

以食为天

**Tan'Sh**  
Global Food Group Co., Limited



**2017 ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT**  
**國際天食集團有限公司**  
**TANSH Global Food Group Co., Ltd**

Incorporated in the Cayman Islands with limited liability  
Stock Code: 3666

上海小南国  
SHANGHAI MIN

MAISON DE CHUI 慧公馆

南小館  
the dining room

香港米芝蓮  
H.H. Mai Chi Ling

**DOUOR**

ORENO  
DINING BAR  
FRENCH+ITALIAN

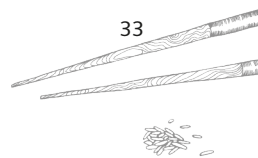
WOLFGANG PUCK

とん吉  
TONKICHI  
TONKATSU SEAFOOD



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# 2017 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

## 1 ABOUT THIS REPORT

This report is the second *Environmental, Social and Governance Report* of TANSI Global Food Group Co., Ltd (hereinafter referred to as “**TANSI Global**”, together with its subsidiaries, the “**Group**”). This report is aimed to disclose TANSI Global’s environmental, social and governance practices and performances in 2017. In this report, environmental and social issues that majorly concern our stakeholders are thoroughly discussed, so that our stakeholders can gain better understanding of TANSI Global’s principles, strategies, and performances in achieving sustainable development. For a comprehensive disclosure of TANSI Global’s performances in all three aspects (environmental, social and governance), this report should be viewed together with the chapter headed “Corporate Governance Report” in this year’s Annual Report page 36.

### 1.1 Report Scope

Unless otherwise indicated, the policies discussed in this report cover TANSI Global’s headquarters and restaurants located in mainland China that are under TANSI Global’s direct management, since the restaurant business of the Group is based primarily in Shanghai, the data scope covers TANSI Global’s headquarters in Shanghai and restaurants located in Shanghai that’s under TANSI Global’s direct management. For the convenience of reading this report, headquarters and restaurants in mainland China are collectively referred to as “**Company**”, “**the Company**” or “**we/us**”. The detailed scope of specific data disclosed in this report would be discussed in the relating chapters.

The report discloses the Company’s performance from January 1, 2017 to December 31, 2017 (hereinafter referred to as “**the Reporting Period**”).

### 1.2 Report Guideline

This report was developed by the Company in compliance with the *Environmental, Social and Governance Reporting Guide* in Appendix 27 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “Listing Rules”) published by the Stock Exchange of Hong Kong Limited (hereinafter referred to as “**SEHK**”). Our compliance with the *Environmental, Social and Governance Reporting Guide* is summarized in Content Index of the “Environmental, Social and Governance Report” chapter.

### 1.3 Report Description

This report is published in Traditional Chinese and in English. If there is any ambiguity in the content of the report, the Traditional Chinese version shall prevail. The electronic version of the report can be read and downloaded through the Company’s website and the website of the SEHK.

### 1.4 Response to this Report

We welcome readers to give opinions and suggestions to this report through the following contact information.

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## 2 ABOUT TANSH GLOBAL

2017	Partnering with JMU built strategic cooperation with ACCESS Renamed as "TANSH Global Food Group Co., Ltd" Imported the biggest coffee chain brand in Japan – DOUTOR COFFEE
2016	Opened restaurants in Shanghai Disney Town Acquired 9.82% interests in JMU Limited (Nasdaq: JMU)
2015	Opened "ORENO (French & Italian Dinning Bar)" restaurant in mainland China at Shanghai XinTianDi. Opened the first famous American brand restaurant "Wolfgang Puck" in Shanghai XinTianDi.
2014	Acquired 65% interests in of Pokka HK as an extension into the coffee and popular western leisure catering business. Introduced ORENO, cooperating with ORENO Corporation, which was one of the most popular restaurant chains in Japan. Introduced and directly managed the milk-tea workshop of the brand "Mai Chi Ling", as well as gradually opened the league cooperation.
2013	Opened "The Dining Room" restaurant, which was the brand's first mainland restaurant in Shanghai.
2012	Became listed on Hong Kong Stock Exchange on July 4, 2012; raised HKD512 million in capital market Launched the third restaurant brand "The Dining Room" in Hong Kong
2011	Increased capital investment by Shining Capital, and initial investment by EFG Atlantis
2010	Launched 2nd high-end brand – "Maison De L'Hui" in Shanghai Capital investment by CSI Capital L.P.
2008	Capital investment by Shining Capital
2001	Entered Hong Kong market; opened the first "Shanghai Min" restaurant in Hong Kong
1987	Established the first "Shanghai Min" restaurant and brand in Shanghai

Since established in 1987, TANSH Global has accumulated more than 30 years of restaurant management history. We have multiple advantages such as brand integration, standardized supply chain, talent and organization competitiveness. We are involved in a variety of catering business such as Chinese food, western food, casual dining and drinks by operating our own brands "Shanghai Min", "The Dining Room" and "Maison De L'Hui", as well as introduced brands "ORENO", "Pokka Café", "Wolfgang Puck", "DOUTOR", "Mai Chi Ling" and many other well-known food and beverage brands.

The Company was strategically renamed to TANSH Global Food Co.,Ltd on 20 June 2017, which aims to upgrade itself to an integrated operation and management platform of catering brands. The upgraded new TANSH Global adheres to the corporate values of "customer first, strategy-driven; insisting on quality and self-innovation; passion, cooperation, cooperation and sharing", and is committed to working hard to complete the mission of "taking food as heaven and making the world enjoy the happiness of delicious food".



### 3 OUR MESSAGE

In 2017, the Company focused on its core competitive advantages: “Brand + Standard Supply Chain” and achieved significant business results. Moreover, we continuously attach great importance to customer satisfaction, resource optimization and corporate social responsibility.

#### Customer Satisfaction

Customer satisfaction has always been one of the most important goals of the Company. We have developed a series of multi-dimensional evaluation approaches for this indicator, such as using the APP developed by the internet cooperators to review the customer experience and take it as a service indicator for the employees of the Company’s restaurants. At the operation level of the restaurants especially during their expansion, we ensure the orderly operation of the restaurants by implementing standardized operation procedures (SOP) in the operation. We have clarified the standard processes of procurement, food preparation and cooking, service and serving through SOPs to ensure the consistency in quality and productivity during our business expansion. During the Reporting Period, the Company had continued to strengthen food safety supervision and was not involved in any complaints or incidents relating to food safety.

#### Rational Optimization of Resources

The Company’s comprehensive introduction of standard supply chain products has realized the efficiency optimization of the restaurants’ kitchen and the implementation of a comprehensive and refined control system, which has enabled the growth of operating profit of the restaurants while realizing the rational optimization of resources. The machine-based performance revolution of the restaurants’ kitchen has directly saved the water consumption in the pre-production process of dishes, which greatly improved the resource utilization rate, and reduced the emission of cooking fume and other wastes.

#### Corporate Social Responsibility

In the progress of building a quality brand, the Company always regard corporate social responsibility as an important part of its brand strategy. We are responsible for the interests of shareholders while creating business performance, and actively undertakes responsibility for the employees, the community and the environment. During the Reporting Period, the Company actively supported cooperation with schools in other regions, actively donated to improve social welfare and reserved talents for the restaurants. We have dedicated to contributing our strength to the society continuously.



## 4 STAKEHOLDER ENGAGEMENT

### 4.1 Stakeholder Communication

It is crucial to maintain communication with our stakeholders and obtain valuable advice. We continue to adopt the following communication channels with stakeholders to ensure we learn their opinions and suggestions timely and accurately, so that our business could be improved and developed in a continuous manner.

