



**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT  
2021/2022**

**KGROUP HOLDINGS LIMITED**

**千盛集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8475

# Environmental, Social and Governance Report

## About This Report

K Group Holdings Limited (referred to as “**the Group**” or “**Company**”) is pleased to present its fifth Environmental, Social and Governance Report (“**ESG Report**”) to provide an overview of its management and achievement regarding the Environmental, Social and Governance aspects (“**ESG**”). This ESG Report aims to show the Group’s commitment and determination in leading its Company to sustainability that helps resolve various ESG-related issues that may impact the Group’s management and operations.

This ESG Report is prepared in accordance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) of the GEM Listing Rules in the Appendix 20 issued by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Group has adhered to the Materiality, Quantitative, Balance and Consistency reporting principles when disclosing its ESG performance in the Reporting Period. All the information in the ESG Report was sourced from the official documents, statistical data and management and operational information of and collected by the Group.

The Group encountered changes to the data collection systems in the Reporting Period, which resulted in some variations in data disclosure. Looking forward, the Group will continue to review and improve data collection processes to enhance the accuracy and completeness of data disclosure.

The Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail. The Report is available on the website of the Stock Exchange.

## Reporting period and scope

Reporting Period: 1 September 2021 to 31 August 2022 (the “**Reporting Period**”)

Reporting Scope: Unless otherwise stated, this ESG Report only covers the operating activities that are the major revenue sources of the Group and considered as material by the Group. Hence, it covers the Group’s principal business of restaurant operations in Singapore only, 1 central kitchen under the self-developed brand “Gangnam Kitchen” and 15 self-operated restaurants under different brands.

# Environmental, Social and Governance Report (Continued)

## Reporting principles

During the preparation for this ESG Report, the Group has applied the reporting principles in Appendix 20 as follows:

Reporting principles	Application
Materiality	Materiality assessment was conducted to identify key issues that are significant to the Group's long-term sustainability. Please refer to "Stakeholder engagement and materiality assessment" for more details.
Quantitative	All key environmental and social performance indicators of this ESG Report are disclosed quantitatively where feasible in accordance with the ESG Reporting Guide.
Balance	The overall ESG performance of this ESG Report has been presented in an objective and unbiased way to provide stakeholders with a balanced overview of the Group.
Consistency	Unless otherwise stated, the reporting scope of the Group and calculation methodologies used in this ESG Report remain unchanged. For any changes in the scope of disclosure and calculation methodologies, proper disclosures and explanations will be provided if needed.

## Opinion and feedback

Your feedback on this ESG Report is important for the Group's improvement. Please feel free to contact us by email at [enquiry@kgroup.com.hk](mailto:enquiry@kgroup.com.hk). Your feedback or suggestions are the driver to continuously make progress on our sustainable performance.

## Introduction

The Group understands the importance of sustainability and believes it is an essential pillar that prolongs the Group's future development. Because of this, the Group has devoted itself to upholding good corporate governance standards by creating economic, environmental, and social values to achieve long-term sustainability. It also promises to achieve sustainable development by incorporating sustainability initiatives into its daily operations and management that help enhance its ESG performance.

## 1. ESG governance structure

The Board of Directors (“**the Board**”) strives to embed ESG considerations into daily operations and management that bring common interests and values to the Group and all its stakeholders. The Board has the overall responsibility for managing relevant ESG matters of the Group, including ESG strategies, direction, and policies. Under the leadership and supervision of the Board, ESG-related issues such as the risks and opportunities, performance, policies, measures, and targets, are regularly discussed, reviewed, and monitored by various business and functional departments.

The Group’s business and functional departments also require formulating and implementing strategies and objectives in their respective areas that relate to sustainable development requested by the Board. They shall assist the Board in reviewing the Group’s ESG-related targets and performances through regular meetings, assess relative risks and opportunities that are significant to both the Group and its stakeholders, evaluate the effectiveness of the policies and measures regarding sustainable development, and provide appropriate solutions to enhance the Group’s overall ESG approaches. The Group will continue to review and enhance its ESG governance, strategies, policies and target-setting, in order to incorporate sustainability into decision-making process and daily operations.

The Board has devoted itself to making solid progress in integrating sustainability strategies into daily business operations. During the Reporting Period, the Board and functional departments continued the sustainability strategies and management approaches to ensure that ESG risks were handled to reduce the negative impacts. Besides, internal discussions were conducted under the Board’s instruction to explore the Group’s capability, resources and needs to set ESG-relevant targets. The results will be disclosed in due course when progress is made to respond to the stakeholders’ expectations.

## 2. Stakeholder engagement and materiality assessment

The Group values our stakeholders regarding our business operations and believes that stakeholder engagement is one of the key success factors in formulating the Group’s ESG strategies. We have established different communication channels to maintain close communication and relationships with our key stakeholders, such as customers, suppliers, shareholders, employees, government/regulatory authorities, and the community.

By discussing expectations and collecting ideas regarding ESG-related issues with our key stakeholders, we have gained in-depth understanding of their perception of the Group’s ESG strategies and performance. In response to their views and concerning issues, a materiality assessment will be conducted by the Group, which provides practical insights to assist the Group in identifying its material issues, thus, enhancing our overall business and sustainability performances while creating common values with our stakeholders.

