

CLASSIFIEDGROUP

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8232)



2023

**ENVIRONMENTAL,
SOCIAL AND GOVERNANCE
REPORT**

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Classified Group (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

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Environmental, Social and Governance Report For the year ended 31 December 2023

INTRODUCTION

Classified Group (Holdings) Limited (the “Company”), together with its subsidiaries (collectively the “Group”), presents this Environmental, Social and Governance Report (the “ESG Report”) for the year ended 31 December 2023 (the “Reporting Period”) in accordance with Appendix C2 — Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).

REPORTING SCOPE AND FRAMEWORK

This ESG Report covers the Company’s principal business operations of 6 restaurants and the head office in Hong Kong. It has been prepared in compliance with all applicable provisions set out in the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) contained in Appendix C2 to the GEM Listing Rules. During the preparation for the ESG Report, the Group has applied the reporting principles in the ESG Reporting Guide as follow:

Materiality: Materiality assessment was conducted to identify material issues for the year ended 31 December 2023, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the Board and ESG working taskforce (the “Taskforce”).

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

Consistency: Unless otherwise stated, the preparation approach of the ESG Report is consistent with the previous year for comparison. If there are any other changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports, explanations will be provided to the corresponding data.

Balance: The ESG Report has provided an unbiased picture of the Group’s performance. It avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the reader.

The Group refers to the Reporting Guide with a complete index in compliance is available at the end of this Report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report has complied with all the “comply or explain” provisions set out in the ESG Reporting Guide.

ESG GOVERNANCE STRUCTURE

The Board of Directors (the “Board”) holds the overall responsibility for the Group’s ESG issues and sets out ESG management approach, strategy, priorities and objectives. The Board is also responsible for setting up ESG targets, aiming at aligning with the global vision of carbon neutrality and enhancing corporate reputation. In order to better manage the Group’s ESG performance, related issues and potential risks, the Board regularly evaluates and determines ESG-related risks and opportunities of the Group, as well as reviews its performance against ESG-related targets. The Board is also responsible for ensuring the effectiveness of the Group’s risk management and internal control systems and approving disclosures in the ESG Report.

To develop systematic management of ESG issues under the Board’s delegations, the Group has established an ESG working taskforce for management and assistance in oversight. The Taskforce have the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group’s ESG performance, keeping track of and reviewing the progress made against the Group’s ESG-related targets, ensuring compliance with ESG-related laws and regulations, assisting in conducting materiality assessment and preparing ESG reports. The Taskforce also arrange meetings regularly to evaluate the effectiveness of current policies and procedures, and formulates appropriate solutions to improve the overall performance of ESG policies. Furthermore, the Taskforce report to the Board periodically, assist in assessing and identifying the Group’s ESG risks and opportunities, ensuring the implementation and effectiveness of the risk management and internal control systems.

STAKEHOLDER ENGAGEMENT

The Group endeavours to create sustainable growth and long-term value for its stakeholders, who mainly are customers, employees, suppliers and shareholders. The Group generally concerns about health and safety, product responsibility and governance as important ESG issues. We also strive to provide quality facilities, services and delicious food. Our employees are trained to comply with the relevant law and regulations in the course of our daily operation. We continue to interact with our stakeholders on an ongoing basis in order to understand their views and collect their feedbacks. We have also established effective communication channels with our stakeholders through our website, annual general meeting, staff and suppliers meetings. The Group considers stakeholders’ expectations in formulating its businesses and ESG strategies by utilizing diversified engagement methods and communication channels, shown as below.

Stakeholders	Communication channels	Expectations
Shareholders	<ul style="list-style-type: none"> • Annual general meeting and other shareholder meetings • Financial reports • Announcements and circulars • Company website 	<ul style="list-style-type: none"> • Compliant operation • Risk management • Anti-corruption • Economic performance • Corporate sustainability

Stakeholders

Communication channels

Expectations

Customers

- Customer satisfaction survey
- Customer service team
- Customer support hotline and email

- Food safety and quality
- Protection of customers' interest
- Quality of food and services provided
- Food and service responsibility
- Customer information and privacy protection
- Compliant operation

Employees

- Trainings, and briefing sessions
- Regular meetings
- Regular performance reviews

