



# Chinese Food And Beverage Group Limited 華人飲食集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)  
(於開曼群島註冊成立並於百慕達存續之有限公司)

Stock Code 股份代號：8272

Environmental, Social and  
Governance Report  
環境、社會及管治報告

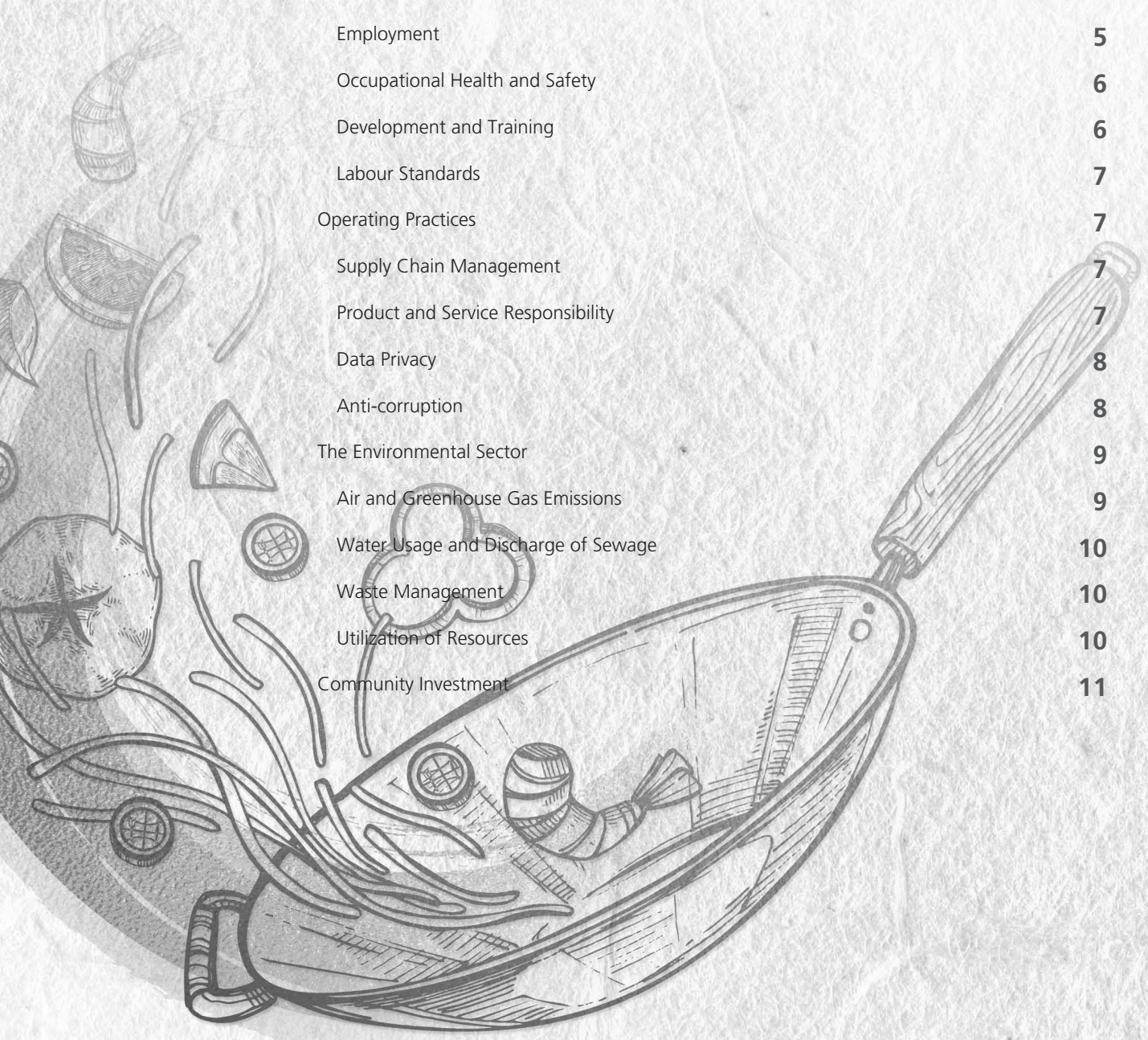
2019





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## ABOUT THIS REPORT

The Chinese Food and Beverage Group Limited (the “**Company**”) and its subsidiaries (collectively known as the “**Group**” or “**we**”) would like to present the Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) for the year ended 31 December 2019. In the ESG Report, we would discuss about our sustainability approach to achieve our goals in the social and environmental aspects of our operations.

