

# CBK Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8428

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

2017



# Environmental, Social and Governance Report

## 1. ABOUT THIS REPORT

CBK Holdings Limited (the “Company”) is pleased to present our first Environmental, Social and Governance Report (“ESG Report”) for the year ended 31 March 2017. The report involves environmental and social impacts, policies and initiatives of the Company together with its subsidiaries, (collectively called “the Group” or “We”) demonstrating our continuous commitment to sustainability. Additional information in relation to the Group’s corporate governance and financial performance can be referred to our Annual Report 2017.

We prepared this ESG Report in compliance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) under Appendix 20 of the Growth Enterprise Market (“GEM”) Listing Rule 17.103 of The Stock Exchange of Hong Kong Limited (“SEHK”). Those aspects and key performance indicators (“KPI”) defined in the ESG Reporting Guide which are considered to be relevant and material to the Group’s businesses and operations will be presented under four subject areas, namely: Environmental Protection, Employment and Labour Practices, Operating Practices and Community Investment.

This ESG Report covers the ESG performance of our business in Hong Kong. Our principal business includes specialty restaurant chain serving hotpot dining in Hong Kong. This Report highlights our sustainability activities during the year ended 31 March 2017.

In order to define what are relevant and material to our business in relation to sustainability, the key is to understand what issues our stakeholders are mostly concerned with. We define our stakeholders as people who affect our business or who are affected by our business. Our stakeholders include the shareholders, employees, clients, suppliers, customers, environment and community. In our daily business, we actively exchange information with our stakeholders through our transparent platform while we are devoted to continuous improvement of our communication system. We are committed to maintaining a long-term partnership with our stakeholders and are actively engaged in addressing their concerns with follow-up actions in a timely manner. If you, as one of our stakeholders, have any questions about the content of the ESG Report or comments on the Group’s sustainability issues, please contact us via [cs@cbk.com.hk](mailto:cs@cbk.com.hk).

## 2. ENVIRONMENTAL PROTECTION

### 2.1 Corporate Environmental Policy and Compliance

The Earth, our precious planet, is the most valuable asset for us. The Group endeavours to protect this planet and to build a sustainable future for our generations. The Group is committed to uphold high environmental standards to fulfil relevant requirements throughout our operation, and will continue to devote operating and financial resources on environmental compliance as required under applicable laws or ordinances. Our current operation in Hong Kong complies with the Water Pollution Control Ordinance (“WPCO”) (Chapter 358 of the Laws of Hong Kong) and is granted with the water pollution control licence.

As a company that is principally engaged in operating hotpot restaurants and serving hotpot dining, the Group does not own any manufacturing operation at the moment. As a result, the Group does not directly produce greenhouse gas throughout its operation. Nevertheless, the Group is committed to actively minimizing the impact on our environment and implementing different measures to optimize the workplace.



# Environmental, Social and Governance Report

## 2.2 Electricity Consumption

We consider electricity consumption as a major source of our indirect greenhouse gas emission. In order to further raise the awareness of energy saving initiatives among all employees, the Group carried out a series of “reducing carbon footprint” activities including providing on-off and zoning control of lighting and ventilation system in the workplace according to the operation schedule, maintaining indoor temperature at an optimal level for comfort, installing LED lighting system in our restaurants and offices, encouraging employees to switch off IT devices, such as computers and monitors when not in use, setting office machines such as photocopiers and monitors to switch off automatically after office hours, encouraging employees to make the best use of modern telecommunication system so as to avoid unnecessary travel arrangement, putting up signage emphasizing the importance of energy conservation in restaurants and offices.

## 2.3 Non-Hazardous Waste Management

In addition to energy saving initiatives, the Group also promotes other environmental friendly measures to endeavour to generate minimal non-hazardous waste (such as used paper and food waste) throughout our operation. For examples, the establishment of the central kitchen has enabled the Group to achieve a better control of food purchase in order to minimise excess food ingredients consumed and reduce food waste ultimately. Furthermore, all employees are encouraged to reduce paper usage by using double-sided papers and by a frequent use of electronic information systems for material sharing or internal administrative documents as part of our environmental protection campaigns. In addition, the Group pays a sewage services charge comprising a sewage charge and a trade effluent surcharge which are related to the amount of water used during the operation.

In the future, the Group aims to develop strategies to address the issue of food waste with a focus on source reduction, reduction of waste being sent to landfill and waste recycling.

