



**MEXAN LIMITED**  
**茂盛控股有限公司**

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

**Environmental, Social and  
Governance Report**

**2022**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

Mexan Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is one of the hotel operators in Hong Kong. The Group mainly focuses on the operation of the Winland 800 Hotel (“**Hotel**”), an 800-room Hotel in Tsing Yi, New Territories, Hong Kong, which maintained an average occupancy rate of approximately 50.8% for the financial year ended 31 March 2022 (“**Reporting Period**” or “**2022**”).

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

The Group believes sustainability is the key to achieving continuing success and has integrated this key concept into its business strategy. In order to pursue a successful and sustainable business model, the Group actively promotes an 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 its ESG efforts, and also to report on its performances to investors and other stakeholders.

Recognising the urgent need for decisive action to mitigate climate change, the Group has set targets to enhance its performance on greenhouse gas (“**GHG**”) emissions, waste management, energy consumption, and water consumption. The Group believes setting ESG-related targets can enhance the Group’s commitment to corporate social responsibility and allow the Group’s stakeholders to have a clearer understanding of the ESG performance of the Group.

### **The ESG Governance Structure**

The Group has developed an ESG governance structure to ensure ESG governance aligns with its business strategy and to integrate ESG management into its business operations and decision-making process.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION – CONTINUED

The Board of Directors (“**Board**”) holds the overall responsibility for the Group’s ESG issues. In order to better manage the Group’s ESG performance, related issues and potential risks, the Board has resolved to establish an ESG committee (the “**Committee**”). The Committee is a sub-committee of the Board, composed of at least one executive director, members from the senior management and representatives of relevant departments of the Group. The Committee assists the Board in oversight of ESG issues by providing direction on and overseeing the development and implementation of the ESG initiatives of the Group, as well as executing the Group’s ESG management approach and strategy, including the process used to evaluate, prioritise, set up and manage material ESG-related issues and targets, and to report to the Board on the progress made against ESG-related targets regularly.



## SCOPE OF REPORTING

The senior management of the Group identifies the reporting scope by considering the materiality principle, its core business and its main revenue source. The scope of reporting of this ESG Report is the same as the reporting scope of its 2022 Annual Report. Compared with the ESG report for the financial year ended 31 March 2021 (“**2021**”), this ESG Report has enhanced the data collection mechanism and covers data from all the departments within the Hotel. In addition, the ESG key performance indicators (“**KPIs**”) are shown in the ESG Report as well as supplemented by explanatory notes to establish benchmarks.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## REPORTING FRAMEWORK

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

Information relating to the Group’s corporate governance practices has been set out in the Corporate Governance Report of the 2022 Annual Report.

During the preparation for this ESG Report, the Group has applied the reporting principles in the ESG Reporting Guide as follows:

*Materiality:* Materiality assessment was conducted to identify material ESG issues during the Reporting Period, thereby adopting the confirmed material ESG issues as the focus for the preparation of the ESG Report. The materiality of ESG issues was reviewed and confirmed by the Board and the Committee. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

*Quantitative:* The standards, methodologies and applicable assumptions used in the calculation of KPIs data were supplemented by explanatory notes.

*Consistency:* Unless otherwise stated, the preparation approach of this ESG Report is consistent with the previous year for meaningful comparison purposes. During the Reporting Period, due to the enhanced data collection mechanism of the Group, the scope of disclosures has been changed accordingly and explained in detail in the section headed “Scope of Reporting”. If there are any changes in the calculation methodologies in this ESG Report, which may affect the comparison with previous reports, explanations will be provided to the corresponding data.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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, investors and shareholders, suppliers, hotel guests, media, non-governmental organisations ("NGOs") and the public, as well as government bodies and regulators.

In formulating ESG strategies and measures, the Group takes into account the stakeholders' expectations and concerns and strives to improve its performance through mutual cooperation with the stakeholders. The Group believes that it will create greater value for the community by utilising diversified key communication channels.

| Stakeholders               | Expectations and Concerns  | 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 training</li><li>• Mentoring by direct supervisor</li><li>• Regular team sharing</li><li>• Employee notice board</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>• Timely announcement of the latest information</li><li>• Protection of shareholders' rights and interests</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>• Information disclosure on the Stock Exchange and the Group's website</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 product/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   | 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>• The Group's online booking websites, 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>• Information disclosure on the Stock Exchange and the Group's website</li><li>• ESG reports</li><li>• Participation in 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>• The Group's 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

In order to understand the stakeholders' areas of concern, identify material ESG issues, assess the importance of these issues, and formulate sustainable development strategies and guidelines, the Group continues to conduct annual materiality assessment. The specific work steps are as follows:

### Identifying the relevant issues

- With the assistance of the Committee, the Group identified and confirmed a list of 15 material ESG issues for the Group in 2022, based on the Group's business development, results of the materiality assessment in 2021, and the MSCI ESG Industry Materiality Map.

### Collecting stakeholder's feedback

- Questionnaires were designed based on the list of material ESG issues as the core content of the materiality assessment. The questionnaires were distributed to stakeholders for them to rate the material ESG issues according to the significance of economic, environmental and social impacts, as well as the influence on stakeholders' assessment and decisions, and to answer any open-ended questions.
- This assessment mainly covered stakeholders, including but not limited to employees and suppliers.

### Identifying significant issues

- Based on the results of the questionnaires, the Committee evaluated the materiality of these ESG issues and compiled the materiality matrix.
- The Committee reviewed the feedback from stakeholders and the results of the materiality assessment, and identified the disclosures focus of the ESG Report and the improvement areas for ESG performance.

