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Xiabuxiabu Catering Management (China) Holdings Co., Ltd.

呷哺呷哺餐飲管理(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 520



ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2018



About This Report



Reporting Period

This report covers the period from 1 January 2018 to 31 December 2018, with some information and figures tracing back to earlier years beyond the stated reporting period.



Publication Cycle

This report is an annual report published annually.



Organizational Scope

For information regarding the reporting scope, please refer to the organizational structure chart of Xiabuxiabu Catering Management (China) Holdings Co., Ltd..



Compilation Guidelines

This report has been prepared with reference to the *Environmental, Social and Governance Reporting Guide* (the “ESG Guide”) issued by the Hong Kong Stock Exchange, as well as the *GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB).



Data Source

All the data in this report are derived from the official documents and statistical reports of Xiabuxiabu Catering Management (China) Holdings Co., Ltd..



Reference

In order to facilitate the presentation and reading, the words “Xiabuxiabu”, “the Company” or “we” in this report refer to “Xiabuxiabu Catering Management (China) Holdings Co., Ltd.”. Unless otherwise specified, the currency unit “Yuan” used in the report refers to “RMB”.



Access to the Report

The electronic version of the report is available at the Company's website (<http://www.xiabu.com/>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>).

This report is published in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.



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2018



Chairman's Message

2018 marked the 20th anniversary for the establishment of Xiabuxiabu brand. Over the past 20 years, Xiabuxiabu has been committed to creating comfortable and elegant dining environment and providing exquisite food for our customers. During the past 20 years, we made strenuous efforts to optimise our operation and innovate our business model, with an aim to provide high quality hotpot cuisine for more customers with better services. As of 31 December 2018, the Group owned and operated 886 Xiabuxiabu restaurants in 108 cities over 20 provinces and in three centrally administered municipalities, namely Beijing, Tianjin and Shanghai, in China. The Group also owned 48 Coucou restaurants in Jiangsu, Hubei, Hunan, Henan, Hebei, Shandong, Shanxi, Fujian, Shaanxi, Zhejiang and Guangdong provinces and Beijing and Shanghai municipalities. In 2018, the Group opened a total of 195 new restaurants, including 168 Xiabuxiabu restaurants and 27 Coucou restaurants. The Group recorded a revenue of RMB4,734.1 million, representing an increase of 29.2% as compared to 2017. Restaurant level operating profit amounted to RMB897.6 million, representing an increase of 11.9% as compared to 2017.

As a corporate citizen, while maintaining a high-speed development, we always bear our social responsibility in mind and proactively fulfil our obligations, making continuous efforts to promote food safety, industry innovation, energy conservation and environmental protection, employee development, social public welfare, etc.

Chairman's Message

We place emphasis on food safety to provide quality food. Over the past 20 years, we always upheld the motto of “high quality derives from persistent efforts”. We implement strict food safety and quality control standards and measures in every aspect of the whole process covering from supply chain, logistics, food processing to restaurant operation, in an effort to provide safe and quality products for our customers. We select quality suppliers, implement stringent supplier management and food quality inspection procedures, and adhere to the direct distribution approach, so as to provide customers with healthier, more hygienic and enjoyable dining experience, achieving “a perfect balance between high cost performance and high quality”.

We push forward innovations to lead industry reform. As an important part of our core values, we proactively promote innovative development in our daily operation by making constant improvement to every aspect of operation covering business model, products, equipment, production process, decoration, services, etc., so as to provide consumers with better dining experience. With these constant innovations and reforms, we also set an exemplary model for our peer companies in the industry.

We promote environmental protection and energy conservation to achieve green operation. Xiabuxiabu implements the concept of sustainability and green operation by promoting energy-saving, low-carbon and environmental-friendly operation throughout the whole operation process. In constructing and renovating our restaurants, we take measures to realise green construction and adopt the application of new energy-saving equipment for restaurant operation. Furthermore, we advocate the green, healthy, energy-saving and environmental-friendly lifestyle to the consumers and encourage the customers to incorporate such ideas into their daily lives and consumption habits through organising marketing campaigns regarding environmental protection, in a joint effort to protect our green home.

We uphold the people-oriented principle with emphasis on employee development. A high-quality team of employees is fundamental to the development of the Company. As of the end of 2018, we had a total of 26,219 employees. In terms of talent selection and promotion, recruitment and cultivation, and under the principles of “equity, fairness and openness”, Xiabuxiabu strives to foster a diverse and inclusive corporate culture, proactively push ahead the building of talent echelons and enhance its best employer image. In addition to our efforts to protect the basic rights and interests of the employees, the Company is committed to improving the work experience of employees and creating a safer and happier working environment for employees. Meanwhile, the Company attaches great emphasis to the career development of our employees and provides comprehensive training system which offers business-oriented and differentiated trainings for employees, enabling the business and function departments to achieve their respective training objectives through various means such as a combination of online and offline courses, seminars, etc. In 2018, Xiabuxiabu proactively pushed forward the establishment and application of Xiabu Academy (呷哺大學堂), and took various measures such as resource consolidation management, promotion and incentives to inspire employees' learning enthusiasm, so as to cultivate desirable talents and promote mutual development of the Company and its employees.

Chairman's Message

We devote ourselves to public welfare activities by contributing to the community. As a member of the society, Xiabuxiabu is committed to fulfilling its social responsibility. While striving to expand our business operation, we take an active part in social public welfare activities. In 2018, we participated in and made donation to the Happy Homeland – Donation of Wolfberry Trees for Ningxia Region (幸福家園 – 寧夏地區捐贈枸杞樹活動) organised by China Green Foundation, which inspires a great number of farmers in the surrounding areas to plant economically valuable and ecologically sound trees to develop forestry and fruit growing business. Furthermore, we provided financial support for students in the impoverished mountainous areas of Wangmo County, Qianxi, Guizhou Province, offering them the opportunity to pursue further study outside their hometown. We take an active part in the national poverty alleviation initiative and cooperate with the poverty-stricken counties and cities in Inner Mongolia, Gansu and Xinjiang to explore opportunities and ways to help them get rid of poverty as soon as possible.

During the past year, Xiabuxiabu stayed true to its original aspiration and continued to make contribution to the society and fulfil its social responsibility. Looking forward, we will continue to increase investment to provide our customers with better products and dining experience. Xiabuxiabu will continue to enhance its competitiveness, so as to strengthen its ability to shoulder greater social responsibility and create greater value for the stakeholders.



ESG Management

Xiabuxiabu continues to promote its ESG management by establishing sound ESG management mechanism and incorporating the ESG management into its corporate governance. We take measures to get an understanding of internal appeals which is used as important basis for materiality issues analysis, and place emphasis on the management of such issues. In addition, we maintain close communication with our stakeholders and take measures to improve our ESG strategy and performance. We make every effort to build a better life, win recognition from the industry and even the society, realise the economic, environmental and social value of the Company and promote sustainable development.

ESG Management Mechanism

Under our interlinked ESG management mechanism, the Board of Directors is responsible for reviewing and making decisions on the material ESG-related issues of the Company. The ESG working group has been established in the head office which consists of various departments involved in employees, food safety, public welfare and other ESG issues. In specific, the public affairs department which acts as the leading department of the ESG working group is responsible for the coordination and arrangement of the ESG work, while other departments of the head office are responsible for the implementation of specific tasks as well as maintaining and reporting the annual ESG information regarding the issues handled by the respective departments, coordinating the task implementation and information reporting by each operating entity, and assigning a contact person for the ESG work who is responsible for the coordination and management of the issues handled by the department that he works for. The relevant departments of local operating entities carry out the implementation of specific tasks in accordance with the requirements of the head office and report the ESG information on a regular basis, so as to form a sound interlinked and synergetic system.



Stakeholder Communication

Xiabuxiabu makes prompt response to the investors, pays great attention to the concerned issues of the stakeholders and makes strenuous efforts to meet their expectations, which are deemed to be essential to the long-term development of the Company. We have established diverse communication channels with the stakeholders, and made proactive efforts to understand their expectations and demands in our performance of social responsibility, so as to mitigate potential operation risks, fulfil our basic social responsibility and create value for the stakeholders.

Stakeholders	Communication mode	Expectations and aspirations	Our response
Government and regulatory authorities	<ul style="list-style-type: none"> Daily communication Submission of information Workshop and survey 	<ul style="list-style-type: none"> Compliance operation Stringent internal control and risk management 	<ul style="list-style-type: none"> Enhancing compliance operation Fulfilling tax obligations Strengthening security management
Investors	<ul style="list-style-type: none"> Regular information disclosure General meetings Daily communication Official website 	<ul style="list-style-type: none"> Satisfactory operating results Sustained and steady growth Operation with integrity and transparency 	<ul style="list-style-type: none"> Constantly improving our ability to create value Strengthening risk management of the Company Promoting transparent and open information disclosure Enhancing investor management
Consumers	<ul style="list-style-type: none"> Complaint hotline Restaurant service communication Customer service email account Customer satisfaction survey 	<ul style="list-style-type: none"> Food safety Efficient and quality service Nutritious, healthy and diversified product mix Sub-brand building 	<ul style="list-style-type: none"> Implementing strict control over food procurement Adopting direct distribution approach Elaborately preparing ingredients Optimising dining environment Safeguarding consumers' rights and interests

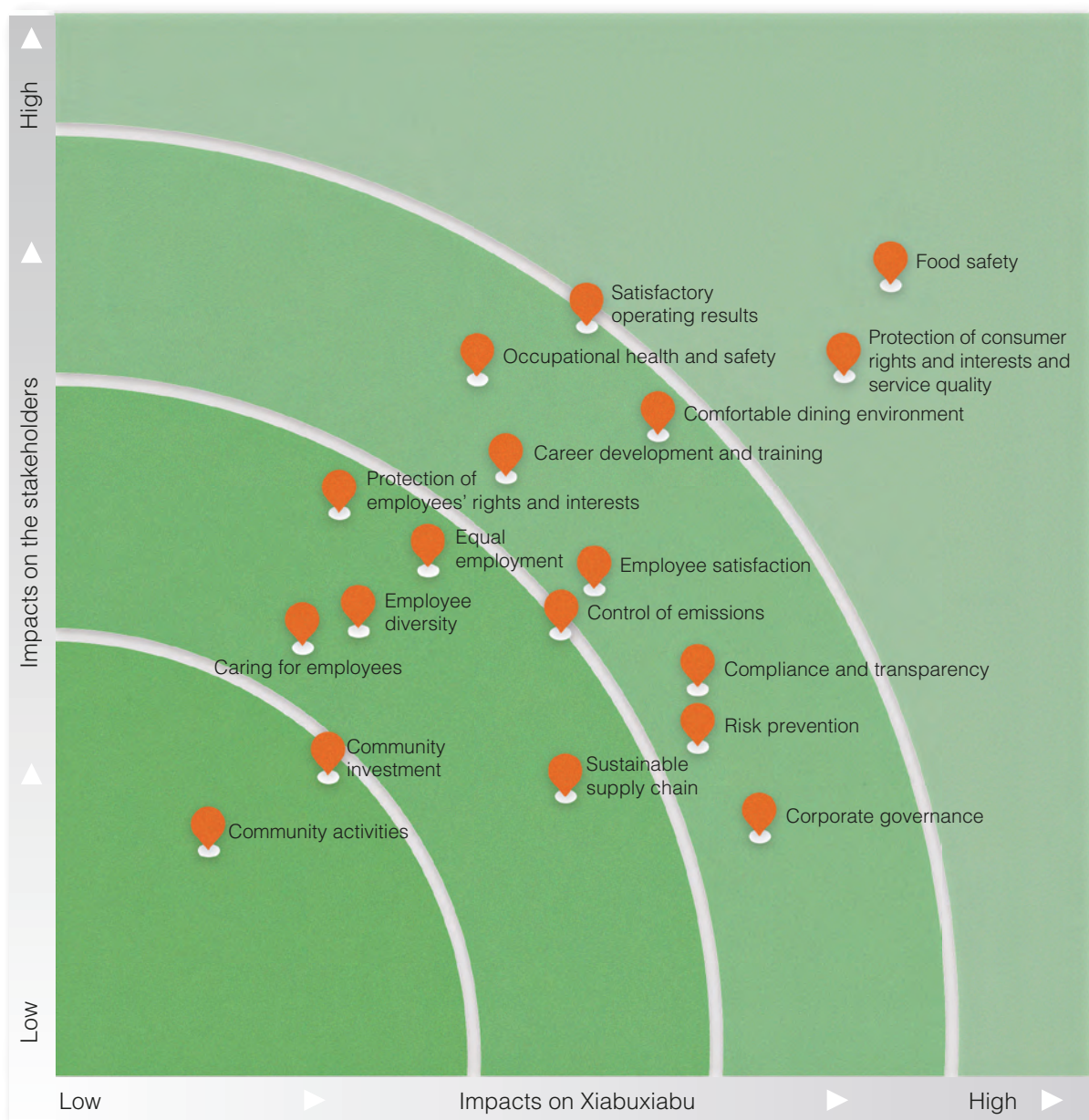


ESG Management

Stakeholders	Communication mode	Expectations and aspirations	Our response
Environment	<ul style="list-style-type: none"> Advocating the concept of environmental protection Adhering to the strategy of sustainable development Disclosure of environmental information 	<ul style="list-style-type: none"> Supporting energy conservation and emission reduction, and promoting low-carbon lifestyle Emission of greenhouse gas (GHG) Disposal of kitchen wastes Energy consumption Resource conservation Sticking to the strategy of green development 	<ul style="list-style-type: none"> Promoting environmental-friendly and low-carbon operation of restaurants Strictly managing treatment of kitchen wastes Advocating the concept of green office
Employees	<ul style="list-style-type: none"> Labour contract Training exchange Performance management mechanism Online communication platforms for our employees 	<ul style="list-style-type: none"> Protecting the legitimate rights and interests of the employees Remuneration and benefits Providing fair and equal employment opportunities Providing diversified development and promotion opportunities 	<ul style="list-style-type: none"> Implementing fair recruitment practice Providing diversified training and study programs Providing smooth career development path Organising staff activities to promote a healthy work-life balance
Suppliers and business partners	<ul style="list-style-type: none"> Supplier assessment Cooperation agreements Regular visits 	<ul style="list-style-type: none"> Fair procurement policy and fulfillment of promises Ensuring food quality and safety Local procurement 	<ul style="list-style-type: none"> Enhancing procurement management Implementing "farm-to-table" project Implementing fair and open procurement
Community	<ul style="list-style-type: none"> Community activities Community services 	<ul style="list-style-type: none"> Promoting safety compliance operation Organising activities for community charity to promote community harmony 	<ul style="list-style-type: none"> Enhancing restaurant safety management Organising public welfare activities

Materiality Issues Analysis

Regarding the relevant ESG issues, by maintaining communication with all stakeholders and from the perspectives of both the stakeholders and our business, we identify major issue matrix of Xiabuxiabu by sorting out such issues based on their respective impacts on the stakeholders and the Company, and prepare relevant reports and develop effective strategies in respect of such issues.



Theme: Focusing on Innovation and Quality for the Past Twenty Years

We were committed to pursuing excellence. 2018 marked the 20th anniversary for the establishment of Xiabuxiabu brand. For the twenty years since the commencement of operation in 1998, we were dedicated to providing cordial services and quality food for our customers by introducing bar-style mini hotpot cuisine to Mainland China and combining the traditional dining culture with modern wellness concept, with an aim to become the consumers' first choice of brand.

The brand "Xiabuxiabu" was created, and the bar-style mini hotpot cuisine was introduced to Mainland China

1998

The first restaurant of Xiabuxiabu – the Restaurant at Pearl Xidan, Beijing was opened

1999

Xiabuxiabu entered into the rapid development stage and gained financial support from Actis (a global emerging market private equity fund), and was ranked as one of the top 100 restaurant brands in China

2000–
2009

Xiabuxiabu entered into Shanghai market and began to explore and establish business presence in the Eastern China market

2010

Xiabuxiabu expanded business presence in many cities across the country rapidly and formed strategic partnership with General Atlantic L.L.C., with a total of over 400 restaurants, becoming one of the major chain catering enterprises in China

2011–
2013

Xiabuxiabu Catering Management (China) Holdings Co., Ltd. was successfully listed on the main board of The Stock Exchange of Hong Kong Limited

2014

Xiabuxiabu continued to expand at a fast pace and launched the mid-to-high end restaurant brand "Coucou" with the fusion of "hotpot and tea" for gatherings, which has been expanded from Beijing to Shanghai and Shenzhen

2015–
2016

Xiabuxiabu implemented full-fledged upgrade, providing customers with better experience and services in terms of restaurant decoration, products, services and other aspects. The Company launched the household condiment product line under the brand of Xiabuxiabu in 2017 which are sold in supermarkets and e-commerce platforms. In 2018, the Company also prepared to open high-end Xiabuxiabu flagship restaurants to lead the new trend of casual light meal

2017–
2018

Theme: Focusing on Innovation and Quality for the Past Twenty Years

We were dedicated to providing quality food for customers. Xiabuxiabu believes that “high quality derives from persistent efforts”. Over the past 20 years, we always kept a close watch on market changes and made continuous efforts to improve and innovate our operation. Based on our “bar-style mini hotpot” business model, and with an aim to satisfy customers’ emotional and communication needs, we implemented upgrade for some Xiabuxiabu restaurants and seized the opportunity to launch the casual light meal brand of Coucou with innovative tea drinks, offering our customers a whole new experience with the fusion of hotpot and tea. For the past 20 years, we stuck to the mission of creating “a perfect balance between high cost performance and high quality” and enhanced management over every aspect of operation from procurement, transportation to restaurant supply, so as to ensure fresh, quality and safe food for our customers.

Coucou restaurant

A mid-to-high end brand providing the fusion of “hotpot and tea”, which innovates the traditional hotpot business pattern to provide an elegant dining environment

Xiabuxiabu restaurant

Xiabuxiabu is originated from Taiwan, a popular brand with stylish mini hotpot among consumers. Xiabuxiabu is among the Top 100 Restaurant Brands in China and targets on consumption mainly for friend and family gatherings

Takeout & delivery brand

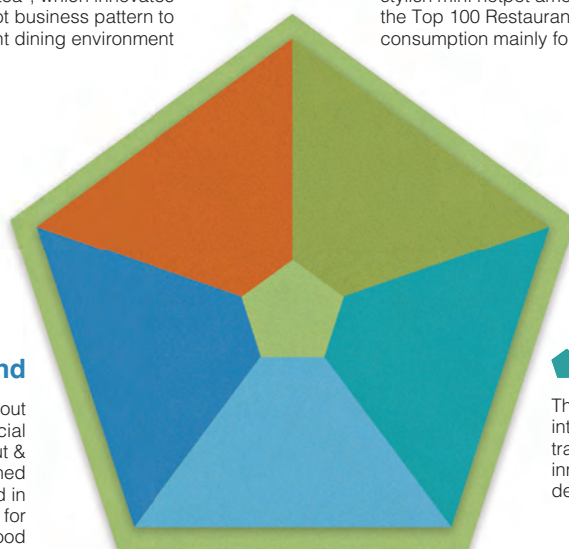
By joining hands with third-party takeout platforms and leveraging on our official online platform, we launched the takeout & delivery business. The Company launched the “Xiazhuxiatang” (呷煮呷燙) brand in 2017, which provides delivery services for cooked food

Taiwanese-style shaken tea drinks

Through the fusion of “hotpot and tea”, the Group introduces earth-breaking changes to the traditional business pattern with cross-industry innovation, opening up new blue ocean for the development of the Group

Hotpot condiment products

Our in-house condiment products including Xiabuxiabu hotpot soup base, dipping sources and seasoning sauces are sold via various online and offline channels



Theme: Focusing on Innovation and Quality for the Past Twenty Years

We were devoted to responsible operation. Upholding the core values of “unity, pragmatism, integrity, diligence and creativity”, Xiabuxiabu proactively explored for operation models to promote sustainable development, attached emphasis to the rational and efficient use of resources as well as environmental and ecological protection, treated employees with care and nurturing, promoted win-win throughout the value chain, focused on product quality and service quality, advocated integrity operation, and proactively made contribution to the society. We paid great attention to the demands of all stakeholders and gave prompt response. While striving to achieve the vision of “Becoming the leading Chinese catering company with business presence across China and around the world”, we actively gave back to the society and fulfilled our social responsibility. Furthermore, we implemented sustainable operation model to establish sustainable brand value chain. Leveraging on our advantages as a catering company, we made our contribution to the wellness and green development of the customers and society.



Theme: Focusing on Innovation and Quality for the Past Twenty Years

We have won numerous honours and awards. Through our relentless efforts and commitment to quality for the past twenty years, Xiabuxiabu has earned recognition by the public consumers and won high praises from the industry.

Xiabuxiabu has been recognised as one of the “Top 100 Restaurant Brands in China” since 2009, and has been awarded a number of titles such as “Top 10 Business Brands in Beijing”, “Top 10 Restaurant Brands in Beijing” and “Top 50 Catering Enterprise (Group) in Beijing” since 2011. In addition, Xiabuxiabu was also granted a number of honours such as “Top 50 Chinese Fast-food Brands”, “Top 50 Most Valuable Enterprises in China”, “Chinese Corporate Social Responsibility Outstanding Enterprise Award”, “Top 100 Food Safety Model Enterprises in China”, “Chinese Cuisine – Favourite Restaurants” and “Food Safety Outstanding Business Cases”. The product series including Xiabuxiabu hotpot and Xiabuxiabu condiment products was awarded the titles of “Beijing Specialty Hotpot” and was included into the first list of “Beijing Specialty Cuisine”. In addition, Xiabuxiabu is among the “Beijing Famous Trademarks”, Advanced Tax-paying Units and Top 50 Corporate Tax Payers in Economic Development Zone.



Pictures: Exhibition of some of the awards received by Xiabuxiabu in 2018



Theme: Focusing on Innovation and Quality for the Past Twenty Years

Awards	Issuing bodies
2018 Golden Lily Award for Most Popular Chain Store Brands	China Chain Store & Franchise Association
Outstanding Innovation Award	China Cuisine Association
Satisfaction Brands in China	China Enterprise Evaluation Association
Venture Development Outstanding Contribution Enterprise of China's Catering Industry of the 40th Anniversary of the Reform and Opening-up	China Cuisine Association
Top 50 Catering Enterprise (Group) in Beijing	Beijing Cuisine Association
Top 10 Hotpot Restaurant Brands in Beijing	Beijing Cuisine Association
China Hotpot Industry Red Top Award	China Cuisine Association
2017 Top 500 Corporate Social Responsibility Outstanding Enterprises in China	China Enterprise Evaluation Association
2017 Top 100 Hotpot Brands in China	China Cuisine Association
2017 Top 200 Hotpot Restaurants in China	China Cuisine Association
2017 Top 100 Restaurant Brands in China	China Cuisine Association
Top 500 Restaurants in China 2017	China Cuisine Association
Top 10 Hotpot Brands of China's Catering Industry in 2017	China Cuisine Association
Top 10 Hotpot Brands of China's Catering Industry in 2017 – Gold Medal	China Cuisine Association
Top 100 Fast Food Enterprises in 2017	China Cuisine Association

Industry Organisation Engagement

China Chain Store & Franchise Association	Standing council unit
China Cuisine Association	Council unit
Beijing Cuisine Association	Deputy chairman unit
Beijing Food and Beverage Industry Association	Deputy chairman unit
Beijing Headquarters Enterprise Association	Standing council unit

Review of Annual Operating Results

Revenue of RMB4,734.1 million
A growth of 29.2% in revenue as compared to 2017
Restaurant level operating profit of RMB897.6 million
A growth of 11.9% in restaurant level operating profit as compared to 2017
Operating restaurants in 108 cities over 20 provinces and three centrally administered municipalities, namely Beijing, Tianjin and Shanghai, in China
Operating a total of 886 restaurants as of the end of 2018
195 new restaurants opened in 2018
Seat turnover rate of 2.8x for Xiabuxiabu restaurants



1 About Us



About Us

1.1 Company Profile

Xiabuxiabu Catering Management (China) Holdings Co., Ltd. owns two major brands, i.e. “Xiabuxiabu” and “Coucou”. Xiabuxiabu is originated from Taiwan and a popular brand with stylish mini hotpot among consumers. Founded in 1998 in Beijing, Xiabuxiabu is among the Top 10 Hotpot Brands in China and Top 100 Restaurant Brands in China, and was listed on the Main Board of the Hong Kong Stock Exchange on 17 December 2014.

Adhering to the principle of satisfying consumer needs and adapting to changes in the consumption patterns and catering market, Xiabuxiabu launched a mid-to-high end brand “Coucou” in Sanlitun, Beijing on 30 June 2016, introducing the perfect fusion of Taiwanese-style spicy hotpot and Taiwanese-style hand-shaken tea, which was warmly received by the public consumers immediately. In the meanwhile, Xiabuxiabu established its food companies to sell Xiabuxiabu product series including seasoning sauces, soup bases and dipping sauces mainly via channels such as e-commerce platforms and supermarkets, so as to satisfy the condiment need of consumers.

In 2018, the Group opened 168 new Xiabuxiabu restaurants and 27 new Coucou restaurants. As of 31 December 2018, the Company owned and operated 886 Xiabuxiabu restaurants and 48 Coucou restaurants in 108 cities over 20 provinces and in three centrally administered municipalities, namely Beijing, Tianjin and Shanghai, in China.

Xiabuxiabu always sticks to stringent standards and makes relentless efforts to provide customers with the best hotpot cuisine. Over the years, Xiabuxiabu has been adopting a complicated production process that consists dozens of processes to produce its in-house condiment products with unique flavour. More than 20 varieties of spices are selected to develop our delicious soup bases. With direct delivery from origin sources to each restaurant, we are able to provide customers with fresh vegetables and quality meat, offering them unique and better taste. In response to seasonal changes and consumers’ needs, we constantly introduce new high-quality products.

Upholding the motto that “High quality derives from persistent efforts”, Xiabuxiabu remains true to its original aspiration of providing quality food for its customers.

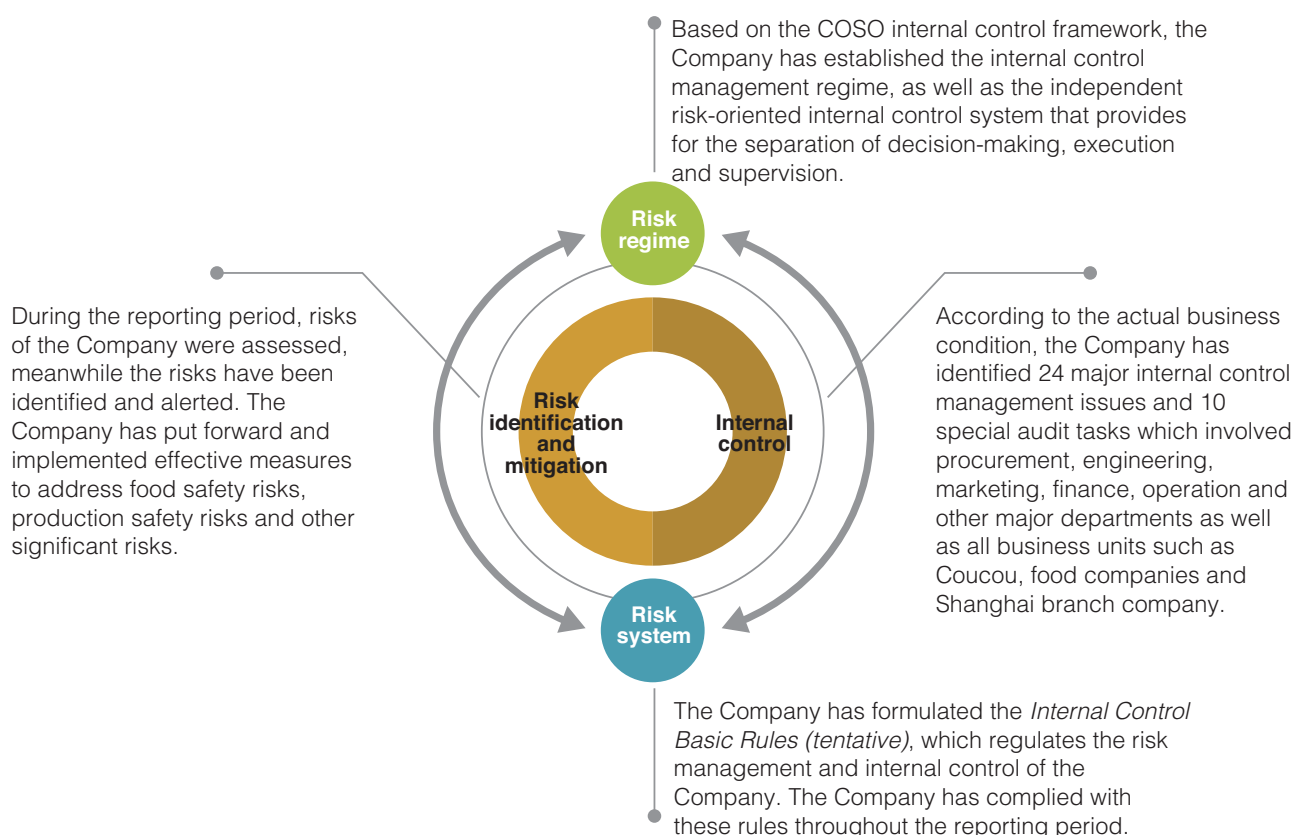
1.2 Corporate Governance

The Company strictly complies with the *Company Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Securities*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the relevant regulations of the domestic and overseas securities regulatory authorities. The Company makes great efforts to optimise its corporate governance structure and internal control framework within the Group, improve its corporate governance standard, and enhance risk management and anti-corruption management, so as to ensure compliance operation.



Risk management

During the reporting period, the Company continued to push forward the implementation of its in-house *Internal Control Basic Rules* and abided by the “321 code” (namely tripartite comparison, bipartite participation and original record for everything). In addition, the Company further improved and optimised its internal management framework, with an aim to achieve risk management, compliance operation, cost reduction, efficiency enhancement and fraud investigation.

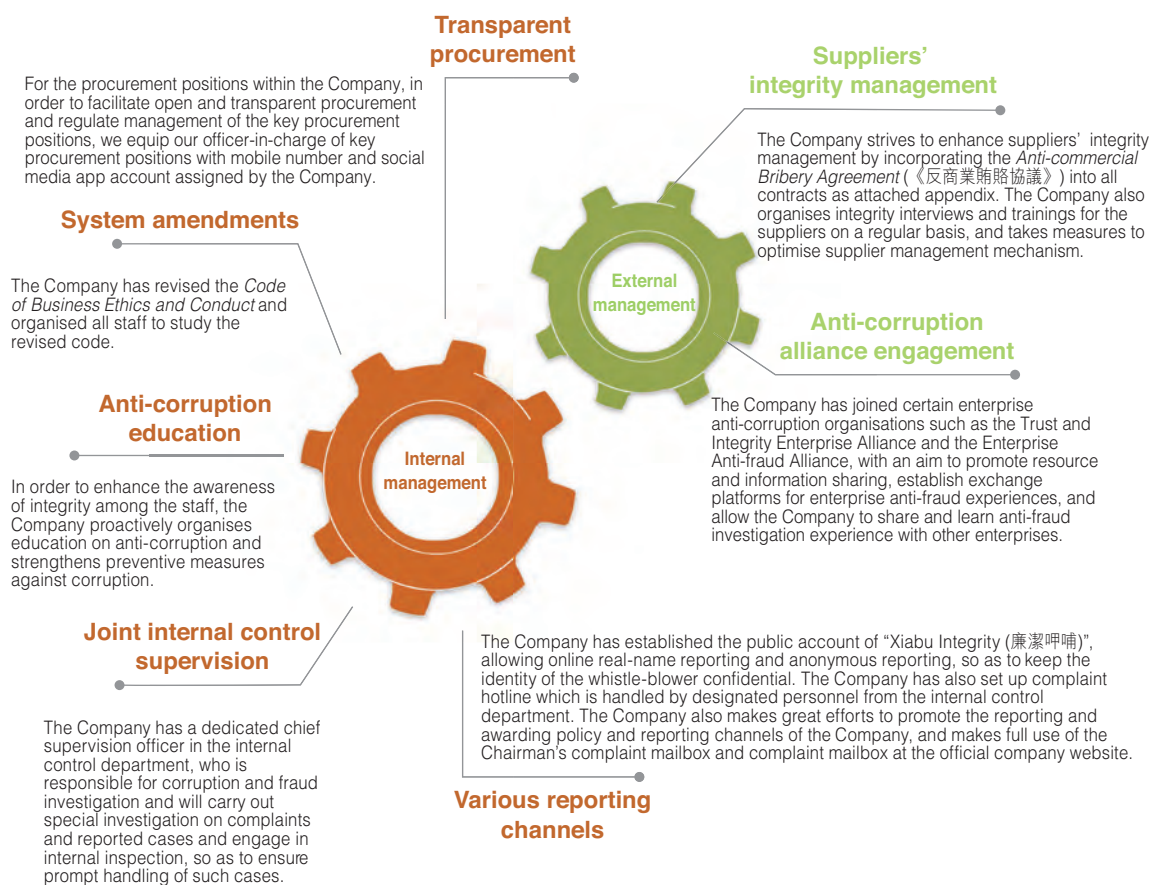


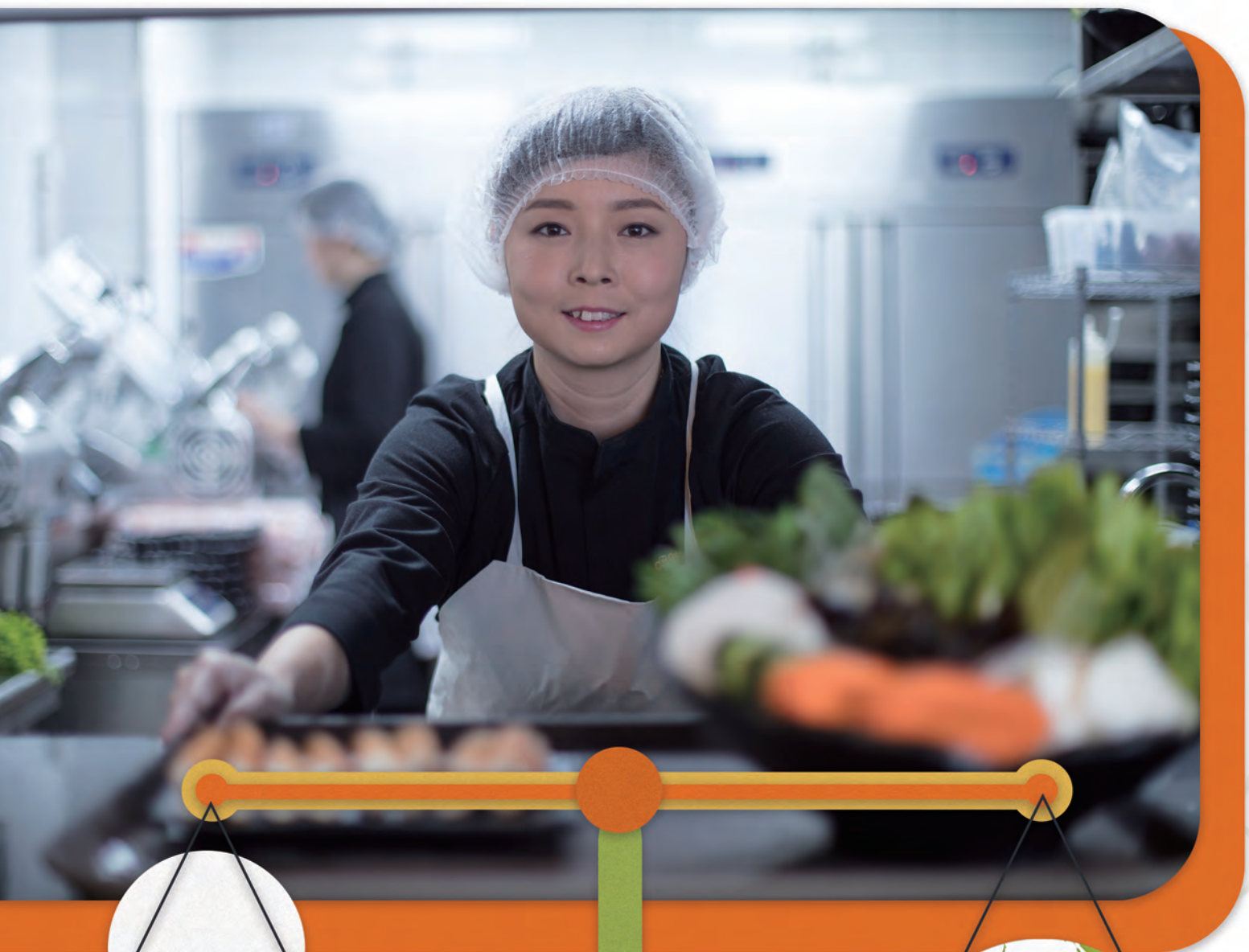
About Us

Anti-corruption

The Company continues to abide by the *Company Law of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Criminal Procedure Law of the People's Republic of China*, the *Anti-money Laundering Law of the People's Republic of China* and other laws and regulations in China. In addition, the Company has formulated the *Guidelines on Whistle-blowing Policy*. Based on the existing internal control system, the Company takes initiatives to identify fraud risks, carries out investigation on issues reported, and has zero tolerance towards corruption and fraud with an approach of prevention first and complementary with cracking-down efforts.

During the reporting period, the Company has completed the establishment of Xiabu integrity culture system. The Company spares no effort to promote integrity concept by providing in-house training for all employees and advocating such principles to all external suppliers. By optimising the reporting and award policies, the Company has improved the rewarding method for reporting. The Company has also established effective corruption and fraud prevention mechanism by enhancing internal investigation capability and strengthening anti-corruption cooperation with external companies. No legal proceedings were filed against the Company in relation to corruption cases during 2018.





2 Innovative Fusion of Hotpot and Tea

Innovative Fusion of Hotpot and Tea

Sticking to the operation philosophy of “providing nutritious fast-food at a public affordable price with cordial and attentive services while taking hygiene and cleanliness on top of its list”, Xiabuxiabu gives priority to the core interests of our customers, and is committed to providing customers with high cost performance and high quality products and services.

Over the past 20 years, with our passion for quality food, we consistently stuck to our stringent standards and made relentless efforts to provide customers with the best hotpot cuisine. We place great emphasis on food safety and continue to comply with the *Food Safety Law of the People's Republic of China* and other laws and regulations. On the procurement and logistics front, Xiabuxiabu ensures food quality by implementing strict control from the source and over the quality inspection process and adopting the direct distribution approach; in terms of the dish development, we make continuous efforts to enrich menu mix and introduce new product offerings, with an aim to present customers with more diverse, creative and delicious food; and in terms of the dining service, we provide customers with cordial, considerate and attentive services, and proactively communicate with the customers to collect feedbacks, in an effort to bring customers homey dining experience.

2.1 Selection of Quality Food

Xiabuxiabu is committed to providing customers with safe and quality ingredients. The Company believes that “high quality derives from persistent efforts”. We implement strict food safety and quality control throughout the whole process covering from production to dining table.

In order to control food quality from the source, the Company has in place a stringent supplier management system to select quality suppliers. When receiving incoming food products and conducting food processing, the Company complies with strict food safety and quality inspection procedure, sorting out proper food categories and risks and conducting regular sample inspection, so as to ensure food safety. As to logistics and distribution, the Company adheres to the direct distribution approach, and constantly optimises logistics efficiency, so as to ensure the freshness of ingredients.



Supply chain management

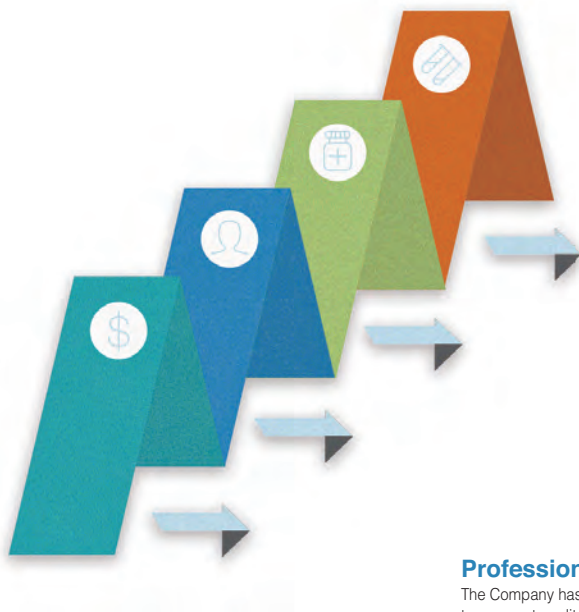
In order to ensure food quality from the source, the Company adopts standard centralised procurement approach and always cooperates with the first-class domestic and overseas suppliers in the industry through strict selection of quality suppliers. The Company has formulated the *Procurement Bidding Management System* (《採購招標管理制度》), *Regional Procurement Management System* (《地區採購管理制度》) and other rules to regulate supplier management. The Company carries out rigorous examination on the suppliers at the entry stage, implements supervision over the suppliers and optimises communication with the suppliers throughout the cooperation process, and conducts review and assessment on the suppliers in terms of product quality, accuracy and timeliness of delivery at the post-service appraisal stage, so as to form a supplier management system with whole-process supervision.



Innovative Fusion of Hotpot and Tea

Strict implementation of quality inspection

Xiabuxiabu continues to strictly comply with the regulation on incoming goods inspection and record by food enterprises under the *Food Safety Law of the People's Republic of China*. Adhering to the principle of “strict, accurate, rapid and efficient” and according to the national standards for food safety and the product standards of Xiabuxiabu, the Company improves the raw material inspection and acceptance process as well as the central kitchen quality control system, organises trainings and assessment management of QC personnel on a regular basis, and reinforces the laboratory management and testing capabilities to improve its quality inspection level.



Third-party quality inspection

During the reporting period, the Company made investments in food risk control which is mainly used to identify food safety risk indicator of ingredients and food-related products, and engaged third-party quality inspection agencies to carry out inspection on the sample ingredients. From January to December 2018, with reference to the categories of delivered goods and the sampling inspection projects implemented by national and local food and drug administrations, and in light of the food safety risk assessment, we have commissioned SGS and several other third-party inspection agencies with international credibility to carry out inspections on our daily supply, meat, seafood and surimi, soup base and condiment products, vegetables, central kitchen condiments and other food-related products, so as to ensure food safety.

Sampling inspection by risk level and product category

The Company determines the sampling rate with reference to the product category and risk level, and carries out inspection for each batch of products. For on-site internal or external labelling and sensory tests, it shall be conducted with a sampling inspection rate of 3–10%, and for products subject to physicochemical and microbiological inspection, it shall be sampled by batches. Any product that is determined as unqualified after inspection shall be refused for acceptance. For products with inconsistent quality performance during the past consecutive sampling inspections or have higher risk level, we shall implement risk assessment and increase batch inspection ratio to an appropriate percentage. During January to December 2018, a total of more than 500 categories of items were received, involving meat, daily supply (main courses), seafood and surimi, soup base and condiment products and food-related products. The indicators used for inspection include sensory, physicochemical, microbiological and other indicators.

Professional inspector support

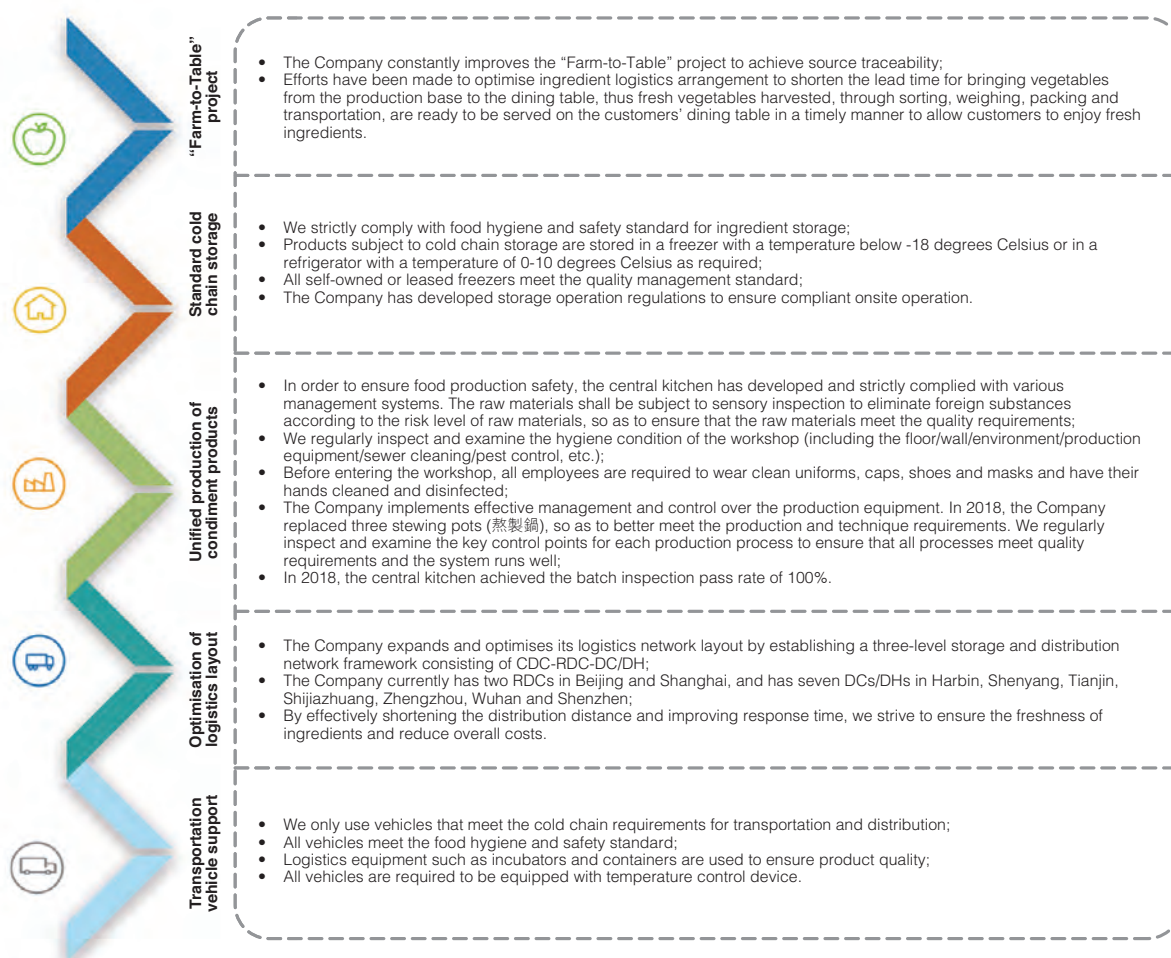
The Company has established the quality inspection laboratory and has a team of professional quality inspectors to carry out quality inspection. In addition, the professional inspectors have received trainings on food inspection technology and testing skills.

Investments in quality inspection

In order to ensure food safety from the source, the Company makes constant investments in quality inspection. During the reporting period, the Company invested over RMB6 million in quality inspection.

Direct distribution approach

Since its establishment, Xiabuxiabu adopts standard operation by strictly complying with all standards regarding food safety and quality management. In order to accommodate operation development needs and in accordance with the relevant standards, the Company has established its storage and distribution network, improved its logistics system operation standards and adopted cold chain storage throughout the whole process, so as to ensure the consistently high standard and high quality performance in every aspect of the operation of all restaurants, with an aim to protect the rights and interests of the customers.



Innovative Fusion of Hotpot and Tea

2.2 Innovative Variety of Product Offerings

As a leader in promoting healthy diet, nutritious food, distinctive delicacy and trendy dining experience, Xiabuxiabu is dedicated to providing customers with healthier, more nutritious and diverse food through optimising classic dishes and introducing new product offerings based on customer experience.

Ingredient and product innovation

Xiabuxiabu attaches emphasis to the consumption behavior of various regions and accordingly develops differentiated dishes and tableware. In addition, the Company develops distinct menus for its restaurants in various regions and creates distinctive regional specialties based on different customer tastes in various regions. In developing new products, the Company strives to enhance the distinctive flavor and texture of the ingredients.

As of the end of 2018, Xiabuxiabu restaurant developed 46 new products, including 20 products targeting the national market, 10 products targeting the southern region, 8 products for afternoon tea break and 8 “Xiazhuxiatang” (呷煮呷燙) products. In 2018, Coucou developed distinct menus for its restaurants in six regions including Beijing and other regions in Northern China, Shanghai and other regions in Eastern China, Shenzhen and other regions in Southern China. On this basis, Coucou also updated its menus for summer and winter by enriching and optimising its product offerings, with an aim to provide customers with more flavor options.



Picture: New dish for Xiabuxiabu restaurant – soup base with pork stomachs and chicken



Picture: Additional afternoon tea dish “pineapple cake” for Xiabuxiabu restaurant



Picture: Marbled meat and Korean Kimchi package under Xiazhuxiatang brand



Picture: Innovative colourful lotus tofu pot for Coucou restaurant

Diversified business mode

In order to satisfy customers' consumption needs in different scenarios, in addition to operating Xiabuxiabu and Coucou hotpot restaurants, the Company also provides customers with hotpot delivery services – “Xiabu Fresh” (呷哺小鮮) products, enabling customers to enjoy the same premium hotpot takeout products at anytime and anywhere as at our restaurants. In 2018, Xiabu Fresh takeout and delivery services are provided in 69 cities with 528 online ordering restaurants, serving 4.37 million customers for the year. Furthermore, the Company lowered distribution service fee by optimising the distribution pattern without compromising our service quality, in an effort to offer customers with more cost-effective delivery services.

Based on our takeout and delivery service business, Xiabuxiabu introduced a new brand “Xiazhuxiatang” to meet customers' needs for convenient and high quality food. Xiazhuxiatang products are characterised with features such as specialised cooking pot system, standardised taste and exquisite packaging, offering customers with high-quality boiled products and more takeout options.



Picture: Xiazhuxiatang products prepared with specialised cooking pot



Picture: Xiazhuxiatang brand exhibiting at Tianjin-Taiwan Trade Fair

2.3 Improvement of Customer Experience

Xiabuxiabu continues to comply with the *Food Safety Law of the People's Republic of China*, the *Law of the PRC on the Protection of Consumer Rights and Interests* and other relevant laws and regulations as well as the industry regulatory requirements regarding protection of consumer rights and interests, optimise policies on protection of consumers' privacy and prohibition of false advertising, improve service quality, pay close attention to customer demands and review our response to such requirements on a regular basis, so as to improve customer satisfaction.



Innovative Fusion of Hotpot and Tea

Compliant advertisement promotion

The Company strictly complies with the *Advertisement Law of the People's Republic of China* and has established stringent review process, so as to deliver true and objective description of the ingredients, dining environment and services provided by the Company to the targeted consumers. Relevant information released by brand advertising and other official corporate channels are subject to a stringent internal review process before releasing to the public. Such information shall be reviewed by the business execution department, marketing department, brand management department and legal department respectively before publication, so as to ensure the accuracy and trueness of information.

Protection of consumer privacy

Xiabuxiabu is determined to protecting customers' personal privacy. Thus, we attach great emphasis to the protection of our members' privacy, and take measures to protect our member customers' rights and interests and privacy from channels, rules, data management and other aspects.



Privacy policy and identity identification

The Company shall keep consumers' personal data confidential in accordance with the privacy policy published on the entry platform after the consumer is registered as a member. In order to protect consumers' rights and interests and to keep their information confidential, members are subject to identity identification and verification before using membership benefits.

Data management

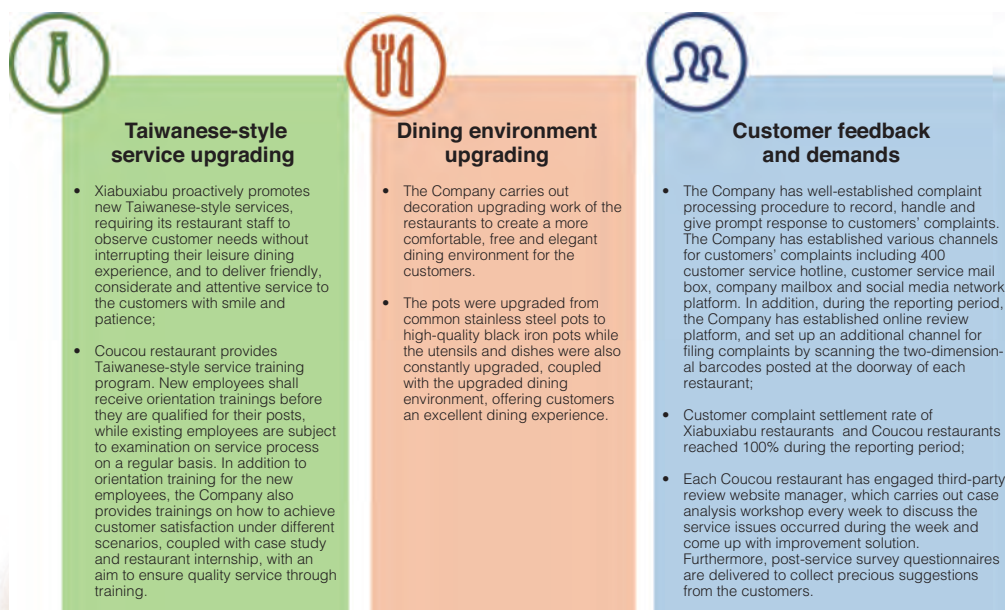
Xiabuxiabu cooperates with professional agencies with financial security system to manage its members' information and activities. The above agency is responsible for data maintenance, backup and security management to ensure safe storage of and access to Xiabuxiabu's data. Global leading cloud service provider is used for data storage. The above agency shall not disclose Xiabuxiabu's data to any other third parties without the consent of Xiabuxiabu, with an aim to keep confidential of consumer data.

Function and technology upgrading

In 2018, the Company implemented function and technology upgrading. The Company had a trial run of dynamic code in June and launched such function nationwide in October, which shall be updated every three minutes. The Company upgraded the member center by adjusting the membership code entry of the payment platform to the second-level interface, so as to effectively protect members' privacy.

Improvement of dining experience

Upholding the operation philosophy of “cordial and attentive services”, Xiabuxiabu always provides customers with efficient and considerate services. We have upgraded from traditional service to “new Taiwanese-style” service and enhanced customer service by optimising management mechanism, and made prompt response to customer feedback, advice and suggestions, in an effort to provide premium services that exceed customer expectation to achieve customer satisfaction.



Taiwanese-style service upgrading

- Xiabuxiabu proactively promotes new Taiwanese-style services, requiring its restaurant staff to observe customer needs without interrupting their leisure dining experience, and to deliver friendly, considerate and attentive service to the customers with smile and patience;
- Coucou restaurant provides Taiwanese-style service training program. New employees shall receive orientation trainings before they are qualified for their posts, while existing employees are subject to examination on service process on a regular basis. In addition to orientation training for the new employees, the Company also provides trainings on how to achieve customer satisfaction under different scenarios, coupled with case study and restaurant internship, with an aim to ensure quality service through training.

Dining environment upgrading

- The Company carries out decoration upgrading work of the restaurants to create a more comfortable, free and elegant dining environment for the customers.
- The pots were upgraded from common stainless steel pots to high-quality black iron pots while the utensils and dishes were also constantly upgraded, coupled with the upgraded dining environment, offering customers an excellent dining experience.

Customer feedback and demands

- The Company has well-established complaint processing procedure to record, handle and give prompt response to customers' complaints. The Company has established various channels for customers' complaints including 400 customer service hotline, customer service mail box, company mailbox and social media network platform. In addition, during the reporting period, the Company has established online review platform, and set up an additional channel for filing complaints by scanning the two-dimensional barcodes posted at the doorway of each restaurant;
- Customer complaint settlement rate of Xiabuxiabu restaurants and Coucou restaurants reached 100% during the reporting period;
- Each Coucou restaurant has engaged third-party review website manager, which carries out case analysis workshop every week to discuss the service issues occurred during the week and come up with improvement solution. Furthermore, post-service survey questionnaires are delivered to collect precious suggestions from the customers.



3 Green Development and Low-carbon Lifestyle



Green Development and Low-carbon Lifestyle

Xiabuxiabu attaches great emphasis on its own sustainable development and environmental-friendly operation, and strictly complies with the *Environmental Protection Law of the People's Republic of China*, *Law on Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China* and other laws and regulations. The Company implements energy conservation and emission reduction in every aspect covering production, office and restaurant operation to reduce impact of its operation on the environment and natural resources, and takes proactive measures to promote the harmonious development of the Company and the nature. In 2018, the Company was not involved in any litigation due to violation of environmental laws and regulations.

3.1 Optimisation of Resource Use

In active response to the national initiatives, and upholding the concept of energy conservation and consumption reduction, Xiabuxiabu strives to improve utilisation of natural resources, optimise energy mix, constantly enhance refined management, proactively introduce advanced environmental-friendly and energy-saving technologies and promote energy conservation and emission reduction projects, with an aim to protect the environment and devote to the green future.

Xiabuxiabu's GHG emission mainly comes from operation, production and office administration, in which various types of energy such as gasoline, diesel, natural gas and power are consumed.

During the reporting period, the data of emissions and resources used are summarised as below:

Indicators	Unit	2018
Total electricity consumption	kWh	124,871,305.67
Total electricity consumption per unit of operating revenue	kWh/RMB million	26,377.10
Gasoline consumption	litre	55,617.76
Gasoline consumption per unit of operating revenue	litre/RMB million	11.75
Diesel consumption	litre	1,137.91
Diesel consumption per unit of operating revenue	litre/RMB million	0.24
Municipal water consumption	m ³	1,559,846.25
Municipal water consumption per unit of operating revenue	m ³ /RMB million	329.49
Catering sewage discharge	m ³	1,325,869.31
Catering sewage discharge per unit of operating revenue	m ³ /RMB million	280.07
Natural gas consumption	m ³	1,306,445.00

Green Development and Low-carbon Lifestyle

Indicators	Unit	2018
Natural gas consumption per unit of operating revenue	m³/RMB million	275.97
Scope 1: direct GHG emission	tCO ₂ e	2,983.58
Scope 2: indirect GHG emission	tCO ₂ e	87,148.58
Total GHG emission	tCO₂e	90,132.16
GHG emission per unit of operating revenue	tCO₂e/RMB million	19.04

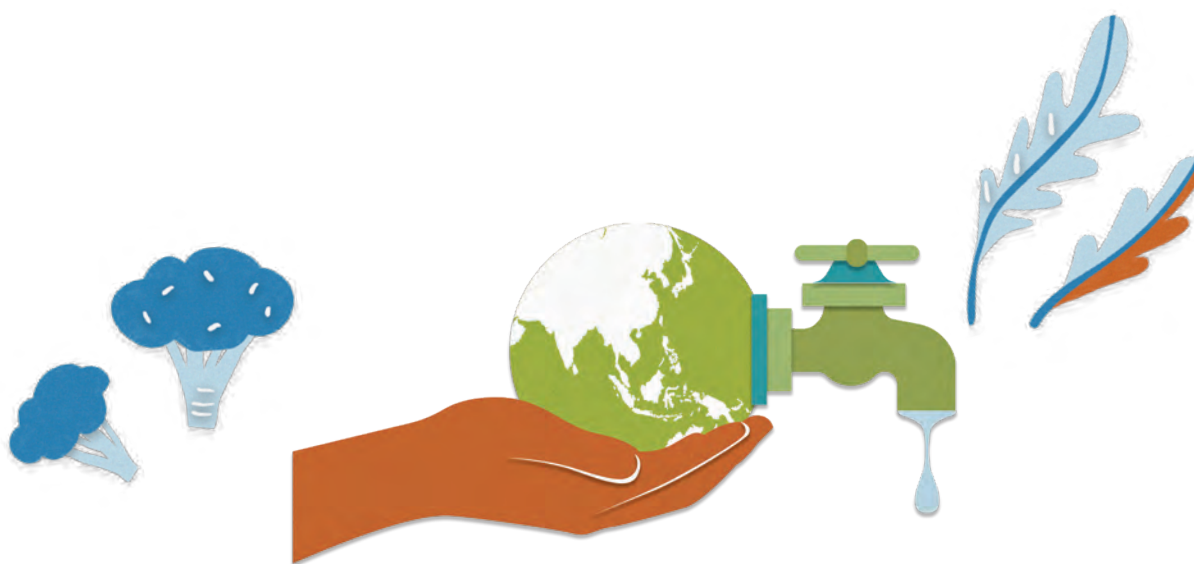
- Notes: 1. The calculation of GHG emission refers to the *Greenhouse Gas Protocol: a corporate accounting and reporting standard* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the *Fifth Assessment Report* issued by the Intergovernmental Panel on Climate Change (IPCC). The grid emission factor used in the calculation of Scope 2 refers to the latest China's regional grid emission factors (2017) released by the Department of Climate Change under the Ministry of Ecology and Environment of the People's Republic of China and the national grid emission factor (2017) released by the National Development and Reform Commission;
2. The calculation of catering sewage discharge refers to *The First National Survey of Pollution Sources on Urban Waste Source Discharge Coefficients Handbook*;
3. The environmental data shown in the above table cover all the restaurants, takeout & delivery business, production and office operation premises of Xiabuxiabu Catering Management (China) Holdings Co., Ltd., provided that some Coucou restaurants that commenced operation in or after November 2018 were not included in the statistics calculation this year which are expected to be included in the coming years.

Resource conservation

- **Improvement of heat preservation performance of buildings:** Measures have been taken to improve the performance of doors, windows and walls in heat preservation, which may reduce energy consumption by up to approximately 60%. We replaced ordinary doors and windows with hollow glazing, covered walls with rock wool boards and requested the manufacturers to affix the doors and windows with sealing strips, with an aim to improve heat preservation performance.
- **Application of new energy-saving equipment:** The Company applies new energy-saving equipment, so as to reduce unnecessary energy consumption.
 - The Company advocates the application of energy-saving lamps (LED). To the extent that sufficient lighting is provided, all 9-watt lighting lamps have been replaced with 6-watt lighting lamps, achieving a power saving rate of approximately 33% and contributing to a reduction in power consumption;
 - Without compromising customer experience, the induction cookers have been replaced with lower-power ones, so as to reduce power consumption of restaurant operation;
 - The filters of the air conditioners and the cooling fins of their outdoor units used in our restaurants have been cleaned on a regular basis, which contributes to a reduction of approximately 8% in power consumption by air conditioners.

Green Development and Low-carbon Lifestyle

- **Water resource conservation:** Upholding the operation concept of “promoting water conservation and emission reduction through scientific development”, the Company takes various measures to reduce water consumption and protect water resource.
- The water supply and drainage systems are properly designed, and new devices such as water-saving taps and water-saving sanitary fittings have been installed.
 - In our daily utilisation and management, priorities are given to kitchens and lavatories for the purpose of water conservation. Regular examination and maintenance have been conducted to prevent water spraying, dripping and leaking, so as to reduce resource consumption.
- **Saving and disposal of materials:**
- The Company encourages our suppliers to use recyclable and degradable packaging materials, and advocates compensation usage of packaging materials or application of degradable packaging materials for our takeout & delivery business. In addition, the Company has entered into contracts with professional material recycling companies, which provide professional recycling services for the packaging materials (such as carton boxes, PP bags, etc.) of incoming goods from the suppliers.
 - In order to reduce the daily consumption of disposable tableware such as chopsticks and tissues and logistics packaging materials, Xiabuxiabu continues to promote the use of recyclable tableware and packaging materials to reduce the usage of disposables.
 - During the reporting period, the main packaging materials used by the Company included carton boxes, paper cups, PP bags, packing bags, coiled materials for seasonings, soup base bags and composite bags. The total usage of the above-mentioned packaging materials were 5,708.85 tonnes¹, representing the consumption of packaging materials per RMB1 million operating revenue of 1.12 tonnes.



¹ The usage of packaging materials recorded an increase as compared with that of 2017 due to the increase in the number of restaurants, operation scale, takeout & delivery business and tea and beverage business during the reporting period.

Green construction

- **Optimisation of construction technologies:** Efforts have been made to prevent the conversion of excessive construction materials into construction wastes, including making technical disclosure to the contractors, on-site supervision, and inspection and acceptance of construction processes. Construction technologies have also been optimised by applying the pre-fabrication approach instead of field fabrication, which effectively reduces the construction wastes generated on the construction sites.
- **Promotion and education on energy conservation and emission reduction for construction works:** While passing on construction techniques, lectures on energy conservation and consumption reduction were given by project engineers to the construction workers. Furthermore, measures have been implemented to achieve energy conservation and consumption reduction, and slogans were hung at the construction sites to promote such concept.

Case: Renovation of Xiabuxiabu Beijing Beiyuanhuamao Restaurant for water and energy conservation purpose

In August 2018, Xiabuxiabu Beijing Beiyuanhuamao Restaurant was upgraded and renovated by installing water-saving devices and equipment and energy-saving lamps (LED). The air conditioning system was also upgraded, with regular cleaning of the filters of the air conditioners and the cooling fins of their outdoor units, achieving a water saving rate of approximately 20% per month, a power saving rate of approximately 33% by the energy-saving lamps (LED) and a total power saving rate of approximately 8% by the air conditioners as compared with those before the renovation.

Case: Application of lower-power induction cookers for restaurants

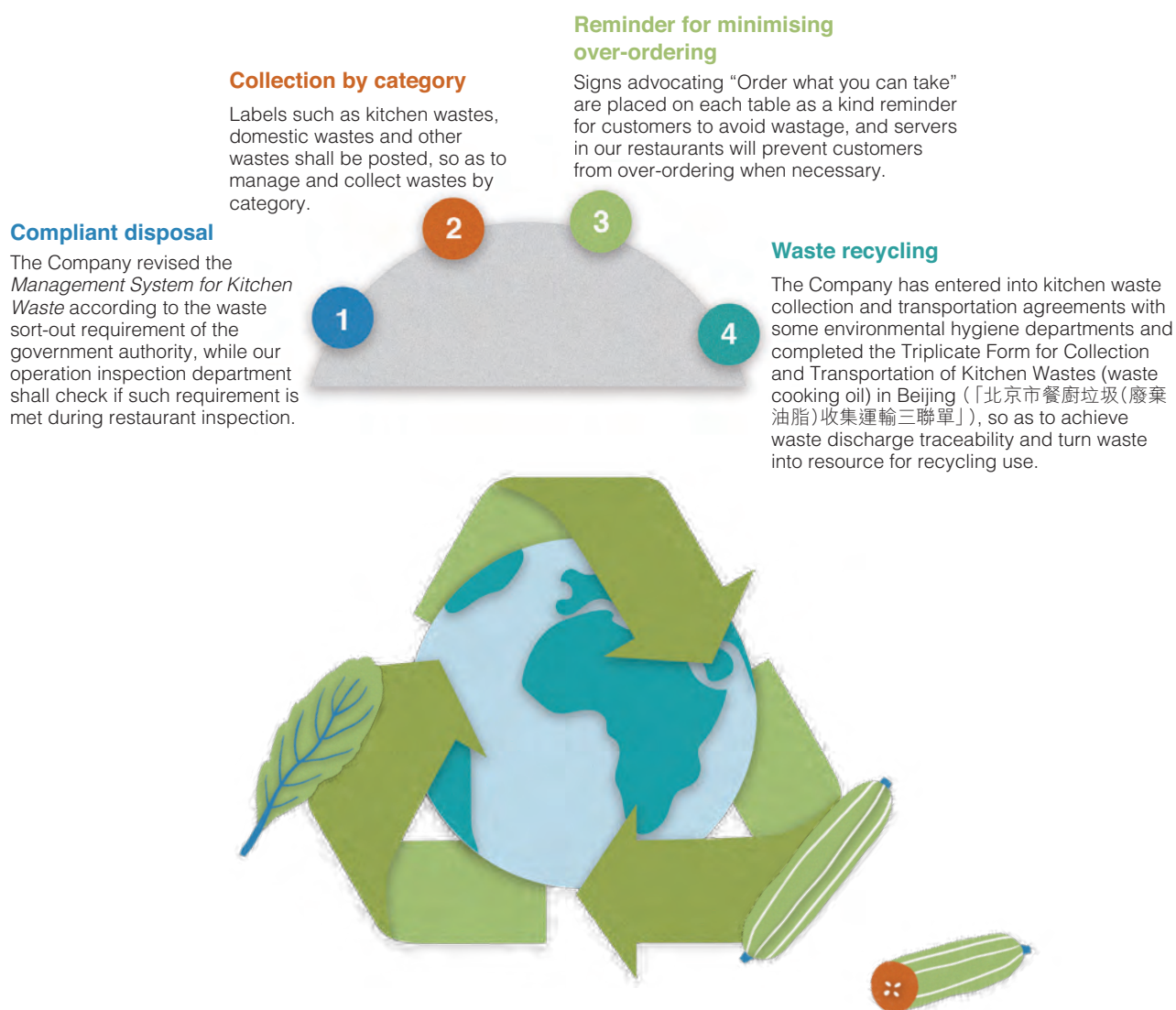
After taking into consideration of the increased electricity capacity of the restaurants and the fact that 1,500W pots used in the bar seating area currently offer fast boiling time, the optimisation department of the Company applied to install additional 1,200W induction cookers in the bar seating area in May 2018. Tests carried out by the restaurants confirmed that 1,200W induction cookers offer ideal boiling time and cooking performance. Thus, the Company reduced power consumption and GHG emission by replacing with lower-power induction cookers.

Since December 2018, 743 induction cookers have been used in 16 restaurants, saving approximately 1kWh of electricity per day by each induction cooker.



3.2 Control of Emissions

In compliance with the relevant laws of China, Xiabuxiabu proactively implements the management concept of waste sort-out, emission reduction and waste recycling. The Company has formulated its in-house *Management System for Kitchen Waste* (《餐廳垃圾管理制度》), which provides rigorous regulations and is constantly reviewed and updated according to regulatory requirements, and implements inspection according to such system. The Company requires that waste generated by each restaurant shall be sorted out to be dumped, stored and collected separately, while labels indicating kitchen waste, domestic waste and other waste shall be posted on the front side of every dustbin and different categories of waste shall be put in separate dustbins. Different categories of waste shall be transferred to units with collection and transportation qualification for disposal, transportation and treatment, and waste generated and cleaned every day shall be recorded and kept in the *Waste Management Ledger* (《垃圾管理台賬》). The non-hazardous waste of Xiabuxiabu mainly derives from domestic waste generated by dining halls and kitchen waste generated by kitchens of the restaurants. During the reporting period, Xiabuxiabu restaurants in different regions produced approximately 33,200 tonnes of domestic waste and kitchen waste in total.



3.3 Promotion of Green Concept

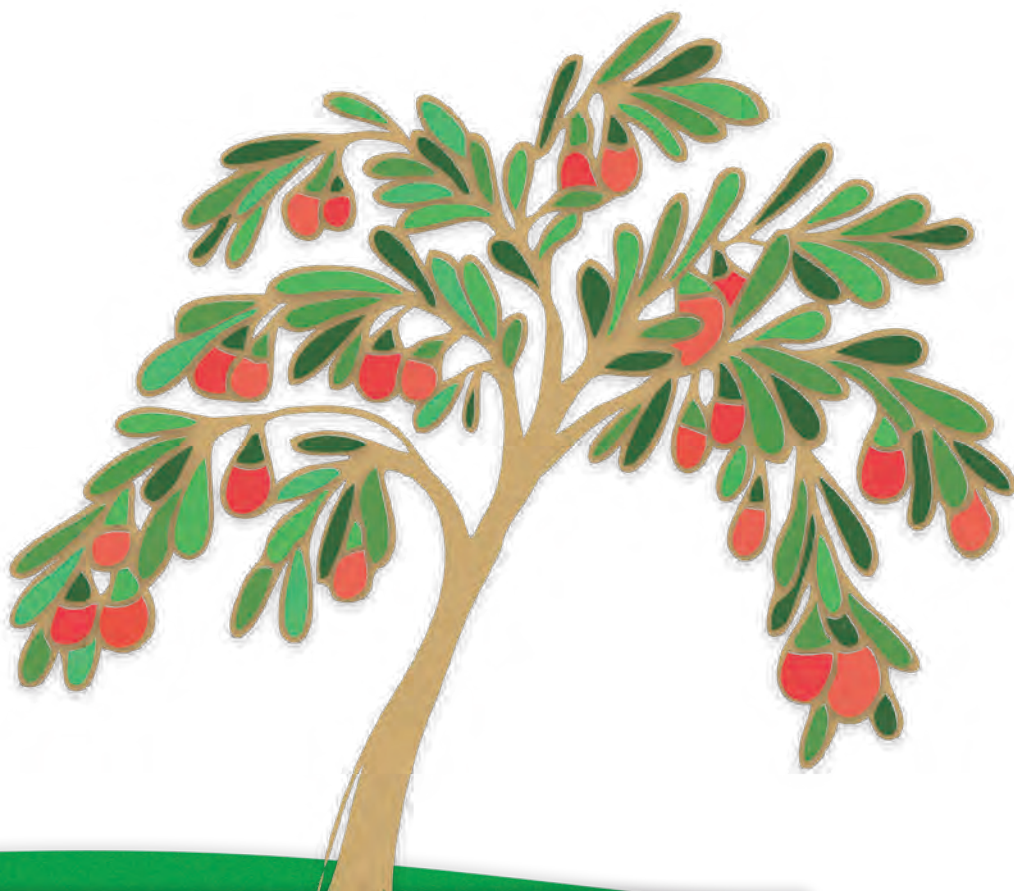
While providing consumers with high quality food, Xiabuxiabu advocates healthy, energy-saving and environmental-friendly lifestyle. We encourage customers to engage in low-carbon lifestyle and promote the green concept to the mass public through various measures such as encouraging consumers to participate in green charity activities and instilling the concept of “order what you can take” to the customers to avoid wastage.

Case: “Green Xiabu – Protecting Earth” (「綠動呷哺讓地球少負擔」) campaign

Along with the Earth Day, Xiabuxiabu launched the “Green Xiabu – Protecting Earth” campaign during 18 April to 15 May 2018. Combining the concepts of healthy lifestyle and environmental protection, the campaign launched trendy reusable bags that cater to the needs of young consumer group. By highlighting our concept of environmental protection, this campaign encouraged consumers to engage in a low-carbon lifestyle, and also strengthened our popularity among consumers by building up a healthy brand image.

Meanwhile, Xiabuxiabu donated RMB1 to China Green Foundation for each reusable bag bought by the consumers, which was used to purchase Wolfberry saplings donated to Ningxia region for the purpose of desertification control, soil and water conservation and poverty alleviation. The premium Wolfberry originated from Ningxia in turn becomes an integral ingredient of our soup, providing delicious flavor for the consumers. Through such green charity activity, we promote the beneficial cycle of delicious cuisine and green public welfare.

Xiabuxiabu sold out all the reusable bags during the campaign and donated RMB207,650 to China Green Foundation, which was used to purchase Wolfberry saplings with an aim to push forward poverty alleviation and greening projects in Ningxia region. As a major innovation to the charity pattern of the Happy Homeland project initiated by China Green Foundation, it is proposed to plant Wolfberry and other economically valuable and ecologically sound trees in the western region, with an aim to push forward the greening in the western region, facilitate desertification control and drive the local impoverished farmers out of poverty, while producing green and healthy eco-food, so as to promote healthy diet, advocate green concept, create harmonious social atmosphere, and boost the healthy development of China.



Green Development and Low-carbon Lifestyle



Picture: "Green Xiabu – Protecting Earth" campaign



Picture: Signs advocating "Order what you can take" are put on each table in some Xiabuxiabu restaurants to prevent over-ordering

4 Working Together to Contribute to the Society



Working Together to Contribute to the Society

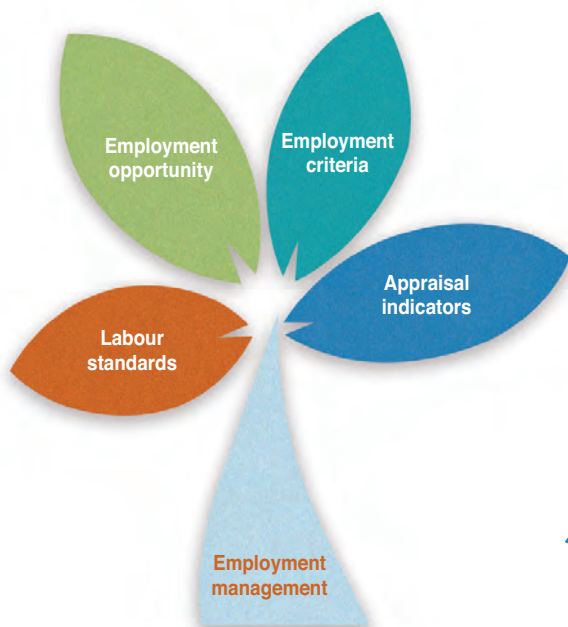
Xiabuxiabu believes that a high-quality team of employees is fundamental to the development of the Company. Upholding the “people-oriented” basic employment concept, the Company makes great efforts to protect employees’ basic rights and interests, and provides employees with various benefits and diverse training and promotion opportunities, so as to improve their satisfaction and happiness. Furthermore, keeping in mind our original aspiration and leveraging on our characteristics and advantages as a catering company, we care for the underprivileged groups, participate in public welfare activities, and proactively fulfil our responsibility and obligations.

4.1 Protecting Rights and Interests of Employees

The Company strictly abides by the *Labour Law of the People’s Republic of China*, the *Labour Contract Law of the People’s Republic of China* and other relevant laws and regulations of the PRC, safeguard employees’ entitlement to equal employment opportunities and prohibit any form of discrimination such as those on the ground of gender, region and religion. Upholding the “people-oriented” concept, the Company cares for its employees, and encourages and helps them to pursue personal development.

Compliant employment

Xiabuxiabu considers talent recruitment and cultivation as the driving force behind the Company’s development. We make proactive efforts in building a talent echelon, and adhere to the principles of “equity, fairness and openness” in recruitment, with an aim to accommodate the Company’s five-year development plan. In 2018, upholding our inclusive and diverse corporate culture, the Company strove to build a diverse team to facilitate mutual development of the talents and the Company, in an effort to build the best employer brand.



Prohibition of forced labour

Upholding the employment principles of “fairness, openness and equity”, the Company has zero tolerance to any form of discrimination and prohibits the use of child and forced labour. The Company eliminates the recruitment of any job applicant under the working age specified by the government by deploying the E-HR system, thus prohibiting the employment of child labour from the source. Furthermore, the Company places emphasis on and implements strict control over employment risks, and conducts appraisal on employees of each restaurant from time to time by linking to their performance. So far, we are not aware of any use of forced and child labour.

Equal employment opportunity

In addition to internal recommendation, we also recruit external talents. Any employment decision is made based on position-related factors other than gender or other labels of the job applicants.

Unified employment criteria

We select talents on the basis of ability and integrity, and preference is given to those with great development potential. Integrity refers to our core values of “unity, pragmatism, honesty, diligence and creativity”, while ability refers to the qualification and competence required for the relevant positions.

Standardised appraisal indicators

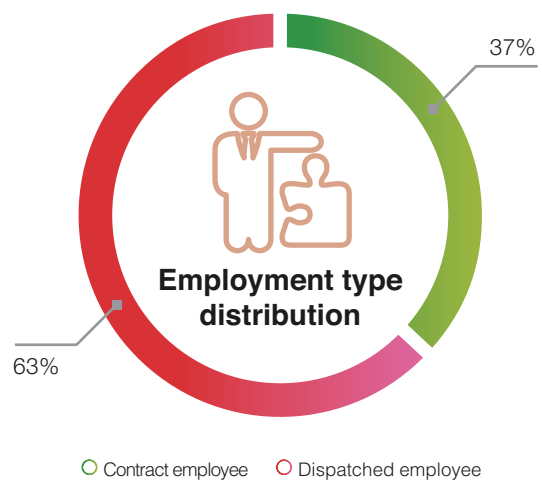
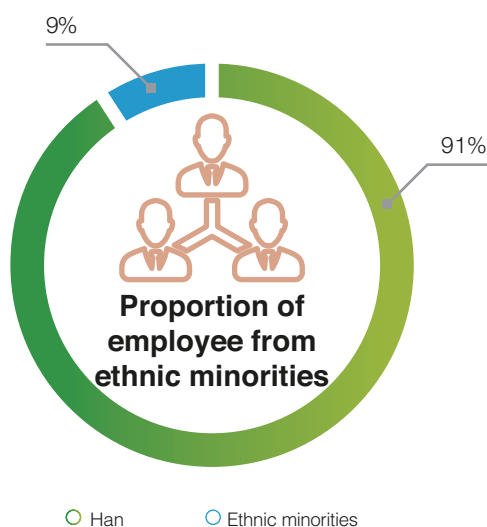
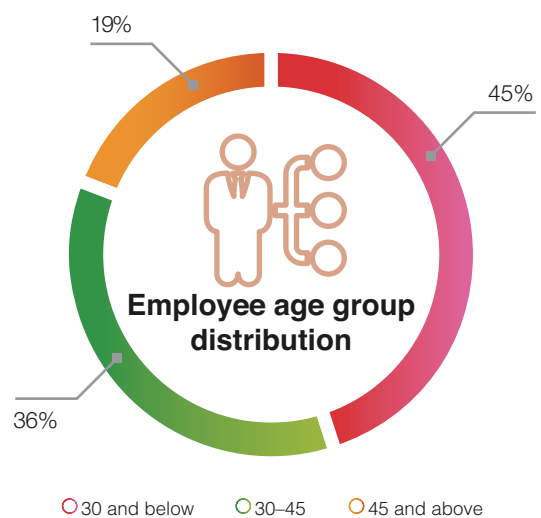
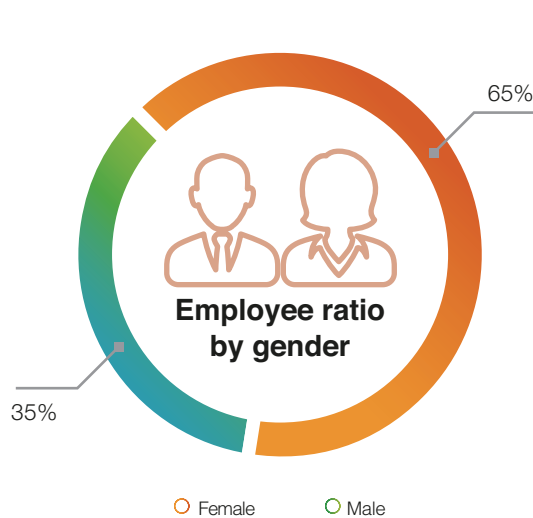
Recruitment appraisal, end-of-probation appraisal and promotion appraisal of all management personnel are conducted systematically based on the unified indicators under the “general leadership & value model”, so as to implement standardised appraisal and reduce the influence of subjective factors.

Working Together to Contribute to the Society

Case: Xiabuxiabu Job Fairs in Taiwan

In 2018, Xiabuxiabu held job fairs at Meiho University, Overseas Chinese University and Asia University in Taiwan to recruit employees from Taiwan, with an aim to attract more schools in Taiwan to establish school-enterprise cooperation relationship with the Company to supply us with more high-quality employees. This move not only helped us to recruit diverse outstanding talents, but also promoted the communion and harmony between talents from both sides of the Taiwan Straits.

As at the end of the reporting period, the Company had a total of 26,219 employees. An analysis of employee distribution is as follows:



Protecting rights and interests of employees

Xiabuxiabu complies with the *Labour Law of the People's Republic of China* and other relevant laws and regulations to guarantee reasonable rest, remuneration and benefits for the employees.

Rest periods for employees	The Company complies with the working hour requirement under the <i>Labour Law of the People's Republic of China</i> , and guarantees employees' entitlement to national statutory holidays, marriage leave, funeral leave, home leave, maternity leave, family planning leave and paid annual leave.
Remuneration	Following the principle of "giving priority to efficiency while taking fairness into consideration", the Company optimises its remuneration system, and determines its internal salary distribution system and form of distribution by law based on post value and individual performance, so as to ensure that employees are fairly rewarded for their contributions to the Company. The Company also makes salary payments on schedule.
Five Social Insurances and One Housing Provident Fund	The Company provides its employees with five social insurances including pension, work-related injury, maternity, unemployment and medical insurances and the housing provident fund, and pays up insurance premium in full and on time. The receipt and grant of pension and unemployment compensation is completely in line with general social practice. The Company purchases employer liability insurance for employees of all restaurants nationwide.
Allowances for employees	The Company provides free working lunch or meal allowances for all employees, and provides transportation, telephone and travel allowances for employees at posts with particular needs.



Working Together to Contribute to the Society

4.2 Promoting Employee Development

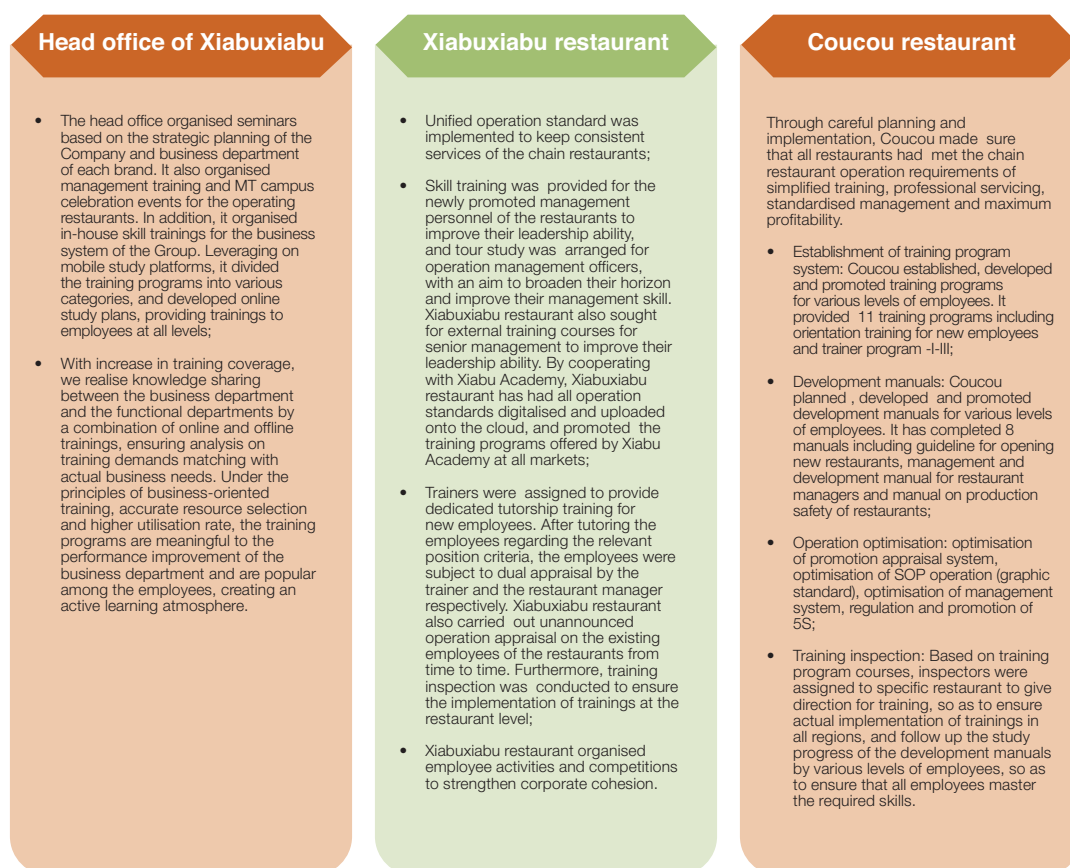
Xiabuxiabu places great emphasis on employee development, and provides the employees with a sound and constantly optimising training system based on business needs. Furthermore, we offer employees with transparent, fair and diverse promotion channels and provide promotion and career development platforms for our employees, with an aim to promote personal development of our talents.



The Company proactively pushes forward the operation-based training and implementation of Xiabu Academy. Currently, Xiabu Academy is the sole standard output for our northern operation, with a login ratio at the operation end of over 90%. The training department organises all kinds of trainings, activities, contests and study tours to broaden management horizon, inspire employees' learning enthusiasm and enhance their operation skills.

Working Together to Contribute to the Society

During the reporting period, the head office of the Company, Xiabuxiabu restaurant and Coucou restaurant have taken the following measures based on their own operation needs to promote employee development and facilitate mutual development of the Company and its employees:



During the reporting period, details of the trainings undertaken by the Company's employees were as follows:

Dimension	Professional	Management	New employee	Total
Total number of employee training sessions	22	24	76	122
Total number of employees trained	205	477	390	1,072
Total training hours	5,568	6,072	11,310	22,950

Note: Due to the continuous expansion of the operation, the expansion of personnel recruitment and the increase in personnel development requirements in Coucou brand, the data related to training has increased significantly compared with previous years.

Working Together to Contribute to the Society

Case: Special skills trainings regarding the supply-chain purchase module

Given that Xiabuxiabu's supply chain system involves a large amount of purchase from various brands and markets, and therefore a great number of procedures and suppliers, the expansion of business has led to increasing demands for professional knowledge and relevant business-related trainings. Under such circumstance, the Company has organised special skills trainings regarding the supply-chain purchase module.

Through such special trainings regarding the supply-chain purchase module, employees working for the purchase module sorted out the historical data in accordance with the theories they learned from the training program, and learned from successful experiences of other companies to adopt unified tool sheets, thus making the purchase procedures more standard, clearer and more systematic. The special skills trainings not only enrich employees' professional knowledge regarding supply-chain purchase and also are in line with the operation needs of the Company, leading to the mutual development of the employees and the Company.

Case: Training for staff of a new Xiabuxiabu restaurant in Xining

On 22 December 2018, a new Xiabuxiabu restaurant in Xining was opened. Prior to its opening, a team designated by the Company arrived in Xining on 20 December to provide standard training for staff working at the tea stand of the restaurant. After the opening of the restaurant, the team continued to assist operation of the tea stand during the 50%-discount promotion campaign of the restaurant and the Christmas holiday before heading back to Beijing on 27 December, ensuring the successful launch of new business in the northwestern market.

In our effort to develop the northwestern market, and in response to market needs, we provided special training programs for employees and offered assistance to restaurants during major operation promotion campaigns, with an aim to provide customers with consistent and quality products.



Picture: A scene of standard training for Xining restaurant

Working Together to Contribute to the Society



Picture: Service training for employees at Xiabuxiabu restaurants



Picture: Trainers tutoring new employees at Xiabuxiabu restaurants

Case: “Skillful Coucou” (花樣湊湊) position skill competition

Sticking to the brand development positioning proposed by the CEO of the Company and under the principle of returning our current focus to the nature of operation, Coucou organised “Skillful Coucou” position skill competition during June to September 2018.



Picture: “Skillful Coucou” event – flag presentation ceremony for the final competition



Picture: “Skillful Coucou” event – referee group for the final competition



Picture: Intensive training camp for elite restaurant managers of Coucou

Working Together to Contribute to the Society

Smooth Promotion Channels

The Company provides a fair, just and open environment for employees' career development, attaches great importance to employees' appraisal and long-term incentives, pays attention to the cultivation of reserve talents, and offers employees promising career development path. We implement monthly appraisal, annual appraisal and special appraisal for performance appraisal, and regularly track and analyse the employees' accomplishment of performance targets, with an aim to form a complete and scientific talent appraisal system.

The Company nurtures talent reserve by recruiting management trainees from schools every year, establishing reserve talent pool and cultivating front-line management backbones, with an aim to secure stable supply of talents for our team and improve overall management standard. In 2018, we conducted talent review on the management personnel, marking significant progress in talents identification, talents development and talents retention.

4.3 Caring for Employees

Xiabuxiabu is committed to creating a healthy and safe working environment and good work experience for its employees. We have come up with a series of measures covering employee safety and health, work and life balance and other aspects, so as to improve the quality of our staff and deliver happiness to our staff.

Safety and health

Xiabuxiabu strives to create a safe and comfortable working environment for its staff by caring for their mental and physical wellbeing, ensuring canteen food safety and maintaining safety in the operation and production premises, with an aim to enhance employees' sense of happiness.

Employee food safety

The Company takes effective measures to enhance the food safety awareness of our staff, and ensure safety of the food and drinking water provided by the staff canteens for the employees.

- The Company provides meals for the employees to prevent health issues caused by eating unsanitary and unhealthy food from unauthorised restaurants. So far, we did not receive any report regarding health issue caused by unhealthy food. The qualification rate of the public tableware used by employees and appliances of the meal-serving room reaches 100% throughout the whole year;
- We implement strict control on bottled water and boiled water, providing all employees with safe and healthy drinking water.

Employee mental and physical wellbeing

The Company cares for the employees' physical health and arranges regular physical examinations for its employees. The Company also attaches emphasis to the employees' mental wellbeing, and take various measures including decoration of the working premises and organisation of team-building activities to ensure the employees' health.

- The Company replaces the green plants in the offices from time to time, and carries out decoration for various festivals to deliver a festive atmosphere. In autumn and winter, the Company organises all staff to visit the production base and harvest vegetables, providing an opportunity for the employees to build up their bodies and enhance communication among the employees, so as to strengthen cohesion and enable our staff to keep a pleasant and relaxing mood in their busy work.
- All workers in the canteens of the Company receive health examination regularly and hold the occupational health certificates, so as to protect our employees from malicious infectious disease when dining at the canteens.

Operation premise safety

The Company places great emphasis on the safety of the working and rest premises. While ensuring equipment safety at the restaurants and canteens, the Company also takes fire-fighting measures, and provides staff with full-scale and well-maintained dormitories.

- Safety issues are highlighted at restaurant regular meetings, and on-duty staff are arranged at each restaurant who always keep a close watch for potential employee safety hazards during their daily inspection;
- All restaurants are equipped with fire extinguishers, and outdated fire extinguishers are replaced in time, so as to ensure fire safety. The Company also enters into fire-fighting contracts with professional fire-fighting agencies, perfects safety quality system documents, and carries out inspection, maintenance and improvement on all kinds of fire-fighting equipment, so as to ensure production safety of the Company;
- Safety inspection and examination is conducted for each plant every day to eliminate potential safety hazard in time and ensure safety of each plant. The Company also organises fire safety training and drills to enhance employees' fire safety awareness as well as evacuation and emergency treatment ability;
- The Company conducts special inspection on fire prevention, including arranging central control personnel to conduct inspection and testing on the fire pump, fire hydrant and other equipment and make inspection record, and assigning fire-fighting officer to conduct re-examination and follow-up examination every week, so as to ensure the accuracy and truthness of the findings;
- Entrance guards are required to make registration for every visitor and vehicle coming in and out of the plants and prevent unauthorised access into the plants.
- For staff living in the dormitories, the Company provides comfortable living area with round-the-clock supply of hot water, heat supply in winter and air-conditioners in summer. The Company also ensures prompt repair and replacement when any device breaks down, and equips the dormitories with air purifiers and washing machines.

Case: Fire-fighting drills organised by the Company

In order to enhance employees' fire safety awareness and improve their emergency treatment ability, the Company organised a fire-fighting drill on 26 December 2018.

The fire-fighting drill helped to enhance the fire safety awareness of all employees by offering them an opportunity to gain more knowledge on fire safety, and also improved their emergency treatment ability, where many employees quickly teamed up and came up with effective response plan to deal with the fire disaster, thus enhancing the organisation, leadership and emergency response capability of the emergency leading group, and laying a solid foundation for emergency response in the future.



Pictures: Fire-fighting equipment inspection and replacement and fire safety training

Employee activities

Upholding the motto of “respect, care and democracy”, the Company strives to improve work experience of employees and enhance the team cohesion. We have developed the *Employee Benefit and Care* (《員工福利關懷慰問》) mechanism, such as organising birthday parties for employees and creating festive atmosphere for various festivals such as the Dragon Boat Festival, the Mid-Autumn Festival, the Lantern Festival and the Christmas. The Company also organises all kinds of cultural and sports activities such as tug of war, outward bound programs, campus recruitment celebration events, annual review meetings and Chinese New Year evening galas. In addition, we also have established the online corporate culture communication platform – Xiabu Team (呷哺人). Through the aforesaid measures, we significantly improved communication among our staff, enhanced company cohesion, created good working atmosphere and achieved a work-and-life balance for our employees.

Working Together to Contribute to the Society

Case: Establishment of the “Corporate Culture Online Communication Platform – Xiabu Team” (企業文化線上溝通平台－呷哺人)

In order to provide a platform to promote communication between the Company and the employees and update our employees with latest development information of the Company, we have established the Corporate Culture Online Communication Platform – Xiabu Team, which was officially launched in June 2018.

The Xiabu Team platform provides information on a regular basis to update our employees with information regarding the latest development of the Company and employee activities, with an aim to enhance their sense of belonging towards the Company.



Pictures: Information distribution via Xiabu Team Platform



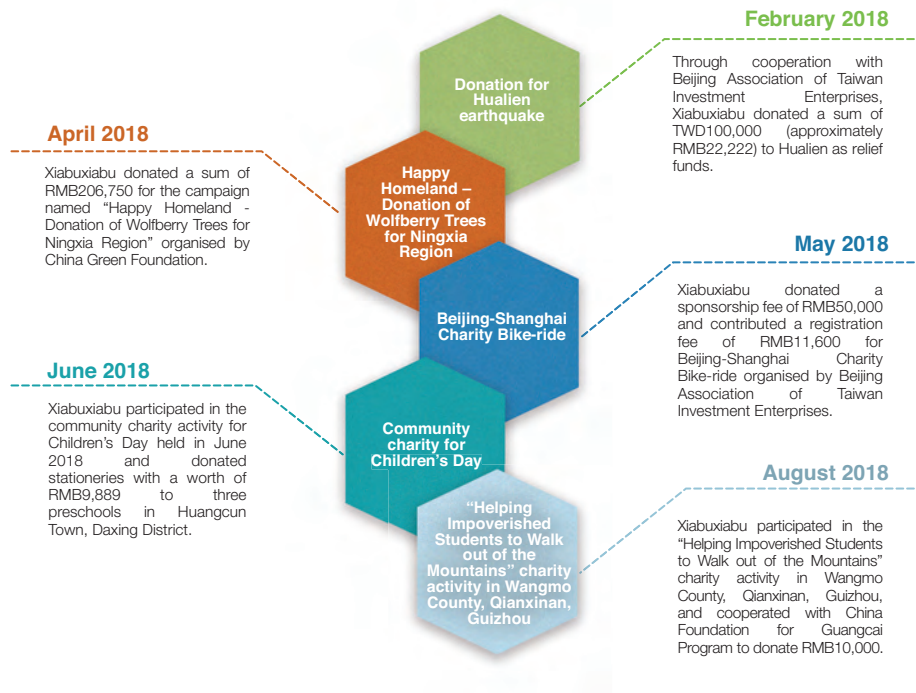
Case: Coucou employee activities



4.4 Community Dedication

As a corporate citizen, Xiabuxiabu always links its business development with social advancement. The Company owes its development to the support of the society, thus it takes public welfare commitment as an integral part of its social responsibility. By serving ten millions of consumers every year, we are committed to providing customers with delicious food, and are also willing to share more resources with the society by making positive contributions to the community. Development of the communities in return offers greater development potential for the Company.

Working Together to Contribute to the Society



Case: Commit with Heart and Care with Love (用愛守護，與愛同行) – Xiabuxiabu Community Charity Activity for Children's Day

On 1 June 2018, Xiabuxiabu Group joined hand with Federation of Trade Unions of Huangcun Town, Daxing District, Beijing City to successfully hold the themed community charity activity "Care with Love for Children's Day" (歡樂和諧慶六一，激情飛揚獻愛心) which lasted for three days. During the campaign, a number of our employees visited three preschools in Huangcun Town, Daxing District, where they presented the children with approximately 1,700 sets of oil pastels and drawing paper to realise their drawing dreams, and also played games with the children to deliver our best blessing for them for Children's Day.

We believe that the continuous implementation of our "caring culture" will pass forward love to more and more people in the future, delivering more lasting and far-reaching positive energy to the society. Looking forward, Xiabuxiabu will continue to forge ahead with love and hope and constantly make greater contribution to the society.



Pictures: Community charity activity and interaction with children

Case: Participation in the Happy Homeland – Internet Tree Planting (幸福家園暨網絡植樹) Project

On 18 December 2018, the open finale event of the 1st Happy Homeland – Internet Tree Planting Project named “Happy Homeland – Wolfberry Tree Planting” initiated by China Green Foundation and organised by the management team of the Happy Homeland – Internet Tree Planting project was held in Beijing.

Happy Homeland – Internet Tree Planting is a charity project initiated by China Green Foundation focusing on green poverty alleviation. Under an engagement development model broadly based on and jointly governed and inclusively managed by the “charity agencies, donators, government, farmers and enterprises”, the project has recorded over 35 million donations from all over the world over the past ten years. Furthermore, inspired by this project, a great number of farmers in the surrounding areas also engaged in planting economically valuable and ecologically sound trees to develop forestry and fruit growing business, with an aim to get rid of poverty with the income from the forestry business.

As a listed company, Xiabuxiabu proactively participates in this project by donating RMB1 to China Green Foundation for each reusable bag sold via its restaurants. Ms. Zhang Yanmei, the representative of Xiabuxiabu Restaurant Management Co., Ltd., said: “As a listed company, in recent years, Xiabuxiabu proactively fulfilled its social responsibility with emphasis on charity projects covering education financial support, cross-straits exchange, disaster relief and poverty alleviation. Looking forward, we wish to create green poverty alleviation closed-loop by connecting our brand with this project. By extending the model of “donation – tree planting”, we expect to implement sustainable, renewable and replicable long-term targeted poverty alleviation for impoverished farmers in Ningxia region via the ecological industrial chain of donation – tree planting – collecting wolfberry.”



Picture: Award ceremony at the sharing forum

Outlook

In 2019, we will consolidate resources to promote business growth and work together to create a brighter future. With further development of our multi-category and multi-brand business pattern, we will continue to promote product quality and innovative development while giving priority to customers' core interests. Upholding the business philosophy of "unremitting commitment, continuous improvement, innovative creativity", we are committed to pursuing excellence and providing high-quality food for the consumers.

We will continue to place great emphasis on food safety and implement strict control to ensure safe food. We will continue to adhere to the operation concept of "providing healthy and nutritious food with emphasis on hygiene and cleanness", constantly optimise our quality management system, and improve our product quality and corporate governance, with a commitment to promote sustainable development of the catering industry with innovative creativity and develop into a reliable brand for the consumers.

We will cooperate with all parties to fulfil our environmental responsibility. We will continue to promote the low-carbon operation and development pattern, vigorously support the energy-saving and environmental-friendly industries, proactively advocate green lifestyle, and promote the concept of green operation, with an aim to develop into a resource-saving and environmental-friendly green low-carbon company.

We will adhere to the "people-oriented" principle and promote employee development. "Human resources are the most valuable assets for an enterprise and the driving force for sustainable development". We will continue to adhere to the "people-oriented" concept, promote equal and diversified employment, protect the legitimate rights and interests of our employees, inspire employees to realise their full potential, place emphasis on their health and safety, care about life of our staff and create a dedicating and happy working environment, with an aim to achieve win-win for the Company and the employees.

We remain true to our original aspiration and proactively participate in charity activities. Leveraging on our own advantages, we will make contributions to the society by participating in local community services, charity donations, poverty alleviation and volunteers' activities, and encourage employees to bring more benefits to the society, with an aim to build a positive image of the Company as a social responsible enterprise.

In 2019, we will foster and implement the core values of "unity, pragmatism, integrity, diligence and creativity", and strive to enhance our core competitiveness to lead industrial development, in an effort to realise our vision of "becoming the leading Chinese catering company with business presence across China and around the world".

ESG Index

No.	Description	Disclosure Status	Reference Sections in the Report
A1 Emissions	<p>General Disclosures</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and soil, generation of hazardous and non-hazardous wastes, etc.</p> <p>Note: Exhaust emissions include NO_x, SO_x and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Disclosed	P29, P33–P35
A1 Emissions	A1.1 Types of emissions and respective emission data.	Disclosed	P29–P30, P33
A1 Emissions	A1.2 Greenhouse gas emissions in total (in tonnes) and, if appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	P30
A1 Emissions	A1.3 Hazardous wastes generated in total (in weight or volume) and, if appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Not applicable	—
A1 Emissions	A1.4 Non-hazardous wastes generated in total (in weight or volume) and, if appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Disclosed	P33
A1 Emissions	A1.5 Description of measures taken to reduce emissions and results achieved.	Disclosed	P33–P35

No.	Description	Disclosure Status	Reference Sections in the Report
A1 Emissions	A1.6 Description of treatment of hazardous and non-hazardous wastes, reduction initiatives and results achieved.	Disclosed	P33–P35
A2 Use of Resources	General Disclosure Policies on efficient use of resources, including energy, water and other raw materials. Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.	Disclosed	P29–P32
A2 Use of Resources	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).	Disclosed	P29–P30
A2 Use of Resources	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	P29–P30
A2 Use of Resources	A2.3 Description of energy use efficiency initiatives and results achieved.	Disclosed	P29–P32
A2 Use of Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for the purpose and results achieved through implementation of water efficiency initiatives.	Disclosed	P31–P32
A2 Use of Resources	A2.5 Total packaging materials used for finished products (in tonnes) and, if appropriate, packaging materials used for per unit produced.	Disclosed	P31
A3 Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Disclosed	P34–P35

No.	Description	Disclosure Status	Reference Sections in the Report
A3 Environment and Natural Resources	A3.1 Description of the significant impacts of business activities on the environment and natural resources and the actions taken to control such impacts.	Disclosed	P34-P35
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.	Disclosed	P37, P39
B1 Employment	B1.1 The total number of employees by gender, employment type, age group and geographical region.	Disclosed	P38
B1 Employment	B1.2 The employee turnover rate by gender, age group and geographical region.	Planned to be disclosed in the future	—
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.	Disclosed	P44-P45

No.	Description	Disclosure Status	Reference Sections in the Report
B2 Health and Safety	B2.1 Number and rate of work-related fatalities.	Planned to be disclosed in the future	—
B2 Health and Safety	B2.2 Lost days due to work injury.	Planned to be disclosed in the future	—
B2 Health and Safety	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Disclosed	P44–P45
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external training programs paid by the employer.	Disclosed	P40–P43
B3 Development and Training	B3.1 The percentage of employees receiving trainings by gender and employee category (e.g. senior management, middle management, etc.).	Planned to be disclosed in the future	—
B3 Development and Training	B3.2 The average training hours completed per employee by gender and employee category.	Disclosed	P41
B4 Labour Standard	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 use of child labour or forced labour.	Disclosed	P37
B4 Labour Standard	B4.1 Description of measures to review recruitment practices to avoid child labour and forced labour.	Disclosed	P37

No.	Description	Disclosure Status	Reference Sections in the Report
B4 Labour Standard	B4.2 Description of steps taken to eliminate such practices when discovered.	Disclosed	P37
B5 Supply Chain Management	General Disclosure Policies on managing the environmental and social risks of the supply chain.	Disclosed	P20–P21
B5 Supply Chain Management	B5.1 Number of suppliers by geographical region.	Planned to be disclosed in the future	—
B5 Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, as well as how they are implemented and monitored.	Disclosed	P20–P21, P23
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, labeling and privacy matters in relation to products and services provided and methods of redress.	Disclosed	P23–P27
B6 Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	—

No.	Description	Disclosure Status	Reference Sections in the Report
B6 Product Responsibility	B6.2 Number of products and service related complaints received and how they are dealt with.	Partially disclosed	P27
B6 Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Planned to be disclosed in the future	—
B6 Product Responsibility	B6.4 Description of quality assurance process and recall procedures.	Disclosed	P22
B6 Product Responsibility	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	P26
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.	Disclosed	P18
B7 Anti-corruption	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.	Disclosed	P18
B7 Anti-corruption	B7.2 Description of preventive measures and whistleblowing procedures, and the related implementation and supervision approaches.	Disclosed	P18
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 taking into consideration the communities' interests.	Disclosed	P47–P49
B8 Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	P47–P49
B8 Community Investment	B8.2 Resources contributed (e.g. money or time) to the focus area.	Disclosed	P47–P49

GRI Indicator Index

No.	Description	Disclosure Status	Reference Sections in the Report
102-1	Name of the organization	Disclosed	P16
102-2	Activities, brands, products and services	Disclosed	P16
102-3	Location of headquarters	Disclosed	P16
102-4	Location of operations	Disclosed	P16
102-5	Ownership and legal form	Disclosed	P16
102-6	Markets served	Disclosed	P3, P16
102-7	Scale of the organization	Disclosed	P3, P16
102-8	Information on employees and other workers	Disclosed	P3-P4
102-9	Supply chain	Disclosed	P20-P21
102-10	Significant changes to the organization and its supply chain	Disclosed	P10-11
102-13	Membership of associations	Disclosed	P14
102-14	Statement from senior decision-maker	Disclosed	P3-P5
102-15	Key impacts, risks and opportunities	Disclosed	P3-P5
102-16	Values, principles, standards and norms of behavior	Disclosed	P3-P5
102-20	Executive-level responsibility for economic, environmental and social topics	Disclosed	P6-P9
102-21	Consulting stakeholders on economic, environmental and social topics	Disclosed	P6-P9
102-29	Identifying and managing economic, environmental, and social impacts	Disclosed	P9
102-30	Effectiveness of risk management processes	Disclosed	P17
102-31	Review of economic, environmental and social topics	Disclosed	P9
102-32	Highest governance body's role in sustainability reporting	Disclosed	P6
102-40	List of stakeholder groups	Disclosed	P7-P8
102-43	Approach to stakeholder engagement	Disclosed	P7-P8
102-44	Key topics and concerns raised	Disclosed	P9
102-46	Defining report content and topic boundaries	Disclosed	Piii
102-47	List of material topics	Disclosed	P9
102-49	Changes in reporting	Disclosed	Piii
102-50	Reporting period	Disclosed	Piii

GRI Indicator Index

No.	Description	Disclosure Status	Reference Sections in the Report
102-51	Date of most recent report	Disclosed	Piii
102-52	Reporting cycle	Disclosed	Piii
102-53	Contact point for questions regarding the report	Disclosed	P59
102-55	GRI content index	Disclosed	P57-P58
201-1	Direct economic value generated and distributed	Disclosed	P14
205-2	Communication and training about anti-corruption policies and procedures	Disclosed	P18
301-1	Materials used by weight or volume	Disclosed	P31
302-1	Energy consumption within the organization	Disclosed	P29-P30
302-3	Energy intensity	Disclosed	P29-P30
302-4	Reduction of energy consumption	Partially disclosed	P32
302-5	Reductions in energy requirements of products and services	Disclosed	P30-P32
305-1	Direct (scope 1) GHG emissions	Disclosed	P30
305-2	Energy indirect (scope 2) GHG emissions	Disclosed	P30
305-4	GHG emissions intensity	Disclosed	P30
306-1	Total water discharge by quality and destination	Disclosed	P29
306-2	Total amount of waste by type and disposal method	Disclosed	P33
307-1	Non-compliance with environmental laws and regulations	Disclosed	P29
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	P39, P45-P47
401-3	Parental leave	Disclosed	P39
404-2	Programs for upgrading employee skills and transition assistance programs	Disclosed	P40-P43
414-2	Negative social impacts in the supply chain and actions taken	Disclosed	P20-P21
416-1	Assessment of the health and safety impacts of product and service categories	Disclosed	P23-P27

Reader Feedback Form

Thank you for reading “2018 Report of Environmental, Social and Governance of Xiabuxiabu”. In order to provide you and other stakeholders with more valuable information and improve the Company’s ability to fulfil ESG, we sincerely welcome any opinions and suggestions you may offer on the report via:

Mail to: Room 1201, 12/F OfficePlus@Wan Chai, No. 303 Hennessy Road, Wanchai, Hong Kong

Telephone: (852) 2952 3566

Email: Godfrey@xiabu.com

1. Which of the following stakeholder types applies to you? _____

A Government B Regulatory Authority C Shareholder D Customer E Employee
F Supplier and Partner G Community H Public and Media

2. Do you think this report has fully satisfied your expectations for the Company? _____

A Yes B No, which of your expectations do you think is not reflected in this report?

3. Do you think the Company has met your expectations well? _____

A Yes B No, which of your expectations do you think has not been met well?

4. Do you think the arrangement of content and layout design of this report provide easy reading? _____

A Excellent B Good C Average D Poor

5. What other opinions and suggestions do you have on our fulfillment of social responsibility and this report?

Thanks again for your participation!



呷哺呷哺

Xiabuxiabu Catering Management (China) Holdings Co., Ltd.
呷哺呷哺餐飲管理(中國)控股有限公司

香港灣仔軒尼詩道303號協成行灣仔中心12樓1201室

Room 1201, 12/F OfficePlus @Wan Chai,
No. 303 Hennessy Road,
Wanchai, Hong Kong

www.xiabu.com