- Employee health and safety
- Employee development and training
- Protection of employees' rights and interests
- Compliant operation
- Equal opportunities

Suppliers

- Supplier management meetings
- Supplier audit

- Fair and open procurement
- Sustainable development of supply chain
- Business ethics and reputation

The Community

- Community investment
- Annual ESG report

- Contribute to society
- Environmental protection

MATERIALITY ASSESSMENT

The materiality assessment process of ESG aspects includes: (1) identification of ESG reporting issues; (2) importance to the corporation under industry standard; (3) key ESG area prioritization with stakeholder engagement; and (4) evaluation and endorsement by the management. Based on the results of the materiality assessment, employee-related issues, product responsibilities, anti-corruption and customer service are considered to be the most concerned issues of the stakeholders of the Group. The Group strives to review these issues regularly for continuous improvement in its sustainability performance.

CONTACT US

The Group welcomes stakeholders' feedback on its ESG approach and performance. Please give your suggestions or share your views with us via email at board@classifiedgroup.com.hk.

A) ENVIRONMENT

A1 Environment Protection and Compliance

As the Group is engaged in restaurant operations in Hong Kong, the Group attributes the success to its dedication to offering quality food and services to its customers. We are aware of the importance of balancing our business needs with our responsibility towards the natural environment. Environment protection is one of the material concerns of the Group and we are committed to contribute through more efficient use of resources and implement waste management into all areas of our business, where possible.

The Group has established environmental targets in four areas, namely greenhouse gas (“GHG”) reduction, energy efficiency, waste management and water conservation, aiming at aligning with the global and national vision of carbon neutrality, leveraging its corporate social responsibility and enhancing corporate reputation. The Group will strive to achieve the targets by implementing appropriate measures in its operation and reviewing the progress towards the targets set. The progress towards the targets set will be reported to the Board by Taskforce at least once a year. The following table summarises the targets established by the Group:

Aspect	Targets
GHG Emissions	Using 2021 as the baseline year, the Group will reduce its GHG intensity within the Reporting Scope by at least 5% by the financial year ended 31 December 2025
Waste Management	The Group will enhance employees awareness of the concept of reducing food waste, control over recipes, food ordering and processing each year
Energy Efficiency	Using 2021 as the baseline year, the Group will reduce its energy efficiency intensity within the Reporting Scope by at least 5% by the financial year ended 31 December 2025
Water Conservation	The Group will enhance employees awareness of water saving each year

During the Reporting Period, the Group is not aware nor identified any material non-compliance with environmental laws and regulations including laws and regulations relating to air and greenhouse gas emissions discharges into water and land, and generation of hazardous and non-hazardous waste. Moreover, the Group measured and managed its environmental performance and impacts of its business activities on the environment and natural resources in several aspects throughout its operations:

i. Emissions

The Group's target is to reduce its GHG intensity by at least 5% by the financial year ended 31 December 2025. The Group's major source of emissions is greenhouse gases or Carbon Dioxide and main consumption of resources include liquefied petroleum gas, towngas and electricity. The combustion of liquefied petroleum gas and towngas, which directly attributes to gaseous emission, accounts for 9.4% of the Group's total energy consumption, and so gaseous emissions are considered immaterial and thus not disclosed. For the same reason, we did not set any emission target(s) in relation to gaseous emissions. The volume of the greenhouse gas emissions and energy consumption for the Company during the Reporting Period are cited as below.

Group's annual total consumption of fuel and energy			
Fuel and Energy	Unit	2023	2022
Liquefied Petroleum Gas (For heater)	(kWh)	0	0
Towngas	(kWh)	89,640	83,880
Electricity	(kWh)	859,128	889,133
Total Group's Revenue	(HK\$'M)	38.3	43.6
Group's Intensity of greenhouse gases emission per year			
Total Amount for Greenhouse Gases Emission	(tCO ₂ e)	596	651
Greenhouse Gases Emissions intensity (Divided by total revenue)	(tCO ₂ e/ HK\$'M)	15.6	14.9

Particulate matter ("PM") from cooking fume emissions of our kitchens may have negative impact on the human health. The Company is therefore committed to executing effective gas emissions control through the installation and use of appropriate and efficient filtering equipment as well as organizing the regular inspection, maintenance and repair of the ventilation system in our restaurants.