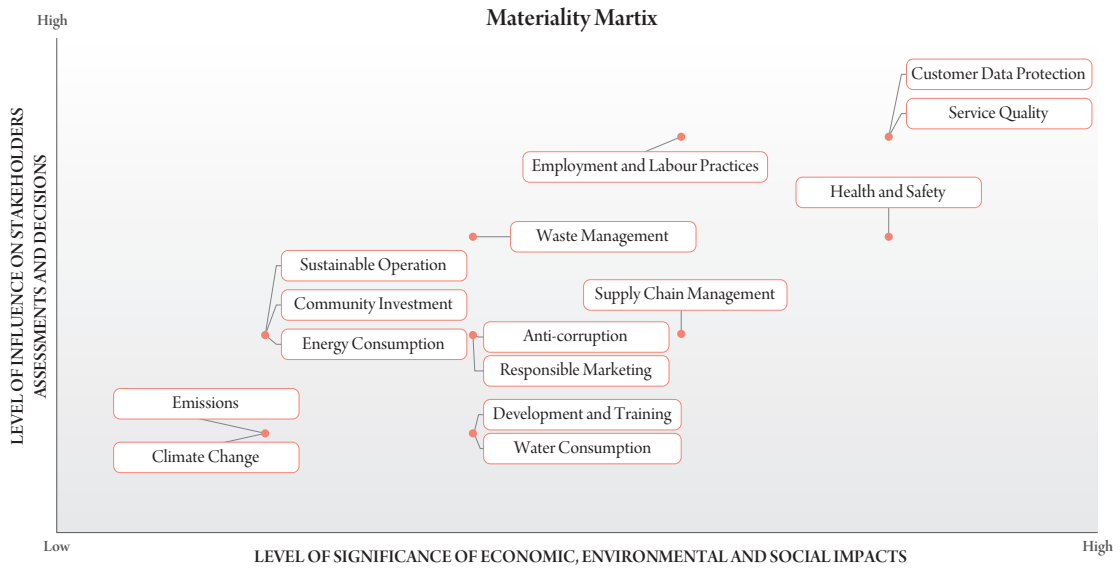
### Verification

- The Committee presented the summary of the result of the materiality assessment to the Board and the Board reviewed and approved the materiality matrix.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIALITY ASSESSMENT – CONTINUED

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



## CONTACT US

The Group welcomes stakeholders to provide comments and suggestions. You can provide valuable advice 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

## 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 of 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 cover the waste management principle of "Reduce, Reuse, Recycle and Replace" as well as the emissions mitigation principle, with the objectives of minimising the adverse environmental impacts and ensuring the waste and emissions are handled in an environmentally responsible manner.

During 2022, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations in Hong Kong in relation to air and 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), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) and the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Emissions

##### *Air Emissions*

Due to the Group's business nature, it only generates minimal amount of air emissions resulting from the combustion of town gas for cooking at the stoves in the kitchen and boilers for water heating in the Hotel. During 2022, the increase in air emissions was attributable to the increase in town gas consumption, as a result of the shift of customers base from short-term visitors from overseas or the People's Republic of China ("China") to domestic long-staying guests during the travel restriction for the Coronavirus Disease 2019 ("COVID-19"). Short-term visitors tend to stay much less in the room and go out longer for travelling while domestic long-staying guests tend to stay in the room longer and order food prepared by the Hotel more frequently.

The summary of the Group's air emissions performance:

| Indicator <sup>1</sup>             | Unit | 2022  | 2021 |
|------------------------------------|------|-------|------|
| Nitrogen oxides (NO <sub>x</sub> ) | kg   | 12.48 | 6.96 |
| Sulphur oxides (SO <sub>x</sub> )  | kg   | 0.06  | 0.03 |

#### *Note:*

1. The calculation method of air emissions and the related emission factors were based on, including but not limited to, "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Emissions – continued

##### *GHG Emissions*

The Group's GHG emissions were mainly direct GHG emissions (Scope 1) from the towngas consumed for cooking in the kitchen and boilers for water heating in the Hotel, as well as fugitive emissions from refrigerants, and energy indirect GHG emissions (Scope 2) from the use of purchased electricity and towngas, while other indirect GHG emissions (Scope 3) 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. The Group has set a target for reducing its GHG emissions:

- The Group will organise an internal training on environmental protection in the financial year ended 31 March 2023 (“2023”) to increase environmental awareness of its employees.

The Group has actively adopted electricity conservation and energy saving measures as well as other initiatives to reduce GHG emissions, including but not limited to:

- 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 holidays, and closing windows when the air conditioning is in use); and
- Actively adopting measures for environmental protection, energy conservation, and water saving. More measures are described in the sections headed “Energy Consumption” and “Water Consumption”.

During 2022, the Group has reduced its direct GHG emissions (Scope 1) due to a reduction in the use of refrigerants. While the Group's energy indirect GHG emissions (Scope 2) and other indirect GHG emissions (Scope 3) have increased significantly in 2022 compared to 2021 due to the enhanced data collection mechanism from all the departments within the Hotel, which accounts for the significant increase in the Group's total GHG emissions intensity in 2022 compared to 2021.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Emissions – continued

