

# 皇璽集團

控股國際有限公司

ROYAL GROUP HOLDINGS  
International Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8300



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

2023



ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED  
ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

2022/23

CONTENTS

	Pages
PREPARATION BASIS	2
SCOPE OF REPORT	2
ESG REPORTING BOUNDARY AND PERIOD	3
STAKEHOLDER ENGAGEMENT & MATERIALITY IDENTIFICATION	3
CORPORATE GOALS AND VISIONS	6
ENVIRONMENTAL	7
Management of Climate-Related Issues	7
Air Emissions	8
Greenhouse Gas Emissions	8
Waste Management	8
Use of Resources	9
The Environment and Natural Resources	11
Our Environmental Targets	11
Summary	12
SOCIAL	13
Employees	13
Employment & Remuneration	15
Remuneration Committee	16
Retirement Benefit Scheme	16
Equal Opportunities, Diversity and Anti-Discrimination	16
Occupational Health and Safety	17
COVID-19 Response	18
Development and Training	19
Supply Chain Management	20
Product Responsibility	21
Labour Standards	22
Customer Service	23
Protection of Intellectual Property	23
Anti-Corruption	24
COMMUNITY INVOLVEMENT	25
Community Investment	25

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### PREPARATION BASIS

As a company based and serving in Hong Kong, Royal Catering Group Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or We) is a large food and beverage group in Hong Kong operating casual dining restaurants under a portfolio of brands.

The Group aims to serve its customers with top quality food at good value, in a cosy and inviting dining atmosphere. The Group also targets to provide (i) safe, healthy and pleasant working environments to its employees, (ii) reasonable returns on investments to investors, business partners and supporters, and (iii) sustainable development to the society and environment.

To ensure these long-term goals, the Group’s senior management (including the Company’s directors (the “**Directors**”)) are committed to environment protection, being socially responsible, and are equipped with the strictest corporate governance. In pursuant to the requirements defined in the *Environmental, Social and Governance Reporting Guide* (“**ESG Guide**”) in Appendix 20 to the GEM Listing Rules published by The Stock Exchange of Hong Kong Limited, the Group has prepared this 2022-2023 Environmental, Social and Governance (thereafter “**ESG**”) report, disclosing its efforts in managing its ESG impacts from its principal operation activities, including: casual dining food catering services in Hong Kong. This ESG report covers two subject areas, namely environmental and social. Corporate Governance Report is presented in pages 22 to pages 39 of our Annual Report 2022/2023.

This report was prepared in alignment with the key reporting principles recommended in the ESG reporting guidelines published by HKEx, including:

Materiality	The materiality of key ESG issues is assessed by the senior management members of the Group, including engagement of various internal and external stakeholders. The valuable input obtained from stakeholder engagement activities contributes to steering the Group’s ESG management strategy. This is further discussed in the Materiality Assessment section of the report.
Quantitative	The calculation of key performance indicators (KPIs) are based on industry best practices. Where relevant, external reference sources have been utilized and have been documented in the corresponding sections of the report.
Consistency	The Group adopts a consistent set of methodology for quantification of KPIs whenever practicable to maximize comparability of our ESG performance over time.

### SCOPE OF REPORT

The scope of this ESG report covers the Group’s initiatives on introducing the concept of ESG to its internal and external stakeholders, implementation of sustainable practices throughout the Group’s daily operations and disclosing results as a year-end summary. It is also the intention of the management to provide an overview of the Group’s direction in managing ESG related issues, driving for ESG initiatives throughout the Group, and communicating its ESG performance with stakeholders.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

The reporting of key performance indicators (KPIs) provides a good representation of our ESG performance, which also helps the Group's performance tracking. The reporting approach, including quantification of KPIs, has remained the same compared to the Group's previous report to ensure consistency.

### ESG REPORTING BOUNDARY AND PERIOD

The reporting boundary of this ESG report shall cover the operating activities of the Group from 1 April 2022 to 31 March 2023 ("**Reporting Period**"). During the Reporting Period, the Group has been operating the following restaurants in Hong Kong:

Restaurant Brand	Branches
Da Shia Taiwan (大呷台灣)	Central
Du Hsiao Yueh Restaurant (度小月)	MongKok Causeway Bay <sup>1</sup>

Table 1. Restaurants operated by the Group

Notes:

- "Du Hsiao Yueh Restaurant (度小月)" in Times Square, Causeway Bay was closed on 28 August 2022. Branch at Jaffe Road, Causeway Bay opened on 3 October 2022.

### STAKEHOLDER ENGAGEMENT & MATERIALITY IDENTIFICATION

The Group sets out below its efforts to minimise the negative impacts to the environment from its operations, promote employees' well-being and to contribute to the local community.

To ensure the full spectrum of the ESG aspects of the operation is covered in its sustainability strategy and to identify its related attributes for active management purpose, the Group has consulted both the internal and external stakeholders about its potential impacts. The Group understands and values the importance of maintaining a good relationship and mutual communication with stakeholders from all perspectives, and thus included a wide range of parties as consultation targets.

In addition, the Group engaged and commissioned a professional firm to assist the drafting of the ESG Report, and conducted a materiality analysis in the form of a management interview during the drafting process. Particular sustainability-related issues which are material to the Group were identified during the process, and results of which are disclosed in later part of this ESG Report.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

The below table presents key stakeholders of the Group as well as how the Group communicate with them through a variety of engagement channels during the Reporting Period.