Based on the result of the materiality assessment, the Group has identified 3 key issues that are most significant to our business operations and stakeholders, including the use of resources, product responsibility, and health and safety. These issues will be handled with an effective risk management and internal control system that aims to enhance the Group’s operation efficiency and create environmental and social benefits for the stakeholders and society.

# Environmental, Social and Governance Report (Continued)

## 2. Stakeholder engagement and materiality assessment (Continued)

The channels used for communication with respective stakeholder groups are set forth below.

Stakeholders	Communication channels	Concerned issues of stakeholders
Customers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• E-Mails</li> <li>• Feedback from employees</li> <li>• Customers comment cards</li> </ul>	<ul style="list-style-type: none"> <li>• Food and service quality</li> <li>• Delivery time</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Supplier assessment</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of fair environment for cooperation</li> <li>• Enhancement of mutual trust and benefit</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Annual/extraordinary general meetings</li> <li>• Annual reports and announcements</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate transparency and reputation</li> <li>• Regulating corporate governance</li> <li>• Sustainable profitability</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Employee training</li> <li>• Employee communication meetings</li> <li>• Performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational training and promotion</li> <li>• Ensuring occupational health</li> <li>• Remuneration packages and benefits</li> <li>• Working hours</li> </ul>
Governments/ regulatory authorities	<ul style="list-style-type: none"> <li>• Routine reporting and disclosure</li> <li>• Announcements</li> <li>• Press release</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with policies and regulations</li> <li>• Tax compliance</li> <li>• Operational compliance</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Corporate social responsibility activity</li> <li>• Provision of employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Conservation of ecological systems</li> <li>• Promotion of community development</li> <li>• Charity participation</li> </ul>

## (A) Environmental

### 2.1 Environmental policy and compliance

To display the determination in protecting the environment, the Group is committed to minimizing the risks and impacts caused by its business operations. We promise to implement sustainability initiatives such as environmental policies, strategies, and measures in all areas of our business regarding the aspects of emissions, use of resources, environmental and natural resources, and climate change.

The Group supports the “Green Environment” idea and strives to become a responsible corporation that complies with all applicable laws and regulations in Singapore’s food industry. With the continuous refinement and implementation of laws, regulations, and policies in Singapore, for example, the Environmental Protection and Management Act (“**EPMA**”) and the Environmental Public Health Act (“**EPHA**”), the Group will continue to formulate and implement a series of internal policies and systems to save water, energy, and other resources.

During the Reporting Period, the Group has not identified any material non-compliance with all relevant laws and regulations regarding environmental issues, including but not limited to air and greenhouse gas emissions, discharge into water and land and generation of hazardous and non-hazardous wastes.

### 2.2 Emissions

The Group is engaged in businesses that operate restaurants where it seeks to bring quality food to its customers. The major sources of greenhouse gas (“**GHG**”) and air emissions generated mainly come from the town gas used in our kitchen operations and electricity purchased in our restaurants, which include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxides (N<sub>2</sub>O), nitrogen oxides (NO<sub>x</sub>), and sulfur oxides (SO<sub>x</sub>).

# Environmental, Social and Governance Report (Continued)

## (A) Environmental (Continued)

### 2.2 Emissions (Continued)

During the Reporting Period, the emissions of the Group were as follows:

**Table 1 – Emissions**

	Unit	2022	2021
<b>Air emissions</b>			
NO <sub>x</sub>	Kg	368	14
SO <sub>x</sub>	G	1,792	90
Particulate matter	G	1,742	1,201
<b>Greenhouse gas emissions</b>			
Scope 1 <i>(Note 1)</i>	tonnes of CO <sub>2</sub> e	127	21
Scope 2 <i>(Note 2)</i>	tonnes of CO <sub>2</sub> e	490	967
Scope 3 <i>(Note 3)</i>	tonnes of CO <sub>2</sub> e	–	39
Total GHG emissions	tonnes of CO <sub>2</sub> e	617	1,027
GHG emissions intensity	tonnes of CO <sub>2</sub> e/SGD'm revenue <i>(Note 4)</i>	46	67

Notes:

1. Scope 1: Direct emissions from sources that are owned or controlled by the Group.
2. Scope 2: Indirect emissions from the generation of purchased electricity and purchased town gas consumed by the Group.
3. Scope 3: Other indirect emissions from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments and business air travel by employees.
4. The intensity refers to tonnes of CO<sub>2</sub>e per millions of revenue of the Group for the Reporting Period.

