work practices
- Provide Personal Protective Equipment (PPE) for our frontline staff
- Provide surgical masks to all staff
- Measure body temperatures of all staff and visitors entering workplace
- Encourage our staff to avoid commuting during rush hour
- Attend virtual meetings instead of face-to-face meetings as far as practicable
- Minimise business travel
- Arrange deep disinfection at the workplace if any staff members had contact with any suspected or confirmed infected persons
- If an employee is suspected of being infected, we will arrange accommodation for the employees who had close contact with them and flexible working and lunch hours arrangements for employees working in the same office
- Compulsory COVID-19 test for on-site workers
- Set up operating procedures such as entrance and exit route designation for staff

The Group has also implemented the following contingency plans to contain the operational and financial risks that may bring to the Group:

- Split-team working arrangement
- Setting up of alternative office
- IT enhancement to sustain business operations in case of COVID-19 outbreak



COVID-19 Preventive Measures

With the enhanced safety awareness of our staff and the safety measures that we have implemented, there were no work-related fatalities during the reporting year. Meanwhile, FSEE's average accident rate is 11 per 1,000 workers during the reporting year, lower than the published industrial average accident rate of 26 per 1,000 workers in 2020.

During the reporting period, there were no reported cases of non-compliance with applicable occupational health and safety laws and regulations that have a significant impact on the Group.

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. While 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 have established the **Green Committee** to promote the green policy and aim at enhancing energy efficiency, reducing emissions, conserving resources, managing waste and promoting 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 records identified environmental issues in order to take appropriate mitigation measures in a timely manner and keep track of improvements over time.

We are committed to integrating sustainability considerations into our financing mechanisms. This year, we have successfully obtained a green performance bond for an eligible project on hand from a renowned bank acting as the Sole Green Structuring Advisor and Green Agent. Through these green financing opportunities, we will continue to support the transition to a low-carbon economy and reaffirm our commitment to sustainable development.

Energy Consumption and Emissions

The Group aims to reduce energy consumption and greenhouse gas emissions in our business operations. As electricity usage in the city mostly comes from buildings, we actively integrate green building principles in our services, and offer our clients with cost-effective and energy-efficient electrical and mechanical solutions. This year, we have set targets of reducing 3% of energy consumption (intensity) and 3% greenhouse gases emissions (intensity) by end of FY2021/22^f.

To reduce energy consumption in our daily operations, 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;
- Switching off lighting and air conditioning systems after working hours at the offices;
- Procuring energy efficient appliances; and
- Replacing old fluorescent lights with energy efficient LED light fixtures.

FSE Lifestyle is a signatory of the “Energy Saving 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.



^f The base year for these reduction targets is FY2020/21.

Waste Management

Chemical Waste

In our daily engineering service operations, chemical waste such as lube oil may be generated, and 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 those licensed waste collectors to collect and properly dispose of chemical waste. Additionally, Waihong purchases environmentally friendly chemical products to enhance their environmental performance in their sanitation and hygienic cleaning services.

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 help conserve natural resources. We will continue to explore new technologies to maximise opportunities to reuse materials at our operations.

Paper Waste

With our Green Office Guidelines ("Guidelines"), we continue with our well-established policies to reduce paper waste. This year, we have set a target of reducing paper procured by 2% by end of FY2021/22⁸. 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 at site to arrange monthly collection of waste paper by qualified collectors for recycling. We are also exploring opportunities to implement e-procurement and e-payment system to reduce paper use.

⁸ The base year for the reduction target is FY2020/21.

Furthermore, FSEE has received the Wastewi\$e Certificate (Excellence Level) from the Hong Kong Green Organisation Certification to recognise its waste reduction efforts.

During the year, there was no significant non-compliance with relevant laws and regulations^h 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 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.

Promoting Environmental Awareness in the Workplace

During the Chinese New Year holiday, we participated in the Lai See Recycling Campaign organised by Greeners Action. Designated boxes were set up at convenient locations in the office. Through this campaign, we were able to minimise our impact on the environment, as well as raise our employees' awareness of the importance of waste reduction.



Lai See Recycling Campaign

^h The laws and regulations that are the most relevant to the Group include, but not limited to, Air Pollution Control Ordinance (Cap.311); Noise Control Ordinance (Cap. 400); and Waste Disposal Ordinance (Cap. 354).