##### *GHG Emissions – continued*

The summary of the Group’s GHG emissions performance:

| Indicator <sup>2</sup>   | Unit                         | 2022            | 2021          |
|--|------------------------------|-----------------|---------------|
| Direct GHG emissions (Scope 1)   |                              |                 |               |
| • Towngas consumption and fugitive emissions of refrigerants   | tCO <sub>2</sub> e           | 213.87          | 503.99        |
| Energy indirect GHG emissions (Scope 2)  |                              |                 |               |
| • Purchased electricity and towngas  | tCO <sub>2</sub> e           | 1,111.77        | 243.50        |
| Other indirect GHG emissions (Scope 3)   |                              |                 |               |
| • Electricity use for fresh water and sewage processing by government departments, and paper disposal at landfills | tCO <sub>2</sub> e           | 11.03           | 9.07          |
| <b>Total GHG emissions (Scope 1, 2 and 3)</b>  | <b>tCO<sub>2</sub>e</b>      | <b>1,336.67</b> | <b>756.56</b> |
| <b>Intensity<sup>3</sup></b>   | <b>tCO<sub>2</sub>e/room</b> | <b>1.67</b>     | <b>0.95</b>   |

Notes:

- 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 Bank 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 Stock Exchange, “Global Warming Potential Values” issued by the IPCC Fifth Assessment Report, 2014 (AR5), “Environmental, Social and Governance Report 2021” issued by The Hong Kong and China Gas Company Limited, “2021 Sustainability Report” issued by the CLP Holdings Limited, “Annual Report 2020/21” issued by the Water Supplies Department, and “Sustainability Report 2020-21” issued by the Drainage Services Department.
- During 2022, the total number of hotel rooms was 800 (2021: 800). The number would also be used for calculating other intensity data.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Waste Management

##### *Hazardous Waste Handling Method*

The Group did not generate any significant amount of hazardous wastes during 2022 and thus, no related targets have been set. To comply with relevant environmental laws and regulations, and to be a responsible firm, if there are any unusual hazardous wastes produced, the Group will follow the internal guidelines for governing the management and disposal of hazardous wastes, and such wastes must be handled by a qualified waste collector.

##### *Non-hazardous Waste Handling Method*

The Group emphasises waste reduction with the principle of “Reduce, Reuse, Recycle and Replace” to promote better utilisation of environmental resources. The Group thus has set the following targets to reduce its non-hazardous waste:

- From 2023 onwards, the Group will place umbrella dryers in its Hotel to replace plastic umbrella bags; and
- By 2023, the Group will place waste separation bins (3-coloured bins) to reduce non-hazardous waste consumption and promote waste recycling in its Hotel.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Waste Management – continued

##### *Non-hazardous Waste Handling Method – continued*

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 in daily operations and at the back office, with reference to the established environmental policies. These measures and initiatives include but not limited to the followings:

- Repairing and reusing 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;
- Reducing excessive printing by going paperless as far as possible, for example utilise digital devices to the greatest extent for internal meetings and internal communications;
- Reusing printed papers wherever possible, subject to the personal data privacy requirements; and
- Avoiding taking more food than their needs in every staff meal.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Waste Management – continued

##### *Non-hazardous Waste Handling Method – continued*

The majority of the non-hazardous wastes produced by the Group were grease trap waste 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 providers for collection. In addition, toilet amenities are provided to hotel guests only and upon request so as to reduce unnecessary wastage, meanwhile, only bulk-size refillable shower gel is provided in the rooms to reduce single-use plastics.

The Group has monitored the streamlined food production process and the stock level of the cooking ingredients, food waste has been kept to the minimal. Therefore, the Group has no relevant data recorded as it is not material.

During 2022, the Group's total non-hazardous waste disposed intensity decreased by approximately 33.33% compared to 2021, which is mainly due to the decrease in the grease trap waste as a result of the decline in number of dine-in customers.

The summary of the Group's non-hazardous waste performance:

| <b>Indicator</b>                 | <b>Unit</b>        | <b>2022</b>  | <b>2021</b>  |
|----------------------------------|--------------------|--------------|--------------|
| Grease trap waste                | Tonnes             | 33.55        | 44.30        |
| Paper                            | Tonnes             | 1.17         | 1.12         |
| <b>Total non-hazardous waste</b> | <b>Tonnes</b>      | <b>34.72</b> | <b>45.42</b> |
| <b>Intensity</b>                 | <b>Tonnes/room</b> | <b>0.04</b>  | <b>0.06</b>  |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A1. Emissions – continued

#### Discharges into Water

Since the wastewater discharged from the Group is discharged into the municipal sewage pipeline network for processing, the amount of water consumption of the Group could be seen as the wastewater discharge volume. Relevant data will be described in the section headed “Water Consumption”. The Group strives to use environmentally friendly cleaning products to minimise the risk of water pollution caused by its operation.

### A2. Use of Resources

The Group 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 the objectives of achieving higher energy efficiency and reducing the unnecessary use of materials. The Group also regularly checks water and electricity meters 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 to the use of the town gas for direct energy consumption, and purchased electricity for indirect energy consumption. Related policies and measures were developed to set energy conservation as one of the Group’s ESG strategies. All employees must execute the adopted measures and assume responsibility for the Group’s overall energy efficiency.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A2. Use of Resources – continued

#### Energy Consumption – continued

The Group has set the following targets to reduce its energy consumption:

- By the financial year ended 31 March 2025 (“2025”), the Group will change all lighting in its Hotel to LED; and
- By 2025, the Group will install motion sensors in its Hotel to automatically control the switching of lighting.

During 2022, the Group participated in the “Earth Hour 2022” organised by World Wide Fund to make contributions to protecting the Earth and promote the employees’ awareness of energy conservation. The Group has also implemented the following practical measures to reduce energy consumption:

- Prioritising the use of air-conditioners with pre-set 25°C room temperature and humidity controls, which allows employees to work in a comfortable environment at the back office, while at the same time reducing unnecessary energy consumption due to overheating or overcooling;
- Checking fridge and public area temperature regularly, to reduce unnecessary energy consumption;
- Using machines, fixtures, and electrical appliances which are certified to be energy-efficient or environmentally friendly with Energy Label;
- Regulating the opening hours of machines and fixtures, such as televisions and air-conditioning in staff changing rooms to reduce unnecessary usage;
- Cleaning air-conditioners filters regularly to enhance efficiency;
- Promoting energy-saving awareness amongst employees and reminding them to turn off lighting in working areas during their lunch breaks to save energy in the back office; and
- Encouraging employees to put forward feasible advice to continuously improve the Group’s energy saving and control.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A2. Use of Resources – continued

#### Energy Consumption – continued

During 2022, the Group's total energy consumption intensity increased significantly compared to 2021, which is mainly due to the enhanced data collection mechanism from all the departments within the Hotel.

