



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT











# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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FAR EAST CONSORTIUM INTERNATIONAL LIMITED

## ABOUT OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This is the second year for the Company to disclose the management approach, performance and achievements of its key operations on environmental, social and governance ("ESG") aspects in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules.

The report covers the Group's property development business in Hong Kong, Mainland China (Guangzhou and Shanghai) and Australia (Melbourne, Brisbane and Perth), and hotel operations and management business in Hong Kong under Dorsett<sup>1</sup>. Unless otherwise stated, the content in this section covers the period from 1 April 2017 to 31 March 2018.

We welcome your feedback on this section and the Group's ESG performance. Please visit our website at [www.fecil.com.hk](http://www.fecil.com.hk) and share your thoughts with us.

## OUR STRATEGY ON ESG

### Managing ESG Issues

As a responsible player in the market, we strive to create and maintain economic, environmental and social value for our stakeholders. Our ESG governance structure represents our formal commitment to realise this vision through proactively managing our environmental and social risks and monitoring performance.

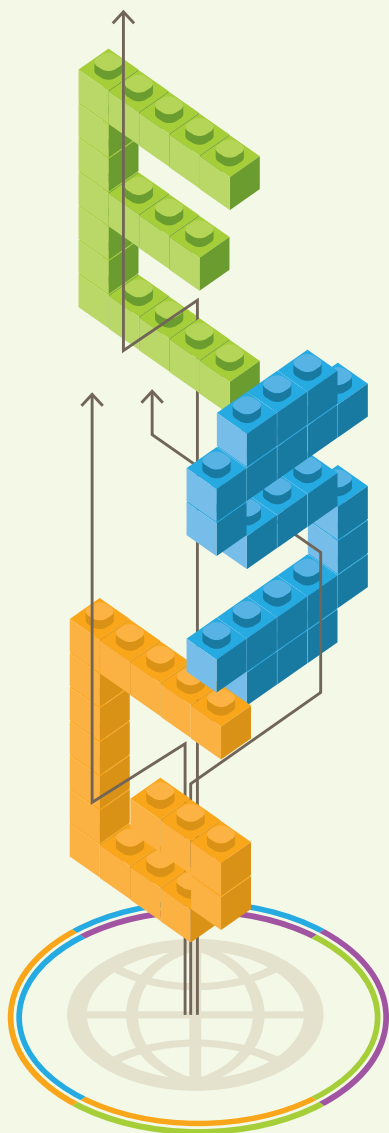
While the Board has the overall responsibility to formulate and oversee the Group's strategies on ESG, the Group has an ESG Committee dedicated to supporting ESG work, including ESG policy implementation, ESG performance monitoring, stakeholder engagement and ESG performance disclosure. The Committee is chaired by Ms. Winnie Chiu, the President and Executive Director of Dorsett and involves senior management from various departments across all operations. Whenever appropriate, the ESG Committee reports ESG matters to the Board.

A set of ESG policies have been implemented purposefully across our operations. On the one hand, the policies highlight our standards and expectations towards environmental and social performance with reference to the local legal requirements. On the other hand, they are the guiding framework of our daily decision-making process on environmental and social impacts.

### Engaging Our Stakeholders

We are devoted to communicating and working with our stakeholders to drive positive ESG changes. Through regular interaction and listening to and addressing their interest and concerns, we hope to foster a sustainable relationship with our key stakeholders.

We understand that communicating transparently with our investors is the key to their understanding of the Group's business performance and strategies. We take initiatives to maintain an ongoing dialogue with investors through regular meetings and innovative digital conferences. We value investors' opinions as they lay the foundation for our sustainable development. We build sustainable relationships with our investors and create value for them by addressing their interests and concerns.





The Group had marked several achievements in FY2018 with regard to investor relations. The share price of FEC outperformed the market during Hong Kong stock market downturn in 2016 and continued to do so during the market upbeat in 2017. As of 29 December 2017, the closing share price climbed 44.6% to HK\$4.7 compared to a year ago, which is better than Hang Seng Index rise by 37%. Moreover, as at 3 November 2017, the market capitalization of FEC hit a historic high of HK\$10.4 billion, breaking through the threshold of HK\$10 billion for the first time. As at 29 December 2017, compared to the HK\$7.44 billion market capitalization on 30 December 2016, market capitalization increased 45% to HK\$10.8 billion, and daily trading value increased 62% to HKD 6.36 million, which is a direct indication of the Group's growth, and also the recognition from investors on the development of the Group.

During FY2018, the Group carried out various initiatives to enhance information transparency and investor relations. In particular, the Group arranged more than 60 company visits for credit and equity analysts and investors from global investment banks and fund houses, organised 34 investor conference calls or webcasts, investor corporate days and non-deal roadshows ("NDR") in Hong Kong, Singapore, Mainland China, the United States, Canada, Malaysia, and Europe, 11 investor relations events for project launches, investor gatherings and luncheons, and 4 investors' site visits to projects in different regions. The Group also created investor webcast for the FY2017 annual and FY2018 interim results announcements as well as for the latest announcement of strategic alliance with The Star and CTF. The Group published 22 press releases during FY2018. We also maintain regular communications with more than 4,000 institutional investors through emails and phone calls. In addition, the Group has developed various methods in digital investor relations area, namely our WeChat official account; prompt information update on Company website including financial reports, presentations, announcements, press releases and newsletters; cooperated with online roadshow providers for real-time online webcast and online interactive communication with investors. The Group is looking into innovative and transparent ways of communication in order to deliver efficiency and to receive direct feedback from our investors.

The table below shows the investor conference calls or webcasts, investor conferences and NDRs FEC organized or participated in the financial year ended 31 March 2018.

Date	Organiser(s)	Fixed Income/ Equities	Location(s)	Conference/Activity
4-5 April 2017	DBS Vickers	Equities	Singapore	Investor Conference
17 April 2017	Huatai Securities	Equities	Hong Kong	NDR
24 April 2017	Cathay Securities	Equities	Hong Kong	Investor Conference Call
9 May 2017	Nomura	Equities	Hong Kong	Corporate Day
11-12 May 2017	HSBC	Equities	Shenzhen	Investor Conference
17 May 2017	Huatai Securities	Equities	Hong Kong	Investor Luncheon
15 June 2017	CIMB	Equities	Hong Kong	NDR
16 June 2017	AMTD	Equities	Hong Kong	Post-results NDR
19-20 June 2017	CIMB	Equities	Malaysia	Post-results NDR
21-22 June 2017	DBS Vickers	Equities	Singapore	Post-results NDR
5-7 July 2017	Guotai Junan	Equities	Shanghai	Post-results NDR
12-14 July 2017	Guotai Junan	Equities	Beijing	Post-results NDR
28 September 2017	Shenwan Hongyuan Securities	Equities	Hong Kong	Investor Conference Call
10 October 2017	UOB	Equities	Singapore	Investor Conference
11 October 2017	UBS	Fixed Income	Singapore	NDR
12 October 2017	DBS	Fixed Income	Singapore	NDR
16 October 2017	UBS	Fixed Income	Hong Kong	NDR

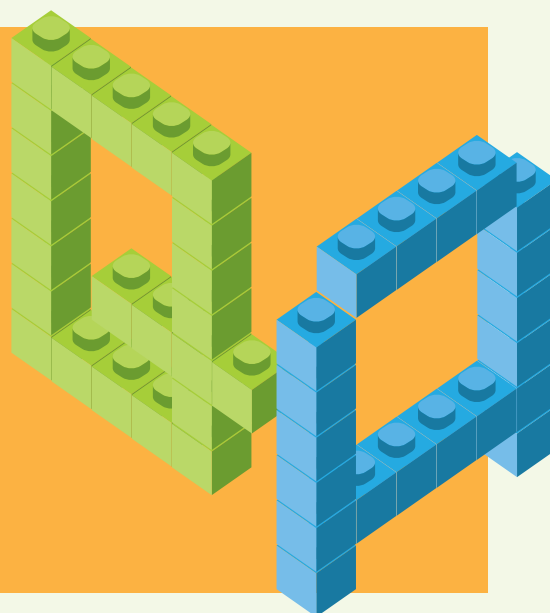
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Date	Organiser(s)	Fixed Income/ Equities	Location(s)	Conference/Activity
24-26 October 2017	Jefferies	Equity	Europe	NDR
30-31 October 2017	Credit Suisse	Fixed Income	Hong Kong	NDR
13 November 2017	HSBC	Equity	Hong Kong	Investor Conference Call
17 November 2017	Nomura	Fixed Income	Hong Kong	Investor Conference Call
29 November 2017	DBS Vickers	Equity	Hong Kong	Post-results NDR
30 November 2017	CIMB	Equity	Hong Kong	Post-results NDR
1 December 2017	AMTD	Equity	Hong Kong	Post-results NDR
4 December 2017	Maybank	Equity	Malaysia	Post-results NDR
5 December 2017	DBS Vickers	Equity	Singapore	Post-results NDR
6 December 2017	Nomura	Equity	Hong Kong	Investor Conference Call
8 December 2017	Nomura	Equity	Hong Kong	Investor Conference
9 January 2018	Guosen Securities	Equity	Hong Kong	Investor Conference Call
7 February 2018	CITI	Fixed income	Singapore	Investor Conference
7 March 2018	Morgan Stanley	Fixed income	Hong Kong	Investor Conference
9 March 2018	Roadshowchina	Equity	Hong Kong	Investor Conference Webcast
29 March 2018	Credit Suisse	Equity	Hong Kong	Investor Conference Webcast – Strategic Alliance with The Star and CTF
29 March 2018	Roadshowchina	Equity	Hong Kong	Investor Conference Webcast – Strategic Alliance with The Star and CTF

The Group provided English and Mandarin simultaneous interpretation during the FY2018 annual and interim results announcement briefing, webcast playback and online Q&A session. This allowed shareholders to understand Company's business updates without being limited to geographical locations and schedule conflicts. The analysts' coverage on FEC also increased. During FY2018, AMTD, DBS Vickers and CIMB published update reports with BUY rating. Together with non-rated reports from ICBCI, Cinda, HSBC, Philip Securities, and UOB, there were a total of 14 reports published on the Group in FY2018. The Group will continue to improve the Group's information transparency through timely communication with external investors as well as through regular corporate disclosures to ensure that the share price will better reflect the underlying value of the Group's business.