Moreover, the Company always plans seriously for its selection of locations for opening and operating a restaurant. We particularly choose locations which being less negative impact of the cooking fume emissions and the odour nuisance to the neighbourhood.

During the Reporting Period, total consumption of fuel and energy has reduced due to the closure of two restaurants in 2022. No case for non-conformity against the relevant laws and regulations for environment including Air Pollution Control Ordinance that have a significant impact on the Company was recorded.

ii. Sewage Discharges

The Group does not consume significant volume of water throughout its business activities, and therefore its business activities did not generate material portion of discharge into water. The Company always acts in compliance with the Water Pollution Control Ordinance for the sewage discharge. The majority of our Group's restaurants have been granted with the water pollution control license by the Environmental Protection Department of the Hong Kong Special Administrative Region ("HKSAR"). To minimize the environmental impact from the sewage discharge, we have also installed adequate, efficient and appropriate equipment to ensure the sewage has been properly processed before discharge.

iii. Waste Management

Food leftovers are the main source of waste in our restaurants. The Guidelines for the Food Ordering and Processing have been stated in our Employee Handbook and Training Manual. With the implementation of controls over recipes and food portion, we are able to reduce food waste effectively and avoid leaving excessive ingredients and dishes. In addition, our employees are more aware of the concept of reducing food waste through the training we provide.

Due to our business nature, no hazardous wastes were generated during the Reporting Period. For the disposal of non-hazardous waste, the Company has set aside an area for recycling and storing used cooking oil and grease traps in each restaurant for qualified vendors to collect and dispose to minimize waste generations.

The Group's intensity of hazardous and non-hazardous waste produced during the Reporting Period is stated below.

Group's Intensity of hazardous and non-hazardous waste produced per year			
Emission	Unit	2023	2022
Hazardous Waste Produced	(Tonnes)	N/A	N/A
Non-hazardous Waste Produced	(Tonnes)	1.7	1.3
Hazardous Waste Intensity (Divided by revenue)	(Tonnes/HK\$'M)	N/A	N/A
Non-hazardous Waste Intensity (Divided by revenue)	(Tonnes/HK\$'M)	0.05	0.03

A2 Use of Resources

Responsible use of resources is one of the Group's missions in achieving sustainability. During the Group's operations, electricity is frequently consumed. In order to optimize the Group's resource usage, it has established relevant policies and procedures in governing the efficient use of resources, implemented initiatives to reduce unnecessary use of materials and increase energy efficiency, and adopted eco-friendly approaches in its operations. The Group will also learn from the best practices in the industry in order to improve its environmental performance for use of resources.

i. Energy Efficiency

The major energy consumption of the Group in daily operation is electricity consumption. Through a series of proper management measures, the management has adopted an energy efficient interior design, layout and decoration, high energy efficient hardware, workflow with energy-saving consideration and green practices at workplaces. All these operational practices have shown our dedication to energy saving.

The Company strictly complies with relevant laws and regulations on environmental protection, set internal guidelines and measures for this purpose in order to achieve energy saving and consumption reduction, minimizing negative environment impact of our business operation. Regular review is conducted on its energy objectives and targets to seek continuous improvement in the Group's energy performance. Unexpected high electricity consumption will be investigated to find out the root cause and preventive measures will be taken.

During the Reporting Period, we have taken various measures, including but not limited to:

- Select energy-efficient equipment and electrical appliances for operation and office
- Change partial quartz bulbs into LED bulbs to reduce power consumption
- Encourage employee to turn off all electrical appliances that come with when they leave office or restaurants
- Maintain suitable indoor air temperature for both restaurants and office
- Promote use of telephone and video conference system to reduce the need of travelling
- Use environmental-friendly packing materials and recycled materials for the take-away meals
- Recycle and reuse paper, encouraging double-sided printing

As a result, the employees' awareness of energy conservation has been increased through these energy-saving measures.

During 2023, the total energy consumption (mainly electricity and town gas) of the Group had decreased to 948,768 kWh (2022: approximately 973,013 kWh) due to the closure of two restaurants in 2022.

ii. Water Consumption

Water consumption of the Group is mainly for food washing, cooking and cleaning. The Company's target on water consumption aims for high efficiency in water consumption and Head chefs and restaurant managers have acted on water conservation in our workflow and practices. In order to increase the awareness of water saving among our employees and visitors, we have actively promoted the concept and practices for water conservation through displaying the slogans at the eye-catching areas of our restaurants and kitchens. During the Reporting Period, the Group did not encounter any issue in sourcing water that is fit for business operations.

