



**MEXAN LIMITED**  
**茂盛控股有限公司**

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

**2020**

**Environmental,  
Social and  
Governance Report**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

Mexan Limited (the “Company”) and its subsidiaries (collectively the “Group” or “Hotel”) is one of the hotel operators in Hong Kong. The Group operates the Winland 800 Hotel, a 800-room hotel in Tsing Yi, New Territories, Hong Kong which maintained an average occupancy rate of approximately 82%.

This Environmental, Social and Governance Report (the “ESG Report”) summarises the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The Group believes sustainability is the key to achieve continuing success and has integrated this key concept into its business strategy. In order to pursue a successful and sustainable business model, the Group is engaged in the mission to promote environmentally and socially sustainable culture among all its employees and stakeholders. This culture enables the Group to formulate appropriate ESG policies and procedures in its daily operations and governance perspectives, to monitor and measure the progress of the ESG efforts, and also to report on its performances to investors and key stakeholders.

### **The ESG Governance Structure**

The Group has set up an ESG working taskforce, composed of assigned management from relevant departments assisting in data collection and compilation of the ESG Report. The assigned management would periodically report to the Board of Directors (the “Board”), assist in assessing, identifying and managing risks of the Group on ESG aspects, and reflect whether its internal control system is appropriate and effective. The assigned management reviews the ESG performance of the Group, including environmental, labour practices, and other ESG aspects. The Board sets the tone at the top for the Group’s ESG strategies, and is responsible for ensuring effective risk management and internal controls.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SCOPE OF REPORTING

The ESG Report covers the Group's business activities in Hong Kong, which is the running and operation of the Winland 800 Hotel, representing the Group's major sources of revenue. The ESG key performance indicators ("KPIs") are shown in the ESG Report as well as supplemented by explanatory notes to establish benchmarks. The Group will extend the scope of disclosures when and where applicable.

## REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") as set out in the Appendix 27 of the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited ("HKEX").

Information relating to the Group's corporate governance practices has been set out in the Corporate Governance Report on p.8 to p.24 of the Annual Report 2020.

## REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures being taken during the financial year ended 31 March 2020 ("2020").

## STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and endeavours to understand and accommodate their views and interests related to the Group's businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained constructive communications with its key stakeholders, including but not limited to employees, shareholders and investors, suppliers, hotel guests, media, non-governmental organisation ("NGO") and the public, as well as government bodies and regulators.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT – CONTINUED

In formulating operational strategies and ESG measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community by utilising diversified key communication channels, shown as below:

Stakeholders	Expectations and concerns for the Group's sustainable development	Communication channels
Employees	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Employee development and training</li> <li>• Equal opportunities</li> <li>• Protection of employees' rights and interests</li> <li>• Compliant operation</li> <li>• Working environment</li> </ul>	<ul style="list-style-type: none"> <li>• On-job trainings</li> <li>• Mentoring by direct supervisor</li> <li>• Regular team sharing</li> <li>• Employee notice boards</li> <li>• Performance reviews</li> <li>• Staff Handbook</li> </ul>
Investors and shareholders	<ul style="list-style-type: none"> <li>• Compliant operation</li> <li>• Risk management</li> <li>• Anti-corruption</li> <li>• Economic performance</li> <li>• Corporate sustainability</li> <li>• Disclosing latest information of the corporate in due course</li> <li>• Protect the rights and interests of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meetings and other shareholder meetings</li> <li>• Financial reports</li> <li>• Announcements and circulars</li> <li>• Website information disclosure on HKEX and the Company</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• Stable business relationship</li> <li>• Sustainable development of supply chain</li> <li>• Timely information sharing and sufficient products/services feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Tendering process</li> <li>• Supplier management meetings and events</li> <li>• On-site visits</li> <li>• Supplier evaluation</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT – CONTINUED

Stakeholders	Expectations and concerns for the Group's sustainable development	Communication channels
Hotel guests	<ul style="list-style-type: none"> <li>• Service quality</li> <li>• Protection of guests' interest and privacy</li> <li>• Compliant operation</li> <li>• Complaint handling</li> <li>• Risk management</li> <li>• Hotel environment and hygienic management</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Customer service manager</li> <li>• Company website, hotline or email</li> <li>• On-site enquiry and resolution</li> </ul>
Media, NGOs and the public	<ul style="list-style-type: none"> <li>• Transparent information disclosure</li> <li>• Community service</li> <li>• Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Company website and disclosure on HKEX</li> <li>• ESG reports</li> <li>• Participate in or organise events with the local business and communities</li> </ul>
Government bodies and regulators	<ul style="list-style-type: none"> <li>• Compliant operation</li> <li>• Risk management</li> <li>• Payment of tax</li> </ul>	<ul style="list-style-type: none"> <li>• Company Secretary and In-house Solicitor</li> <li>• Legal Executive</li> </ul>

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.