# Environmental, Social and Governance Report (Continued)

## (A) Environmental (Continued)

### 2.2 Emissions (Continued)

To reduce the GHG and air emissions produced during our operational processes, the Group has executed multiple greenhouse gas and air emissions control measures to maximize the energy efficiency of kitchen facilities and equipment. The Group will continue to minimize its energy consumption and target to reduce the emission of air pollutants and greenhouse gases by 2% in the next fiscal year by the following practices:

- Employees are required to turn off gas stoves and water heaters when not in use;
- Provide educational materials to enhance the awareness of energy saving amongst employees;
- Unwanted materials and thick ice must be cleared and defrosted regularly from the refrigerator;
- Install energy-saving cooking facilities and equipment such as food steamers, steam cabinets, dishwashers and LED lighting in the restaurants and offices;
- Install appropriate and efficient filtering equipment;
- Inspect, maintain, and repair the ventilation system regularly;
- Optimize remote communication and minimize unnecessary business traveling;
- Use more energy-efficient motor vehicles; and
- Perform regular vehicle maintenance to ensure optimal engine performance and fuel consumption.

### 2.3 Hazardous and non-hazardous waste management

Food waste is the major constituent of the non-hazardous solid waste in the Group's business operations. It comprises waste produced during food production, processing, retail and preparation, especially leftovers and expired food. However, the Group does not generate much hazardous waste from its operations due to the Group's business nature. Therefore, avoiding waste generation in the first place and minimizing waste are the Group's crucial measures in its waste reduction strategy.

During the Reporting Period, the non-hazardous waste generated by the Group was as follows:

**Table 2 – Non-hazardous waste**

	Unit	2022	2021
Non-hazardous waste produced	tonnes	470	528
Non-hazardous waste produced intensity	tonnes/SGD'm revenue <i>(Note)</i>	35	34

*Note:* The intensity refers to tonnes of non-hazardous waste per millions of revenue of the Group for the Reporting Period.



# Environmental, Social and Governance Report (Continued)

## (A) Environmental (Continued)

### 2.3 Hazardous and non-hazardous waste management (Continued)

In 2022, the Group reduced around 11% of its wastage quantity compared to last year's result and had successfully achieved the target of reducing its wastage quantity by 2% set in the previous fiscal year. We promise to incorporate various waste prevention considerations into our business operations and established guidelines for food ordering and processing in the section of the Code of Practice in the employee handbook and training manual for better waste management and disposal. To reduce the environmental impacts of waste generation, the Group has established the following measures to motivate employees to take responsibility for the improvements in waste management:

- The consumption of food ingredients is monitored on a daily basis to reduce wastage and storage costs

The head chef of each restaurant should know the best utilization of the various food ingredients as well as the consumption patterns of the customers at each restaurant. With proper control over food ordering and processing, the Group can reduce food waste effectively and avoid the generation of excessive ingredients and dishes. By doing so, we hope that this practice can enhance employees' awareness of food waste reduction and relative concepts.

- The reduction of paper and napkins wastes

To reduce paper and napkins consumption, the Group has been encouraging its employees to use electronic information systems for sharing information or internal administration documents instead of paper. Notices have been put on around the printers to remind employees to use double-sided printing and recycle used paper when needed. On the other hand, the Group understands the provision of single-used napkins is one of the most enduring conversations in restaurant circuits as they contribute to the solid waste problem. In response, all napkins would only be provided to the customers upon request in our restaurants.

- The setting up of recycling area

Different recycling bins are placed in specific areas in all business operations with proper signages on top to state what type of waste or recyclable materials should or should not be put into the bin. For example, the recycling bin only stores used cooking oil and grease waste in each restaurant. Employees are encouraged to sort the recyclables before putting them into the appropriate recycling bins.

## (A) Environmental (Continued)

### 2.4 Use of resources

Recognizing the depletion of natural resources as one of the greatest challenges we face today, the Group acknowledges that resource optimization has become the most preferable and adaptable solution to improve relative ESG performance in its daily operations. To seek comprehensive waste prevention and reduction approaches that incur less adverse impact on the environment, the Group strives to enhance its resource management by implementing energy and water efficiency initiatives that foster a low-carbon corporate culture, which further increases our employees' awareness in resource conservation.

#### (i) Energy consumption

The primary energy consumption of the Group in daily operations mainly comes from purchased town gas and purchased electricity. To mitigate the energy consumption among all of our operational processes, the Group has taken the following energy-efficient measures that promote energy-saving:

- Turn off gas stoves and water heaters when not in use;
- Switch off idle lighting during non-office hours;
- Turn on dishwashers with a full load only;
- Switch off air-conditioners and other equipment according to seasonal adjustments; and
- Install energy-saving cooking facilities and equipment.

During the Reporting Period, the energy consumption of the Group was as follows:

**Table 3 – Energy consumption**

	Unit	2022	2021
<b>Direct energy</b>			
Diesel consumption	Kwh	27,483	–
<b>Indirect energy</b>			
Town gas consumption	Kwh	627,911	671,125
Electricity consumption	Kwh	1,137,843	1,346,845
Total energy consumption	Kwh	1,793,236	2,017,970
Total energy consumption intensity	Kwh/SGD'm revenue	134,617	131,037
	<i>(Note)</i>		

Note: The intensity refers to Kwh of energy per millions of revenue of the Group for the Reporting Period.