Firstly, in the social sector, we would justify our performance in areas related to our employees and business operations, whereas secondly, for the environmental sector, we identified the significant issues which would cause impacts to the environment due to our business model. By analyzing our performance in these sectors, we believe this would provide better solutions for the Group to promote sustainability development in its operations, and to increase the Group’s transparency for our stakeholders to gain a wider view of the Company’s related performance.

## REPORTING STANDARD

The ESG Report was compiled in accordance with the Environmental, Social and Governance Reporting Guide as shown in the Appendix 20 of the GEM Listing Rules issued by the Stock Exchange of Hong Kong Limited. The ESG Report has been prepared on the basis of four major reporting principles, which include materiality, quantitative, balance and consistency.

| Reporting principles | Response  |
|----------------------|---|
| Materiality          | The content disclosed in the ESG Report is sufficient to represent material issues related to the environmental and social factors of the Group and assist our investors or stakeholders in understanding the performance of the Group.     |
| Quantitative         | Key performance indicators for environmental aspects are explained and evaluated in a measurable method which can showcase the effectiveness of ESG policies and management systems.  |
| Balance              | The Group ensures that the information is presented in an unbiased manner which can reflect a comprehensive picture of the Group’s sustainability performance and avoid inappropriate influence on report readers.                          |
| Consistency          | Consistent methodologies were used to conduct meaningful comparisons of relevant ESG data. Key performance indicators from the previous financial year were also presented for easier comparison of the Group’s sustainability performance. |

As for the corporate governance section of the ESG Report, please refer to the 2019 annual report under the section named as “Corporate Governance Report”.





## SCOPE OF THE ESG REPORT

Unless otherwise specified, the reporting period for this ESG report covered from 1 January 2019 to 31 December 2019 (the “**Reporting Period**”). As same as previous year, the ESG report covered the policies description for both of our office-based headquarter in Hong Kong and the catering business. The decision is due to the fact that all of our revenue come from the catering business for the Reporting Period.

However, as the restaurant of Fooklore (享福) was disposed in June 2019 and Real Stone Grill (堅石燒) was commenced business since June 2019, the key performance indicators for catering business as disclosed in this ESG Report are not recommended for direct comparison.

## FEEDBACKS

The Group regards stakeholders’ opinions as part of an important step to improve its sustainability performance and achieve its business goals in the next reporting period. If you would want to provide any comments or opinions on our ESG performance, please feel free to contact the Group through e-mail ([info@cfbgroup.com.hk](mailto:info@cfbgroup.com.hk)) or at:

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110-116 Queen’s Road Central  
Central  
Hong Kong





## OUR VALUE IN SUSTAINABILITY DEVELOPMENT

The Group understands the importance of incorporating sustainability development into our business as it could achieve a better performance on economic, social and environmental aspects. We endeavour to evaluate our current practices to ensure that our operation procedures and policies create the least impact to the nature, able to reach the demand of the market in utilizing resources and create long-term values for our stakeholders.

## COMMUNICATIONS WITH OUR STAKEHOLDERS

Participation from our stakeholders allows the Group to determine sustainable strategies to improve the environmental and social performance of its operations. By identifying our stakeholders' needs and expectations, we will be able to review our current communication channels and relatively enhance our approach methods to these stakeholders when necessary.