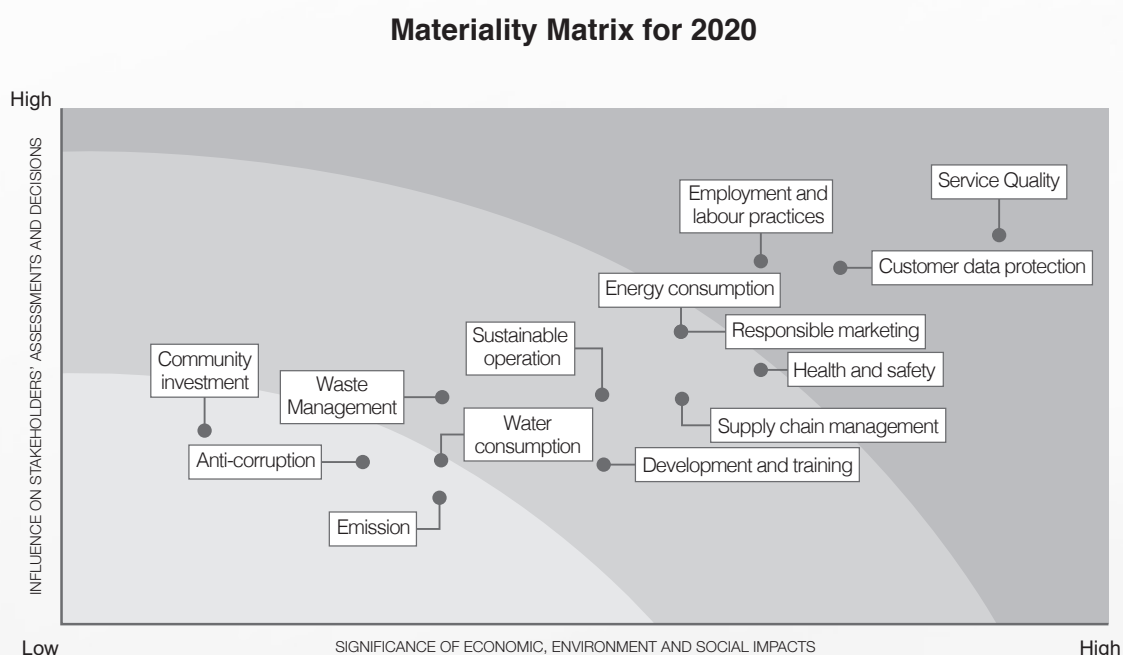


# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIALITY ASSESSMENT

The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, assisted the Group in reviewing its operations, identifying key ESG issues and assessing the importance of these issues to its businesses and stakeholders. The Group has compiled a questionnaire in reference to the identified material ESG aspects to collect the information from relevant departments and business units.

The following matrix summarises the Group's material ESG issues as set out in the ESG Report:



The Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues, and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

## CONTACT US

The Group welcomes stakeholders to provide comments and suggestions. You can provide valuable advices in respect of the ESG Report or the Group's performances in sustainable development by the following means:

Address: 7th Floor, Winland 800 Hotel, Hotel 2, Rambler Crest, No. 1 Tsing Yi Road, Tsing Yi, New Territories, Hong Kong  
Email: [enquiry@winland800.hk](mailto:enquiry@winland800.hk)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT

### A1. Emissions

The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. The Group is committed to promoting a green environment by introducing environmentally friendly business practices, educating its employees to enhance their awareness on environmental protection and complying with the relevant environmental laws and regulations.

In order to mitigate the environmental impact produced by the Group's operations, the Group has adopted and implemented relevant environmental policies. For example, there is a section of "Environment, Health and Safety" in the Group's Code of Conduct, showing its commitment in achieving environmental, health and safety excellence. These policies apply the waste management principle of "Reduce, Reuse, Recycle and Replace" as well as emission mitigation principle, with objectives of minimising the adverse environmental impacts and ensuring the waste disposal or emission being generated are conducted in an environmentally responsible manner.

During 2020, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations in Hong Kong in relation to exhaust gas and greenhouse gas ("GHG") emissions, water and land discharge, and the generation of hazardous and non-hazardous wastes. The relevant laws and regulations include, but are not limited to 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).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Emissions

##### *Air Emissions*

Due to the Group's business nature, it only generates minimal amount of air emissions resulted from the combustion of town gas for cooking at the stoves in the kitchen and boilers for water heating in the hotel. The Group has strived to minimise its fuel consumption amount, such as turning off stoves when they are not in use, so as to minimise the air emissions resulted.

