



太興集團控股有限公司

TAI HING GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 6811



Environmental, Social and
Governance Report


2020

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About Tai Hing Group

Tai Hing Group Holdings Limited ("Tai Hing Group" or the "Group") is a multi-brand casual dining restaurant group rooted in Hong Kong, with a market presence stretching over 30 years. Since its founding in 1989, the Group has steadfastly adhered to the core values of People Oriented (以人為本), Customer First (以客為先), Quality Prioritised (重視品質), and Innovation for Development (創新求變), and is committed to offering diversified catering choices that bring delightful dining experiences to customers.

The Group was listed on The Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2019. In addition to its flagship "Tai Hing" (太興) brand, the Group has continued to expand its brand portfolio, comprising self-developed brands and acquired and licensed brands. Presently, this portfolio includes "TeaWood (茶木)", "Trusty Congee King (靠得住)", "Men Wah Bing Teng (敏華冰廳)", "Phở Lê (錦麗)", "Tokyo Tsukiji (東京築地食堂)", "Fisher & Farmer (漁牧)", "Rice Rule (飯規)", "Hot Pot Couple (夫妻沸片)", "King Fong Bing Teng (瓊芳冰廳)", "Asam Chicken Rice (亞參雞飯)" and "Dao Cheng (稻埕)". The Group is thus able to provide dishes from various regions such as Japan, Taiwan, Vietnam, Southeast Asia and different parts of Mainland China. It has also established food factories in Hong Kong and Mainland China.

As of 31 December 2020, the Group operated a restaurant network consisting of over 200 restaurants in Hong Kong, Mainland China, Macau and Taiwan.

Multi-brand portfolio



About Tai Hing Group



The Group is committed to maintaining high service quality of restaurants, and supports business development through innovative technologies and the active adoption of various automated food processing machinery at the restaurant level. Consequently, the Group is also able to create a safer and healthier working environment for kitchen staff, while concurrently improving operational efficiency and ensuring the quality of dishes.

As a member of society and a corporate citizen, the Group firmly believes that financial growth should be interlinked with the fulfillment of corporate social responsibilities. The Group has spared no effort to participate in public welfare affairs and promote voluntary work by cooperating with local and overseas charities. The Group continually endeavors to give back to the society, cares for vulnerable groups and advocates environmental protection and food conservation beliefs for contributing to the sustainable development of the Group and society.

Milestones of Tai Hing Group



1989

Establishment of the First "Tai Hing (太興)" Restaurant

Mr. Chan Wing On and Mr. Yuen Chi Ming opened the first restaurant under the "Tai Hing (太興)" brand in Sai Wan Ho, Hong Kong



2004

Expand Our Mainland Business

Opened the first restaurant in Mainland China under the "Tai Hing (太興)" brand



2015

Open the First Franchised "Tai Hing (太興)" Restaurant

Opened a "Tai Hing (太興)" restaurant on the franchised basis in Hong Kong International Airport



2016

Expand Our Brand Portfolio

Opened the first restaurant under the "Trusty Congee King (靠得住)" brand in Mainland China
Acquired the brand of a standalone "bing sutt (冰室)" named Man Wah Bing Teng (文華冰廳) which was subsequently rebranded as Men Wah Bing Teng (敏華冰廳)

2017

Introduce a New Brand

Opened the first Vietnamese restaurant under the "Phở Lê (錦麗)" brand in Kwun Tong, Hong Kong



2008

Establish the Hong Kong Food Factory

The Hong Kong Food Factory opened in Fo Tan, Hong Kong

Acquire a New Brand

Acquired the restaurant under the "Trusty Congee King (靠得住)" brand



2011

Expand a New Brand

Opened the first restaurant under the "Tokyo Tsukiji (東京築地食堂)" brand in Mongkok, Hong Kong

2014

Open the First "TeaWood (茶木)" Brand in Mainland China

Opened the first Taiwanese restaurant under the "TeaWood (茶木)" brand in Mainland China

2012

Establish the First "TeaWood (茶木)" Brand



2013

Obtain ISO 22000 Accreditation

The siu mei production unit of the Group's Hong Kong Food Factory obtained ISO 22000 accreditation



2020

Develop New Brands

Opened the first Nostalgic Taiwanese cuisine Restaurant under the "Dao Cheng (稻埕)" brand in Tsimshatsui, Hong Kong

Opened the first Dim Sum and clay pot rice restaurant under "Dimpot (點煲)" brand in Ma On Shan, Hong Kong



2019

Reaching New Milestones

Listed on the Main Board of the Hong Kong Stock Exchange on 13 June

Expand Overseas Business

Opened the first restaurant under the "Tai Hing (太興)" brand in Taiwan

Develop a New Brand

Opened the first Hainanese Chicken Rice Specialist under the "Asam Chicken Rice (亞參雞飯)" brand in Central, Hong Kong

2018

Establish the

Mainland China Food Factory

Opened a food factory in Dongguan, Mainland China

Develop a New Brand

Opened the first factory canteen under the "Rice Rule (飯規)" brand in Fo Tan, Hong Kong



Major Awards

Awards for employment management

"Excellent Employers" for 4 consecutive years

Employees Retraining Board

"Manpower Developer Award Scheme" for 11 consecutive years

Employees Retraining Board

Award for Good Recruitment

Coordinating Committee on Family & Child Welfare Services

Awards for employee health and safety

Hong Kong Smoke-free Leading Company Awards 2019

Hong Kong Council on Smoking and Health

The 10th "Quit to Win" Award 2020

Hong Kong Council on Smoking and Health

2019/2020 Catering Industry Safety Award Scheme Group Safety Performance Awards — Gold Award (Cha Chaan Teng)

Labour Department

Awards for environmental protection

"Certificate of Merit in Hong Kong Awards for Environmental Excellence" for 3 consecutive years and "Hong Kong Green Organisation Certification" for 4 consecutive years

Environmental Campaign Committee

BOCHK Corporate Environmental Leadership Awards for 3 consecutive years and 5 years + Eco Pioneer

Bank of China & Federation of Hong Kong Industries

"CLP Smart Energy Award" 2020 — Joint Energy Saving Award for 3 consecutive years

CLP Power Hong Kong Limited



Major Awards

Awards for community investment

15 Years Plus Caring Company Logo

Hong Kong Council of Social Services

“Silver Award for Volunteer Service (Organisation)” for 2 consecutive years

Social Welfare Department

Other awards

“Outstanding Listed Companies Award” for 2 consecutive years

The Hong Kong Institute of Finance Analysts and Professional Commentators Limited

Quam IR Awards 2019 — First-year Listing Category

China Tonghai IR

HKIRA 6th IR Awards 2020 — Certificate of Excellence

Hong Kong Investor Relations Association

Greater Bay Area Power Brand

Hong Kong Institute of Marketing



About the Report

The Report is the second environmental, social and governance report (the “Report”) published by the Group to help various stakeholders to understand the policies, measures and effectiveness of the Group in respect of the environment, social and governance issues. The Report is prepared in Chinese and English, both of which have been uploaded to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Group’s website (<https://www.taihing.com>).

Reporting Scope

The Report reflects the Group’s environmental, social and governance performance from 1 January 2020 to 31 December 2020 (the “Year”), with focus on the operation of the head office in Hong Kong, all the self-operated restaurants and the food factory located in Fo Tan and the segment of “restaurant operation and management”¹. The decision is due to the fact that their turnover accounts for about 80% of the turnover of the Group and they are the main sources of the Group’s revenue. There is no significant change in reporting scope of this year compared with that of 2019. The Group will also be committed to expanding the reporting scope to disclose more comprehensive information in the future.

Reporting Standards

The Report is in compliance with the “comply or explain” provisions in Appendix 27 — “Environmental, Social and Governance Reporting Guide” (the “Guide”) of the Listing Rules issued by the Stock Exchange, and has been prepared on the basis of four reporting principles set out in the Guide — Materiality, Quantitativeness, Balance and Consistency. Moreover, the Report has selected some of the contents in the “Proposed Disclosures” of the Guide for reporting to make the contents of the Report more complete. A complete index is enclosed in the last chapter of the Report for the reader’s easy reference to the Guide when reading the Report.