## 2.4 The Environment and Natural resources

The Group considers environmental protection and preserving natural resources as an essential component of our sustainable and responsible business. We strive to improve our operation process and to optimise the use of natural resources. For example, we have equipped our hotpot restaurants with a multi-function food washer, which can significantly enhance the water efficiency.

Being a responsible corporate citizen to promote the sustainability of our society, the Group was awarded as Hong Kong Green Organisation (“HKGOs”) for the period between 2015 and 2017 organized by the Environmental Campaign Committee (“ECC”) of the Government of the Hong Kong SAR.

In the future, we will continue our commitment in environmental protection and strive to build a greener and healthier environment to fulfil our responsibilities as a member of the community we all live in.

# Environmental, Social and Governance Report

## 3. EMPLOYMENT AND LABOUR PRACTICES

### 3.1 Corporate Policy of Employment and Labour

Human capital has always been considered by the Group as the most important asset for our long-term operation and business development. Through providing desirable workplace, continuous training schemes and prospective career opportunities to our employees, the Group has set itself in a good position to maintain a robust business performance and growth.

As our employees are mainly located in Hong Kong, the Group safeguards the rights of our employees by strictly complying with the requirements of the Labour Law of Hong Kong and regulations relating to preventing child labour and forced labour. The Group also complies with relevant employment laws and regulations, including the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) by participating in the Mandatory Provident Fund retirement benefit scheme (“MPF Scheme”) for our eligible employees, the Minimum Wage Ordinance, Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (“EO”) and the Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (“ECO”) by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees.

### 3.2 Corporate Policy of Training and Recruitment

With an aim to uphold an open, fair, just and reasonable human resource policy, the Group selects its staff based on virtues and quality during the recruitment and promotion processes. The Group ensures all employees are equally treated in the process of recruitment, compensation, promotion and dismissal, regardless of race, gender, age, position, religion and physical condition. Believing that work experience and skill-sets of our staff members play an important role in maintaining our operation efficiency, the Group offers a competitive remuneration package, including internal promotion opportunities and performance-based bonus, to recruit and retain our experienced employees.

To ensure that our customer service is of quality, the Group offers comprehensive training programs to our restaurant staff and ensure that they possess the appropriate qualities and skill-sets when serving our customers — thorough knowledge of their work, good etiquette and manners, effective communication, welcoming personality and willingness to serve. The Group ensures that every new joiner receives proper and appropriate orientation training and mentoring in order to help them swiftly adapt to the new work environment and our corporate culture. The Group also provides our head office management and restaurant management with proper training programmes so as to elevate their skill-sets. In the past 11 years, the Group has generally provided at least one training program each year for the management team.

Moreover, the Group seeks to create a distinct corporate culture that advocates team work and cooperation. Regular and festival gatherings such as Mid-Autumn Festival and Chinese New Year dinners are organized to enhance the harmonious spirit different levels of staff members throughout the Group. The Group believes that such a corporate culture will naturally achieve a synergistic result to facilitate employee retention and to improve productivity.

# Environmental, Social and Governance Report

## 3.3 Corporate Policy of Health and Work Safety

As the health and safety condition of the employees is of paramount importance to the operation of a hotpot specialty restaurant, the Group strives to safeguard the health and safety for our employees as part of the Group's long-term development plan.

The Group is in compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), by ensuring that the employees are working in a safe environment in respect of health, hygiene, ventilation, gas safety, building structure and means of escape.

In addition, in order to strengthen employees' work safety awareness and to reduce number and severity of injuries and accidents, the Group has adopted health and safety policies. They cover various occupational and restaurant safety matters, including prohibition of smoking in the workplace, abuse of alcohol and drugs, identification and prevention of risks and hazards in the working area, and follow-up actions for accidents or personal injuries. We require our employees to strictly adhere to and comply with such policies which are set out in our operating manual for employees. We also provide induction programs and safety training programs to employees such that they can be familiar with our corporate policies in relation to health and safety matters as soon as they can.

In addition, air purifiers are installed in areas where are relatively crowded such as conference and meeting rooms. There is ample space between workstations and clean and tidy common area such as corridors and pantry. Also, sufficient ventilation and lighting system are essential in our offices and workplaces. At each individual workstation, adjustable chairs and monitor screens for eye protection are provided.