# Environmental, Social and Governance Report (Continued)

## (A) Environmental (Continued)

### 2.4 Use of resources (Continued)

#### (ii) Water consumption

Due to the Group's business nature, the Group consumes significant water in its business activities, especially those associated with equipment and processes that take place in the kitchen. Hence, initiating a water management strategy is essential to the Group in planning, developing, distributing and managing the optimum use of water resources. To promote and adopt water-saving initiatives to reduce water consumption, the Group has taken the following measures:

- Reuse used water under feasible circumstances;
- Use the dishwasher only with a full load;
- Conduct regular inspection and maintenance of water pipes to prevent leakage of water; and
- Repair defective components to ensure the water source is stable and clean for all purposes<sup>1</sup>.

During the Reporting Period, the water consumption of the Group was as follows:

**Table 4 – Water consumption**

	Unit	2022	2021
Water consumption	m <sup>3</sup>	13,907	15,744
Water consumption intensity	m <sup>3</sup> /SGD'm revenue <i>(Note)</i>	1,044	1,022

*Note:* The intensity refers to m<sup>3</sup> of water per millions of revenue of the Group for the Reporting Period.

In 2022, the Group reduced around 11% and 12% of its energy and water consumption compared to the previous year's results, achieving the target of reducing its consumption by 2% set in the previous fiscal year. To achieve further improvement, the Group will continue to actively integrate various measures into its business operations, educate its employees on conservation habits, and perform regular maintenance on all electronic appliances, so as to enhance the Group's performance in conserving its energy and water usage. To strengthen the monitoring of the Group's water consumption, it promises to conduct statistical water consumption regularly with the help of advanced technologies, share the best management practices with our employees, and encourage them to implement conservation measures.

<sup>1</sup> The Group did not encounter any issue in sourcing water that is fit for purpose during the Reporting Period.

# Environmental, Social and Governance Report (Continued)

## (A) Environmental (Continued)

### 2.4 Use of resources (Continued)

#### (iii) Packaging materials

Due to the prohibition of dining at food & beverage outlets and other social distancing restrictions implemented by the Singapore government in response to the outbreak of the novel coronavirus, the rise of food takeaways has exacerbated the use of disposable utensils, containers, and packaging, which cause an astonishing amount of waste produced during the Reporting Period.

During the Reporting Period, the packaging materials used by the Group was as follows:

**Table 5 – Packaging materials**

	Unit	2022	2021
Packaging materials used	tonnes	39	48
Packaging materials used intensity	tonnes/SGD'm revenue <i>(Note)</i>	3	3

*Note:* The intensity refers to tonnes of packaging materials per millions of revenue of the Group for the Reporting Period.

To cut down on the use of disposable and excess packaging materials, the Group has initiated several measures to eliminate the amount of plastic waste we produce. For example, provide training to employees to ask customers whether plastic bags, disposable tableware and straws are needed for their food and/or drinks; use fewer plastic bags when packaging food for customers; and encourage customers to bring their own container when purchasing takeaway.

However, the Group believes this situation will improve when the pandemic becomes under control and the successive lifting of anti-epidemic measures. Therefore, the Group plans to reduce the amount of waste by 2% in the next fiscal year, and it will continue to monitor its data on food waste and donate unsold products to nonprofit organizations when applicable.

### The environment and natural resources

Through recognizing the importance of environmental conservation, the Group is committed to lessening our environmental impacts associated with our activities and operations. In order to effectively improve the performance of the Group's resource use, the Group strives to adopt a number of policies and measures related to reducing resource consumption to regulate the use of energy, water and paper in business operations. To enhance environmental awareness among employees, the Group also organizes environmental training and education sessions from time to time as to enlist their involvement to accelerate the Group's environment performance. Moreover, the Group promotes community activities related to environmental protection and sustainability undertakes to regularly review the performance of resource use.

# Environmental, Social and Governance Report (Continued)

## (A) Environmental (Continued)

### Climate change

In response to the global climate risk, the Group is aware that the frequency of extreme weather is increasing and may affect its business operations. Therefore, the Group identified the following climate-related risks that might impact the Group, so as to enhance our responsiveness and adaptability to climate change.

Types of risks	Example of the risks	Responsive measures
Acute physical risks	<ul style="list-style-type: none"> <li>• Flooding</li> <li>• Typhoon</li> <li>• Storms</li> </ul>	The Group has implemented the work arrangements of extreme weather conditions such as black rainstorm warning, flooding and typhoon signal No. 8.
Chronic physical risks	<ul style="list-style-type: none"> <li>• Sustained high temperature</li> </ul>	The Group has adopted energy conservation measures in managing such risk, for details please refer to the subsection of “Use of Resources”.
Transition risks	<ul style="list-style-type: none"> <li>• Change in environmental-related regulations</li> <li>• Change in customer preferences</li> </ul>	The Group continues to monitor the regulatory market environment to ensure that our food and services meet customers and regulatory expectations.

Although the above risks mentioned do not have significant impacts to the Group’s operations, the Group will continue to review updates on both local and international policies and regulations to identify potential climate-related risks, based on the likelihood and impact of the identified risks, thereby improving the Group’s resilience to risks and maintaining stable business growth and operations.