Please refer to the following table for more details:

| Stakeholders                     | Needs and Expectations  | Communication Channels   |
|----------------------------------|---|--|
| Customers                        | <ul style="list-style-type: none"> <li>• Product and service quality</li> <li>• Food safety</li> <li>• Personal privacy protection</li> </ul>   | <ul style="list-style-type: none"> <li>• Face-to-face communication at our restaurants</li> <li>• Suggestion box</li> <li>• Hotline and e-mails</li> </ul>   |
| Employees                        | <ul style="list-style-type: none"> <li>• Rights and interests of employees</li> <li>• Occupational health and safety</li> <li>• Career development</li> <li>• Remuneration and welfare</li> <li>• Training development</li> </ul> | <ul style="list-style-type: none"> <li>• Internal meetings</li> <li>• E-mails</li> <li>• Company activities for employees</li> <li>• Employee appraisals</li> <li>• Training courses, briefing sessions</li> </ul> |
| Investors/Shareholders           | <ul style="list-style-type: none"> <li>• Information disclosure</li> <li>• Compliance operation</li> <li>• Financial performance</li> <li>• Corporate governance</li> <li>• Protection of investors' interests</li> </ul>         | <ul style="list-style-type: none"> <li>• The Group's official website</li> <li>• Annual general meeting</li> <li>• Regular information disclosure</li> <li>• Hotline and e-mails</li> </ul>                        |
| Suppliers                        | <ul style="list-style-type: none"> <li>• Fair procurement policies</li> <li>• Long-term business relationships</li> <li>• Corporate reputation</li> </ul>   | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• E-mails</li> <li>• Supplier assessment</li> </ul>   |
| Government and Regulatory Bodies | <ul style="list-style-type: none"> <li>• Compliance to relevant laws and regulations</li> <li>• Fostering economic growth</li> <li>• Contribution to society</li> </ul>   | <ul style="list-style-type: none"> <li>• Regular information reporting</li> <li>• Seminars</li> <li>• E-mails</li> <li>• Inspections</li> <li>• Document submission</li> </ul>                                     |
| Local Communities                | <ul style="list-style-type: none"> <li>• Environmental protection</li> <li>• Public welfare</li> <li>• Promotion of community development</li> </ul>  | <ul style="list-style-type: none"> <li>• The Group's official website</li> <li>• E-mails</li> <li>• Community services</li> </ul>  |





## SOCIAL ASPECTS

Labour shortage has been a common issue in the catering business. In order to attract more potential talents and retain our current employees, the Group adheres to the standard of People Oriented, actively builds a team spirit of mutual trust and encouragement, and provides a healthy and safe working environment, to ensure employees can fully leverage their strengths and development potential.

### Employment

As we value equality and contain transparency in employment, we ensure that our working environment is free from discrimination on the basis of gender, age, sexual orientation, relationship, family status, disability, race, ethnic background, nationality, religion or politics, to create an inclusive and supportive work environment for employees. All candidates and employees are treated with fairness during the process of recruitment, training and promotion.

For new recruitments, we have job openings posted through our restaurants, employment agencies and the Labour Department. Depending on the seniority level of the job opening, the Group would assign managerial personnel to conduct in-person interviews to ensure the most suitable candidates are selected. The Group has also specified the resignation arrangement in the standard operation procedures, and employees may terminate the contract through written resignation.

The Group would also review the existing remuneration package against our peers to ensure that our employee benefits and welfare remain competitive, so to attract more potential talents and retain our current employees. We provided appropriate promotion opportunities and salary adjustment after conducting appraisal. These opportunities were justified according to each individual's performance, job nature, qualifications and experience. In-person formal appraisals were held by supervisors in allowing employees to discuss their performances. This kind of discussions were also being held on an on-going basis, depending on the employee's needs.

In order to enhance employees' sense of belonging and to retain talents, the Group provides various benefits, please refer the details as follows:

#### Types of Leave:

- Annual leave
- Sick leave
- Compensation leave
- Marriage leave
- Maternity leave
- Paternity leave
- Compassionate leave
- Jury service leave

#### Other Types of Benefits:

- Mandatory provident fund
- Employee meals
- Over-time transportation allowance
- Medical insurance plans

During the Reporting Period, the Group was not aware of any significant non-compliance with the Employment Ordinance the Hong Kong Special Administrative Region, Discrimination Ordinance the Hong Kong Special Administrative Region or any other relevant laws and regulations related to employment such as compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, welfare and other benefits which could cause negative impact to the Group.





## Occupational Health and Safety

As employees are the most important asset and resource of the Group, the primary goal is to provide a safe and healthy working environment for the employees under reasonable and practicable conditions. The Group has signed the Occupational Safety Charter and promised to work together with employees to create a safe working environment.