The summary of the Group's energy consumption performance:

| <b>Indicator<sup>4</sup></b>    | <b>Unit</b>     | <b>2022</b>     | <b>2021</b>     |
|---------------------------------|-----------------|-----------------|-----------------|
| Direct energy consumption       |                 |                 |                 |
| • Towngas <sup>5</sup>          | MWh             | 867.00          | 483.00          |
| Indirect energy consumption     |                 |                 |                 |
| • Purchased electricity         | MWh             | 2,752.66        | 600.00          |
| <b>Total energy consumption</b> | <b>MWh</b>      | <b>3,619.66</b> | <b>1,083.00</b> |
| <b>Intensity</b>                | <b>MWh/room</b> | <b>4.52</b>     | <b>1.35</b>     |

*Notes:*

4. The calculation of unit conversion refers to the "Energy Statistics Manual" issued by the International Energy Agency.
5. Amount of towngas consumed is equivalent to approximately 3,121,200.00 MJ in 2022 and approximately 1,738,800.00 MJ in 2021 respectively.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A2. Use of Resources – continued

#### Water Consumption

The Group encourages all employees and customers to develop the habit of conserving water consciously, and has set the following targets to reduce its water consumption:

- From 2023 onwards, the Group will gradually install flow controllers in its Hotel to reduce the consumption of water;
- From 2023 onwards, the Group will display posters or other promotional materials in prominent locations in its Hotel to encourage water conservation; and
- From 2023 onwards, the Group will actively conduct water audits using the “Water Efficiency Checklist” established by the Water Supplies Department of Hong Kong Government.

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. The Group carries out regular inspections of the Hotels’ water pipes and facilities to ensure no water leakages.

During 2022, the Group’s total water consumption intensity increased by approximately 42.09% compared to 2021, which is mainly due to the Group has strengthened its effort in cleaning and sterilisation in response to the COVID-19.

The summary of the Group’s water consumption performance:

| <b>Indicator</b>               | <b>Unit</b>               | <b>2022</b>     | <b>2021</b>     |
|--------------------------------|---------------------------|-----------------|-----------------|
| <b>Total water consumption</b> | <b>m<sup>3</sup></b>      | <b>8,476.00</b> | <b>5,971.00</b> |
| <b>Intensity</b>               | <b>m<sup>3</sup>/room</b> | <b>10.60</b>    | <b>7.46</b>     |

Since the Group’s business nature and operations are mainly based in Hong Kong, the Group does not encounter any issue in sourcing water that is fit for purpose.

#### Packaging Materials

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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 2022. As an ongoing commitment to good corporate social responsibility, the Group has established relevant policies and recognises the responsibility of minimising the negative environmental impacts of its operations in achieving sustainable development to create long-term values for its stakeholders and community.

#### Sustainable Operation

Due to the Group's business nature, its operation includes the 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 negative impact on the 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 Hotel 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 the 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A4. Climate Change

The management of the Group understands that climate change may adversely impact its businesses and the global economy as a whole. Therefore, other than reducing the environmental footprint caused by the Group's business, the Group has also established relevant policies to identify any physical and transition risks caused by climate change, and to adapt to and/or mitigate major impacts on the Group's business associated with identified risks. Based upon the identification, the Group has integrated climate risks into its enterprise risk management process to manage and review the climate-related risks. The identified climate-related risks of the Group and corresponding actions taken to manage them are as follows:

#### Physical Risks

In view of the seriousness of climate change, the Group identified physical risks that might significantly impact the Group. As climate change is causing extreme weather events to be more frequent and severe, the Group might encounter situations where the Hotel operation is being adversely affected under unpleasant weather such as typhoons and heavy rain. The Hotel business is the Group's major sources of income, so the adverse impact on its operation would pose a negative effect on the Group's revenue. In addition, the extreme weather events would prevent people from travelling, causing a reduction in the number of hotel guests and room occupancy in the Hotel, which would reduce the Group's revenue. If extreme weather damages the Hotel facilities, the Group will experience an increase in repairing costs and a loss of assets.

The Group has taken different actions to manage the abovementioned physical risks. For example, the Group has the Staff Handbook in place to give guidance to the employees regarding work and operation arrangements when they are endangered by adverse weather conditions, such as suspending all outdoor work under heavy rainstorms. In addition, climate change has also been included in its Risk Management Policy to reduce or avoid the physical risks when extreme weather affects the Hotel. It is believed that the potential financial impacts can be minimised with adequate preparations for extreme weather events.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENT – CONTINUED

### A4. Climate Change – continued

#### Transition Risks

Other than physical risks, the Group is aware that transition risks associated with climate-related issues may significantly impact the Group. As different countries are working on the goals of the Paris Agreement on global climate change (“**Paris Agreement**”), the Group expects the laws and regulations related to climate change are going to be more stringent. As a result, the Group may face legal risks, which may cause the Group to bear higher operating costs to comply with regulatory changes. The Group is devoted to minimising risks that may derive from climate change. The Group has communicated its actions on climate change mitigation and adaptation to the public via multiple channels, particularly the ESG reports.