Reporting principles	Definition	Response
Materiality	The issuer shall report the environmental, social and governance issues which have an important impact on investors and other stakeholders.	The Group has conducted a questionnaire and the members of the Board have identified the important environmental, social and governance issues based on the Group’s business nature and stakeholders’ expectation.
Quantitative	<p>The key performance indicators of historical data need to be measurable. The issuer shall set targets to reduce a particular impact, so that the effectiveness of ESG policies and management systems can be evaluated and validated.</p> <p>Quantitative information should be accompanied by a description, explaining its purpose, impacts, and giving comparative data where appropriate.</p>	<p>The data of the Group’s social key performance indicators are sourced from the statistics of relevant departments. Moreover, in order to ensure the accuracy of the environmental Key Performance Indicators, the Group has commissioned Carbon Care Asia, a professional consultation company, to conduct a carbon assessment in accordance with the guide prepared by Environmental Protection Department of Hong Kong and Electrical and Mechanical Services Department and by reference to ISO 14064–1 and international standards such as Corporate Accounting and Reporting Standards of GHG Accounting System.</p> <p>Where applicable, the Group incorporates forward-looking statements into the Report and the quantitative information is accompanied by a description and the criteria, methods, assumptions and/or calculation tools used.</p>
Balance	The issuer shall report its performance impartially and avoid selections, omissions, or formats of presentation that may unduly affect the decision or judgment made by the readers of the Report.	The Group fully reports the environmental, social and governance performance in the Report to avoid giving biased information.
Consistency	The issuer should use consistent disclosure and statistical approach for meaningful comparisons of ESG data over time.	The Group prepares the Report in the same manner as in previous years and ensures that a consistent method is used to make statistics on future ESG data for comparing them with the data of the Year and historical data.

¹ The reporting scope excludes sale of food products in Hong Kong, the operation of restaurants and sale of food products in Macau and Taiwan, and the operation of restaurants and sale of food products in Mainland China.

About the Report

Confirmation and Approval

The Group confirms that all information contained herein is collected from the Group's official documents, statistics and other information on management and operation. The Report was confirmed and approved by the board of directors on 25 March 2021.

Feedback

The Group's progress in environmental, social and governance depends on the opinions and suggestions of various stakeholders. If you have any doubt about the content of this Report or environmental, social and governance performance of the Group, welcome to contact the Group through the following means:

Address: 13/F, Chinachem Exchange Square, 1 Hoi Wan Street, Quarry Bay, Hong Kong

Email: taihinginfo@taihing.com



Message from the Chairman

Unprecedented challenges and difficulties have rocked the world in 2020. The outbreak and spread of the COVID-19 pandemic ("COVID-19") across the world has inflicted sufferings to people in all walks of life and it has had a great impact which has proven particularly disastrous to the restaurant and catering sectors. By leveraging on the Group's over 30 years of experience in catering, we have steadfastly upheld our core values of being People Oriented (以人為本), Customer First (以客為先), Quality Prioritised (重視品質) and Innovation for Development (創新求變); hence, maintaining our commitment to respond quickly to market changes amid a challenging and volatile business environment.

Under the "new normal" in the midst of the pandemic, sustainable development has assumed more importance to enterprises. To establish good corporate governance, the Group's sustainable development steering committee was set up in 2019 to supervise environmental, social and governance work, approve the formulation of environmental, social and governance-related policies and initiatives, and review relevant targets and progress. In addition, with the assistance of the Audit Committee, the Board inspects and reviews existing and potential risks and related countermeasures. The Group plans to gradually improve its sustainable development governance system so as to better integrate sustainable development into its daily operations.

The Group has always adhered to operational standards and it is committed to building trust with business partners and providing customers with high-quality and safe food and services. As it adjusted its response strategies in a timely manner to comply with the government's pandemic prevention policy, the Group also established an "Pandemic Prevention Team", strengthened the cleanliness of the restaurants of various brands and offices, and implemented a series of pandemic prevention measures to safeguard the health of its employees and customers. The Group also leverages innovative technologies to explore business opportunities, actively expands its own online food delivery platform "Fanfanslife", and cooperates with third-party delivery platforms to vigorously expand its sales channels amid the "home meal" trend, which contributes to its long-term revenue.

In addition to the ongoing pandemic challenge, the climate change crisis should not be overlooked. In 2020, governments in various countries and regions have promoted low-carbon transitions and announced carbon neutral targets. For example, the Hong Kong government will strive to become carbon neutral by 2050. The Group will review the climate change-related crisis and oversee the quality at each stage and process so as to implement measures related to waste reduction at source and energy conservation and carbon emission reduction in daily operations through effective use of resources as the Group strives to make contributions to environmental protection and response to climate change.

In spite of the pandemic's hindrance to the functioning of communities and even if it has cut off connections among people, the Group has been committed, as it works hand in hand with all people in the pandemic fight, to protecting the health and safety of its employees and customers, and it has made a positive impact on society by donating canned food and anti-pandemic supplies to charities and groups in need.

A sudden global pandemic has changed people's lives and the ecological environment of the entire market. With a sound financial position, Tai Hing Group has continued to create value for its stakeholders through various response measures and optimized strategies, as well as its rapid response to the pandemic amid a harsh and difficult environment. Looking forward, the Group will uphold the spirit of corporate social responsibility, do its best to give back to society, and forge ahead towards its goal of sustainable development.

Chan Wing On

Chairman

Overview of Sustainability Performance

■ Upholding Operational Standards ■

Anti-corruption

None anti-corruption litigation case against us or our employees



Improvement of food safety and quality management

The food factories have adopted the **Hazard Analysis Critical Control Point (HACCP)**, and the siu mei (燒味) production unit was awarded the **ISO 22000 food safety management system certification**



Number of suppliers

Established cooperative relationship **with approximately 484** suppliers



■ Creating Ideal Workplace ■

Number of employees

Employed **4,509** full-time and part-time employees in Hong Kong



Employee health and safety

The rate of industrial accidents is **1.99%**, and no fatal accident incurred



Employee training

Provided training for **2,024** employees with the average **2.19 hours** of training for each employee (The Group provides 100 percent on-the-job training for each newly joined employee every year)



Overview of Sustainability Performance

Safeguarding Earth Environment

Emission of greenhouse gas

Totally discharged **35,633.5 tonnes** of CO₂-e, related intensity was **12.7 tonne** of carbon dioxide equivalent/turnover (HK\$ million)

▼
10%²
compared with last year



Generation of wastes

Totally generated **3,619.8 tonnes** of non-hazardous wastes, related intensity was **1.3 tonne/turnover** (HK\$ million)

▼
32%²
compared with last year



Energy consumption

Totally consumed **70,866.2 MWh-e**, related intensity was **25.3 MWh-e/turnover** (HK\$ million)

▼
11%²
compared with last year



Water consumption

Totally consumed **714,479.0 cubic metres**, related intensity was **265.0 cubic metres/turnover** (HK\$ million)

▼
31%²
compared with last year



Packaging materials consumption

Totally consumed **952.4 tonnes**, related intensity was **0.34 cubic metres/turnover** (HK\$ million)

▼
29%²
compared with last year



Building Harmonious Communities Together

Beneficiaries

Serving over **1,500** underprivileged person

8 collaborating organizations/ beneficiaries

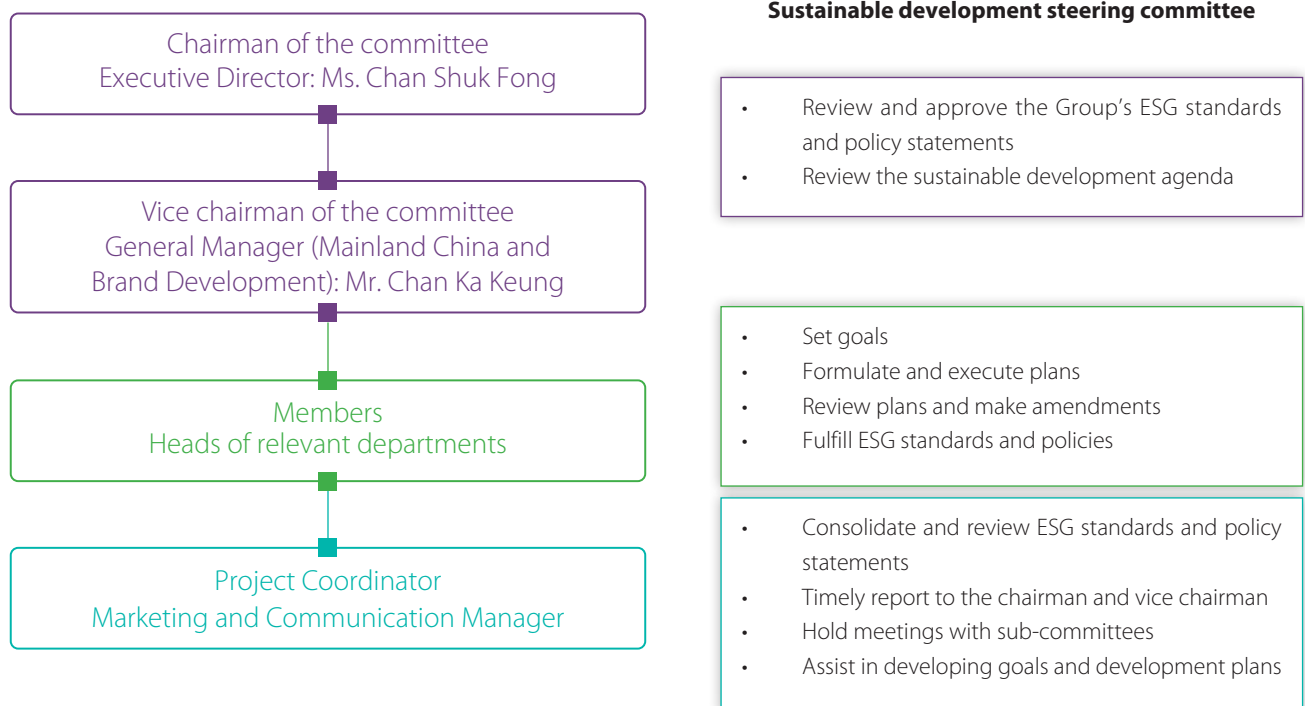


² Compare density data with 2019

ESG Management Policies

Good governance structure

A good governance structure can lay the foundation for the sustainable development of the Group and improve its environmental, social and governance performance. The Board is responsible for supervising environmental, social and governance work and reviewing and approving the formulation of policies and measures on environment, society and governance issues. The Group has established a sustainable development steering committee led by an executive director to make overall plans on environmental, social and governance work. The committee holds no less than two meetings each year. Sustainable development steering committee is also required to review and report on key trends in international sustainable development on a regular basis to the relevant board committees, and to conduct comparative analysis with its peers on sustainable development risks, opportunities and other new developments.