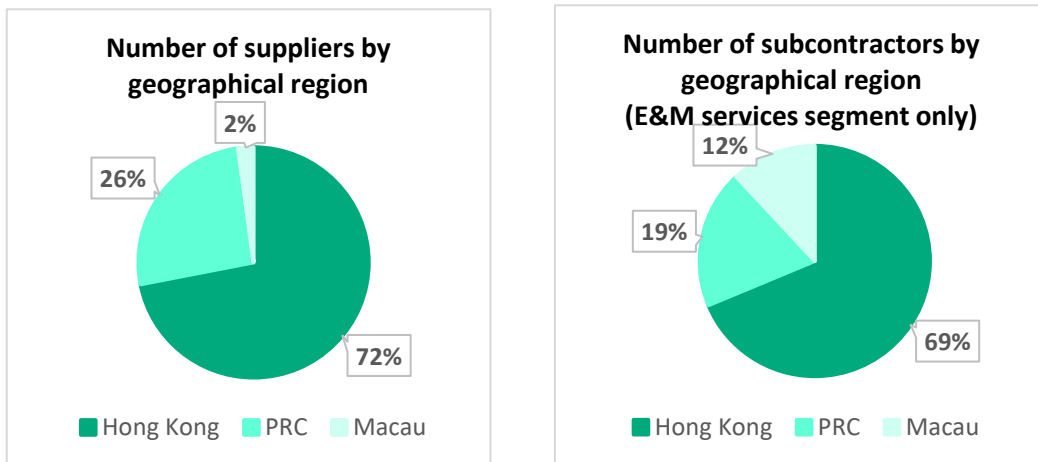
Research and Development Projects

Over the years, FSE Lifestyle 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”), environmental management services has participated in two R&D projects involving water treatment and solid waste treatment. Currently, we are running a pilot water treatment project on cooling tower. We will continue to explore new technologies for a greener future.

OUR VALUE CHAIN

Supply Chain Management

Being one of the market leaders in our respective industries, we recognise 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 in our E&M engineering segment, 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 several aspects such as project experience, reputation, environmental, safety, labour standards 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. In addition, we also encourage our suppliers to prioritise the adoption of environmentally friendly products.

With a comprehensive system in place, we regularly 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.

To promote environmentally preferable products and services, the Group incorporates green building principles into building services equipment and adopts green building design, modular integrated construction (“MiC”), Multi-trade integrated MEP (“MiMEP”) and Design for Manufacture and Assembly (“DfMA”) to reduce energy usage, carbon footprint and construction waste. In order to improve the Group’s operational efficiency and project management, we invest in innovative construction technologies such as Building Information Modelling (“BIM”), Digital Works Supervision System (“DWSS”), modularisation and prefabrication, Robotic Total Solution (“RTS”) and Sky Drilling and Sky Anchor Machine (“SDM” and “SAM”), 3D laser scanning and mobile Apps solutions etc.

Moving forward, the Group will continue to convey our expectation to our suppliers, assess their performance and develop capacity building programmes for them. As we continue to drive supplier performance improvement, we will trace any non-conforming products and promote certification of environmentally friendly products.

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. In addition, FSE Lifestyle has adopted the international standard ISO 9001 Quality Management Systems to further demonstrate our commitment to quality standards. 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 case of substantial quality and safety concerns, we will conduct in-depth investigations to identify the root 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 FY2020/21, 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 customer data and privacy. Our *Employee Handbook* stipulates 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 the 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 to the society, we have set up the **CSR Committee** for years to encourage employee participation in social services and practice corporate citizenship. We are dedicated to serving the needy, especially children, the elderly and other disadvantaged groups. Our enthusiastic colleagues served over different groups of beneficiaries, creating a positive impact in our shared community.

The Company has garnered many awards related to volunteer services in the past in appreciation of the contribution of its volunteer services to the community. Here are some of the highlights:



Construction Industry Volunteer Award



Construction Industry Sports & Volunteering Programme Caring Logo

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 the WWF-Hong Kong, we continued to participate in “Earth Hour 2021” on 27 March 2021 in response to the global challenge of climate change. In October 2020, we supported “No Air Con Night 2020” organised by the Green Sense and switched off the air conditioners at our offices from 7 pm to 7 am. We also supported “Biz-Green Dress Day 2020” organised by the Hong Kong Green Building Council, where employees were encouraged to dress light to reduce energy consumption from air conditioning.