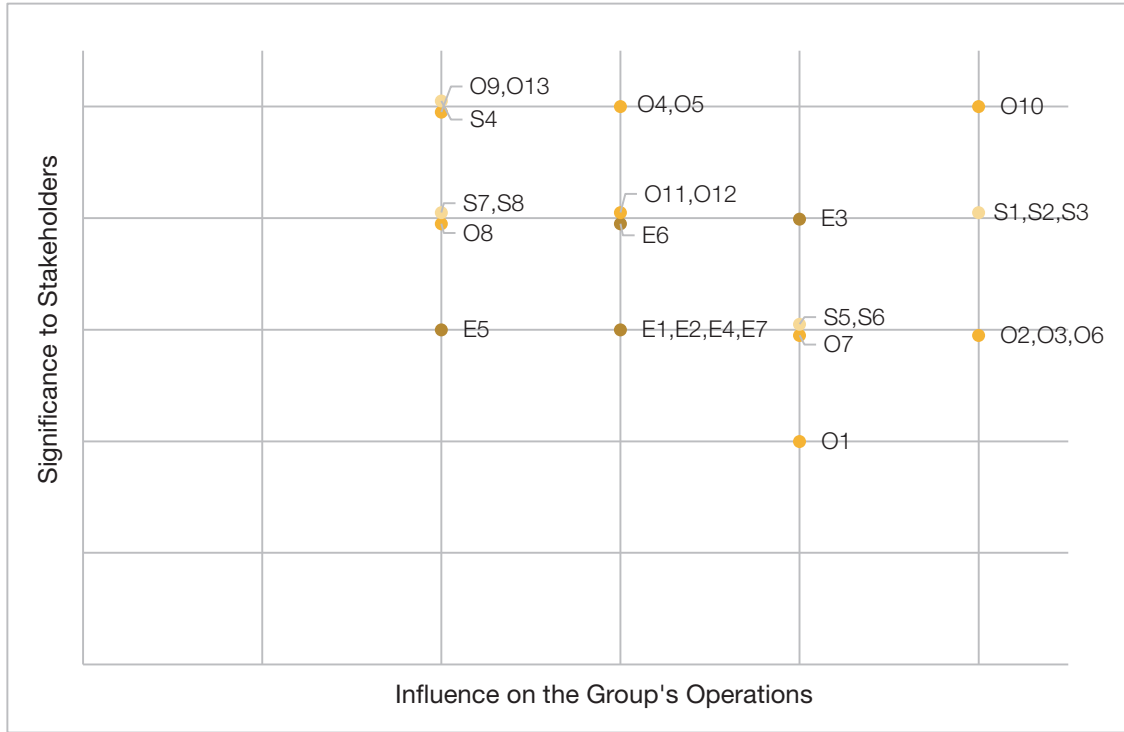
Stakeholders	Expectations and Concerns	Engagement Channels
Customers	Quality of products and services Customer rights protection	After sales services Feedback channels such as hotline and email
Employees	Staff salary and benefits Health and safety of working environment Training and career development	Training Performance review and interviews Internal announcements and publications Suggestion box
Suppliers	Fair procurement process Timely payment for supplied goods/services	Site visit
Shareholders	Corporate governance Business compliance Return on investment	Annual general meeting Annual, interim and quarterly reports Press releases and announcements Company website
Government and Regulatory Authorities	Compliance with laws and regulations Sustainable development	Supervision on compliance with relevant laws and regulations Routine reports Government grants and subsidies
Community	Community involvement Environmental protection awareness	Community activities Subsidies and charitable donations

Table 2. Engaged stakeholder list and methods

### Materiality Assessment

The Group performed a materiality assessment of various ESG topics to identify and evaluate the concerns and interests of the Group's internal and external stakeholders. The findings of the assessment are presented in a materiality matrix, as shown below:

# ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT



E1	Air Emission Management	O1	Anti-competitive Behaviour Management	S1	Child Labour and Forced Labour Management
E2	Energy Management	O2	Anti-Corruption	S2	Community Relations
E3	Environmental Compliance	O3	Anti-discrimination	S3	Diversity and Equal Opportunity
E4	Greenhouse Gases Management	O4	Company profitability	S4	Employee communication
E5	Raw Materials Management	O5	Customer Satisfaction	S5	Human Right Protection
E6	Waste Management	O6	Data Security and Customer Privacy Management	S6	Social and Economic Compliance
E7	Wastewater Management	O7	Generation of Economic Value	S7	Talent Management
		O8	Innovation and Intellectual Property Rights	S8	Training and Development
		O9	Occupational Safety and Health		
		O10	Product Health and Safety		
		O11	Product Quality Management		
		O12	Product Sales and Labelling		
		O13	Supplier Management		

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### CORPORATE GOALS AND VISIONS

The Group aims to serve its customers with quality and safe food at good value in a cosy and inviting dining atmosphere. In addition, it envisions to:

- (i) Provide its employees with safe, healthy and pleasant working environments;
- (ii) Generate reasonable returns on investments to investors, business partners and supporters; and
- (iii) Maintain sustainable development to the society and environment.

### ESG Management Structure

The Group's ESG management has been structured to ensure the fulfilment of its corporate goals and visions to bring benefits to all stakeholders, and to support and serve the society and the environment with responsibilities and sustainable development.

The Board, headed by the Chairman and having a balance of skill and experience from the Executive and Non-Executive Directors, is responsible for formulation and approval of the Group's development, business strategies, policies, annual budget and business plans. The day-to-day management including the effective implementation of the overall strategies and initiatives adopted by the Board on operations, financial, environmental and social issues and obligations, has been delegated to the Chief Executive Officer ("**CEO**") and its senior management team members.

Specifically, regarding environmental and social issues and obligations, the management is structured as follows:

#### Head office management

The head office, where the CEO and the senior management team members are based, is responsible for the overall management and supervision of the Group's restaurants.

#### Restaurant Operation

Each of the Group's restaurants is headed by a restaurant manager who oversees the daily operation of the restaurant. The staff of each restaurant is categorized into the kitchen division and the dining service division. The kitchen division is led by a head chef who supervises the operation of the kitchen and is responsible for the quality, hygiene and safety of the kitchen and the food produced. The dining service division is headed by the restaurant manager who is responsible for overseeing the operation of the dining area of the restaurant to ensure delivery of satisfactory services to the customers.

Through an independent internal control and risk management system, the Group ensures its restaurant operations and management fulfil and comply with its environmental and social responsibilities and obligations as required by the ESG Guide, and laws and related regulations of the Hong Kong Special Administrative Region ("**HKSAR**"), as well as specific guidance in the food industry. The Board is duty-bound to review, address and report all the environmental and social issues listed in the aspects and areas laid out in the ESG Guide.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

In response, the Board has approved its updated strategies and policies, and assigned the CEO and senior team members to have the overall responsibility of their implementations. The CEO is responsible for analysing and developing Key Performance Indicators (“KPIs”) where appropriate and necessary, for continued monitoring action in line with the Group’s goals, visions and policies.