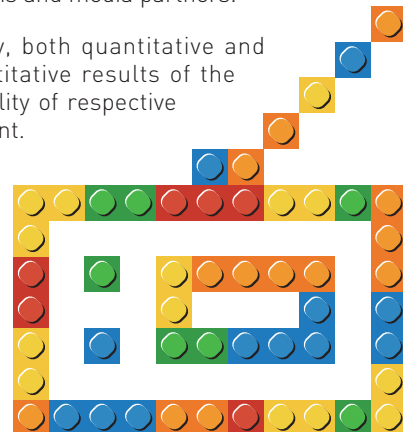
The Group has won a number of international awards on company management, investor relations, corporate governance and corporate social responsibility during the financial year. Below are part of the highlights of the awards: Platinum Award at *"The Asset Corporate Awards 2017"* for outstanding performance in Governance, Social Responsibility, Environmental Responsibility, Financial Performance and Investor Relations for the second consecutive year; two top awards at Corporate Governance Asia's *"7th Asian Excellence Award 2017"*, including "Best Investor Relations Company in Hong Kong" and "Best Investor Relations Professional in Hong Kong – Ms. Venus Zhao"; five award nominations and two top awards at *IR Magazine Awards – Greater China 2017*, highlighted by "Best in Sector: Real Estate" for the third consecutive year, and "Best Investor Relations Officer (small to mid-cap) – Ms. Venus Zhao" for the third consecutive year; "Best Investor Relations Professional Second Place Nominated by Buy-side – Ms. Venus Zhao" in *"Institutional Investor Award 2017"* for the third consecutive year; Bronze award in the "Corporation – Real Estate" category at the 2017 Questar Awards; Three top honours at the *Hong Kong Investor Relations Association 3rd IR Awards*, including "Best IR Company (Small Cap)" for the second consecutive year, "Best IR by Chairman/CEO (Small Cap) – Mr. David Chiu", and "Best IR in Corporate Transactions (Small Cap)"; "Best Listed Company at Investor Relations Management" in *Golden Hong Kong Stocks Awards 2017*; two awards in the *First China Excellent IR Award*, including "Best Innovation Award" and "Best Director Award – Ms. Venus Zhao"; and two awards in iNOVA Awards 2017, including the Group's Annual Report won Bronze Award in the "Online Annual Report Category" and the newly revamped corporate website received the Bronze Award in the "Corporate Website Category".

Looking forward, we believe that well-managed companies, with cultures that support ongoing innovation, performance and accountability, will be better placed to deliver superior returns irrespective of the economic cycle. Our focus will continue to be on enhancing our net assets value by innovation, outstanding corporate management, accountability and return to investors through long-term dividends growth. We also believe that the Shenzhen-Hong Kong Stock Connect will definitely bring us more opportunities.

Besides investors, we actively engage other key stakeholders with whom we work closely on the sustainability agenda. To continuously review our ESG strategy to create positive value and prepare this ESG report, we have again authorised an independent consultant to conduct an anonymous online survey to understand our stakeholders' expectations and views on our ESG issues during the reporting year. We received close to 600 responses from different stakeholder groups in Hong Kong, Mainland China and Australia. These stakeholders include our employees, investors, customers, suppliers, business partners, community partners, industry associations and media partners.

Based on the result of the engagement survey, both quantitative and qualitative analysis were performed. The quantitative results of the online survey were used to reassess the materiality of respective ESG issues and report the same to our management.

Issues raised by these stakeholders during the engagement process were also summarized and reported to the management of the Group. These include stakeholders' thoughts and expectations on the Group's upcoming ESG report, ESG approach and performance and the newly implemented ESG policies in the reporting year. These analyses provided insights for the Group to review and strengthen its planning and execution, as well as to enhance stakeholder-inclusiveness in its decision making.





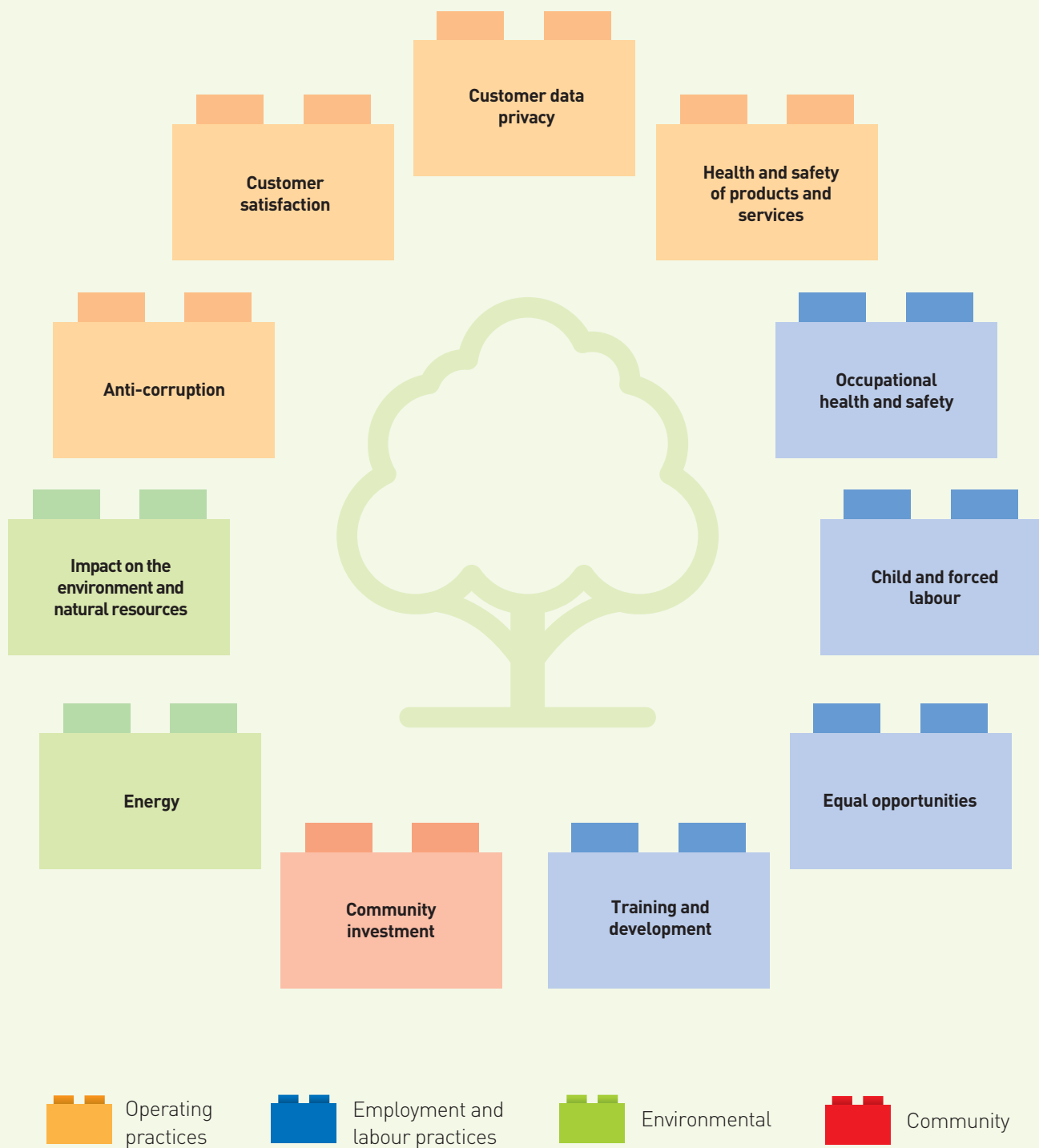
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### Assessing Materiality

The results from the online survey were used for conducting materiality assessment. To obtain a fair and comprehensive picture of the materiality of the ESG issues, we engaged representatives of our management team to undergo further analysis. ESG issues that are most material to our stakeholders and the Group are as follows:





## OUR WORK FOR OUR EMPLOYEES

Employees are the cornerstone of a successful business. We are dedicated to maintaining an inclusive, rewarding and safe work environment, where employees can enjoy their work, develop their career and grow together with the Group. Our commitment to being a caring and equal opportunity employer is reflected in our employment policies and employee engagement initiatives.