Summary of air emissions performance:

Types of air emissions	Unit	Emission amount	
		2020	2019
Nitrogen Oxides (NO <sub>x</sub> )	kg	5.80	16.95 (restated)
Sulphur Oxides (SO <sub>x</sub> )	kg	0.03	0.08
Particulate Matter (PM)	kg	–	–

##### *GHG Emissions*

Due to the business nature of the Group, the principal direct GHG emissions (Scope 1) comes from the burning of fuel used for cooking at the stoves in the kitchen and boilers for water heating in the hotel, as well as fugitive emissions from refrigerants. The use of purchased electricity and town gas were the major contributor of energy indirect GHG emissions (Scope 2) and also GHG emissions as a whole. For other indirect GHG emissions (Scope 3), it includes 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 the government.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Emissions – continued

##### *GHG Emissions – continued*

The Group has actively adopted electricity conservation and energy saving measures as well as other initiatives to reduce GHG emissions, including:

- Turning off air-conditioners in guest waiting area and staff rest room when not in use;
- Promoting awareness amongst employees to turn off lighting in work areas during their lunch breaks to save energy;
- Circulating various energy-saving guidelines 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);
- Centralising the orders for office supplies from various departments to reduce delivery distance, thus reduce indirect emissions from transportation; and
- Actively adopting measures for environmental protection, energy conservation, and water saving. More measures are described in the sections “Energy Consumption” and “Water Consumption” in aspect A2.

Through the above GHG emissions mitigation measures, the employees’ awareness of reducing GHG emissions has been enhanced.

During 2020, the Group’s total GHG emissions decreased by approximately 50% from approximately 933.34 tCO<sub>2</sub>e in 2019 to approximately 620.67 tCO<sub>2</sub>e in 2020. This is due to decrease in occupancy rate.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Emissions – continued

##### *GHG Emissions – continued*

Summary of GHG emissions performance:

Indicator <sup>1</sup>	Unit	GHG emissions	
		2020	2019 <sup>2</sup>
Direct GHG emissions (Scope 1)			
– Towngas consumption, fugitive emissions of refrigerants	tCO <sub>2</sub> e	251.86	520.48
Energy indirect GHG emissions (Scope 2)			
– Purchased electricity and towngas	tCO <sub>2</sub> e	360.45	403.79
Other indirect emissions (Scope 3)			
– Electricity use for fresh water and sewage processing by government departments, and paper disposal at landfills	tCO <sub>2</sub> e	8.36	9.07
Total GHG emissions	tCO <sub>2</sub> e	620.67	933.34
Intensity	tCO <sub>2</sub> e/room	0.78 <sup>3</sup>	1.17

*Note:*

1. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the HKEX, the “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5), the “Environmental, Social and Governance Report 2019” published by The Hong Kong and China Gas Company Limited and the “Sustainability Report 2019” published by the CLP Power Hong Kong Limited.
2. Figures restated for 2019.
3. During 2020, the total number of hotel rooms was 800. These numbers would also be used for calculating other intensity data.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Waste Management

##### *Hazardous waste handling method*

Despite the Group did not generate any hazardous wastes during 2020, the Group has established guidelines for governing the management and disposal of hazardous wastes. In case there are any unusual hazardous wastes produced, the Group must engage a qualified chemical waste collector to handle such wastes, so as to comply with the relevant environmental laws and regulations.

##### *Non-hazardous waste handling method*

The Group emphasises carbon reduction and waste reduction with the principle of “Reduce, Reuse, Recycle and Replace” to promote better utilisation of environmental resources. With the aim of minimising the environmental impact of non-hazardous wastes generated from its business operations, the Group has implemented relevant measures to handle such wastes and launched different reduction initiatives.

The Group’s staff and the assigned administrative staff in the workplace collectively take the responsibilities for waste management in daily operations and at the back office, with reference to the established environmental policies, including but not limited to the following:

- Repairing and reuse the electrical appliances (if possible) by the maintenance department before disposal;
- Reusing wrapping materials and paper cartons wherever possible, otherwise recycle properly, or dispose of responsibly;
- Centralising 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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Waste Management – continued

##### *Non-hazardous waste handling method – continued*

- Reusing printed papers wherever possible, subject to the personal data privacy requirements.



*Reminders of using recycle paper at office.*

Through these waste management measures, the employees' awareness on waste management has been enhanced.

Majority of the non-hazardous wastes produced were grease, oil and food remain primarily left from the restaurant. The Group uses grease trap devices to collect the grease and oil, and dispose of these grease trap waste responsibly by employing authorised service provider for collection. In addition, toilet amenities are provided to Hotel guests only and upon request so as to reduce unnecessary wastage.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Waste Management – continued

##### *Non-hazardous waste handling method – continued*

Thanks to the Group's streamlined food production process and to kitchen staff who regularly monitor the stock level of the cooking ingredients; stay vigilant to avoid stocking perishables with the result that food wastage has been kept to the minimal. 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 other ESG efforts during 2020.