Due to climate change, public awareness of environmental protection has risen and more people tend to prefer environmentally friendly products and services. The Group strives to reduce the market risks associated with climate change by putting effort into environmental protection. For example, the Group only provides bulk-size refillable shower gel in the hotel room to prevent unnecessary wastage, and uses machines, fixtures and electrical appliances which are certified to be energy-efficient or environmentally friendly with Energy Label. The Group will closely monitor the changes in the business environment and policy, and capitalise on the opportunities whenever possible to fulfil its role as a global citizen. In addition, the Group will also adjust and formulate appropriate business strategies to support the global vision of achieving the goals of the Paris Agreement.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL

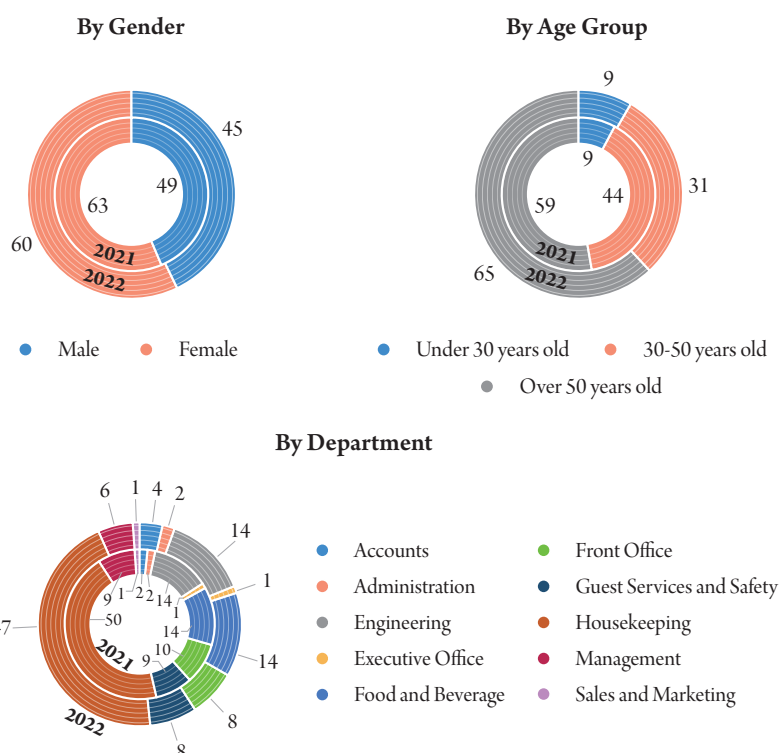
### B1. Employment

#### 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 relevant 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.

During 2022, 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 the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong).

As at 31 March 2022, the total workforce of the Groups was 105 employees (2021: 112 employees), all of them are full-time employees and they are all located in Hong Kong. Breakdown of workforce by gender, age group and department of the employees are depicted below:





# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### B1. Employment – continued

#### Employment and Labour Practices – continued

The total employee turnover rate<sup>6</sup> was approximately 12.38% during 2022 (2021: 7.00%). Employee turnover rate by gender, age group and department are depicted below:

| <b>Indicator<sup>7</sup></b> | <b>2022 (%)</b> | <b>2021 (%)</b> |
|------------------------------|-----------------|-----------------|
| <b>By Gender</b>             |                 |                 |
| Male                         | 11.11           | 10.00           |
| Female                       | 13.33           | 5.00            |
| <b>By Age Group</b>          |                 |                 |
| Under 30 years old           | –               | 33.00           |
| 30-50 years old              | 41.94           | 5.00            |
| Over 50 years old            | –               | 5.00            |
| <b>By Department</b>         |                 |                 |
| Accounts                     | –               | –               |
| Administration               | –               | –               |
| Engineering                  | –               | 7.00            |
| Executive Office             | –               | –               |
| Food and Beverage            | –               | 21.00           |
| Front Office                 | 25.00           | 20.00           |
| Guest Services and Safety    | 12.50           | 11.00           |
| Housekeeping                 | 6.38            | 2.00            |
| Management                   | 116.67          | –               |
| Sales and Marketing          | –               | –               |

*Notes:*

- Total employee turnover rate = Total number of employees leaving employment during the financial year/Total number of employees at the end of the financial year\*100%.
- Employee turnover rate by category = Total number of employees leaving employment by category during the financial year/Total number of employees by category at the end of the financial year\*100%. The employee turnover rate in Hong Kong is the same as the Group's total employee turnover rate, as all employees are located in Hong Kong.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – 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 compensates 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 Group 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 for the employees' efforts, the Group sends commendatory letter to outstanding employees.

Unreasonable dismissal under any circumstances is forbidden in the Group. Dismissal 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.

#### 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 providing equal opportunity in all aspects of employment and maintaining workplace that is free from discrimination against any individual based on age, race, family background, region, nationality, gender, 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 to developing a discrimination-free working environment.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – 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 2022, 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 the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and the Employees’ Compensation Ordinance (Cap. 282 of the Laws of Hong Kong). There were no significant work-related fatalities recorded within the past three years (including the Reporting Period). During 2022, there were no reported cases related to the work injury, thus no working days lost have been recorded (2021: 7 working days).

#### Health and Safety

The Group has provided guidance on health and safety principles in the Staff Handbook as well as the Engineering Health and Safety Handbook. Within the working hours that meet the requirements of the relevant labour protection laws of Hong Kong, 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 to remind workers to pay special attention to safety and avoid injury, for example, to be careful when using ladder and handling equipment, to be careful of slippery floors, and 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 and bacteria, the Hotel also displays posters to remind its staff to keep their working environment clean and tidy at all times, as well as to sanitise their hands after using toilets and before handling foods.