Stakeholder	Communication Channel
Investors	Investor relations hotline and email Shareholders' general meeting Annual performance meeting Regular information disclosure Company website
Government and Regulatory Agencies	Daily communication Information submission
Employees	Regular training Department head, internal audit department, etc. Team building activities and corporate culture training activities/classes
Customers	WeChat official accounts Customer service number and email Company website
Suppliers and Partners	Regular inspections and visits Supplier evaluation and audit Meetings, emails and phone calls
Media and Community	Investor relations service line and email Company website Community service and charitable activities

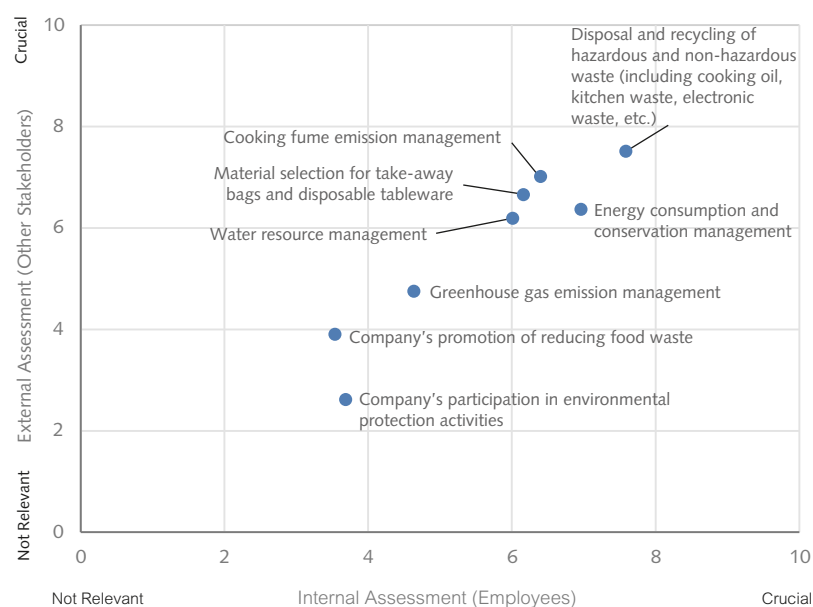
In addition, in 2017, we conducted the first stakeholders' survey to understand our stakeholders' concerns about the Company's environmental performance and social responsibility issues. Stakeholders who participated in the survey include customers, employees, shareholders or investors, suppliers, partners, the public, the media and government or supervisory agencies.



## 4.2 Materiality Assessment

In the stakeholder survey, we asked the participants to rank the importance of TANSI Global's four aspects, namely environmental responsibilities, operational responsibilities, labor responsibilities and other responsibilities, and we comprehensively scored the ranking results. Through construction of the materiality matrix and other methods, we hereby analyze and contrast issues of concern to internal stakeholders (employees) and external stakeholders (customers, shareholders or investors, suppliers, partners, the public, the media and government or supervisory agencies).

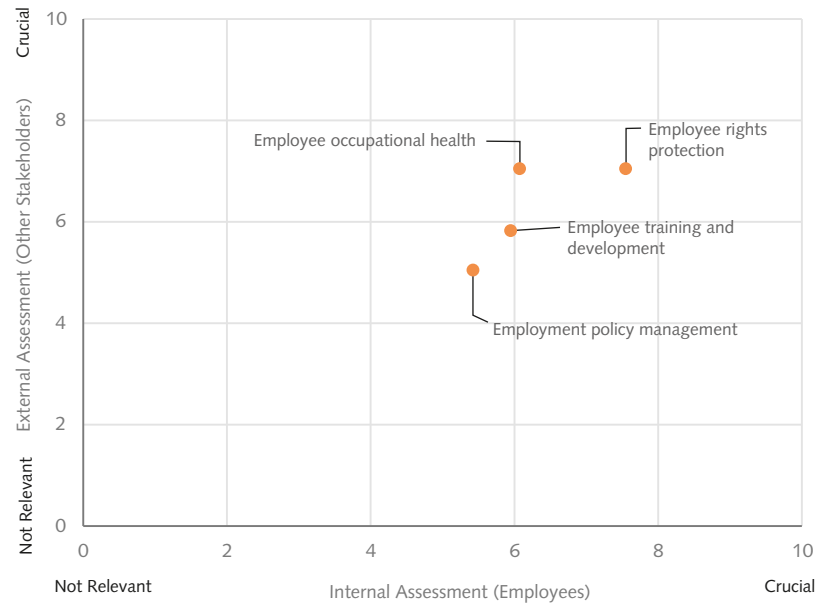
Environmental Responsibilities Materiality Matrix



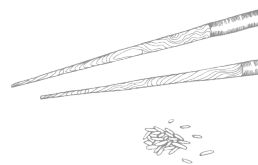
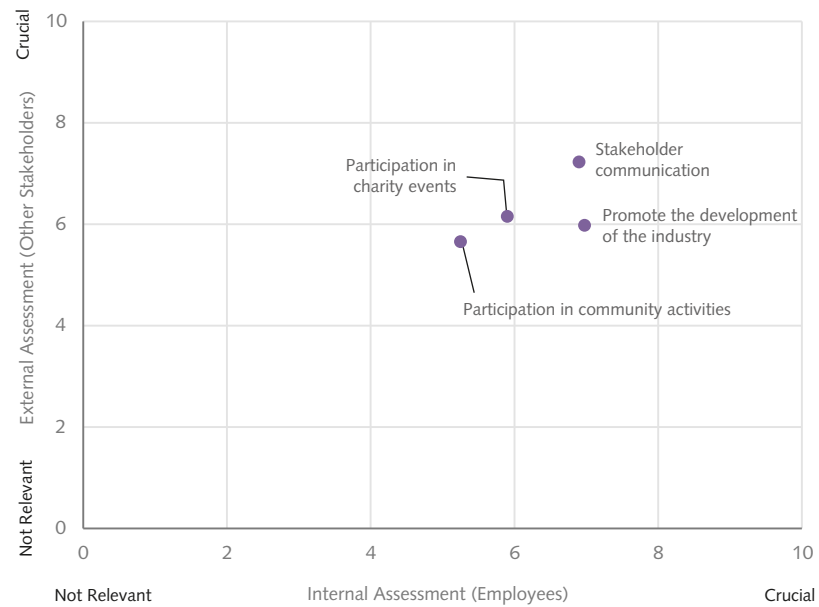
Operational Responsibilities Materiality Matrix



Labor Responsibilities Materiality Matrix



Other Responsibilities Materiality Matrix





Based on the analysis, in the aspect of environmental responsibilities, external stakeholders pay more attention to the performance of TANSI Global in emission of pollutants and waste production, while internal stakeholders are more concerned about TANSI Global's energy consumption and energy conservation management; in terms of operational responsibilities, both internal and external stakeholders place great emphasis on food safety. Compared to internal stakeholders, external stakeholders are more concerned with food research, development and quality; in terms of labor responsibilities, internal stakeholders (employees) pay more attention to the protection of labor rights; regarding other responsibilities, external stakeholders are more concerned about their communication with TANSI Global, while internal stakeholders value TANSI Global's contribution to the development of the industry.

According to the screening results and materiality assessment results on the issues concerning our stakeholders and the requirements of the Listing Rules, this report will focus on disclosing the Company's performance in the aspects of food quality and safety, employee rights protection and occupational health, energy conservation, emission reduction management, etc. The chapters with key disclosure issues are detailed in the table below.

Key Disclosure Issues	Relating Chapter
<b>Environmental Responsibilities</b>	
Disposal and recycling of hazardous and non-hazardous waste (including cooking oil, kitchen waste, electronic waste, etc.)	7.1.2 Emission Control 7.2 Environmental Performances
Cooking fume emission management	7.1.2 Emission Control
Energy consumption and conservation management	7.1.1 Resource Usage
<b>Operational Responsibilities</b>	
Food safety	5.2 Food Safety First
Food research, development and quality	5.3 OEM Supply Chain
Customer services	5.4.2 Customer Complaints and Responses
<b>Labor Responsibilities</b>	
Employee rights protection	6.2 Employee Rights
Employee occupational health	6.4 Health and Safety
Employee training and development	6.2.1 Compensation and Promotion 6.3 Grow Together
<b>Other Responsibilities</b>	
Stakeholder communication	4 Stakeholder Engagement
Promote the development of the industry	5.3 OEM Supply Chain



## 5 FOOD COMES FIRST: OPERATING WITH HIGH-QUALITY AND RESPONSIBILITY

### 5.1 Honor and Certification

TANSH Global has strived to improve product quality and innovation in 2017. “The Dining Room” and “Shanghai Min”, the main brands of TANSH Global has earned honors and certifications awarded by China Cuisine Association (CCA) and other organizations through their outstanding performance within the time.