## 4. OPERATING PRACTICES

As a responsible corporate citizen, one of our missions is to disseminate the pursuit of sustainability into our core business. The Group has developed a series of management systems and procedures to be aligned with the Corporate Governance required by SEHK. Furthermore, the Group encourages all business partners to develop energy-saving and consumption-reducing policies in order to work together in our pursuit of sustainable development.

### 4.1 Corporate Policy of Supply Chain

The ability of purchasing high quality food ingredients from reliable sources is the key to succeed for the Group. To ensure that our suppliers meet the high standards of food quality and safety as well as other regulatory requirements, the Group has established a set of standard procedures for purchasing food ingredients and other supplies. Our supply chain management team not only considers economic and commercial benefits during the tendering processes, but also evaluates the suppliers' and contractors' track record relating to legal and regulatory compliance which include safeguarding workers' health and safety, and mitigating environmental impacts.

In addition, the supply chain management team conducts annual evaluation on our approved suppliers to ensure their supplies meet our Group's requirements. The regular assessment includes on-site inspections with respect of environmental hygiene of the manufacturing facilities, process control and implementation of quality system. With more than 12 years of operation, the Group has maintained good relationships with our suppliers with an emphasis on a steady supply of fresh and quality food ingredients.

# Environmental, Social and Governance Report

## 4.2 Product Responsibility

With an aim to maintain good quality of food and service, the Group ensures that the food ingredients are safe, fresh and of quality upon delivery, in storage and during processing. The Group has also engaged an external consultancy company for freshness checks, and mystery customers for service rating. The Group adopts standardised quality control policies and procedures with respect to hygiene in our hotpot restaurants. Also, our Group complies with relevant laws and regulations relating to advertising, e.g. the Hong Kong Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong), by ensuring that there is no false and misleading messages in our advertisement and promotion activities.

In managing complaints and feedback from clients, various channels including guest comment cards, telephone hotline, social media channels, emails and food critic websites are set up in accordance to the corporate policies. Customers' feedback will be compiled on a daily basis in the branches. Major issues will be further handled by the relevant personnel and senior management for identifying solution and hence resulting operation improvement.

During the year ended 31 March 2017, no material complaints or claims on our food were received nor were our hotpot restaurants subject to any investigation with respect to food hygiene by any government authorities or relevant customer protection organisations.

## 4.3 Corporate Policy of Anti-Corruption

Insisting on the honesty, integrity and fairness in all aspects of our business, and upholding a high standard of business ethics and prohibition of any forms of bribery and corrupt practices, the Group is in compliance with the Prevention of Bribery Ordinance (Cap 201 of the laws of Hong Kong).

Based on the relevant laws and regulations, the Group has developed detailed policies and procedures of anti-fraud, anti-bribery, anti-extortion and anti-money laundering, which serve as guidelines for our employees to follow. To ensure that our staff-members are familiar with the corporate policy of anti-corruption and anti-bribery, the Group offers proper and appropriate induction sessions to every new joiner in relation to anti-corruption and anti-bribery during their orientation training programs such that they can swiftly adapt to the corporate policy and operating practice.

The Group has also set up an email channel for whistle blowing or other complaints lodged by the employees, and is committed to offering the maximum protection to whistle-blowers.

## 4.4 Corporate Policy of Data Privacy

Throughout the operation, the Group unavoidably collects and holds personal information of individual customers. The Group undertakes to strictly comply with the requirements of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) to ensure that all personal data are securely kept and used exclusively for matters relating to our operation. We are committed to ensuring all collected personal data kept will be free from unauthorized or accidental access, processing, erasure or other use.

# Environmental, Social and Governance Report

## 5. COMMUNITY INVESTMENT

Adhering to our corporate motto — “Innovate, Customers first, People-focused” (創新求變、以客為先、以人為本), the Group places a strong focus on people, and is committed to making a better society through our active involvement in the community. Regardless how developed the society is, we believe that there are people who are less privileged in the community and in need of support. Therefore, we are determined to care and support those people by offering them complimentary meals. We have also been actively involved in contribution to the “Yes I Can” Scholarship Fund (「原來我得架」獎學金), organized by the “Yes I Can” Education Fund Limited (「我都要得」教育基金有限公司). The scholarship fund is established with an aim to subsidize those secondary school students residing in Hong Kong with financial difficulties for studying designated secondary curriculum programs in overseas countries.

In the coming future, the Group will continue to attach great importance to community services, and will encourage our staff members to actively engage in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.