There are adequate first aid boxes and equipment around the Hotel. The Group has performed regular inspection to ensure they are all 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.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### B2. Health and Safety – continued

#### Health and Safety – continued

For some dangerous areas such as electrical 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.

In addition, the Hotel has posted a reminder of the “Guidance Notes on Standing at Work and Service Counter Design” issued by the Labour Department to all staff to enhance their awareness on such health risks. The Hotel also encourages them to take rest, and provides adequate space and furniture for such purposes.

Employees at back offices are at relatively lower risk of health and safety hazards since they are not involved in labour-intensive work. However, sitting for an extended period can also lead to health concerns, hence the Group reminds employees of this risk and to take rest and do stretching exercises when necessary on the employee notice board.

#### COVID-19 Arrangement and Measures

With the outbreak of COVID-19, the Group is highly aware of its potential health and safety impacts on employees. The Group has improved its environmental hygiene in the Hotel to ensure a healthy and safe working environment. It has taken precautionary measures, such as performing temperature checks for staff and guests before entering the Hotel, placing air purifier robot in the Hotel lobby, and ensuring that adequate disinfection supplies such as masks and hand sanitisers are provided in its operations. In addition, the food delivery robot has been utilised in its operation if customers request to maintain social distancing.



*Air purifier and food delivery robots are put into use in the Hotel*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### 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 toward delivering excellence. The Group has the Directors' Training Policy and the Staff Handbook in place on improving employees' knowledge and skills for discharging duties at work, and regularly arranges various training to increase employees' abilities to adapt to the changing environment. Related information will be posted on the employee notice board. On-job practical training is offered to employees to equip them with the relevant skill sets to enable them to provide quality and efficient services to customers.

The Group encourages lifelong learning at all employee levels with no age restrictions. Training programmes are constantly updated and their contents are reviewed and improved based on the feedback from staff and the management. The Group regularly organise various training programmes, including communication skills training, on-job practical training, basic to advanced level of computer operation classes, experience sharing workshops, focus groups on occupational safety and health, round-table discussion of contingency planning, and small group dialogue of the Whistleblowing Policy. These 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 half-day training programmes for the management executives, not only to develop and refresh their knowledge and skill, 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 in the management of self, team and work. Also, the programmes provide them 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 achieving continuous lifelong learning.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### B3. Development and Training – continued

#### Development and Training – continued

During 2022, approximately 9.52%<sup>8</sup> of employees participated in the training. The average training hours completed per employee is approximately 0.10 hours<sup>9</sup>. The percentage of employees trained and the average training hours completed per employee by gender and employee category are as follows:

| <b>Indicator</b>            | <b>Percentage of Employees Trained<sup>10</sup></b> | <b>Average Training Hours<sup>11</sup></b> |
|-----------------------------|---|--|
| <b>By Gender</b>            |   |  |
| Male                        | 50.00%  | 0.11                                       |
| Female                      | 50.00%  | 0.08                                       |
| <b>By Employee Category</b> |   |  |
| Senior Management           | 40.00%  | 0.80                                       |
| Management                  | 30.00%  | 0.30                                       |
| General Employees           | 30.00%  | 0.03                                       |

#### Notes:

8. Total percentage of employees trained = Total number of employees trained during the financial year/Total number of employees at the end of the financial year\*100%.
9. Average training hours completed per employee = Total number of training hours completed during the financial year/Total number of employees at the end of the financial year.
10. Percentage of employees trained = Number of employees trained by category during the financial year/Total number of employees trained during the financial year\*100%. Relevant figures has been disclosed starting from 2022.
11. Average training hours = Number of training hours completed by category during the financial year/Number of employees by category at the end of the financial year. Relevant figures has been disclosed starting from 2022.



## SOCIAL – CONTINUED

### B4. Labour Standards

#### Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process of the Group as defined by relevant laws and regulations. The Group actively detects and prevents child labour through its internal relevant policies. The Group conducts a comprehensive screening in the recruiting process, including checking the applicants' identity documents, and their working visas (if applicable) prior to any employment.

The Group understands the importance of balance between work and life. Long working hours will only reduce productivity and increase the risk of accidents. Therefore, the Groups' work schedules are arranged with reference to employees' input to ensure the schedules are arranged fairly, and 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 with their supervisor's approval, and overtime compensation is provided in accordance with relevant labour laws and regulations.

If there is any suspected violation case regarding child and forced labour, the Group will conduct an investigation. When the violation case of child labour is confirmed, the Group would terminate the employment contract immediately, and may refer the case to relevant statutory bodies in light of the actual situation. In addition, when the violation case of forced labour is confirmed, the Group might take disciplinary actions against any staff members who are responsible for the cause of the incident.

During 2022, 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, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

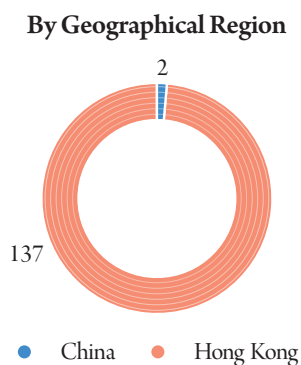
### B5. Supply Chain Management

#### Supply Chain Management

The Group is aware of the importance of managing environmental and social risks of its supply chain, and has embedded environmental and social considerations in the procurement process and supplier communication. The Group has established relevant supply chain management policies and procedures to ensure the procurement choices are made thoughtfully and responsibly. The Group has implemented such policies and relevant procedures to ensure the suppliers can compete in a transparent and fair way, and that no discriminations against any particular suppliers nor corruption and bribery in the selection process. The Group will shortlist at least three suppliers for comparison before final decision is made by the management in sourcing for new suppliers, and for large scale projects or large volume procurements, four or even more suppliers may be shortlisted.