During 2023, the total water consumption of the Group had decreased to 5,959 m³ (2022: approximately 6,512 m³) due to the closure of two restaurants in 2022.

iii. Use of Packing Materials

Take-away is also one of the services we provide to customers. In order to maintain the food quality and food safety for our take-away meals and to satisfy the needs for environmental conservation, the Group has procured and used the environmental-friendly packaging materials and recycled materials for the take-away meals. In addition, Company has set up a user guide for our employees on how to use the packaging materials. We also proactively encouraged our customers to reuse and recycle their take-away boxes and other food packaging materials in the hope, we can minimize the impact of excessive use of packaging materials on the environment.

During 2023, the total Package Materials consumption of the Group had decreased to 7.25 tonnes (2022: approximately 8.36 tonnes) due to the closure of two restaurants in 2022.

The status of resources consumption for the Company has been summarized as below.

Group's Intensity of resources consumption per year			
Resources	Unit	2023	2022
Energy Consumption	(kWh)	948,768	973,013
Water Consumption	(m ³)	5,959	6,512
Package Materials Consumption	(Tonnes)	7.25	8.36
Total Group's Revenue	HK\$'M	38.3	43.6
Energy Consumption Intensity (Divided by total revenue)	(kWh/HK\$'M)	24,760	22,338
Water Consumption Intensity (Divided by total revenue)	(m ³ /HK\$'M)	155.5	149.5
Package Materials Consumption Intensity (Divided by total revenue)	(Tonnes/ HK\$'M)	0.19	0.19

A3 The Environment and Natural Business

Although the core businesses of the Group have limited impact on the environment and natural resources, it recognizes the importance in minimizing the negative environmental impacts of its business operations as an ongoing commitment to corporate social responsibility. The Group follows the related policy to regularly assess the environmental risks of its businesses, adopts preventive measures to reduce potential risks and ensures compliance with relevant laws and regulations. The Group is also devoted to achieving sustainable development for generating long-term values to the community and its stakeholders.

i. Environmental Awareness

Apart from the measures mentioned in the previous sections, the Group also focuses on raising employees' awareness on the environment and natural resources through various means of environmental education. The Group encourages its staff to participate in campaign or activities relating to the promotion of green environment.

ii. Indoor Air Quality

The Group strives to maintain a good air quality at the workplace, for both office and warehouse. By adopting air-purifying equipment in the workplace as well as conducting regular cleaning of air conditioning system, these measures resulted in maintaining indoor air quality and filtering out pollutants, contaminants and dust particles.

A4 Climate Change

The Group addresses the climate change risks in the Group's operations. The Group has developed its Climate Change Policy to enhance its ability to respond to climate impacts and to mitigate the risks and impacts of climate change on the Group, thereby assisting the Group to adapt to and resist climate change. During the Reporting Period, the Group has been monitoring the potential and actual impacts of climate change, and the actions were taken to manage them as described below.

Physical Risks and Actions

For the acute physical risks, weather-related events such as typhoons and natural disasters may disrupt the business operation in the short term. In order to minimise the disruptions to its business operation, the Group has devised a set of contingency measures that are applicable to the most weather-related events. The Group has developed typhoon and rainstorm arrangements to safeguard the safety of its employees under extreme weather conditions. The work arrangements included reporting for duty, early release from work, the resumption of work, and the special arrangements in respect of essential staff in situations of adverse weather. The Group also gives consideration as much as possible to the different situations faced by individual employees, such as their place of residence, the road and traffic conditions in the vicinity, and adopt a flexible approach with due regard to their actual difficulties and needs.

Transition Risks and Actions

For transition risks, the Group may bear higher operating costs due to the potential regulatory change related to carbon reduction requirements. To manage the legal risks that may be brought along by the climate crisis, the Group has taken an array of actions. First, the Group constantly monitors any changes in relevant laws or regulations. Moreover, the Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing GHG emissions. By going beyond current compliance requirements, the Group has a better chance to adapt swiftly to regulatory changes.