## (B) Social

### 3. Employment and labour practices

The Group understands that nurturing talents is the cornerstone to maintain its long-term development. The Group attributes its perspective and sustainable development to the efforts and contributions of our employees. On this ground, by providing employees with appropriate working environment, welfare and other elements, the Group ensures that they can bring positive impact to corporate development in a suitable working environment.



## (B) Social (Continued)

### 3. Employment and labour practices (Continued)

#### 3.1 Employment

The Group's long-term business success is directly related to the joint efforts and contributions of our employees. Hence, a well-established employment system is vital to attract and retain talents. The Group's stringent employment requirements and excellent remuneration packages help recruit talents and build their sense of belonging. As a recognition of our employees' hard work and demonstration of emphasis on their rights and interests, the Group is committed to provide employees with comprehensive and competitive compensation packages, fostering employees' interests and corporate benefits. Additionally, the Group recognizes employees' superior performance with motivational feedback, such as annual performance reviews, salary adjustment and promotion according to their qualifications, capability, performance, and other relevant criteria. Furthermore, discretionary bonus and share options may also be granted to eligible employees based on individual performance.

The Group advocates a respectful and fair working environment and adopts a zero-tolerance attitude towards any kind of discrimination. The Group's guidelines on staff recruitment and avoidance of unlawful employment policy stipulate the obligations as a responsible employer and the procedures necessary to ensure the recruitments are carried out in a fair and open manner in accordance with the applicable laws and regulations.

The Group is committed to creating and maintaining an inclusive and collaborative work culture. The Group employs personnel without regard to race, ancestry, place of origin, colour, ethnic origin, language, citizenship, creed, religion, gender, sexual orientation, age and marital status. As for the new recruits, the Group provides on-the-job training to help them acquire the necessary knowledge and skills to adapt to their new positions and integrate into the Group's working culture.

Our Employee Handbook is a formally written document that summarizes the statement on work and rest hours, pay and performance issues, policies on benefits, training and leave, and disciplinary and dismissal procedures and possible sanctions. In addition to statutory holidays, employees are also entitled to a variety of paid holidays, including personal leave, sick leave, marriage leave, maternity leave, work injury leave, etc. To safeguard the physical and mental health of our employees, the Group encourages them to pursue a balanced life and provides an excellent working environment for them. Furthermore, meals are provided to our employees to build empathy and happiness in the workplace.

# Environmental, Social and Governance Report (Continued)

## (B) Social (Continued)

### 3. Employment and labour practices (Continued)

#### 3.1 Employment (Continued)

The workforce, new hire and employee turnover statistics of the Group during the Reporting Period were as follows:

**Table 6 – Workforce statistics**

		2022		2021	
		No. of employees	Occupied percentage	No. of employees	Occupied percentage
By gender	Male	55	66.3%	73	52.5%
	Female	28	33.7%	66	47.5%
By employment type	Full time	60	72.3%	99	71.2%
	Part time	23	27.7%	40	28.8%
By employee level	Management	5	6.0%	–	–
	Staff	78	94.0%	–	–
By age group	18-30 years old	64	77.1%	63	45.3%
	31-40 years old	15	18.1%	58	41.7%
	41-50 years old	4	4.8%	10	7.2%
	51-64 years old	–	–	8	5.8%
	≥ 65 years old	–	–	–	–
By geographical region	Southeast Asia	83	100%	139	100%
	Outside Southeast Asia	–	–	–	–
Total number of employees		83	100%	139	100%

# Environmental, Social and Governance Report (Continued)

## (B) Social (Continued)

### 3. Employment and labour practices (Continued)

#### 3.1 Employment (Continued)

**Table 7 – New hire and employee turnover statistics**

		2022		2021	
		No. of headcount	New hire rate	No. of headcount	New hire rate
By gender	Male	4	7.3%	–	–
	Female	2	7.1%	–	–
By employment type	Full time	6	10.0%	–	–
	Part time	–	–	–	–
By employee level	Management	–	–	–	–
	Staff	6	7.7%	–	–
By age group	18-30 years old	4	6.3%	–	–
	31-40 years old	2	13.3%	–	–
	41-50 years old	–	–	–	–
	51-64 years old	–	–	–	–
	≥ 65 years old	–	–	–	–
By geographical region	Southeast Asia	6	7.2%	–	–
	Outside Southeast Asia	–	–	–	–
Total new hire		6	7.2%	–	–

		2022		2021	
		No. of headcount	Turnover rate	No. of headcount	Turnover rate
By gender	Male	5	9.1%	22	30.1%
	Female	3	10.7%	27	40.9%
By employment type	Full time	8	13.3%	24	24.2%
	Part time	–	–	25	62.5%
By employee level	Management	–	–	–	–
	Staff	8	10.3%	–	–
By age group	18-30 years old	3	4.7%	19	30.2%
	31-40 years old	5	33.3%	28	48.3%
	41-50 years old	–	–	2	20.0%
	51-64 years old	–	–	–	–
	≥ 65 years old	–	–	–	–
By geographical region	Southeast Asia	8	9.6%	49	35.3%
	Outside Southeast Asia	–	–	–	–
Total turnover		8	9.6%	49	35.3%



# Environmental, Social and Governance Report (Continued)

## (B) Social (Continued)

### 3. Employment and labour practices (Continued)

#### 3.1 Employment (Continued)

*Notes:*

1. The new hire rates are calculated using the number of new employees divided by total number of employees at the end of the Reporting Period.
2. The employee turnover rates are calculated using the number of employees resigned divided by total number of employees at the end of the Reporting Period. The employee turnover rates in 2021 are updated to align with such calculation method for consistency and comparison.