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 standards of these projects are in-line with the Group's expectation, and that the environmental impacts of these projects are minimised. For procurement of hardware replacement, the Group's evaluation process will have a higher standard of environmental considerations in terms of cost, energy, efficiency and durability. Priorities will be given to local suppliers and products with energy-efficient labels.

As at 31 March 2022, the Group has 139 suppliers (2021: 102 suppliers), and all of the Group's suppliers are subject to the procurement practices above. The number of suppliers by geographical region are depicted below:



Assessments work on the suppliers' performance are conducted on a regular basis. If the Group discovers any supplier has non-compliance with relevant environmental and social laws and regulations, or significant negative impacts on related environmental and social aspects, including but not limited to quality control, resource efficiency, employment practices, and business ethics, during the supplier assessment, the Group will carry out corrective action to remediate the identified risks, and the suppliers may be suspended or removed from the approved list, where necessary.

## SOCIAL – CONTINUED

### B6. Product Responsibility

Guest satisfaction 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 include 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 with laws and regulations with respect to building works. 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 these requirements in relevant internal policies, and provides guidelines which are posted on different displays and notice board in the Hotel, to remind the employees of these requirements.

During 2022, the Group was not aware of any incidents of non-compliance with laws and regulations that had a significant impact on the Group, concerning product health and safety, advertising, labelling and privacy matters relating to products and services provided. The relevant laws and regulations include, but are not limited to, the Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong), the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), the Trade Marks Ordinance (Cap 559 of the Laws of Hong Kong), the Patent Ordinance (Cap 514 of the Laws of Hong Kong) and the Registered Design Ordinance (Cap 522 of the Laws of Hong Kong).

### Service Quality

The Hotel's engineering department regularly checks the conditions of the premises, boilers, and other operating equipment to ensure that none of them 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 visitors 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 all guest rooms, restaurants, common areas and other enclosed facilities of the Hotel. These measures help to provide a health-conscious and smoke-free environment for customers, and guarantee that guests stay out from both the second and lingering of thirdhand smoke. As the Group's principal business is the provision of quality hospitality services, it does not involve any product safety and health issues that require recalls, and recall procedures is not applicable to the Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### B6. Product Responsibility – continued

#### Complaint Handling

The Group has established procedures for handling complaints, customers can file complaints through different channels, i.e. telephone, email, and online booking websites. These customer complaints are properly recorded and handled by the Group's customer service team which will investigate into the relevant reasons for each complaint and follows up accordingly. These complaint handling processes allow the Group to receive feedback on 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 in order to avoid the occurrence of similar issues in future. It is a vital element of the Group's continuous development for service excellence. During 2022, no significant complaints was received from customers (2021: 0 cases).

#### Customer Data Protection

The Group takes personal data protection very seriously. Personal information of the Hotel's customers will only be collected with proper consent, and is collected solely for the purposes of 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 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 Group or its products and/or services has 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 relevant laws and regulations. The Group will review the policies regularly to ensure its effectiveness.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### B6. Product Responsibility – continued

#### Protection of Intellectual Property

Despite the Group does not hold any significant intellectual property (“IP”) assets, as a responsible hotel operator, the Group respects IP 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 IP rights and to use those rights in a commercially responsible manner. All employees must safeguard these assets and other IP issues under the Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong) and the Patent Ordinance (Cap. 514 of the Laws of Hong Kong) 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 its employees to ensure no misleading or false information is disclosed in the Hotel’s advertising or marketing materials.

### B7. Anti-corruption

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

During 2022, 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, the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), and other relevant laws and regulations related to anti-corruption. There were also no concluded legal cases regarding corrupt practices brought against the Group or its employees during 2022 (2021: 0 cases).



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### B7. Anti-corruption – continued

The Hotel has strict policies on anti-money laundering and counter-terrorist financing, that ensure adherence to the highest ethical standards and maintain a corporate culture of integrity and justice in order 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 business in an appropriate manner, with integrity, impartiality and honesty. 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 of "Conflicts of Interest Issues" in 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.

To maintain a high level of integrity in the Group's corporate culture, the Group has provided regular training to the directors and senior management on anti-corruption. During 2022, a total of 2 directors and 8 employees of the Group have received approximately 2.00 hours and approximately 8.00 hours of anti-corruption training respectively. Such training could familiarise them with their corresponding role and responsibility regarding anti-corruption and business ethics under applicable laws and regulations.

### Whistleblowing Mechanism

To further maintain and achieve the highest degree of openness, probity and accountability, the Group has established the 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, while all information received will be treated confidentially, except where the Group is required by laws and regulations or relevant regulators or law enforcement authorities to disclose it. The identity of the whistleblower will also be kept confidential and protected from reprisal or disadvantage as a result of making a report under the policy. The Group will review the policy regularly to ensure its effectiveness.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL – CONTINUED

### 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 has established relevant policies and formulated 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. participation in voluntary work and blood donation for the community. The Group's employees are also encouraged to participate in sporting activities not only for their healthy well-being, but also as a means to supporting the "Sport for All Day" by the Leisure and Cultural Services Department of the Hong Kong government, to encourage others to lead more active, healthier and happier lives.

