

上海小南国
SHANGHAI MIN

DOUBOR

MAISON DE CHUI 慧公馆

俺の
ORENO
DINING BAR
FRENCH + ITALIAN

南小館
the dining room

香港米芝蓮
Hk Mai Chi Ling

WP
WOLFGANG PUCK

2018

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT

以食为天

Tan'Sh
Global Food Group Co., Limited



國際天食集團有限公司
TANSH Global Food Group Co., Ltd

Incorporated in the Cayman Islands with limited liability

Stock Code: 3666

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1 ABOUT THE REPORT

The Report is the third *Environmental, Social and Governance Report* of TANSI Global Food Group Co., Ltd. (“**TANSI Global**”) and its subsidiaries, collectively, the “**Group**”) The Report is aimed to disclose TANSI Global’s environmental and social performances in 2018, including environmental and social issues that our stakeholders are mainly concerned with. For key stakeholders’ comprehensive understanding of TANSI Global’s sustainability philosophy, its related practices and performances, the Report should be viewed together with the chapter titled “Corporate Governance Report” in this year’s Annual Report – page 32.

1.1 REPORT SCOPE

Unless otherwise indicated, the Report’s scope covers TANSI Global’s headquarters (“**Headquarters**”) and restaurants located in mainland China that are under TANSI Global’s direct operation and management. The data scope covers Headquarters, and Shanghai Min and the Dining Room, the restaurants located in Shanghai that are under TANSI Global’s direct management Shanghai Min and the Dining Room. For the convenience of reading the Report, Headquarters and restaurants in mainland China are collectively referred to as “**Company**”, “**the Company**” or “**we/us**”. The detailed scope of specific data disclosed in the Report would be furtherly discussed in the relating chapters.

The time scope of the Report is from 1 January 2018 to 31 December 2018.

1.2 REPORT GUIDELINE

The Report was developed by the Company in compliance with *the Environmental, Social and Governance Reporting Guide* in Appendix 27 to *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited published by the Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”). The Report has been prepared in accordance with the reporting principles: materiality, quantitative, balance and consistency and has complied with “comply or explain” disclosure obligations. The Report’s compliance with *the ESG Reporting Guide* is summarized in the “Content Index of *the ESG Reporting Guide*” chapter.

1.3 REPORT DESCRIPTION

The Report is published in Traditional Chinese and in English. Should there be any discrepancies in the Report's content, the Traditional Chinese version shall prevail. The electronic version of the Report may be viewed or downloaded from TANSI Global's official website and SEHK's website.

Unless otherwise stated, the terms mentioned in the Report shall have the following meanings:

"TANSI Global"	TANSI Global Food Group Co., Ltd.
"Headquarters"	Shanghai Headquarters of TANSI Global
"Company", "the Company", "we/us"	Headquarters and restaurants located in Shanghai that are under TANSI Global's direct management
"SEHK"	The Stock Exchange of Hong Kong Limited
"ESG"	Environmental, social and governance
"ESG Reporting Guide"	<i>the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited published by SEHK</i>
"the Report"	TANSI Global's 2018 <i>Environmental, Social and Governance Report</i>
"the Reporting Period", "2018"	Time period from 1 January 2018 to 31 December 2018
"China", "PRC"	The People's Republic of China
"SAMR"	China's State Administration for Market Regulation
"CFDA"	The former China Food and Drug Administration, which has been integrated into SAMR in April 2018
"SOP"	Standard Operating Procedure, a program designed to help workers carry out complex operations within limited time and resources

1.4 RESPONSE TO THE REPORT

We welcome readers to submit comments and suggestions on the Report through the following contact methods:

2F, East Bldg., 777 Jiamusi Road, Yangpu District, Shanghai, China (Postal Code: 200433)
 Phone: +86(21) 2525 9999
 Fax: +86(21) 2525 9900

2 ABOUT TANSH GLOBAL

TANSH Global has over 30 years of operation history in China and has been listed on the main board of the SEHK since 2012. We process multiple advantages in brand integration, standard supply chain, talent and organizational competitiveness, as well as investing and operating a variety of Chinese food, western food, casual dining and beverages' brands, including "Shanghai Min", "the Dining Room", "Maison De L'Hui", "ORENO", "Wolfgang Puck", "DOUTOR" and "Mai Chi Ling".

2018	Mr. Sun Yong was appointed as the executive director and a member of the executive committee. Mr. Sun has also taken over as Ms. Wang Huimin and was appointed as Chief Executive Officer Selling 65% of the entire issued share capital of MRL (formerly known as Pokka HK). MRL is no longer TANSH Global's subsidiary
2017	Partnering with JMU built strategic cooperation with ACCESS Renamed as "TANSH Global Food Group Co., Ltd" Imported the biggest coffee chain brand in Japan – DOUTOR COFFEE
2016	Opened restaurants in Shanghai Disney Town Acquired 9.82% stock of JMU Limited (Nasdaq:JMU)
2015	Opened "ORENO (French & Italian Dinning Bar)" restaurant in mainland China at Shanghai XinTianDi Opened famous American brand "Wolfgang Puck"'s first mainland restaurant in Shanghai XinTianDi
2014	Purchased 65% equity stake of Pokka HK as an extension into the coffee and popular western leisure catering business Introduce ORENO, cooperating with ORENO Corporation, which was one of the most popular restaurant chains in Tokyo Introduced and directly managed the milk-tea workshop of the brand "Mai Chi Ling", as well as gradually opened the league cooperation
2013	Opened "The Dining Room" restaurant, which was the brand's first mainland restaurant in Shanghai
2012	Became Listed on Hong Kong Stock Exchange on July 4, 2012; raised HKD 512 million Launched the third restaurant brand "The Dining Room" in Hong Kong
2011	Increased capital investment by Shining Capital, and initial investment by EFG Atlantis
2010	Launched the first high-end brand – "Maison De L'Hui" in Shanghai Capital investment to the Company by CSI Capital L.P.
2008	Capital investment to the Company by Shining Capital
2001	Entered Hong Kong market; opened the first "Shanghai Min" restaurant in Hong Kong
1987	Established the first "Shanghai Min" restaurant and brand in Shanghai

3 SUSTAINABILITY MANAGEMENT

3.1 BOARD'S RESPONSIBILITY

By evaluating and determining the Company's ESG-related risks, the Board of the Company formulates ESG management approach, strategies, priorities and objectives, and defines the reporting scope of the Report. In addition, the Board ensures that TANSI Global sets appropriate and effective risk management and internal monitoring systems, reviews the disclosure content of the Report and assumes overall responsibility for TANSI Global's ESG strategy and reporting.

3.2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) WORKING GROUP

To optimize the management of the Company's sustainability issues, we refer to SEHK's *How to Prepare an ESG Report* and established an ESG Working Group to report to the Board on ESG related works. Based on the responsibility of overseeing and coordinating the preparation of the Report, the ESG Working Group organized this year's stakeholder engagement survey and materiality assessment.

3.3 COMMUNICATION WITH STAKEHOLDERS

Understanding the expectations of various stakeholders is essential to the sustainability development of the Company. Currently, our key stakeholders include investors, government and regulatory agencies, employees, customers, suppliers and partners, media and communities, etc. Through diverse channels and platforms, we maintain good communication with our stakeholders to understand the key issues we need to focus on in our sustainability development processes.

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

Case: “Happy Work and Healthy Life-It’s up to you” Activity Clubs Ideas Collection

In 2018, the Company engaged employees to form various cultural and sports clubs, hoping to create communication channels and enhance team cohesion for employees. To better understand employees’ demands for activity clubs, we conducted an online survey in April 2018. Through public voting, we collected information from employees on their preferences of club categories, frequency of activities, and organizational formats to better serve employees’ needs for club activities.