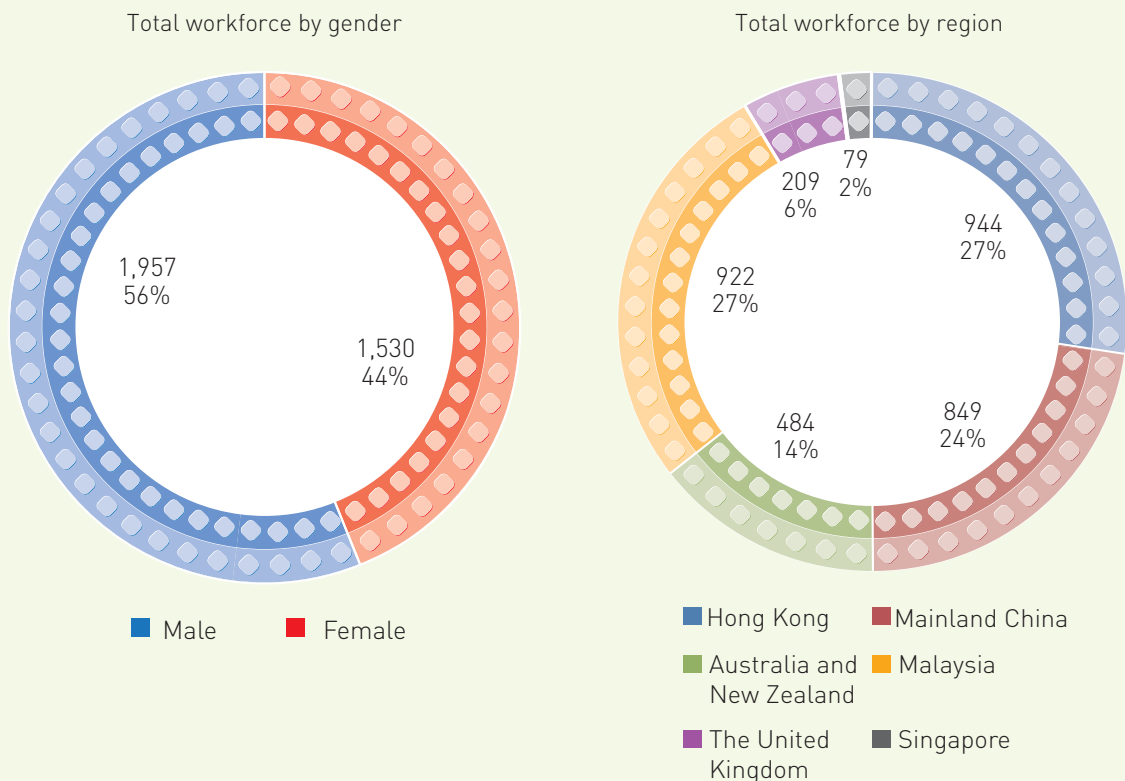
Our policies, intents and guidelines related to employment practices and employee well-being are communicated in the respective Employees Handbooks of our business units. Besides stipulating the employment arrangements and behavioural standards for our associate, the handbooks emphasise the principles we uphold in equal opportunity. Applicable to employment arrangements including recruitment and employment, promotion, transfer, layoff and termination, our equal employment opportunity policy ensures all associates and applicants are treated fairly irrespective of factors including race, religion, sex, family status, sexual orientation, physical disabilities or any other basis.

We place great attention on the prevention of child labour and forced labour. Our hiring departments verify the age and background of job applicants during the recruitment process by examining the originals of their identity documents. Employment of anyone below the minimum statutory age and forced labour of any kind are strictly prohibited.

During the reporting period, there were no cases of non-compliance with laws and regulations related to employment, employee health and safety, child and forced labour and corruption.

### Employee Profile<sup>23</sup>

**Total number of employees as at 31 March 2018: 3,487**



2 "Total workforce" here refers to the total number of employees of all business units of the Group. Other than this section, quantitative information disclosed in this report aligns with the reporting scope as specified in "About Our Environmental, Social and Governance Report" section.

3 Percentages rounded to the nearest unit.



### Maintaining Business Integrity with Employees

A good business maintains strong ethics. To achieve this, a high degree of alignment with the same set of standards among employees is essential. With our Code of Business Conduct (the "Code") in place, working practices and employee behaviour are guided by the principles stipulated.

The Code covers the definitions and requirements concerned with various topics, including those related to:



- Prevention of corruption and anti-competitive behaviour: Insider Trading, Conflicts of Interest, Political Contributions, Competition and Fair Dealing;
- Personal integrity: Corporate Opportunities;
- Human rights: Discrimination and Harassment, Health and Safety;
- Product and service responsibility: Confidentiality; and
- Environmental protection.

Enhancing associates' awareness towards unethical behaviour is the key to effective enforcement of the Code. Therefore, we organise training for employees on ethics-related topics from time to time to deepen their understanding. For instance, Dorsett Kwun Tong invited the Hong Kong Independent Commission Against Corruption ("ICAC") to conduct a seminar this year, during which trainers explained to our associates on how to prevent anti-corruption arising from work. Besides, employees are required to sign an acknowledgement annually as confirmation that they understand and are willing to comply with the Code.



Seminar conducted by ICAC representatives

Procedures to report breaches of the Code are in place. If suspected misconduct or malpractice is identified, employee can report it verbally or in written form to their supervisors, managers or the appropriate personnel as appointed by the Group. For situations where it may not be appropriate for the associate to discuss such issues with his/her supervisor or manager, some of our business units have also established dedicated hotlines. Complainants' identities are kept confidential. They are also protected by the Group from any retaliation for reports made in good faith.

During the reporting period, no concluded legal cases regarding corrupt practices were reported.



### Enhancing Work Safety and Engaging Our Employees

Our policy on occupational health and safety is communicated through our employee handbooks and the Code. Maintaining a safe and healthy workplace is defined as a shared responsibility of all employees and officers. Employees are also educated to conduct work in a manner that is free of violence, drugs, alcohol and other restricted substances, as well as to report safety hazards, including unsafe equipment, practices or conditions when identified.

To raise the knowledge and awareness of our employees, both internal and external training related to health and safety topics have been arranged. For instance, in September 2017, Dorsett Tsuen Wan arranged the Internal Fire Drill Training 2017 with 63 participants from all departments of the hotel. In Dorsett Kwun Tong, occupational health and safety talks were arranged quarterly in collaboration with the Labour Department; a talk on "Manual Handling Operations and Prevention of Back Injuries for the Hotel Industry" was also organised this year.



Occupational health and safety talk



Internal fire drill

Apart from accident prevention, we invested resources to enhance health consciousness among employees. All employees in the Group are covered by medical insurance. Other than general coverage, in Silka Far East, Silka Seaview and Silka West Kowloon, Hong Kong, three other types of physical checkup plans including one especially for women are provided to employees with half of the cost shared by the Group. At our Australian offices, annual medical checks and flu shots are arranged for associates. To promote a healthy and balanced lifestyle, all Australian associates receive weekly exercise training and remedial massage sessions. We also provide fresh fruit for employees on a weekly basis.

During the reporting year, the Group did not find any cases of non-compliance regarding employee health and safety, nor any work-related fatalities. However, work-related injuries were reported at our hotel operation, which led to a total of 558 lost days within this reporting period. Investigations have been carried out accordingly; all injured employees concerned have received paid sick leave, proper medical treatment and insurance compensation.

The Group hopes to create a workplace that employees find enjoyable. Through organising a variety of employee activities, we promote work-life balance and a sense of engagement with the Group. These include dinners, parties, voluntary services, sports events, festive celebrations, festive gatherings and skill-related competitions. To promote family cohesion, employees' families are invited to join some of our events.





## FY2018 Activities Highlights



### Family Fun Day in Dorsett Tsuen Wan

In July 2017, 40 guests from 15 families were invited to join our associates in enjoying a clown show at the hotel. Associates' family members also paid a visit to their workplaces.



Associates had a great time with their families

### Parenting activity in Dorsett Kwun Tong

Activities were arranged aimed at promoting stress relief and family cohesion among our associates. This year, an art competition was organised during summer for employees to participate in with their children.



Artwork created by our employees' families

We strive to promote an open, honest and communicative relationship between management and associates. Electronic channels are used to issue invitation letters, notices and newsletters from time to time, allowing associates to stay connected with the latest news and development of the Group. At Dorsett, we make use of an Associate Engagement Survey to assess how our associates engage with us, in dimensions including corporate culture, leadership, work-life balance, personal development, teamwork and total rewards. Based on the results, we review and enhance our people agenda in attracting, training, developing and retaining talents. This year, the results were reviewed by our Management Team. As a follow-up to the findings, focus groups and action plans were formulated to implement improvement measures.

We encourage associates to discuss work-related matters with their direct managers, including grievances concerning employment issues. Under circumstances where it is not appropriate to do so, employees can voice concerns through our grievance procedures. For instance, in our hotel operation, associates can refer the issue to his/her Department Head, who will also involve the Human Resources Department. If the grievance is still unresolved, discretion ultimately rests with the relevant Director and the head of the Human Resources Department.



### Offering Training and Development Opportunities

It is our policy to empower our associates through adequate training and development opportunities, with the objective of enhancing their job performance and capabilities for future advancement. Orientation and induction programs are organised for all new employees to understand the Group's work culture and environment. In-house training and external training are arranged from time to time based on the training needs of specific business units. During the year, the Group delivered over 3,500 hours of training to its employees.



OVER  
**3,500**  
HOURS OF TRAINING



To plan for employee's training and development in a more structured manner, Dorsett Hospitality International launched its Talent Development Roadmap this year, which outlines a wide range of programmes available for associates at different levels with different needs. For instance, customer care related programmes such as service recovery and telephone etiquette are designed for customer-facing functions. For associates with people management responsibilities, programmes covering supervisory skills, performance management and train-the-trainer are arranged. To enhance the competencies of our associates with leading roles, courses related to leadership and management development have been organised.

#### In-house training

##### Leadership Development Programme arranged by Dorsett

In 2017, Dorsett commissioned the School of Hospitality and Tourism Management of Hong Kong Polytechnic University ("PolyU") to design, develop and deliver a customised Leadership Development Programme. Targeting the hotels' senior employees, the Programme comprises three stages with a range of courses. Training topics included Innovation and Leadership in Hospitality, Strategic Management, Leadership Coaching and Managing Organisational Changes. The first and second stages of the Programme had been completed in April and October 2017 respectively; more than 50 senior management team members from the corporate office, regional office and hotels participated in the Programme, including on-campus lessons conducted by professors from PolyU.