*No Air Con Night 2020
Appreciation Certificate*

Over the festive season, we teamed up with the Greeners Action during their “Lai See Packets Recycling and Reuse Programme 2021” to encourage our staff to recycle their lai see packets to help minimise waste generation and initiate a more environmental friendly festive tradition. To reduce food waste produced during festive periods, we participated in various food recycling programmes to promote a sharing and low-waste culture. During the Mid-Autumn Festival this year, we signed Food “Eat Wise Charter” of the Green Mid-Autumn Festival 2020 Campaign contributing to food waste reduction and donated surplus mooncakes for distribution to underprivileged people in the local community.



Caring for the Elderly

To show appreciation for the contributions to our senior citizens made to the development of our community, we take part in various elderly services to express our respect and gratitude. This year marks our twelve year partnering with the Tung Wah Group of Hospitals to show our love and care to the elderly. Our staff volunteers prepared blessing cards and essential supplies for the elderly at Stephen Yow Mok Shing Neighbourhood Elderly Centre to express our care to them during the COVID-19 pandemic.



Activity at Stephen Yow Mok Shing Neighbourhood Elderly Centre

In collaboration with Tung Wah Group of Hospitals – Endless Care Services, FSEE’s staff volunteers delivered more than 150 sets of daily commodities, new year ornaments and greeting cards to the elderly during the Chinese New Year. Through these community events, we continue to practice our core value “Caring” and “Passion” and achieve sustainable development.



Sending Love to Elderly During Chinese New Year



During Mid-Autumn Festival, our staff volunteers from Urban participated in a caring event for the underprivileged. They prepared caring packs consisting of anti-epidemic materials, hand sanitizers, moon cakes and food, sending them love and warmth during the Mid-Autumn Festival.



Caring for the Disadvantaged

To promote social inclusion, we work closely with different organisations and shared seasonal cheer with the disadvantaged throughout the year. This year, our staff volunteers and the **CSR Committee** members helped prepare and deliver anti-epidemic supplies to the Hong Kong Down Syndrome Association. In December 2020, we also distributed gift packs and wish cards to the disadvantaged individuals at Evangelical Lutheran Church Social Service – Hong Kong, Kwai Shing Hostel. We hope that our support would help individuals with Down syndrome through these challenging times.



Distributing gift packs and wish cards to Evangelical Lutheran Church Social Service – Hong Kong, Kwai Shing Hostel

Caring for the Frontline Workers

To support construction workers who are affected by the COVID-19 pandemic, we made donations to the Construction Industry Council's "Construction Industry Caring Campaign – Fight against Novel Coronavirus" which provides monetary support to construction workers afflicted by the epidemic as well as caring support to their families, infusing positive energy into the community. In addition, we also prepared "Worker Care Package" with anti-epidemic materials and hand sanitizers to our site workers. We hope that our support would help unify the construction industry to combat the COVID-19 pandemic together. We also distributed Anti-Epidemic Caring Packs to our frontline staff and site workers. Waihong Group arranged a Fruit Day to show our care for physical well-being of our staff.



Distribution of Anti-Epidemic Caring Packs to frontline staff and workers



Fruit Day

AWARDS AND MEMBERSHIPS IN FY2020/21

Awards and Recognitions

Issuer	Award	Company
Chinese YMCA of Hong Kong	Sport-Friendly Action Award	UG
Chinese YMCA of Hong Kong	Y-Care CSR Scheme (Silver Partner)	UG
Classified Post	Classified Post HR Appreciation Awards	UG
Construction Industry Council & Construction Industry Sports & Volunteering Programme	Construction Industry Volunteer Award 2020 - Award for Participation	FSEE
Corphub	Hong Kong's Most Outstanding Services Awards 2020	FSEE
Department of Health / Labour Department / Occupational Safety & Health Council	Mental Health Friendly Organisation - Mental Health Workplace Charter	FSEL/FSEE
Department of Justice	"Mediate First" Pledge Star Logo Award Certificate	WH
Education Bureau	Qualifications Framework (QF) Partnerships Commendation Scheme (QF Star Employer)	UG
Employees Retraining Board	ERB Manpower Developer Award Scheme	WH/UG/KLSM
Environmental Bureau	Friends of EcoPark 2020 - Certificate of Appreciation	FSEL/FSEE
Environmental Bureau & Electrical and Mechanical Services Department	Energy Saving Charter 2020	ELS/EPS/EXT/ FE/FSEE/ FSEL/JET/ MEC/YEC/ UG
Environmental Campaign Committee	Hong Kong Green Organisation Certificate	UG