During the Reporting Period, the Group has not identified any non-compliance with the relevant laws and regulations relating of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

#### 3.2 Health and safety

Maintaining a healthy and safe working environment helps to enhance employee performance and create a positive working atmosphere. In light of this, the Group has in place safety polices and guidelines which set out the safety procedures and promote safety at work sites stipulated by the relevant applicable laws and regulations. Moreover, the Group has formulated policies to ensure a high standard is kept at all times with regards to means of ventilation, sanitary fitments, facilities for cleaning equipment and utensils, means of exit and entry and fire safety to lower risks more effectively.

Employees' safety is of paramount importance to our business development. All new recruited operational workers are required to attend safety training and receive guidance of acceptable personal hygiene measures. Training buddies are allocated to the new recruited employees to help them integrate into the workplace and support them to follow safety measures smoothly. On the other hand, the surface of all the floors of restaurants shall be maintained even and non-slippery. To avoid the accumulation of water, our kitchens have installed effective drainage. Meanwhile, our employees should wear non-slip shoes in the kitchen to prevent accidents. Knives should be kept safely with blades protected. In case of emergency, all of the Group's restaurants are equipped with first aid kits. In addition, the fire warning system is regularly tested and fire emergency plan drill is organized to restaurants staff to proactively grasp the key points of evacuation and emergency rescue. In case of accident, insurance is covered by the basic security package.

The Group strictly follows the Safety Management Measures ("**SMM**") issued by the Ministry of Manpower ("**MOM**") to slow the rate of transmission and minimise strain on the healthcare capacity. To tackle the COVID-19 pandemic, the MOM updates the SMM regularly.

## (B) Social (Continued)

### 3. Employment and labour practices (Continued)

#### 3.2 Health and safety (Continued)

The Group has issued guidelines in accordance to the SMM for protecting the health and safety of customers and employees as follows:

- Ensure at least one-meter distance between tables in our restaurants;
- Set aside a waiting area for customers and food delivery personnel to pick-up their orders;
- Imply contactless pick-up;
- Imply pre-ordering and pre-payment solutions, or self-checkouts and contactless payment methods;
- Workers (including food delivery personnel) and customers must be masked at all times;
- Common spaces and items, high-touch surfaces, interactive components must be cleaned and disinfected frequently;
- Workers must clean or sanitise their hands before handling food orders;
- Communal amenities for self-service must not be used. Cutlery and condiments should be individually packed and sealed;
- Hand sanitisers should be made available at common touchpoints;
- Food must be covered to minimise contamination risk; and
- Workers must use utensils to handle food at all times. If the use of suitable utensils is not feasible, workers must wear clean gloves to handle the food. Appropriate hand hygiene practices must be observed.

As a responsible corporate, employees' health and safety are always prioritized. The number and rate of work-related fatalities occurred in each of the past three years are as follows:

**Table 8 – Occupational health and safety statistics**

Unit	2022	2021	2020
Number of lost days due to work injuries	–	–	–
Number of work-related fatalities due to work	–	–	–
Number of work injuries due to work	–	–	–

During the Reporting Period, the Group did not have any safety incidents resulting in work-related injury or death, and had not identified any material non-compliance with the relevant laws and regulations in relation to working environment and protection for employees from occupational hazards.

## (B) Social (Continued)

### 3. Employment and labour practices (Continued)

#### 3.3 Development and training

Appropriate training activities can strengthen employees' skills and knowledge to help them unleash their potential in the work environment. The Group continued its support to employees through provision of internal and external training courses, covering various areas such as food preparation and preservation, customer services and quality control in different aspects of the restaurant operation.

Our human resource department has maintained the records of both internal and external training participated by the Group's employees. With the different needs of departments and positions, a series of training were organized during the Reporting Period, which include:

Targeted employees	Content
<ul style="list-style-type: none"> <li>Newly recruited employees</li> <li>Employees being relocated to a new post</li> </ul>	<ul style="list-style-type: none"> <li>Required to attend on-the-job training which helps new employees to understand the new working conditions, job requirements as well as all other safety and environmental conservation practices at the workplace</li> </ul>
<ul style="list-style-type: none"> <li>Experienced employees</li> </ul>	<ul style="list-style-type: none"> <li>Given the checklists to ensure all matters on food quality, internal procedures and safety standards are properly discussed with new recruits</li> </ul>
<ul style="list-style-type: none"> <li>All employees</li> </ul>	<ul style="list-style-type: none"> <li>Participated in training offered by professional training institutions or experts</li> <li>Encouraged to undertake external courses that are funded by the Group</li> </ul>
<ul style="list-style-type: none"> <li>Directors and senior management</li> </ul>	<ul style="list-style-type: none"> <li>Encouraged to undertake some form of continuing professional development courses or training</li> </ul>
<ul style="list-style-type: none"> <li>Food handling staff</li> </ul>	<ul style="list-style-type: none"> <li>Attended trainings about food safety regulations</li> <li>Received the appropriate supervision and training about food hygiene</li> </ul>

The restaurant manager or head chef also has regular debriefings with the employees of the restaurant to discuss key issues of attention, such as customer's feedback and opinions, updates to the food and drink menus, restaurant hygiene and sanitation, as well as any recent accidents that took place there. To ensure that its talents can reach their maximum potential, the Group regularly evaluates our training strategies.