### **Management Development Programme ("MDP") co-developed by Dorsett with Hong Kong Vocational Training Council ("HKVTC")**

This ten-module programme aims to equip our middle management with essential management skills to be effective leaders in Dorsett. Further to the successful launch in Hong Kong, Dorsett has collaborated with HKVTC to extend the scope of this MDP to our operation in Malaysia in 2017. Over the last three years, more than 70 supervisors and managers have been trained in Hong Kong and Malaysia.



### **Interviewing and Recruitment Workshops**

Targeting line managers and human resources leaders who are responsible for recruitment, this programme is launched to sharpen their knowledge and skill-sets in conducting effective interviews. This programme helps participants get familiar with our recruitment policies and procedures, talent resourcing process and competency-based behavioural interview technique, so as to select the right talents. Since September 2017, this programme has been launched in our hotels in Hong Kong, Mainland China and Southeast Asia region.





### On-the-job Trainings

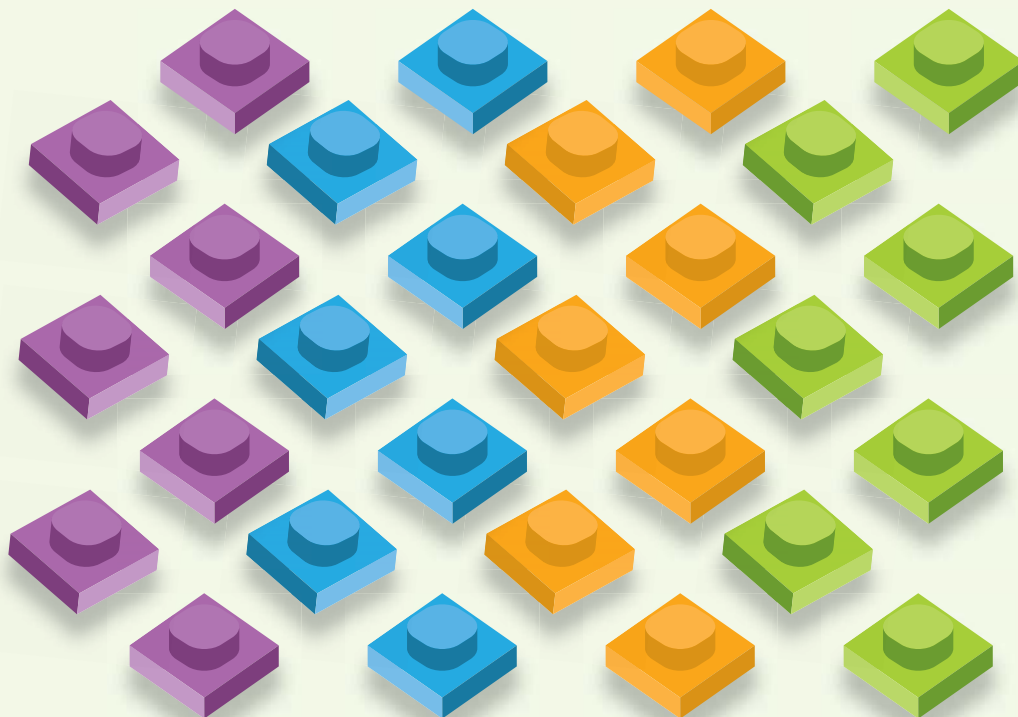
Dorsett hotels aim at further enhancing job performance of our associates and creating a learning culture in Dorsett. The ultimate goal is to achieve great guest experience and to fulfil our corporate vision – “Bringing Asian Inspired Hospitality to the World”. In this regard, departmental trainers have been identified in each hotel property who are responsible for conducting on-the-job training for associates in their respective department on an ongoing basis.

### External training

#### Professional Customer Services Training

In August 2017, four of our managerial associates from Dorsett Tsuen Wan, Dorsett Grand Chengdu, Dorsett Wuhan and Lushan Resort participated in the “Certificate Programme for Professional Butlers” co-organised by HKVTC and a worldwide recognised butler service from UK Savoy Butler Academy. This programme aims to equip participants with the necessary skills to create memorable experience for our exclusive guests through theoretical and practical training. Meanwhile, this provided a valuable learning opportunity for our managerial associates to exchange ideas and best practices in their hotels.

We remunerate and promote associates based on their performance record and demonstrated ability which is assessed regularly in accordance with the established performance review system. For instance, in our Australian offices, the review is conducted in the form of discussion sessions of employees with their immediate manager, during which they are provided with feedback on their personal strengths and areas for improvement. Every year, a year-end discretionary bonus may be granted to recognise the performance of outperforming associates. The review also guides our decision-making on whether to advance associates to positions with greater responsibilities.





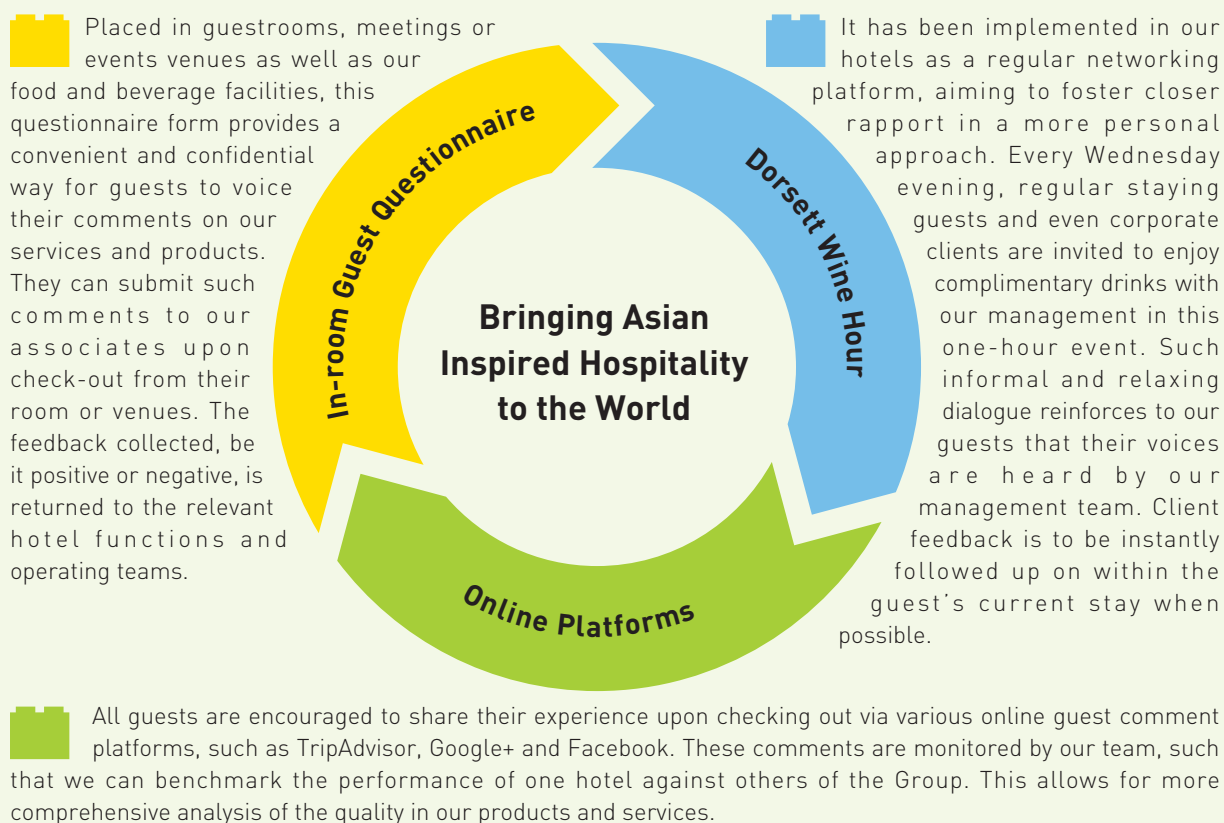
## OUR WORK FOR RESPONSIBLE OPERATION

Upholding ethics is fundamental to the continuity of business. To ensure a high level of integrity, the Group is committed to ensuring our business decisions and practices adhere to the Code. Applicable to the Board and all employees, the Code provides clear guidance on the responsibilities and obligations that everyone in the Group should observe. With full compliance in our operating locations being the bottom line, we strive to build a trusting and sustainable relationship with our stakeholders.

During the reporting period, there were no cases of non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services.

### Delivering Quality Services and Products

Being the most customer-facing in nature among our businesses, the Group's hotel operation endeavours to achieve operations excellence and create a memorable experience for our guests. To accomplish this mission, we strive to enhance guest satisfaction by continuously integrating their feedback into our improvement initiatives. This is achieved by various communication channels:





In our hotels, a range of channels are available for customers to lodge complaints, including



Face-to-face  
dialogue with  
the hotel's Guest  
Services Manager  
or the Concierge



Dedicated email  
box



Live chat room on  
the hotel website



Feedback  
collection button  
on smart phones  
provided for  
guests' free use



Online platforms  
monitored by our  
Brand Marketing  
Department in  
consultation with  
the hotel's General  
Manager

All our hotel associates are trained in the processes for handling direct guest complaints. Upon receiving a written complaint, it is our policy to ensure a timely response within 48 hours. For complaints lodged using the feedback collection button, the message will be forwarded to the Housekeeping, Front Office, Financial Controller and General Manager of the hotel, and response within 1 hour is guaranteed. In the reporting year, a total of 241 complaints were recorded in our hotel operation.

FEC plans to introduce a new customer relationship management system in FY2019 to improve our database management. The system has extended our communication lines to all customers, including VIP clients. In addition, quarterly newsletters are sent out including information gained from our Industry Insight Evenings as well as general FEC project updates and news.



