



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
2021-2022

FSE Lifestyle Enriching Lifestyle



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If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

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 (“Urban”)
 - Kiu Lok Group (“Kiu Lok”)
- City Essential Services
 - Far East Engineering Services Limited (“Far East”)
 - FSE Environmental Technologies Group
 - Extensive Trading Company Limited
 - Turning Technical Services Limited
 - General Security Group (“General Security”)
 - Hong Kong Island Landscape Company Limited (“HK Island Landscape”)
 - Nova Insurance Group (“Nova”)
 - Waihong Services Group (“Waihong”)
 - Perfect Event Services Limited
- E&M Services
 - FSE Engineering Group

With our professionalism and expertise, together with the extensive synergy created among the companies, the Group builds 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 customised 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 has prepared this Environmental, Social and Governance (“ESG”) Report in accordance with the ESG Reporting Guide (“ESG Guide”) issued by the 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 2021 to 30 June 2022 (the “reporting year” or “FY2021/22”) and communicates our ESG-related initiatives and efforts to various stakeholders.

This report covers the Group’s property & facility management services, city essential services, and E&M services^a. Unless specified in the list below, the reporting scope confines to FSE Lifestyle’s operation in Hong Kong.

Reporting Scope for FY2021/22

- Property & Facility Management Services
 - Urban Group
 - Kiu Lok Group
- City Essential Services
 - Far East Engineering Services Limited (*including operations in the mainland China and Macau*)
 - FSE Environmental Technologies Group
 - Extensive Trading Company Limited
 - Turning Technical Services Limited
 - General Security Group
 - Hong Kong Island Landscape Company Limited
 - Nova Insurance Group (*including operations in Macau*)
 - Waihong Services Group
- E&M Services
 - FSE Engineering Group (*including operations in the mainland China and Macau*)

^a This year, we have expanded our reporting scope to include General Security Group, Hong Kong Island Landscape Company Limited and Nova Insurance Group as data for the full financial year is available since acquisition. Perfect Event Services Limited is a newly established subsidiary. ESG disclosures for this subsidiary will be included in ESG Report 2022/23.

We welcome your views. If you have any suggestions or comments, please send e-mail to johnlee@fseng.com.hk.

Stakeholder Engagement and Materiality Assessment

A consultant was appointed by the Group to conduct a three-stage stakeholder engagement and materiality assessment exercise last reporting year as detailed below to identify the most important ESG issues.



ESG disclosures of local and international peers were reviewed for an indication of the level of disclosure in the industry. To rank the importance of each ESG issue, we have also invited employees, suppliers, clients, investors and non-governmental organisations ("NGOs") to complete an online survey.



The result of the peer benchmarking and the online survey were consolidated to develop a prioritised list of material ESG issues.



The consolidated list of material ESG issues was reviewed and endorsed by the Sustainability Committee to confirm the ESG issues and the relevant HKEX Aspects and Key Performance Indicators ("KPIs") for disclosure in the ESG report.

This year, an internal review was conducted to evaluate the impact of external environment on the Group and to assess whether material ESG issues identified last reporting year continue to remain valid.

High Materiality Aspects and KPIs		
A1. Emissions	A1.4	Total non-hazardous waste produced and intensity
A2. Use of Resources	A2.1	Direct and/or indirect energy consumption by type in total and intensity
B1. Employment	B1.1	Total workforce by gender, employment type, age group and geographical region
	B1.2	Employee turnover rate by gender, age group and geographical region
B2. Health and Safety	B2.1	Number and rate of work-related fatalities that occurred in each of the past three years
	B2.2	Lost days due to work injury
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored
B6. Product Responsibility	B6.4	Description of quality assurance process and recall procedures
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored
B7. Anti-corruption	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
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored
B8. Community Investment	B8.1	Focus areas of contribution
	B8.2	Resources contributed to the focus area

The list for medium and low materiality KPIs could be found in Appendix A.

SUSTAINABILITY GOVERNANCE

Board Statement

The Board of Directors (the “Board”) is accountable for the Group’s ESG management approach, strategy, and performance. Specifically, it reviews the Group’s material ESG issues and approves the ESG publications (i.e., annual ESG Report), related policies and targets. As appointed by the Board, the Sustainability Committee meets regularly to review the Group’s sustainable development and make recommendations to support the Board’s oversight of the ESG issues and improve ESG performance.

Through regular stakeholder engagement and materiality assessment, the Board identifies, prioritises, and validates ESG issues. Moreover, the Board also discusses, reviews, and endorses the environmental targets as well as keeps track of the associated actions done to achieve the targets.

In the future, the Board will continue its commitment to sustainable development by integrating sustainability into day-to-day operations.

Our Management Approach

Sustainability Committee

During the reporting year, the **Sustainability Committee** convened four meetings to discuss the ESG issues including materiality assessment, progress of environmental targets and ESG Report. The Sustainability Committee has also endorsed the environmental targets for fuel and electricity consumption, as well as paper procured for FY2021/22.

Risk Management

The Board is responsible for maintaining and reviewing the effectiveness of the Group’s risk management and internal control systems. The Group has established a formal risk management policy to identify, evaluate, and manage risks (including those associated with the environment and society) on a regular basis.

A **Risk Management Committee**, chaired by an Executive Director, is entrusted with the responsibility to effectively implement the Group’s risk management policy. An integral part of the annual planning process is the assessment and evaluation of risks. To ensure that the risks the Group faces are addressed by the systems that have been or will be implemented, each division/business unit should set its strategic objectives, identify

specific risks, and assess the effectiveness of its risk management actions and internal control measures.

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 directors are informed of the findings of internal audit assessments.

In addition, the Internal Audit Department independently analyses and evaluates the effectiveness and adequacy of the Group's risk management and internal control systems through the examination of risk-related documentation, 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 systems certified to 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 and maintain 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 Board on a regular basis. For more information on our corporate governance, risk management and internal control, please refer to the Group's Annual Report FY2021/22.

Anti-Corruption

Business ethics and compliance has always been a focus of our Group. Our *Employee Handbook* stipulates all requirements relating to professional conduct where all staff are

required to comply with. For instance, it lists out the rule on accepting gifts from business partners. Internal notice is also distributed to our staff as a reminder during festive season. Moreover, our Anti-Fraud Policy and Whistleblowing Policy provide a dedicated confidential channel for employees and external stakeholders to report any suspected or actual fraud, corruption, illegal acts, or unethical practices by employees and other personnel of the Group. This procedure enables employees and management to collaborate to resolve any issues and avoid further misconduct.

To improve the understanding of business ethics among our staff, the Group invited the Independent Commission Against Corruption (ICAC) to conduct seminars on ethical awareness in April and May 2022. During the reporting period, the Group fully complied with laws and regulations^b relating to bribery, extortion, fraud, and money laundering.

Our Committees

The Group has formed the following 14 committees to improve enterprise-wide operational management and support our long-term growth:

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 practise corporate citizenship and strengthen teamwork among employees
Green Committee	<ul style="list-style-type: none"> To promote green policies and measures, organise green activities, and keep update for the environmental news To build up a green culture within our working environment To strengthen the care for the environment and contribute more to our society

^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).