快乐工作·健康生活——你有你选择

*1、你希望公司开设哪些社团？【多选题】

☐ A、瑜伽社

☐ B、摄影社

☐ C、羽毛球社

☐ D、足球社

☐ E、篮球社

☐ F、绘画社

☐ G、乐高社

☐ H、吉他社

☐ I、宠物社

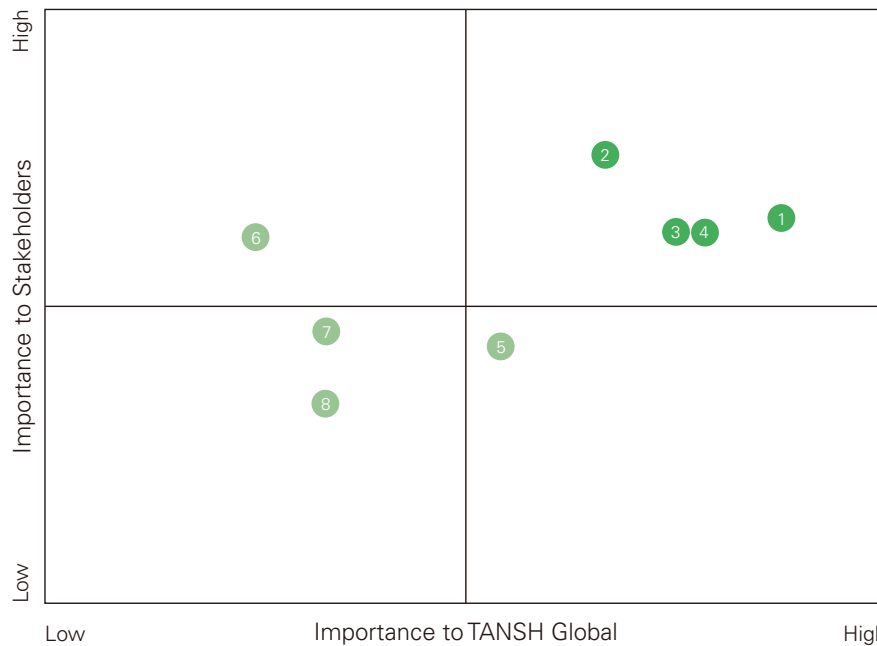
Picture: Online Survey Form

3.4 MATERIALITY ASSESSMENT OF ESG ISSUES

In 2018, we invited stakeholders to participate in the materiality assessment work of the Report through an online questionnaire survey. The participants include the Company's decision makers, the Company's employees, customers, shareholders or investors, suppliers, partners, the public, media and government or supervisory agencies, etc.

Referring to the *ESG Reporting Guide* and considering the characteristics of the catering industry, we identified 23 ESG issues related to TANSI Global and classified the 23 issues into four aspects according to the *ESG Reporting Guide's* framework and our industry's characteristics. The four aspects are environmental responsibilities, operational responsibilities, labor responsibilities and others. In the questionnaire survey, we invited participants to rank the issues under each aspect from perspectives of "importance to stakeholders" and "importance to TANSI Global". The survey results are as follows:

Materiality Matrix of Environmental Responsibility Issues



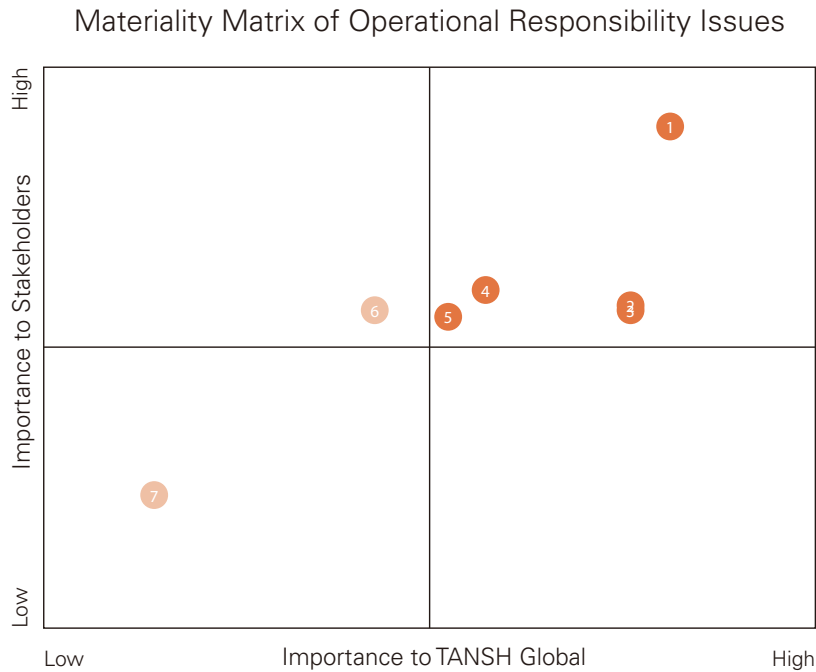
Rankings of Environmental Responsibility Issues:

High-materiality Issues:

- 1 Energy consumption and conservation management
- 2 Disposal and recycling of hazardous and non-hazardous waste
- 3 Cooking fume emission management
- 4 Water resource management

Other Issues:

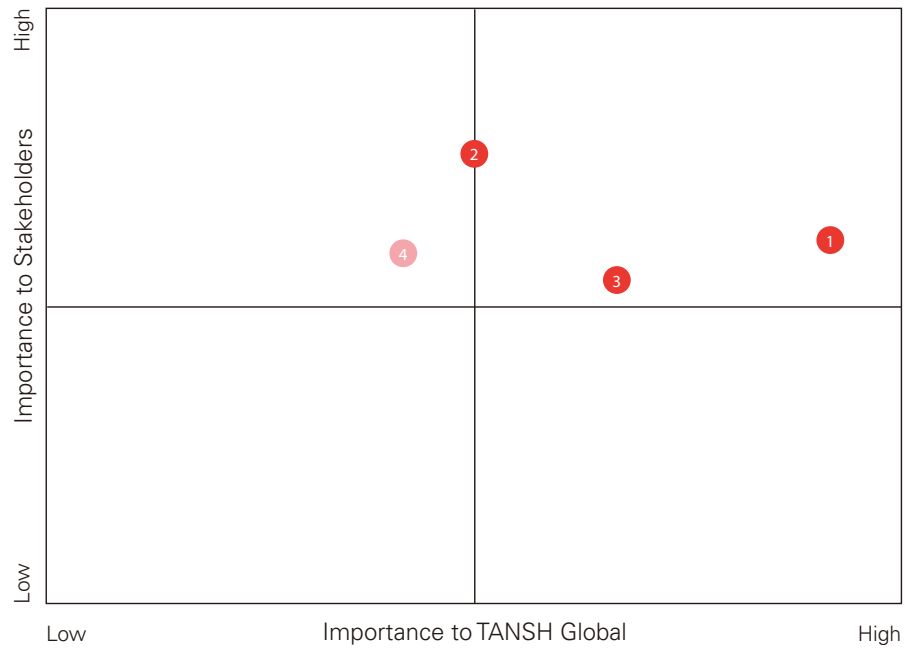
- 5 Company's promotion of reducing food waste
- 6 Material selection for take-away bags and disposable tableware
- 7 Greenhouse gas emission management
- 8 Company's participation in environmental activities



Rankings of Operational Responsibility Issues:

High-materiality Issues:	Other Issues:
1 Food safety	6 Customer services
2 Integrity and honesty	7 Advertising management
3 Corporate governance	
4 Food research, development and quality	
5 Food supplier management	

Materiality Matrix of Labor Responsibility Issues



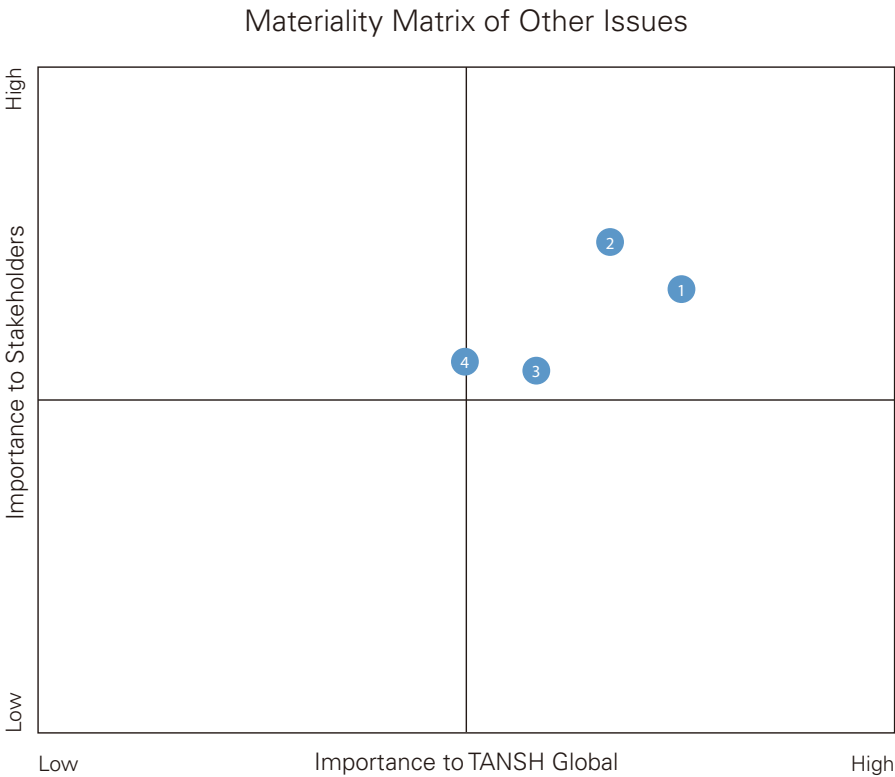
Rankings of Labor Responsibility Issues:

High-materiality Issues:

- 1 Employee occupational health
- 2 Employee rights protection
- 3 Employment policy management

Other Issues:

- 4 Employee training and development



Rankings of Other Issues:

High-materiality Issues:

- 1 Promote the development of the industry
- 2 Stakeholder communication
- 3 Participation in community activities
- 4 Participation in charity events

The “high-materiality issues” in the above results are evaluated as issues that are important to both the stakeholders and TANSI Global. Therefore, in the following chapters, we will focus on disclosing the Company’s strategies and performances relating to “high-materiality issues” during the Reporting Period.