Honor/Certification	Organizer
<i>Xiao Nan Guo Restaurants Holdings Limited (TANSH Global's Former Company Name)</i>	
Outstanding Organization Award of Building Green Restaurants in 2017	Shanghai Restaurants Cuisine Association
<i>Xiao Nan Guo Group</i>	
Excellent Corporate Award of Chinese Catering Industry 30 year	CCA
Chinese Golden Snacks (Noodles Mixed with Scallion Oil)	China Hospitality Association
Feng Huo Cup – The Most Influential Catering Brand	World Federation of Chinese Catering Industry
China's 1st Catering Take Away Convention in 2017 – The Leading and Well-known Formal Dining Brand of Take Away Food	CCA
<i>The Dining Room</i>	
The Best Shanghai Cuisine Restaurant in 2017	Shanghai BANG!
The Best Style Award in 2017	Alipay & Koubei

### 5.2 Food Safety First

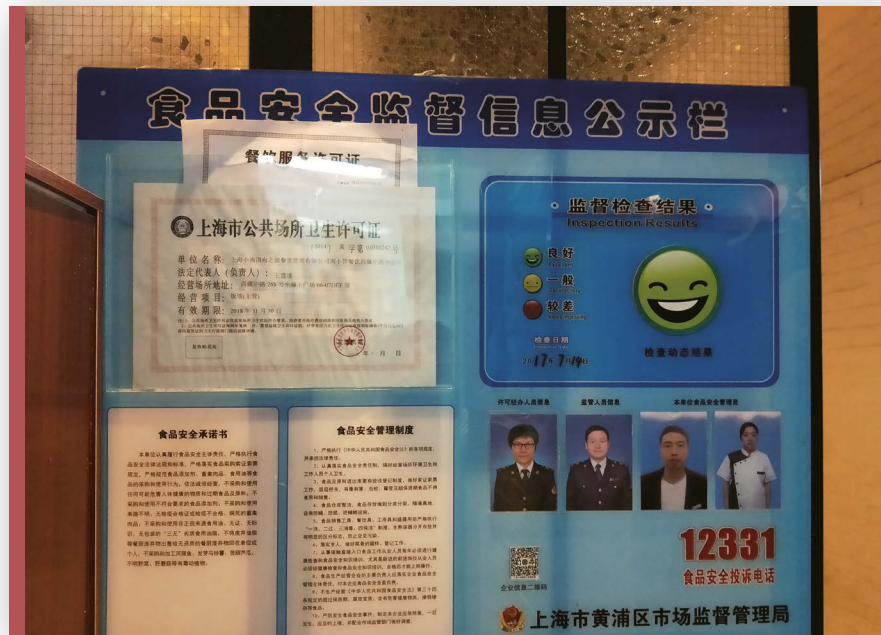
Food Safety is not only a key topic of the Company's stakeholders, but also the cornerstone of its long-term development. Therefore, we sternly comply with *Food Safety Law of the People's Republic of China*, *Product Quality Law of the People's Republic of China*, *Production Safety Law of the People's Republic of China*, *Measures for the Supervision and Administration of Food Safety in Online Catering Services*, *Food Safety Regulation of Shanghai City*, *Administrative Measures on Recording of Storage and Transportation Service Operators in Shanghai City (Trial)* and other national laws, regulations and regional regulations in mainland China, controlling quality and safety of our food stringently for provision of quality and healthy food to customers.

TANSH Global abides by the food safety policy of “control source, attach to process, emphasize prevention, be law-abiding and self-disciplined and maintain honesty and trustworthiness to serve consumer with health and safe food”. The Company clarifies and transfers its food safety strategy, food safety objective, responsibilities of departments and other relevant measurements to corresponding manager-level through documentation and establishment of *Administration Procedure for Food Safety*. For fully implementing *Administration Procedure for Food Safety*, we have initiated a food safety management leading group to further evaluate performance of respondents from all levels of the management scheme with additional factors related to food safety management.



TANSH Global has set up its annual targets in *Food Safety and Safe Production Responsibility* at the beginning of 2017. It was shown that the Company has achieved all of its annual targets along with its implementation of responsibility system for safe production and assurance of safe operation.

- There was no event of food poisoning or production incidents related to safety (no report of fire hazard or industrial accident<sup>1</sup>);
- There was no incident related to food safety or production safety in restaurants;
- There was no order of stop selling of products, suspending business for rectification or shut down of restaurants by regulatory department of the government due to reasons related to food safety or production safety.



■ Publicity Column of Food Safety Supervision Information at “The Dining Room”

<sup>1</sup> During the Reporting Period, the Company did not have accident of work-related fatalities and did not lose work days due to work-related injuries.

### 5.2.1 Site Management and Equipment Management

We strictly comply with the regulations of *Operating Rules on Food Safety in Catering Services* launched by China Food and Drug Administration (CFDA), to select and install processing premises with functional installation of equipment. Accordingly, we have set up *System of Administrative Measures for Sanitation Management of Restaurant Facilities, Equipment and Tools* to regulate and supervise daily operations of cleaning and disinfection of restaurant facilities, equipment and tools.

Content of Regulation	Regulation of the Company
Environmental disinfection	<i>Restaurant Environmental Cleaning and Disinfection SOP</i> (SOP is the standardized operational procedure)
Facilities and equipment disinfection	<i>Facilities and Equipment Disinfection SOP</i>
Chopping board disinfection	<i>Chopping Board Disinfection: Board for Direct Consumption After Being Chopped</i>
Utilization of single-use gloves	<i>Regulation of Single-Use Gloves Utilization in Restaurants</i>
Kitchen towels	<i>Regulation of Kitchen Towel Utilization</i>
Ozone generators for specific room	<i>Utilization of Ozone Generator SOP</i>
Main dining room	<i>Operational Regulation of Food Safety in Main Dining Room</i>
UV-light	<i>Operational Regulation of UV-Light Utilization</i>
Measuring instruments	<i>Managerial Procedure of Electronic Scale in warehouse of Xiao Nan Guo Group</i>
Facilities and equipment such as cold storage room, refrigerator and specific room for cold dish, which have strict requirements on temperature	To record temperature according to regulations and report timely in case of malfunction to prevent safety accident caused by food spoilage.
Water purifiers and ice makers	Maintenance department is taking responsibilities for daily maintenance and report of repair in case of malfunction.



### 5.2.2 Operator Management

Management of hygiene and health of relevant operators is one of the critical parts to ensure food safety. We have also emphasized the importance of health management, safety education and personal hygiene for restaurant staff in *Administration Procedure for Food Safety*.

#### Health and Hygiene Management

TANSH Global has formulated and implemented *Management System for the Health of Restaurant Staff*, which requires all employees to remain appropriate personal hygiene habit and regulates washing frequency of their uniforms. In addition, it also requires that all staff need to take health examination and receive their health certificate for being on their positions. The Company's restaurants should establish *Administrative Ledger of Staff Health Certificate* and carry out health check on staff before daily operations. The employees who are suffering from diseases that may affect food hygiene or having open and infectious wound on their hands would be removed from their positions.

#### Education and Training

By strictly complying with regional policies and regulation of Shanghai City, TANSH Global has managed that new employees must take training and be presented with certification of relevant examinations for laws and regulations about food safety and its related knowledge for being on position. Additionally, corporate restaurants need to organize at least twice food safety training (food safety related knowledge, code of ethics or legal education) per month with a total training hour not less than 40 hours per year. The head chef is taking responsibility to establish *Profile of Training about Food Safety Related Knowledges for Employee*, which has documented and recorded training hours, training content and training outcomes for future revision.

### 5.2.3 Other Safety Management

In addition to basic improvement of equipment and labour management, TANSH Global has further regulated food production, food supply, cleaning and disinfection of tableware, management of food additives and management for chemicals and pests through establishment of stringent internal standards and policies with strong implementation carried by corporate restaurants as follows: for managing food production and supply, the *Administration Procedure for Food Safety* prescribes detailed regulations and standardizations of rough cutting and arrangement, cooking, catering and offering for each single dish; for managing food additives, the Company has applied regulations of GB2760, the *National Food Safety Standard: Standard for the Use of Food Additives* and regulated range of use and dosage for food additives listed on the announcement list launched by Ministry of Health P. R. China; for managing chemicals and pests, we have constructed *Utilization of Chemicals in Restaurants SOP* and other relevant regulations for corresponding administrative safety measures of decontamination chemicals (detergent, disinfectant, etc.) and elimination chemicals (insecticide), which requires standardization of concentration for decontamination chemical consumption to prevent safety incidents caused by overconcentration of chemicals or incomplete decontamination and; arrangement of exterminators from third-party pest control company to use and release pesticide for both assurance of operational safety and strict control of risks brought by insects and rats.



■ Instruction Manual for Use of Chemicals in Dishwashing Room of "Shanghai Min" Restaurants in Shanghai

**“See Through Kitchens” Program**

TANSH Global responded actively to the “See Through Kitchens” Program initiated by China Food and Drug Administration by installing surveillance apparatus in processing and cooking room, dedicated operating area and cleaning and disinfection room to launch real-time monitoring on overall food processing procedures with the application of video transmission technology. Consumers and supervision departments could go through exhaustive monitoring to ensure the quality and safety of the provided food with the system. By the end of 2017, 97.7% of the Company's restaurants in Shanghai City had engaged in “See Through Kitchen” Program.



■ The Surveillance Camera Installed in Back-kitchen of “Shanghai Min” Restaurant in Shanghai

**5.2.4 To Nip Risks in the Bud**

As for actively preventing food safety incidents from happening, the Company had established a comprehensive and effective *Food Safety Accidental Emergency Treatment Plan* and food safety secure team. In case of any suspected food safety incidents, the person in charge should arrive at the scene swiftly, coordinating the delivery of the patients to an official medical institution for treatment, reporting the situation to senior managers and food safety secure department as soon as possible and stopping the process and supply of the suspicious food. In addition, respondent needs to retain food sample, raw materials, tools and the scene related to the suspicious food and actively cooperate with the supervision authorities for investigation and solution.