Committee	Purpose
Human Capital & Engagement Committee	<ul style="list-style-type: none"> To ensure that policies and practices are put in place to facilitate 1) recruitment and retention, 2) talent development, 3) compensation and benefits, and 4) ESG initiatives related to staff
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
Sustainability Committee	<ul style="list-style-type: none"> To review the Group's sustainable development and related policies To make recommendations to the Board on matters concerning the Group's sustainability development
Trade Association & Institution Committee	<ul style="list-style-type: none"> To collect 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 young employees within the Group
Caring & Safety Committee	<ul style="list-style-type: none"> To enhance safe and caring culture in our life To take care our colleagues, workers and their families as our neighbours

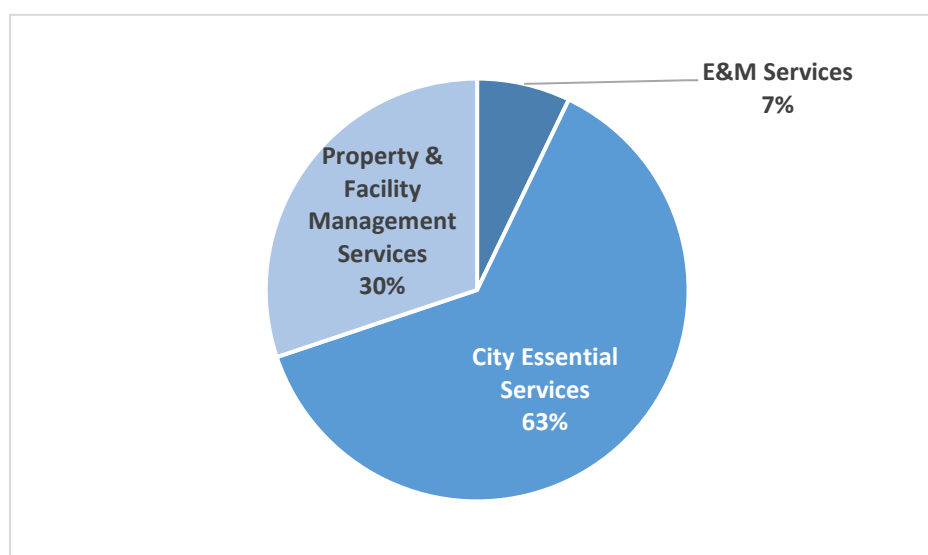
OUR HUMAN CAPITAL

FSE Lifestyle is committed to building a team of over 20,000 employees and ensuring they feel supported and motivated in an inclusive, respectful, and collaborative work environment. The Group embraces diversity and equal opportunity regardless of nationality, race, religion, gender, age or family status, and other diverse backgrounds. Our recruitment decisions are based on the candidate's knowledge, area of competence, qualifications, and experience.

A Competent and Diverse Workforce

Our commitment to creating value for both employees and the Group has led us to establish a set of well-defined and transparent policies and procedures for acquiring talent and dismissing employees, enabling the Group to manage our human resources more effectively. Specifically, the recruiting procedures strictly comply with the applicable laws and regulations related to labour standards across all business operations. Child and forced labour are strictly prohibited within the Group's operations and along our supply chain. The Group requires all job applicants to provide proof of age to ensure compliance with relevant laws and regulations.

Total Workforce by Business Segment^c



We offer competitive remuneration packages and fringe benefits to our employees which are commensurate with their experiences and responsibilities. We have put in place a transparent system for assessing staff's individual performance. Our employee appraisal

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

and compensation system offer an opportunity for employees to provide constructive feedback, which considers professional competence, work performance, and average salary standards objectively before managers draw appraisal decisions. To ensure compliance with all applicable legal and regulatory requirements, the management reviews our employment policies and guidelines on a regular basis. 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.

To promote work life balance among members, our **Sports & Recreation Committee** has launched a series of staff activities such as outdoor activities, birthday parties, interest class (e.g., Gel Candle Workshop, Coffee Latte Art Workshop etc.), and regular sport team practices such as football, basketball, badminton, and dragon boat, etc.



Beeswax Wrap DIY Workshop

To recognise our employees' valuable contribution to our Group and the society, the Group presents to them the award of Long Service Recognition and Outstanding Employee. We also extend comprehensive caring 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.



Long Service Recognition



Outstanding Employee Award



FSE Children Academic Star Award

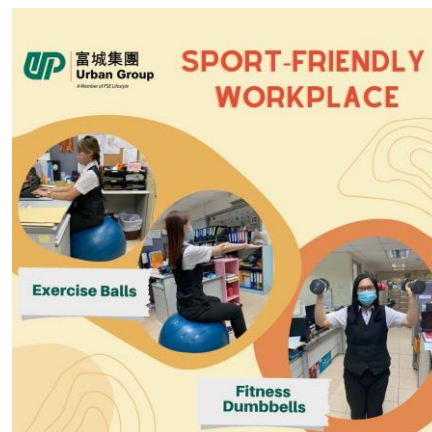
Maintaining effective employer-employee communication is key to creating a positive work environment. We adopt various open channels such as regular luncheons, management chatting with young staff, newsletters, seminars, and committee meetings. Through these engagements, we could collect useful staff feedback and identify potential improvement areas.



Staff Lunch of General Security

Promoting Workplace Wellness

Urban participated in the Chinese YMCA of Hong Kong's "Sport-Friendly Action" campaign to promote employees' physical and mental well-being at the workplace. To foster a workplace culture of physical activity, we held a new health and fitness programme "齊做運動立「職」行動" this year. We purchased different fitness equipment and training accessories for our employees, such as ab wheel, elastic training band, and foam roller, etc., encouraging them to adopt a healthier lifestyle and fostering a sport-friendly workplace.



A Green Hiking Experience

The Group has joined the “Green Power Hike” organised by the Green Power for 19 years in a row, to practise nature appreciation and raise funds for environmental conservation and education through exploring the ecology of Hong Kong. It becomes an educational opportunity for colleagues to practise “Leave No Trace” while enjoying a green walk in nature.



Green Power Hike



FSEE Dragon Boat Day and Tournament



First Runner-up in the CIC Football League 2021 (Gold Shield Division)

Promoting Well-being through Sport Events

Our staff have participated in “FSEE Dragon Boat Day and Tournament” for the second year. The FSEE Football Team has also taken part in various football matches and won the first runner-up in the “Construction Industry Council (“CIC”) Football League 2021 (Gold Shield Division)”, an annual sport competition organised by the CIC, as well as winning the “FSEE Soccer Sevens Tournament” organised by our **Sports & Recreation Committee**. We not only promoted wellness in the workplace, but also demonstrated the spirit of “friendship first, competition second”.

Training and Development

The continuing development and personal growth of our workforce is a top priority on our ESG agenda to drive the long-term success of the Group and deliver best-in-class services to our customers. To ensure our talents keep abreast of the latest industry know-how and innovative technologies, we have set up the **IT, Technical & Training Committee** to plan, organise and oversee a comprehensive and structured training and development programme. Our goal is to 1) identify and nurture potential talents, 2) provide upward mobility within our company, and 3) foster employee loyalty.

We provide employees with tailored yet diversified training programmes including courses in integrated management systems, and risk assessments as well as leadership training and cross-generation exchange programmes. We aim to enhance employees' capabilities in management, communication and innovation and thus ensure that our staff can achieve progress together with the Group. Through our Training and Education Subsidy Scheme, the Group aims to cultivate a continuous learning culture and effectively explore our employees' potential, fostering their growth and development. Under FSE Engineering Group's training subsidy policy, employees can apply for subsidies for Master or Degree programmes relevant to their jobs in which up to 80% subsidy could be granted. Employees could attend the training courses relevant to their jobs, such as Problem Solving Skills Workshop, BIM Viewer Training, etc.

Our Human Resources Department has also noticed the upcoming challenges brought by the rapid change in the local macro workforce demographic composition. In Kiu Lok, we tailor-made a Cross Generation Communication Training for our staff, aiming at maintaining good communication and harmony skills and herein increase productivity.

Increasing Social Mobility through Youth Empowerment

Youth is a valuable asset and hope in our society. With the everchanging workforce demographic and landscape, especially the local ageing problem, it is undoubtedly a social mission for us as a people-oriented business to provide effective accelerated channels for promising talents to actualise their leadership potentials. Our renowned talent development programmes have been evolving over the years to ensure we nurture future leaders in the right way amidst modern societal challenges.

Manager Trainee Programme

Waihong has introduced a manager trainee programme since 2013. The two-year programme aims to train future operation managers to establish management

capabilities and cement business fundamental experience. The immersive experience is a blend of interactive virtual and face-to-face learning sessions, on-the-job rotation, mentoring, coaching and job-relevant coursework that provides them with broad exposure to Waihong's operation. The potential Assistant Operations Manager we expected to promote and nurture is an energetic youth who 1) has less than two years of full-time work experience, 2) with high education level, and 3) has satisfactory performance in the programme.

FSE Executive Development Training Programme (EDP)

Commenced in November 2020, the FSE EDP identified executives with good potential, experiences, and academic/professional backgrounds who may join the top management teams in the future. The Programme delivers a leadership pipeline with the competencies which aims at meeting the organisational and operational demands for our expanding service portfolios. Mentorship is one of the distinctive features and a crucial factor in the success of the programme. Industrial professionals are assigned as mentors for EDP participants, advocating for the service passion and positive energy. All participants enjoyed this programme and had positive feedbacks.