B) SOCIAL

B1 Human Resources

In accordance with the Employment Ordinance, the Company has established a complete set of human resources policies and schemes for the recruitment and dismissal, working hours and rest days for its employees and has fully complied with all relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare.

In addition, a set of objectives and mechanism has been created for evaluating the staff performance on a regular basis. Through continual performance assessment, appropriate rewards and job promotion opportunities will be given to staff with outstanding performance. The attractive and appropriate fringe benefits and salary packages have been designed for recruiting and retaining talents which best-fit our development opportunities for training them.

The Company also prohibits any kind of discrimination in the workplace, which generally refer to gender, pregnancy, marital status, disability, family status, and race. In addition to policies for anti-discrimination, the Company provides fair opportunities for all employees. The Group reviews these policies and its employment practices periodically to ensure continuous improvements of its employment standards.

During the Reporting Period, the Group is not aware nor identified any material violation of the employment laws and regulations. The total number of full time employees and the distribution on demographics as of 31 December 2023 have been depicted as below.

Total Number of Full Time Employees and Distribution				
	2023		2022	
Gender	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
Male	20	34%	19	33%
Female	39	66%	39	67%
Job Type	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
Full Time	59	100%	58	100%
Trainee and Internship	0	0%	0	0%
Age Range	No. of employee	Occupied percentage (%)	No. of employee	Occupied percentage (%)
18 – 30	9	15%	8	14%
31 – 40	17	29%	19	33%
41 – 50	19	32%	16	27%
51 – 64	12	20%	12	21%
> 65	2	4%	3	5%
Total Number of Full Time Employees	59	100%	58	100%

Employee Turnover Rate by Gender and Age Group				
	2023		2022	
Gender	No. of Employee	Turnover Rate	No. of Employee	Turnover Rate
Male	7	12%	38	41%
Female	15	25%	36	39%
Age Group	No. of Employee	Turnover Rate	No. of Employee	Turnover Rate
18-30	3	5%	25	27%
31-40	6	10%	24	26%
41-50	8	14%	17	19%
51-64	3	5%	6	6%
>65	2	3%	2	2%

All employees of the Group are based in Hong Kong.

B2 Health and Safety

The Company has made a pledge to provide employees with a safe working environment with our full dedication. A Committee for Health and Safety has been established with a complete set of policies and instructions. The Committee always supervises and assesses the potential risks for occupational health and safety issues at the workplace. The operation business unit and the management team are also in discussion on a regular basis for a full review of working environment and other concerns at the workplace.

Simultaneously, we provide a series of appropriate training such as comprehensive health and safety training pack for all newly joined employee, first-aid, fire evacuation and other actions for emergency situations for our employees to increase their awareness of workplace safety and to further minimize the relative potential risks. If any accidents happened, our employees are required to report to the management and the related departments in accordance with the standard procedures.

During the Reporting Period, no case of violation of occupational health and safety laws, standards and regulations, such as Occupational Safety and Health Ordinance, for the Company was observed. No case of staff fatality due to work injury was recorded for the past four years. The below table shows the number of lost days recorded due to work-related accidents.

Number of Staff Deceased and Lost Days Due to Work-related Accidents				
	2023	2022	2021	2020
Number of Staff Deceased Due to Work Injury	0	0	0	0
Number of Lost Days Due to Work Injury	0	0	10	10

B3 Staff Training and Development

In order to provide quality dining service, sharpen and strengthen the job knowledge and skills for the given roles of employees, the Company provides training to employees on a regular basis. The standard procedures and methods for cooking and storing food and ingredients, customer service provision and quality control mechanisms in the catering service chain are a few of examples included in the scope of training.

Each department in the Group is responsible to review and plan on-the-job training schedule, in which trainings usually include product knowledge and provide better understanding on standard operating procedures. Employees shall also attend health and safety courses if necessary, which may relate to work safety requirements and within their work scope.

The number of times for employees received training and the number of training hours completed as of 31 December 2023 have been recorded as below.

