

2019

Environmental,
Social and
Governance
Report



MEXAN LIMITED
茂盛控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 22)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE APPROACH

This Environmental, Social and Governance (“ESG”) report (the “ESG Report”) has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) as set out in Appendix 27 to the Main Board Listing Rules issued by the Stock Exchange. In respect of the information concerning “corporate governance”, please refer to the relevant parts of the Company’s annual report.

The board of directors (the “Board”) of Mexan Limited (the “Company”) and its subsidiaries (collectively “we”, “us” “our”, or the “Hotel”) recognize the importance of Environmental, Social and Governance (“ESG”) while enhancing the value and performance of the Company. Hence, the Board working together with the management has taken on the overall responsibility of assessing and identifying risks associated with ESG matters of the Company, and engage in the mission to promote environmentally and socially sustainable culture among all its employees to maintain long-term growth of the Company. This culture enables the Company to formulate appropriate ESG policies and procedures, to monitor and measure the progress of the ESG efforts, and also to report on its performances to investors and key stakeholders.

Reporting Standard and Boundary

The ESG Report covers our hotel operation at Winland 800 Hotel (formerly known as Mexan Harbour Hotel), a 800-room hotel in Tsing Yi, New Territories, Hong Kong. It has maintained an average occupancy rate of approximately 97% during the period from 1 April 2018 to 31 March 2019 (the “Reporting Period”).

Since the Company has only started to systemically collect relevant ESG data for the purpose of the ESG Report since the Reporting Period, no comparative figures are available for presentation until the next reporting cycle.

Stakeholder Engagement and Materiality Assessment

We value our stakeholders and endeavour to understand and accommodate their views and interests related to ESG, through constructive communications and the fostering of strong working relationships. The Company while formulating its operational strategies, takes into account the stakeholders’ expectations in ESG through their mutual cooperation and active engagement, in doing so creating value not only for our business, but also for our environment, our employees and our community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE APPROACH – CONTINUED

Stakeholder Engagement and Materiality Assessment – continued

The stakeholder groups, their expectations and their typical communication channels with the Hotel are shown below:

Stakeholder groups	Expectations	Typical communication channels
Customers	<ul style="list-style-type: none"> ➤ Service quality ➤ Hotel environment ➤ Food safety ➤ Licensed hotel ➤ Customers information privacy 	<ul style="list-style-type: none"> ➤ Website and social media ➤ Customer services hotline ➤ On-site enquiry and resolution ➤ Customer feedback from online booking websites/ to front desk
Suppliers	<ul style="list-style-type: none"> ➤ Stable business relationship ➤ Fair and honest dealing ➤ Timely information sharing ➤ Sufficient products/ services feedback 	<ul style="list-style-type: none"> ➤ Tendering process ➤ Regular progress meetings and/or conferences ➤ On site visits ➤ Supplier evaluations
Shareholders and investors	<ul style="list-style-type: none"> ➤ Return on investment ➤ Information disclosure and transparency ➤ Protect the rights and interests of shareholders ➤ Disclose relevant and accurate information in a timely manner ➤ Improve corporate governance ➤ Run business in compliance with laws and regulations ➤ Combat corruption and uphold integrity 	<ul style="list-style-type: none"> ➤ Investor conferences ➤ On site visits ➤ Regular results briefing towards shareholder and AGM, etc. ➤ Financial reports, results announcements, press release, circulars and other publicly available information ➤ Information disclosure of listed companies ➤ Website information disclosure on HKEX and the Company

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE APPROACH – CONTINUED

Stakeholder Engagement and Materiality Assessment – continued

Stakeholder groups	Expectations	Typical communication channels
Employees	<ul style="list-style-type: none"> ➤ Training ➤ Career planning and development ➤ Salary and welfare ➤ Working environment ➤ Health and safety protection ➤ Career development and opportunities 	<ul style="list-style-type: none"> ➤ Regular team sharing ➤ Mentoring by direct supervisor ➤ Employee notice boards ➤ On-job trainings ➤ Employee handbook
Local communities, non-government organisations and the general public	<ul style="list-style-type: none"> ➤ Employment opportunities ➤ Ecological environment ➤ Community development ➤ Charitable donations 	<ul style="list-style-type: none"> ➤ Participate in or organise events with the local businesses and communities
Media	<ul style="list-style-type: none"> ➤ Transparency of information ➤ Good media relations 	<ul style="list-style-type: none"> ➤ Website information disclosure on HKEX and the Company ➤ Financial reports, announcements and circulars and other publicly available information