Issuer	Award	Company
Environmental Campaign Committee	Hong Kong Green Organisation Certification, the IAQwi\$e Certificate of Good Level – Convention Plaza Office Tower	KLSM
Environmental Campaign Committee	Hong Kong Green Organisation Certification – Wastewi\$e Certificate "Excellence Level"	FSEE/WH/ KLSM/UG
Environmental Protection Department	Friends of EcoPark (Certificate of Appreciation)	UG
Equal Opportunities Commission	Equal Opportunity Employer Recognition Scheme	UG
Federation of Hong Kong Industries	Industry Cares Recognition Scheme (5+ Year Caring Certificate)	UG
Federation of Hong Kong Industries and Bank of China (Hong Kong)	BOCHK Corporate Environmental Leadership Awards 2020	FSEL/FSEE/UG
Federation of Hong Kong Industries and Bank of China (Hong Kong)	Certificate of EcoPartner	KLSM
Federation of Hong Kong Industries and Bank of China (Hong Kong)	Certificate of 3Years+ EcoPioneer	KLSM
Food Grace	Eat Wise Charter - Green Mid-Autumn Festival 2020 Campaign	FSEL/FSEE/WH /KLSM/UG
Green Council	Sustainable Procurement Charter	UG
Green Sense	11th No Air Con Night 2020 - Certificate of Appreciation	FSEL/FSEE/ KLSM/UG
Hong Kong Brand Development Council	Hong Kong Top Brand Mark (Top Mark)	WH
Hong Kong Council on Smoking and Health	Hong Kong Smoke-free Leading Company Awards	UG

Issuer	Award	Company
Hong Kong Council on Smoking and Health	The 11th "Quit to Win" Smoke-free Community Campaign – Appreciation Trophy	FSEL
Hong Kong Council on Smoking and Health	Smoke-free Housing Management Recognition Scheme 2020-2021 - Top Premier Smoke-free Housing Management Recognition	WH
Hong Kong Council of Social Service	Age-Friendly Appreciation Scheme (Star Award)	UG
Hong Kong Council of Social Service	Caring Company Certificates 2019/2020	UG
Hong Kong Council of Social Service	Caring Company – 5 Years Plus Caring Company Logo	FSEL
Hong Kong Council of Social Service	Caring Company – 10 Years Plus Caring Company Logo	WH
Hong Kong Council of Social Service	Caring Company – 15 Years Plus Caring Company Logo	FSEE/KLSM
Hong Kong Quality Assurance Agency	Recycling Services Companion	UG
Labour and Welfare Bureau and Community Investment and Inclusion Fund	Social Capital Builder Logo Award	WH/KLSM
Labour Department	Construction Industry Safety Award Scheme 2019-2020 – Building Sites – Sub-contractors "Meritorious Prize"	MEC
Labour Department	Good Employer Charter 2020	ELS/EPS/EXT/ FE/FSEE/ FSEL/JET/ TEC/YEC/ UG/KLSM
Labour Department	YETP Most Improved Trainee (Caring Employers Award)	UG

Issuer	Award	Company
Mandatory Provident Fund Schemes Authority	Best All-round MPF Employer 2019-20	EPS/FE/FSEL/ JET/MEC/ TEC/YEC
Mandatory Provident Fund Schemes Authority	Good MPF Employer 6 Years Award & MPF Support Award & e-Contribution Award	ELS/EPS/FE/ FSEE/JET/ MEC/TEC/ YEC
Mandatory Provident Fund Schemes Authority	Good MPF Employer 2019/20 & MPF Support Award & e-Contribution Award	FSEL/WH/ KLSM
Mandatory Provident Fund Schemes Authority	Good MPF Employer 2019/20 & MPF Support Award	EXT/KLSM
Mandatory Provident Fund Schemes Authority	Good MPF Employer 2019/20	UG
Medecins Sans Frontieres	Certificate of Appreciation	KLSM
Promoting Happiness Index Foundation	Happy Company 2020	KLSM
Promoting Happiness Index Foundation and the Hong Kong Productivity Council	Happiness-At-Work Label Scheme - Happy Company 5 Years+ Logo	FSEL/FSEE/ FSEET/WH/ UG
Promoting Happiness Index Foundation and the Hong Kong Productivity Council	Happiness-At-Work Label Scheme - Happy Company Logo	FSEL/FSEE/ FSEET
Social Welfare Department	Bronze Award for Volunteer Service (Organization)	KLSM
Social Welfare Department	Gold Award for Volunteer Service (Organization)	WH
The Community Investment & Inclusion Fund (CIIF) of Labour and Welfare Bureau	Social Capital Builder Awards	UG