During 2020, the Group's total non-hazardous waste disposed was increased approximately 52% from approximately 28.95 tonnes in 2019 to approximately 43.87 tonnes in 2020.

Summary of non-hazardous waste disposal performance:

Types of non-hazardous waste	Unit	2020	2019 <sup>4</sup>
Grease trap waste	Tonnes	42.69	27.95
Paper	Tonnes	1.18	1.00
Total non-hazardous waste	Tonnes	43.87	28.95
Intensity	Tonnes/room	0.05	0.04

*Note:*

4. Figure restated to also include paper waste, such data was originally presented as resource consumption amount.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Discharges into Water

Since the wastewater discharged from the Hotel is discharged into the municipal sewage pipeline network for processing, the amount of water consumption of the Group more or less represents the wastewater discharge volume. The data of wastewater discharge volume will be described in the section “Water Consumption” in aspect A2. The Group strives to use environmental friendly cleaning products to minimise the risk of water pollution caused by its operation.

### A2. Use of Resources

The Hotel has always placed great emphasis on energy and resources conservation. During the operations, electricity and water are frequently consumed, and the Group has established relevant policies and procedures in governing the efficient use of resources, with reference to the objective of achieving higher energy efficiency and reducing the unnecessary use of materials. The Group also regularly checks water and electricity meter to review its resource consumption performance and unexpected high consumption will be investigated to find out the root cause and preventive measures will be taken.

#### Energy Consumption

The energy consumption by the Group was mainly attributed from the use of purchased electricity and town gas. Related policies and measures were developed to set energy conservation as one of the Group’s ESG strategies. All employees must implement the adopted measures and assume responsibility for the Group’s overall energy efficiency.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A2. Use of Resources – continued

#### Energy Consumption – continued

During 2020, the Group has implemented the following measures to reduce energy consumption:

- Retrofitting lights to more energy efficient lights, such as LED;
- Regular cleaning of air-conditioners filters to enhance the efficiency of the air-conditioners;
- Regular checking of fridge and hotel public area temperature to reduce unnecessary energy consumption;
- Using energy saving machines and fixtures, electrical appliances which are certified to be energy-efficient or environmental-friendly, regular checking to ensure the usage efficiency;
- Prioritising the use of air-conditioners which have good temperature and humidity controls, allowing employees to work in a comfortable environment at back office, while at the same time reducing unnecessary energy consumption due to over-heating or overcooling;
- Promoting awareness amongst employees to turn off lighting in work areas during their lunch breaks to save energy in the back office; and
- Encouraging employees to put forward feasible advices to continuously improve the Group's energy saving and control.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A2. Use of Resources – continued

#### Energy Consumption – continued



*Energy saving slogan posted at office.*

Through these energy conservation measures, the employees' awareness on energy conservation was enhanced.

During 2020, the Group's energy consumption has decreased by approximately 42% from approximately 1,871 MWh in 2019 to approximately 1,088 MWh in 2020. This is due to decrease in occupancy rate.

Summary of energy consumption performance:

Types of energy	Unit	2020	2019 <sup>5</sup>
Direct energy consumption			
– Towngas <sup>6</sup>	MWh	403	1,177
Indirect energy consumption			
– Electricity	MWh	685	694
Total energy consumption	MWh	1,088	1,871
Intensity	MWh/room	1.36	2.34

*Note:*

5. Figures restated for 2019.

6. Amount of towngas consumed is equivalent to 1,450,272 MJ and 4,236,288 MJ in 2020 and 2019 respectively.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A2. Use of Resources – continued

#### Water Consumption

The Group encourages all employees and customers to develop the habit of conserving water consciously. The Group promotes the awareness of water conservation among housekeeping and kitchen staff, and encourages hotel guests to request for cleaning of linen and towel only when necessary. It carried out regular inspection on the Hotels' water pipes and facilities to ensure no water leakage. Through these water conservation measures, the employees' awareness on water conservation was enhanced.

During 2020, the Group's total water consumption has decreased by approximately 36% from approximately 6,728 m<sup>3</sup> in 2019 to approximately 4,319 m<sup>3</sup> in 2020. This is due to decrease in occupancy rate.

Summary of water consumption performance:

Indicator	Unit	2020	2019 <sup>7</sup>
Total water consumption	m <sup>3</sup>	4,319	6,728
Intensity	m <sup>3</sup> /room	5.40	8.41

*Note:*

7. Figures restated for 2019.

Since the Group's business nature and operations is mainly based in Hong Kong, the issue in sourcing water that is fit for purpose is not relevant.