### ENVIRONMENTAL

The Group understands the importance and the responsibility of serving only the finest and safest food to our customers while minimizing its environmental impacts, and is committed to comply with all related laws and regulations. Through the materiality identification exercise, the Group identified that energy and water consumption, and waste generation are its most significant environmental issues. In addition, the analysis also shows that the Group has minor impact towards air and carbon emissions, which are issues that the Group will devote resources to monitor its performances. The Group’s management has delegated specific efforts in managing the identified environmental issues, as detailed in subsequent sections of this report.

The Group also understands the importance of maintaining sustainable business growth and strives to provide a positive environmental and social impacts. Thus, it actively promotes green operations, as well as cultivates a healthy and safe environment in the workplace. The Group encourages “*Green Environment*” ideas to ensure:

- the efficient consumption of energy and water;
- management and conservation of natural resources;
- the promotion on environment and safety awareness among staff;
- the reduction on waste and pollutants;
- a green, healthy and safety workspace for staff, visitors and contractors;
- optimising energy consumption in operations; and
- the continuous improvement in performance, environment and safety.

The Group also runs an internal environmental protection awareness program that consistently reminds and encourages its employees and clients to improve environmental performance together.

### Management of Climate-Related Issues

The Group reviews and identifies climate-related risk annually while conducting risk assessments as part of our management process. In addition to proactive management measures for its environmental performance, including resource and waste awareness measures, the Group is considering the incorporation of more sophisticated risk assessment process for climate-related topics, with reference to the Task Force on Climate-related Financial Disclosures, covering physical risks such as extreme weather conditions and transition risks such as regulatory change or emerging technologies.



## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### Air Emissions

The Group examined the issue of air emissions across its operation, and concluded that the main sources of emissions originate from the direct consumption of town gas during the cooking procedure, and petrol consumption from the company's vehicle fleet. Since the composition of town gas consist mainly of hydrogen and methane, it is generally considered to be a cleaner fuel source, hence the cooking process generated and released less pollutants into the atmosphere. However, to ensure the quality of air released to the atmosphere are meeting standards listed in related laws and regulations, emission collection and filtration systems were installed in various of the Group's operation locations (restaurants and the administrative head office) to pre-treat effluent gases through a centralised system before releasing to the atmosphere.

The Group's air emissions include nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and particulate matter (PM). During the Reporting Period, a total of 1.6 kg of NO<sub>x</sub>, 0.024 kg of SO<sub>x</sub> and 0.1 kg of particulate matter was emitted. Due the operational changes involving the termination of central warehouse usage and transitioning to direct delivery of supplies to operation sites by suppliers, diesel consumption from the delivery fleet was eliminated and the Group's air emissions during the reporting period declined significantly.

The Group will continue monitoring its operation and ensuring its air emissions will remain well-managed and in compliance with all relevant laws and regulations. Further information shall also be disclosed in future ESG reports of the Company as changes occur.

### Greenhouse Gas Emissions

In addition to the efforts made in monitoring air emissions as mentioned in the above section, the Group performed careful assessment on its overall greenhouse gas emissions. As the Group's operations involve cooking and food preparation and vehicle usage, greenhouse gas emission by the Group mainly consists of carbon dioxide (CO<sub>2</sub>), with minor contribution from methane (CH<sub>4</sub>) and nitrous oxides (N<sub>2</sub>O).

The Group estimated its greenhouse gas emissions for the Reporting Period through calculation with relevant methodology, and with data available on electricity & gas consumption. To convert energy consumption figures to greenhouse gas emissions, emission factors obtained from invoices and references to third-party documents were used (including electricity & gas consumption data, and carbon intensity factor that are available on bills and sustainability reports from electricity & gas provider respectively).

The total greenhouse gas emissions of the Group in the Reporting Period was estimated to be approximately **377 tCO<sub>2</sub>e**. The decline in greenhouse gas emissions for the reporting period is mainly attributed to the reduced consumption fossil fuels, resulting from operational changes as described in the previous section.

### Waste Management

The Group strives to reduce waste production in its operation activities. The Group produced various non-hazardous wastes in its operation activities, including waste oil, food wastes, paper wastes and waste water. Waste oil is mainly generated from restaurant's kitchen. Food wastes are mainly generated from cooking and unconsumed food by customers and paper wastes refer to used napkins from restaurants and Group office. Waste water is produced as a result of daily restaurant operations.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Waste management guidelines and procedures such as Inventory Control Guideline are in place to ensure efficient inventory control. Restaurant Assistant Shop Manager and the Head Chef are both responsible for managing the food and drink preparation process, as well as minimizing non-consumed food, i.e. food wastes. The Head Chef would also provide regular training to other employees on proper usage and the mix of food, beverages, and vegetables materials for all dishes and drinks to avoid wastage.

All of the Group's food wastes and waste oils are handled by licensed waste disposal companies, and are treated properly according to related regulations.

Waste water generated by restaurants is discharged daily to the public drainage in accordance with relevant regulations.

To control paper waste from daily operations, all staff are encouraged to use electronic messages and print on both sides of paper.

The Group will continue exert additional attention to waste management, and to the compliance of all applicable laws and regulation.

During this Reporting Period, the Group has generated the following of waste from its activities mentioned:

Waste Materials	Quantity	Unit
Waste Oil	4,130	Litres
Grease Trap Waste	7.6	Cubic metres
Non-Hazardous Daily Waste	1,019,844	Litres
Construction Waste	19	Tonnes

Table 3. Waste Generation Quantities

The Group recorded construction waste during this reporting period due to construction and renovation activities performed for its restaurants at Causeway Bay and MongKok. Also, the increase in generation of non-hazardous daily waste at our restaurants is likely due to the increased proportion of dine-in customers following uplifting of COVID restrictions.

In addition, considering its business nature, the Group is not involved in any significant consumption of hazardous chemical reagents, and thus no hazardous waste figure was recorded in this Reporting Period.