Issuer	Award	Company
The Occupational Safety and Health Council	Occupational Health Award 2020-21 – Joyful @ Healthy Workplace Best Practices Award (Enterprise/Organisation) - Outstanding Award	FSEL/FSEE/WH/UG
The Department of Health of the Occupational Safety and Health Council	The 8th Best Property Safety Management Award - Best Property Contractor in Occupational Safety and Health - The Palazzo (Gold Award)	WH
The Electrical and Mechanical Services Department	4T Charter – Convention Plaza Office Tower	KLSM
The Electrical and Mechanical Services Department	4T Charter – Head Office	UG
The Electrical and Mechanical Services Department	Energy Saving Charter 2020 – Convention Plaza Office Tower	KLSM
The Hong Kong Federation of Youth Groups	HKFYG Heart to Heart Project Appreciation 2005-2021 (Heart to Heart Company Appreciation Certificate)	UG
The Hong Kong General Chamber of Small and Medium Business	Partner Employer Award 2020	ELS/EXT/FSEL/WH/UG
The Hong Kong General Chamber of Small and Medium Business	Partner Employer Award 2020 – Excellence Award 5 years	MEC/YEC
The Hong Kong General Chamber of Small and Medium Business	Partner Employer Award 2019 – 5 years	EPS/FE/FSEE/JET
The Hong Kong Institute of Financial Analysis and Professional Commentators Ltd	IFAPC Outstanding Listed Companies Award 2020	FSEL

Issuer	Award	Company
The Hong Kong Institute of Housing / Kowloon West Regional Crime Prevention Office / The Hong Kong Association of Property Management Companies/ Security and Guarding Services industry Authority	Outstanding Managed Public Carpark Award – K11 Car Park	KLSM
The Hong Kong Institute of Housing / Kowloon West Regional Crime Prevention Office / The Hong Kong Association of Property Management Companies/ Security and Guarding Services industry Authority	Four-Star Managed Property Award – The Masterpiece	KLSM
The Hong Kong Jockey Club Charities Trust	Jockey Club Age-friendly City Partner Certificates	UG/KLSM
The Lok Sin Tong Benevolent Society Kowloon	World No Tobacco Day 2021 "Smoke-Free and Anti-Three Hypers Challenge" Certificate	FSEL/FSEE/ FSEET
TWGH Stephen Yow Mok Shing Neighborhood Elderly Centre	CSR Event – Appreciation Certificate	FSEL
Water Supplier Department	Quality Water Supply Scheme for Buildings – Flushing Water (Gold)	KLSM

Memberships

Association	Membership Type	Company
Association of Engineering Professionals in Society	Ordinary Membership	MEC
Business Environment Council Limited	Membership	EPS
Commissioning Specialists Association	Associate Membership	FE
Employers' Federation of Hong Kong	Membership	UG
Environmental Contractors Management Association	Membership	WH
Green Council	Corporate Member	UG
Green Council	Membership	UG/KLSM
Hong Kong Association for Testing, Inspection and Certification Limited	Fellow Member	ELS
	Membership	JET
Hong Kong Brand Development Council (Top Brand)	Corporate Membership	WH
Hong Kong Chamber of Commerce in China – Shanghai	Membership	FSEE PRC
Hong Kong Cleaning Association Limited	Membership	WH
Hong Kong Construction Materials Association Limited	General Membership	EXT
Hong Kong Electrical Contractors' Association	Life Membership	FE/MEC
Hong Kong Institute of Facility Management	Corporate Membership	UG
Hong Kong Institution of Human Resource Management	Corporate Membership	FSEE
	Membership	UG
Hong Kong Management Association	Chartered Membership	UG
Hong Kong Occupational Safety and Health Association	Membership	FSEE
Hong Kong Pest Management Association	Active Member	WH