The following measures have been implemented so as to protect occupational health of our staff:

- Floor surface should be kept clean and dry and free from trash and other obstacles. Spillage of food or water or oil should be cleaned up immediately
- Knives should be kept sharp and only used for the intended job. Never use knives to open cans or drawers. Knives should be properly stored with blade protected
- Containers for hot water or oil should not be overfilled and should be properly placed. Handles of pans should be kept away from aisles. Workers should wear proper work clothes, protective gloves and aprons. Warn others if you are carrying hot items
- Provide enough space and equipment, such as cut-resistant gloves, to reduce the risk of accidents
- Dangerous parts of machines must be effectively guarded to prevent causing injury to workers
- Fire extinguishing equipment would be checked periodically and maintained
- Well-equipped first aid boxes were placed at our restaurant
- Training buddies are assigned to encourage and support newly joined employees to follow safety measures
- Employees are also welcome to express their opinions on any corrective measures to enhance the current safety practices at the workplace

During the Reporting Period, the Group was not aware of any significant non-compliance with the Occupational Safety and Health Ordinance or any related laws and regulations in protecting our employees and providing a safe working environment which would create significant impact to the Group.

## Development and Training

The Group attaches great importance to enhancing the knowledge and skills of employees in performing their duties so as to keep them abreast of the latest industry trends. Briefing sessions and evaluations are conducted twice on daily basis by our general manager and head chef to ensure the staff could know the new dishes and could further improve our quality of services. Our general managers will also discuss the customer feedbacks with the senior management so as to determine if specific training is required for improving our overall service quality.

The Group provides on-the-job training to new recruits. Training of newly hired kitchen staff is conducted by the head chef while each general manager at our restaurants is generally responsible for the training of our new service staff.

In addition, in order to increase the staff morale, training has been organised during the Reporting Period. The training is covered the topic of quality, service, cleanliness, cost control over the food and salary.





## **Labour Standards**

The Group's restaurants and offices strictly comply with the requirements of the Employment Ordinance of Hong Kong which explicitly prohibit child and forced labour. The general manager/supervision of the restaurant/human resources personnel of the Group have to ensure all the employees are legally allowed to work and avoid employing child labour by checking the valid identifications of all the employees. The Group has also been continuously monitoring the relevant regulations regarding minimum wage to ensure that no employees are underpaid illegally.

The Group arranges the employees' working hours based on the statutory working hour standards and allows them to entitle paid leaves and sick leaves in accordance with labour laws.

## **OPERATING PRACTICES**

### **Supply Chain Management**

Our suppliers mainly include food ingredients and beverage suppliers. Our major food ingredients include meat and vegetables. We had also engaged cleaning services provider, utensils and pest control services provider.

As our food quality would greatly influence the reputation of the Group, suppliers must provide raw materials and foods that meet the food safety standards. The Group will conduct comprehensive evaluation on suppliers and require them to provide relevant supporting documents or through field inspection, to ensure the requirements of the Group are met.

While selecting new suppliers, our management team, including Head Chefs, Chief Operating Officer and Factory Director will perform field inspection and evaluate based on the hygiene and quality of products on areas including business accreditation, reputation, operating efficiency, technical expertise, price, delivery assurance and corporate social responsibility. The ingredient and other goods received from suppliers with health certificates and laboratory tests results are expected to be in compliance with the current food labelling and relevant hygiene and sanitary regulations. To control the quality, the quality and pricing of existing suppliers would also be assessed on monthly basis.

### **Product and Service Responsibility**

Apart from securing the performance of our suppliers, we pay a high level of attention in managing and delivering our end products to our consumers. First of all, as a catering business, our employees play a crucial role in promoting the brand image of the Group. Since we provide briefing sessions to our staff on daily basis, we are confident that our employees are competent in delivering their customer service with professional knowledge and skills which can guarantee our quality of service. When we receive a complaint from a customer in our restaurant, our general manager will try to resolve the matter to our customer's satisfaction at restaurant level. Generally, if the complaint concerns the taste or quality of a dish, we normally offer to either exchange for another dish or cancel the order for the customer. If the complaint relates to our staff, it will be handled by the restaurant managers directly for a resolution of the issue.