The Company annually conducts emergency drills across its departments by following corresponding food safety accidental emergency response to improve the command capability of the food safety team; strengthen abilities of all departments for coping and cooperation in case of emergent food safety incidents and modify and improve *Food Safety Accidental Emergency Response Plan* immediately according to the practice of food safety emergency at the same time. According to requirements of *Administrative Measures for Tracing Food Safety Information in Shanghai City*, we have formulated *Food Safety Tracing SOP and Recall Plan*, which has standardized the specific implementation plans and operational procedures for product traceability to handle emergencies. We had no products being recalled because of health or safety reasons and thus the percentage of product being recalled was 0% in 2017.





### 5.3 OEM Supply Chain

In the last two years, the Company has adopted an “OEM commissioned processing mode” transformation strategy to reform its supply chain and changed its operating principle. Consequently, it has concentrated its business on brand management and product development, which led to the closure of central kitchen and transference of specific production to suppliers for accomplishment. Finished products would be transferred to the delivery center of TANSI Global by suppliers and be delivered and transferred to restaurants from the delivery center. The standardization of OEM processing mode has greatly benefited the Company for both management of ingredients from sources, development of new dishes, improvement of business efficiency, etc. and has enhanced its environmental and social performance at the same time.

The introduction of OEM product has reduced operational difficulties; further regulated operational practices of staff; convenience aside, saved time for food selection, cleaning, chopping, prefabrication of ingredients among other sections; reduced direct contact between people and ingredients, thus reducing risks of food safety. Meanwhile, through the constant integration of high-quality resources of the industry and centralized production, the complexities of traceability and recall of products have been reduced while the qualities of food have become more stable and controllable.

#### Establishment of Strategic Cooperation with Japan's ACCESS

During the process of transformation and optimization of the supply chain, TANSI Global is continuously importing excellent ingredients from overseas, such as the introduction of universal seasonings from Japan and commission with Kewpie for processing unique salad dressing.

In July 2017, the Company signed up to a cooperation commitment with ACCESS (the largest food distribution company in Japan which is a food supply chain institution held by the ITOCHU Corporation, one of the top 500 companies of the world with annual sales of RMB125 billion). The cooperation is about strategic development of China's catering market by introduction of international import and export trade cooperation with food products from Japan and other overseas regions such as Northern America; joint development for production technologies at the sources of supply chain and research and development

cooperation on ingredient production; overall cooperation of restaurants and hotels on the supply chain and initiation of a trade channel consists of international procurement, cold chain logistics and the new type of supply chain service “S2B2C” (supply chain platform-catering traders-terminal consumers) by conducting the supply purchasing platform (hereinafter referred as JMU) provided by JMU (Nasdaq: JMU).



■ Signing Ceremony of Cooperation

### 5.3.1 Supplier Inspection

We are emphasizing the construction of a safe and reliable domestic supply chain while promoting and implementing OEM supply chain management system. We have formulated a set of relevant policies such as *Administrative Process for Procurement Contract Management* and *Process for Supplier Management* to implement standardized directions of management, control and evaluation of supplier in relevant industries, ensuring safety and reliability of raw material provision.

As a responsible catering company, TANSI Global has regulated strict



■ On-site Supplier Inspection

supplier selection process, in which only suppliers with well-recognized reputation and international certification related to the food safety management system, such as suppliers

with ISO22000 certification, could be listed in *Qualified Supplier Directory*. During the Reporting Period, the Company was mainly cooperating in a long-term manner with suppliers located Jiangsu Province, Zhejiang Province and Shanghai regions for which accounted for 90% of total number of suppliers while suppliers from other regions accounted for 10%.

According to regulations of *Process for Supplier Management*, relevant departments should follow *Procedure for New Supplier Development* to implement a series of verification procedures which consists of development evaluation, license collection, sample

confirmation, verification determination and trials using the supplies in case of introduction of new suppliers; arranging monthly audits of licenses and annual on-site audits of technologies based on considerations of food safety and quality for management of suppliers with existent cooperation and; evaluating and scoring suppliers by inspecting their performance through evaluative results of for quality-related indicators, delivery-related indicators and coordination-related indicators. Incentives are introduced to excellent suppliers according to *Administrative Measures of Incentive for Supplier* while time-restricted recodification or replacement should be applied to failed suppliers.



■ On-site Acceptance Testing of Raw Materials





## 5.4 Quality Assurance and Product Recall

Apart from considering the sources, TANSI Global is making greater effort on adherence on ensuring quality and safety of products with application of multilevel measures for assurance in a rigorous manner. We have established a three-level self-examination system with a routine examination scheme following *Procedures for Supervision and Inspection of Kitchen Products in Restaurants*, *Procedures for Pilot Examination of Food Safety* and other relevant regulations to institute food quality inspection. Based on the comprehensive evaluated marks of the year for food safety inspection situation in restaurants and departments, excellent institutions would be rewarded.

Three-level self-examination system	
<b>Self-check and self-correction</b>	Restaurants and supply chain management department should have initiated self-check and self-correction to discover problems and thus undertaking corrective and preventive measures timely.
<b>Department audit</b>	Applying <i>Procedures for Supervision and Inspection of Kitchen Products in Restaurants</i> for auditing kitchen section. On the other hand, main seating area would be audited by training and audit department.
<b>Pilot Examination</b>	Food Safety and Security Department would arrange irregular examinations on restaurants by complying with <i>Procedures for Pilot Examination of Food Safety</i> .

### 5.4.1 Procedures for Pilot Examination

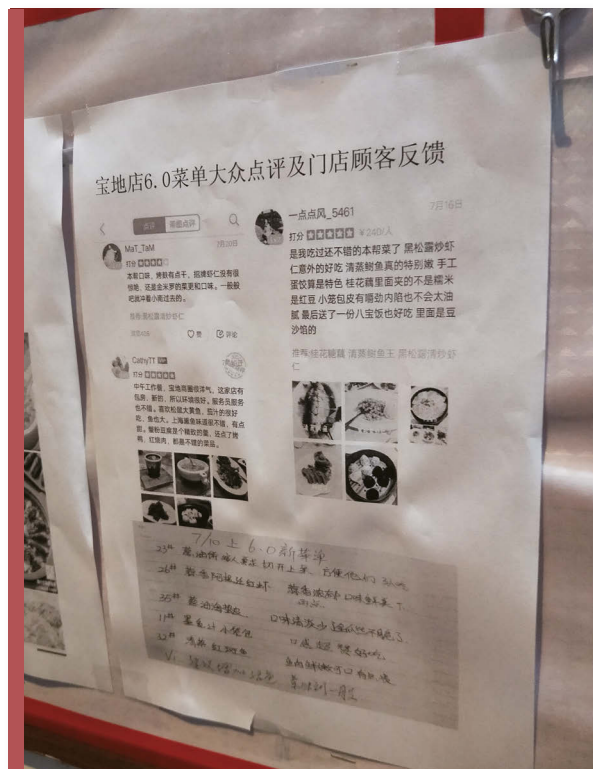
The Company strictly complies with *Food Safety Law of the People's Republic of China*, *Operating Rules on Food Safety in Catering Services* and other laws. By adopting the measure of pilot examination for implementing on-site food safety inspection and sample inspection in kitchen of restaurants, the Company could detect objective and fair outcomes about implementations in accordance with food safety related laws and regulations of restaurant kitchens and promote continuous improvements of food safety awareness and management level of restaurant kitchens.

Pilot examination could be conducted in two ways: on-site inspections and examination; and dishes sampling inspections. On-site inspections and examinations are mainly applied by establishment of on-site review of staff hygiene in the restaurants, operational hygiene, environmental hygiene and sanitary facility/equipment hygiene. Besides, dishes sampling inspections are launched based on sampling strategy, to store sample and transport it to third-party inspection agency for further inspection. Additionally, food safety group would arrange monthly and annual conclusion and analysis for all restaurant kitchen based on outcomes of examination. Formation and analysis of the analytical reports and constant modifications could help to enhance food safety and quality at management level.



#### 5.4.2 Customer Complaints and Responses

It is important to maintain communication with our customers as for provision of excellent serving experiences to them. We have established multiple communications platforms such as hotline, interaction platform (such as WeChat official account), third party feedback (rating of Mobile Apps, such as Meituan Dian Ping, etc.) for customers to collect their opinions and satisfaction level on products and services throughout active implementation of questionnaires, customer satisfaction investigation and other measures. The Company has regulated that in regard of complaints, designated person of restaurants and departments should take responsive actions for receiving and handling the cases, and follow the "Customer Compliant Handling Process" regulated in *Administration Procedure for Food Safety*, which has specified appropriate handling process for complaints on food quality. We would keep record of the arrival date, production date, picture and archive the raw materials for feedback processing in accordance with procedures stated in *Acceptance Specification and Feedback of Unqualified Raw Materials in Restaurants* when there were complaints engaging problems of raw materials. The Company did not receive any material complaints on its products and services in 2017.