Risk management

Effective risk management is an important part of the corporate governance. The Group has established risk management and internal control system to ensure that the Group can effectively identify, monitor and respond to risks. The audit committee is responsible for supervising the risk management and internal control system of the Group (including risks applicable to environment, society and governance) and the Board monitors its execution and effectiveness annually.

Looking ahead, the Group will improve its existing risk management system and gradually incorporate environmental, social and governance risks related to the Group into the system to identify emerging risks and formulate response measures.

ESG Management Policies

Law-abiding operation

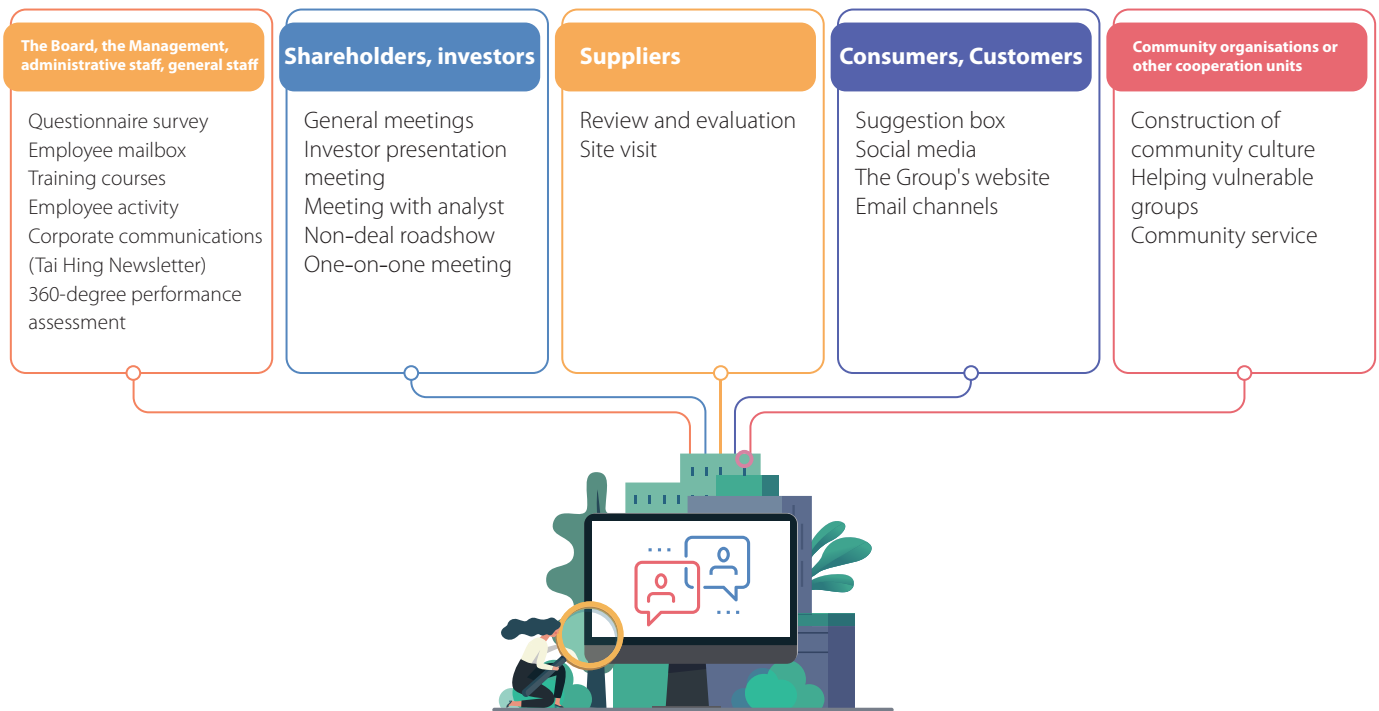
Law-abiding operation is the basis for the Group to continue operating in various regions. The Group recognises that violations will result in relevant law enforcement actions taken by regulators and provides clear guidance to employees by reviewing work practices and compliance. The following are the laws and regulations that have a material impact on the Group and the related compliance measures and performance.

Aspect ³	The relevant laws and regulations that have a material impact on the Group	Impact on the Group	Compliance measures and performance
Product Liability	<ul style="list-style-type: none"> Trade Descriptions Ordinance Copyright Ordinance Personal Data (Privacy) Ordinance 	If there are violations, any intellectual property/product claims filed against the Group may damage the Group's reputation and have a material adverse impact on the Group's business, operations results and financial position.	<p>The Group has established guidelines and implemented regulatory measures for supply chain management, food safety and quality management, product recycling, customer information and intellectual property protection to ensure that no relevant laws and regulations will be violated.</p> <p>The Group did not violate relevant laws and regulations that have a material impact on it during the Year.</p>
	<ul style="list-style-type: none"> Prevention and Control of Disease (Requirement and Directions) (Business and Premises) Regulation 	If there are violations, any prosecution against the Group may damage the Group's reputation and have a material adverse impact on the Group's business, operations results and financial position.	<p>The Group has established internal guidelines and implemented regulatory measures to ensure that no relevant laws and regulations will be violated.</p> <p>The Group did not violate relevant laws and regulations that have a material impact on it during the Year.</p>
Anti-corruption	<ul style="list-style-type: none"> Prevention of Bribery Ordinance Anti-Money Laundering and Counter-Terrorist Financing Ordinance 	Any misconduct impairing the Group's interests may subject the Group to financial losses, damage the reputation of the Group, and have a material adverse impact on the Group's business and operating results.	<p>The Group has stipulated policies and rules on preventing bribery and corruption in the Group's General Policies and Principles and the Staff Handbook, and has formulated the Policy and Procedure for Whistle-blowing for employees to report any illegal, immoral or non-compliance behaviour to the Group, so as to avoid a material impact on the Group.</p> <p>During the Year, the Group did not receive any anti-corruption litigation case against us or our employees, nor was there any violation of any of the relevant laws and regulations that have a material impact on the Group.</p>

³ There were no relevant laws and regulations regarding emissions, employment, health and safety and labour standards that have a material impact on the Group.

Communication with Stakeholders

The Group recognises that building positive relationships with stakeholders is the key to achieve long-term success and sustainable development. The Group collects views from stakeholders through communication in daily operations, reviews its own performance and potential risks, and continuously improves its business strategy and management. The major stakeholders of the Group and the ways of communication are as follows:



To demonstrate the supervision of the Board on environmental, social and governance issues, the Group engaged an external consultant to conduct a questionnaire survey with the members of the Board to identify important environmental, social and governance issues. Compared with last year, the members of the Board take into account not only the impact of each issue on the business development of the Group, but the extent of its impact on the environment and society to more comprehensively assess the significance of each issue. Based on the results of the questionnaire survey, the Group determined six important issues and highlighted them in the Report.

Looking ahead, the Group will continue to optimize its communication strategy with stakeholders, expand multiple channels of communication (such as conducting substantive surveys or focus groups) to better understand stakeholders' views and expectations on the Group.



Upholding Operational Standards



Upholding Operational Standards

Tai Hing Group is well aware that upholding operational standards is the key in building strong and long-term relationships with business partners. The Group focuses on creating value for various stakeholders in three areas: operating with integrity, quality catering and responsible sourcing.

Operating with integrity

Operating with integrity helps the Group build reputation in the industry, enhance competitiveness and create value with its business partners. In order to maintain a fair, ethical and efficient business and working environment, the Group's Staff Handbook (《僱員手冊》) states that employees must adhere to its ethical standards and values. The Group's Conflict of Interest Policy (《利益衝突政策》) provides employees with rules and guidelines for dealing with conflicts of interest. Employees should avoid any situation that constitutes a conflict of interest and report to the Group immediately if such situation occurs. Staff should obtain approval from their superiors when handling gifts and receiving benefits.