	2023			2022	
	Number of Times for Training Received	%	Average Number of Training Hours Completed	Number of Times for Training Received	Average Number of Training Hours Completed
Gender/Level					
Male	45	35%	5.9	34	1.8
Female	85	65%	3.4	39	1.0
Top Management	4	3%	5.8	2	0.7
Middle Management	39	30%	4.1	17	1.3
Supervisors	33	25%	4.0	32	2.0
General Staff	54	42%	4.5	22	0.8

During the Reporting Period, training was provided for a total of 130 times (2022: 73 times) training and a total of 558 training hours (2022: 159 hours) were recorded. On average, each employee spent 4.3 hours (2022: 2.2 hours) in average on training in the year 2023.

B4 Labour Standards

The Company and our restaurants always comply with the Employment Ordinance and forbid any recruitment for children and/or the use of forced labour. During the recruitment processes, all laws and regulations for children employment and forced labour have been taken into account by the Human Resources Department to ensure that all our new recruits are legal workers in Hong Kong.

In addition, employees of the Group work overtime on a voluntary basis and the relevant working hours and overtime regulations are set out in detail in the Employee Handbook in order to avoid any violation of labour standards and to safeguard the rights and interests of employees in a practical manner. The Group prohibits any form of forced labour practices, slavery and trafficking of labour. If any form of forced labour is found, the Group will immediately investigate and immediately stop the forced labour situation, and will communicate and discuss the situation investigated and the opinions collected to the senior management in a timely manner to jointly seek a solution.

In accordance with the relevant laws and regulations for child labour and forced labour, each employee will sign an employment contract with the Company, which states the employment and labour related terms. No violation regarding with child and forced labour-related laws and regulations was identified by the Company during the Reporting Period.

B5 Procurement Management

The Group would ensure that the procurement are carried out based on the principles of openness, fairness and impartiality to raise efficiency, secure quality, lower risks concerning procurement. The senior management has overall supervision of the procurement process and will regularly carry out supervision and evaluation work, and implement rectification against non-compliance if any. The Group would not tolerate any behaviours regarding bribery and corruption, and strictly forbid suppliers from obtaining procurement contracts or partnerships through any forms of transfer of benefits or gifts. If any material violations of laws and regulations are found, the Group will terminate the contract with such suppliers.

The Company also focuses on the procurement of environmentally preferable products and services when selecting suppliers. We also adopt necessary measures to secure the supply contracts which comply with our environmental protection policies. The Company arranges meetings with food suppliers and other service providers on a regular basis to ensure the provision of quality dining service for customers. Based on the standards for internal auditing and the relevant laws and regulations applicable in Hong Kong, we have regularly reviewed the performance and services of all of our suppliers. We will therefore only appoint those with satisfactory performance in line with our quality standards, and are in compliance with laws and regulations. For those which are non-compliant with the set requirements, we will remove them from our supplier list or even terminate our business cooperation.

When purchasing ingredients and food items, the Company arranges the head chef to check and inspect before using in our restaurants. If any non-conformity is found, we will return the ingredients/food items back to the suppliers.

During the report period, the Group had 202 suppliers within Hong Kong and China (2022: 252 suppliers). The breakdown of the Group's suppliers were as follow:

Geographic Zone	2023		2022	
	Number of Suppliers	Occupied (%)	Number of Suppliers	Occupied (%)
Hong Kong & China	202	99%	252	99%
Others	1	1%	2	1%
Total	203	100%	254	100%

B6 Product Responsibility

The Group highly values customers' satisfaction and end-users' requirements in its food and services provided. In pursuit of quality excellence, the Group is committed to producing the highest quality food products in a safe and clean environment, adhering strictly to industry hygiene, safety and quality standards.

i. Quality of Food, Services and Hygiene

During the Reporting Period, the Company has fully complied with the laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to our food and services, such as Food Safety Ordinance, for the food hygiene and food safety was observed during the Reporting Period. This proves that our strict compliance with the related laws, rules and regulations, and our practices of internal monitoring and management control are effective. In addition to focusing on food freshness and food hygiene, the environmental hygiene for kitchens and dining areas should reach the highest level.