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Our pursuit of excellence in customer satisfaction is widely recognised in the hospitality industry. In the reporting period FEC attained the below awards or certifications:

<b>Dorsett</b>	<ul style="list-style-type: none"> <li>Hotel of the Year Award – Best 4-star Hotel Group Worldwide 2017 – Service Innovations, awarded by Hotel of the Year Awards</li> <li>Best International Brand Hotel Group 2017, awarded by International Hotel Forum Organisation, China</li> <li>Local Brand Hong Kong Best of the Best Award 2017, awarded by Local Brand Hong Kong Awards 2017</li> <li>Best Hotel Chain, awarded by Ctrip</li> </ul>
<b>Dorsett Wanchai</b>	<ul style="list-style-type: none"> <li>Best Family Hotel in Hong Kong - Hong Kong Business High Flyers Outstanding Enterprise 2017</li> <li>Best of +VIP Access Hotel, awarded by Expedia</li> <li>Certificate of Excellence , awarded by TripAdvisor.com</li> </ul>
<b>Dorsett Mongkok</b>	<ul style="list-style-type: none"> <li>Loved by Guests Award 2017, awarded by Hotels.com</li> <li>Best Partner Award, awarded by Ctrip</li> <li>Certificate of Excellence, awarded by TripAdvisor.com</li> </ul>
<b>Dorsett Tsuen Wan</b>	<ul style="list-style-type: none"> <li>Best Selling Hotel, awarded by Ctrip</li> </ul>
<b>Dorsett Kwun Tong</b>	<ul style="list-style-type: none"> <li>Loved by Guests Award 2017, awarded by Tripadvisor.com</li> <li>Certificate of Excellence, awarded by Tripadvisor.com</li> <li>Bronze Award 2017, awarded by Rakuten Travel</li> </ul>
<b>Cosmo Hotel</b>	<ul style="list-style-type: none"> <li>Best of +VIP Access Hotel, awarded by Expedia</li> <li>Expedia Awards 2017 – Top Expedia Holidays Property (Hong Kong), awarded by Expedia</li> <li>Expedia Awards 2017 – Top Selling Property (Hong Kong), awarded by Expedia</li> </ul>
<b>Lan Kwai Fong Hotel @ Kau U Fong</b>	<ul style="list-style-type: none"> <li>2017 Luxury Boutique by World Luxury Hotel Award</li> <li>Best Extranet Master, awarded by Booking.com</li> <li>Certificate of Excellence, awarded by Tripadvisor.com</li> <li>Best Partners Award, awarded by Ctrip</li> <li>Top Loyalty Property, awarded by Expedia</li> </ul>
<b>Silka Tsuen Wan</b>	<ul style="list-style-type: none"> <li>Service Excellence Hotel of the Year 2017, awarded by the GHM Hotel General Manager Association</li> </ul>
<b>Dorsett Shanghai</b>	<ul style="list-style-type: none"> <li>2017 The Best International Business Hotel Platinum Awards, awarded by the International Hotel Forum Organization</li> <li>2017 China's Most Popular Business Travel Hotel, awarded by the International Hotel Forum Organization</li> <li>2017 Very Good Guest Review Score, awarded by Hotels.com</li> <li>2017 Certificate of Excellence Accorded by TripAdvisor.com</li> </ul>





## Observing Product and Service Responsibility

Customers rely on complete and accurate information to make decisions. To safeguard customers' interests, we have implemented strict control on the quality and security of information involved in our operating activities. In practice, the Group keeps itself updated on the latest laws and regulations to ensure our current sales and privacy measures comply with local requirements.

For instance, the Group has continuously allocated resources to ensure the compliance of our marketing materials and sales arrangements related with the Residential Properties (First-hand Sales) Ordinance in Hong Kong. These materials include sales brochures, price lists, payment terms, show flats, registers of transactions and advertisements. Besides, we require our property agencies in Hong Kong to attend our training sessions before conducting sales activities on our behalf. Inspections at our show flats and examination of relevant marketing materials were conducted by the authority, which determined that we complied with the Ordinance.

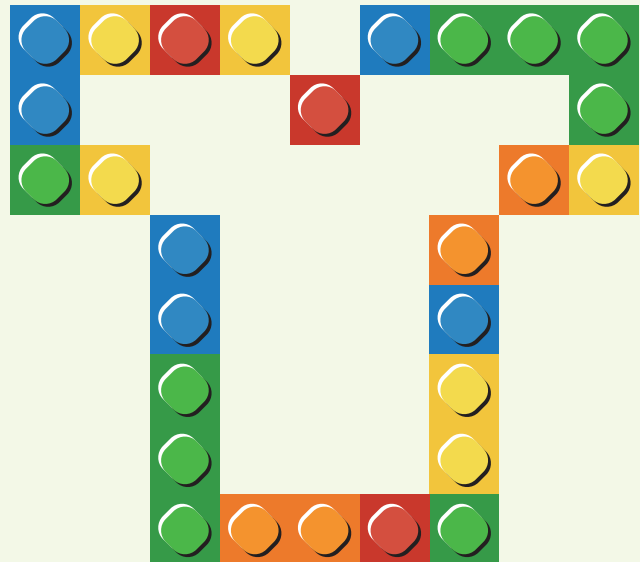
As stipulated in our Product Responsibility Policy, the Group strictly follows the Personal Data (Privacy) Ordinance in Hong Kong and relevant legal requirements relating to the collection, retention, handling, disclosure and use of personal data in all operating locations. A personal information collection statement is included upon collection of customers' personal data. Use of customer data in direct marketing or communication without prior consent from customers is strictly prohibited. All buyers' personal information is encrypted and stored in our database servers, accessible only to authorised employees with an individual password.

We also require our associates to maintain the confidentiality of proprietary information entrusted to them by the Group of its customers or suppliers. Such information includes intellectual property include but is not limited to patents, trademarks, copyrights and engineering and manufacturing ideas. Related definitions and requirements are conveyed in the Code.

## Influencing Our Supply Chain

The Group's businesses have a complex supply chain, involving over 4,000 suppliers, contractors and subcontractors, which not only affects the quality of our products and services, but also determines how effectively we can manage environmental and social risks.

To create a greater positive impact along the value chain, the Group has established a Procurement Policy that stipulates our procurement ethics, as well as the requirements for our supply chain partners. In particular, we advocate green procurement and implement it at the site level of our operations.





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### Green procurement in practice – Perth City Link, Australia

#### Sourcing greener materials and appliances

Energy efficiency at the consumption stage highly relies on the hardware embedded in the building. Based on our Sustainable Procurement Guide developed for the project, we have engaged and selected suppliers to deliver energy-efficient products as part of the base-building works of the apartments and hotels. Domestic clothes dryers, dishwashers, refrigerators and clothes washers to be installed are required to be within the 85th percentile of available star ratings under the Australian Government's 'Energy Rating' labelling system. Reinforcing steel is sourced from steel-makers who adopt less energy intensive manufacturing processes, resulting in an energy reduction of at least 40MJ per tonne of steel.

#### Empowering our supply chain partners

Apart from regular site meetings, our main contractor organises on-site training for all subcontractors from time to time. Training covers topics ranging from core concepts of global warming, climate change to the health impacts of minimum building practices. This site-specific training is tied into the workplace site inductions, ensuring that all personnel undertaking works on-site are educated on sustainable solutions.

Local sourcing and using recycled products are also incorporated into our green procurement strategies. We encourage our suppliers to use locally produced goods. This implies a shorter travel distance for delivery, resulting in lower fuel use and carbon footprint. Besides, currently our Australian office uses 100% recycled paper for photocopying and printing.

The Group also works closely with our contractors to ensure sound safety management at project sites. We ensure that our main contractors provide induction training on health, safety and environmental ("HSE") risks and controls for their employees and subcontractors. Taking QWB integrated resort project as an example, workplace inspections are carried out to monitor site safety. Some inspections are jointly conducted by the management of the project, HSE Coordinators and representatives from our subcontractors to identify, record and remediate workplace hazards. Risks identified and the corresponding control measures are communicated with workers through daily prestart and toolbox meetings. Over 130 inspections and 150 task observations were completed in this year.

## OUR WORK FOR THE ENVIRONMENT

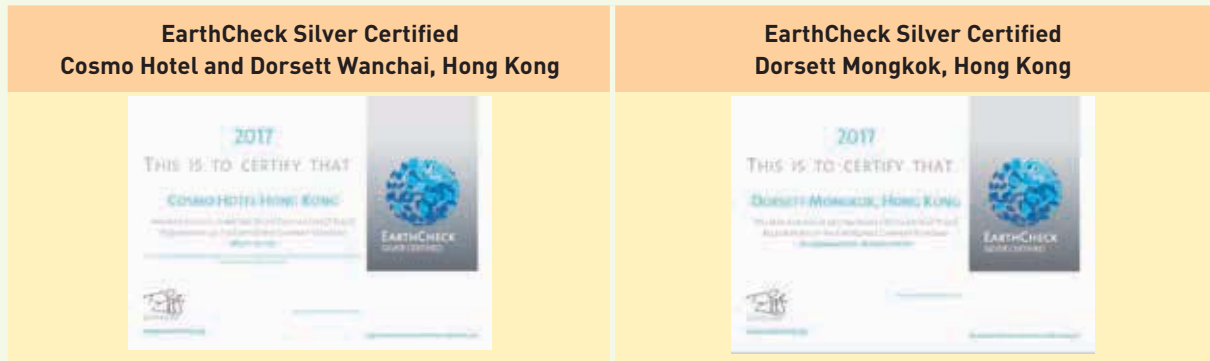
The Group is committed to understanding and managing our environmental risks and opportunities, with the objective of creating value by continuously improving our environmental performance. Guided by our Environmental Policy with the support of the ESG Committee, we have stepped up our efforts in environmental management in this financial year.