■ Lists of Evaluation and Feedback of On-Site Customers and from Dianping at the Back Kitchen of "Shanghai Min" Restaurants in Shanghai

#### 5.4.3 Product Recall

In order to ensure that the restaurant can promptly and effectively complain and recall the unqualified raw materials, we have formulated the *Recall and Complaint Handling Procedures for Food Raw Materials*, which specifies the recall operation procedures for ingredients, non-food ingredients, semi-finished products and value-added raw materials, and regulates responsibilities of the relevant departments such as the restaurants, supply chain management department, purchasing department, and finance department in the process of return and recall. In addition, we require each department to keep records of the return form and return receipts in the recall process and mark and save the returned products to ensure that all operations of returning are properly recorded at the Company and suppliers.

### 5.5 Compliance Operations

TANSH Global has adhered to its high standard professional ethics when running business. Hence, we have launched *Code of Business Ethics*, which asks for higher requirements on ethics beyond code of business and relevant laws and regulations. In addition, we set up our core of values as:

**Honesty:** Honesty is the code of conduct for TANSH Global and each of its employees, orienting themselves to treat clients, business partners and cooperators in an honest manner.

**Responsibility:** "Responsible for work, responsible for satisfaction of customers, responsible for health and safety regulations" is our interpretation of sense of responsibility.



### 5.5.1 Advertising and Labelling

The Company strictly complies with *Advertising Law of the People's Republic of China*, *Patent Law of People's Republic of China*, *Trademark Law of People's Republic of China* and other relevant laws to ensure reliability and credibility of its promoted advertisement; ensure compliant regulation of intellectual property-related content. The Company entrusts third-party professional agency to unitedly manage patents, trademarks and intellectual property of the Company and formulates *The Overview of Trademark* to standardize management and usage of corporate trademark. As well as in accordance with *Code of Business Ethics*, we must provide accurate and comprehensive information to clients and prevent false publicity from happening.

### 5.5.2 Protect Privacy and Safety

The company strictly complies with Law of the People's Republic of China on the protection of the Rights and Interests of consumers, also, in *Code of Business Ethics*, the Company's business, sales, strategy, products and private information are categorized as confidential information, which employees should not mention or disclose to others during their employment or after leaving. In case of violation of the code, violator should bear all legal responsibilities as well as financial responsibilities. Meanwhile, employees holding material<sup>2</sup> and non-disclosure<sup>3</sup> information of the Company could not get involved in trading relating stocks and the securities of the Company.

Protection of safety of privacy information for customers is also one of the priorities in the Company's daily operations. Since relevant departments and restaurants would need to collect contact and personal information of customers for application of membership, we require that the responsible staff related to the business to sign for a confidentiality agreement for proper management and protection of customer's personal information and prevention of disclosure or leakage to unrelated personnel.

### 5.5.3 Anti-corruption

In compliance with *Criminal Law of the People's Republic of China*, *Anti-Money Laundering Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, we formulated in *Code of Business Ethics*, in which employees are required to disclose situations which could possibly lead to conflict of interest. It is even more explicit that corruption extortion, fraud and money laundering are prohibited, so are the following behaviors (including but not limited to):

- employees having significant interests with important customers, suppliers and competitors of the Company;
- employees receiving valuable goods or other forms of remuneration for the position in the Company;
- employees using the Company's property improperly and;
- employees providing entertainments or other benefits to clients, which might be considered as for inducing or rewarding customer for purchase decision.

During the Reporting Period, the Company strictly complied with relevant laws and had not received lawsuits/criminal reports on employees relating to corruption.

<sup>2</sup> Such as the financial results, the introduction of important new products or services, main purchases and sales or rational investors believe that the information is practicable to make the decision for buying holding or selling the stocks;

<sup>3</sup> Information that have not been published by news media or other mass media for generally informing the public.



#### 5.5.4 Measures for Compliant

We are fully aware that other than formulating internal policies and strict management, establishing appropriate and effective whistle-blowing procedures can be a great support of preventing non-compliance operations and thereby minimizing the risks involved. We have identified in *Code of Business Ethics* that if employees recognized any violations of laws or principle of business ethic had been carried during the Company's operation, they could report to the senior manager of their department, Human Resources Department or Administrative Department through reporting hotline, e-mail, letters or other anonymous ways whether the violator is a full-time employee, part-time employee, third-party laborer, consultant, or members of the board of directors.

## 6 PEOPLE-ORIENTED MANAGEMENT: EMPLOYMENT POLICY AND EMPLOYEE RIGHT

The Company is committed to establishing a professional talent team who is dedicated to providing customers with a comfortable dining experience. Also, we hope that our employees could feel happiness and belongingness to work for the Company. According to the results of the materiality assessment, in which the Company's stakeholder rated higher scores in employee rights protection and employee health and safety. Therefore, we will focus on the Company's 2017 performance in the two aspects in this report.

### 6.1 Talents Strategies

The Company strictly complies with *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China* and *Regulation on the Implementation of the Employment Contract Law of the People's Republic of China*. All officially hired employees are subjected to a labor contract system. Employees and the Company sign a written contract and fulfill their obligations accordingly to protect the rights of both parties. The labor contract signed between the employee and the Company includes a probation period up to six months. During the probation period, the Company will conduct assessment on the employees and evaluate their abilities for the job. Before signing the labor contract, candidate employee must inform the Company of his or her background information such as resume and age. The Company will also testify the materials submitted by the candidate employee to ensure that it is comprehensive, authentic, and legal and thus to ensure that the Company has prevented employment of underage labor or labor against the will of employees. Once it is discovered that there may be cases regarding child labor or forced labor, the Company will immediately conduct relevant investigations. If law violation was involved, the case would be referred to judicial authorities for processing. Under the circumstances where termination of the contract or dismissal occurred, the Company would conduct relevant procedures for the employee by referring to the regulation which is in accordance with the situation of resignation so as to ensure that the legal rights and interests of the employees and the Company's information and asset safety are both protected.

With the principle of equal opportunity, diversity and anti-discrimination, the Company promises to provide each employee with equal opportunities for employment, development and training regardless of their race, ethnic, belief, gender, age, family background and nationality or mental/physical disabilities. We are committed to creating an excellent working environment for our employees in which employees could report to their department head or Human Resources Department if they encountered unfriendly acts at work. We will investigate the reported cases on the premise of protecting employees' personal privacy.

The Company has a total of 2,957 employees in mainland China and Hong Kong, including 2,648 restaurants employees in the two region and 309 other employees who work in Shanghai and Hong Kong offices. Below is our total workforce by gender, employment type and age group.

	Gender		Age			Employment Type		
	Male	Female	Below 30	30 to 50	50 or above	Senior Management	Middle Management	General Employees
Workforce (people)	1,449	1,508	902	1,344	711	21	548	2,388



## 6.2 Employee Rights

### 6.2.1 Compensation and Promotion

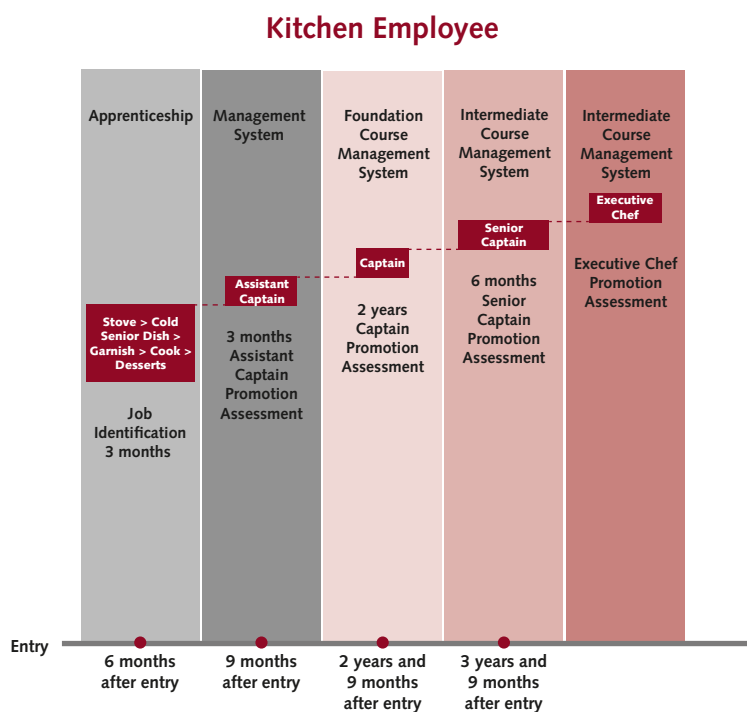
#### *External Comparability*

The Company provides competitive remuneration and benefits in the industry and the region to attract, motivate and retain talented individuals, and to achieve the Company's business development goals. At the same time, the Company continuously matches its compensation structure with professional salary reports to maintain the fairness and competitiveness of the compensation structure.