### Use of Resources

The Group actively promotes "Green" culture and "Eco-Friendly" practices by maintaining an efficient consumption practice throughout its operations, at the same time protecting the environment. Measures including reusing resources, reducing waste, and recycling. In addition, "Green" operation in the supply chain and workplace have been adopted.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### **Energy (Town gas and electricity)**

In line with its “Green” culture, the Group actively promotes the concept of smart usage of energy in all operating premises. The main source of energy for the Group’s operation are town gas and electricity. To ensure efficient energy consumption in restaurants, the Head Chefs at each restaurant are delegated to manage and guide employees on efficient consumption of energy. The Group also invested into energy-saving technologies, such as LED lighting system in our premises. In addition, notices on energy-saving are issued to our staff to raise awareness on energy conservation. Other initiatives implemented on energy-saving are set out as follows:

- All electrical appliances including air-conditioners and lights have to be turned off in a timely manner and after work;
- Energy-saving LED lights are installed whenever possible;
- The use of natural ventilation is encouraged whenever feasible; and
- Unused and idle appliances have to be turned off in a timely manner.

An “Energy Consumption Key Performance Indicator Scheme” was also implemented within the Group to monitor on the use of town gas and electricity, and associated air pollutants and greenhouse gas emissions. It also serves as a reminder for better consumption practices.

### **Water**

During the Reporting Period, the Group did not encounter any issues in sourcing water for business operations. In addition to its efforts on energy conservation, the Group is also working closely with its employees on water conservation measures. Water meters are installed to record the water usage pattern and Head Chefs regularly monitor the volume of water used in restaurants for better consumption management.

### **Packaging materials**

The Group’s restaurants consumes various food packaging for takeaway orders, such as food containers, cups, and bags. The Group recognized the increased demand of takeaway orders as a result of dine-in restrictions imposed during the COVID-19 pandemic, and has started using takeaway food packaging manufactured by recycled materials to help reduce the environmental impact associated with increased takeaway dining. In addition, with the objective of discouraging the use of takeaway containers, the Group’s restaurants charge a levy on such usage.

With the gradual lifting of disease control restrictions during the reporting period, the proportion of takeaway orders have decreased, resulting in a reduction of takeaway packaging consumption for the reporting period.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### Paper

The Group intends to reduce any unnecessary paper usage by fostering a paperless working environment. Employees are encouraged to:

- facilitate information sharing via electronic tools such as emails, messages and USB storage to replace paper files, sketches and letters; and
- print paper on both sides, and to use only recycled paper.

The Group has monitored its paper usage associated with its operations, including paper used in offices and in restaurant branches. The total paper consumption during the Reporting Period was estimated to be about 520 kg.

For continuous monitoring purpose, the Group has also established a “*Key Performance Indicator Performance Scheme*” on water, materials and paper consumption. Results are reviewed periodically by the Group’s management for further improvement.

### The Environment and Natural Resources

As the Group is mainly engaged in food production and restaurant operation, the Group constantly reminds its employees to be cautious on consumption, especially on electricity and water, and tries to conserve and minimise the Group’s resource consumption footprint. Conservation initiatives were thus implemented throughout this Reporting Period, and details are explained in the “Use of Resources” section.

### Our Environmental Targets

To demonstrate our ambitions for improving our environmental performance, the Group has set a number of targets in 2021-2022 covering metrics that are considered material to our operations.

Aspect	Target
Reduce paper consumption	-3% paper consumption intensity/revenue in 5 years
GHG emissions	-3% GHG emission intensity/revenue in 5 years
Air Emissions	-1% air emissions intensity/revenue in 5 years
Water Consumption	-1% water emissions intensity/revenue in 5 years
Waste Management	-3% non-hazardous waste/revenue in 5 years
Energy consumption	-3% energy consumption intensity/revenue in 5 years

As our business recovers from COVID impact, we will closely to monitor our performance and update our target baselines as needed, to more accurately present our environmental performance as well as our improvements.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### Summary

The consolidated data with respect to environmental key performance indicators (KPIs) regarding emissions and resource consumption associated with the Group during the Reporting Period are summarized in the following table:

Environmental KPIs			
Category	Unit	2021-2022	2022-2023
<b>Energy Consumption</b>			
Total Energy Consumption	GJ	3,894	3,401
Petrol Consumption	GJ (L)	38 (1,088)	56 (1,614)
Diesel Consumption	GJ (L)	49 (1,263)	0 (0)
Electricity Consumption	GJ (kWh)	1,830 (508,437)	1,598 (443,913)
Town Gas Consumption	GJ (unit)	1,977 (41,197)	1,747 (36,390)
Total Energy Consumption Intensity	GJ/1,000 HKD revenue	0.11	0.11
<b>Greenhouse Gas Emissions</b>			
Total Greenhouse Gas (GHG) Emissions	t CO <sub>2</sub> e	425	377
Scope 1 – Direct Emissions	t CO <sub>2</sub> e	111	97
Carbon Dioxide (CO <sub>2</sub> ) Emissions	t	111	97
Methane (CH <sub>4</sub> ) Emissions	kg	0.5	0.4
Nitrous Oxide (N <sub>2</sub> O) Emissions	kg	1.3	1.8
Scope 2 – Energy Indirect Emissions	t CO <sub>2</sub> e	297	267
Scope 3 – Other Indirect Emissions	t CO <sub>2</sub> e	17.5	13.2
Paper Waste Disposed At Landfills	t CO <sub>2</sub> e	5.0	2.5
Fresh Water Processing	t CO <sub>2</sub> e	10.9	9.3
Sewage Processing	t CO <sub>2</sub> e	1.7	1.4
Employee Business Travel	t CO <sub>2</sub> e	0	0
Total (GHG) Emissions Intensity	t CO <sub>2</sub> e/ 1,000 HKD revenue	0.010	0.013
<b>Air Emissions</b>			
Nitrogen Oxides (NO <sub>x</sub> ) Emissions	kg	18.6	1.6
Sulphur Oxides (SO <sub>x</sub> ) Emissions	kg	0.04	0.024
Particulate Matter Emissions	kg	1.8	0.1
<b>Waste Management</b>			
Waste Oil	L	5,736	4,130
Grease Trap Waste	m <sup>3</sup>	17	7.6
Construction Waste	T	0	19
Non-Hazardous Daily Waste	L	224,856	1,019,844
Non-Hazardous Daily Waste Intensity	L/1,000 HKD revenue	6.2	34.3
<b>Use of Resources</b>			
Paper Consumption	kg	1,032	520
Paper Consumption Intensity	kg/1,000 HKD revenue	0.029	0.017
Water Consumption	m <sup>3</sup>	11,953	10,221
Water Consumption Intensity	m <sup>3</sup> /1,000 HKD revenue	0.33	0.34
Total Packaging Material	Pieces	592,255	455,810
Total Packaging Consumption Intensity	pieces/ 1,000 HKD revenue	16.4	19.9

Table 4. Environmental Performance Summary Table

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### SOCIAL

Restaurant operation requires the support of a diverse and skilful workforce, and the Group's senior management considers the Group's employees as valuable asset. The Group strives to provide a competitive benefit scheme, as well as a stable and safe working environment for its employees in order to attract and retain talents.