Association	Membership Type	Company
Hong Kong Plumbing and Sanitary Ware Trade Association	Membership	EXT/JET/MPE
Hong Kong Security Association	Membership	UG
Macau Air-conditioning & Refrigeration Chamber of Commerce	Membership	YEM
Macao Chamber of Commerce	Life Membership	FEM/MEM/ YEM
Macau Construction Association	Life Membership	MEM/YEM
Macau Management Association	Membership	YEM
Occupational Safety & Health Council	Green Cross Group	WH
Shanghai Intelligent Building Construction Association	Membership	FSEE PRC
Shanghai Fire Protection Association	Membership	YECS
The Association of Registered Fire Service Installation Contractors of HK Ltd	Life Membership	MEC
	Corporate Membership	FE
The Federation of Environmental and Hygienic Services	Membership	WH
The Federation of Hong Kong Property Management Industry Limited	Membership	KLSM
The Green Earth	Green Earth Companion 2020-2021	UG
The Hong Kong Air Conditioning & Refrigeration Association Ltd	Associate Membership	EXT/FE/JET
	Fellow Member	YEC
The Hong Kong Association of Property Management Companies Limited	Council Membership	UG
The Hong Kong Association of Property Management Companies Limited	Membership	KLSM
The Hong Kong Council of Social Service Caring Company Patron's Club	Membership	UG
The Hong Kong Electrical & Mechanical Contractors' Association	Council Membership	YEC
	Membership	MEC

Association	Membership Type	Company
The Hong Kong Green Building Council	Institutional Member	EPS/MEC/YEC
The Hong Kong General Chamber of Commerce	Membership	EXT/FE/MEC/ YEC/WH/ KLSM
The Hong Kong Federation of Electrical and Mechanical Contractors Limited	Ordinary Membership	EXT/FE/MEC/ MPE/YEC

List of Abbreviation

FSEL	FSE Lifestyle Services 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 Limited
FEM	Far East Technical Service (Macao) Limited
JET	Joneson Environmental Technologies Limited
MEC	Majestic Engineering Company Limited
MEM	Majestic Engineering (Macao) Company Limited
MPE	Majestic Plumbing Engineers Limited
TEC	Tridant Engineering Company Limited
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
WH	Waihong Services Group
KLSM	Kiu Lok Service Management Group
UG	Urban Group

PERFORMANCE DATA SUMMARY

HKEx KPI		Unit	FY2020/21
A. Environmental			
A1.1	The types of emissions and respective emissions data ⁱ		
	- NOx	Tonnes	9.76
	- SOx	Tonnes	0.01
	- PM	Tonnes	0.77
A1.2	Greenhouse gas emissions in total and intensity		
	Scope 1 emissions	Tonnes of CO ₂ e	1,609
	Scope 2 emissions	Tonnes of CO ₂ e	1,106
	Scope 3 emissions ^j	Tonnes of CO ₂ e	92
	Total (Scope 1 and 2 emissions)	Tonnes of CO ₂ e	2,715
	Intensity (Scope 1 and 2 emissions)	Tonnes of CO ₂ e /FTE	0.22
A1.3	Total hazardous waste produced		
	Lube Oil ^k		
	- in total	L	804
	- by intensity	L/FTE	0.42
A1.4	Total non-hazardous waste produced ^l		
	Recycled Office Paper		
	- in total	kg	32,604
	- by intensity	kg/FTE	2.72
	Newspaper and Carton Boxes ^m		
	- in total	kg	2,361
	- by intensity	kg/FTE	1.23
A2.1	Energy consumption by type		
	Total Direct Energy Consumption		
	- in total	'000 kWh	5,953
	- by intensity	'000 kWh/FTE	0.49

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

^j Scope 3 emissions include business air travel only.

^k This data is confined to our E&M engineering services and environmental management services.

^l Covers office operations in Hong Kong only.

^m This data is confined to our E&M engineering services and environmental management services.

HKEx KPI		Unit	FY2020/21		
	Diesel Oil				
	- in total	'000 kWh	5,151		
	- by intensity	'000 kWh/FTE	0.42		
	Petrol				
	- in total	'000 kWh	801		
	- by intensity	'000 kWh/FTE	0.07		
	Total Indirect Energy Consumption (Purchased Electricity)				
	- in total	'000 kWh	1,473		
	- by intensity	'000 kWh/FTE	0.13		
	Total Energy Consumption (Direct and Indirect)				
- in total	'000 kWh	6,994			
- by intensity	'000 kWh/FTE	0.57			
B. Social					
B1.1	Total workforce by employment type and gender		Male		Female
	Full-time	No. of people	5,789		5,993
	Part-time	No. of people	256		646
	Total workforce by employment type and age group		Under 30	30-50	Above 50
	Full-time	No. of people	1,067	2,990	7,725
	Part-time	No. of people	63	203	635
B1.2	Employee turnover rate by gender		Male		Female
		%	44		54
	Employee turnover rate by age group		Under 30	30-50	Above 50
		%	40	44	52
B2.1	Number and rate of work-related fatalities				
			FY2018/19	FY2019/20	FY2020/21
	- By number	No. of people	0	0	0
	- By rate	%	0	0	0
B2.2	Lost days due to work injury				
	- Staff	Days	7,591		
B3.1	The percentage of employees trained by employee category and gender				
	- Executive	%	88		
	- Manager	%	89		