#### Packaging Materials

The Group does not consume significant amounts of packaging materials for its product as it has no industrial production or any factory facilities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR ENVIRONMENT – CONTINUED

### A3. The Environment and Natural Resources

The Group's operations are not directly involved in the use of natural resources; hence the impact on the environment and natural resources from its operations was minimal during 2020. As an ongoing commitment to good corporate social responsibility, the Group recognises the responsibility in minimising the negative environmental impacts of its operations in achieving sustainable development to generate long-term values to its stakeholders and community.

#### Sustainable Operation

Due to the Group's business nature, operation includes provision of food and beverage services in the hotel. As a responsible corporate, it is committed to not serving endangered animal species such as shark fins, wild game meat and is trying to source sustainable seafood under the World Wide Fund Seafood Guide whenever possible. The Group also strives to minimise plastic wastes whenever possible and evaluates the possibilities to provide biodegradable toiletries in the future to reduce the bad impact on environment.

#### Indoor Air Quality

Good indoor air quality is important as employees and hotel guests spend most of their time indoors. Indoor air quality in the workplace and hotel rooms is regularly monitored and measured. Air pollutants, contaminants and dust particles are filtered by air purifying equipment in the workplace, and regular cleaning of air conditioning system is conducted to ensure office's indoor air quality. In addition, smoking is prohibited in all guest rooms, restaurants, common areas and other enclosed facilities of the Hotel to prevent second and lingering of third-hand smoke.

## OUR EMPLOYEES

### B1. Employment

#### Employment and Labour Practices

Human resources are the foundation in supporting the development of the Group. Thus, the Group values its employees and is committed to providing them with a fair and equitable workplace environment. The Group has set up standard policies and procedures, including but not limited to the Staff Handbook, and has an in-house counsel to ensure that it complies with related laws and regulations related to 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR EMPLOYEES – CONTINUED

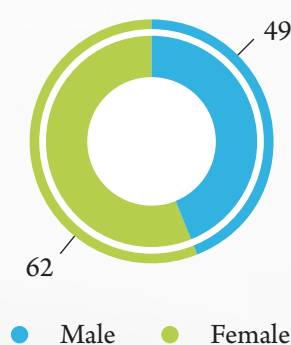
### B1. Employment – continued

#### Employment and Labour Practices – continued

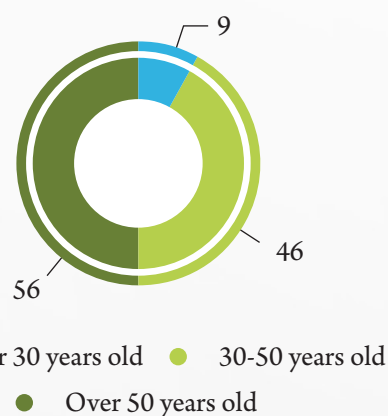
During 2020, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, Employment Ordinance (Cap. 57) and Minimum Wage Ordinance (Cap. 608).

As at 31 March 2020, there were a total of 111 employees. The actual number of employee breakdown by gender, age group and department are depicted below:

**By Gender**



**By Age Group**



**By Department**



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR EMPLOYEES – CONTINUED

### B1. Employment – continued

#### Employment and Labour Practices – continued

The total employees' turnover rate was 20% during 2020. The turnover of employees by gender, age group and department are depicted below:

	Unit	Turnover rate
<b>Turnover rate (by gender)</b>		
Male	Percentage	27
Female	Percentage	15
<b>Turnover rate (by age group)</b>		
Under 30 years old	Percentage	78
30-50 years old	Percentage	15
Over 50 years old	Percentage	14
<b>Turnover rate (by department)</b>		
Accounts	Percentage	100
Administration	Percentage	–
Engineering	Percentage	42
Executive Office	Percentage	–
Food & Beverage	Percentage	43
Front Office	Percentage	40
Guest Services & Safety	Percentage	–
Housekeeping	Percentage	6
Management	Percentage	–
Sales & Marketing	Percentage	–



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR EMPLOYEES – CONTINUED

### B1. Employment – continued

#### Recruitment, Promotion, Remuneration and Dismissal

The Group ensures its employees are recruited, remunerated and promoted based on their merits, qualifications, competence, suitability and contributions, ensuring that it treats and evaluates employees and applicants in a fair way and compensate employees by reference to other players in the industry and local labour markets in which it operates. Legal employment rights such as rest days and leave entitlements are fully respected and are detailed in the Staff Handbook.

In addition, the Hotel strives to provide a competitive remuneration system. The Group's remuneration packages consist of competitive level of fixed and variable compensation, including but not limited to holidays, annual leave, sick leave, maternity leave, medical scheme, dental scheme, transportation allowance, and mandatory provident fund. As an appreciation to the employees' efforts, the Hotel serves commendatory letter to outstanding employees. It also has staff activities such as annual dinner and distribute festival gifts to the employees as appropriate.