As the Group delivers edible products, it is pivotal that the products are safe to consume. Safe steps in food handling, cooking, and storage are essential to prevent foodborne illness. In every step of food preparation, we follow the following four steps to keep food safe:

- **Clean** — All food handlers must sterilise their hands before processing food ingredients and wear gloves when processing food ingredients. The head chef of each restaurant will provide on-the-job food processing and hygiene training to other kitchen staff on an on-going basis.
- **Separate**: Raw and cooked food preparation, ingredient room and master cooking area are well separated to avoid cross contamination.
- **Cook**: Cook to the right temperature.
- **Chill**: Refrigerate promptly.

In addition, maintaining the hygiene of our restaurants and other production areas are equally important. The Group has outsourced a professional cleaning company to clean and sanitize designated areas of our restaurant. Professional pest control service company is also employed for pest control.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations that would cause a significant impact on the Group with areas relating to health and safety, advertising and food labelling.

### **Data Privacy**

The Group places high importance on protecting data privacy and fully acknowledges its responsibility to manage and protect the data of everyone who provides us with personal information. The Group abides by the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and other applicable local laws to take special care of sensitive and personal information.

The Group collects and uses confidential information in a responsible and non-discriminatory manner by restricting the use of information to purposes consistent with those stated in the contracts. As we pay great attention to protect our employees' interests, we also ensure that the personal data collected throughout the employment would solely be used for designated purposes and remain confidential. The staff should not allow to gain access to, copy or reproduce any content of the personal information without authorisation.

### **Anti-corruption**

The Group is committed to adhere high standards of integrity and business ethics within our business operations. We contain zero-tolerance towards any misconduct or unethical behaviour in any forms which are related to bribery, extortion, fraud and money laundering. Employees are abided by the Code of Conduct as set out by the Group. We offer a grievance channel for our employees to report any malpractice to the Group. Their identities will remain confidential and the Group will take immediate actions to mitigate any reported cases.

During the Reporting Period, the Group was not aware of any non-compliance with local laws and regulations relating to bribery, extortion, fraud and money laundering.





## THE ENVIRONMENTAL SECTOR

The Group views environmental protection as a material issue in promoting sustainable development. We acknowledge that in order to fully address these issues, it requires actions to be taken by all levels. We have also been continuously seeking for better solutions in reducing air and greenhouse gas emissions, the management of water and waste and utilizing resources in hope to operate sustainably and in a more responsible manner.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste which had created any significant impact to the Group.

### Air and Greenhouse Gas Emissions

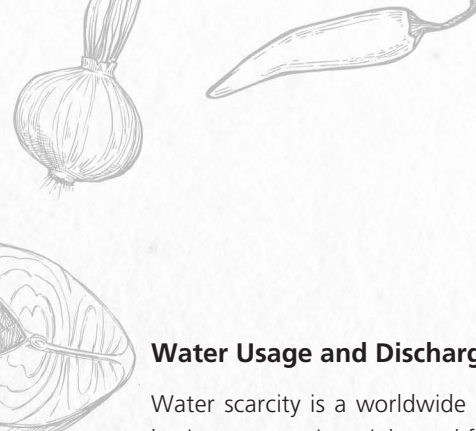
As our business is dominated in the catering business, the major energy consumptions and emission of air and greenhouse gas (“GHG”) are sourced from the usage of town gas and electricity.

The Group’s performances in GHG emissions and energy consumption for the year ended 31 December 2019 and 2018 are as follows:

| <b>GHG emissions</b>                       | <b>2019</b>    | <b>2018</b>    | <b>Unit</b>                            |
|--|----------------|----------------|--|
| Direct GHG emissions (Scope 1)             | 2              | 9              | Tonnes of CO <sub>2</sub> e            |
| Indirect GHG emissions (Scope 2)           | 130            | 154            | Tonnes of CO <sub>2</sub> e            |
| <b>Total GHG emissions (Scope 1 and 2)</b> | <b>132</b>     | <b>163</b>     | <b>Tonnes of CO<sub>2</sub>e</b>       |
| <b>Total GHG emissions intensity</b>       | <b>7.3</b>     | <b>7.1</b>     | <b>Tonnes of CO<sub>2</sub>e/HK\$m</b> |
| <b>Energy consumption</b>                  | <b>2019</b>    | <b>2018</b>    | <b>Unit</b>                            |
| Town gas                                   | 403,724        | 559,267        | kWh                                    |
| Electricity                                | 183,975        | 252,846        | kWh                                    |
| Mobile fuel                                | –              | 35,608         | kWh                                    |
| <b>Total energy consumption</b>            | <b>587,699</b> | <b>847,721</b> | <b>kWh</b>                             |
| <b>Total energy consumption intensity</b>  | <b>32,410</b>  | <b>36,857</b>  | <b>kWh/HK\$m</b>                       |

As the mobile fuel invoice was settled by the management themselves for the Reporting Period, no data is available for mobile fuel consumption and hence, the direct GHG emissions was also decreased compared with previous year.





## Water Usage and Discharge of Sewage

Water scarcity is a worldwide challenge that is being exacerbated by the effects of climate change. For the catering business, water is mainly used for food preparation and washing dishes. Although the Group did not encounter any issue in sourcing water during the Reporting Period, water-saving devices are installed and scrapers are used to remove residuals before dishwashing so as to minimise the volume of water used for food preparation and dishwashing. We would also inspect and maintain the plumbing equipment in restaurants regularly to prevent waste caused by water leakage.

Sewage discharged by the Group is domestic wastewater. Restaurants are equipped with grease traps and cleaned on a regular basis to ensure that the grease is isolated from the sewage before it is discharged into the communal sewer.

|                                   | 2019  | 2018   | Unit         |
|-----------------------------------|-------|--------|--------------|
| Total water consumption           | 8,880 | 16,301 | Tonnes       |
| Total water consumption intensity | 490   | 709    | Tonnes/HK\$m |

## Waste Management

Restaurants would produce various kind of waste, including waste oil, food waste and packaging materials, etc. during the operation. We currently do not have records of the volume of non-hazardous waste produced. We have assigned a professional food waste recycling company to collect and recycle biodegradable wastes. In order to reduce food waste, the customers could order smaller portions or taking away leftover food. For the takeaways packaging, the Group will continue to explore environment-friendly packaging materials and implement different waste reduction plans.

The wastes generated by the headquarter mainly is paper waste. The waste would be collected by the property management. No hazardous waste was generated by the Group during the Reporting Period.

## Utilization of Resources

For our business operations, as we want to fully utilize our resources in a sustainable manner, the following initiatives have been implemented to further enhance our current management methods:

### Fooklore/Real Stone Grill:

- Energy-saving Light Emitting Diode (“LED”) lightbulbs are used;
- Air-conditioners will only be switched on at sections which are occupied by consumers;
- Employees are reminded to switch off stove tops to reduce the usage of town gas if possible;
- Employees will provide recommendations on menu selections to the customers to avoid producing excess food waste;
- Eco-friendly bags are provided to the customers for purchasing takeaways from our restaurants; and
- Our regional managers or executive chefs will visit the restaurants periodically to evaluate on water and electricity consumption and provide recommendations on energy saving.





#### **Our headquarter:**

- Air-conditioners are set to 22 to 23 degree Celsius;
- Double-sided printing is recommended and use recycled papers;
- Printer cartridges should be recycled after using up;
- A microwave is provided to encourage employees to bring their own lunch boxes instead of buying take-outs;
- A kettle is provided for our employees to use instead of purchasing water bottles or using water dispensers;
- Turn off the lighting, air-conditioning and other electronics equipment when nobody is on duty; and
- Use teleconference or other means of electronic communication mediums instead of travelling to reduce carbon footprint.

#### **COMMUNITY INVESTMENT**

The Group is enthusiastic in getting involved in public welfare and voluntary work. We hope to bring positive impact to the community, especially at times when the society is experiencing various challenges such as the coronavirus pandemic. After the Reporting Period, our restaurant had hold free giveaways with different amenities, such as ionic disinfection liquid, hand sanitizer gel and face masks to restaurant customers and elderlies.





Chinese Food And Beverage Group Limited  
華人飲食集團有限公司