Apart from implementing initiatives to enhance our efficiency in utilising energy, water and other resources, we started measuring our environmental impacts quantitatively. An internal system has been established in which various business units collaborate to collect and monitor environmental data. This report marks the beginning of the Group's disclosure of environmental key performance indicators ("KPIs") in greater detail. We will continue to maintain the system and ensure accurate and consistent year-to-year disclosure for our stakeholders.

We also strive to extend our influence to our stakeholders. We encourage contractors to operate in an environmentally friendly manner. To achieve better alignment, we communicate with contractors on our environmental standards, and meet periodically to work out practical environmental solutions at construction sites.



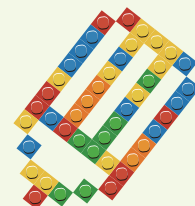
Three of our hotels were once again certified by EarthCheck in 2017, one of the world's leading scientific benchmarking certification and advisory groups for travel and tourism. This recognises our performance in environmental stewardship social responsibility, demonstrating to our customers the Group's dedication to putting sustainability into practice.



Other recognitions, achievements, charters and partnerships related to environmental protection obtained this year include:

<b>Silka West Kowloon, Silka Seaview and Silka Far East</b>	<ul style="list-style-type: none"> <li>• Gold Award of Charter on External Lighting, accorded by the Environment Bureau, HKSAR</li> <li>• Certificate of Energy Saving Charter 2017, accorded by the Environment Bureau and Electrical and Mechanical Services Department, HKSAR</li> <li>• Certificate of Energy Saving Charter on "No Incandescent Light Bulbs", accorded by the Environment Bureau and Electrical and Mechanical Services Department, HKSAR</li> </ul>
<b>Silka Tsuen Wan and Dorsett Tsuen Wan</b>	<ul style="list-style-type: none"> <li>• Certificate of Energy Saving Charter 2017, accorded by the Environment Bureau and the Electrical and Mechanical Services Department, HKSAR</li> <li>• Became CLP Eco Rewards Scheme Green Partner since 2017</li> </ul>
<b>Dorsett Tsuen Wan</b>	<ul style="list-style-type: none"> <li>• Energywi\$e Certificate, accorded by the Hong Kong Green Organization Certification</li> <li>• Wastewi\$e Certificate, accorded by the Hong Kong Green Organization Certification</li> </ul>
<b>Lan Kwai Fong Hotel &amp; Kau U Fong</b>	<ul style="list-style-type: none"> <li>• 2017 Friends of EcoPark Certificate of Appreciation, accorded by the Environment Bureau, HKSAR</li> </ul>
<b>Dorsett Shanghai</b>	<ul style="list-style-type: none"> <li>• Green Hotel of Silver Leaf Awards, accorded by China Hotel Tourism Board</li> </ul>
<b>Upper West Side, Melbourne</b>	<ul style="list-style-type: none"> <li>• Inaugural AIH Green Space Urban Award, awarded by the Australian Institute of Horticulture for the Sky Park and Gardens</li> </ul>

During the reporting period, there were no cases of non-compliance with relevant environmental laws and regulations at any of the Group's operating locations.





## Embedding Sustainability into Our Properties

Our impact on the environment and natural resources is closely associated with how smart and green the premises are. A green building design allows for better utilisation of energy and water during day-to-day operation. Therefore, the Group has focused on integrating green building design elements into our development projects.

### Australia

Our **Upper West Side Tower 1-4 project in Melbourne, Australia** was awarded 4 Star Green Star – Multi Unit Residential v1 Design rating in 2016 by Green Building Council Australia. It has been recognised as one of the largest residential development in Australia that incorporated innovative sustainable features.



In 2017, Upper West Side received Commendation for Urban Design by Australian Institute of Architects. **FEC's Upper West Side – Sky Park and Gardens** were further awarded the Inaugural AIH Green Space Urban Award by Australian Institute of Horticulture.



Located on the fifth and sixth floors of the development project, Sky Park and Gardens are the largest and most intensive roof garden in Australia. The soil mix is precisely engineered to meet the needs of 12,014 plants used across 232 species. The gardens incorporate special designs to cater to a variety of climate conditions and achieve a 50-year life. It is estimated that the entire garden will sequester 2.6 tonnes of carbon, and achieve 30% more water holding capacity and water savings of around 4 to 5 million litres each year.

### Hong Kong

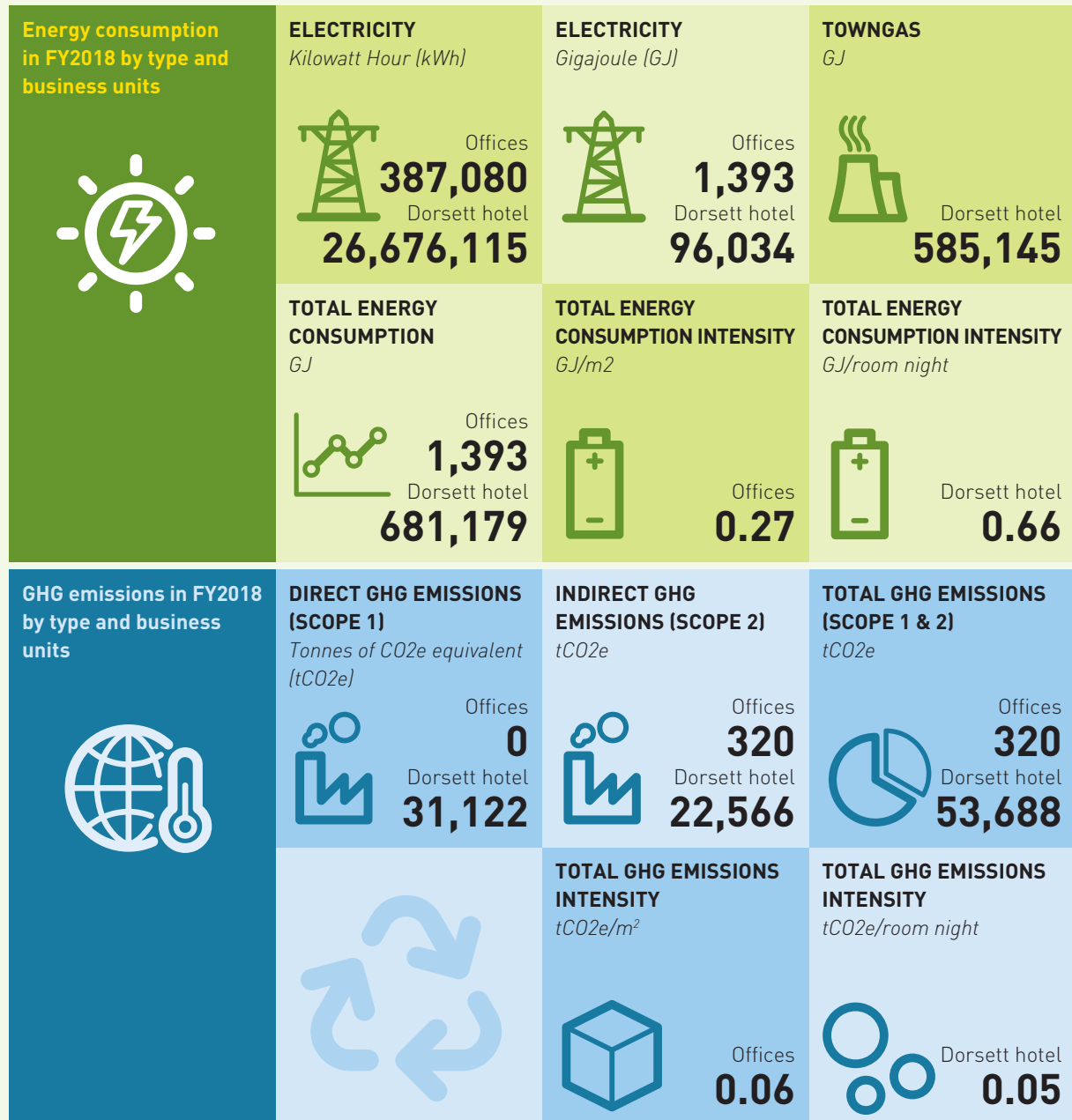
**Hai Tan Street Project in Sham Shui Po, Hong Kong** is one of the Group's residential development projects in Hong Kong acquired from the URA. This project has achieved BEAM PLUS "Provisional Gold" rating by the Hong Kong Green Building Council.





## Reducing Energy Consumption and Carbon Footprint

Purchased electricity constituted the majority of the Group's energy consumption, it is also the major source of our greenhouse gas ("GHG" or "carbon") emissions.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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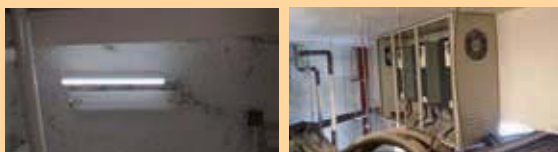
FAR EAST CONSORTIUM INTERNATIONAL LIMITED

Currently, LED lighting is installed in our offices in Hong Kong, Shanghai and Australia. To further reduce electricity consumption and our associated carbon footprint, the Group has actively explored and invested in new technologies at hotels and construction sites as well.

### Hong Kong

*Increasing the coverage of LED lighting with smart devices in Dorsett Tsuen Wan*

This year, traditional staircase lighting was replaced with LED lighting. Such lighting is equipped with a radiation sensor that automatically adjusts the lighting by intelligent detection of the surroundings. When no movement is detected, lighting is dimmed to a level that consumes only 10% to 40% of the power required by full lighting. It is estimated that the new lighting can bring 70% savings in electricity consumption. Currently, LED lighting has been adopted in most of the areas in our Dorsett Hotels, including guest rooms, staircases and other public areas.