HKEx KPI		Unit	FY2020/21		
	- Engineering and Office Staff	%	71		
	- Technical and Operations Staff	%	35		
	- Male	%	52		
	- Female	%	40		
B3.2	The average training hours completed per employee by employee category and gender				
	Executive	Hours	7		
	Manager	Hours	13		
	Engineering and Office Staff	Hours	21		
	Technical and Operations Staff	Hours	2		
	Male	Hours	11		
	Female	Hours	1		
B5.1	Number of Suppliers by Geographical Region				
			Hong Kong	Macau	PRC
	Suppliers	No.	2,519	76	906
	Subcontractors	No.	679	118	191
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				
	15				
B7.1	Number of concluded cases regarding corrupt practices brought against the company				
	No. of cases				0

HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspect	HKEx KPI	Description	Page Number/ Remarks
A. Environmental			
A1 Emissions	A1	General Disclosure	22 – 25
	A1.1	The types of emissions and respective emissions data	42
	A1.2	Greenhouse gas emissions in total and intensity	42
	A1.3	Total hazardous waste produced and intensity	42
	A1.4	Total non-hazardous waste produced and intensity	42
	A1.5	Description of emission target(s) set and steps taken to achieve them	23
	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	24 – 26
A2 Use of Resources	A2	General Disclosure	22 – 25
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	42 – 43
	A2.2	Water consumption in total and intensity	Note (i)
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	23
	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	Note (i)
	A2.5	Total packaging material used for finished products	Note (ii)
A3 The Environment and Natural Resources	A3	General Disclosure	22 – 26
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	22 – 26

Aspect	HKEx KPI	Description	Page Number/Remarks
A4 Climate Change	A4	General Disclosure	Note (iii)
	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	
B. Social			
Employment and Labour Practices			
B1 Employment	B1	General Disclosure	10 – 12
	B1.1	Total workforce by gender, employment type, age group and geographical region	43
	B1.2	Employee turnover rate by gender, age group and geographical region	43
B2 Health and Safety	B2	General Disclosure	19 – 22
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years	43
	B2.2	Lost days due to work injury	43
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	19 – 22
B3 Development and Training	B3	General Disclosure	14 – 15
	B3.1	Percentage of employees trained by gender and employee category	43 – 44
	B3.2	Average training hours completed per employee by gender and employee category	44
B4 Labour Standards	B4	General Disclosure	10 – 12
	B4.1	Description of measures to review employment practices to avoid child and forced labour	11
	B4.2	Description of steps taken to eliminate such practices when discovered	11

Aspect	HKEx KPI	Description	Page Number/ Remarks
Operating Practices			
B5 Supply Chain Management	B5	General Disclosure	26 – 27
	B5.1	Number of suppliers by geographical region	44
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where and how the practices are being implemented and monitored	26 – 27
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	26 – 27
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	27
B6 Product Responsibility	B6	General Disclosure	27 – 28
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	44
	B6.2	Number of products and service related complaints received and how they are dealt with	27, 44
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	28
	B6.4	Description of quality assurance process and recall procedures	27
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	28
B7 Anti-corruption	B7	General Disclosure	8
	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	44

Aspect	HKEx KPI	Description	Page Number/ Remarks
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	8
	B7.3	Description of anti-corruption training provided to directors and staff	8 – 9
Community			
B8	B8	General Disclosure	28 – 32
Community Investment	B8.1	Focus areas of contribution	28 – 32
	B8.2	Resources contributed to the focus area	28 – 32

Note:

- (i) Water consumption has been identified and confirmed as non-material to FSE Lifestyle.
- (ii) The use of packaging material has been identified and confirmed as non-material to FSE Lifestyle.
- (iii) The Group's Risk Management system has identified that there are no significant climate-related issues which have impacted or may impact the Group's operations.