During the Reporting Period, a materiality assessment was conducted through online survey, assessed in accordance with the ESG aspects as set out in the ESG Reporting Guide, in order for us to determine, focus and report on the most the important ESG issues. During the Reporting Period, the top five issues were identified as “occupational health and safety”, “employee training”, “water consumption”, “energy consumption” and “effluents and waste treatment”. We will continue to focus our efforts based on these results to improve our ESG performance to meet stakeholders’ expectations. Details of our work under these ESG aspects during the Reporting Period will be presented in the next sections in four subject areas, namely “Our Environment”, “Our Employees”, “Our Business” and “Our Community”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENT

The Company is aware of the risk associated with climate change and the importance in sustainable development. It has been the Company's mission to conduct business in a manner that is environmentally responsible.

Aspect A1: Emissions and Wastes

Air and Green House Gases ("GHG") emissions

Air emissions were mainly emitted from burning of fuel supplied through towngas pipeline, used for cooking at the stoves in the kitchen and boilers for water heating in the hotel. The amounts of the different types of air emissions emitted during the Reporting Period were as follows:

(Units: Kilograms)		For the year ended 31 March 2019	
Types of air emissions	Air emission source	Emissions amount	Intensities (Note 1)
Nitrogen Oxides (NO _x)	Burning of fuel supplied through towngas pipeline	16.84	0.02
Sulphur Oxides (SO _x)		0.08	—
Particulate Matter (PM)		—	—

Note 1: Intensity is measured by the amount of emissions divide by the total number of hotel rooms during the Reporting Period.

The amounts of different types of GHG emissions in CO₂ equivalent emissions ("CO₂e") emitted during the Reporting Period were as follows:

- Scope 1** – Direct emissions from operations that are owned or controlled by the Company, such as the burning of fuel used for cooking at the stoves in the kitchen and boilers for water heating in the hotel, the use of refrigerants, etc;
- Scope 2** – Energy indirect emissions from purchased electricity and towngas consumed by the Company;
- Scope 3** – Other indirect emissions that occur outside the Company, including both upstream and downstream emissions, such as methane gas generation at landfill due to disposal of paper waste, and GHG emissions due to electricity used for processing fresh water and sewage by government.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENT – CONTINUED

Aspect A1: Emissions and Wastes – continued

Air and Green House Gases (“GHG”) emissions – continued

(Units: Tonnes of CO ₂ e)		For the year ended 31 March 2019	
GHG emissions	GHG emission source(s)	Emissions amount	Intensities (Note 1)
Scope 1 Direct emissions	➤ Burning of fuel supplied through town gas pipeline	630.05	0.79
	➤ Use of refrigerants		
Scope 2 Energy indirect emissions	➤ Purchased electricity and town gas	1,233.37	1.54
Scope 3 Other indirect emissions	➤ Electricity use for fresh water and sewage processing by government departments	42.64	0.05
	➤ Paper disposal at landfills		
Total		1,906.06	

Note 1: Intensity is measured by the amount of emissions divide by the total number of hotel rooms during the Reporting Period.

During the Reporting Period, an approximately 223 tonnes of CO₂e of direct GHG emission (Scope 1) were emitted due to the burning of fuel used for cooking at the stoves in the kitchen and boilers for water heating in the hotel, and an approximately 407 tonnes of CO₂e of direct GHG emission (Scope 1) were emitted due to the use of refrigerants in the air conditioners of the hotel.

The use of purchased electricity was the major contributor of indirect GHG emission (Scope 2) and also GHG emission as a whole during the Reporting Period, which accounted for approximately 1,184 tonnes of CO₂e. Purchased electricity was used for powering of equipment and for lighting and heating in hotel rooms and other areas, such as back offices, lift, restaurant, lobby. The remaining GHG emission (Scope 2) was resulted from the use of purchased town gas, which accounted for approximately 49 tonnes of CO₂e.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENT – CONTINUED

Aspect A1: Emissions and Wastes – continued

Air and Green House Gases (“GHG”) emissions – continued

For other indirect GHG emission (Scope 3), a total of approximately 43 tonnes of CO₂e were indirectly emitted to the environment during the Reporting Period. Of these emissions an approximately 32 tonnes of CO₂e were contributed by the electricity used for fresh water and sewage processing by government departments, while 11 tonnes of CO₂e were generated from paper disposal at landfills.

Through the implementation of various environmental protection measures as described in the later section titled “environmental protection measures”, we have overall managed to maintain air and GHG emission intensities at a relatively low level.

Wastes

In our hotel operations we do not generate hazardous wastes. Majority of the wastes produced were grease, oil and food scraps primarily at restaurant, all of which were non-hazardous. At the Hotel, we do not provide customers with toilet amenities unless they specifically ask us to do so to reduce wastage.

In compliance with Water Pollution Control Ordinance we use grease trap devices to limit the amount of grease and oil that enter the sewer system. Grease inside these grease traps builds up over time, and we disposed of these grease trap waste responsibly by employing authorized service provider for collection. The amounts of grease trap waste generated during the Reporting Period were as follows:

(Units: Tonnes)		For the year ended 31 March 2019	
Types of wastes	Hazardous/Non-hazardous	Amount	Intensities
		generated	(Note 1)
Grease trap waste	Non-hazardous	27.95	0.03

Note 1: Intensity is measured by the amount generated divide by the total number of hotel rooms during the Reporting Period.

Thanks to our streamlined food production process and our employees who regularly monitor the stock level of the food ingredients, and be especially careful when stocking up perishables, food wastage has been kept at a very low level. As a result, specific data on food waste were not collected since significant efforts would have been required for its collection, and analytical results of these data would have been of insignificant value compared to our other ESG efforts during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENT – CONTINUED

Aspect A1: Emissions and Wastes – continued

Wastes – continued

The Hotel complies with relevant environmental laws and regulations, including the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) and Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong). The Company did not receive any notice of non-compliance, nor has paid or was payable of any penalties or fines, nor was a subject of any non-monetary sanctions for the non-compliance with environmental related laws and regulations during the Reporting Period.

Aspect A2: Use of Energy and Other Resources

The energy consumption during the Reporting Period by the Company was mainly from the use of purchased electricity and town gas, while the consumption of other resources includes the use of water and paper. The amounts of energy and other resources consumed by the Company during the Reporting Period were as follows:

Resources	Units	For the year ended 31 March 2019	
		Amount consumed	Intensities (Note 1)
Purchased electricity	Megawatt hours	2,321,839	2,902
Purchased town gas	Mega Joules	4,190,247	5,237
Water	Cubic metres	57,294	71
Printing paper	Tonnes	1	<1

Note 1: Intensity is measured by the amount consumed divide by the total number of hotel rooms during the Reporting Period.

The Hotel has always placed great emphasis on energy and resources conservation, and has adopted various strategies and measures to improve resource utilization in order to reduce resource usage. These strategies and measures are detailed in the later section titled “environmental protection measures”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENT – CONTINUED

Aspect A3: Environment and Natural Resources

We also advocate environmental protection through actively adopting environmental friendly measures in office. Employees are reminded to minimize their impact on the environment and the use of natural resources during operations. The Company's efficient use of resources and waste reduction initiatives and guidelines are stipulated in the Staff Handbook to promote support from staff.

Our operations are not directly involved in the use of natural resources; hence the impact on the environment and natural resources from our operations was minimal during the Reporting Period.

Minimising the impact caused by our businesses to the environment and natural resources is essential element of the Hotel's ESG strategy. This strategy is implemented in terms of environmental protection measures which are carried out in daily operations as listed below:

Environmental protection measures

- retrofitting lights to more energy efficient lights, such as LED;
- regular cleaning of air-conditioners filters to ensure the efficiency of the air-conditioners;
- regular fridge and hotel public area temperature checking;
- regular water and electricity meter checking;
- use of energy saving machines and fixtures, electrical appliances which are certified to be energy-efficient or environmental-friendly, regular checking to ensure the usage efficiency;
- encouraging hotel guests to request for cleaning of linen and towel only when necessary;
- use of environmental friendly cleaning products;
- do not provide toilet amenities unless requested by hotel guests;
- promoting an awareness of water conservation among housekeeping and kitchen staff;
- regular inspection on hotels' water pipe and facilities to ensure no water leakage;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR ENVIRONMENT – CONTINUED

Aspect A3: Environment and Natural Resources – continued

Environmental protection measures – continued

- the maintenance department will keep the broken electrical appliances parts and try to fix the electrical appliances before disposal; and
- turn off air-conditioners in guest waiting area and staff rest room when not in use.

In addition, the Hotel also adopts the following measures at the back office to achieve its ESG strategy:

- wrapping materials and paper cartons are reused wherever possible, otherwise recycle properly, or dispose of responsibly;
- prioritise the use of air-conditioners which have good temperature and humidity controls, allowing employees to work in a comfortable environment in office, while at the same time reducing unnecessary energy use due to over-heating or over-cooling;
- promote awareness amongst employees to turn off lighting in work areas during their lunch breaks to save energy;
- encouraging employees to put forward feasible advices to continuously improve our energy saving and control;
- various energy-saving guidelines is circulated to staff (for example, turning off computers, lights and office equipment after work and during holiday; closing windows when the air conditioning is in use);
- centralize the orders for office supplies from various departments to reduce delivery distance, thus reduce indirect emissions from transportation;
- reducing excessive printing by going paperless as far as possible, for example utilise digital devices to the greatest extent for internal meeting and internal communications; and
- printed papers are reused wherever possible, subject to the personal data privacy requirements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR EMPLOYEES

Hospitality industry is both labour and capital intensive. It relies on the hard work of our employees to deliver quality service and maintain the facilities in good condition. A team of engaged and well-trained staff is the key contributing factor to building customer loyalty and making us the preferred choice for our customers. Thus, we value our employees and are committed to providing them with a fair and equitable workplace environment. In this section we shall detail the various policies and practices adopted by the Company with regards to employment, health and safety, development and training, and labour standards.

Aspect B1: Employment

The Hotel has set up standard policies and procedures and has an in-house counsel to ensure that the Hotel complies with significant laws and regulations relate employment, i.e. remuneration, dismissal, recruitment and salary adjustment and promotion, working hours, leave entitlements, equal opportunities, diversity, anti-discrimination, and other staff welfares and benefits.

The Hotel endeavours to ensure our employees are recruited, remunerated and promoted based on their merit, qualifications, competence, suitability and contributions. The Hotel believes that attracting and retaining qualified talents is vital to our continuous success. The Hotel strives to provide a remuneration system that is competitive. As an appreciation to the employees' efforts, the Hotel serves commendatory letter to outstanding employees. We also have staff activities such as annual dinner and distribute festival gifts to the employees as appropriate.

The Hotel strictly abides to the relevant labour laws and regulations. Legal employment rights such as rest days and leave entitlements are fully respected and are detailed in the Staff Handbook. Employees enjoy equal opportunities regardless of age, races, family backgrounds, regions, nationalities, genders, sexual orientation, disability, ethnicity, religion and political beliefs. Discriminatory acts of any kind will not be tolerated.

There was no significant non-compliance with laws and regulations by the Hotel relating to employment during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

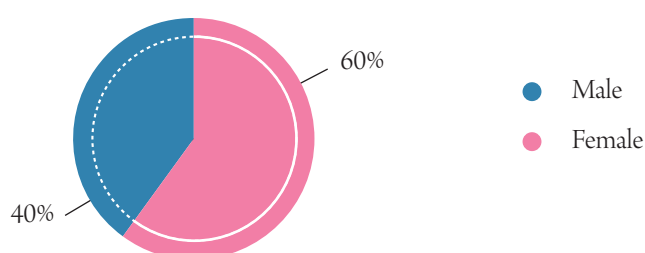
OUR EMPLOYEES – CONTINUED

Aspect B1: Employment – continued

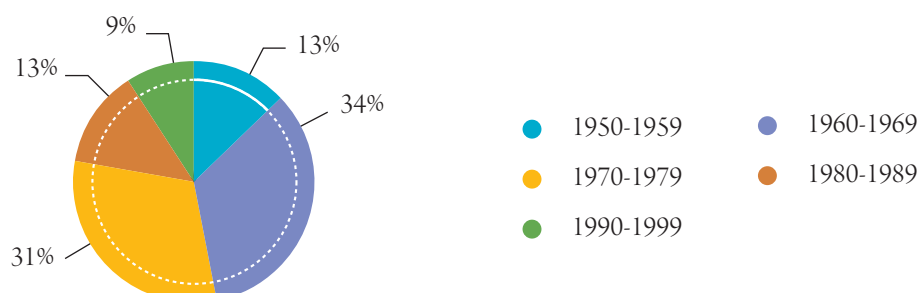
Current workforce

As at 31 March 2019, there were a total of 111 employees. The gender, employment type and age ratios of the employees are depicted below:

Distribution of Employees by Gender -Hotel



Distribution of Employees by Age Groups -Hotel



Department	Number of Staff	Department	Number of Staff
Accounts	3	Front Office	9
Administration	2	Guest Services and Safety	9
Engineering	12	Housekeeping	51
Executive Office	1	Management	11
Food & Beverage	12	Sales & Marketing	1
		Total	111

With regard to employees by age groups, 13 percent of employees were born between the year 1950 and 1959, 34 percent were born between the year 1960 and 1969, 31 percent were born between the year 1970 and 1979, 13 percent were born between the year 1980 and 1989 and finally 9 percent of employees were born between the year 1990 and 1999.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

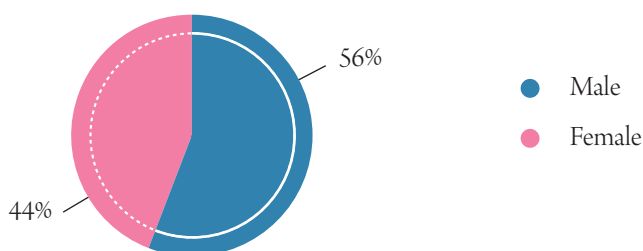
OUR EMPLOYEES – CONTINUED

Aspect B1: Employment – continued

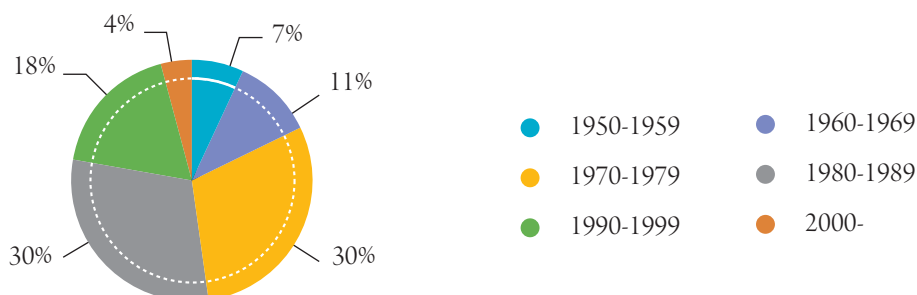
Employees' turnover

The total employees' turnover was 27 during the year. The turnover of employees by gender and age ratios are depicted below:

Distribution of Employees' Turnover by Gender



Distribution of Employee's Turnover by Age



With regard to employees' turnover by age groups, 7 percent of employees were born between the year 1950 and 1959, 11 percent were born between the year 1960 and 1969, 30 percent were born between the year 1970 and 1979, 30 percent of employees were born between the year 1980 and 1989, 18 percent were born between the year 1990 and 1999 and finally 4 percent were born in the year 2000 or after.

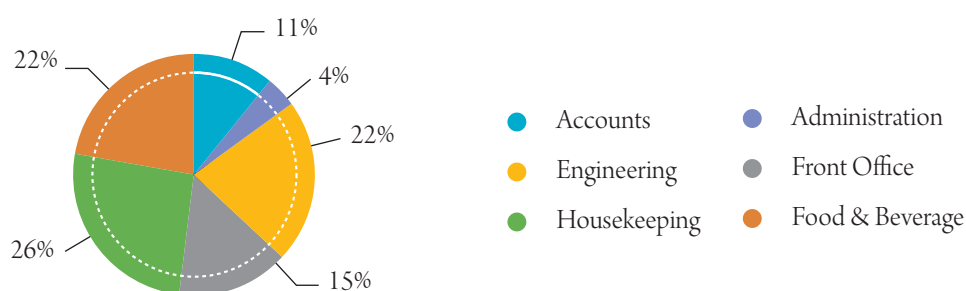
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR EMPLOYEES – CONTINUED

Aspect B1: Employment – continued

Employees' turnover – continued

Distribution of Employees' Turnover by Divisions



With regard to employees' turnover by division, Accounts Department accounts for 11 percent of the total employees' turnover, Administration Department accounts for 4 percent, Engineering Department accounts for 22 percent, Front Office Department accounts for 15 percent, Housekeeping Department accounts for 26 percent, and finally Food and Beverage Department accounts for 22 percent.

Aspect B2: Health and Safety

The Hotel is committed to comply with the applicable laws and regulations such as Occupational Safety and Health Ordinance (Cap 509) and has contributed significant efforts in providing and maintaining a safe and healthy working environment to mitigate any occupational or health risks in our employees.

The Hotel has included guidance on health and safety principles in the Staff Handbook and engineering health and safety handbook. Within the working hours that meet the requirements of the relevant labour protection laws of places in which the Hotel operates, reasonable arrangements are made for the working hours of employees, and reasonable rest times are given.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR EMPLOYEES – CONTINUED

Aspect B2: Health and Safety – continued

In areas where there is high risk of injury, such as in kitchen areas and cloak rooms, where employees are frequently involved in manual handling operations such as lifting of heavy objects, there are posters issued by the occupational safety and health council (職業安全健康局) to remind all employees working there to be safety first and avoid injury, for example to be careful when using ladder and handling equipment, to be careful of slippery floors, to be careful when pushing room service trolleys. Hygiene is also especially important when it comes to providing food and beverage to customers. To avoid the spread of germs we also have posters to make aware to staff to keep their working environment clean and tidy at all times, as well as reminding them to sanitise their hands after using toilets and before handling foods.

There are also adequate first aid boxes and equipment around the hotel. These are regularly checked ensure they are in good condition. As part of our regular building maintenance, fire safety system and CCTV system are also regularly checked and serviced. We also have regular fire drill to ensure evacuation effectiveness of our staff.

For some dangerous areas such as electric room, these places are clearly marked with danger signs the doors and are kept locked at all times. Only qualified and authorized person are permitted entry.

During the Reporting Period, the Labour Department has issued a guidance titled “Guidance Notes on Standing at Work and Service Counter Design” (站立工作和服務櫃檯設計指引). We have posted a reminder of this guidance to all our staff to make aware to them of this health risk. We have also encouraged them to take rest, and provide adequate space and furniture to enable them to do so.

Employees at back offices are at relatively lower risk of health and safety concerns since they are do not involved in labour-intensive work nor are they situated in a hostile working environment. However, sitting down for an extended period of time can also lead to injury, hence we also remind our employees of this risk on our staff noticeboard to remind them to rest and conduct stretching exercises when necessary.

There was no significant non-compliance with laws and regulations by the Hotel relating to health and safety, nor any significant work-related injuries recorded during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR EMPLOYEES – CONTINUED

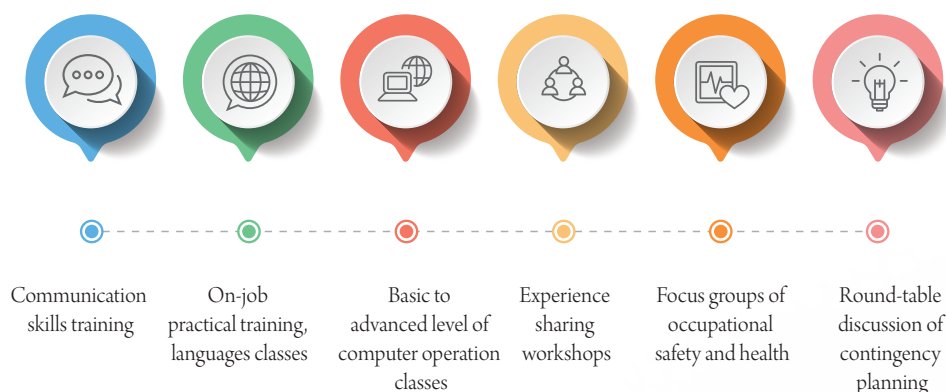
Aspect B3: Development and Training

We offer on-job practical training to employee to equip them with the relevant skillsets to enable them to provide quality and efficient services to customers.

The Group encourages lifelong learning at all employee level with no age restrictions as the contributions of its employees are of prime importance to its success. Training programmes are constantly updated and their contents are reviewed and improved based on the feedback from staff and management. During the Reporting Period, the Group organized various training programmes, including communication skills training, on-job practical training, languages classes, basic to advanced level of computer operation classes, experience sharing workshops, focus groups of occupational safety and health, round-table discussion of contingency planning, group management of code of conduct and small group dialogue of whistle blowing policy. The programmes aim to equip the Group's employees with the right skills and attitude to reach their potential and to become more efficient and prepared to deliver the best quality services to customers and stakeholders.

The Group continues to host the half day training programmes not only to develop and refresh knowledge and skill for the management executives but also to cultivate talents with leadership potential from supervisory to manager level. The programmes cover various aspects of training for the participating employees enhancing their skills on the management of self, team and work and also the provision of management support such as presentation skills, seminars and English and Putonghua language training. Through such programmes, the participants can further develop their management skills with confidence and pave the way to become professional team leaders to deal with crisis where appropriate. This also enables the participants to have mutual growth with the Group by way of achieving continuous lifelong learning.

Types of Training



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR EMPLOYEES – CONTINUED

Aspect B4: Labour Standards

We prohibit unethical business practices, such as child and forced labour, which is clearly stated in the employee's code of conduct. We actively detect and prevent child labour through our comprehensive screening in the recruiting process, checking their identity documents, and their working visas if applicable prior to any employment. Work schedules are arranged with input from the employees to ensure they are set up fairly, that the employees work voluntarily and are provided with adequate rest and the appropriate work-life balance to ensure service quality excellence. In cases where overtime work is required, employees do so of their own accord and overtime compensation is provided in accordance with relevant labour laws and regulations.

During the Reporting Period, the Hotel did not have any material breach of labour standards laws and regulations.

OUR BUSINESS

In this section we shall detail the various policies and practices adopted by the Hotel with regards to supply chain management, product responsibility, and anti-corruption which are all vital to the success of the business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR BUSINESS – CONTINUED

Aspect B5: Supply Chain Management

The Hotel is aware of the environmental and social risks related to our supply chain; the purchasing choices we make do not only affect the experience we create for our customers, but also directly impact on the environment and society as a whole. Hence, we have established supply chain management policies and procedures in place to ensure that our procurement choices are made thoughtfully and responsibly. These policies and procedures would also enable us to maintain good business practices in the selection and evaluation of these supplier partners, and in doing so reduce environmental and social risk associated with suppliers' selection. In general, in sourcing of new supplies we select at least three suppliers for comparison review before approval can be made by the management; for large-scale projects or large volume procurements, four or even more suppliers may be selected. As at 31 March 2019, we have around 40 suppliers in Hong Kong.

For procurement such as renovation projects, our employees closely collaborate with our design and procurement partners and contractors to ensure that the quality and the health and safety of these projects are in-line with the standards we expected of them, carry out routine workplace inspections where necessary. For procurement of hardware replacement, our evaluations of these suppliers also include considerations such as cost, energy, efficiency and durability.

Aspect B6: Product Responsibility

As a hotel and restaurant operator it is our mission to provide a comfortable, safe and hygienic environment for all our customers, and be satisfied that our services meet their expectations. Thus, the Hotel is committed to complying with all requirements of the licences we hold, these includes hotel, general restaurant and liquor licences. These requirements include proper air, water and noise pollution controls, and proper fire safety, proper ventilation systems, sufficient sanitary fitments, proper water supply and drainage systems, as well as the compliance of laws and regulations with respect to building works.

We comply with these requirements with the help of our employees, many of whom are well-trained through their many years of experience working at the Hotel and other hotels in the hospitality industry. We also stipulate many of these requirements and provide guidelines in many notices around the hotel, memos through emails as well as written in the Staff Handbook.

Our engineering department regularly checks the conditions of premise, boilers, and other operating equipment to ensure that none of these will endanger the well-being of our guests and employees. We have a CCTV system and security personnel on-duty to monitor our premise 24 hours per day, 7 days per week to secure the Hotel. Unauthorised personnel will be questioned, and incidents of abnormality will also be followed-up in a timely manner.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR BUSINESS – CONTINUED

Aspect B6: Product Responsibility – continued

To promote better indoor air quality, smoking is prohibited in the Hotel in all of the guest rooms, restaurants, common areas and other enclosed facilities. These measures help to provide a health-conscious and smoke sensitive environment for customers, and guarantee that guests stay out from both the second and lingering of third-hand smoke.

Complaint handling

The Hotel has an established procedure for handling complaints, these complaints may be received from different channels, i.e. telephone, email, online booking websites. These customer complaints are properly recorded and handled by the Hotel's customer service team who will investigate into the relevant reasons for all complaints and properly followed-up. These complaint handling processes help the Hotel to receive feedback of the service provided, and at the same appropriately address customers' concerns in a timely and professional manner. In addition, these processes also help the Hotel to formulate preventive measures which will avoid the occurrence of similar issues in future. It is a vital element of the Hotel's continuous development process for service excellence. During the Reporting Period, no complaint of a significant material nature was received from our customers.

Protection of personal data and intellectual property

The Hotel does not hold any significant intellectual property assets and produce minimal marketing and advertising materials. However, as a responsible hotel operator we respect intellectual property rights and is committed complying with the requirements in accordance with Trade Marks Ordinance (Cap 559), Patent Ordinance (Cap 514) and Registered Design Ordinance (Cap 522) and other legislation related to intellectual property rights protection.

The Hotel takes personal data protection very seriously. Personal information of our customers will only be collected having received proper consent, and is collected solely for the purposes of hotel booking unless consented otherwise.