## **(B) Social (Continued)**

### **3. Employment and labour practices (Continued)**

#### **3.4 Labour standard**

According to the Singapore's Employment (Children and Young Persons) Regulations published in 2000, where no child who is below the age of 13 years shall be employed in any occupation. The Prevention of Human Trafficking Act was also enforced in 2014, where any person who recruits, transports, transfers, harbours or receives an individual by any means of coercion or a child (below age of 18) for the purpose of exploitation shall be guilty of an offence. The legislations are enforceable for all business operations in Singapore. The Group has zero-tolerance for any form of modern slavery, including child labour and forced labour.

To avoid cases of child-labour and forced-labour from happening, we have formalised the minimum age requirement of 18 years old in the Group's recruitment policies by verifying the personal information in each new hire's identity card. A legal-binding employment contract is signed with each employee. Besides, the human resources department is responsible for verifying the age of all applicants for employment by requiring the presentation of valid identification issued by an official authority prior to employment. In case of a violation, the Group shall reimburse the employee in accordance with local employment laws and regulations. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations related to preventing child and forced labour.

### **4. Operational practices**

#### **4.1 Supply chain management**

The Group recognises the importance of not to be directly or indirectly involved in corrupt practices or complicit in human rights abuses. In order to provide quality food and service, the Group sources high-quality ingredients from selecting suppliers carefully, and setting appropriate standards according to actual operational needs, so as to build a good foundation for the provision of high-quality food and catering services.

The Group selects suppliers in an objective, fair, just and highly transparent manner and thus has developed a list of approved food and beverage suppliers. To lower our supply chain risks, there are at least two approved suppliers for each type of food ingredient and beverage when possible. The head chef will monitor the quality of purchased ingredients and food items and may suggest to our management to consider removing certain suppliers if there is deterioration in the capacities, reliability or consistency of service and product quality of those suppliers. We may remove suppliers failing to meet our selection criteria or being susceptible of negative publicity from our supplier list.

# Environmental, Social and Governance Report (Continued)

## (B) Social (Continued)

### 4. Operational practices (Continued)

#### 4.1 Supply chain management (Continued)

The Group will conduct a comprehensive evaluation on the suppliers for initial cooperation. First, our head chef will first screen the supplier whether their product quality can meet our standards and requirements, such as the cost, origin of the supply of the food ingredients, possession of necessary licences, timely delivery of orders and supply stability. The Group gives preference to suppliers with certain qualifications and standards. If the potential supplier passes the initial screening and sample testing by the head chef, we will obtain approval from directors to add the new supplier in the approved supplier list. We will then place a small trial order to test the quality of their food, and their reliability and timeliness in the delivery before negotiating for a long-term supply partnership. As at 31 August 2022, we have approximately 120 active vendors in the approved vendors list.

The Group arranges meetings with food suppliers and other service providers from time to time to ensure the provision of quality dining service to customers, and the food and beverages suppliers are carefully selected based on factors including food quality, food safety management, sources of ingredients, pricing and other terms, capacity and availability, track record and reputation, payment method and terms, delivery options and schedules, etc. The Group conducts regular supplier reviews to ensure that the hygiene, process and quality of their products are maintained at a high standard. All suppliers are required to hold valid licences issued by the government and all imported goods shall obtain proper clearance from respective authorities. All foods received from suppliers must be in compliance with the food labelling requirements, relevant hygiene and sanitary regulations. The Group monitors the performance of all suppliers on a regular basis to ensure that their food ingredients meet the stringent requirements and to safeguard the quality and condition of goods. Suppliers with past records of material environmental or social accidents, such as excessive pollutions discharges to the environment, exploitation of workers and food safety incidents, will not cooperate with the Group.

In order to extend the concept of sustainable development to the supply chain, the Group encourages all its suppliers to implement the concept of sustainable development and responsible practices in their operations by emphasizing environmental and social risk control in supplier selection procedures and standards, so as to promote the sustainable development performance of both parties.

To extend the concept of sustainable development to the supply chain, the Group also monitors the reputation of the supplier's performance in business ethics, encourages all its suppliers to implement the concept of sustainable development and responsible practices in their operations by emphasizing environmental and social risk control in supplier selection procedures and standards, so as to promote the sustainable development performance of both parties. During this Reporting Period, the Group did not identify any cases of suppliers failing to meet the Group's requirements.