#### *Internal Fairness*

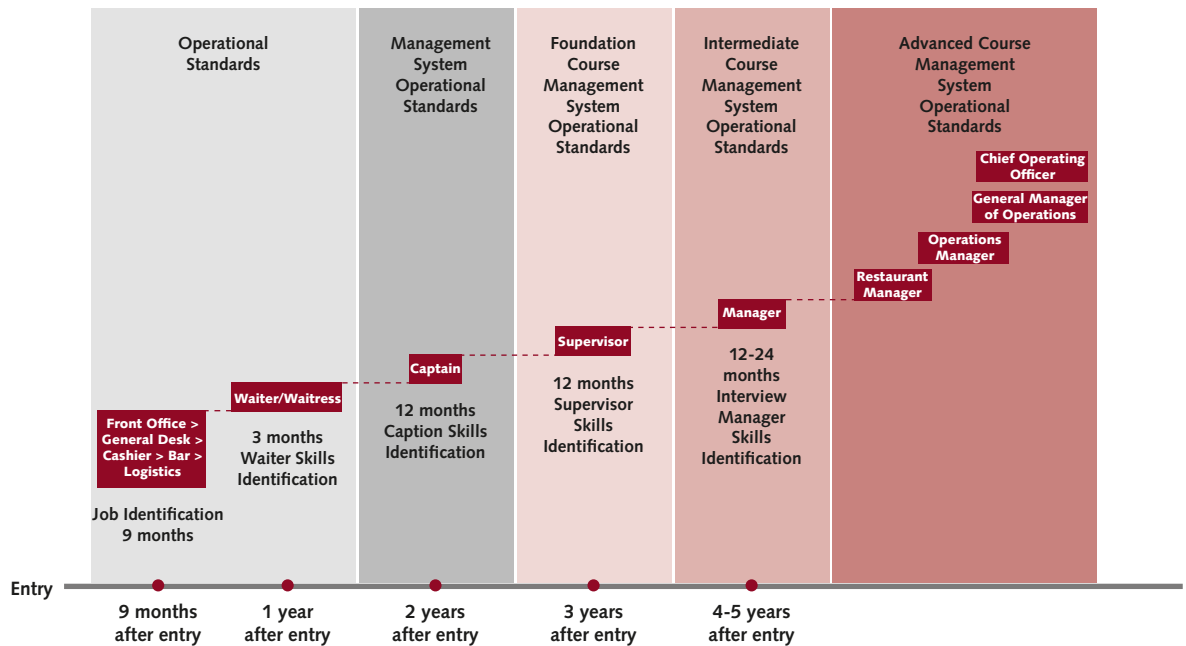
The Company implements a job-level based wage system adjusted by employee's work performance. Employees' performances at work are reflected in their salary. More specifically, even with the same payment level, better work performance rating could lead to greater salary rise.

When employees perform excellently, and their abilities meet the requirements of higher-level positions, the Company will arrange promotion plans according to job requirements and through assessments and evaluations. TANSI Global has set clear promotion requisitions and transparent promotion system to help employees with potentials from different departments and different positions to achieve their career aspirations.



■ Kitchen Employee Promotion Plan

### Front Office Employee



■ Front Office Employee Promotion Plan

### Office Employee



■ Office Employee Promotion Plan





### 6.2.2 Vacation System

The Company complies with national laws and regulations such as *Labor Law of People's Republic of China* and offers 11 days paid public holidays to its employees. For restaurants employees who need to work on public holidays, the Company pays their overtime wages in accordance with relevant provisions of the *Labor Law of the People's Republic of China*. We also believe that employees need regular leave to balance work and life, so the Company offers additional vacation benefits beyond national holidays. Also, the Company's paid annual leave policy complies with *Regulation on Paid Annual Leave for Employees*. For example, in mainland China, for employees who have worked at TANSH Global for more than 1 year and less than 10 years, we offer 5 days of annual leave; for employees who have worked at TANSH Global for more than 10 years and less than 20 years, we offer 10 days of annual leave; for employees who have worked at TANSH Global for more than 20 years, we offer 15 days of annual leave. Regarding female colleagues' maternity leave, the Company complies with *Labor Law of the People's Republic of China* and provides at least 98 days of maternity leave.

### 6.2.3 Employee Welfare

Based on relevant laws and regulations, we provide employees with benefits such as employer liability insurance, supplementary medical insurance, employee meals, and employee health certificate fee subsidies. At the same time, the Company promotes various activities in our restaurants, which aim to care for employees' personal lives, enhance communications among employees and promote team cohesion and employees' sense of belonging to the Company.

#### Employee Welfare Activity

In 2017, the Company launched the "Arrival of Chief" activity in restaurants located in Shanghai. Based on each employee's preferences, the head chief and restaurant manager together visited local market once a month for grocery shopping and cook for everyone to let the staff of the whole restaurant enjoy the meal together.



■ "The Dining Room" Restaurant "Arrival of Chief" Gathering Activity

Head chief and restaurant manager together visited staff dormitory on a monthly basis to help staff clean up the dormitory. During these visits, head chief and restaurant manager brought drinks and seasonal fruits as surprises to staff so that they could feel the warmth as if they were home.



■ "The Dining Room" Restaurant Manager Visiting Staff Dormitory

Moreover, we held employee birthday parties and handed out gifts to employees during holidays.



■ Employee Birthday Party and Holiday Gifts

### 6.3 Grow Together

The Company believes that outstanding business performance and high-quality customer service come from excellent employees. The Company recognizes the significance of human resources and firmly believes that employee training is an important investment. Therefore, the Company pays attention to the growth and development of each employee and supports individual development and continuous learning of employees. The Company provides all employees with training and development opportunities as well as related education courses to build our employees' competitiveness and maintain outstanding standards.

#### Training System

<b>New Employee Orientation</b>	This training is designed to familiarize new employees with their work content, work environment and Company rules and regulations, and we would introduce colleagues and the vision of the Company to new employees.
<b>Job Skills Training</b>	Depending on job nature and position requirements, the Company arranges on-job training to enhance employees' abilities and develop their potentials.
<b>Management Skills Training</b>	The Company provides management skill training courses for managers based on needs for working in different management levels. The methods adopted either internal or external trainings to support training schedules for managers.

### 6.4 Health and Safety

Employees' health and safety is the focus of common concern for the Company and its stakeholders. We strictly comply with *Labor Law of People's Republic of China*, *Work Safety Law of the People's Public of China*, *Law of People's Republic of China on the Prevention and Control of Occupational Diseases* and other related national and regional law and regulations. To provide employees with a safe and reliable working environment, we hold annual fire drills at our office and restaurants to prevent safety incidents. We regularly conduct safety awareness training for employees in accordance with company policies such as *Restaurants' Personnel Health Management System*. Also, we promote healthy lifestyles and avoid occupational hazards in daily operations.



### Chinese Medicine Clinic

To increase employees' attention to their health, improve their physical and mental health and modify suboptimal health situation of office employees, the Company arranged two weeks of Chinese medicine clinics in office from December 18, 2017 to December 29, 2017. During the event, we invited professional physicians to perform massage and instrument treatments for office employees. There were around 70 employees participating in the event.



■ Chinese Medicine Physicians Performing Diagnosis for Employees

In addition to the health management system, the Company has established corresponding operating specifications and specified storage areas for all restaurants back kitchen utensils to ensure the daily work safety of restaurant employees. Moreover, the Company equips firefighting equipment at all operation and work places and prominently posts usage instructions of firefighting equipment as well as escaping techniques under emergency conditions on conspicuous places.



■ Shanghai "The Dining Room" Kitchen Utensils Storage Area



■ Shanghai "The Dining Room" Fire-fighting Equipment Instructions

## 7 GREEN DEVELOPMENT: ENERGY SAVING, EMISSION REDUCTION AND ENVIRONMENTAL PERFORMANCE

As a responsible catering corporation, while providing customers with the quality dining experience, the Company focuses on managing the impact of its business on the environment as well as the consumption and use of resources. It can be concluded from the materiality assessment that the Company's stakeholders are very concerned about issues regarding the Company's energy consumption and energy conservation management, emissions, hazardous and non-hazardous waste disposal and recycling. Therefore, we will make a detailed disclosure of the Company's 2017 environmental performance related to the above issues in this report.