Unreasonable dismissal under any circumstances is forbidden in the Group. Dismissal process will only be proceeded with a reasonable basis and a warning letter will be sent prior to the dismissal. Official dismissal will only be considered when the employee fails to correct the problems after receiving warning letter.

The Group emphasises on the communication with its employees. It will regularly post related activities and trainings on notice board for employees.

#### Diversity, Equal-opportunity and Anti-discrimination

The Group is committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive. The Group is dedicated to provide equal opportunity in all aspects of employment and maintaining workplace that are free from discrimination against any individual based on age, races, family backgrounds, regions, nationalities, genders, sexual orientation, disability, ethnicity, religion and political beliefs. Discriminatory acts of any kind will not be tolerated. The Group has included a section of "Anti-discrimination" in its Staff Handbook and a section of "Fair Employment Practices" in its Code of Conduct to show its commitment in developing a discrimination-free working environment.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR EMPLOYEES – CONTINUED

### B2. Health and Safety

The Group is committed to providing and maintaining a safe and healthy environment for all employees. The Group has shown its determination in developing a safe and healthy workplace by including a section of “Environment, Health and Safety” in the Group’s Code of Conduct. Other policies and measures are also implemented in its operation to ensure health and safety during its operation.

During 2020, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, Occupational Safety and Health Ordinance (Cap. 509) and Employees’ Compensation Ordinance (Cap. 282), etc. There were no significant work-related injuries nor work-related fatalities recorded, and thus there was also no lost days due to work injury recorded during 2020.

#### Health and Safety

The Hotel has provided 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 allowed.

In areas where there is high risk of body injury, such as working in kitchen areas and cloak rooms, where employees are frequently involved in manual handling operations such as lifting up heavy objects, there are posters issued by the Occupational Safety and Health Council (職業安全健康局) to remind workers to take safety caution to 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 important when it comes to providing food and beverage to customers. To avoid the spread of germs the Hotel also displays posters to caution its staff to keep their working environment clean and tidy at all times, as well as reminding them to sanitise their hands after using toilets before handling foods.

There are adequate first aid boxes and equipment around the Hotel. These are regularly inspected to ensure they are in good condition. As part of the Group’s regular building maintenance, fire safety system and CCTV system are also regularly inspected and serviced. The Hotel carried out regular fire drills to ensure evacuation effectiveness of its staff.

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR EMPLOYEES – CONTINUED

### B2. Health and Safety – continued

#### Health and Safety – continued

In addition, the Hotel has posted a reminder of the “Guidance Notes on Standing at Work and Service Counter Design” (站立工作和服務櫃檯設計指引) issued by the Labour Department to all staff to enhance their awareness on such health risk. The Hotel also encouraged them to take rest, and provided adequate space and furniture for such purpose.

Employees at back offices are at relatively lower risk in terms of health and safety concerns since they are not involved in labour-intensive work nor are they posited in a hostile working environment. However, sitting for an extended period can also lead to body injury, hence the Hotel reminds employees of this risk on staff notice board to take rest and stretching exercises when necessary.

#### Other Health and Safety Measures

With the outbreak of the new coronavirus disease (COVID-19), the Group is highly aware of its potential health and safety impacts on employees. The Group has improved its operating environmental hygiene to ensure a healthy and safe working environment. It has taken precautionary measures, such as performing temperature checks before entering the Hotel, and ensuring that adequate disinfection supplies such as masks and hand sanitiser are provided in its operations.

### B3. Development and Training

#### Development and Training

The Group regards its employees as the most important asset and resource. The Group recognises the valuable contribution of their talents for its continued success, and it is committed to inspiring its human capital towards delivering excellence. The Group regularly arranges various trainings to increase employees’ abilities to adapt to the changing environment. Related information will be posted on staff notice board. On-job practical trainings are offered to employee to equip them with the relevant skill sets to enable them to provide quality and efficient services to customers.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR EMPLOYEES – CONTINUED

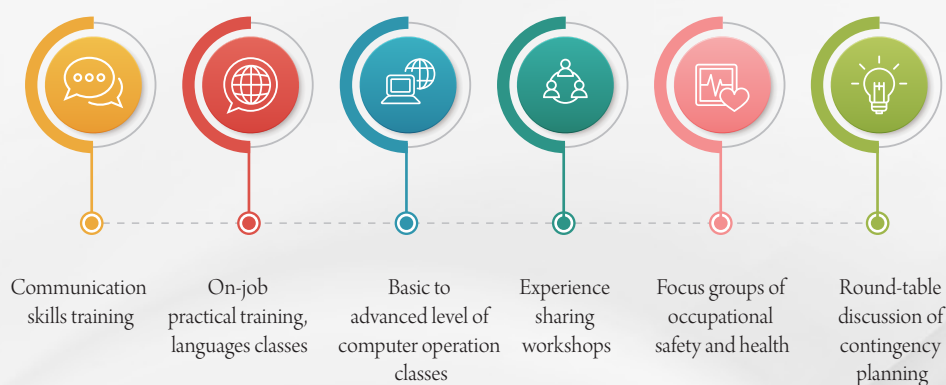
### B3. Development and Training – continued