*FSE Engineering Group, Far East
Engineering Services Limited, Hong Kong
Island Landscape Company Limited*



Urban Group



Kiu Lok Group



Nova Insurance Group



Waihong Services Group



General Security Group

FSE Executive Development Programme Graduation Certificate Presentation in May 2022

FSE Young Executive Training Programme

Commenced in Q1 2021, the FSE Young Executive Training Programme is a two-year bespoke programme, with an aim to develop and inspire our young executives in achieving their full potential in leading themselves, leading people and leading businesses. The FSE Young Executive Training Programme enables participants to enhance personal competencies and advance leadership skills. It allows participants to gain exposure and insights from connecting to other key contributors within the Group. It comprises learning activities, training workshops, dialogue sessions, site visits, action learning projects and mentoring sessions.



FSE Young Executive Training Programme – Kick-off Ceremony



FSE Young Executive Training Programme activity – Team Building in Action

Youth Employment and Training Programme

Coordinating with Hong Kong College of Technology (“HKCT”) and Labour Department, this training programme enables young school leavers aged 15 to 24 with educational attainment at sub-degree level or below to understand themselves and their work aptitudes while enriching their job skills and experience in order to develop their career. We target to employ 8 to 15 young school leavers as Operations Supervisor Trainee. HKCT will provide a pre-employment training on topics such as discipline and motivation, job-specific skills, vocational language, and interpersonal skills. After the pre-employment trainings, Waihong will provide a nine-month on-the-job exposure to staff. Trainees with satisfactory performance will be appointed as Supervisor after completion of the programme. We are expecting to kickstart a new round of the programme again once the epidemic situation becomes stabilised.



Total Training Hours Completed

85,032 Hours

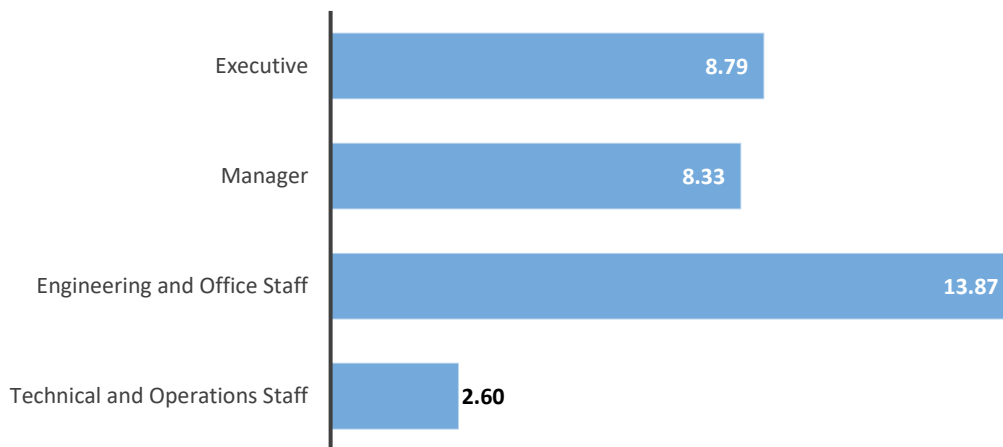


Total Training Hours Completed

per Employee

5.8 Hours

**Average Training Hours Completed per Employee
by Employee Category**



Occupational Health and Safety

Caring, one of our six core corporate values, is the Group's top priority when it comes to building a safe, inclusive and caring workplace. We have implemented the ISO 45001 - certified OHS Management System to mitigate and control occupational health and safety hazards in our operations. Our Mainland China operations adhere to GB/T45001-2020/ISO

45001:2018 Occupational Health and Safety Management System and Safety Management Handbook, which effectively manages occupational health and safety hazards. The certification demonstrates our commitment to employees' health and safety, which ensures operational health and safety risks and performance key components, such as safety accidents reporting system, safety committee, safety charters or regulations, regular safety audits, and regular body checks for site workers, have put in place.

Enhancing Our Safety Performance

Maintaining high safety awareness among all levels of our staff is vital to our long-term success in safety management. This year, FSE Engineering Group continues to promote safety awareness by participating in "Life First" campaign held by the CIC. It aims to raise safety awareness of all stakeholders and uplift the safety performance among the construction industry. Our senior management conducted safety inspections at multiple work sites regularly. In addition, we have installed digital screens at our two new project sites to show potential safety hazards and latest safety news. We are able to demonstrate our commitment to safety, deliver key safety messages to all levels of the workforce, and effectively raise safety awareness through this campaign.



Life First Campaign for Kai Tak Sports Park

At Waihong, a risk reporting system is in place to monitor high-risk activities at the workplace. Information is collected by person in charge of the site and consolidated by the designated department. The department will then implement relevant plans for onsite

inspections and monitoring. Registered Safety Officers ("RSO") are also commissioned to inspect the workplace regularly for identifying possible hazards, making recommendations for control measures, and overseeing accident investigations, emergency preparedness, and risk assessments.

As a result of raising our staff's safety awareness and implementing safety measures, we continued to achieve zero fatalities in our construction projects in Hong Kong during the reporting period. The average accident rate at FSE Engineering Group was 7.57 per 1,000 workers during the reporting year, lower than the published industrial average accident rate of 29.5 per 1,000 workers in 2021 according to the Legislative Council Panel on Manpower.

Sound occupational safety policies and preventive measures are essential for employees. To effectively manage and mitigate health and safety risks, we will continue to examine and analyse each potential hazard and actively engage with relevant stakeholders to develop and implement appropriate health and safety measures.

During the reporting period, there were no cases of non-compliance with Factories and Industrial Undertakings Ordinance, Chapter 59, Occupational Safety and Health Ordinance, Chapter 509 and other applicable laws and regulations related to FSE Lifestyle.

Combating COVID-19 to Ensure Workplace Health and Safety

Since the COVID-19 pandemic began, office cleanliness and hygiene have been at the forefront of our minds as we spend one-third of our time at the workplace every day. Our management believes that thorough disinfection and cleaning keep businesses running efficiently and effectively. 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.

The best defense against most viruses is practising good hygiene. To safeguard the health of our colleagues and maintain our service productivity, we have taken various caring initiatives. All colleagues are required to take the rapid antigen test (RAT) test before going to work every day or regularly to ensure a safe and healthy working environment.

We value our clients, staff, and the community as our top priority to assure their safety and health with the following caring and preventive measures:

- We have split-team working arrangement, flexible working and lunch hours to avoid peak hours and meal gatherings to maintain social distance.
- We distribute RAT kits and surgical masks to all employees to alleviate their financial burden.
- We offer caring packs with hygienic sanitisers, disinfectant wet tissue, healthy drinks and fresh fruit to our staff.
- We provide protective masks, hygienic sanitisers, and precautionary equipment for our frontline staff.
- We use video conferencing to minimise face to face interaction.

In addition, we provide our warm and caring anti-pandemic gift packs to all infected colleagues who are under quarantine. The customised gift packs include supermarket vouchers, surgical masks, RAT kits, a pulse oximeter, throat lozenges, Vitamin C tablets and other health supplements. We also encourage our staff to get vaccinated and offer vaccination leave and other facilitation measures where practicable.

Comprehensive cleaning and preventive disinfection have also been conducted for common areas and any frequently touched surfaces within selected office spaces during weekdays and weekends to reduce the risk of virus transmission and assure a safe environment for our staff. We have introduced high-level disinfectors, air purifiers, hand sanitisers, body temperature measurements and sterilised carpets to prevent the spread of viruses. Considering the latest developments of the pandemic, we keep reviewing and adjusting measures.





COVID-19 Preventive and Caring Measures

OUR ENVIRONMENT

FSE Lifestyle signed the Low Carbon Charter launched by Business Environment Council Limited (BEC) in January 2022. By signing the Low Carbon Charter, FSE Lifestyle committed to:

- Work towards setting decarbonisation target(s) aligned with climate science and the goals of the Paris Agreement by committing to the Science Based Targets initiative;
- Implement strategic actions towards achieving the target(s);
- Disclose annual progress of setting/achieving target(s); and
- Advocate setting decarbonisation targets and implementing low carbon practices to stakeholders.