In order to continue to grow sustainably and responsibly, the Group has established a strategic scheme to manage its employment, employee benefits, and corporate governance, and to ensure that it is in full compliance with the relevant local laws and regulations. Details on the management measures implemented by the Group are elaborated in following sections.

#### Employees

Since a motivated and balanced workforce is crucial to the success, sustainability and continued growth of the Group's business, the Group is dedicated to offer a safe, equal and healthy working environment for all of its employees.

During the Reporting Period, the Group was in full compliance with all the applicable laws and regulations towards employment arrangements, and it is also committed to foster diversity and provide equal opportunities on recruitment, promotion, compensation and benefits, and establishes a pleasant, harmonious, safe and healthy working environment.

The Group strives to strengthen its human resources management with employee-oriented policies to protect the interests and legal rights of the employees, and ultimately to achieve a positive, constructive and harmonious relationship between the Group and its employees.

The Human Resources Manager is assigned to implement the Group's human resources strategies and policies. This includes wages, working hours, holidays, severance and compensation pay, performance assessment, accidents and injuries, as well as safety and health topics. All employment terms and conditions are clearly listed in the *Employment Rules and Regulations and Employment Contract*, and are in full compliance with relevant employment-related ordinances of the HKSAR.

The Group provides various benefits to qualified employees, including but not limited to Mandatory Provident Funds (MPF), employee compensation insurance and compensation and statutory holidays pursuant to the requirements of the laws of the HKSAR.

The Human Resources Manager regularly updates the "Employment Record" with breakdown of total number of employees in different levels, sectors, genders, ages and qualifications to assist the Group's management to constantly monitor and analyse the Group's employment situations for adjustments in human resources strategy.

# ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

As of 31 March 2023, the Group had a total of 77 employees. All of our employees are currently based in Hong Kong SAR. A breakdown of the Group’s workforce is set out as below:

Total	Employee Type		Gender		Age Distribution				
	Full Time	Part Time	Male	Female	Below 30	30–40	41–50	51–60	Above 60
<b>77</b>	42	35	44	33	31	9	15	12	10

Table 5. Employee Diversity

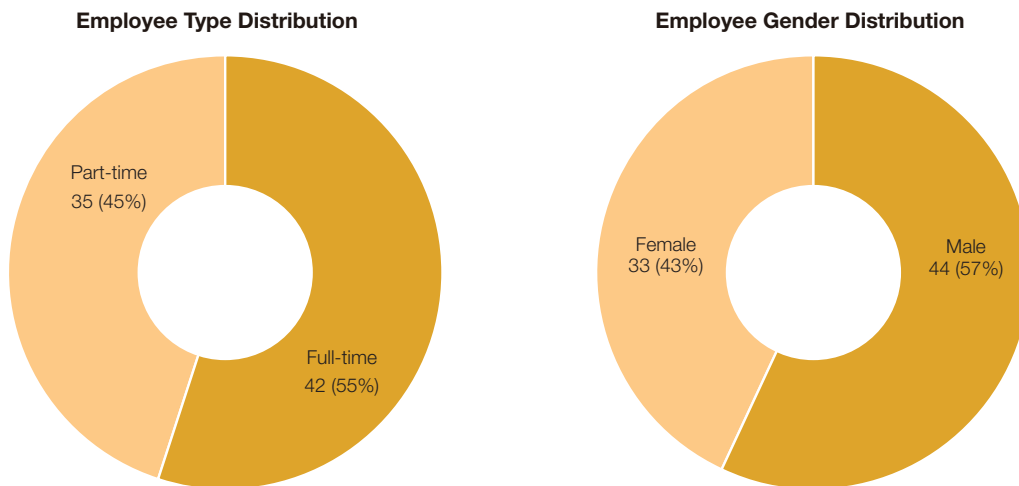


Chart 1 & 2 – Employee Type and Gender Distribution

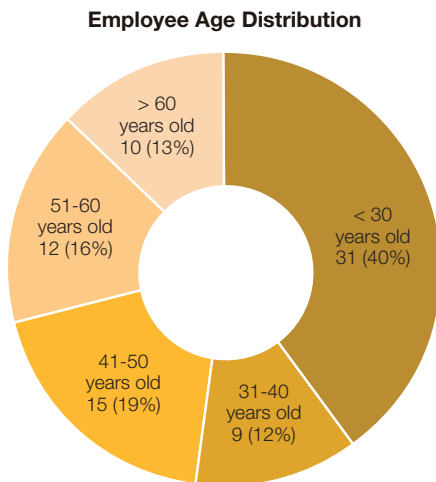


Chart 3 – Employee Age Distribution

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

The Group's turnover rate for the reporting period is 227%. A breakdown of turnover rates is presented below:

Employee Turnover Breakdown		Full Time	Part Time
Overall		95%	237%
By Gender	Male	90%	362%
	Female	104%	157%
By Age Group	<30 years old	85%	243%
	31-40 years old	92%	154%
	41-50 years old	94%	197%
	51-60 years old	132%	346%
	>60 years old	46%	444%

Further information on employee remuneration, workforce diversity and training are discussed in the below sections.

### Employment & Remuneration

In order to attract and retain talents, the Group rewards its employees with competitive remuneration packages (including competitive wages, incentives and discretionary performance bonus, transportation allowance and staff meals), along with promotion opportunities and discretionary grant of share options. Remuneration packages are constructed with reference to the prevailing market level, in line with the competency, performance, qualification and experience of each individual employee.

Performance bonus and share options are given to outstanding employees on a discretionary basis, and as a recognition of his/her contributions toward the Group.