The Group has set up a special channel for employees to report any illegal, immoral or non-compliance behavior to the Group. The Group's Policy and Procedure for Whistle-blowing (《上告政策與程序》) provides a channel and guidance for reporting matters that should be reported. If a case of suspected corruption or other criminal offence is discovered after the investigation, the Group will take serious disciplinary action, including immediate dismissal or reporting to the law enforcement authorities. The Group also focuses on operating ethics of suppliers. The Group's Procurement Policy (《採購政策》) sets out the general principles of procurement, which require suppliers to follow the highest ethical standards. During the Year, the Group was not aware of any anti-corruption litigation case brought and concluded against the Group or its employees.

Looking ahead, the Group will maintain high ethical operating standards and strengthen internal system control. The Group will also provide directors and employees with anti-corruption training to enhance their awareness of integrity and understanding of relevant laws and regulations.

Upholding Operational Standards

Quality catering

The Group strictly adheres to the “Three Excellent” management policy, massively launches the “5-S” in all operating units, and is committed to providing customers with safe and high-quality food, comfortable and clean environment, and reassuring and satisfactory service.

Food Safety and Quality Management

“Quality Prioritised (重視品質)” is one of the core values of Tai Hing Group. The Group is committed to maintaining the highest food safety and quality standards. The Group implements standardised processes and quality control systems covering the Group’s procurement management, ingredient production, transportation and restaurant operations.

The Group massively implements the “5-S” (五常法)⁴ management system in all operating units and processes to maintain hygienic standards, and also raises staff’s awareness of food safety and personal hygiene through relevant training. It also requires all branch management must have the qualification of “Green Belt” or above of the “5-S”. The Group has a number of experienced trainers with the black belt of the “5-S” to provide internal qualification recognition courses.

The siu mei (燒味) production unit of the Group’s Food Factory, was awarded the Hazard Analysis Critical Control Point, known as HACCP and the ISO⁵ 22000 food safety management system certification. The Group’s restaurants established operating procedures and quality standards to regulate the stages of food preparation, and utilised automated food processing machines to process ingredients and prepare dishes in order to maintain food taste and quality. In addition, except for in-house testing laboratories in our Food Factory, the Group also engages qualified third-party laboratories to inspect the personal hygiene of employees, restaurant hygiene and the food quality of all restaurants. Inspecting scope includes various food safety and quality indicators such as food testing and water sampling. The Group regularly inspects all restaurants to ensure food safety and hygiene.

⁴ 5-S refers to “Structuralize, Systematize, Sanitize, Standardize and Self-discipline”

⁵ ISO refers to International Organisation for Standardisation, a non-governmental organization set in Geneva, Switzerland, which evaluates the quality system of enterprise organizations

Upholding Operational Standards

Processes		Key monitoring procedures
Ingredient Production	Ingredients warehousing	<ul style="list-style-type: none"> The quality assurance personnel inspect the quality of all food ingredients received by the Food Factory based on quality sampling inspection procedures and incoming goods standards to ensure compliance with food safety requirements.
	Production and processing	<ul style="list-style-type: none"> The quality assurance personnel and production personnel jointly oversee the quality control at each stage of food processing, and food that does not meet requirements will be either re-processed or destroyed.
	Finished goods	<ul style="list-style-type: none"> The quality assurance personnel conduct laboratory sample testing of the processed food that has passed the food ingredients inspection. Processed food ingredients that pass both tests are then delivered to our restaurants.
Transportation		<ul style="list-style-type: none"> Raw, semi-processed and processed food ingredients are delivered by the Group's own logistic team to our restaurants. To ensure the quality of the ingredients during transportation, the Group has established strict regulations and procedures on the hygiene and temperature of refrigerated trucks, and monitors the conditions of the fleet in real time through global positioning system (GPS) and temperature monitoring systems. If problems occur during the course of transportation or the temperature of the freezer is abnormal, the system will send an alert immediately so that relevant staff can response in a timely manner.
Storage		<ul style="list-style-type: none"> After the goods being delivered to restaurants, staff must also store ingredients under standard temperatures and storage conditions. The Group adheres to the principle of "first in, first out" and strictly controls the temperature and humidity in food storage to avoid deterioration of food ingredients. The Group cleans the warehouses regularly every year to ensure that they are clean and hygienic.
Food in Restaurants		<ul style="list-style-type: none"> Our central quality control team routinely conducts testing of our processed food, staff and bacteria on site. Samples from the warehouse are taken to the Central Laboratory to check the hygiene of the food ingredients and equipments in the restaurants and are used as a key KPI operating standard. Our area managers routinely inspect the operating procedures and quality standards.

Looking ahead, the Group is actively adding equipments, such as vacuum quick freezers, to quickly reduce the temperature of cooked foods and avoid the growth of bacteria during long cooling process, which in turn improve the safety and quality of foods.

Upholding Operational Standards

Recall of Products

When a product is suspected to be defected or involving complaint, it will be dealt with by the relevant department in accordance with the Guidance on Recall of Products and Regulations on Recall Procedures formulated by the Group. After receiving a complaint or suggestion, the relevant department will investigate and report it to the general manager to start the recall process. In order to effectively deal with complaints or suggestions, products are labeled with traceable data. During the Year, no product was required to be recalled by the food factory due to safety and health problems.

In Response to the Pandemic

In response to the outbreak of COVID-19, the Group is committed to protecting the health of its employees and customers. A “pandemic prevention team” has been set up by the Group to formulate relevant emergency measures and provide guidelines on hygiene and pandemic prevention measures — “Ten Pandemic Prevention Measures” for each department and all brand restaurants and provide free masks for all employees. The Group pays close attention to the regulations and recommendations on pandemic prevention measures announced by the Hong Kong government for restaurants, and prepares for the measures to be launched once they are announced, including but not limited to:

Emergency Measures	
Employees hygiene	<ul style="list-style-type: none"> • All employees must wear masks while on duty and take their temperature on and off duties • Employees in the production department must wear hairnets/paper caps at work • Front-line employees clean their work clothes by themselves to reduce cross-infection • Front-line employees conduct regular monitoring in accordance with government regulations on pandemic prevention
Hygiene conditions in the offices and restaurants	<ul style="list-style-type: none"> • Strengthen the cleaning and disinfection of all restaurants, including door handles, cashier, dining tables and chairs, floors, toilets, etc. • All restaurants are equipped with a variety of disinfection equipment, including disinfection carpet, induction disinfection spray can, ultraviolet disinfection equipment, intelligent temperature detection equipment, etc. • Add air purifiers in the office for cleaning and keeping the office air clean and ensuring the health of employees • Hire a professional cleaning company to clean toilets in the restaurants and offices
Other operating requirements	<ul style="list-style-type: none"> • Limiting the number of customers per table and the number of customers in the restaurant • Limiting the distance between tables or being separated with partitions • Rejecting to serve any people undergoing compulsory quarantine (identified by wearing quarantine tracker wristbands) • Ensure that diners record their information through the QR code of “Leave Home Safe” or other registration methods before entering the restaurant

Upholding Operational Standards

Case Sharing

The takeaway platform

Under the raging pandemic, the Hong Kong government implemented the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (commonly known as “Restrictions on Public Gathering”) and various pandemic prevention measures, encouraging citizens to choose to have meals at home. In response to this “new normal”, the Group launched a new takeaway platform “Fanfanslife”, which not only allows customers to order takeaway foods with their mobile phones from multiple brands under the Group, but also provides an ordering service for daily food (such as canned food, canned milk tea, basin dish etc.). The Group also cooperated with various takeaway platforms to give a number of discounts, so as to provide customers with more choices. Since the cooperation, the overall takeaway revenue of Group has achieved substantial growth with satisfactory response, the revenue from delivery and takeaway business accounts for approximately 33% of the total revenue.



Online shopping platform

In April this year, 6 new canned foods were launched by the Group on multiple local online shopping platforms with satisfactory response in the market. The Group will continue to research and develop and launch more packaged foods and beverages with different flavors to meet the great demand of the market in the future. We hope that customers can enjoy our signature dishes even at home.

Smart catering

The Group has launched PDA mobile phones in its brand branches to replace the traditional order paper. In order to provide a safe, hygienic and high-tech dining experience, the restaurant under the brand of “Dao Cheng (稻埕)” offered a QR code for customers to scan with their mobile phones to place orders through self-service. In addition, the Group uses the smart food delivery vehicle “Xiaodao (小稻)” to deliver meals to customers in a “zero-touch” manner to reduce the risk of transmission and reduce the burden on employees.