BEC Low Carbon Charter

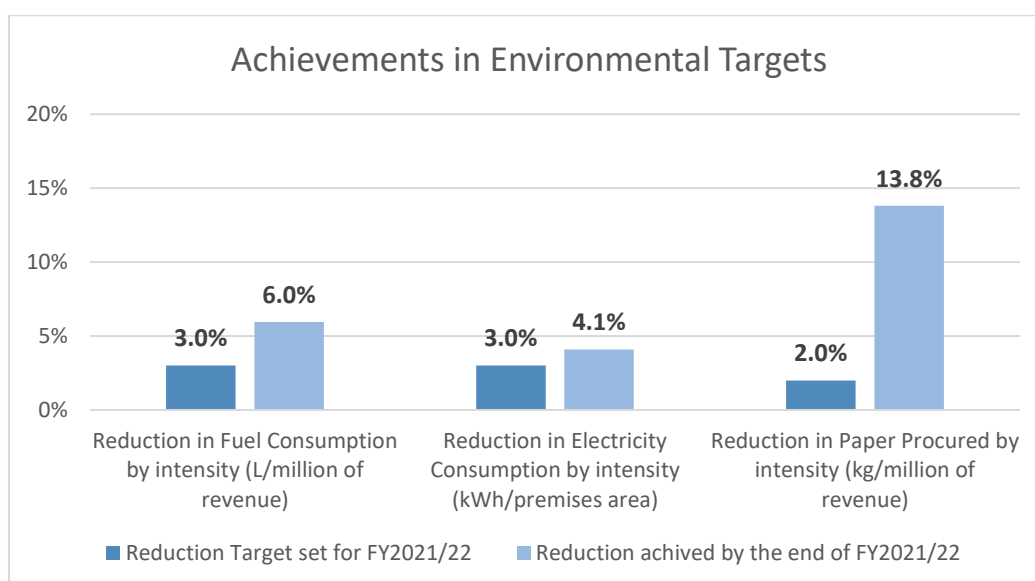
Our ISO 14001 – certified Environmental Management System helps us monitor and manage our environmental performance in a systematic approach. In this way, we are able to identify and mitigate the environmental issues associated with our operations through a continuous improvement cycle. To mitigate identified environmental issues timely and track improvements over time, our Environmental Aspect Register records environmental issues and the associated mitigation measures.

We are committed to integrating sustainability considerations into our financing mechanisms. Last year, we have successfully obtained a green performance bond from a renowned bank acting as the sole green structuring advisor and green agent. Our

commitment to sustainability will be reaffirmed through these green financing opportunities.

Environmental Reduction Targets

To demonstrate our commitment to reducing environmental footprint, the **Sustainability Committee** has set targets of reducing 3.0% of fuel consumption by intensity, 3.0% of electricity consumption by intensity, and 2.0% of paper procured by intensity. Our environmental targets have been well achieved, with fuel consumption by intensity reduced by 6.0%, electricity consumption by intensity reduced by 4.1%, and paper procured by intensity reduced by 13.8%^d.



(a) Energy Consumption and Emissions

The Group strives to reduce energy consumption and greenhouse gas emissions in our business operations. Since buildings are a major source of electricity usage in Hong Kong, we provide our clients with cost-effective and energy-efficient electrical and mechanical solutions. The following measures have been adopted in our daily operations to reduce energy consumption:

- Installation of occupancy sensors to control lighting and outdoor air intake;
- Installation of UV protection window film to help maintain the indoor temperature;
- Keep air conditioning temperature at 24-26°C for power saving;
- Switching off lighting and air conditioning systems after working hours at the offices;
- Procuring energy-efficient appliances;
- Replacing old fluorescent lights with energy-efficient LED light fixtures; and

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

- Encouraging staff to switch off computer, lighting, and air conditioning system when it is idle.

As a signatory to the Hong Kong Government's Environment and Ecology Bureau's "Energy Saving Charter 2021", FSE Lifestyle is committed to saving energy. Our goal is to reduce our carbon footprint by promoting internal environmental awareness. As part of our efforts to encourage behavioural change, we send quarterly newsletters and emails that provide energy-saving tips to our employees. Taking part in external initiatives such as "No Air Con Night" and "Earth Hour" demonstrates our commitment to energy conservation and enhances employee awareness.



Energy Saving Charter 2021

(b) Fuel Consumption and Emissions

To alleviate greenhouse gas emissions, we have implemented the following measures to reduce the vehicle fuel consumption:

- Review the parking areas of the company fleet to reduce the trip;
- Use Global Positioning System (GPS) to review the routing of the company fleet for shortening the trip; and
- Replace company vehicles with hybrid or electric cars whenever possible.

(c) Paper Procurement

With our Green Office Guidelines ("Guidelines"), we continue with our well-established policies to reduce paper waste. To encourage the reuse of single-sided printouts, scrap paper boxes are placed next to printers and copiers. Paper recycling bins are placed at various locations and Print-on-Demand (POD) are also deployed. 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. In addition, we purchase green-labelled printing paper and are coordinating with our main contractors at the site to arrange a monthly collection of wastepaper by qualified collectors. To reduce paper usage, we are also exploring the possibility of implementing electronic procurement and electronic payment systems.

Waste Management

Chemical Waste

In the course of our daily engineering service operations, we may generate chemical waste, such as lube oil, which requires treatment before disposal. We fully comply with the Waste Disposal Ordinance (Cap. 354) in Hong Kong by strictly following procedures to ensure the proper and safe handling of chemical waste. In accordance with the EPD's requirements, we are registered as a Chemical Waste Producer and only engage licensed waste collectors to collect and properly dispose of chemical waste. As part of its sanitation and hygienic cleaning services, Waihong purchases environmentally friendly chemical products to enhance their environmental performance in their sanitation and hygienic cleaning services.

Steel Scrap

FSE Engineering Group's Fanling workshop has launched a solid waste reduction programme to reduce the disposal of scrap pipe sections generated during the prefabrication of steel pipes. It is possible that some pipe sections cannot be reused after being cut into smaller pieces, even if we strive to maximise resource utilisation. All unused pipe sections are recycled as part of our solid waste reduction programme, which helps conserve natural resources. To maximise opportunities to reuse materials at our operations, we will continue to explore new technologies.

FSE Engineering Group, Kiu Lok, Urban and Waihong have also continued to receive the Wastewise Certificate (Excellence Level) under the Hong Kong Green Organisation Certification scheme organised by the Environmental Campaign Committee for its efforts to reduce waste.

There were no significant non-compliances with relevant laws or regulations^e during the year 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

A key element of sustainable growth is fostering the Group's behavioural change. The Green Office Guidelines were launched in November 2016 to foster an environmentally friendly culture within the Group. The Guidelines emphasise the reduction of paper use, energy conservation, and recycling of materials in our offices, sites, workshops, and plant

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

rooms. We have informed all employees about the new green initiatives and distributed eco-friendly gifts, such as foldable cups, reusable lunch boxes, and foldable shopping bags, to encourage our staff to use less disposable plastic tableware and live a more sustainable lifestyle.

Research and Development Projects

FSE Lifestyle has strengthened its commitment to conduct research and development (“R&D”) over the years to improve our existing services and protect the environment. City Essential Services have participated in two R&D projects involving water treatment and solid waste treatment in collaboration with The Nano and Advanced Materials Institute Limited. We are currently conducting a pilot water treatment project on a cooling tower. We will continue to investigate new technologies in order to create a greener future.

Nanobubble Ozonation System is one of the applications adopting nano technology. Ozone is a powerful disinfectant for water purification. However, low mass transfer efficiency, low saturation solubility, and short half-life are the obstacles in practical application. The integration of ozone with micro-nano bubbles named as “nanobubble ozonation” can tackle those obstacles and therefore has many real-life applications. For the fresh water-cooling tower (“FWCT”) application, nanobubble ozonation has improved the effectiveness of cooling water treatment. Energy saving from the improvement of fouling factor is the ultimate goal. It is expected that 1-3% energy saving could be achieved for lightly fouled chiller and up to 10% saving could be gained for heavily fouled chiller by the application of nanobubble ozonation in FWCT.