During the Reporting Period, all of the Group's employees are also entitled to MPF pursuant to the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of Laws of Hong Kong), as well as employee compensation insurance pursuant to Employees' Compensation Ordinance (Chapter 282 of Laws of Hong Kong). In addition, all employees received payment of salaries and wages on time and are entitled to statutory holidays, annual leaves and sick leaves. In addition, policies on remuneration, benefits, training and occupational health and safety are regularly reviewed, and disciplinary action would be taken if act of serious misconduct are identified.

All details listed above are included in the Group's Employment Rules and Regulations Policy, which is constructed in accordance with the *Employment Ordinance* (Chapter 57 of Laws of Hong Kong), and the Group shall continue to monitor its compliance with related Ordinances as listed above.



## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### Remuneration Committee

To ensure the Group's remuneration scheme remains competitive, the Group established its Remuneration Committee in 2016. The Remuneration Committee's primary duties include making recommendations to the Board on the overall remuneration policy and structure relating to all Directors, senior management and general employees. The Remuneration Committee also ensures that none of the Directors or any of their associates determine his or her own remuneration. During the Reporting Period, the Remuneration Committee consists of three members, namely Mr. CAI Chun Fai, Mr. WONG Man Wai and Mr. NG Sai Cheong, where Mr. CAI is the chairman of the Remuneration Committee.

During the Reporting Period, Remuneration Committee conducted 2 meetings, and with the purpose to perform the following:

- 1) reviewed the remuneration and compensation package of the executive Directors and the senior management with reference to, among other things, the market level of salaries paid by comparable companies;
- 2) reviewed the respective responsibilities of the Executive Directors and the senior management and the performance of the Group; and
- 3) made recommendations to the Board regarding salaries of the executive Directors and senior management.

### Retirement Benefit Scheme

All qualifying employees of the Group are entitled to MPF.

During the Reporting Period, total contributions paid to the MPF scheme by the Group amounted to approximately HK\$ \$936,000 (2022: approximately HK\$533,000), which had been recognised as expenses and included in staff costs in the consolidated statement of profit or loss and other comprehensive income.

### Equal Opportunities, Diversity and Anti-Discrimination

Equal opportunities are given to employees in respect of recruitment, promotion, training and development, job advancement, compensation and benefits and other aspects of employment practices. The diversity of employees provides the Group with a valuable mix of perspectives, skills, experience and knowledge for addressing contemporary business issues. The Group is committed to providing a discrimination-free working environment, where career opportunities will not be held back on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws. All successful recruitment will include a proper and standardized contract in writing between the respective employees and the Group.

During the Reporting Period, the Group has not identified any material non-compliance with employment-related laws and regulations, and no incidents of discrimination were reported.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### Occupational Health and Safety

Operational health and safety are treated as one of the top priorities in the Group, and the Group strives to maintain high standards in occupational safety and health, fostering a safe and comfortable working environment for its employees.

The Group's *Employment Rules and Regulations Policy* is implemented as a guideline for employees' daily operation practices, recommending the appropriate conduct during operation and it is consistently implemented in all premises of the Group.

All of the Group's premises are equipped with first aid kits, and safety response procedures are in place to handle emergency cases. Regular safety inspections were conducted by relevant government departments to ensure safe working conditions are maintained, and the Group obtained verified compliance pass for each of the inspections. Furthermore, internal control manual outlines guidelines on occupational and restaurant safety matters for kitchen operation, and it is a strict requirement for all kitchen employees to follow the guidelines. Safety and workplace hygiene trainings are also arranged as a mandatory requirement for all restaurant employees.

Other housekeeping safety guidelines are set out as follows:

#### General restaurant safety

1. The surface of all the floors of restaurants and office premises shall be maintained even and non-slippery, and effective drainage should be installed in kitchen to prevent accumulation of water. Employees working in kitchen should wear non-slip shoes to prevent accidents;
2. Floor surface in the kitchen area should be laid with non-slip tiles;
3. Knives should be kept safely with blades protected and only used for the intended job;
4. Containers for hot water or oil should not be overfilled and should be properly placed. Handles of cooking pans should be kept away from aisles. Employees should wear proper work clothes, protective gloves and aprons;
5. Materials and operating equipment in all workplaces should be stored, stacked or arranged in such a manner that no danger would be caused to any person; and
6. First-aid boxes should be available to employees in all workplaces and placed at easy to access locations.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### **Fire safety**

1. Doors, gates and shutters shall always be kept unfastened or unlocked or otherwise fastened in such a manner that they can easily be opened from indoor without a key in case there are people inside the workplace. The escape path shall remain unobstructed to provide a safe means of escape in case of fire. There should be a conspicuously placed illuminated sign bearing the word "EXIT" in both English and Chinese;
2. The means of escape should be clearly and accurately illustrated in floor plans. The floor plans should be properly displayed at prominent places in the workplaces, and easily viewed by all;
3. Fire warning system should be regularly tested, and a record of these tests should be kept by the Administration Department;
4. Adequate, and regularly checked fire extinguishers shall be provided/maintained and so placed as to be readily available for use;
5. Employees should be aware of the location and the appropriate use of the fire extinguishers;
6. Adequate and sufficient training in fire safety at workplaces should be provided regularly at suitable intervals to all the employees working in the premises; and
7. Notices should be displayed in all conspicuous positions in the workplaces to highlight the action to be taken on discovering a fire. All fire instruction notices should be framed and glazed or otherwise sealed to prevent loss or defacement and be permanently fixed in position.

The Group also implemented an Accident Reporting Guideline, pursuant to which any injury or accident occurring at the Group's premises. Regardless of the type and seriousness of the injury and accidents, they must be reported to the head office.

During this Reporting period, the Group had no material non-compliances with relevant standards, rules and regulations, and had no major accident encountered. There were 0 work injury incidents recorded by the Group in this Reporting Period, and therefore did not result in any lost days. The Group did not have any work-related fatalities in the past three reporting years including this Reporting Period.

### **COVID-19 Response**

To protect its customers and staff from the spreading of COVID-19, the Group provided additional air purification systems at a number of its restaurants, in addition to the introduction of a set of health and safety policies.