#### Development and Training – continued

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 2020, the Group organised 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 Whistleblowing 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

### B4. Labour Standards

#### Prevention of Child Labour and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group actively detects and prevents child labour through its comprehensive screening in the recruiting process, checking their identity documents, and their working visas (if applicable) prior to any employment. Furthermore, work schedules are arranged with input from the employees to ensure they are set up fairly, and 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 2020, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to the Employment Ordinance (Cap. 57).



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR BUSINESS

### B5. Supply Chain Management

#### Supply Chain Management

In view of the increasing environmental concerns in society, the Group is aware of the importance in managing environmental and social risks of its supply chain. The Group has embedded environmental and social consideration in the procurement process and supplier communication. It has also established supply chain management policies and procedures to ensure the procurement choices are made thoughtfully and responsibly.

These policies allow the suppliers to compete in a transparent and fair way, and that the Group will neither differentiate nor discriminate any suppliers. Such policies also enable the Group to maintain good business practices in the selection and evaluation of these supplier partners, and in doing so may as well reduce environmental and social risk associated with suppliers' selection. In general, in sourcing for new supplies the Group will shortlist at least three suppliers for comparison before final decision be made by the management; and for largescale projects or large volume procurements, four or even more suppliers may be shortlisted. As at 31 March 2020, the Group had 88 suppliers in China (including Hong Kong).

For procurement in renovation projects, the Group's employees will closely collaborate with its 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 the Group expected of them, and they will carry out routine workplace inspections where necessary. For procurement of hardware replacement, the Group's evaluations process will include extra environmental considerations in terms of cost, energy, efficiency and durability.

### B6. Product Responsibility

The satisfaction of the Hotel's guests is the cornerstone of the sustainable development of the Group. As a hotel and restaurant operator, it is the Group's mission to provide a comfortable, safe and hygienic environment for all guests and customers, and to ensure that the Hotel's services meet their expectations. Thus, the Group is committed to complying with all requirements of the licences or permits they are granted, which includes hotel, general restaurant and liquor licences. These requirements include proper air, water and noise pollution controls, 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.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR BUSINESS – CONTINUED

### B6. Product Responsibility – continued

The Group complies with these requirements with the help of its employees, many of whom are well-trained through many years of experience working at the Hotel and other hotels in the hospitality industry. The Group also stipulates many of these requirements and provides guidelines in many displays and notices around the hotel, memos through emails as well as written in the Staff Handbook.

During 2020, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group, concerning product health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. The relevant laws and regulations include, but are not limited to, Trade Descriptions Ordinance (Cap. 362), Copyright Ordinance (Cap. 528), Personal Data (Privacy) Ordinance (Cap. 486), Trade Marks Ordinance (Cap. 559), Patent Ordinance (Cap. 514) and Registered Design Ordinance (Cap. 522).

### Service Quality

The Hotel's 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 its guests and employees. There is a CCTV system and security personnel on-duty to monitor the Hotel's premises 24 hours per day, 7 days per week as security surveillance for the Hotel. Unauthorised personnel will be questioned, and incidents of abnormality will also be followed-up in a timely manner. To promote better indoor air quality, smoking is prohibited in the Hotel in all 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 Group 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 Group's customer service team who will investigate into the relevant reasons for all complaints and provide proper followed-up. These complaint handling processes help the Group to receive feedback of the service provided, and at the same time appropriately address customers' concerns in a timely and professional manner. In addition, these processes also help the Group to formulate preventive measures which will avoid the occurrence of similar issues in future. It is a vital element of the Group's continuous development process for service excellence. During 2020, no complaint of a significant material nature was received from customers.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR BUSINESS – CONTINUED

### B6. Product Responsibility – continued

#### Customer Data Protection

The Group takes personal data protection very seriously. Personal information of the Hotel's customers will only be collected having received proper consent, and is collected solely for the purposes of hotel booking unless consented otherwise. There is a section of "Confidentiality" in the Group's Code of Ethics, stating that employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorised or legally mandated. There is also a section of "Confidentiality and Privacy" in the Group's Code of Conduct, stating that any non-public information relating to the Company or its products and/or services is to be treated as confidential during, as well as after, an Employee's term of employment.

The Group's 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. The Group also has 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 relative laws and regulations.

#### Protection of Intellectual Property

Despite the Group does not hold any significant intellectual property assets, as a responsible hotel operator the Group respects intellectual property rights and is committed to complying with the laws and requirements.