Nanobubble Ozonation Technology

With the use of Internet of Things (“IoT”) technology, we provide complete integrated solutions to tackle the pain points of our customers. FioTec, our smart solution system,

delivers a wide scope of services ranging from consultation and solution design, system implementation and operation, to routine support and maintenance. It focuses on innovative IoT solutions for facility management, including building automation and energy optimisation, facility digitalisation, predictive maintenance solutions for building services equipment, video analytic and smart security solutions, etc. FioTec can integrate with existing Building Management System and Central Control and Monitoring System, and BIM model to create an IoT ecosystem for various customers.

FioTec assists digitisation of facility, leading to improving service quality and operational efficiency, cost reduction, energy, electricity, and water saving. FioTec is able to achieve long-term sustainable development goals (e.g. United Nations Sustainable Development Goals, smart city development, net zero carbon emission), to build a better company image and raise the asset value.



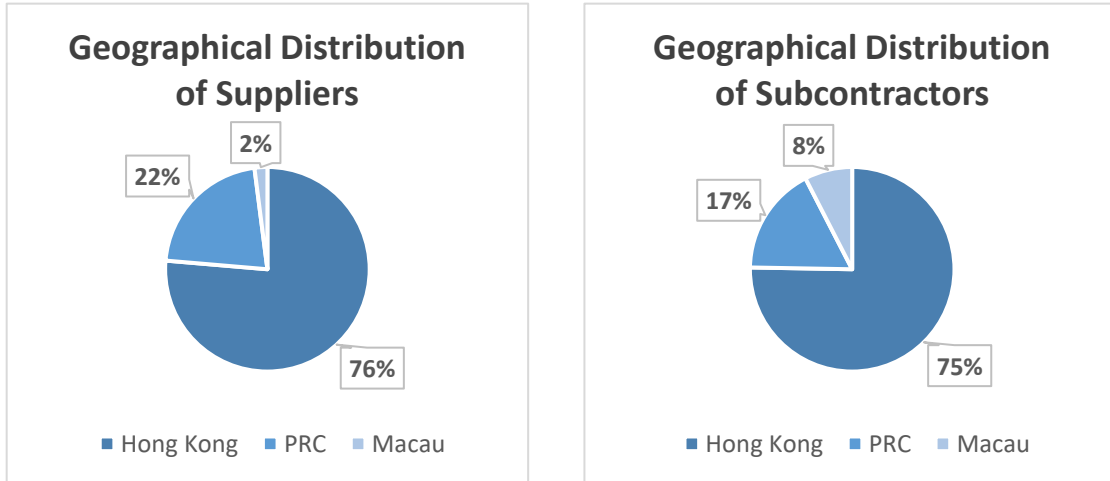
A Customised and 3D BIM-enabled Dashboard

In 2022, FSE Lifestyle launched an industry-first innovative FSEasy Service Model. Capitalising on the professional knowledge and synergies from our business units, the FSEasy Service Model is operating under the BIM platform together with the self-invented FioTec, an innovative combination of IoT and modern information technologies for effective operational control, and ComEasy, a comprehensive surveillance system for all service teams to enhance the overall operation efficiency and cost effectiveness.

OUR VALUE CHAIN

Supply Chain Management

As a market leader in our respective industries, we recognise the opportunity to extend sustainability considerations across our supply chain. We actively integrate responsible corporate practices into our supply chain management to achieve long-term performance improvement and mitigate supply chain risks.



In our E&M Services, we prioritise suppliers and subcontractors who share our sustainability vision. The Procurement and Subletting Manual stipulates that potential suppliers and subcontractors must fill out an application form and attend an interview, in which will be assessed according to several factors, including project experience, reputation, environment, safety, labour standards, and financial performance. Suppliers and subcontractors will be admitted to an approved list on a probationary basis if they meet the criteria. Upon completion of the first project, we will closely monitor newly admitted suppliers and subcontractors for another 12 to 24 months before adding them to the permanent approved list. Furthermore, we encourage our suppliers to prioritise the adoption of environmentally friendly products.

We regularly assess the performance of existing suppliers and subcontractors through a comprehensive system. To ensure quality and consistency of our services in Mainland China, suppliers and subcontractors are reviewed semi-annually and quarterly, respectively. In cases of serious non-compliance, suppliers and subcontractors will be suspended or even removed from our list of approved suppliers and subcontractors.

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 consumption, carbon footprint, and construction waste. The Group invests in innovative construction technologies to improve its operational efficiency and project management, including 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"), as well as 3D laser scanning and mobile apps.

In the future, the Group will continue to communicate its expectations to our suppliers, assess their performance, and develop capacity-building programmes. We will also promote the certification of environmentally friendly products and trace any non-conforming products as we drive the supplier performance improvement.

Responsible Services

Upholding efficient, professional, and quality services is key to a high customer satisfaction rate and healthy long-term growth of a business. Policies and measures have been developed to ensure that users' interests are protected and that our services are continuously improved. To ensure clear accountability within the organisation, each department has established guidelines in addition to our long-standing IMS. Further demonstrating our commitment to quality standards, FSE Lifestyle has adhered to the standard of ISO 9001 Quality Management System, which stipulates the responsibilities of relevant departments, as well as the implementation, monitoring and improvement procedures of our product and service offerings.

We carry out routine audits to our production lines to identify potential risks and defects, and we have established a standard audit system. In-depth investigations will be taken place in the event of substantial quality and safety concerns to identify the root causes and take appropriate measures to prevent any recurrence.

Customer experience is always something we strive to improve as it is crucial to ensure our customers remain with us. We conduct quarterly customer satisfaction surveys across Hong Kong and Macau projects. In FY2021/22, we received an overall rating of 73% from our clients, consultants, contractors, and other business partners. We are committed to working with our stakeholders and striving for continuous improvement. Our high-quality and reliable complaint management system adhering to the standard of ISO 10002

“Quality management - Customer satisfaction - Guidelines for complaints handling in organisations” further demonstrates our commitment to quality standards.

Keeping customer data and privacy secure is a priority for the Group. Our Employee Handbook details clauses concerning the use and storage of customer data. All customer data must be handled only by authorised personnel in an appropriate manner.

Our responsibility is to ensure that our products and services do not infringe copyright. All employees must follow the Company Policy on Matters Relating to Intellectual Property (Miscellaneous Amendments) Ordinance when performing their duties, including installing computer software, and using copyrighted material.

At all locations where we operate, we strictly adhere to the laws and regulations governing customer health and safety, advertising, labelling, intellectual property rights, and privacy during the reporting year.

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 practises corporate citizenship. We are dedicated to serving the needy, especially children, the elderly and other disadvantaged groups. Our enthusiastic colleagues served different groups of beneficiaries, creating positive impact 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 the WWF-Hong Kong, we continued to participate in “Earth Hour 2022” on 26 March 2022 in response to the global challenge of climate change. Our participating colleagues explored the low-carbon entertainments and sustainable living tips. In October 2021, we supported “No Air Con Night 2021” organised by Green Sense and switched off the air conditioners at our offices from 7 pm to 7 am. Moreover, in support of Food Grace’s food waste reduction campaign, we signed the “Gift Wise Charter” in July 2021 to promote green Mid-Autumn Festival.



“Gift Wise Charter” pledged by Nova and Waihong

Our subsidiary has also been stepping up to advocate greener actions. Urban has sponsored the “Hong Kong Green Day” organised by the Green Council as a Media Partner this year. It aims to raise public awareness on environmental protection and has become a major annual environmental event in Hong Kong.

Tobacco use is not only a health issue, but also an environmental issue. Cigarette smoking causes environmental pollution through the release of toxic air pollutants into the atmosphere. We believe a smoke-free culture contributes to a sustainable development of a society. This year, FSE Environmental Technologies Group and FSE Engineering Group

continue the support on Smoke-free Working Day held by The Lok Sin Tong Benevolent Society, Kowloon. Through this engagement, we hope our colleagues will be aware of the health and environmental harms brought by smoking and adopt positive habitual changes to co-create a healthy workplace together.