Customer Relationship

Communication with Customers

Maintaining two-way communication with customers is crucial for the Group to improve its service quality and customer satisfaction. The Group actively collects customer’s opinions through multiple channels, including customer service hotline, emails, online suggestion forms and social media platforms such as Facebook page. Our restaurant managers are responsible for handling complaints received at our restaurants immediately while our Customer Service department is responsible for handling complaints made through other channels. The Group will investigate each complaint and resolve with the customer in accordance with the internal procedures. During the Year, the Group received 35 (2019: 28) customer complaints regarding food quality or service quality of restaurant staff, of which 4 (2019: 2) were from the Consumer Council. The Group has investigated and handled relevant incidents and responded to relevant customers in a timely manner.

Upholding Operational Standards

Protection of Customer Data and Intellectual Property

The Group attaches great importance to the security and confidentiality of customers' personal data. The Staff Handbook of the Group stipulates that employees shall conduct themselves in handling company and customer data and shall not disclose customer data to third parties. The Group's Privacy Policy, which describes the collection and use of information collected on the Group's website and the Tai Hing Premier Membership Scheme, is available on the Group's website.

Respect for intellectual property rights is the key of maintaining business ethics. The Staff Handbook of the Group stipulates that employees shall respect intellectual property rights and promise that no intellectual property rights violations will occur in conducting business. Employees must obtain permission from the copyright holder before copying any copyrighted works. In case of any violation, the Group will take disciplinary action, which in serious cases may result in immediate dismissal, civil claim or referral to the police.

Openness and Transparency of Product Information

The Group endeavours to ensure that accurate information about its products and services is provided to consumers to comply with the requirements of relevant laws and to protect consumer's rights and interests. Where necessary, the Marketing and Communications Department will ask other departments for relevant information and suggestions when preparing, producing and designing the product advertisements and promotional materials to ensure that the contents are true and accurate. All packaging of factory products must be labeled for tracking. Information on the label includes product name, shelf life, expiry date and storage temperature. All retail products are accompanied by nutrition label that comply with Hong Kong or local laws.

Responsible sourcing

Maintaining restaurant food standards depends on suppliers providing reliable and high quality ingredients, which is the first line of defense for quality management. Our suppliers mainly supply food ingredients and beverage for its operations. The Group is committed to working with suppliers to achieve sustainable development and improve the environmental and social performance of both sides. The Group requires all suppliers to comply with the quality standards imposed by the regulatory authorities as well as with the Group's own internal quality standards, covering specifications, packaging, labeling, transportation and storage of food ingredients and other materials. In this regard, the Group has formulated the General Procurement Standards and Principles of the Group, which sets out criteria for selecting suppliers. The Group give priority to environment-friendly suppliers caring for the society, and suppliers must provide raw materials and foods that meet the highest food safety standards.

The Group will conduct comprehensive evaluation on new suppliers and require them to provide relevant supporting documents to ensure meeting the requirements of the Group. In addition, the Group maintains Suppliers Management and List of Approved Suppliers Manual to regularly evaluate the current suppliers' performance, including product or service quality, food safety, risk management, and the performance of complaint handling. If we are not satisfied with supplier's evaluation results, rectification measures must be taken within three months, and suppliers whose performance has not met the standard after the deadline will be removed from the list of approved suppliers.

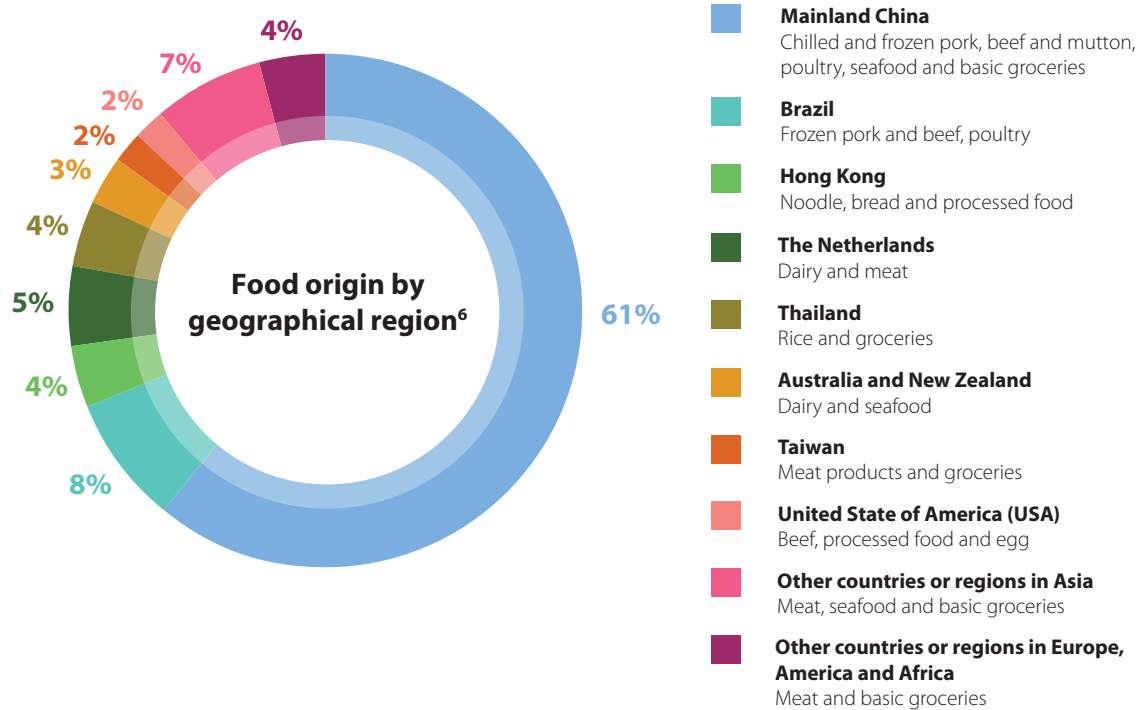
Sustainable procurement

The Group is committed to reducing the environmental and social impact of the supply chain. Certain seafood purchased by the Group has obtained relevant sustainability certification, including Best Aquaculture Practices (BAP) Certification and Marine Stewardship Council (MSC) Chain of Custody Standards.



Upholding Operational Standards

During the Year, the Group mainly purchased food and other consumables from approximately 484 suppliers and our food was sourced from all over the world, including Mainland China, Brazil, the Netherlands, Hong Kong, Thailand, Taiwan, Australia and New Zealand, United State of America (USA), Asia, Europe and America, etc..



⁶ The regional analysis represents the top 80% of food suppliers up to 31 December 2020.

Creating Ideal Workplace



Creating Ideal Workplace

Employees of Tai Hing Group are the driving force behind its business success. The Group adheres to the value of People Oriented (以人為本) to create an ideal workplace for employees, and actively builds a team spirit of mutual trust and encouragement. The Group improves employment management and Labour standards, and provides a healthy and safe working environment to ensure employees can fully leverage their strengths and development potential.

Employment Management and Labour Standards

The Group strives to improve employment management and Labour standards, to establish friendly relations of equality, mutual trust and respect, thereby to develop an inclusive and diverse workplace culture. The Staff Handbook (《僱員手冊》) and Human Resources Policies (《人力資源政策》) of the Group already set out policies in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare for employees to check at any time.

Employment policies

Compensation, resignation

The Group is committed to providing competitive compensation to attract, motivate and retain talents. The Group annually conducts salary reviews and makes salary adjustments based on factors such as employees' work performance and economic outlook, the Company's operating conditions and the market salary level. The relevant criteria for determining salaries, allowances and bonuses are set out in the Staff Handbook of the Group.

The Staff Handbook has specified the arrangement and procedures for termination of employment contracts, and employees may terminate the contract through written resignation. The Group will learn about the reasons for resignation from the resigned employees to improve the employment policy.

Working hours, holidays

The Group is committed to providing employees with reasonable working hours, which are set out in the Staff Handbook and employment contracts. In addition to general statutory holidays, employees can also enjoy extra holidays such as compassionate leave, birthday leave, paternity leave, affinity leave and marriage leave.

Recruitment, promotion

The Group adheres to the principle of meritocracy and fair recruitment. In addition, the Group establishes top-notch training programs to focus on training potential entry-level employees, and implements the qualifications structure with a transparent promotion mechanism to evaluate and promote employees by objective criteria. The Group has cultivated more than 500 shop management through this plan.

The Group has also set up its own training system to record the skills and qualifications of employees for the convenience of training and management.

Benefits and welfare

The Group provides various benefits to enhance employees' sense of belonging and cohesion, including affinity leave, birthday leave, emergency assistance funds, free meals, medical insurance plans and group life insurance plans. In order to promote employees' health, the Group carries out the weight loss and smoking cessation incentive plan and provided flu vaccination for employees.

Anti-discrimination

When hiring employees, the Group only considers their attitude, knowledge, experience and performance as factors and never treat candidates differently based on age, gender, race, disability or family status.

Equal opportunities, diversity

The Group believes that providing equal opportunities for employees will contribute to the diversity of talents and the development of employees, the Group and the community. The Group recruits regardless of age, gender, sexual orientation, relationship, family status, disability, race, ethnic background, nationality, religion or politics, to create an inclusive and supportive work environment for employees.

Prevention of forced labour

The Group prohibits the employment of forced labour in any form to ensure that employees are employed on a voluntary basis. In cases where overtime working is required, the Group's Staff Handbook states that individual employee can receive overtime work allowance or compensatory leave and reasonable rest time in accordance with the terms of his/her employment contract.

Prevention of child labour

The Group is strictly prohibited to employ child labour. All candidates must present their identification documents for compliance with the statutory age requirements to prevent accidental employment of child labour.

Creating Ideal Workplace

Employee Communication and Activities

The continuous and genuine communication between the Company and employees not only enhance mutual understanding and trust, but also lay a stable foundation for the development of the Group. The Group shares its activities and trends with employees through publications namely Tai Hing Newsletter. On the other hand, the Group encourages employees to actively express their opinions. If employees have any comments on their work, they can report to their immediate supervisors, area managers, department managers or Human Resources department. The Group will investigate and handle opinions in a just and equitable manner. In addition, the Group actively organized various employee activities to increase the employees' participation.

Tai Hing 3.0 Sharing Session

The corporate culture represents the company's business philosophy and allows employees to understand the development of the Group, which will help establish a connection between employees and the core values of the Group. The Group particularly invited Mr. Paul Cheng (鄭栢禮), a business management expert, to write a book namely "Tai Hing 3.0" for the 30th anniversary of Tai Hing in 2019, presenting the development of the Group in branding, talent management, operation and inheritance over the past five years to the readers. Acting as a guest speaker of sharing sessions, Mr. Cheng chatted with our chairman Mr. Chan Wing On and executive director Ms. Chan Shuk Fong of the Group, sharing the 3.0 period of Tai Hing, its diversified brand development, management and talent training, etc, allowing employees to further understand the previous development of the Group.



Tai Hing Life Channel

The physical and mental health of employees is a key concern of the Group. Changes in the working environment may put certain pressure on employees particularly during the period of pandemic. The Group established "Tai Hing Life Channel", a channel for distributing short stories of employees, aiming at disseminating positive energy among employees, so that they can stay optimistic in facing the pandemic, be contented with gratitude, and continue to walk side by side with the Group.



Tai Hing X Me2You "Give. Do Good. Get Sparks"

The Group strategically partnered with the local start-up Dory Network Technology Limited, and cooperated with its platform "Me2You", — allowing its employees to exchange their idle items at home with others and earn points at the same time through setting up an exclusive circle for the Group, thus achieve a win-win situation. In response to resource sharing, Ms. Chan Shuk Fong, the executive director of the Group, put a number of exquisite items on the "Tai Hing Exclusive Circle" for employees to exchange, and the Group also gave out high quality Japanese anti-bacterial masks for free to its employees in the form of a lottery during the pandemic.



Note: Me2You is a resource-sharing community platform that allows citizens and companies to donate idle items and reuse them to reduce waste of resources and promote the sustainable development of the entire society through sharing activities.

A Fun Day in Ocean Park

At the beginning of the year, the Group invited front-line and back office staffs to bring their families to Ocean Park for fun and happiness.



Creating Ideal Workplace

Health and Safety

Ensuring the physical and mental health and well-being of employees is the primary task of the Group. The Group has formulated a series of measures and policies related to occupational safety and health. The Group's occupational safety and health management is based on the 5-S Method, and it can be promised that to protect the safety and health of employees while providing services. The Group formulated the 5-S Method Handbook, which requires employees to follow the guidelines on various occupational safety and restaurant safety matters. In addition, the Group's Human Resources Policies and the Staff Handbook set out its commitment to ensure the health and safety of employees. The Group has signed the Occupational Safety Charter formulated by the Labour Department and the Occupational Health and Safety Bureau, promising to work together with employees to create a safe and healthy working environment.

The Group has an inter-departmental "Occupational Safety and Health" group responsible for implementing and monitoring measures related to occupational safety and the 5-S Method. Its responsibilities is, including but not limited to, following up on work-related injury cases, drawing up action plans, revising occupational safety and 5-S Method related handbooks, guidelines and codes, formulating and implementing measures to improve occupational safety, and promoting occupational safety and health culture. In order to ensure the effective implementation of various occupational safety and the relevant policies of the 5-S Method, the 5-S department inspects in various shops from time to time, conducts reviews and makes suggestions for improvement.

In order to promote the health of employees and encourage them to pay attention to the negative effects of obesity and smoking on the body, the Group has launched a weight loss incentive plan and a smoking cessation incentive plan. Employees who successfully quit smoking and lose weight can also receive a cash as a reward, so that the Group and employees can benefit together. The Group also provides annual influenza vaccination to employees to ensure safety.

Case Sharing

Smoking Cessation Incentive Plan

Winner — Mr. Ben Liu (Senior Warehouse Officer)



I have been a smoker for more than 30 years. When I was young, I could consume a whole pack of cigarettes a day. I would smoke when I was at a friend's party, on my way home, or sitting around at home. In recent years, I found that I had shortness of breath, cough and other tracheal problems from time to time, so I did not hesitate to participate in the Company's "smoking cessation incentive plan".

The process of quitting over the past year has not been difficult, perhaps because of the support of my family members, the obvious improvement of my body and my firm determination. There are always more benefits to quitting than smoking, and I hope my experience will encourage more of my colleagues to join me in quitting and make up their minds not to make excuses for quitting.

The Prevention and Control of Occupational Diseases Risks

Common occupational health problems of catering employees include musculoskeletal diseases of upper limbs, lower limbs, neck and back caused by improper working posture or repetitive posture. In order to reduce the risk of employees suffering from occupational diseases, the Group adopted various food processing machines, including automatic woks with synchronized voice prompt, pre-programmed barbecue pork sauce mixers, pre-programmed chicken cooking machines and pre-programmed poultry roasting ovens. By automating part of the cooking process, minimizing repetitive motions and heavy-lifting in cooking processes can improve work efficiency while reducing the burden on kitchen staff.



Creating Ideal Workplace

Precautionary measures to COVID-19

Facing the ongoing COVID-19 situation, the Group has taken various measures to address the challenges posed by the pandemic to its operations, so as to protect the health of employees and reduce the risk of transmission. The Group has separately formulated internal notices such as “Special Arrangements under the Pandemic”, “Announcement on Emergency Response Measures to COVID-19” and “Response Measures for COVID-19 Confirmed Case found in Branches”, to strictly abide by the Prevention and Control of Disease (Requirement and Directions) (Business and Premises) Regulation (Chapter 599F of the Laws of Hong Kong) and advice issued by the Centre for Health Protection. The Group has set-up a “pandemic prevention team” coordinated by the Training and 5-S departments to remind front line and back office staffs to maintain hygiene awareness and provide them with working guidelines. The key measures implemented by the Group in the office are as follows:

- Arrange flexible working hours for key job according to actual conditions (such as “shift work by splitting staff into A and B teams” system)
- Encourage the reduction of parties, gatherings, meetings, outings and unnecessary visits among employees
- Encourage the use of videoconferencing for meetings, recruitment and training activities to minimize social contact
- Try not to invite outsiders to visit the office
- Maintain a social distance and avoid visiting different office floors. Documents/items can be transferred through internal logistics

If an employee is confirmed, the Group will promptly notify the internal employees. The heads of relevant departments shall ensure that key operations are not affected, and properly arrange the relevant division of labor. Employees who live in the building with a confirmed person or whose relative is a contact of a confirmed case can flexibly arrange their paid leave for self-isolation, and then resume work according to their actual health conditions.

As for suspected or confirmed cases in the workplace, the Group applied a classification system to divide the cases into three categories:

- Category 1: include (1) employee is unfortunately confirmed with “COVID-19”; (2) employee has symptoms such as fever and contact closely with the confirmed patient; and (3) employees returning to Hong Kong from the Mainland China or abroad since now
- Category 2: employee is a suspected or probable case with “COVID-19”
- Category 3: employee is not confirmed or suspected with “COVID-19”

According to different categories, the Group will implement the corresponding measures complying with the policies issued by Hong Kong government.