### 7.1 Energy Consumption and Emission Reduction Management

The Company strictly complies with *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, *Water Law of the People's Republic of China* and other laws and regulations. We have formulated a series of management measures in the areas of resource utilization, emissions and waste management, and we are committed to reducing our impact on the environment and natural resources in our daily operations.

#### 7.1.1 Resource Usage

Due to the nature of the business, the Company's main resources consumption comes from water, electricity, gas and natural gas used by the restaurants in daily operations. The following are typical water saving and energy saving measures taken by restaurants of the Company in the year of 2017:

##### Water Saving Measures<sup>4</sup>

- Arranging engineers to adjust the flow of water to saving mode
- Recycling water by using vegetable-washing water to wash the floor
- Reusing water for defrosting purpose by arranging frozen food in line and defrost orderly.
- Posting water saving sign near water using areas.



■ Restaurant Water Saving Sign

<sup>4</sup> the Company's business is not located in the water shortage area and the Company's headquarters and restaurants use water from the municipal pipe network, so the Company does not have any issue with sourcing water.



#### *Electricity Saving Measures*

- Distinguishing between dining light and working light by color on the electric switch, only keep working light on for private rooms that are not booked or unoccupied.
- Reasonably and centrally arranging customers' dining areas during daily off-peak hours to reduce the number of electrical devices in use.
- Posting electricity saving notices near electric switches and air conditioning control panels to encourage staff and customers to adjust the air-conditioning temperature properly.



■ Light Switch Label Sign



■ Electricity Saving Sign at Restaurant

#### *Other Resource and Energy Saving Measures*

- Rationally arranging the number of steam box to be used according to the peak hours in lunch and dinner time. Centralized processing of dishes to save gas without affecting the quality of dishes and speed of service.
- Assigning personnel to take custody of the purchasing and recording of low-value consumables. Each department makes an inventory of the use of low-value consumables on a daily basis, summarizes usage weekly and replenishes stock according to the inventory daily.

While developing and implementing the above measures, it is equally important to develop employees' awareness of water-saving and energy-saving. As a new restaurant staff joins the Company, the restaurant manager trains the staff on energy-saving habits through on-site operation demonstrations and arranges the responsible staff to check the implementation of the above measures in daily operations.

The introduction of the OEM supply system also contributes to the Company's energy-saving and emission-reduction management. Due to the simplification of operations, the raw materials used and the resources consumed for processing food are also significantly reduced. Taking Shanghai Shangjia restaurant of the "Shanghai Min" brand as an example, relative to sales turnover for the respective year, water expenses decreased by 3.01% in 2015 to 1.96% in the first half of 2017, a decrease of 34.9%. Water consumption in each restaurant has been greatly reduced; Also, relative to sales turnover for the respective year, natural gas cost decreased from 1.25% in 2015 to 0.8% in 2017, a decrease of 36% and; electricity cost decreased from 1.74% in 2015 to 1.45% in 2017, a decrease of 16.7%. Overall, OEMs have significantly reduced the consumption of water, energy and natural gas. The Company will continue to record and pay attention to the resource consumption of each restaurant to achieve the long-term development goal of controlling operating costs and optimizing resources utilization.



### 7.1.2 Emissions Control

In compliance with Regulations of *Shanghai Municipality on the Prevention and Control of Atmospheric Pollution* and Shanghai City's *Emission Standard of Cooking Fume*, TANSI Global installs cooking fume purification facilities in all restaurants and tests fume pollutants before the official opening of restaurants to ensure our compliance with relevant national and regional standards. At the same time, we clean the fume pipeline every three months and regularly receive inspections from relevant regulatory authorities to meet compliance requirements and minimize cooking fumes and odor emissions, thus avoid impact on neighbour residents.

In addition to controlling air pollution, we also manage food wastes through relevant measures. The Company develops and implements the *Kitchen Oil Management System* to regulate the use of cooking oil. We also install oil-water separators in each restaurant to separate oil and water from food wastes. According to the *Kitchen Oil Management System*, the restaurant kitchen must collect the old oil<sup>5</sup> into a designated recycling bin, recycle it by a professionally qualified waste oil recycling company and record the process in the food traceability system. In addition, we set up trash cans of different colors in the kitchen to separately collect waste and domestic garbage for recycling management.



■ Restaurant Old Oil Storage Place



■ Restaurant Trash Cans. Orange for Food Waste, Green for Domestic Waste

Other than regulating the behaviour of our employees, we encourage customers to participate in the action of reducing food waste as well. We post reminders slogans such as “wise ordering, take away the leftovers, say no to waste” in the dining area to promote the habit of civilized dining and saving food to our customers.

<sup>5</sup> After tested by 3M sheets, oil with acid value reaches or exceeds the standard value of 3 or determined by its color that it cannot be reused, is defined as old oil and must be discarded.







■ Shanghai "Shanghai Min" Restaurant Advocates Food Saving by Posting Promotional Slogans

#### "Clear Your Plate" Campaign

In 2017, the Company promoted the "Clear Your Plate" campaign in many restaurants. In addition to the slogan promotion, we reminded customers to order food in a proper amount. We also encouraged customers to pack unfinished meals home. Since the implementation of the "Clear Your Plate" campaign, the amount of food waste in restaurants has decreased, and we will continue to record the effectiveness of the campaign in the future.



■ "Shanghai Min" Staff Interviewed by Reporters on "Clear Your Plate" Campaign; "The Dining Room" Restaurant Promote "Clear Your Plate" Campaign



## 7.2 Environmental Performances

In 2017, the Company introduced and developed the ESG data collection and management system for the first time. By recording, calculating and analyzing emissions and resource usage data of the Company's headquarters and restaurants, we strengthened the management of the Company's environmental performance. During the Reporting Period, we successfully collected and calculated environmental performance data of the Company's headquarters, 6 "The Dining Room" restaurants and 23 "Shanghai Min" restaurants. In the future, we will steadily promote environmental performance management and gradually expand the data collection scope.

Table: 2017 Environmental Performance of the Company's Headquarters in Shanghai

2017 Environmental Performances of Headquarters		
Indicator	2017 Performance	Unit
Air Pollutant Emissions <sup>6</sup>		
NO <sub>x</sub>	283.87	kg
SO <sub>x</sub>	1.44	kg
CO	308.53	kg
PM	7.25	kg
Greenhouse Gas Emission		
Greenhouse Gas Emission (Scope 1) <sup>7</sup>	78.28	tonne
Greenhouse Gas Emission (Scope 2) <sup>8</sup>	129.70	tonne
Total	207.98	tonne
Resource Consumption		
Electricity Consumption	184,363	Kwh
Water Consumption	0.39	10,000 tonnes
Natural Gas Consumption	2,419.88	m <sup>3</sup>
Gasoline Consumption	26,133.16	Liter
Diesel Consumption	4,801.05	Liter

<sup>6</sup> Air pollutant emissions come from exhaust emissions of the vehicles owned or controlled by the Company and pollutant emissions caused by natural gas combustion.

<sup>7</sup> Scope 1 greenhouse gas emission comes from exhaust emissions of the vehicles owned or controlled by the Company and greenhouse gas emission caused by natural gas combustion;

<sup>8</sup> Scope 2 greenhouse gas emission are indirect greenhouse gas emission from the production of electricity purchased by the Company. The emission data is calculated based on total electricity consumption of the Company's headquarters during the Reporting Period;



Table: 2017 Environmental Performance of “The Dining Room” (6 restaurants) located in Shanghai

2017 Environmental Performance of “The Dining Room” <sup>9</sup>				
Indicator	2017 Performance	Unit	Intensity	Unit
Air Pollutant Emissions <sup>10</sup>				
NO <sub>x</sub>	2,434.04	kg	3.13	g/customer
SO <sub>2</sub>	98.15	kg	0.13	g/customer
PM	269.92	g	0.00035	g/customer
Greenhouse Gas Emission				
Greenhouse Gas Emission (Scope 1) <sup>11</sup>	465.82	tonne		
Greenhouse Gas Emission (Scope 2) <sup>12</sup>	968.62	tonne		
Total	1,434.44	tonne	1.44	kg/customer
Resource Consumption				
Electricity Consumption	1,376,860.54	Kwh	706.08	Kwh/m <sup>2</sup>
Water Consumption	4.20	10,000 tonnes	0.04	tonne/customer
Natural Gas Consumption	196,274	m <sup>3</sup>	0.32	m <sup>3</sup> /customer
Coal-fired Gas Consumption	49,094	m <sup>3</sup>	0.31	m <sup>3</sup> /customer
Refrigerant Consumption	1.8	kg	4.72	g/m <sup>2</sup>
Packaging Material Used (Paper/Wood Products)	17,445	kg	17.49	g/customer
Packaging Material Used (Plastic Products)	14,119	kg	14.16	g/customer
Non-hazardous Waste				
Old Oil Produced <sup>13</sup>	4,478	kg	4.49	g/customer
Food Waste Produced	53,645	kg	53.79	g/customer
Other Waste Produced	28,270	kg	28.35	g/customer
Hazardous Waste				
Wasted Light Bulbs Produced <sup>14</sup>	243	piece	0.12	piece/m <sup>2</sup>