Smoke-free Working Day

Caring for the Elderly and the Disadvantaged

Despite the ongoing pandemic, we remained steadfast in our commitment to contribute to the society and provided much needed assistance to the elderly and the disadvantaged during such unprecedented times. This year, we continued to work alongside our trusted NGO partner, Tung Wah Group of Hospitals to organise "Caring Day" in December 2021, with over 200 volunteers visited 300 elderly door-to-door in 18 districts throughout Hong Kong. Our volunteers participated in scarf-knitting, paper-cuttings, and writing greeting cards as gifts for elderly living alone. Along with expressing love and greetings, our volunteers reminded the elderly to stay alert in epidemic prevention and to keep warm.



Group Photo of Caring Day



Giveaway of Lucky Pack to the Elderly



Paper-cutting Activity

Moreover, our volunteers from Nova joined hand-in-hand with YWCA Ming Yue District Elderly Community Centre to organise a meaningful event named “A Gift for my Beloved” (留給摯愛的禮物) in July 2021. We prepared a last wish booklet together with the elderly and distributed gift packs to several families.



Elderly with their Last Wish Booklet

Nova has participated the “Barrier Busters 2021” organised by The Hong Kong Society for Rehabilitation. Four of our staff members have formed a team for city-orienting programme to experience the daily challenges of people with disabilities in different districts of Hong Kong. The donation was used to support the rehabilitation services, thus helping people with disabilities and chronic illnesses to re-integrate into the society and lead a dignified and fulfilling life.



Barrier Busters 2021

During the fifth wave of the pandemic, the Group has joined hands with different sectors and stakeholders of the community in fighting the virus.

“Share For Good” is Hong Kong's first city-wide crowd donation platform initiated by New World Development Company Limited. In response to the increasing number of people under self-quarantine at home and the rising demands for anti-epidemic supplies, FSE Lifestyle is honoured to become a sponsor of the caring campaign. Through this platform, we could support the collection and delivery of anti-epidemic items to the vulnerable groups that suffered amidst the public health crisis. In total, we have donated 1,500 RAT kits, 25,000 face masks and 1,000 face shields to people in need through 60 participating NGOs.



FSE Lifestyle Supporting Share For Good

Acknowledging the community's needs immediately, Urban has partnered with Chinese YMCA of Hong Kong and distributed caring packs which included anti-epidemic supplies

such as food, anti-epidemic items, self-test kits and cooling patch to 600 beneficiaries, covering the need of elderly living alone and underprivileged families.



Urban Sending Love to the Community during COVID-19

Caring for the Women

Women Empowerment is essential to the health and social development of families, communities and countries. Acknowledging International Women's Day, Urban has sponsored and supported Hong Kong Young Women's Christian Association ("YWCA")'s ChariTea Programme since 2013 for ten consecutive years.

Echoing the theme of "Love without Border", Urban has helped dispatch 10,300 pieces of red-date tea bags to the headquarter staff and the residents of the selected managed properties. Considering the COVID-19 situation, we distributed the red-date tea bags into the letter box directly this year.



Urban and YWCA's ChariTea Program

The Group endeavours to uphold corporate social responsibility by organising a wide range of charitable campaigns. We strive to create a positive impact in our shared community and respond to social needs in a beneficial manner. We are committed to encouraging a culture of volunteerism amongst our employees and will continue to strengthen our contribution in fostering a caring society.

AWARDS AND MEMBERSHIPS IN FY2021/22

List of Abbreviation for Awards and Recognitions Table and Memberships Table	
BNIL	Broadway-Nassau Investments 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
FSEE	FSE Engineering Group
FSEE PRC	FSE Engineering Limited
FSEET	FSE Environmental Technologies Group Limited
FSEL	FSE Lifestyle Services Limited
GS	General Security Group
HHML	Harbour Heights (Management) Limited
HKILC	Hong Kong Island Landscape Company Limited
IPML	International Property Management Limited
i-Urban	i-Urban Limited
JET	Joneson Environmental Technologies Limited
KLSM	Kiu Lok Service Management Company Limited
KLPIL	Kiu Lok Properties (International) Limited
LKWML	Lei King Wan (Management) Limited
MEC	Majestic Engineering Company Limited
MEM	Majestic Engineering (Macao) Company Limited
MPE	Majestic Plumbing Engineers Limited
NOVA	Nova Insurance Consultants Limited
PEML	Paramatta Estate Management Limited
PVML	Park Vale (Management) Limited
TEC	Tridant Engineering Company Limited
TTSL	Turning Technical Service Limited
UG	Urban Group
UPML	Urban Property Management Limited

UTSL	Urban Technical Services Limited
UWPML	Urban-Wellborn Property Management Limited
WH	Waihong Environmental Services Limited
YEC	Young's Engineering Company Limited
YECS	Young's Engineering (Shanghai) Company Limited
YEM	Young's Engineering (Macao) Company Limited

Awards and Recognitions Table

Issuer	Award	Company
Business Environment Council Limited	BEC Low Carbon Charter	FSEL
	Certificate of Good Waste Reduction and Resource Recycling Performance – Convention Plaza	KLSM
Chinese YMCA of Hong Kong	Sport Friendly Action Award	UPML/IPML/TTSL/ BNIL
	Y-Care CSR Scheme – Silver Partner	UG
Community Investment and Inclusion Fund	Social Capital Builder Awards	WH/NOVA/KLSM/ HKILC/TTSL/UPML
Construction Industry Council	CIC Outstanding Contractor Award 2021 – Specialist Contractor 'Revitalisation Award'	YEC
Construction Industry Council & Construction Industry Sports & Volunteering Programme	Construction Industry Volunteer Award 2021 <ul style="list-style-type: none"> - Excellence in Construction Industry Volunteering Collaboration (Merit Award) - Excellence in Construction Industry Volunteering Project (Merit Award) 	FSEE
Construction Industry Sports & Volunteering Programme	Appreciation for Generous Support to Construction Industry – Trophy	MEC
CTgoodjobs	Best HR Awards 2021 – Best Employer Branding Video Award (Gold)	GS
Department of Justice	“Mediate First” Pledge Star Logo	NOVA
Employees Retraining Board	ERB Merit Award for Employers 2021-22	GS
	ERB Manpower Developer Award Scheme – Super MD	UG/WH/FSEE

Environment and Ecology Bureau	2021 Friends of EcoPark – Certificate of Appreciation	FSEE/FSEL/WH/UG/UPML/NOVA
	2021-22 Natural Christmas Trees Recycling Programme – Certificate of Appreciation	UG
	2022 Peach Blossom Trees Recycling Programme – Certificate of Appreciation	
Environment and Ecology Bureau & Electrical and Mechanical Services Department	4T Charter	NOVA/UG/UPML/UWPML
	Energy Saving Charter 2021	EXT/FE/FSEE/NOVA/UG/UPML/UWPML/ELS/EPS/JET/FSEL/MEC/YEC/HKILC
Environmental Campaign Committee	Hong Kong Green Organization Certification – Energywise Certificate <ul style="list-style-type: none"> - Basic Level - Good Level - Excellence Level 	KLSM/UPML
	Hong Kong Green Organisation Certification – Wastewise Certificate <ul style="list-style-type: none"> - Basic Level - Good Level - Excellence Level 	KLSM/WH/FSEE/UPML
Environmental Protection Department	IAQ Certificate Scheme – Convention Plaza – 15 Year Commitment Award	KLSM/KLPIL
Evangelical Lutheran Church Social Service – Hong Kong	「信心伙伴」Award 2021	FSEE/FSEL
Federation of Hong Kong Industries	Industry Cares Recognition Scheme 2021 – 8+ Year Caring Certificate (Enterprise Group)	UG
Food Grace	Eat Wise Charter	NOVA/UG/UPML/WH/FSEE/HKILC
	Green Mid-Autumn Festival 2021 Campaign – Gift Wise Charter	FSEE/FSEL/UG/NOVA/WH