To achieve our goal for providing quality dining, the Company has regarded it as very important that our employees are able to completely understand the food processing, manage a restaurant and serve customers. If there is any quality problem on food, we will return the food to kitchen team and address this issue to the attention of them. Employees are required to receive the adequate training to ensure that they attain the highest service quality and meet the customer expectation. The Group has set up various complaints and feedback channels, such as telephone hotline, email and website, to collect suggestions and advice from customers. The customer data protection and privacy is followed to the Group's policy. During the Reporting Period, the Group is not aware of nor identified any customer complaints on our food quality which are material to our business operations and no sold food/drinks was subject to recall for safety and health reason.

ii. Trade Description Ordinance

In line with the Trade Description Ordinance upheld in Hong Kong, the descriptions for our services and dishes shown on the advertisement, promotional items and menus do not make any exaggeration or any false statements. During the Reporting Period, no case for any violation of the laws of advertising and labelling was discovered. Further, no complaint from customers or violation of the Trade Description Ordinance was recorded.

iii. Data Privacy and Compliance

The Company stringently follows the Personal Data (Privacy) Ordinance (“PDPO”) when collecting, processing and use the personal data of our customers for promotion and business purpose. Employees shall not at any time during or after resignation or termination with the Company, reveal or cause to be revealed to any person or company, any of the trade secrets, confidential operations, processes, dealings or any information concerning the organization, business, finances, transactions or any of its related. In addition, employees shall not download any software to any computer workstation without prior consent of the Company. We are committed to protecting our customers, affiliates and staff in terms of their privacy and personal data. During the Reporting Period, no violation of PDPO case was identified.

iv. Protection of Intellectual Property

The Group has indicated clearly in the employment contract regarding ownership of intellectual property rights. Moreover, employees are not allowed to install any unauthorised or unlicensed software on their working computers provided by the Group. The Group obtains authorisation in the use of computer software by licensed third parties and adhere to all applicable terms of use prior to utilisation of any properties.

The Group had run its restaurants under various brands with necessary filling or registration of trademarks. The senior management reviews these intellectual property periodically to avoid any infringing. During the Reporting Period, the Group has fully complied with the relevant laws and regulations, including Trade Marks Ordinance and Copyright Ordinance.

B7 Anti-corruption

The Group has zero toleration on any corruptions, frauds and all other behaviours violating work ethics. The Group values and upholds integrity, honesty and fairness in the way it conducts businesses. The Group’s major operations formulated such policies on the control and prevention of bribery, extortion, fraud and money laundering between shareholders and related parties in each business operation and trade activity.

In addition, the relative code of practice for anti-corruption and anti-bribery has been stated in Employee Handbook to remind our employees not to be engaged in any corruption with our suppliers and other stakeholders. Other schemes for corruption prevention include supplier due-diligence, segregation of duties and the declaration of conflict of interest. The Group also encourages employees to report corruption or other illegal acts through our whistle-blowing measures. Regular updates on anti-corruption training materials will be provided to directors and senior management of the Group.

During the Reporting Period, no notification of Prevention of Bribery Ordinance or other relevant laws and regulations in relation to corruption, extortion, fraud and money laundering was found. This results from our practical action over the monitoring and prevention for the bribery, extortion, fraud and money laundering. Materials delivered by the Independent Commission Against Corruption (“ICAC”) will be enhanced for increasing the awareness of anti-corruption after the relaxation of the anti-pandemic measures imposed by Hong Kong Government.

B8 Community Investment

The Company always cares about social relations with the neighbourhood areas and actively participates in various charity activities to help those in need in the society.

Following our good practices for charity works, we continually participated in “Feeding Hong Kong” Donation Scheme during the Reporting Period. We donated around HKD\$16,350 collected from our designated dishes to support the under-privileged groups.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure Requirements

Section/Declaration

Governance Structure
Reporting Principles
Reporting Boundary

ESG Governance Structure
Reporting Scope and Framework
Reporting Scope and Framework

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions and Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions and Waste Management
KPI A1.2	GHG emissions in total (in tonnes) and intensity.	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Not applicable – Explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environment Protection and Compliance
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Efficiency; Water Consumption; Use of Packaging Materials
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Packing Materials
KPI A2.2	Water consumption in total and intensity.	Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Awareness; Indoor Air Quality
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Awareness; Indoor Air Quality

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
B. Social		
Aspect B1: Human Resources		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Human Resources
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Human Resources
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Human Resources

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B2: Health and Safety		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past four years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
Aspect B3: Staff Training and Development		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Staff Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Staff Training and Development

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Procurement Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Procurement Management
KPI B5.1	Number of suppliers by geographical region.	Procurement Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Procurement Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Procurement Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Procurement Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment