



閩港控股有限公司

FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 181)



Environmental, Social and Governance Report 2019

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Environmental, Social and Governance Report

Introduction

The Group strives continuously to incorporate sustainability initiatives into our daily operations and management. While sharing the vision of becoming the preferred choice of our stakeholders, the Group is committed to improving our Environmental, Social and Governance (“ESG”) performance by upholding good corporate governance standards, protecting our environment, engaging the community and promoting social integration.

This ESG Report aims to share our key sustainability performances and outline our milestones on our sustainability journey during the year ended 31 December 2019. Disclosed content of the report has been prepared by the ESG working group and confirmed by the Board. The Board is responsible for overseeing sustainable development for all operating companies under the Group. Our reporting boundary is limited to hotel operations business in Mainland China and head office operations in Hong Kong unless specified. We endeavor to provide a balanced, honest and transparent account of our performance.

This Report follows and complies with the “comply or explain” provisions set out in the “Environmental, Social and Governance Reporting Guide” under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules). We value your feedback regarding the review and our overall sustainability practices. Please provide your comments by email to info@fujianholdings.com.

The Group has developed its own corporate governance code (the CG Code) according to the principles as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 the Listing Rules. The CG code sets out the corporate governance principles applied by the Group and is constantly reviewed to ensure transparency, accountability and independence. For details, please refer to Corporate Governance Report session in Annual Report.

Communication with Stakeholders

In order to maintain close relationships with customers, suppliers, distributors and investors, our senior managers are assigned to visit meetings and teleconferences with stakeholders from time to time and via email, company post boxes and customer service hotlines to keep stakeholders informed of the Group's latest developments, while our Customer Service Officer will continue to be in contact with all stakeholders to listen to their views and needs.

The overall performance of the Company is reported to the shareholders in the interim report and annual report on a yearly basis. The Company also provides opportunities for shareholders and the Board of Directors to communicate through general meetings. The Chairman of the Board of Directors and the Chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or their designated representatives answer shareholders' questions at annual general meetings. To further facilitate effective communication with stakeholders, the Group has an official website at www.fujianholdings.com for the extensive publication of the Group's business development and operation news, financial information and other information. The Group leverages the feedback provided by stakeholders to highlight and prioritize subjects based on their materiality.

Environmental Performance

We are committed to the long-term sustainability of the environment and communities in which we operate. To our best knowledge, we have complied with all relevant laws and regulations regarding environmental issues during the reporting year. This includes but not limited to the PRC Environmental Protection Law. The Group expects high discipline from our employees and vendor to take responsibility for their actions. During the year ended 31 December 2019, we measured and managed our environmental performance in several aspects throughout our operations.

Air Emissions

With increased economic activities, air pollution has become a major environmental issue in the region we operate. In view of this, the Group is committed to controlling and reducing possible emissions from business trips. Business travel is avoided as much as possible when issue can be solved by telephone conferences ore-mails. When Group trips are organized, priority is given to public transportation and adjacent areas are chosen whenever possible.

The Group major source of air emissions comes from fuel consumption of our company-owned vehicles. During the year ended 31 December 2019, our air emissions data were as follows:

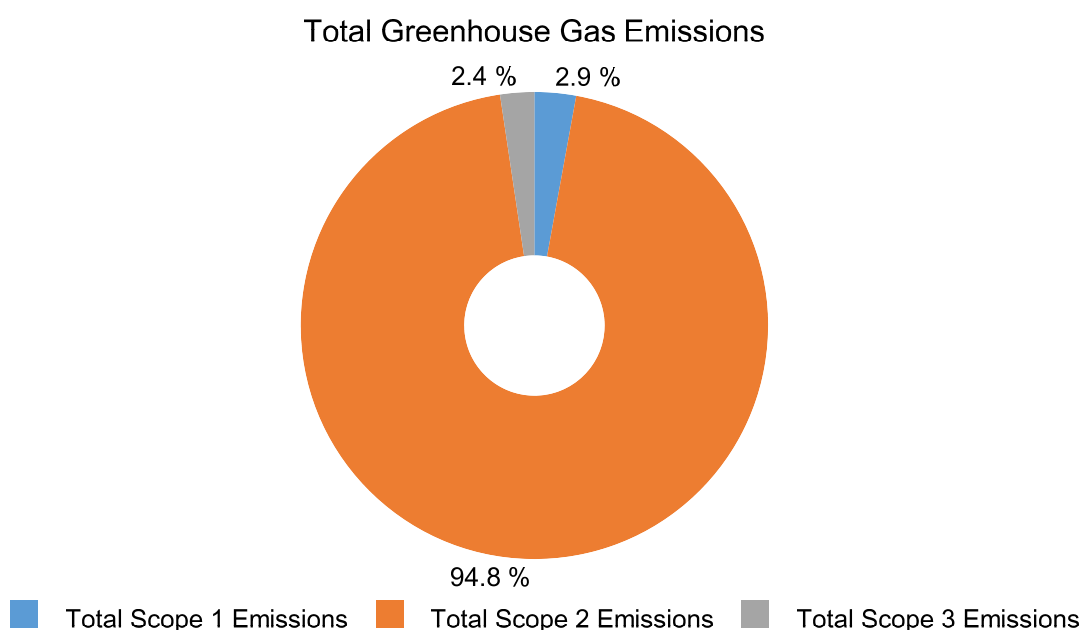
Air emissions	Unit	
Total NOx Emissions	g	1,117.51
Total SOx Emissions	g	30.40
Total PM Emissions	g	82.28

Greenhouse Gas Emissions and Energy Conservation

The impact of global climate change is a challenge that businesses and organizations around the world must face and address. Fujian Holdings Limited is committed to minimizing the adverse impact that its operations may have on the environment. Using energy efficiently will help us conserve resources and tackle climate change.

We use energy-efficient equipment and lighting devices in our offices and turn on and off only when use and after. Light zone has been established and we encourage staff to switch off its individual light before leaving for a long time. Meanwhile, the time zone setting is turned on for the air-conditioners in the hotel control rooms to save electricity as much as possible. The lighting used in hotel has been replaced with LED energy-saving lighting. Electrical equipment should be shutdown promptly when not in use.

In the reporting year, we consumed 2,175,791 kWh of electricity in our offices and hotel operations. The following table shows our GHG emissions and energy consumption during the year.



GHG Emissions	Unit	
Total Scope 1 Emissions	tCO2e	40.99
Total Scope 2 Emissions	tCO2e	1,355.77
Total Scope 2 Emissions/ Employee	tCO2e/employee	10.43
Total Scope 3 Emissions	tCO2e	33.74
Total GHG Emissions	tCO2e	1,430.50
Total GHG Emissions/ Employee	tCO2e/employee	11.00

Energy Consumption	Unit	
Petrol Consumption	L	2,068.21
Electricity Consumption	kWh	2,175,791.00
Electricity Consumption/Employee	kWh/employee	16,736.85
Natural Gas Consumption	Cubic meter	17,430.00

Water Management

Water shortage and pollution has become a global problem, leading to health, food supply and ecological crisis and so on. To protect valuable water resources, we save water in our daily operation and explore more ways to reduce waste. The water resources of the Group are assigned to the appropriate units. The group has also developed a series of environmental policies to manage the use of water resources and reduce pollutant emissions.

In terms of protecting our valuable water resources, we encourage our employees to save water resources and minimize the waste of water. These measures include posting water-saving signs near water sources. We have designated responsible staff to check on water facilities, such as pipes and faucets, on a regular basis to repair water leaks promptly. Employees are required not to keep the water running when not in use to prevent leakage and dripping. We also educate our employees and visitors on water conservation and organize activities that promote water conservation to improve their awareness on water conservation and prevent water from running when not in use.

The following table shows data of water consumption and sewage generation from our hotel operations in Mainland China.