Green Council	ECH ₂ O – Enterprises Cherish Water Charter – Certificate of Participation	UPML
Green Power	Green Power Hike – Property Management Cup – Green Merit Award	UG
Green Sense	12 th No Air Con Night – Certificate of Appreciation	FSEE/FSEL/NOVA/UG
Hong Kong Alliance of Built Asset & Environment Information Management Associations	Hong Kong openBIM/openGIS Award 2022 – Grand Award for Kai Tak Sports Park project	MEC/YEC
Hong Kong Council on Smoking and Health	Top Premier Smoke-free Housing Management Recognition	WH/UPML
InspiringHK Sports Foundation	Inaugural SportsHour Company Scheme – Recognised Organisation	UPML
Institution of Mechanical Engineers (Hong Kong Branch)	Mechanical Innovation Award 2021 – 2022 – 1 st Runner Up	YEC
JobMarket	HR Excellence – Corporate Training Award	UG
	Caring Employer – COVID 19 Caring Employer	
	Employer of Choice Award	
Kai Tak Sports Park	Kai Tak Sports Initiative Sponsorship Programme – Certificate of Appreciation	FSEE
Mandatory Provident Fund Schemes Authority	Best All-round MPF Employer	FE/FSEE/EPS/JET/MEC/TEC/YEC
	e-Contribution Award	ELS/EPS/JET/FSEL/KLSM/FSEE/FE/WH/MEC/TEC/YEC/UG
	Good MPF Employer 5 Years+	ELS/EXT/FSEL/KLSM/WH
	MPF Support Award	EXT/FE/KLSM/WH/ELS/EPS/JET/FSEL/FSEE/MEC/TEC/YEC/UG

Mass Transit Railway Corporation (MTR)	2021 Workplace Hygiene Competition – Hygienic Defender Award – Merit (Cross Boundary Segment – High Speed Rail Station Operations)	WH
Medecins Sans Frontieres Hong Kong	7.7 MSF Day – Certificate of Appreciation	FSEE/UG/NOVA
Occupational Safety and Health Council	The 9th Best Property Safety Management Award – Best Property Management Award in Occupational Safety and Health – Merit Award	UPML
Promoting Happiness Index Foundation	Happy Company - Happy Company 2021 - Happy Company 5 years	FSEE/NOVA/FSEET/ HKILC/FSEL/GS/ UG/KLSM
Social Welfare Department	Volunteer Movement – Certificate of Appreciation	KLSM/FSEE/FSEL/ UG
The Chartered Institution of Building Services Engineers Hong Kong Region	CIBSE Hong Kong Awards 2021 – Project of the Year Award (Public Use Building) - West Kowloon Government Offices	FE/MEC/YEC/UG
The Conservancy Association	Get Fund Scheme (Long Term) - Certificate of Appreciation - The Masterpiece	KLSM
The Department of Health, the Labour Department & the Occupational Safety and Health Council	Mental Health Workplace Charter – Mental Health Friendly Organisation	NOVA/UPML/WH/ FSEE/FSEL/KLSM/ GS
	Occupational Health Award 2020-21 – Joyful@Health Workplace Best Practices Award (Enterprise/Organisation Category) – Outstanding Award	FSEE/FSEL/NOVA
The Hongkong and Shanghai Banking Corporation Limited	HSBC Living Business Awards 2021 - Certificate of Excellence - Certificate of Merit	UPML

The Hong Kong Association of Property Management Companies	Annual Football Challenge Tournament 2021 – 1st runner-up (Silver Cup)	UG
The Hong Kong Council of Social Service	Caring Company <ul style="list-style-type: none"> - Caring Company Logo - 5 Years Plus Caring Company Logo - 10 Years Plus Caring Company Logo - 15 Years Plus Caring Company Logo - 20 Years Plus Caring Company Logo 	HKILC/UG/UPML/ FSEL/GS/WH/ NOVA/FSEE/KLSM/ IPML/BNIL/PEML/ TTSL/UTSL/ i-Urban/HHML/ LKWML/PVML/ UWPML
The Hong Kong Federation of Youth Groups	HKFYG Heart to Heart Project Appreciation 2005-2022 – Heart to Heart Company	UG
The Hong Kong General Chamber of Small and Medium Business	Partner Employer Award <ul style="list-style-type: none"> - Partner Employer Award 2021 - Partner Employer Award 2021 – 5 years - Partner Employer Award 2021 – 10 years 	FSEL/ELS/FSEE/GS/ JET/MEC/FE/YEC/ EPS/NOVA/UG
	Partner Employer Award 2021 – Certificate of Appreciation	NOVA
The Hong Kong Institute of Facility Management	Excellence in Facility Management Award 2021 <ul style="list-style-type: none"> - Excellence Award - Merit Award 	UG
	Most Popular Facility Award – Gold Award	
	Theme Award (Facility Hygiene) – Silver Award	
	Professional Integrity Award (Large-scale Residential)	

The Hong Kong Institute of Financial Analysts and Professional Commentators Limited	IFAPC Outstanding Listed Company Award 2021	FSEL
The Labour Department & the Occupational Safety and Health Council	Heart Caring Charter – Heart Caring Company	UPML/UWPML
The Lok Sin Tong Benevolent Society, Kowloon	Hong Kong Corporate Smoke-Free Logo	NOVA
	Smoking Cessation Program in Workplace – Certificate of Appreciation	FSEE/FSEL
	Smoking Cessation Program in Workplace – Smoke-free Workplace Creativity Award 2021	FSEE
	World No Tobacco Day 2022 – Enterprise Smoke-Free Warrior Digestion Alliance Assemble	FSEL/FSEE/FSEET/HKILC/UG
The Society of Operations Engineers (Hong Kong Region)	SOEHK Annual Symposium 2022 – Certificate of Appreciation	YEC/FE
Water Supplies Department	Quality Water Supply Scheme for Buildings – Fresh Water (Management System) – Blue Certificate – The Masterpiece	KLSM

Memberships Table

Association	Membership Type	Company
Association of Engineering Professionals in Society	Ordinary Company Member	MEC
Business Environment Council Limited	General Member	EPS
Caring Company Patron's Club of the Hong Kong Council of Social Service	Coral Member	UG
Chamber of Security Industry	Founding and Principal Member (Vice Chairman)	GS
Chartered Insurance Institute	Associate Firm of Personal Finance Society	NOVA
Commissioning Specialists Association	Associate Member	FE
Employers' Federation of Hong Kong	Member	UTSL
Environmental Contractors Management Association	Member	WH
Green Council	Established Member of Sustainable Procurement Charter	UG
Hong Kong Alliance of Built Asset & Environment Information Management Associations	Corporation Member	FSEE
Hong Kong Association for Testing, Inspection and Certification	Fellow Member	ELS
	Ordinary Member	JET
Hong Kong Brand Development Council (Top Brand)	Corporate Member	WH
Hong Kong Chamber of Commerce in China – Shanghai	Corporate Member	FSEE PRC
Hong Kong Cleaning Association Ltd.	Member	WH
Hong Kong Construction Materials Association Limited	General Member	EXT
Hong Kong Electrical Contractors' Association	Life Member	EXT/FE/MEC
Hong Kong General Chamber of Commerce	Member	WH

The Hong Kong Institute of Facility Management	Corporate Member	UG
Hong Kong Institution of Human Resource Management	Corporate Member	FSEE/EPS/UG/MEC/YEC
The Hong Kong Management Association	Chartered Member	UPML
Hong Kong Pest Management Association	Active Member	WH
Hong Kong Plumbing And Sanitary Ware Trade Association Limited	Member	EXT/JET/MPE
Hong Kong Quality Assurance Agency	HKQAA Hong Kong Registration (Recycling Services Companion)	UG
Macao Chamber of Commerce	Life Member	FEM/MEM/YEM/NOVA
Macao Construction Association	Life Member	MEM/YEM
Macao Air-conditioning & Refrigeration Chamber of Commerce	Member	YEM
Macao Management Association	Member	YEM
Occupational Safety & Health Council	Green Cross Group	WH
Occupational Safety & Health Council - Charter on Preferential Appointment of OSH Star Enterprise	Member	KLSM
Shanghai Fire Protection Association	Member	YECS
Shanghai Intelligent Building Construction Association	Member	FSEE PRC
Registered Fire Service Installation Contractors of Hong Kong Association	Corporate Member	FE
	Life Member	MEC
The Federation of Environmental and Hygienic Services	Member	WH
The Hong Kong Air Conditioning and Refrigeration Association	Associate Member	EXT/FE/JET
	Fellow Member	YEC
The Hong Kong Association of Property Management Companies Limited	Council Member	UPML
The Hong Kong Confederation of Insurance Brokers	Member	NOVA
The Hong Kong Electrical & Mechanical Contractors' Association	Council Member	YEC
	Member	FSEE/MEC