4 AWARDS AND HONORS

In 2018, TANSH Global has continued its efforts in food quality management and innovation. For its outstanding performance, the Group has won the following awards.

Awards/Honors

Top 50 of 2018 Chinese Dinner Group
The National Hotel & Catering Industry Meritorious Enterprise of the 40th Anniversary of Reform and Opening up
Top 100 of Chinese Dining Brands
2018 Chinese Food Top 100-Top 50 of Chinese Famous Cuisine – Wok-fried Fresh River Shrimps
Chinese Cuisine • Representative Corporation with National Classic Dishes of Provinces – Shanghai Cuisine-Braised Pork Shoulder

Organizer

China Hospitality Association
China Hospitality Association
2018 Chinese Brand Power Summit Committee
China Hospitality Association
China Cuisine Association



5 SAFETY FIRST

This chapter focuses on responding to the following “high-materiality issues”:

- Food safety
- Employee occupational health

5.1 FOOD SAFETY

As always, food safety is still the most important issue concerned by the stakeholders of the Company in 2018, and it is also the stable cornerstone for the long-term development of its catering corporations. The Company strictly abides by the relevant national laws, administrative regulations and local regulations in the places where it operates, strictly controls the quality and safety of food, and provides customers with high quality and healthy food.

In the Reporting Period, the Company has complied with the following laws and regulations related to food safety:

(Including but not limited to)

Food Safety Law of the People’s Republic of China

Regulation on the Implementation of the Food Safety Law of the People’s Republic of China

Administrative Measures for Food Recalls

the Operating Rules on Food Safety in Catering Services

the Guiding Opinions on See-through Kitchen Work in Catering Services

Measures for the Supervision and Administration of Food Safety in Online Catering Services

Shanghai Food Safety Regulations

Shanghai Administrative Measures for Food Safety Information Traceability

Through regular revision of the *Food Safety Regulations List*, the Company timely learns and follows up on the regulatory trends of food safety and quality in national laws, administrative regulations and local regulations. In light of regulatory requirements, market dynamics and the company’s development strategy, we continuously review and optimize the Company’s policies and management models related to food safety. In October 2018, we integrated and enhanced the Company’s existing food safety management policies in accordance with the *GB/T 27306-2008 Food Safety Management System-Catering Industry Requirements* and the *DB31/2015-2013 Food Safety Local Standard-Food Safety Management Guidelines for Food Service Providers*, revising the *Food Safety Management Manual* as both the guidance document and operational guidelines for the Company’s food safety management system. The *Food Safety Management Manual* was officially implemented on 1 November 2018. The manual contains a series of systematic documents for the unified and orderly risk management and control of food safety related operations, Company’s branches and partners.

Management Team

The Company established a food safety management leading team, in which the Chief Executive Officer is the team leader and the heads of each department are the team members. The team is responsible for directing and coordinating the Company's food safety management system.

Responsibilities of food safety management leading team:

- Hold regular meetings to discuss and formulate food safety policies that the Company should adopt and to follow up on the progress of each department's projects.
- Investigate, sort out and research the Company's existing major ingredients, minor ingredients and packaging materials; strictly eliminate materials that may endanger food safety in the daily work of procurement, production, cooking at restaurants and quality control.
- Analyze and evaluate unsafe food raw materials appearing in specific food safety incidents from a professional perspective and a public perspective, and discuss the risks and impacts that the incident may have on the Company, in order to establish corresponding monitoring mechanisms and countermeasures.
- Cooperate with the regulatory authorities to supervise the Company's daily food safety business; implement the national laws and regulations on food safety; pay close attention to food safety incidents reflected by restaurants and media, and timely control and formulate response strategies.
- Participate in the development of the Company's food safety strategy and regularly evaluate the operation performance of the Company's food safety management system.

Information Circulation

In addition to the above responsibilities, the food safety management leading team is responsible for establishing and maintaining external communication channels, including telephone, email, meetings, documents, faxes, letters, seminars, workshops, etc., to exchange information about the Company's products in food safety and thus to understand the potential risks and known hazards under the control of other organizations in the food chain.

Parties and items that require maintaining external communications:

Suppliers	Information on major ingredients, minor ingredients and food contact materials.
Customers	Product information inquiries and customer feedback, product and service demand information, product and service evaluation information (including customer complaints, etc.).
Regulatory agencies	Information on the development of technology, changes in laws and regulations and information on food safety incidents.
Other organizations	Communicate information with other organizations that have an impact on the effectiveness or update of the food safety management system or will be influenced by the effectiveness or update of the system.

While maintaining effective external communication, we also established an internal communication mechanism to encourage employees in different positions to communicate internally about how to achieve management objectives and work coordination, and to pass information and knowledge on new laws and regulations as well as sudden food safety hazards and their response strategies.

Process Control

Under the premise of perfecting the personnel management system, we systematically control the operation procedures of each process in the food chain. We have established operation specifications and management policies for all processes in aspects such as resource management, supply chain food safety management, restaurant food safety management, food safety supervision, unqualified product recalls and food safety traceability.

The main operation specifications and management content of resource management:

Human resources	Establish food safety training programs and courses for Headquarters and restaurants' employees at all levels, and regularly arrange training results assessment.
New restaurants' location, design and decoration	There are specifications and acceptance standards related to safety and sanitation implemented for location and environment, design and layout, building structure, facilities and equipment of the restaurants.
Hardware maintenance	The annual maintenance/repair plan is required for the facilities and equipment of the Headquarters and restaurants, and the maintenance and repair involving health hazards should be given priority.

The major processes in food safety key process control:

Food procurement	Raw material acceptance	Raw material storage
Raw material defrosting	Food preparation	Clean and disinfection of ready-to-eat fruits and vegetables
Food cooking	Cooked food cooling	Food reheating
Food cold (heat) insulation	Food's exhibition and sales	Tableware cleaning and disinfection

The Company has established a series of SOP documents, management policies and acceptance standards document in the above key process control processes for the relevant responsible personnel to implement and comply with. At the same time, the Company regularly organizes pilot inspections, special inspections, food safety assessments, etc., to supervise the implementation of food safety management.

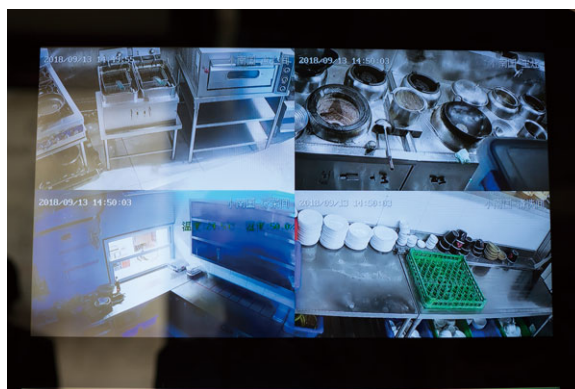
In addition, the Company implements the *Food Safety Accident Emergency Response Plan* and organizes food safety accident emergency drills every year. Through emergency drills, the command capability of the food safety management leading team is strengthened and the abilities of all departments in coordination and response to sudden food safety incidents are enhanced. According to requirements of the *Administrative Measures for Tracing Food Safety Information in Shanghai City*, we have formulated the *Food Safety Tracing SOP* and set an online platform for restaurants' responsible personnel to record the source information, specifications, production date, production batch number and other information in real time when the raw materials and products are put into storage and out of the warehouse. These measures standardized the specific implementation plans and operational procedures for product traceability to handle emergencies.

We annually organize food safety management system reviews to evaluate opportunities for improvement and the needs in modifications in food safety management systems to ensure its adaptability, adequacy and effectiveness. We summarize the results of the review into a *Management Review Report*, which is distributed to all departments for work review and improvement.

In the Reporting Period, the Company had no sold or shipped products been recalled for safety and health reasons.

Case: "See Through Kitchen" Program

The Company actively responds to the "See Through Kitchen" program advocated by CFDA. We install camera equipment in the processing and cooking area, special operation area, cleaning and disinfection area, etc., and monitor the whole process in real time through video transmission technology. We accept the supervision from consumers and regulatory authorities to ensure the quality and safety of the food provided.



Picture: Restaurant displays the real-time monitoring screen of the kitchen in the dining area.

5.2 EMPLOYEES' HEALTH AND SAFETY

We believe that employees' safety is as important as food safety, and that employees' health is a crucial element in ensuring food safety. In 2018, we have strictly complied with relevant national and local laws and regulations to provide employees with a safe and reliable working environment. The Company conducts fire drills every year in the office and restaurants to ensure that employees possess abilities to respond to emergencies. We regularly conduct safety awareness trainings for our employees in accordance with Company policies such as the *Management System for the Health of Restaurant Staff*. In daily work, we also actively promote healthy lifestyles to avoid occupational hazards.

In the Reporting Period, the Company has complied with the following laws and regulations related to employees' health and safety:

(Including but not limited to)

Labor Law of the People's Republic of China

Work Safety Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Provisions on the Supervision and Administration of Occupational Health at Work Sites

Fire Protection Law of the People's Republic of China

Health and Sanitation Management

The *Management System for the Health of Restaurant Staff* requires all employees to maintain appropriate personal hygiene habits and regulates frequency of washing uniforms. In addition, it also requires that all restaurant employees need to take health examinations and receive health certificate before start of work. The Company's restaurants should establish *Administrative Ledger of Staff Health Certificate* and carry out health check on employees at the beginning of daily operations, maintaining the health and safety of employees as well as further protecting food safety.

In addition to health management policies, the Company also stipulates the corresponding operation specifications and storage areas for the operation of the kitchen utensils and equipment of all restaurants to ensure the daily work safety of the restaurant employees. In addition, the Company is equipped with fire-fighting equipment in all business and workplaces. The equipment's using instructions and emergency situation escaping skills descriptions are posted in conspicuous places.



Picture: Fire extinguishing equipment at restaurants

Education and Training

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

In the Reporting Period, the Company did not have incidents of work-related fatalities nor lost working days due to work injury.

6 QUALITY ORIENTED

This chapter focuses on responding to the following “high-materiality issues”:

- Food research, development and quality
- Food supplier management

6.1 QUALITY MANAGEMENT

The Company set up a research and development department to regularly develop new dishes. When developing and supplying new dishes, TANSI Global evaluates the quality and safety risks of the products from three angles, namely raw material characteristics, SOP and restaurant operation permits. In addition, we ensure that the food and services provided by the Company meet the quality management requirements through a comprehensive inspection system as well as complaint handling and recall procedures.

Inspection Policies

In order to ensure the quality and safety of the food in receiving process and prevent unqualified products from entering the restaurants, the Company has established the *Quality Acceptance Process for Raw Materials and Ingredients in the Material Center* and the *Quality Acceptance Standard for Raw Materials* for various raw materials, which are used to guide the acceptance, daily supervision and quality verification of departments in charge of acceptance and usage. For raw materials with a large amount of purchases, we entrust a third party to inspect the material’s processing and production procedures.

In addition to the source control, TANSI Global’s restaurants also insist on taking multiple measures with rigorous attitude to ensure that the products provided are of high quality and safety. In the daily inspection, we inspect the quality of food in accordance with the *Inspection and Acceptance Standard of Raw Materials at Restaurants*, *Procedures for Pilot Examination of Food Safety*, etc. The *Procedures for Pilot Examination of Food Safety* stipulates that the food safety management leading team shall conduct on-site food safety inspection and random food sampling inspection at restaurants kitchen by means of pilot inspection. With objective and fair results, each restaurant’s implementation of food safety laws, regulations and policies can be reflected, and food safety awareness and management at restaurant kitchen can be continuously improved.

Pilot examination methods are classified into on-site inspection and dish sampling inspection. The on-site inspection is mainly carried out through inspections on the sanitation and hygiene of employees, operation, environment, facilities and equipment at restaurants; the dish sampling inspection stores and transports dish samples to the entrusted third-party inspection agency according to the sampling plan. The food safety management leading team conducts monthly and annual summary analysis of the inspection results of all restaurant kitchens, collectively formulates food safety analysis reports, and constantly raises food safety and quality management standard through continuous improvement.

Customer Complaints and Handling

We believe that maintaining good communication with customers plays an essential part in providing an excellent customer service experience. We actively learn customers’ suggestions and satisfaction level on products and services by questionnaires, customer satisfaction surveys, etc. through various channels and platforms including phone calls, communication platforms (such as WeChat public account) and the third-party feedback (such as Dian Ping, Meituan, etc.). The Company stipulates that in case of complaints, the designated personnel of each restaurant or department are responsible for receiving and handling customer complaint cases. During the Reporting Period, the Company did not receive any major complaints from customers regarding products and services.

Product Recall

The Company has developed response policies for external and internal recalls of unqualified products. For external recalls (recalls from relevant government departments or suppliers), the Food Safety Department and the Purchasing Department shall coordinate and arrange the execution of the recall; for internal recalls (customers find unqualified products during the meal or after the purchase), the restaurant shall assess the scope of the impact according to the complaint’s situation and, if necessary, implement the corresponding recall operation procedures in accordance with the *Material and Product Recall Program*. In addition, in recall processes we require all departments to keep recall forms, recall documents, and to label and store the recalled products, ensuring that all procedures of recall are properly recorded by the Company and suppliers.

6.2 SUPPLIER MANAGEMENT

In 2018, the Company and its strategic partner JMU Group's supply chain platform and source suppliers jointly carried out more active cooperative research and development, SOP specifications and procurement and supply services. On the basis of overall guarantee of food safety and quality, we effectively control the cost of the supply chain and develop healthy and delicious dishes to enhance the customer's dining experience.

In the first half of 2018, the Company added 7 research and development supplier partners and 11 standard supply chain factories, completed 141 SKU (Stock Keeping Unit) upgrades, and achieved full coverage of standard supply chain in its main brands in Mainland China. The deepening development of the standard supply chain has accelerated the Company's restaurants expansion, delivery area expansion and retail channel development under strategy of "brand integration".

The Company chooses to cooperate with suppliers who share the same philosophies and is committed to developing mutually beneficial cooperation with suppliers. In the selection of suppliers and procurement processes, other than costs, the Company also attaches importance to the environmental and social responsibility performance of suppliers, including the performance of suppliers in terms of law and regulation compliance and business ethics.

Suppliers must have the corresponding food production and operation certification and license. The Company reviews the sustainability development capacity of suppliers and their compliance in employment and use of environmentally friendly materials. During the Reporting Period, the Company had more than 50 suppliers with long-term cooperation relationship, which are mainly located in Shanghai. The Company actively promotes the rapid flow of information in the upstream and downstream of the supply chain to reduce the "bullwhip effect" of the supply chain, and thus reduces the overall inventory of the entire supply chain. Therefore, the energy, water and refrigerant consumed by the Company and the upstream supply chain in inventory management can be reduced. While conserving resources, direct and indirect pollutants and greenhouse gas emissions caused by energy production and refrigerant use may also be reduced as well.

Based on the existing supplier rating system, the Company regularly reviews and scores the performance of suppliers by evaluating and assessing suppliers from multiple dimensions. The scoring items cover the supplier's HACCP¹ plan management, quality management system, factory environment, production control, sanitation control, personnel management and other dimensions. Based on the scoring results, the incentive policies in the *Supplier Incentive Management Measures* are implemented for excellent suppliers, and the unqualified suppliers are given a limited time to rectify or be replaced.

Major corresponding incentives based on suppliers' scoring results:

- Guide suppliers to establish quality and safety management system to improve product quality.
- Priority cooperation: priority to sign the next year's procurement contract.
- Expand cooperation: increase purchase/grant supply contract for more regions or restaurants.
- Long-term cooperation: long-term supply cooperation and establish strategic alliance.
- Issue quality awards and publicize the awards on platforms such as the Company's website.

¹ Hazard Analysis and Critical Control Points, a systematic management approach for food safety in production processes

7 OPERATION IN COMPLIANCE

This chapter focuses on responding to the following “high-materiality issues”:

- Integrity and honesty
- Corporate governance

7.1 INTEGRITY AND HONESTY

Honesty is the most basic code of conduct for employees of TANSI Global, and honesty is also the foundation of the Company’s business ethics to customers, partners and investors. Therefore, the Company integrates existing internal policies and establishes the *Group Integrity Management Policy*, taking honesty as baseline in guiding employees to comply with laws and regulations and act in accordance with business ethics in their work, in order to prevent violation acts such as bribery, extortion, fraud, money laundering, improper marketing and publicity, harassment and discrimination, etc.