## (B) Social (Continued)

### 4. Operational practices (Continued)

#### 4.2 Product responsibility

In terms of maintaining high-quality of food and service, the Group has complied with Sales of Food Act of Singapore and other applicable law and regulations. To strengthen the management of food ingredients, the Group adopted policies and procedures to ensure they are safe, fresh and of good quality upon delivery, in storage and during processing. The Group selects suppliers carefully and maintains relationship only with qualified suppliers.

Apart from food ingredients procurement, the Group has also optimized the production process, to ensure that the quality and safety of food products are qualified. The Group also performs regular identification of hazards, determination of critical control points and timely implementation of effective control and monitoring measures.

The head chefs and restaurant managers' responsibilities are quality control and assurance at every restaurants. They are responsible for inspecting the food supplies and ingredients, overseeing the food preparation process and monitoring the dining environment and kitchen area. The Group's operational workers clean and sanitize each of the restaurant to maintain food safety and hygiene in accordance with the policies and procedures. All dishes shall be freshly made in the kitchen and served to customers as soon as possible, which reduces the risk of food contamination. Also, raw food and cooked food are stored separately to avoid bacteria breeding and cross-contamination. All used food processing equipment will be cleaned thoroughly before it is used for processing another dish. Used utensils are collected, washed and dried after use by customers. If there are any food quality and safety concerns raised by our employees or received from customers, the restaurant manager is responsible for handling the complaints received at the restaurant immediately, while the customer service department is responsible for handling the complaints. The Group will investigate and resolve with the customer if it is assessed to have severe implications.

During the Reporting Period, the Group did not receive any food recall events regarding health and safety reasons. The Group's marketing activities aim to promote pleasant dining experiences at our restaurants with quality food and affordable prices available in a range of cuisine. We promote our restaurants through various marketing activities, including the maintenance of our website, the display of our menu in digital panels at the shopping malls, launching promotion campaigns with shopping mall networks. The Group values customers' opinions and ensures that their opinions and complaints are handled to maintain two-way communication between customers and the Group. The Group has established various feedback channels, such as email and feedback form etc. The restaurant managers will discuss the customer feedback with senior management in order to improve the overall operations. Upon receipt of complaints, the Group will take prompt actions and respond to relevant customers in a timely manner to improve the quality of our services. The head chef and the restaurant manager of each restaurant also meet on a regular basis to communicate any issues encountered so as to ensure that customers' opinions are reflected.

# Environmental, Social and Governance Report (Continued)

## (B) Social (Continued)

### 4. Operational practices (Continued)

#### 4.2 Product responsibility (Continued)

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations regarding product responsibility nor received any complaints from customers that had any material adverse impact on the Group's brands, business and results of operation.

The Group is committed to protecting intellectual property rights and customer privacy in our business operations. The logo and name of our brands have been registered as trademarks and protected under the "Trade Marks Act" in Singapore. In the event of intellectual property infringement by third parties, the Group will engage its legal counsel to take necessary action (i.e. warning letters, litigation) against them. In addition, the Group has installed various anti-virus and firewall softwares in prevention of any leakage of confidential data and information.

#### 4.3 Anti-corruption

Corporate ethics is the foundation upon which the Group maintains accountable operations. The Group is committed to operating with integrity and in accordance with the highest ethical standards and preventing corruption.

To maintain the ethics in daily operations, our employee handbook lists out the internal control policies and procedures that governs the investigation and follow-up procedures of reported fraud incidents and provides for a whistle-blowing procedures mandatory for the employees to report any action or behavior of bribery or misconduct. If an employee suspects any cases of misconduct, they can report to the Group's whistle-blowing channel. The Board would monitor the aforesaid implementation related to anti-corruption and anti-bribery regularly.

To advocate anti-corruption, the Group has established the Code of Conduct, Anti-Corruption policy, Anti-Fraud and Anti-Money Laundering policy. These policies are communicated to all new employees during their onboarding. Members of the Board of Directors have attended the anti-corruption and anti-bribery training courses prior to the Group's Initial Public Offering on the Hong Kong Stock Exchange in the previous reporting period.

During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations regarding bribery, extortion, fraud and money laundering. The Group was also not aware of any legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period.

# Environmental, Social and Governance Report (Continued)

## (B) Social (Continued)

### 5. Community investment

Giving back to society is one of the key areas that the Group attaches great importance to. As a responsible corporate, the Group is committed to fulfilling our corporate social responsibility, caring for and giving back to society. Since its establishment, the Group has been a responsible taxpayer and offers job opportunities to local people to alleviate the pressure from unemployment.

Amidst the severe impact brought by COVID-19, the Group is committed to devoting resources to lower the burden of those in need under the haze of pandemic. To reduce the impact of the epidemic on personal health, the Group safeguarded the health of our customers and food delivery personnel by providing alcohol-based hand sanitizers and cleansers to them to ensure that they would not be infected with the virus and to prevent the transmission of the virus to the community.

To implement more comprehensive community investment activities and programs, the Group will formulate policies related to community investment and donations based on community needs and its operation in due course, hoping to influence and bring positive impacts on the community.

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