<sup>9</sup> This table accounted the environmental performance of 6 “The Dining Room” restaurants of the Company located in Shanghai;

<sup>10</sup> Among the 6 “The Dining Room” restaurants in the reporting scope, 4 restaurants use natural gas and 1 restaurant use coal-fired gas. Air pollutant emissions comes from pollutant generated from the combustion of natural gas and coal-fired gas;

<sup>11</sup> Scope 1 greenhouse gas emission comes from the greenhouse gas emissions generated from combustion of natural gas and coal-fired gas and using of refrigerant;

<sup>12</sup> Scope 2 greenhouse gas emission are indirect greenhouse gas emission from the production of electricity purchased by the restaurants. The emission data is calculated based on total electricity consumption of the 6 “The Dining Room” restaurants during the Reporting Period;

<sup>13</sup> The old oil produced by the Company’s restaurants is properly handled by a third party with legal qualifications in accordance with the Company’s *Kitchen Oil Management System*.

<sup>14</sup> The wasted light bulbs produced by the Company’s restaurants are properly handled by a third party with legal qualifications.



Table: 2017 Environmental Performance of “Shanghai Min” (23 restaurants) located in Shanghai

2017 Environmental Performance of “Shanghai Min” <sup>15</sup>				
Indicator	2017 Performance	Unit	Intensity	Unit
Air Pollutant Emissions <sup>16</sup>				
NO <sub>x</sub>	13,047.82	kg	5.54	g/customer
SO <sub>2</sub>	521.91	kg	0.22	g/customer
PM	1,304.78	g	0.00055	g/customer
Greenhouse Gas Emission				
Greenhouse Gas Emission (Scope 1) <sup>17</sup>	2,821.11	tonne		
Greenhouse Gas Emission (Scope 2) <sup>18</sup>	5,601.08	tonne		
Total	8,422.19	tonne	3.58	kg/customer
Resource Consumption				
Electricity Consumption	7,961,733.78	Kwh	190.30	Kwh/m <sup>2</sup>
Water Consumption	20.65	10,000 tonnes	0.09	tonne/customer
Natural Gas Consumption	1,304,782	m <sup>3</sup>	0.55	m <sup>3</sup> /customer
Non-hazardous Waste				
Old Oil Produced <sup>13</sup>	30,721.52	kg	13.05	g/customer
Hazardous Waste				
Wasted Light Bulb Produced <sup>19</sup>	* 19	piece	* 19	piece/m <sup>2</sup>

<sup>15</sup> This table accounted the environmental performance of 23 “Shanghai Min” restaurants of the Company located in Shanghai;

<sup>16</sup> Air pollutant emissions come from pollutant emissions caused by natural gas combustion of the restaurants within the collection scope;

<sup>17</sup> Scope 1 greenhouse gas emission comes from the greenhouse gas emissions generated from combustion of natural gas used by the restaurants within the collection scope;

<sup>18</sup> Scope 2 greenhouse gas emission are indirect greenhouse gas emission from the production of electricity purchased by the restaurants. The emission data is calculated based on total electricity consumption of the 23 “Shanghai Min” restaurants during the Reporting Period.

<sup>19</sup> Statistics are being computed and will be disclosed in future reports.





## 8 CONCENTRATE ON DEDICATION: ENVIRONMENTAL WELFARE AND BENEFITING THE COMMUNITY

TANSH Global has not only focused its concern on customers and other stakeholders, but also paid attention to harmonious development of the local community and the whole society. The Company was actively uniting with other companies to organize and promote various charitable activities on WeChat official account and other platforms in 2017.

### 8.1 Environmental Welfare

"The Dining Room" of TANSH Global and bicycle-sharing service provider Mobike had joint together and offered a promotion in which customers spending above a certain amount were rewarded to a monthly pass for complimentary bicycle rides, encouraging our clients to pick green and environmental friendly ways to travel with low carbon emission so as to contribute to global warming mitigation. The promotion was highly appreciated and had gathered many participants since its initiation after being promoted on WeChat official account and restaurants. We are planning to continuously hold such activities in the future and participate more in environmental protection events.



■ Joint Monthly Card of "The Dining Room" and Mobike

### 8.2 Community Charity

In 2017, TANSH Global brand "The Dining Room" organized many charity programs to raise funds for China Children and Teenagers' Fund, including the "The Caring Program: Unconstrained Idea", "Love Membership: Hello Kids" and other kinds of programs. During these activities, each membership card obtained by our customers would lead to the Company's donation with corresponding amount of money to children living in poverty-stricken areas.

#### "Caring Program: Unconstrained Idea"

In November 2017, "The Dining Room" had promoted the "Caring Program: Unconstrained Idea" children painting competition on its WeChat official account and at its restaurants. The collected paintings for the competition were evaluated by public voting. TANSH Global conducted donations to the project "Hello Kids" of China Children and Teenagers' Fund in the name of the children whose paintings had won top three ranking in the painting competition.

■ "Hello Kids" charity project of China Children and Teenagers' Fund



## 9 CONTENT INDEX OF THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT”

A. Environmental			
Items	Descriptions		Reference Chapter
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		7.1 Energy Consumption and Emission Reduction Management
Key Performance Indicators	A1.1	The types of emissions and respective emissions data.	7.2 Environmental Performances
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.2 Environmental Performances
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.2 Environmental Performances
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.2 Environmental Performances
	A1.5	Description of measures to mitigate emissions and results achieved.	7.1.2 Emission Control
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	7.1.2 Emission Control



A. Environmental			
Items	Descriptions		Reference Chapter
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		7.1.1 Resource Usage
Key Performance Indicators	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	7.2 Environmental Performances
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.2 Environmental Performances
	A2.3	Description of energy use efficiency initiatives and results achieved.	7.1.1 Resource Usage
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	7.1.1 Resource Usage
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	7.2 Environmental Performances
Aspect A3: Environmental and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.		7.1 Energy Consumption and Emission Reduction Management
Key Performance Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.1 Energy Consumption and Emission Reduction Management 8.1 Environmental Welfare



B. Social			
Items	Descriptions		Reference Chapter
Aspect B1: Employment			
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, anti-discrimination, and other benefits and welfare		6.1 Talents Strategies 6.2 Employee Rights
Key Performance Indicators	B1.1	Total workforce by gender, employment type, age group and geographical region.	6.1 Talents Strategies
	B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 Talents Strategies
Aspect B2: Health and Safety			
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 providing a safe working environment and protecting employees from occupational hazards.		6.4 Health and Safety
Key Performance Indicators	B2.1	Number and rate of work-related fatalities.	5.2 Prioritizing Safety of Food
	B2.2	Lost day due to work injury.	5.2 Prioritizing Safety of Food
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.2.2 Operator Management 6.4 Health and Safety



B. Social			
Items	Descriptions		Reference Chapter
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		5.2.2 Operator Management 6.3 Grow Together
Key Performance Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Statistics are being computed and will be disclosed in future reports
	B3.2	The average training hours completed per employee by gender and employee category.	Statistics are being computed and will be disclosed in future reports
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		6.1 Talents Strategies
Key Performance Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Talents Strategies
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Talents Strategies
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.		5.3 OEM Supply Chain;
Key Performance Indicators	B5.1	Number of suppliers by geographical region.	Statistics are being computed and will be disclosed in future reports
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.3.1 Supplier Inspection



B. Social			
Items	Descriptions		Reference Chapter
Aspect B6: Product Responsibility			
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		5.2 Prioritizing Safety of Food 5.5.1 Advertising and Labeling 5.5.2 Protect Privacy and Safety
Key Performance Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.2.4 To Nip Risks in the Bud
	B6.2	Number of products and service related complaints received and how they are dealt with.	5.4.2 Customer Complaints and Responses
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.5.1 Advertising and Labeling
	B6.4	Description of quality assurance process and recall procedures.	5.4 Quality Assurance and Product Recall
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.5.2 Protect Privacy and Safety 5.5.4 Measures for Complaint
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.		5.5.3 Anti-corruption
Key Performance Indicators	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.	5.5.3 Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	5.5.4 Measures for Complaint



B. Social			
Items	Descriptions		Reference Chapter
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.		8 Concentrate on Dedication: Environmental Welfare and Benefiting the Community
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8 Concentrate on Dedication: Environmental Public Interest and Benefiting the Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Statistics are being computed and will be disclosed in future reports