The *Group Integrity Management Policy* stipulates that employees must take the initiative to report to their supervisor and Human Resources Department about the situations that are likely to cause conflicts of interest, including but not limited to the following:

- Improper personal income: When an employee receives a valuable gift or other valuable reward for his or her position in the Company;
- Financial benefits: Employees are prohibited from having a significant financial relationship with important customers, suppliers and competitors of the Company;
- Debt or other financial transactions: Employees are prohibited from obtaining funds from important Company customers, suppliers and competitors that may induce personal debts or other personal financial transactions.

In addition, the *Group Integrity Management Policy* further stipulates that the relationship between the Company and its suppliers is based on factors such as price, quality, service and reputation. Employees must not accept or require benefits from suppliers or potential suppliers so that objectivity may be maintained when working with suppliers.

In the Reporting Period, the Company has complied with the following laws and regulations related to the prevention of bribery, extortion, fraud and money laundering:

(Including but not limited to)

Criminal Law of the People’s Republic of China

Anti-Money Laundering Law of the People’s Republic of China

Company Law of the People’s Republic of China

In the Reporting Period, the Company did not receive legal cases regarding corrupt practices brought against its employees.

7.2 CONFIDENTIALITY AND PRIVACY

Group Integrity Management Policy stipulates that the Company prohibits all manipulation, concealment and abuse of privileged information and misrepresentation of important facts or other violations of laws and regulations related to confidentiality and privacy. Employees should comply with the following requirements (including but not limited to):

- When a customer applies for membership, the relevant departments and restaurants would retain the customer's contact information and personal information. The Company requires the responsible employee related to the handling of relevant information to sign a confidentiality agreement to promise to properly manage and protect the customer's personal information, and must not to disclose or provide it to unrelated personnel;
- The Company's operations, sales, strategies, products and personal information, bonus schemes, options plans, training materials and operating manuals are confidential information, and employees must not discuss with or disclose to others during or after their employment. In case of violation, violators shall bear relevant legal and economic responsibilities;
- All copies of communication documents, records, publications, customer business cards, faxes, manuals and training materials written by employees and published within the Company are properties of the Company and may not be owned privately or used without authorization during or after employees' employment period.

In the Reporting Period, the Company has complied with the following laws and regulations related to confidentiality and privacy:

(Including but not limited to)

Law of the People's Republic of China on the Protection of Consumer Rights and Interests

7.3 ADVERTISING AND MARKETING

The Company ensures the authenticity of the advertising content and rationally regulates the management of intellectual property rights. The Company entrusts a professional third-party agent to manage the patents, trademarks and intellectual property rights of the Company, and formulates *The Overview of Trademark* to standardize management and usage of trademarks. Furthermore, the Company signed a cooperation agreement with a professional third-party law firm to trace and defend the infringement of the Company's intellectual property rights.

The *Group Integrity Management Policy* stipulates that fair dealing with customers, suppliers and competitors is the obligation of all employees. Employees must work with the Company to conduct fair, impartial and honest advertising and marketing communications and to abide by the following standards (including but not limited to):

- Employees must provide accurate and complete information to customers;
- Employees must not refuse to sell, to serve, or to repair the Company's products for customers because they purchase products from other suppliers;
- Employees entertaining customers must not exceed the reasonable scope of their authority;
- Employees must not provide customers with entertainment or other benefits that may be considered as induction or rewards for customers' purchase decision;
- Employees should avoid violations of the competition control laws such as the *Anti-Monopoly Law of the People's Republic of China*, including misusing and/or abusing the confidential information of competitors, false reporting of competitors' business and business conditions.

In the Reporting Period, the Company has complied with the following laws and regulations related to advertising and marketing:

(Including but not limited to)

Advertising Law of the People's Republic of China

Trademark Law of the People's Republic of China

Patent Law of the People's Republic of China

Anti-Monopoly Law of the People's Republic of China

7.4 WHISTLEBLOWING AND MONITORING

Based on the development and implementation of compliance operation management policies, the Company establishes appropriate and effective whistle-blowing procedures to prevent such non-compliance behaviors, so that risks involved may be minimized. The *Group Integrity Management Policy* stipulates that employees can report violations of laws or regulations or violations of the Company's policies to the direct supervisor or the Human Resources Department through emails, letters, telephone calls and direct reports. The report targets may include full-time employees, part-time employees, third-party laborers, consultants, Company board members, etc.

The Company encourages employees to provide their names in whistle-blowing procedures and also accepts anonymous whistleblowers. Regardless of the form of whistle blowing, the Company is committed to protecting the personal information of the whistleblower. The *Group Integrity Management Policy* stipulates that the whistleblower has the responsibility to cooperate with the Company's authorized investigators after the initial reporting, and to do his or her utmost to provide evidence and specific information about the reported matters, in order to support the Company to carry out necessary investigation and judgement before implementation of the anti-violation action.

8 TALENT MANAGEMENT

This chapter focuses on responding to the following “high-materiality issues”:

- Employment policy management
- Employee rights protection

8.1 EMPLOYMENT POLICY

In the Reporting Period, the Company has complied with the following laws and regulations related to employment (Including but not limited to):

Labor Law of the People’s Republic of China

Labor Contract Law of the People’s Republic of China

Law of the People’s Republic of China on the Protection of Minors

Provisions on the Prohibition of Using Child Labor

In order to continuously promote the healthy growth of the organizational structure and the sound development of the business, TANSI Global actively attracts external talents to join our talent team. In order to ensure the fairness and impartiality of the Company’s employment policy and the implementation of relevant procedures are efficient, standardized and systematic, the Company strictly implements the *Recruitment Procedure* on the basis of compliance with relevant laws and regulations. The *Recruitment Procedure* provides detailed specifications for the functions and management responsibilities of the various functional departments at Company’s Headquarters and restaurants in terms of application of recruitment demand, recruitment channel selection, applicant assessment and evaluation processes. During the Reporting Period, the Company organized Human Resources and Administrative departments to carry out reviews and revision of annual organization structure management, restaurant employee structure management, and existing recruitment processes in accordance with the *Recruitment Procedure*.

For the restaurant employees and office employees, the Company has formulated the *Onboarding, Probation and Dismissal Procedures of Restaurant Employees* and the *Onboarding, Probation and Dismissal Procedures of Office Employees*, in which the following contents are emphasized in the onboarding, probation and dismissal management:

Onboarding

Employees are required to provide their identifications and certificates mentioned in resume to the Company before onboarding, confirming that they are over the age of sixteen, in order to comply with the provisions of the *Labor Law of the People’s Republic of China* and other laws prohibiting the recruitment of minors. The Company implements the labor contract system for all recruited employees, signs the written contract with the employees and both parties fulfill obligations in accordance with the contract. If there were suspected situation of child labor or forced labor, the Company would immediately carry out relevant investigations, and if the illegal incidents were involved, the Company would hand over to the relevant judicial authorities for handling.

After the identity information has been reviewed, employees must sign labor contracts, confidentiality agreements and other relevant regulations. In addition, the Company arranges orientation for new employees, including introduction of Company profiles, Company policies, employee responsibilities and benefits, to help new employees quickly integrate into their jobs.

Probation

According to the labor contract, the probation period of the new employee is 3 months or 6 months. During the probation period, the employee's direct superior should evaluate the employee's performance and complete the *Probation Period Evaluation Form*, and the employee is also required to conduct a self-assessment. Before the end of the probation period, based on the evaluation results and decisions of both parties, the Human Resources and Administrative Departments would execute the formalities for the transfer to regular employee or the termination of the contract.

Resignation

Employee within probation period shall submit the resignation application in writing and indicate the effective date of resignation 3 days in advance, and the regular employee shall submit the resignation application with the effective date in writing 30 days in advance. After the employee's direct superior agrees to the resignation and signs the confirmation in the resignation application, the application would be transferred to the Human Resources Department and Administrative Department. For the resignation of employees above a specific rank, the Company needs to carry out the process of exit interview and resignation signoffs before the employees' departure, execute transfer of items listed in the *Employee Resignation Signoff List* and have the list signed by relevant responsible personnel. Employees are also required to complete their paid leaves before the effective date of resignation or to redeem the paid leaves according to the Company's vacation policy.

Dismissal

When the Company decides to dismiss an employee, the Human Resources Department must review the reasons that led the Company to make this decision to ensure that the termination of the employment relationship complies with the relevant provisions of the national labor laws and regulations and Company policies. The Company would handle the dismissal formalities for employees according to the corresponding procedure of dismissal to ensure that both the legitimate rights and interests of employees and the Company's information and assets are protected.

As of 31 December 2018, the Company had a total of 3,024 employees in Mainland China and Hong Kong, including 2,656 restaurant employees and 368 Hong Kong and Shanghai office employees. The total number of employees by gender, age group and employment type are as follows:

	By Gender		By Age Group			By Employment Type		
	Male	Female	Below 30 Years Old	30-50 Years Old	Above 50 Years Old	Senior Management	Middle Management	General Employees
Number of Employees (person)	1,535	1,489	1,069	1,272	683	41	516	2,467

8.2 EMPLOYEES' RIGHTS AND BENEFITS

We hope that every employee fully understands his or her rights and benefits as a member of TANSI Global, and understands how to respect and protect the rights and benefits of colleagues, customers, suppliers and partners. Therefore, the Company has incorporated the compensation policy, welfare policy, working hours, vacation policies, performance management principles, training, code of conduct and disciplines into the *Xiao Nan Guo and You* staff manual, and ensure that all employees receive the manual and sign to commit that he or she has clearly understood and would comply with the contents of the manual.

Vacation Policies

In *Xiao Nan Guo and You*, the employees are introduced to the vacation systems, including application procedures and durations of national public holidays, annual leave, sick leave, personal-affair leave, marriage leave, maternity leave, nursing leave, breastfeeding breaks, funeral leave, work-related injury and other leaves. Both the Company and its employees are required to comply with the application dates, supporting documents, vacation durations regulated in the Company's *Rest Periods and Overtime Working Policies*.

In order to provide customers with efficient and high-quality catering services during the holidays, restaurant employees may need to work on statutory holidays. The *Rest Periods and Overtime Working Policies* stipulates that relevant management personnel should evaluate the turnover of restaurants and reasonably arrange for the employees' working time accordingly. Before the 25th of the month before the statutory holiday month, the restaurant manager and the chef need to submit the statutory holiday working employee list and shift schedule to the Company's Regional Operations Manager for review to ensure that the shift plan meets the legal requirements and also takes into account the labor costs and employees' work and rest balance. Complying with the *Labor Law of the People's Republic of China*, the Company pays three times of basic salary to employees who are approved to work on statutory holidays.

For office employees, the Company complies with the provisions of the *Labor Law of the People's Republic of China* on working hours and rest periods and implements the *Execution System for Attendance Management of Headquarters Employees* to record the working hours of employees. The Company's daily working hours are 8 hours. The *Rest Periods and Overtime Working Policies* also states that the Company does not encourage employees to work overtime. Therefore, employees must have sufficient reasons for overtime work and obtain written approval from the department head in advance. The Company will arrange rest periods in exchange to compensate for overtime works.

Employee welfare

We provide employees with a range of social insurances in compliance with relevant laws, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance, and housing accumulation funds. Beyond basic insurance, employees benefit from commercial insurance such as employer's liability insurance, group accident insurance, and supplementary medical insurance provided by the Company. In order to help employees understand their physical condition in a timely manner, we arrange annual physical examinations for office employees and apply for health certificates for restaurant employees.

Office employees can enjoy the Company's free lunch, and restaurant employees can enjoy free work meals and night snacks during their working hours. The Company provides work uniforms and related accessories for office and restaurant employees. In addition, we actively organize various employee activities to show employees' talents, enhance employee communication and benefit employees' physical and mental health, in order to encourage employees to balance work and life.

The above benefits are detailly described in *Xiao Nan Guo and You* for employees to check at any time.

Case: Arrival of Chef

In order to enrich the entertainment life of restaurant employees, promote communication among employees, enhance team cohesion and enhance employees' sense of identity and belongingness to the Company and restaurants, the monthly "Arrival of Chef" gathering event at restaurant has become one of the Company's signature cultures. In the event, the chefs of each restaurant cook every month to prepare delicious food for the restaurant employees, so that employees can enjoy a great time together after busy and intensive work.



Case: Book Corner for Employees

The Company is committed to providing employees with more benefits and access to knowledge in a diverse form. In June 2018, the Company's book corner was officially opened with the release of the *Book Lending Policy*. Employees can borrow a wide variety of professional skills books through the online library management system to enrich their knowledge.



Employee Code of Conduct

While understanding and rationally managing each individual's rights and benefits, the Company also requires employees to know and maintain the rights and benefits of other colleagues, customers and partners. Therefore, in the *Xiao Nan Guo and You*, we also stated the disciplines and codes that employees of the Company must abide by, and explained the consequences of various types of disciplinary actions. Violations of equal opportunities, diversification, anti-discrimination and other related behaviors will receive penalties from the Company. Depending on the circumstances, the penalties can be classified into verbal warnings, written warnings and termination of labor contracts.

8.3 TALENT DEVELOPMENT

TANSH Global attaches importance to the growth and development of every employee. It is also recognized that excellent business performance and high-quality customer service depend on excellent employees. Therefore, planned employee training is one of the Company's significant investments. The Company provides fair training and development opportunities and relevant educational resources to all employees, enabling our employees to remain competitive, while maintaining an excellent standard of work.

Training System

New Employee Orientation	This training is designed to familiarize new employees with their work content, work environment and Company rules and regulations, as well as to introduce colleagues and the vision of the Company.
Post-oriented Job Skills Training	Depending on job nature and position requirements, the Company arranges on-job training to enhance employees' abilities and develop their potentials.
Management Skills Training	The Company provides management skill training courses for managers based on needs of work responsibilities and management level. Internal or external trainings are adopted to support training classes for managers.

Case: New Employee Orientation

New employee orientation is an essential channel to help new employees to learn about and integrate into the Company. In September 2018, the Company further broadened the scope and depth of new employee orientation. The training content not only covers the Company's corporate culture, human resources and other policies, but also provides an in-depth interpretation of topics such as the catering industry's food safety standards and regulations and the Company's internal control, so that employees can understand the Company's requirements and development goals.



8 Talent Management

TANSH Global hopes to provide each employee with reasonable and fair remuneration packages and promotion opportunities, and establish clear and specific promotion conditions and transparent promotion system for the restaurants' dining area employees, kitchen employees and office employees of different departments and positions. The promotion standards and career development paths are thoroughly explained in *Xiao Nan Guo and You* to help potential employees achieve their career aspirations. When employees perform well and their ability meets the requirements of higher-level positions, the Company will arrange and execute the promotion plan according to the job requirements through assessment and evaluation.

TANSH Global's General Principle of Compensation

External Comparability

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

Internal Fairness

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

In May 2018, the Company carried out training for the promotion of employees for the vacant positions. During the training period, employees participated in the corresponding courses according to their ranks. The course content involves the basic quality training and management training of the Company's employees, and the employees who have completed the training courses and achieved excellent results in the performance appraisal would be promoted.

Case: Time Management Training Activity

In May 2018, the Company held an internal training activity with the theme of "time management" for the Company's departments. The training activities were conducted in the form of team discussions and small games. Through the lively training arrangements, the employees who participated in the training realized the value of time management in an intuitive way. At the end of the event, we conducted training tests, rewarded books of relevant topics to employees who performed well in the event, and encouraged employees to continue to focus on training and improve time management skills in the future.



9 GREEN DEVELOPMENT

This chapter focuses on responding to the following “high-materiality issues”:

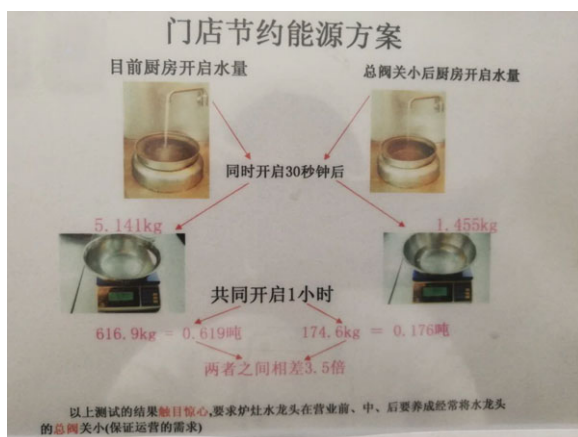
- Energy consumption and conservation management
- Disposal and recycling of hazardous and non-hazardous waste
- Cooking fume emission management
- Water resource management

9.1 RESOURCE CONSERVATION

Due to the nature of the business, the main resources consumed by the Company are water, electricity and natural gas used by each restaurant in its daily operations. The Company’s restaurants implemented the corresponding energy and resource conservation policies in 2018 and cooperated with the implementation of water-saving and energy-saving measures to reduce the consumption and impact of natural resources during the operation while rationally controlling operating costs.

Water Saving Measures²

- Arranging engineering personnel to adjust the flow of water to saving mode while ensuring normal use
- Recycling water by using vegetable-washing water to wash the floor
- Reusing water for defrosting purpose by arranging frozen food in line and defrost orderly
- Posting water saving notice and water saving cases near water using areas, reminding employees to develop water-saving habits



² the Company’s business is not located in the water shortage area and the Company’s Headquarters and restaurants use water from the municipal pipe network, so the Company does not have issue with sourcing water.

Electricity Saving Measures

- Clearly identify the controlling areas and functions of the lighting and air-conditioning switches to facilitate operation and management during different passenger flow periods to avoid unnecessary power consumption
- Reasonably and centrally arranging customers' dining areas during daily off-peak hours to reduce the number of electrical devices in use
- Posting electricity saving notices near electric switches and air conditioning control panels to encourage employees and customers to adjust the air-conditioning temperature properly



Other Resource and Energy Saving Measures

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

In recent years, with the development of new formats such as e-commerce, express delivery and take-out delivery, the consumption of plastic tableware products has risen rapidly, introducing stress on the environment and natural resources. In November 2017, CFDA announced the *Measures for the Supervision and Administration of Food Safety in Online Catering Services*, which was implemented in 2018. The regulation stipulates that third-party platform providers of online catering services are encouraged to provide degradable food containers, tableware and packaging material. In October 2018, the Ele.me platform released the *Blue Planet Merchant Standard*, the first standard for sustainable packaging materials for takeaways in catering industry. Shanghai Min, as the co-sponsor of the standard, became the first blue planet merchant restaurant certified by the platform. Shanghai Min is committed to following the below three initiatives of the *Blue Planet Merchant Standard*:

1. Reduce the use of over-packaging and disposable tableware
2. Improve the reusability of existing packaging materials
3. Promote the use of alternative materials in overall takeaway packaging solutions

On this basis, Shanghai Min and Ele.me are together planning for “Blue Planet Restaurant Weekend-No Chopsticks Day”. The event is planned to be launched in 2019. During the event, the participating restaurants will provide chopsticks made of degradable materials for customers to use. In the Reporting Period, the Company consumed a total of 441.54 tonnes of packaging materials (estimated from the procurement data) and per capita (based on the number of customers served) consumption is 102 grams.

In 2018, within the statistical scope of the Report, the electricity consumption, the per capita water consumption and natural gas consumption calculated by number of customers of The Dining Room restaurants are decreased compared with the previous year; the electricity consumption, per capita water consumption calculated by number of customers of Shanghai Min restaurants have also declined. Please refer to the “Environmental Performances” chapter for specific indicators of this year.

9.2 EMISSION REDUCTION

The Company's main emissions include cooking fumes from restaurants, greenhouse gas and air pollutant emitted from burning of natural gas used in cooking, greenhouse gas generated from the production of purchased electricity, sewage, old oil³, food waste and domestic waste generated.

In the Reporting Period, the Company has complied with the following laws and regulations related to employment:

(Including but not limited to)

Environmental Protection Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes

Atmospheric Pollution Prevention and Control Law of the People's Republic of China

Water Law of the People's Republic of China

Regulations of Shanghai Municipality on the Prevention and Control of Atmospheric Pollution

Shanghai City's Emission Standard of Cooking Fume

In compliance with the *Regulations of Shanghai Municipality on the Prevention and Control of Atmospheric Pollution* and the *Shanghai City's Emission Standard of Cooking Fume*, we install cooking fume purification facilities in all restaurants and test fume pollutants before the official opening of restaurants to ensure our compliance with relevant national and regional standards. At the same time, we entrust a professional third party with relevant credentials to clean the fume collector and pipeline and provide maintenance services on exhaust fans, filter facilities and electrostatic deodorizers every three months. We regularly receive inspections from relevant regulatory authorities to meet compliance requirements and minimize cooking fumes and odor emissions, in order to avoid impact on neighbouring residents.

In addition to controlling atmospheric emissions, we also manage kitchen wastewater and food waste through relevant measures. We install oil-water separators that do not require power/energy and at low operating costs in each restaurant, so that oil and water are separated and oil content of treated wastewater meets the Class III standard of the *Integrated Wastewater Discharge Standard (GB8978-1996)*. The Company develops and implements the *Kitchen Oil Management System* to regulate the use of cooking oil. According to the *Kitchen Oil Management System*, the restaurant kitchen must collect the old oil into a special recycling bin, recycle it by a professionally qualified waste oil recycling company and record the process in the food traceability system. In addition, we set up trash cans of different colors in the kitchen to separately collect food waste and domestic waste for recycling management.

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



Picture: Restaurant Old Oil Storage Place



Picture: Restaurant Separating Trash Cans

We encourage customers to order right amount of food, avoid wasteful ordering, dining habits at our restaurants, and encourage our customers to participate in actions to reduce food waste on the basis of requiring our employees to lead as examples.



Picture: Restaurant Promotion Slogan

In 2018, within the statistical scope of the Report, the per capita greenhouse gas emission, old oil produced and waste light bulbs produced calculated by number of customers of The Dining Room restaurants are decreased compared with the previous year; the per capita greenhouse gas emission and old oil produced calculated by number of customers of Shanghai Min restaurants have also declined. Please refer to the "Environmental Performances" chapter for specific indicators of this year.

9.3 ENVIRONMENTAL PERFORMANCES

In 2018, by recording, calculating and analyzing emissions and resource usage data of the Company's Headquarters and restaurants, we strengthened the management of the Company's environmental performance. During the Reporting Period, we successfully collected and calculated environmental performance data of the Company's Headquarters, 9 of The Dining Room restaurants and 27 of Shanghai Min restaurants. The restaurants statistic scope has been expanded compared to the previous year. In the future, we will steadily promote environmental performance management.

2018 Environmental Performances of Headquarters		
Indicator	2018 Performance	Unit
Air Pollutant Emissions ⁴		
NO _x	389.02	kg
SO _x	2.97	kg
CO	336.75	kg
PM	8.94	kg
Greenhouse Gas Emission		
Greenhouse Gas Emission (Scope 1) ⁵	73.32	tonne CO ₂
Greenhouse Gas Emission (Scope 2) ⁶	108.02	tonne CO ₂
Total	181.35	tonne CO ₂
Resource Consumption		
Electricity Consumption	153,552	kWh
Water Consumption	979.48	tonne
Natural Gas Consumption	6,320	m ³
Gasoline Consumption	23,703.61	liter
Diesel Consumption	5,576.34	liter

⁴ Air pollutant emissions come from exhaust emissions of the vehicles owned or controlled by the Company and pollutant emissions caused by natural gas combustion. The calculation methods and parameters are from 《第一次全國污染源普查城鎮生活源產排污係數手冊》 and 《道路機動車大氣污染物排放清單編制技術指南》;

⁵ Scope 1 greenhouse gas emission comes from exhaust emissions of the vehicles owned or controlled by the Company and greenhouse gas emission caused by natural gas combustion, the calculation methods and parameters are from 《工業及其他行業企業溫室氣體排放核算方法與報告指南（試行）》 and 《陸上交通運輸企業溫室氣體排放核算方法與報告指南（試行）》;

⁶ Scope 2 greenhouse gas emission are indirect greenhouse gas emission from the production of electricity purchased by the Company. The calculation methods and parameters are from 《2011年和2012年中國區域電網平均二氧化碳排放因子》;

2018 Environmental Performance of The Dining Room Restaurants ⁷				
Indicator	2018 Performance	Unit	Intensity	Unit
Air Pollutant Emissions ⁸				
NO _x	2,039.89	kg		
SO ₂	81.60	kg		
PM	203.99	g		
Greenhouse Gas Emission				
Greenhouse Gas Emission (Scope 1) ⁹	120.29	tonne CO ₂		
Greenhouse Gas Emission (Scope 2) ¹⁰	1,225.85	tonne CO ₂		
Total	1,346.14	tonne CO ₂	0.92	kg CO ₂ /customer
Resource Consumption				
Electricity Consumption	1,742,502.04	kWh	1.19	kWh/customer
Water Consumption	3.60	10,000 tonnes	0.02	tonne/customer
Natural Gas Consumption	203,989	m ³	0.14	m ³ /customer
Non-hazardous Waste				
Old Oil Produced	6,453	kg	4.41	g/customer
Food Waste Produced ¹¹	88.93	m ³	0.35	liter/customer
Domestic Waste Produced ¹²	82.11	m ³	0.32	liter/customer
Hazardous Waste				
Waste Light Bulb Produced	54	piece	0.02	piece/m ²

⁷ Other than food waste and domestic waste statistics, this table accounted the environmental performance of 9 The Dining Room restaurants of the Company located in Shanghai;

⁸ Air pollutant emissions comes from pollutant generated from the combustion of natural gas used by the restaurants. The calculation methods and parameters are from 《第一次全國污染源普查城鎮生活源產排污係數手冊》;

⁹ Scope 1 greenhouse gas emission comes from the greenhouse gas emissions generated from combustion of natural gas used by the restaurants. The calculation methods and parameters are from 《工業及其他行業企業溫室氣體排放核算方法與報告指南（試行）》;

¹⁰ Scope 2 greenhouse gas emission are indirect greenhouse gas emission from the production of electricity purchased by the restaurants. The calculation methods and parameters are from 《2011年和2012年中國區域電網平均二氧化碳排放因子》;

¹¹ The statistics of food waste data in this year are from 2 out of 9 The Dining Room restaurants, and because the garbage collection and processing contracts record number of barrels, the statistics are the estimated value based on the trash barrels' volume and number of barrels;

¹² The statistics of domestic waste data in this year are from 2 out of 9 The Dining Room restaurants, and because the garbage collection and processing contracts record number of barrels, the statistics are the estimated value based on the trash barrels' volume and number of barrels;

9 Green Development

2018 Environmental Performance of Shanghai Min Restaurants ¹³				
Indicator	2018 Performance	Unit	Intensity	Unit
Air Pollutant Emissions ¹⁴				
NO _x	14,636.06	kg		
SO ₂	585.44	kg		
PM	1,463.61	g		
Greenhouse Gas Emission				
Greenhouse Gas Emission (Scope 1) ¹⁵	863.07	tonne CO ₂		
Greenhouse Gas Emission (Scope 2) ¹⁶	6,968.72	tonne CO ₂		
Total	7,831.79	tonne CO ₂	3.46	kg CO ₂ /customer
Resource Consumption				
Electricity Consumption	9,905,790.15	kWh	4.37	kWh/customer
Water Consumption	18.86	10,000 tonnes	0.08	tonne/customer
Natural Gas Consumption	1,463,605.85	m ³	0.65	m ³ /customer
Non-hazardous Waste				
Old Oil Produced	25,757.60	kg	11.37	g/customer
Food Waste Produced ¹⁷	1,461.82	m ³	1.30	liter/customer
Domestic Waste Produced ¹⁸	1,146.38	m ³	1.02	liter/customer
Hazardous Waste				
Waste Light Bulb Produced	1,658	piece	0.04	piece/m ²

¹³ Other than food waste and domestic waste statistics, this table accounted the environmental performance of 27 Shanghai Min restaurants of the Company located in Shanghai;

¹⁴ Air pollutant emissions comes from pollutant generated from the combustion of natural gas used by the restaurants. The calculation methods and parameters are from 《第一次全國污染源普查城鎮生活源產排污係數手冊》;

¹⁵ Scope 1 greenhouse gas emission comes from the greenhouse gas emissions generated from combustion of natural gas used by the restaurants. The calculation methods and parameters are from 《工業及其他行業企業溫室氣體排放核算方法與報告指南（試行）》;

¹⁶ Scope 2 greenhouse gas emission are indirect greenhouse gas emission from the production of electricity purchased by the restaurants. The calculation methods and parameters are from 《2011年和2012年中國區域電網平均二氧化碳排放因子》;

¹⁷ The statistics of food waste data in this year are from 13 out of 27 Shanghai Min restaurants, and because the garbage collection and processing contracts record number of barrels, the statistics are the estimated value based on the trash barrels' volume and number of barrels;

¹⁸ The statistics of domestic waste data in this year are from 13 out of 27 Shanghai Min restaurants, and because the garbage collection and processing contracts record number of barrels, the statistics are the estimated value based on the trash barrels' volume and number of barrels;

10 RESULTS SHARING

This chapter focuses on responding to the following “high-materiality issues”:

- Promote the development of the industry
- Participation in community activities
- Participation in charity events

10.1 DEVELOPMENT OF THE INDUSTRY

The Company actively participates in various industry associations, strives to broaden its information acquisition channels, deepens the communication with stakeholders such as partners and suppliers and contributes to the development of the industry.

TANSH Global participates in industry associations including:

- China Cuisine Association
- World Federation of Chinese Catering Industry
- Shanghai Cuisine and Catering Industry Association
- Shanghai Food Safety Federation
- China Hospitality Association
- New Shanghai Business Association Union
- Shanghai Yangpu District Association of Enterprises with Foreign Investment

10.2 ENVIRONMENTAL PROTECTION CAMPAIGN

In the Reporting Period, we continued to cooperate with partners to organize and participate in various environmental protection-related campaigns to encourage customers and employees to choose environmental-friendly transportation to achieve low-carbon travel and climate change mitigation.

Case: “Enjoy a Magical Mobike Meal” Campaign

In March 2018, TANSI Global’s brand The Dining Room and the bicycle service provider Mobike jointly launched the “Enjoy a Magical Mobike Meal” campaign. During the campaign, customers can purchase a limited-edition meal and receive a free drink by showing a Mobike riding record of the day. The campaign was promoted through the WeChat official account and restaurants and engaged a large number of participants. In the future, we will continue to organize such campaigns to encourage and promote environmental-friendly travel.



10.3 COMMUNITY INVESTMENT

Education and talent development are the focus of both the community and catering industry. With its industry characteristics and advantages, TANSI Global focuses on investing and helping with the development of education.

In 2018, the Company continued the cooperation model of “school-enterprise cooperation” and exchanged and cooperated with partner schools in Guangxi and Henan to promote the sharing of resources and information between schools and enterprises. The cooperation contributes to talents cultivation for the catering industry, the creation of employment opportunities for the community, and accumulation of talent resources for TANSI Global, achieving mutually beneficial cooperation results.

Case: TANSH Global Campus Visits

In March 2018, the TANSH Global Human Resources Service Manager visited three schools in Guangxi Province (Guangxi Light Industry Technician College, Guangxi Overseas Chinese College and Guangxi Science and Engineering College) and four schools in Henan Province (Henan University Fuyang Institute of Technology, Hebei Baoding Pingan Technician College, Xushui County Vocational and Technical Education Center and Dingxing County Vocational and Technical Education Center) to carry out campus publicity activities.

During the publicity activities, the Company representatives explained to the students the development characteristics of the catering industry, the job requirements, as well as the development vision, the development process and the talent concept of the TANSH Global. At the same time, the Company representatives listened and recorded the expectations of the students on careers and patiently answered the questions raised by newly graduated students and students still pursuing degrees. Through such activities, the Company develops new opportunities and channels for school-enterprise cooperation and provides students with quality job posts and job opportunities.



11 THE CONTENT INDEX OF THE ESG REPORTING GUIDE

A. Environmental		
Item	Description	Chapter Reference
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emission Reduction
	A1.1 The types of emissions and respective emissions data.	Environmental Performances
	A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Environmental Performances
KPI	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performances
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performances
	A1.5 Description of measures to mitigate emissions and results achieved.	Emission Reduction
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emission Reduction
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources.	Resource Conservation
	A2.1 Direct and/or indirect energy consumption by type and intensity (e.g. per unit of production volume, per facility).	Environmental Performances
	A2.2 Water consumption in total and intensity.	Environmental Performances
KPI	A2.3 Description of energy use efficiency initiatives and results achieved.	Resource Conservation
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Resource Conservation
	A2.5 Total packaging material used for finished products and, where appropriate per production unit used.	Resource Conservation
Aspect A3: The Environmental and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Green Development
KPI	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development

B. Social			
Item		Description	Chapter Reference
Aspect B1: Employment			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Policy
Recommended Disclosures	B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment Policy
	B1.2	Employee turnover rate by gender, age group and geographical region.	—
Aspect B2: Health and Safety			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employees' Health and Safety
	B2.1	Number and rate of work-related fatalities.	Employees' Health and Safety
Recommended Disclosures	B2.2	Lost days due to work injury.	Employees' Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employees' Health and Safety
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development
Recommended Disclosures	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	—
	B3.2	The average training hours completed per employee by gender and employee category.	—
Aspect B4: Labor Standards			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employment Policy
Recommended Disclosures	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment Policy
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Policy

B. Social		
Item	Description	Chapter Reference
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supplier Management
B5.1	Number of Suppliers by geographical region.	Supplier Management
Recommended Disclosures	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supplier Management
B5.2		
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Safety First Operation in Compliance
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Food Safety
B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Management
Recommended Disclosures	Description of regulations relating to observing and protecting intellectual property rights.	Advertising and Marketing
B6.3		
B6.4	Description of quality assurance process and recall procedures.	Quality Management
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Confidentiality and Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity and Honesty
Recommended Disclosures	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.	Integrity and Honesty
B7.1		
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Whistleblowing and Monitoring
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Results Sharing
Recommended Disclosures	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Results Sharing
B8.1		
B8.2	Resources contributed (e.g. money or time) to the focus area.	—