There is a section of "Intellectual Property" in the Group's Code of Conduct to establish, protect, maintain and defend its intellectual property rights and to use those rights in a commercially responsible manner. All employees must take steps to safeguard these assets and other intellectual property issues under the Trademark Ordinance and Patent Ordinance as well as International Convention, such as Paris Convention for the Protection of Industrial Property and the treaties of World Intellectual Property Organisation.

#### Responsible Marketing

The Group produces minimal marketing and advertising materials. However, it has formulated clear guidelines on advertising and marketing for our employees to ensure no misleading or false information are disclosed in the Hotel's advertising or marketing materials.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR BUSINESS – CONTINUED

### B7. Anti-corruption

The Group values and upholds integrity, honesty and fairness in its business. It does not tolerate any corruptions, frauds and all other behaviours violating work ethics.

During 2020, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, Prevention of Bribery Ordinance (Cap. 201), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), and other relevant laws and regulations related to anti-corruption. There was also no concluded legal cases regarding corrupt practices brought against the Group or its employees during 2020.

### 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. In addition to establishing a policy on Anti-Money Laundering and Counter-Terrorist Financing, the Group also provides regular training to directors and senior management on anti-corruption.

The Group has also clearly stated that employees must avoid activities that conflict with the Group's interests or that influence their judgment or actions in performing their duties as employees in the section "Conflicts of Interest Issues" of the Group's Code of Conduct. There is also a section of "Conflict of Interest" in the Group's Code of Conduct, stating that any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the in-house lawyer and professionals.

The Group has established a Whistleblowing Policy, which allows employees and third parties (for example, customers and suppliers) to report concerns about any suspected or actual improprieties relating to the Group. Reports and complaints received will be handled in a prompt and fair manner.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR COMMUNITY

### B8. Community Investment

The Group is committed to supporting the public by means of social participation and contribution as part of its strategic development. To nurture corporate culture and strengthen practices of corporate citizenship, the Group embraces human capital into the social management strategies to sustain its corporate social responsibility and support the Group's strategic development.

#### Community Participation

The Group 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 Group's employees are also encouraged to engage in sporting activities not only for their healthy well-being, but also in the support of the "Together, We Fight the Virus!" by the Centre for Health Protection of the HKSAR to maintain healthy lifestyle by way of maintaining social distance, doing regular exercises at home and reduction on social activities as necessary.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
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.	Emissions
KPI A1.1 (“comply or explain”)	The types of emissions and respective emissions data.	Emissions – Air Emissions, GHG Emissions
KPI A1.2 (“comply or explain”)	GHG emissions in total (in tonnes) and intensity.	Emissions – GHG Emissions
KPI A1.3 (“comply or explain”)	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management (not applicable – explained)
KPI A1.4 (“comply or explain”)	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5 (“comply or explain”)	Description of reduction initiatives and results achieved.	Emissions – GHG Emissions
KPI A1.6 (“comply or explain”)	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions – Waste Management



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – CONTINUED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1 (“comply or explain”)	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Consumption
KPI A2.2 (“comply or explain”)	Water consumption in total and intensity.	Use of Resources – Water Consumption
KPI A2.3 (“comply or explain”)	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Consumption
KPI A2.4 (“comply or explain”)	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources – Water Consumption
KPI A2.5 (“comply or explain”)	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Packaging Materials (not applicable – explained)



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – CONTINUED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1 ("comply or explain")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Indoor Air Quality, Sustainable Operation
<b>Aspect B1: Employment</b>		
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.	Employment
KPI B1.1 ("Recommended Disclosures")	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2 ("Recommended Disclosures")	Employee turnover rate by gender, age group and geographical region.	Employment

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – CONTINUED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B2: Health and Safety</b>		
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.	Health and Safety
KPI B2.1 (“Recommended Disclosures”)	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2 (“Recommended Disclosures”)	Lost days due to work injury.	Health and Safety
KPI B2.3 (“Recommended Disclosures”)	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Development and Training

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – CONTINUED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B4: Labour Standards</b>		
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.	Labour Standards
KPI B4.1 (“Recommended Disclosures”)	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2 (“Recommended Disclosures”)	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1 (“Recommended Disclosures”)	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2 (“Recommended Disclosures”)	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – CONTINUED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B6: Product Responsibility</b>		
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.2 (“Recommended Disclosures”)	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3 (“Recommended Disclosures”)	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4 (“Recommended Disclosures”)	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5 (“Recommended Disclosures”)	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – CONTINUED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B7: Anti-corruption</b>		
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.	Anti-corruption
KPI B7.1 (“Recommended Disclosures”)	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.	Anti-corruption
KPI B7.2 (“Recommended Disclosures”)	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
<b>Aspect B8: Community Investment</b>		
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.	Community Investment