Employees working at the Group's restaurants are required to take daily temperature readings prior to the start of their work shift, and are required for wear face masks provided by the Group. The Group's employees are encouraged to replace their face masks after meals or if they suspect there may be damaged, to ensure that the face masks provide the intended level of protection.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

Additionally, the floor and seats of our restaurants are disinfected twice daily. All dining utensils also require disinfection prior to use by the customers. Dining tables are also thoroughly cleaned with disinfectants in between customers.

In accordance with Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap.599F), employees working at the Group's restaurant outlets were required to take the COVID-19 test every two weeks. To better protect the safety of our staff and customers, the Group has instructed its restaurant staff to perform rapid antigen test (RAT) for COVID-19 every Monday and Thursday morning prior to reporting for duty.

In addition, our customers were required to register their visits to the Group's outlets using the LeaveHomeSafe app or by completion of a written form, in accordance with disease control enforced during the reporting period.

With the uplifting of social distancing measures, the operations at our restaurants have transitioned back to normal operations, while maintaining the strong sense of hygiene developed during the COVID years.

### Development and Training

The Group supports its employees to undertake life-long learning and enhance their work-related skills and knowledge. The Group customizes various types of in-house training programme for employees to improve their overall skills relevant to work, and for the benefit of the employees to provide them with necessary skills for further career advancement, including (i) general training; and (ii) Directors' training.

#### *General training*

As the Group's guiding policy, orientation programme and on-job training are provided for newly employed staff, and for those who have been relocated to a new position to ensure that they can be familiar with the new working conditions. The orientational programme covers specific job requirements, as well as safety and environmental practices. Furthermore, the Group encourages employees to actively participate in work-related trainings organized by external institutions, such as Integrated Vocational Development Centre, the School of Continuing and Professional Education, and local universities, to enhance individual professional knowledge and their personal abilities. Tuition fees may be subsidized by the Group on application, subject to approval by the Group's senior management. The Human Resource Manager has maintained records for internal and external training programs participated by the Group's employees.

#### *General training – Daily Restaurant Debriefing*

The Assistant Restaurant Manager and the Head Chef of each restaurant also conduct daily debriefing with all the employees of the restaurant for matters of attention, including any recent incidents that occurred at the restaurant, customers comments and suggestions, changes in food and drinks menus, material changes in weather and traffic conditions, restaurant hygiene and cleanliness as well as areas for improving the quality of service. During the daily debriefing, comments from the employees are encouraged and brought up for discussion.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

During the Reporting Period, the Group's employees received a total of 304 hours of training. A breakdown of our training statistics is presented in the below table:

### % Employees Received Training During the Reporting Period

By Gender		By Employee Category	
Male	63%	Senior Management	45%
Female	60%	Middle Management	57%
		Other Employees	64%

### Average Training Hours

By Gender		By Employee Category	
Male	1.3	Senior Management	1.0
Female	1.2	Middle Management	1.1
		Other Employees	1.3

### Supply Chain Management

Food and catering businesses involve working with a diversified group of companies, and the Group values the mutual benefits that can be gained from a long-lasting relationship with reputable suppliers to provide high quality products. As the Group operates several popular restaurants in locations across Hong Kong, the Group has implemented various effective and consistent Group-wide Supply Chain Management Schemes, (ie: *Internal Control Purchase Manual and Approved Suppliers List ("ASL")*), covering restaurant activities including sourcing for food ingredients, food products, beverages, utensils and other ancillary equipment purchases. Other supply chain activities that are covered under such schemes also include engagements with external licensing consultants, pest control companies, renovation, repair and maintenance service companies, cleaning companies, and suppliers of office supplies.

The Group principally purchases from its ASL that is constructed based on criteria set forth from the *Internal Control Purchase Manual*. Supplier shall be assessed according to its product and service quality and stability offered, and along with general reputations from the specific supplying company. Specific criteria such as price, quality of products, customer service team responsiveness, capability and experience shall all be assessed during the selection process.

In addition, environmental management approaches and social responsibility performances of suppliers are also considered as part of the Group's supplier screening process to minimize the Group's exposure to environmental and social risks from its value chain.

Quality of suppliers in the ASL shall be reviewed regularly to ensure the quality is maintained, and immediate removal from the list shall be performed in case suppliers are identified not meeting the Group's standard.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

As a support to local economy and to ensure flexibility of supplies, the Group sources from reputable local suppliers. The Group also procures recycled packaging materials for food delivery as a means to support “Green” practices.

The Group monitors the reputation of the supplier’s performance in business ethics, environmental protection, human rights and labour practices, and it will take note of such details during the procurement process.

As of March 2023, the Group has a total of 56 suppliers, with 73% of suppliers located in Hong Kong and the rest from Mainland China.

During this Reporting Period, the Group did not identify any cases of suppliers failing to meet the Group’s requirements.

### Product Responsibility

Serving high quality of food to customers is the core and guiding principle of the Group, and as part of the “product responsibility”. Details on food quality management is stated in the Group’s *Internal Control Manual, Employee Rules and Regulations and Contracts*, a summary of which is set out below:

#### Food Quality

Quality of food and hygiene and safety is one of the most important aspects of the Group’s business, and a series of strict internal quality control standards are implemented across the operation processes as summarised below to ensure the quality, hygiene and safety of food served to its customers:

- Purchase, Storage, Preservation and Inventory Control — Perishable food ingredients are kept at an inventory level sufficient for not more than one day, and non-perishable food ingredients, including frozen meat, are kept at an inventory sufficient for at most 3 days of operation in order to maintain freshness. Any unused vegetables would be discarded at the end of each day.
- Suppliers — to ensure the quality of food ingredients, the Group only purchases from reliable and approved suppliers, who have proven track records on maintaining excellent food hygiene and safety.
- Food Preparation — to ensure the freshness and the safety of the served food, employees are trained with food safety handling and food processing procedures such as washing, cutting, seasoning, cooking and serving are carried out by kitchen staff under the supervision of the Head Chefs. Employees working in the kitchen are also required to use different sets of cutting boards and knives for processing raw food and cooked food. 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 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.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### **Hygiene Manager and Hygiene Supervisor Scheme**

The Group is committed to food and environment hygiene, and to maintaining food safety in restaurants. For restaurants with capacities of less than 100 customers, the Group employs a Hygiene Manager, while for restaurants that can accommodate 100 or more customers, the Group appoints a Hygiene Manager together with a Hygiene Supervisor. Hygiene Managers and Hygiene Supervisors are responsible for:

- a) inventory control of raw food, meats, fruits and materials for cooking;
- b) monitoring cooking methods and processes, and the overall quality of cooked food and drinks for serving customers;
- c) monitoring the cleanliness of the floor, furniture and fixtures, utensils and equipment;
- d) monitoring employees' uniforms and personal hygiene; and
- e) monitoring the overall cleanliness and hygiene of the restaurant (including washroom).