*Upgrading the chilled water pump system to enhance energy efficiency in Dorsett Kwun Tong*

Variable speed drives were added to three sets of chilled water pumps. These drives work as a frequency converter that effectively controls AC motors by manipulating voltage and frequency. The system enables variable speed regulation of the pump motor, which results in energy savings of approximately 20%.

*Adjusting system settings to achieve energy saving in Dorsett Group Hotel*

In all guest rooms of Dorsett Hotel, guests must insert a keycard into the key switch to turn on the power supply. When the keycard is released from the panel, after about 25 seconds the circuit is switched off automatically except for computer sockets, refrigerators and fan coil units ("FCU"). Meanwhile the FCU, being a part of the heating, ventilation and air-conditioning system, is switched to low fan speed mode when the chilled water solenoid valve is off.

### Mainland China

*Adopting centralised concrete mixing in Royal Crest II, Shanghai*

We have also introduced measures in our development projects. In the Group's construction site in Shanghai, concrete mixing is carried out in a centralised concrete batching plant. This helps optimise the mixing time and quantity to achieve better production efficiency, while lowering the direct emission of air pollutants onsite such as flying dust.

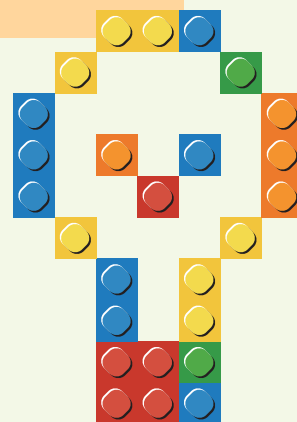
### Australia

*Enhancing energy in the West Side Place project site, Melbourne*

We also care about our energy performance during the construction stage of our property. To reduce energy usage associated with heat absorption, R4 insulation has been applied to the rooftop and walls of this site office. Master off switches are also installed to isolate all air conditioners and lighting when the premises are locked up.

*Real-time monitoring of electricity consumption in Upper West Side, Melbourne*

At the FEC-occupied retail lots, electricity usage is real-time monitored by smart meters. Through this, we are able to identify zonal consumption pattern and hence energy saving potential. By turning off non-essential electricity, average monthly usage in our retail lots can be lowered by around 2,750 kWh, equivalent to a reduction of GHG emissions of 2.5 tonnes per month.





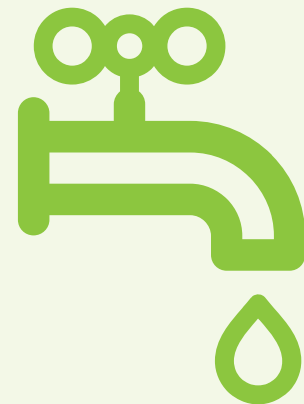


## Conserving Water

Our operating locations within the reporting boundary are currently sourcing sufficient water from municipal supplies. Nevertheless, we regard water as a major natural resource consumed in the Group. In particular, the hotel operation accounts for over 99% of our total water consumption, being the most water-intensive operation in the Group.

### Water consumption<sup>4</sup> in FY2018 by business units

Water use		
MUNICIPAL WATER <i>Litre (L)</i>	TOTAL WATER CONSUMPTION INTENSITY <i>L/m<sup>2</sup></i>	TOTAL WATER CONSUMPTION INTENSITY <i>L/room night</i>
Offices <b>16,383</b>	Offices <b>3.22</b>	Dorsett hotels <b>266.80</b>
Dorsett hotels <b>274,631,960</b>		



Various measures are in place to conserve water at our operating locations:



#### Hotels

In some of our hotels, water efficient taps and showerheads are installed in guest rooms and public bathrooms.

Water conservation cannot be achieved without the support of our guests. Therefore, to enhance guests' awareness, signs are placed in guest rooms to remind our customers that every drop counts. Instead of changing the linen every day, we ask our guests to notify our room attendants when they require a change.



#### Property Development

Consideration of water efficiency is demonstrated both in the construction and usage of the properties.

In the Perth City Link project in Australia, rumble grids are installed at the site access points to remove dirt from vehicles instead of using water for wheel washing; in our Hong Kong construction sites, the use of desilting tank systems and recycled water is encouraged. Besides, 95% of sanitary fixtures must be water-efficient, achieving at least one star of the best available rating under the Water Efficiency Labelling Scheme.



#### Offices

Although water consumption from our corporate offices is less significant, it is also one of our management focuses.

For instance, for acquisition of new bathroom facilities, we refer to product labels and certifications and prioritise those with higher water efficiency. Toilets are also equipped with dual water efficient taps, showerheads and dual flush systems.


<sup>4</sup> Water consumption from Dorsett corporate office is not included in the reported data.

## Managing Waste

Waste streams vary among our business units. For hotels and the Hong Kong office, most of the waste generated is non-hazardous in nature, including general waste and food waste. For our property development segment, construction waste is generated from works carried out by our contractors.

In our hotels, waste is either recycled or collected for disposal at landfills by appointed waste collectors, while that of our Hong Kong office is handled by the property management company. The Group also maintains regular communication with our contractors to ensure that waste generated at our construction sites is handled by the government panel suppliers in order to control unlawful waste dumping. For hazardous waste, licensed service providers have been appointed to collect and treat the waste properly before disposal.

### Waste disposal in FY2018 by waste type and business units

Waste type by business unit	Unit	Waste disposal
	<b>Offices</b>	
	General waste	Tonnes 26
	<b>Dorsett hotels</b>	
	General waste	Tonnes 768
	Food waste <sup>5</sup>	Tonnes 71
	<b>Property development</b>	
	Construction waste <sup>6</sup>	Tonnes 9,362

In the reporting period, total non-hazardous waste generated<sup>7</sup> from the Group's operations amounted to 10,227 tonnes additionally, approximately 13 tonnes of general waste, including paper and plastic, was handled by authorised recyclers.

Avoiding waste at source is our main waste reduction strategy. Applicable to all our operations, it is our policy to segregate, then reduce, reuse and recycle waste whenever possible. To achieve this goal, we work jointly with our guests, contractors, tenants and employees. Some of the best practices include:



#### Hotels

In our hotels, instead of disposing of used bottled amenities in guest rooms, our housekeeping employees refill them to promote reuse. Collection bins are placed in prominent areas such as driveways to collect plastic bottles. It is estimated that 240kg of waste plastic can be collected annually for recycling.



#### Property Development

In the Perth City Link and BC Brisbane IR Joint Venture projects in Australia, construction waste, topsoil and excavated rock are reused on-site or in other sites as fill materials. In Upper West Side, Australia, a waste diversion program engaging tenants has been implemented. This includes installation of recycling facilities such as general waste and cardboard compactors, as well as education programs and materials for tenants.



#### Offices

At our corporate office, we continue to pursue paperless options and employees are encouraged to use electronic means for internal and external communication. When printing is necessary, double-sided printing is preferred. Similarly, bins are placed to collect waste paper and toner cartridges for recycling. At our Shanghai office, when there is a need for renovation, furniture and fixtures such as sofa, flooring and toilet seats are reused where possible.

<sup>5</sup> Food waste generated from restaurants that are managed and operated by external parties are not included in the data reported.

<sup>6</sup> Construction waste is resulted from works carried out by our contractors at our 7 construction sites in Hong Kong and the Mainland China.

<sup>7</sup> Total non-hazardous waste produced is the sum of total non-hazardous waste disposal, including general waste and food waste, and total non-hazardous waste recycled.



## Australia

### *Reducing waste through lean construction in the Towers at Elizabeth Quay in Perth, Australia*

Waste reduction can be more effectively achieved when integrated into the planning of a construction project. Hence, in our project of The Towers at Elizabeth Quay, our main contractor adopted a lean construction methodology in which systems and works activities were designed to minimise the wastage of materials. This system involves efficient scheduling and just-in-time deliveries of materials, standardised vertical lift and hoist management and avoidance of overproduction.

## OUR COMMUNITY

With our business operations closely relate to community development, we are aware of our responsibility in community development. Going beyond our core business to provide quality products and services, we are committed to understanding the needs of the communities in which we operate and to contribute to their sustainable growth. The Group and its subsidiaries in different operation units have been investing into a wide range of community projects, with the focus on environment, education and society, and especially on the promotion of sustainability in arts and culture.



Our contribution is not limited to monetary donations, as our employees actively participate in community projects to work closely with local communities on our focus areas. During the reporting year, we contributed HK\$8,101,000<sup>8</sup> and devoted 5,970 voluntary hours in our communities:



**5,970**  
**VOLUNTARY HOURS**  
in our communities



During the reporting year,  
**WE CONTRIBUTED**  
**HK\$ 8,101,000<sup>8</sup>**

<sup>8</sup> The dollar amount stated includes donations made by all business units under the Group in FY2018.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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### Joining The Common Cordgrass Removal Action Team to conserve biodiversity



The Group collaborates with non-governmental organisations in helping with biodiversity conservation. Our colleagues in Lan Kwai Fong Hotel @ Kau U Fong participated in a voluntary program, The Common Cordgrass Removal Action, organised by Green Power to halt the ongoing invasion of wetland ecosystems by common cordgrass.

Common cordgrass is an invasive species that grows rapidly, and can take over a large area of wetlands in a short time, influencing the natural growth of mangroves. This threatens the lives of various species which inhabit mangroves.



9 of our colleagues participated in this Removal Action, contributing 36 volunteer hours to conserve threatened wetland species and maintain ecosystem sustainability.