Water consumption	Unit	
Water Consumption	cubic meter	48,604.00
Water Consumption/ Employee	cubic meter/employee	373.88
Sewage Generation	cubic meter	48,604.00

Waste Management and Reduction¹

We work diligently in reducing our waste produced from operations by sorting of waste, and to reuse materials wherever possible. We recognize the importance of waste reduction and waste separation at source for recycling. We have put continuous efforts to implement various waste management initiatives among our operation boundaries. We have implemented waste reduction measures, for example we reduce paper consumption by using electronic means (e.g. email) for communication. We print only when necessary and reuse single-sided printed paper and stationeries. Initiative has also been taken to collect and recycle leftover at our restaurants.

We are committed to recycling food waste to lessen the burden through implementing food waste recycling programme. In our Xiamen hotel, food waste management system is implemented and reviewed on the effectiveness of the food production, processing and disposal. During the reporting year, 130.55 tons of food waste is generated.

Food Waste Generation	tons	130.55
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¹Hazardous waste is not reported as the Group does not produce significant amount of hazardous waste.

Natural Resources and Environment

While benefiting from the natural environment and resources, we should bear the responsibilities and fulfill the obligations of protecting them and making appropriate use. We have taken considerable efforts to minimize the impact generated from our business operations to our natural environment. Used paper is collected for recycling as our regular practice. It is our standard practice to return used toners of laser printers to suppliers for recycling and green trays are set up next to photocopiers and LAN printers to facilitate printing with paper that has been used on one side.

In addition, the Group also cooperates with both the Provincial Association of Environmental Protection and the Municipal Association of Environmental Protection to educate its employees on environmental laws and regulations to strengthen and promote its employees' awareness on environmental protection.

We measure different types of material used to gauge our environmental performance. The following tables show the figures of material consumption in our business operations in the current year:

Material Consumption²	Unit	
Paper Consumption	kg	710.00
Toner Consumption	kg	10.00

Social Performance

We recognize the importance of compliance with regulatory requirements and risk of non-compliance with the laws and regulations regarding social issues. We have complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group during this reporting year.

²Packaging material is not reported as our business nature does not produce any physical goods.

Employment and Labor Practices

Employment

The employees of the Group are one of our key stakeholders. It is an important cornerstone for the stable development of the Company to maintain harmonious employment relationships, therefore, other than complying to local labor laws and regulations such as the Labor Law of the PRC and the Employment Ordinance (Chapter 57 of the laws of Hong Kong), the Group has also developed sound wage systems and benefit policies to ensure all employees are treated fairly.

Each job candidate has an equal job opportunity, and the Group does not decline any candidate because of his or her gender, age, disability and ethnicity. Any candidate that meets the requirements of the position will be considered. We only refer to the employees' performance, experience and competence when making promotion decisions. Other attributes such as marital status and physical condition will not affect an employee's opportunity to be promoted.

Maintaining a good work and life balance is essential for employees' physical and mental health; therefore, the Group never forces employees to work overtime.

We provide good working environment including a workplace free from discrimination and harassment; and provide equal opportunities for all employees along with competitive remuneration. The Group has formulated remunerations and benefits in strict compliance with relevant laws and regulations. Our remuneration benefits include allowances, holidays and pensions. Discretionary bonus scheme is also in place to reward the employees with outstanding performance. We also provide paid wedding leave, causal leave and compassionate leave in addition to those stipulated under the Employment Ordinance of Hong Kong.

In the year ended 31 December 2019, total employees of Fujian Holdings Limited are 145 staff.

Workforce statistic by gender, employment type, age group and geographical region:

	Average staffs Number	Turnover Rate (%)
(a) Breakdown by geographical region		
Employees – Hong Kong	7	0.00
Employees – Mainland China	138	74.80
(b) Breakdown by gender		
Employees - Female	79	60.87
Employees - Male	66	81.97
(c) Breakdown by age group		
Employees Age < 30	35	100
Employees Age 30 - 50	69	59.38
Employees Age > 50	41	38.89
(d) Breakdown by employment type		
Employees - Part-time	1	
Employees - Full-time	144	

Occupational health and safety

Ensuring health and safety of our employees is one of our prime responsibilities. We strive to provide with our employees a safe working environment and reinforce their safety awareness by sharing safety information.

The Group has posted equipment safety procedures and operation instructions in the areas of office and operations of our hotel to remind employees of the safety practices for each process. The Group also provides appropriate protection measures for employees who work in positions with relatively higher risks to reduce the occurrences of occupational accidents and injuries.

No accidents related to serious injuries or death or property damage and zero lost day due to work injury has been reported to our management during the year. Furthermore, during the reporting year, we were not subject to any claims arising from any material accidents involving personal injuries or death or property damage that had a material adverse effect on our business, financial condition or results of operation. We complied with all relevant PRC laws and regulations regarding occupational health and safety, including but not limited to the Prevention and Control of Occupational Diseases of the PRC, during the reporting year.

The Group is also very concerned about the physical and mental health of its employees. Therefore, in addition to providing physical examination, it also organizes activities such as spring outings to encourage employees to get together outside of work, improve the communication among employees and departments, build teamwork and create a pleasant work atmosphere.

In view of the COVID pandemic happened in late 2019 and early 2020, the Group has implemented corresponding health and safety measures. An internal epidemic prevention and control structure has been established. In our hotel operations, protective gears like masks and gloves are provided to our staff. Public spaces and area are fully disinfected. Operations were resumed in an orderly manner.

Development and Training

To enable our talents to develop themselves to their fullest potential and to provide them with the essential skill sets to deliver the best, a comprehensive development plan has been established.

The Group provides diversified on-the-job training based on the needs of respective positions and the talents of employees. We provide them with all-rounded development opportunities and develop their potentials in different positions.

Detailed breakdown of staff training are as follows:

	Percentage of staff members received training (%)	Average training hours completed per employee
Employee Category		
- General	73.75	55
- Middle Level	100	18
- Senior	85.71	24
- Supervisory Level	100	11
Gender		
- Male	85.25	43
- Female	81.16	42

Labor Standards

The Group strictly prohibits the use of child labor and forced labor. The group strictly adheres to the PRC Labor Law; the groups only employ employees' over the age of 18 years and never forces employees to work overtime to create a work environment that respects human rights.

During the recruitment process, Human Resources Department eliminates candidates who are under the age of 18. Since the policy was implemented, no minor has ever been employed. The Human Resources Department also reviews the attendance records on a regular basis. If overtime work is discovered, investigation will be conducted immediately to ensure that employees are not forced to work overtime.

The Group has zero-tolerance to employment of child labor and forced labor by our suppliers. The Group is not aware of any non-compliance with relevant rules and regulations on preventing child or forced labor.

Operating Practices

Green Supply Chain Management

Green supply chain management actively promotes the importance of reducing carbon emissions in the supply chain, and requires all suppliers to comply with relevant laws and environmental protection standards, which includes but not limited to the PRC Environmental Protection Law; and establish and comply with a reasonable environmental management system which promotes continuous improvement of processes and products through plan-do-check-act cycle The Group has made continuous improvement in environmental protection to minimize environmental pollution.

Taking transportation cost, environmental protection, raw material quality and other factors into consideration, the Group prefers local suppliers and selects the nearest suppliers as well as appropriate transportation means.

To further raise awareness among stakeholders in our value chain, we integrate the concept of environmental protection into the education and training of our employees, promoting the importance of reducing carbon emissions among suppliers, visitors, and sales customers.

Service Responsibility Commitment

As a responsible company, we are fully aware of the importance to comply with relevant laws and regulations concerning the provision and use of our products and services, relating to health and safety, advertising, labeling and privacy matters.

Star-rated hotel operation is the main source of revenue for the Group. Ensuring customer information privacy and safety are our main priorities under our hotel operations. We have implemented a series of policies and guidelines to regulate the transmission and storage of customers' information, thus ensure compliance with the Consumer's Rights and Interests Protection Law of the PRC. We collected personal data that are relevant and required for our business. Dedicated staffs are appointed to maintain customers' personal data. In addition, the Group is also committed to providing a comfortable and safe hotel environment for our customers. During the Reporting Period; the Group did not receive any complaint about leakage of customer data.

The Group has researched customers' needs and satisfaction to establish standardized service processes and has established a mechanism to keep abreast of customer satisfaction status. It serves as the basis for improving the quality of customer service.

During the Reporting Period, no non-compliance case or customer complaint related to delivered services occurred.

Anti-corruption

The Group is committed to maintaining high standard of integrity as stipulate by the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong) when doing business as we strongly believe that it is essential to meeting the expectations of our stakeholders.

The Group promotes integrity and prevents unethical pursuits. The Group has implemented an effective whistle-blowing policy for reporting fraud and corruption. We encourage the reporting of suspected business irregularities and provide clear channels specifically for this purpose. When suspected wrongdoings are identified, such as breach of duty, abuse of power, receiving bribes, staff should report to the Board of Directors for investigation and verification, and report to the regulator and or to law enforcement authority when necessary.

The Group has developed the Procurement and Bidding Management System for the procurement of materials. Tendering must be performed for the entire Group's procurement activities, including all materials, projects and labor outsourced, purchased, leased and commissioned through contracts. The bidders' qualifications, including the quality, quantity, price and delivery timeframe of the materials purchased at the end, are used as the evaluation and assessment criteria.

The Group takes a zero-tolerance approach to bribery and corruption and is committed to doing business with integrity and in compliance with the laws and regulations in operating business. During the reporting year, the Group and employees have not violated any law or regulation regarding corrupt practices.

Community Investment

The Group pursues sustainable development of our community by assessing and managing the social impact of our operations on the marketplace and by supporting initiatives that create effective and lasting benefits to communities in our operating boundaries.

The Group encourages staff to take part in community welfare and voluntary work; our Directors actively maintain communication with our stakeholders to understand community needs. Through participating in charitable activities, the Group hopes bringing more positive effects to the development of the community together with its own growth.

ESG Content Index Table

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2019 ESG Report
A. Environmental		
Aspect A1: Emissions		
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Performance
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance - Air Emissions
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance - Greenhouses Gas Emissions and Energy Conservation
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	We do not report on this issue as the Group does not produce significant amount of hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance - Waste Management and Reduction
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Performance - Greenhouses Gas Emissions and Energy Conservation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Performance - Waste Management and Reduction

Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Performance
KPI A2.1	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).	Environmental Performance - Greenhouses Gas Emissions and Energy Conservation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance - Water Management and Reduction
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Performance - Greenhouses Gas Emissions and Energy Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Performance - Water Management and Reduction
KPI A2.5	Total packaging material used for finished products	We do not report on this issue as the disclosure is not material to our business. Our business does not manufacture or sell any physical product.

Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Performance
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Performance - Natural Resources and Environment

B. Social		
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.	Social Performance - Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Social Performance - Employment and Labour Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance - Employment and Labour Practices
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.	Social Performance - Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Social Performance - Health and Safety
KPI B2.2	Lost days due to work injury.	Social Performance - Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Social Performance - Health and Safety

Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social Performance - Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance - Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance - Development and Training
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.	Social Performance - Labour Standard
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Performance - Labour Standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social Performance - Labour Standard
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social Performance - Green Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Social Performance - Green Supply Chain Management

Aspect B6: Product Responsibility		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.</p>	Social Performance - Service Responsibility Commitment
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	We do not report on this issue as the disclosure is not material to our business. Our business does not manufacture or sell any physical product.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social Performance - Service Responsibility Commitment
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social Performance - Service Responsibility Commitment
KPI B6.4	Description of quality assurance process and recall procedures.	Social Performance - Service Responsibility Commitment
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Social Performance - Service Responsibility Commitment

Aspect B7: Anti-corruption		
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 bribery, extortion, fraud and money laundering.	Social Performance - Anti-corruption
KPI 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.	Social Performance - Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Social Performance - Anti-corruption
Aspect B8: Community Investment		
General Disclosure	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.	Social Performance - Community Investment