In this Reporting Period, the Group's restaurants have satisfied all legal requirements and operated with valid operation licenses that includes the general restaurant licenses, light refreshment license, liquor license and water pollution control license. The Group also confirmed that no material complaints or claims on served food was received, none of the Group's restaurants was subject to any investigation on food hygiene by government authorities due to food safety, and there was no identified case of material non-compliance with laws and regulations relating to food hygiene matters in this Reporting Period.

### **Labour Standards**

In addition, the Group is cautious to comply with all laws and regulations relating to labour standards, as it highly respects human rights and freedom, and the uses of child, illegal and forced labour are strictly prohibited. Recruitment personnel conducts careful verification on the job applicant's identification documents to confirm his/her actual age and to ensure legal employment during the recruitment process. Personal information and credentials of job applicants are kept in a secured data system, which is only accessible to restricted employees for human resource purposes.

The Group is also committed to prohibit any act of forced labour. Terms on working hours, rest and leave entitlement, labour protection and termination of employment are clearly laid out in the employment contract and in compliance with *Employment Ordinance (Chapter 57 of the Laws of Hong Kong)*.

In case any child labour or forced labour is discovered in our operations, employment with the concerned staff will be terminated immediately. An investigation will also be initiated to identify potential causes and mitigation measures will be developed to help ensure such scenarios will not happen again.

In this Reporting Period, the Group has not identified any non-compliance in relation to child or forced labour-related laws and regulations.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### Customer Service

The Group values comments from its customers, and it aims to improve continuously.

Feedbacks and comments are regularly reviewed, as complaints are promptly and fairly investigated and resolved. As a result, the Group has earned trusted relationships with its broad customer base through providing excellent customer services.

Customer complaints shall be mainly handled by the Assistant Shop Manager, as reasonable resolution shall be offered immediately where possible, which includes improvement on the flavor of the particular ordered dishes in accordance with the customers' expectations, or to offer to exchange the unsatisfactory dish for another dish to customers if necessary.

The Assistant Shop Manager shall also be responsible for handling complaints toward the service quality of a particular employee, and proper response shall be offered to the customer. Details shall be collected and recorded for internal review by the senior management and directors for future improvement.

During this Reporting Period, the Group had not received any complaints from customers that had any material adverse impact on the Group's brands, business and results of operation. The Group however, maintains a "Customer Complaint Record" as a KPI for the management to be alert of the situation and to review.

As the Group's business consists of restaurant operations, assurance of product quality and recall procedures are not considered material.

### Data Privacy Compliance

The Group is dedicated to protecting the information privacy and confidentiality. As the Group receives a substantial volume of private, confidential and sensitive information from its operation, employees are instructed and trained to handle confidential information with due care. Confidential clause is included in agreements or proposals signed by the Group, where clauses included shall be strictly implemented and details and related information shall not be disclosed to third party at any time.

The Group will stay alert to the relevant legal issues and update its internal policies when necessary to avoid any breach of the regulatory requirements in regards to data security.

There were no material issues concerning data privacy in this Reporting Period.

### Protection of Intellectual Property

As of 31 March 2023, the Group owned 12 trademarks in Hong Kong. The Group's senior management is fully aware that intellectual property rights are material to business. The Group respects intellectual property rights, for example all recipes were developed in-house and software installed in computers are genuine.



## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

During this Reporting Period, the Group is not aware of any third-party infringement on its trademarks and has fully complied with relevant laws and regulations, including *Trade Marks Ordinance*, *Copyright Ordinance*, *Trade Descriptions Ordinance* and the *Personal Data (Privacy) Ordinance (Chapter 486 of the HK Laws)*, and there was no incidents concerning data privacy. The Group will stay alert to the relevant legal issues and update its internal policies when necessary to stay in compliance with regulatory requirements.

### Anti-Corruption

The Group values employees' business conduct, integrity, ethics and discipline, and in order to create an environment of anti-corruption and anti-fraud, the Group has implemented a strict "Internal Control System" in relation to purchases, sales, operation, finance and code of conduct of the Group's senior management. The Audit Committee oversees the internal control systems and is authorized by the Board to conduct regular reviews on internal control systems so as to:

- regulate the conduct and behaviour of employees;
- create an atmosphere of integrity and dedication; and
- prevent prejudice to the Group's interest.

Employees in charge of finance and accounts have been given training and briefings on anti-money laundering and are responsible for whistle-blowing and taking up remedial actions in case suspicious activities are identified. Director attended the Anti-Money Laundering Webinar for Licensed Money Lenders Organised by Money Lenders Section of the Companies Registry in this Reporting Period.

They are encouraged to raise concerns about possible improprieties in any matter related to the Group such as misconduct and malpractice. The Group will ensure that the identity of the whistle-blower will be kept confidential. Disciplinary action would be taken by the Group should any employee is found guilty of corruptive acts.

During this Reporting Period, members of the Group's management attended training sessions related to anti-money laundering for financial operations.

During this Reporting Period, the Group was not involved with any action of non-compliance to legal regulations and laws, relating to corruption, bribery, extortion, fraud and money laundering.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

### COMMUNITY INVOLVEMENT

The Group's senior management acknowledges that it is equally important to generate profits to Shareholders and to be socially responsible to care, serve and give back to our community wherever it is needed. The Group's senior management consistently seek out opportunities to support social initiatives, and details of the Group's activities can be found in the following section.

#### Community Investment

As a responsible corporation, the Group encourages employees to carry out voluntary services to support and to contribute to society, the local community and those in need. During the Reporting Period, the Group has made a number of donations to parties in need through, including direct donation and through local charitable organizations, amounting to a total of over HK\$253,000. The Group will continue its efforts in supporting the communities and identify suitable opportunities for contribution.