### Sharing love and joy with the elderly through food sponsorship and free luncheon buffets during Christmas

Silka Seaview, Silka Far East and Silka West Kowloon supported Helping Hand through food sponsorship to share love and joy with the elderly during Christmas. Helping Hand is a local charity focusing on providing personalised residential care services for early residents, such as organising rehabilitative, social, recreational, education and developmental activities. While we partnered with Helping Hand, we aim to encourage our hotel employees to take part in community activities and to express our care to elderly residents in our communities.

During Christmas, we sponsored Helping Hand and helped provide food to a Christmas party at the Father Sean Burke Care Home for 70 elderly residents. In addition, we invited 58 elderly residents and 2 employees from Helping Hand Chuk Yuen Housing to participate in our Luncheon Buffet Event @ Silka Far East on 15 December 2017. The elderly enjoyed the food we offered and appreciated our employees' caring attitude.





## Supporting the next generation for higher education and development in art and culture

With the Group's continuous support of higher learning, Dorsett has contributed about HK\$2.9 million of scholarships over the last five years, with over 850 award recipients from Ju Ching Chu Secondary Schools and HKVTC.



HK\$2,900,000  
**Support of higher  
learning**



>850  
**Award Recipients**  
from Ju Ching Chu Secondary Schools  
and Vocational Training Council

The second Reunion@Dorsett was held at Dorsett Wanchai, Hong Kong on 26 June 2017. This annual event aims to gather scholarship awardees from past years for bond building and experience sharing. Around 100 joiners, including students and delegates from Ju Ching Chu Secondary Schools, Vocation Training Council, Wu Yee Sun College of the Chinese University of Hong Kong and School of Hotel & Tourism Management of the Hong Kong Polytechnic University participated in our Reunion. We were honoured to include Teresa Kwong, Programme Director of Hong Kong Arts Centre, Arnold Chan, Founder and CEO of Teach4HK, our Core Team members and colleagues from our HK corporate office, as our guest speakers to share their stories, experiences and inspirations with the participants.



Ms. Winnie Chiu, the President and Executive Director of Dorsett, has proactively shown her support to the development of arts and culture in Hong Kong by organising fund raising events. As a Chairperson of the Academy Ball of the Hong Kong Academy for Performing Arts (APA), she helped to raise around HK\$30 million of APA scholarships to support future artists with sustainable transferable skills. In the same year, she organised the Hong Kong Arts School 1st Alumni Exhibition "Deep Silence", as a fund raising event to promote local artists and support the Hong Kong arts ecosystem.

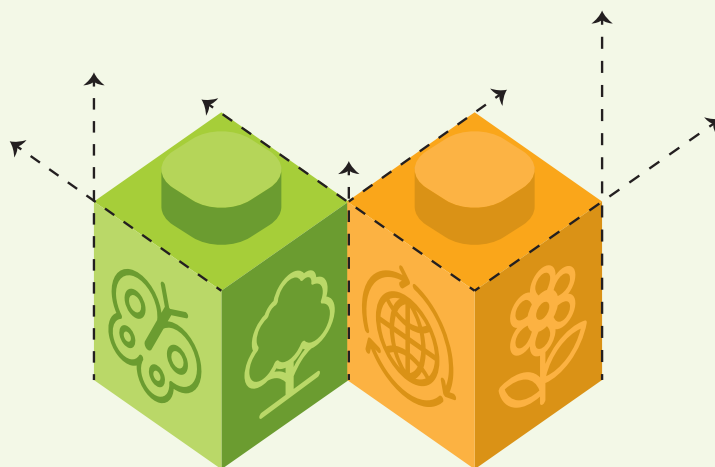
## Sponsoring YMCA Bridge Project to nurture young people's growth

The Group is especially concerned with nurturing the growth of young people for the benefit of the community. The FEC property development business in Australia has helped nurture young people's development by being the lead sponsor and fundraiser for the YMCA Bridge Project and the YMCA Bridge Breakfast event. FEC donated A\$50,000 to support this event.



The YMCA Bridge Project is a charity program providing support, training and employment opportunities for young people at risk of being trapped in a recurring cycle of crime and imprisonment. The YMCA Bridge Breakfast event brings together leaders in government, business and the wider community to raise money, jobs opportunities and support for YMCA Bridge Project. With the help of FEC, the Event successfully raised more than A\$120,000 for the YMCA Bridge Project.

The Bridge Project provides opportunities for young offenders or at-risk young people to bring them back into community life, and supports them in creating value for their communities.





### Corporate Social Responsibility Awards and Recognitions

Our efforts in community engagement are well-recognised by our communities. We have received numerous awards and recognitions, as shown below, for our continuous involvement in communities.

Award Name	Awarding Organisation	Receiving Party
Caring Company Logo 5+	The Hong Kong Council of Social Service	Dorsett Dorsett Kwun Tong, Hong Kong Dorsett Mongkok, Hong Kong Dorsett Wanchai, Hong Kong
Caring Company Logo 2017/2018	The Hong Kong Council of Social Service	Dorsett Tsuen Wan, Hong Kong Silka Far East, Hong Kong Silka Seaview, Hong Kong Silka Tsuen Wan, Hong Kong Silka West Kowloon, Hong Kong Lan Kwai Fong Hotel @ Kau U Fong
Appreciation Certificate of 2017 Age-Friendly Kwai Tsing	Kwai Tsing District Council	Dorsett Tsuen Wan, Hong Kong Silka Tsuen Wan, Hong Kong
Certificate of Appreciation on "Corporate Volunteer"	Hong Kong Family Welfare Society	Dorsett Tsuen Wan, Hong Kong



## APPENDIX – HKEx ESG GUIDE CONTENT INDEX

Indicators		Section/Statement
<b>A.Environmental</b>		
Aspect A1: Emissions	General Disclosure	Our Work for the Environment
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Our Work for the Environment
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	KPI A1.1	
	The types of emissions and respective emissions data.	Air emissions is not material to the Group's operations
	KPI A1.2	Our Work for the Environment
	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	KPI A1.3	We do not consider the Group to be a major producer of hazardous waste. Less than a tonne of hazardous waste, including fluorescent tubes, paints, solvents and dry cleaning chemicals, is generated and disposal from the Group's operations in FY2018.
	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	KPI A1.4	Our Work for the Environment
	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
	KPI A1.5	Our Work for the Environment
	Description of measures to mitigate emissions and results achieved.	
	KPI A1.6	Our Work for the Environment
	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	



Indicators		Section/Statement
Aspect A2: Use of Resources	General Disclosure	Our Work for the Environment
	Policies on the efficient use of resources, including energy, water and other raw materials.	
	KPI A2.1	Our Work for the Environment
	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
	KPI A2.2	Our Work for the Environment
	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
	KPI A2.3	Our Work for the Environment
	Description of energy use efficiency initiatives and results achieved.	
Aspect A3: The Environment and Natural Resources	KPI A2.4	Our Work for the Environment
	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	
	KPI A2.5	The use of packaging material for finished products is not material to the Group's core business
	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
	General Disclosure	Our Work for the Environment
	Policies on minimising the issuer's significant impact on the environment and natural resources.	
	KPI A3.1	Our Work for the Environment
	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Indicators		Section/Statement
<b>B.Social</b>		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our Work for Our Employees
	KPI B1.1  Total workforce by gender, employment type, age group and geographical region.	Our Work for Our Employees
	KPI B1.2  Employee turnover rate by gender, age group and geographical region.	Not disclosed
Aspect B2: Health and Safety	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Our Work for Our Employees
	KPI B2.1  Number and rate of work-related fatalities.	Our Work for Our Employees
	KPI B2.2  Lost days due to work injury.	Our Work for Our Employees



Indicators		Section/Statement
Aspect B3: Development and Training	KPI B2.3  Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our Work for Our Employees
	General Disclosure  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Work for Our Employees
	KPI B3.1  The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not disclosed
	KPI B3.2  The average training hours completed per employee by gender and employee category.	Not disclosed
Aspect B4: Labour Standards	General Disclosure  Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labour.	Our Work for Our Employees
	KPI B4.1  Description of measures to review employment practices to avoid child and forced labour.	Our Work for Our Employees
	KPI B4.2  Description of steps taken to eliminate such practices when discovered.	Our Work for Our Employees



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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FAR EAST CONSORTIUM INTERNATIONAL LIMITED

Indicators		Section/Statement
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure	Our Work for Responsible Operation
	Policies on managing environmental and social risks of the supply chain.	
	KPI B5.1	Not disclosed
	Number of suppliers by geographical region.	
Aspect B6: Product Responsibility	KPI B5.2	Our Work for Responsible Operation
	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
	General Disclosure	Our Work for Responsible Operation
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
	KPI B6.1	There are no recalls that have significant impact to the Group's operations
	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
	KPI B6.2	Our Work for Responsible Operation
	Number of products and service related complaints received and how they are dealt with.	
	KPI B6.3	Our Work for Responsible Operation
	Description of practices relating to observing and protecting intellectual property rights.	
	KPI B6.4	See remark for KPI B6.1
	Description of quality assurance process and recall procedures.	
	KPI B6.5	Our Work for Responsible Operation
	Description of consumer data protection and privacy policies, how they are implemented and monitored.	



Indicators		Section/Statement
Aspect B7: Anti-corruption	General Disclosure	Our Work for Our Employees
	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
	KPI B7.1	Our Work for Our Employees
	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.	
	KPI B7.2	Our Work for Our Employees
	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
Community		
Aspect B8: Community Investment	General Disclosure	Our Community
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	
	KPI B8.1	Our Community
	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
	KPI B8.2	Our Community
	Resources contributed (e.g. money or time) to the focus area.	