Development and Training

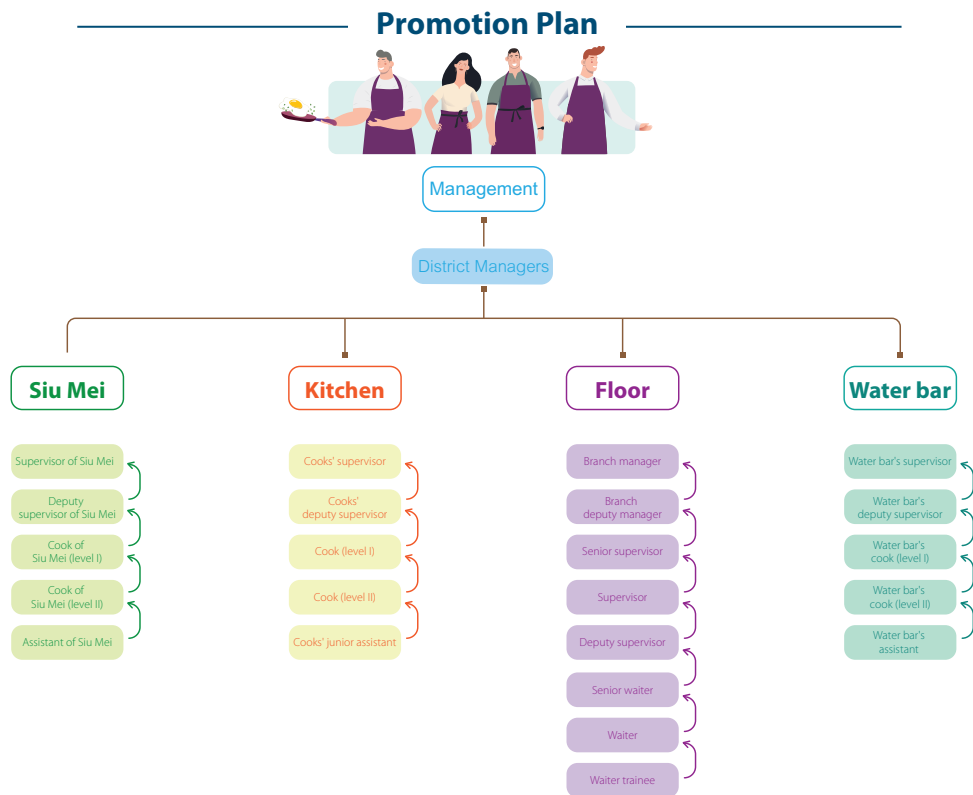
The Group provides employees with diversified development and training opportunities to enhance their knowledge and skills and help them achieve their career goals. In addition to encouraging and subsidizing employees to study related professional knowledge, the Group also offers internal training courses with different types and models, including 5-S Method, food safety, and occupational safety courses, so that employees can learn new knowledge and skills and keep them abreast of the latest industry trends.

The Group has also set up its own training system to record the skills and qualifications of employees for the convenience of training and management. The training department has been awarded a number of service awards, including the “Service Talent Award” issued by the Hong Kong Retail Management Association and the “Outstanding QTS Merchant and Service Staff Awards” issued by the Hong Kong Tourism Board, to praise employees with outstanding service performance and promote a culture of quality customer service. Many of the award-winning colleagues have been scouted by the training department for management positions in branch restaurants.

Creating Ideal Workplace

Different from other restaurants in Hong Kong, which generally recruit and promote staff through “Classing” or “Mentoring”, the Group implements a “Top-notch Training Program” to evaluate and promote employees based on objective standards, and provide employees with a systematic promotion mechanism. The Group established a qualifications framework to specify the recognized qualifications for each job level, including academic qualifications, qualifications obtained from training, and skills, knowledge and relevant work experience accumulated in the job position. Employees are divided into different levels according to their qualifications. After employees reaching the minimum seniority requirement in a certain rank, they can take the promotion assessment test upon self-recommendation or recommendation of their supervisor, and there are also training classes to help employees prepare. Employees will be given promotion opportunities if they pass the assessment, internship and interview tests.

The “Top-notch Training Program” provides employees with a fair and open development platform to enhance their motivation for promotion and work. The Group has trained more than 500 shop management through this program. In addition, the Group is committed to providing an excellent career planning to all its staff. In 2020, the Group promoted 76 front line and back office employees in Hong Kong to recognize their outstanding performance and so that their careers can be developed continuously.



Case Sharing

Online Training

Due to the pandemic, the Group used remote conferencing software to convert most of its training classes to online.



Value Added during the Pandemic

The Group specially organized workshops for front line and back office managerial staff to learn the secrets of business writings, further improving their writing skills.



Safeguarding Earth Environment



Safeguarding Earth Environment

The operation of Tai Hing Group relies on the precious natural resources. Protecting the environment is an important step for the sustainable development of the enterprise. The Group is committed to safeguarding the earth's environment through pollution control solutions, effective use of resources, environmental and natural resources protection and climate action. The Group's Policy on Environment states that it takes full account of the environment while developing its business. The Group has developed and implemented a series of measures to minimize the possible impact on the environment, including reducing resource consumption, improving the efficiency of resource use and enhancing employees' awareness of environmental protection, thus contributing to the sustainable development of society.

Pollution Control Solutions

Waste Air Treatment

Air emissions of the Group mainly arise from the gas combustion of kitchen equipment and the diesel combustion of the logistics truck fleet. Specifically, diesel combustion by vehicles is the main source of air emissions. The Group implemented the following measures for waste air emissions from kitchen equipment and logistics truck teams:

Highlights of initiatives	
Air emissions from kitchen equipment	<ul style="list-style-type: none"> • Purchase numerous electric appliances such as induction cookers and automatic woks to improve energy efficiency and reduce associated emissions • Improve kitchen designs and cooking stoves to control the oil fume and odor emitted from the cooking process • Set the exhaust vents in well-ventilated places and keep sufficient spatial distance from nearby residential buildings to avoid nuisance to the public and air pollution caused by the air emissions • The exhaust system of main stoves (such as stoves used in frying) and other processes that emit excessive oil smoke are equipped with pollutant removal equipment (such as vent wash exhaust hood and electrostatic degreaser) to remove oil smoke from air emissions • Appoint qualified professionals to repair and maintain air pollution control equipment regularly to ensure effective operation of the equipment
Air emissions from logistics truck fleet	<ul style="list-style-type: none"> • Purchase vehicles that meet air emission standards, most vehicles in logistics truck fleet are Euro V, and regularly repairs and maintains vehicles in accordance with the schedule recommended by the manufacturer

Waste Air Emissions Performance

The reduction in air pollutant emissions this year was mainly due to the decline in the consumption of fossil fuels such as gas and diesel. Among them, 84.4% of total nitrogen oxides emissions, 53.7% of total sulfur oxides emissions and 100.0% of total respiratory suspended particles emissions are generated by vehicles. The rest comes from the gas combustion of kitchen equipment.

Waste air emissions			
KPIs	Unit	2020	2019
Nitrogen oxides	Tonne	1.2	2.4
Sulfur oxides	Tonne	0.002	0.003
Respiratory suspended particles	Tonne	0.1	0.2

Safeguarding Earth Environment

Sewage Treatment

Pre-treatment is required before food factories discharge domestic sewage. In order to meet wastewater discharge standards of the industry, the Group hires a third-party professional environmental protection company to test discharged sewage, regularly monitors the treatment effectiveness. All sewage that meets the discharge standards is directly discharged into the sewage treatment plant through the municipal sewage pipe network. Restaurants and food factory of the Group are equipped with grease traps to ensure that the grease is isolated from the sewage before it is discharged. Grease traps waste needs to be cleaned on a regular basis to ensure effective operation of the grease traps.

Waste Management

The waste generated by the Group is mainly non-hazardous waste, including kitchen waste and other domestic waste generated by offices, restaurants and food factories, which are collected and treated by public agencies. A small amount of hazardous waste produced by the Group includes waste fluorescent lamps and electronic products, which are treated by subcontractors or sent directly to the recycling point. All restaurants registered, collected and recycled edible oil as required by the Environmental Protection Department of Hong Kong.

Highlights of initiatives	
Reduce kitchen waste	<ul style="list-style-type: none"> Food factory implement centralised procurement, and only purchases appropriate amount of ingredients when necessary to avoid excessive procurement. Store food and raw materials on a "first in, first out" basis, and control the time and temperature of storage appropriately to avoid food spoilage. Provide customers with different options (such as less rice and smaller portions)
Reduce packaging plastic	<ul style="list-style-type: none"> Respond to the "No Straw Campaign" organized by Ocean Park Conservation Foundation Hong Kong and promise that it would not actively provide drinking straws throughout the year Special paper take out lunch box and soup bowl for TeaWood (茶木), Tokyo Tsukiji (東京築地食堂) and Phở Lê (錦麗) Special paper straw for TeaWood (茶木), Tokyo Tsukiji (東京築地食堂), Phở Lê (錦麗) and Hot Pot Couple (夫妻沸片) Plastic bag of biodegradable material used in TeaWood (茶木), Tokyo Tsukiji (東京築地食堂), Phở Lê (錦麗), Hot Pot Couple (夫妻沸片), Fisher & Farmer (漁牧) and Dao Cheng (稻埕) Special paper drinking tube sleeve for Tai Hing (太興) Uniform production of take-away disposable containers and reduce waste through centralized resource utilization

The Group generated 3,619.8 tonnes of non-hazardous waste in total during the Year. Compared with 2019, the total amount of non-hazardous waste decreased by 24.9%.