Our IT systems have been configured to have different levels of rights of access to information to ensure only authorised personnel have access to customer personal information. We also have policies and procedures in place to determine the time that such information should be retained and when it should be destroyed. All employees are encouraged to keep abreast of and fully comply with the Personal Data (Privacy) Ordinance at all time when handling customers' personal data.

During the Reporting Period, the Hotel had no material non-compliance of laws and regulations related to customer personal data privacy and intellectual property.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR BUSINESS – CONTINUED

Aspect B7: Anti-corruption

The Hotel has strict policies that ensures adherence to the highest ethical standards and maintains a corporate culture of integrity and justice to prevent, detect and report all types of corruption, including bribery, extortion, fraud and money laundering. In complying with provisions included in the Staff Handbook, employees at all levels are expected to conduct in an appropriate manner, with integrity, impartiality and honesty.

The Hotel strictly complies with Hong Kong Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and other relevant laws and regulations related to anti-corruption.

In addition to establishing a policy on Anti-Money Laundering and Counter-Terrorist Financing, the Hotel also provides regular training to directors and senior management on anti-corruption. During the Reporting Period, the Hotel had no significant non-compliance related to corruption.

OUR COMMUNITY

Aspect B8: Community Investment

The Hotel invests in the community by making significant contributions where appropriate, as well as encourages employees to participate in various local community activities and events on a voluntary basis, i.e. do voluntary work and blood donation for the community.

The Hotel encourages our employees to engage in sporting activities not only for their healthy well-being, but also in the support of the “Sport for All Day” by the Leisure and Cultural Services Department of the HKSAR, to encourage others to lead more active, healthier and happier lives.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX

A summary of the provisions in the HKEx ESG Reporting Guide and our compliance to these provisions are set out below:

A. Mandatory Disclosures – Environmental		Comply	Explain
Aspect A1 Emissions	Policies and compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	✓	N/A
A1.1	The types of emissions and respective emissions data.	✓	N/A
A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	✓	N/A
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		We produce no hazardous waste.
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		We produce an immaterial amount of non-hazardous waste.
A1.5	Description of measures to mitigate emissions and results achieved.	✓	N/A
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	✓	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX – CONTINUED

A. Mandatory Disclosures – Environmental			Comply	Explain
Aspect A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.		✓	N/A
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh) and intensity (e.g. per unit of production volume, per facility).	✓	N/A
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	✓	N/A
	A2.3	Description of energy use efficiency initiatives and results achieved.	Partial	No comparative data available, hence no description of result can be presented
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Partial	No comparative data available, hence no description of result can be presented
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.		No packaging material is used by our business
Aspect A3 Environment and Natural Resources	Policies on minimizing the issuer's significant impact on the environment and natural resources.		✓	N/A
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	✓	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX – CONTINUED

B. Mandatory Disclosures – Social		Comply	Explain
Aspect B1 Employment	Policies and compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	✓	N/A
Aspect B2 Health and Safety	Policies and compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.	✓	N/A
Aspect B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	✓	N/A
Aspect B4 Labour Standards	Policies and compliance with relevant laws and regulations relating to preventing child and forced labour.	✓	N/A
Aspect B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	✓	N/A
Aspect B6 Product Responsibility	Policies and compliance with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	✓	N/A
Aspect B7 Anti-corruption	Policies and compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.	✓	N/A
Aspect B8 Community Investment	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.	✓	N/A

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX – CONTINUED

C. Recommended Disclosures			Comply
Aspect 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.	✓
Aspect B2 Health and Safety	B2.1	Number and rate of work-related fatalities.	✓
	B2.2	Lost days due to work injury.	✓
	B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	✓
Aspect B3 Development and Training	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	✓
	B3.2	The average training hours completed per employee by gender and employee category.	✓
Aspect B4 Labour Standards	B4.1	Description of measures to review employment practices to avoid child and forced labour.	✓
	B4.2	Description of steps taken to eliminate such practices when discovered.	✓
Aspect 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, how they are implemented and monitored.	✓

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX – CONTINUED

C. Recommended Disclosures			Comply
Aspect B6 Product Responsibility	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
	B6.2	Number of products and service related to complaints received and how they are dealt with.	✓
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	✓
	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.	✓
Aspect 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.	✓
Aspect B8 Community Investment	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	✓
	B8.2	Resources contributed (e.g. money or time) to the focus area.	✓



MEXAN LIMITED
茂盛控股有限公司