The Hong Kong Federation of Electrical & Mechanical Contractors	Ordinary Member	EXT/FE/FSEE/ MEC/MPE/YEC
The Hong Kong General Chamber of Commerce	Member	EXT/FE/HKILC/ MEC/YEC/ NOVA
The Hong Kong Green Building Council Limited	Institutional Member	EPS/MEC/YEC
The Hong Kong Occupational Safety and Health Association	Company Member	FSEE
The Hong Kong Security Association	Member	GS/KLSM/UG

PERFORMANCE DATA SUMMARY

HKEX KPI	Unit	FY2021/22	
A. Environmental			
A1.1	The types of emissions and respective emissions data^f		
	NOx	Tonnes	6.95
	SOx	Tonnes	0.01
	PM	Tonnes	0.53
A1.2	Direct and Indirect greenhouse gas emissions in total and intensity		
	Scope 1 emissions	Tonnes of CO ₂ e	2,088
	Scope 2 emissions	Tonnes of CO ₂ e	1,131
	Total (Scope 1 and 2 emissions)	Tonnes of CO ₂ e	3,219
	Intensity (Scope 1 and 2 emissions)	Tonnes of CO ₂ e /FTE	0.22
	Scope 3 emissions ^g	Tonnes of CO ₂ e	78
A1.3	Total hazardous waste produced		
	Waste ink cartridge		
	- in total	kg	260
	- by intensity	kg/FTE	0.02
A1.4	Total non-hazardous waste produced		
	Recycled office paper		
	- in total	kg	37,624
	- by intensity	kg/FTE	2.57
	Newspaper and carton boxes		
	- in total	kg	4,529
	- by intensity	kg/FTE	0.31
A2.1	Direct and indirect energy consumption by type		
	Total direct energy consumption (Diesel oil & petrol)		
	- in total	'000 kWh	7,689
	- by intensity	'000 kWh/FTE	0.52
	Diesel oil		
	- in total	'000 kWh	6,682
	- by intensity	'000 kWh/FTE	0.46
	Petrol		
	- in total	'000 kWh	1,008
	- by intensity	'000 kWh/FTE	0.07
	Total indirect energy consumption (Purchased electricity)		
	- in total	'000 kWh	1,589
	- by intensity	'000 kWh/FTE	0.11

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

^g Scope 3 emissions include business air travel only.

HKEX KPI	Unit	FY2021/22
Total energy consumption (Direct and indirect)		
- in total	'000 kWh	9,278
- by intensity	'000 kWh/FTE	0.63

HKEX KPI	Unit	FY2021/22			
B. Social					
B1.1	Total workforce by gender, employment type age group and geographical region				
	Total workforce by employment type and gender	Male		Female	
	Full-time	No. of people	7,597	7,060	
	Part-time	No. of people	2,250	3,097	
	Total workforce by employment type and age group	Under 30	30-50	Above 50	
	Full-time	No. of people	1,235	3,993	9,429
	Part-time	No. of people	317	1,286	3,744
	Total workforce by employment type and geographical region	Hong Kong	Macau	PRC	
	Full-time	No. of people	14,294	57	306
	Part-time	No. of people	5,335	8	4
B1.2	Employee turnover rate by gender, age group and geographical region				
	Employee turnover rate by gender	Male		Female	
		%	38	47	
	Employee turnover rate by age group	Under 30	30-50	Above 50	
		%	64	40	41
	Employee turnover rate by geographical region	Hong Kong	Macau	PRC	
		%	44	11	8
B2.1	Number and rate of work-related fatalities				
		FY2019/20	FY2020/21	FY2021/22	
	By number	No. of people	0	0	0
	By rate	%	0	0	0
B2.2	Lost days due to work injury				
	Staff days	9,257			
B3.1	The percentage of employees trained by employee category and gender				
	Executive	%	71		
	Manager	%	89		
	Engineering and office staff	%	69		

HKEX KPI		Unit	FY2021/22		
	Technical and operations staff	%	27		
	Male	%	37		
	Female	%	32		
B3.2	The average training hours completed per employee by employee category and gender				
	Executive	Hours	9		
	Manager	Hours	8		
	Engineering and office staff	Hours	14		
	Technical and operations staff	Hours	3		
	Male	Hours	8		
	Female	Hours	2		
B5.1	Number of suppliers by geographical region				
			Hong Kong	Macau	PRC
	Suppliers	No.	3,268	87	925
	Subcontractors	No.	926	93	211
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				
	No. of complaints received		13		
B7.1	Number of concluded cases regarding corrupt practices brought against the company				
	No. of cases		0		

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A. Environmental			
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	A1.1	The types of emissions and respective emissions data	50
	A1.2	Direct and indirect greenhouse gas emissions in total and intensity	50
	A1.3	Total hazardous waste produced and intensity	50
	A1.4	Total non-hazardous waste produced and intensity	50
	A1.5	Description of emission target(s) set and steps taken to achieve them	25 – 26
	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	25 – 27
A2. Use of Resources	General Disclosure		24 – 29
	A2.1	Direct and/or indirect energy consumption by type in total and intensity	50 – 51
	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	25 – 26
	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	General Disclosure		24 – 29
	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	24 – 29
A4.	General Disclosure		Note (iii)

Aspect	HKEX KPI	Description	Page Number/ Note
Climate Change	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	General Disclosure		11 – 14
	B1.1	Total workforce by gender, employment type, age group and geographical region	51
	B1.2	Employee turnover rate by gender, age group and geographical region	51
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	B2.1	Number and rate of work-related fatalities occurred in each of the past three years	51
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	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	19 – 23
B3. Development and Training	General Disclosure		15 – 19
	B3.1	Percentage of employees trained by gender and employee category	51 – 52
	B3.2	Average training hours completed per employee by gender and employee category	52
B4. Labour Standards	General Disclosure		11 – 12
	B4.1	Description of measures to review employment practices to avoid child and forced labour	11 – 12
	B4.2	Description of steps taken to eliminate such practices when discovered	11 – 12
Operating Practices			
B5. Supply Chain Management	General Disclosure		30 – 31
	B5.1	Number of suppliers by geographical region	52
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where and how the practices are being implemented and monitored	30 – 31

Aspect	HKEX KPI	Description	Page Number/ Note
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	30 – 31
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	31
B6. Product Responsibility	General Disclosure		31 – 32
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	B6.3	Description of practices relating to observing and protecting intellectual property rights.	32
	B6.4	Description of quality assurance process and recall procedures	31
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	32
B7. Anti-corruption	General Disclosure		8 – 9
	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	52
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	8 – 9
	B7.3	Description of anti-corruption training provided to directors and staff	9
Community			
B8. Community Investment	General Disclosure		33 – 38
	B8.1	Focus areas of contribution	33 – 38
	B8.2	Resources contributed to the focus area	33 – 38

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.

APPENDIX A – LIST OF MEDIUM AND LOW MATERIALITY ASPECTS AND KPIS

Medium Materiality Aspects and KPIs		
A1. Emissions	A1.1	The types of emissions and respective emissions data
	A1.2	Greenhouse gas emissions in total and intensity
	A1.3	Total hazardous waste produced
	A1.5	Description of emissions target(s) set and steps taken to achieve them
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them
A2. Use of Resources	A2.2	Water consumption in total and intensity
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them
A3. The Environment and Natural Resources	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them
B3. Development and Training	B3.1	The percentage of employees trained by gender and employee category
	B3.2	The average training hours completed per employee by gender and employee category
B4.	B4.1	Description of measures to review employment practices to avoid child and forced labour

Labour Standards	B4.2	Description of steps taken to eliminate such practices when discovered
B5. Supply Chain Management	B5.1	Number of suppliers by geographical region
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored
B6. Product Responsibility	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with
	B6.3	Description of practices relating to observing and protecting intellectual property rights
B7. Anti-corruption	B7.3	Description of anti-corruption training provided to directors and staff

Low Materiality Aspects and KPIs

A2. Use of Resources	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced
A4. Climate Change	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