During 2022, to comply with the government's social distancing measures, the Group did not participate in any community activities, and will focus on contributing to the environmental concerns, and health of employees and customers in the future when COVID-19 eases.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX OF ESG REPORTING GUIDE OF THE STOCK EXCHANGE

| Mandatory Disclosure Requirements | Section/Declaration          |
|-----------------------------------|------------------------------|
| Governance Structure              | The ESG Governance Structure |
| Reporting Principles              | Reporting Framework          |
| Reporting Boundary                | Scope of Reporting           |

| Aspects, General Disclosures and KPIs | Description | Section/Declaration |
|---------------------------------------|-------------|---------------------|
|---------------------------------------|-------------|---------------------|

### Aspect A1: Emissions

|                    |  |   |
|--------------------|--|---|
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Emissions                                   |
| KPI A1.1           | The types of emissions and respective emissions data.  | Emissions<br>– Air Emissions                |
| KPI A1.2           | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Emissions<br>– GHG Emissions                |
| KPI A1.3           | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Not applicable<br>– explained               |
| KPI A1.4           | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Emissions<br>– Waste Management             |
| KPI A1.5           | Description of emissions target(s) set and steps taken to achieve them.  | Emissions<br>– Air Emissions, GHG Emissions |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

| Aspects, General Disclosures and KPIs | Description  | Section/Declaration                      |
|---------------------------------------|--|--|
| KPI A1.6                              | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.                           | Emissions<br>– Waste Management          |
| <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                              | 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). | Use of Resources –<br>Energy Consumption |
| KPI A2.2                              | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Use of Resources –<br>Water Consumption  |
| KPI A2.3                              | Description of energy use efficiency target(s) set and steps taken to achieve them.  | Use of Resources –<br>Energy Consumption |
| KPI A2.4                              | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.                       | Use of Resources –<br>Water Consumption  |
| KPI A2.5                              | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Not applicable –<br>explained            |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

| 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 impacts on the environment and natural resources.  | The Environment and Natural Resources   |
| KPI A3.1  | 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 – Sustainable Operation, Indoor Air Quality |
| <b>Aspect A4: Climate Change</b>                        |  |   |
| General Disclosure                                      | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.             | Climate Change  |
| KPI A4.1  | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Climate Change – Physical Risks, Transition Risks                                 |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

| Aspects, General Disclosures and KPIs | Description   | Section/Declaration                             |
|---------------------------------------|---|---|
| <b>Aspect B1: Employment</b>          |   |   |
| General Disclosure                    | Information on:<br>(a) the policies; and<br>(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                              | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.  | Employment –<br>Employment and Labour Practices |
| KPI B1.2                              | Employee turnover rate by gender, age group and geographical region.  | Employment –<br>Employment and Labour Practices |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

| Aspects, General Disclosures and KPIs      | Description   | Section/Declaration   |
|--|---|---|
| <b>Aspect B2: Health and Safety</b>        |   |   |
| General Disclosure                         | Information on:<br>(a) the policies; and<br>(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                                   | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | Health and Safety   |
| KPI B2.2                                   | Lost days due to work injury.   | Health and Safety   |
| KPI B2.3                                   | Description of occupational health and safety measures adopted, and how they are implemented and monitored.   | Health and Safety –<br>Health and Safety,<br>COVID-19 Arrangement<br>and Measures |
| <b>Aspect B3: Development and Training</b> |   |   |
| General Disclosure                         | Policies on improving employees' knowledge and skills for discharging duties at work.<br>Description of training activities.  | Development and Training  |
| KPI B3.1                                   | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | Development and Training –<br>Development and Training                            |
| KPI B3.2                                   | The average training hours completed per employee by gender and employee category.  | Development and Training –<br>Development and Training                            |



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

| Aspects, General Disclosures and KPIs     | Description  | Section/Declaration   |
|---|--|---|
| <b>Aspect B4: Labour Standards</b>        |  |   |
| General Disclosure                        | Information on:<br>(a) the policies; and<br>(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                                  | Description of measures to review employment practices to avoid child and forced labour.   | Labour Standards –<br>Prevention of Child and Forced Labour |
| KPI B4.2                                  | Description of steps taken to eliminate such practices when discovered.  | Labour Standards –<br>Prevention of Child and Forced Labour |
| <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                                  | Number of suppliers by geographical region.  | Supply Chain Management –<br>Supply Chain Management        |
| KPI B5.2                                  | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.                        | Supply Chain Management –<br>Supply Chain Management        |
| KPI B5.3                                  | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.   | Supply Chain Management –<br>Supply Chain Management        |
| KPI B5.4                                  | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.                            | Supply Chain Management –<br>Supply Chain Management        |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

| Aspects, General Disclosures and KPIs    | Description   | Section/Declaration  |
|--|---|--|
| <b>Aspect B6: Product Responsibility</b> |   |  |
| General Disclosure                       | Information on:<br>(a) the policies; and<br>(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 B6.1                                 | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | Not applicable – explained                                   |
| KPI B6.2                                 | Number of products and service related complaints received and how they are dealt with.   | Product Responsibility – Complaint Handling                  |
| KPI B6.3                                 | Description of practices relating to observing and protecting intellectual property rights.   | Product Responsibility – Protection of Intellectual Property |
| KPI B6.4                                 | Description of quality assurance process and recall procedures.   | Product Responsibility – Service Quality                     |
| KPI B6.5                                 | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | Product Responsibility – Customer Data Protection            |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

| Aspects, General Disclosures and KPIs  | Description  | Section/Declaration                            |
|--|--|--|
| <b>Aspect B7: Anti-corruption</b>      |  |  |
| General Disclosure                     | Information on:<br>(a) the policies; and<br>(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                               | 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                               | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.  | Anti-corruption – Whistleblowing Mechanism     |
| KPI B7.3                               | Description of anti-corruption training provided to directors and staff.   | 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                           |
| KPI B8.1                               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | Community Investment – Community Participation |
| KPI B8.2                               | Resources contributed (e.g. money or time) to the focus area.  | Community Investment – Community Participation |