Hazardous waste produced			
KPIs	Unit	2020	2019
Total hazardous waste produced	Tonne	0.3	Failed to obtain data
Intensity of hazardous waste produced	Tonne/turnover (HK\$ million)	0.0001	N/A
Total non-hazardous waste produced	Tonne	3,619.8	4,822.6
Intensity of non-hazardous waste produced	Tonne/turnover (HK\$ million)	1.3	1.9

Safeguarding Earth Environment

The Group will continue to review the plan for eliminating disposable plastic products in the future, so as to reduce the use of plastics where practical and use more environment-friendly materials such as biodegradable plastics if unavoidable. In addition, the Group will continue to improve the data collection system, review its existing data collection and statistics processes, and set feasible waste reduction targets.

Effective Use of Resources

Use of Energy

To use energy efficiently, the Group requires the offices and branch restaurants to implement the following highlights of reduction of energy consumption:

Highlights of initiatives	
Offices	<ul style="list-style-type: none">gradually replace and use energy-saving fluorescent tubesturn off the lighting, air-conditioning and other electronics equipment when nobody is on dutyroutinely educate the importance of energy-saving for the stafflaunch paperless payrolls
Branch restaurants	<ul style="list-style-type: none">implement the energy-efficient lighting plan, and completely replace osram lamps and quartz lamps with LED lampsconduct electrical consumption audit at least once every year, and implement quota and responsibility system for energy consumption of electricity, gas, etc.regularly repair and clean ventilation, cooling and heating equipments, and inspect the sealing of freezers, walls, doors and windows through monitoring systemadopt zonal lighting and air conditioning control and turn off the lighting and air-conditioning systems in the depopulated area when appropriate based on the customer trafficrecover the excess heat discharged from the steaming furnaces in the kitchens and allocate the hot water to be used in branch restaurants



Safeguarding Earth Environment

Energy Use Performance

The Group's total energy consumption during the Year was 70,866.2 MWh, mainly electricity and gas for operations. Compared with 2019, total energy consumption decreased by 0.7%, as the COVID-19 has affected restaurant operating hours, resulting in the decrease of direct energy consumption by approximately 23.7%. Electricity continued to be the Group's major energy consumption category, with consumption increasing by approximately 6.7% compared with last year. To implement the concept of green environmental protection, the Group installed solar power generation equipment during the Year, using a total of approximately 6.8 MWh of renewable power. In order to support the renewable energy locally, the Group also purchased 600.0 MWh of renewable energy from CLP Power Hong Kong Limited.



Use of energy			
KPIs	Unit	2020	2019
Direct energy consumption	MWh	13,313.0	17,448.5
Gas	MWh	12,638.7	16,015.2
Diesel	MWh	667.5	1,433.3
Renewable energy	MWh	6.8	0.0
Indirect energy consumption	MWh	57,553.2	53,940.3
Purchased electricity	MWh	57,553.2	53,940.3
Total energy consumption	MWh	70,866.2	71,388.8
Intensity of energy consumption	MWh/turnover (HK\$ million)	25.3	28.3

Management on Water Use

Water is a precious resource on earth and is particularly important for the operation of the catering industry. The Group mainly improves water efficiency through process design and equipment improvement.

Highlights of initiatives	
Process design	<ul style="list-style-type: none"> Set water consumption quota for main food preparation processes, and establish a accountability system to clarify responsibilities Develop clear water consumption quota for toilet, wash basin, kitchen and dishwasher Inspect and maintain the plumbing equipment in restaurants regularly to prevent waste leakage Adopt the 5-S method to limit excessive use of detergent and save water
Equipment improvement	<ul style="list-style-type: none"> Install limited flow devices on the main water taps All restaurant kitchens are equipped with dishwashers to reduce water consumption

Water Use Performance

The total water consumption of the Group during the reporting period was 741,479.0 cubic meters, representing a decrease of 23.0% compared to 2019.

Water consumption			
KPIs	Unit	2020	2019
Total water consumption	Cubic metre	741,479.0	962,990.0
Intensity of water consumption	Cubic metre/turnover (HK\$ million)	265.0	381.8

Safeguarding Earth Environment

Use of Raw Materials

The types of raw materials used by the Group mainly include packaging materials, disposable tableware, tissues and machine paper⁷. To reduce the use of raw materials, the Group has implemented a variety of paper-saving measures, including using thinner papers, and applying electronic communications and filing to achieve paperless office as much as possible. In order to reduce unnecessary packaging materials, the Group gives priority to environment-friendly products or materials in the procurement process and avoids complicated packaging in product design.

Raw Material Use Performance

The use of packaging materials decreased by 21.0% compared with 2019. The Group collected a total of 22.3 tonnes of waste paper during the Year.

Use of materials			
KPIs	Unit	2020	2019
Packaging material used for finished products			
Total packaging material used	Tonne	952.4	1,204.9
Intensity of packaging material used	Tonne/turnover (HK\$ million)	0.34	0.48
Use of other materials			
Disposable tableware	Tonne	98.8	62.7
Tissues, thermal paper	Tonne	199.4	476.1
Posters, leaflets, coupons, menus, etc.	Tonne	9.94	14.0

Environmental and Natural Resources Protection

In terms of emissions and use of resources, the Group has implemented the actions described in the above chapters to manage the environmental footprint related to its operations. Throughout the business activities of the Group, there is no significant impact on the environment and natural resources. However, the Group understands that selection of appropriate production materials and proper disposal of waste is important to protect the environment and natural resources. The Group will continue to explore environment-friendly production and packaging materials with relevant departments and implement different waste reduction and emission reduction plans.

Climate Action

Climate change has become a global focus after the Paris Agreement entered into force. Climate change not only causes more frequent extreme weather events, but also greatly disrupts the earth's ecosystem. An unbalanced ecosystem may pose a threat to food supply and further have an impact on the catering industry. The Climate Change Policy of the Group states that the Group identifies and manages the risks and opportunities of climate change, and develops and takes adequate measures to reduce greenhouse gas emissions, so as to adapt to the climate change and make contributions to the reduction impact of climate change.

Greenhouse Gas ("GHG") Emissions

GHG emissions are closely related to global warming. During the Year, the Group engaged Carbon Care Asia, a consultancy company, to conduct carbon assessment in order to quantify the GHG emissions (otherwise known as "carbon emissions") generated from our operation. The quantitative measurement follows the Guidelines⁸ compiled by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong and references international standards including ISO14064-1 and the GHG Protocol Corporate Accounting and Reporting Standard.

⁷ For cash registers and credit card terminals

⁸ Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong

Safeguarding Earth Environment

GHG emissions of the Group mainly arise from the use of electricity. In order to support the production of renewable energy locally, the Group purchased 600 MWh of renewable energy from CLP Power Hong Kong Limited during the Year. For other information on the measure for reducing GHG emissions, please refer to the section headed “Use of Energy”.

GHG Emissions Performance

During the Year, the Group's total carbon emissions were 35,633.5 tonnes of carbon dioxide equivalent. The main source of emissions was indirect GHG emissions from scope 2 purchased energy (accounting for approximately 88.2% of total emissions), followed by gas consumption in scope 1 (accounting for approximately 6.8% of total emissions). The total GHG emissions remained stable compared to 2019, with only a slight increase of 0.2%. However, due to the impact of COVID-19 on the restaurant's operating hours, the GHG emissions generated by the gas consumed by the Group decreased by approximately 20.2% compared to last year. Meanwhile, as the Group continues to improve vehicle driving routes and arrangements, GHG emissions from vehicles have been reduced by approximately 53.4% compared to last year.

GHG Emissions			
KPIs	Unit	2020	2019
Scope 1 — Direct GHG emissions	Tonne of carbon dioxide equivalent	3,208.80	4,137.70
Fossil fuel combustion — fixed source	Tonne of carbon dioxide equivalent	2,419.9	3,066.4
Fossil fuel combustion — mobile source	Tonne of carbon dioxide equivalent	174.1	373.4
GHG generated from operation of equipment and system	Tonne of carbon dioxide equivalent	614.8	697.9
Scope 2 — Energy indirect GHG emissions	Tonne of carbon dioxide equivalent	32,004.4	30,777.1
Electricity purchased from power companies	Tonne of carbon dioxide equivalent	31,438.5	30,099.7
Gas purchased from gas companies	Tonne of carbon dioxide equivalent	565.9	677.4
GHG emissions (scope 1 & 2)	Tonne of carbon dioxide equivalent	35,213.2	34,914.8
Scope 3 — Other indirect GHG emissions	Tonne of carbon dioxide equivalent	420.3	645.2
Methane produced by waste paper in Hong Kong landfills	Tonne of carbon dioxide equivalent	0.0 ⁹	104.2
GHG emissions from electricity consumed by the Water Supplies Department when treating drinking water	Tonne of carbon dioxide equivalent	314.4	389.0
GHG emissions from electricity consumed by the Drainage Services Department when treating sewage	Tonne of carbon dioxide equivalent	105.9	152.0
Total GHG emissions (scope 1, 2 & 3)	Tonne of carbon dioxide equivalent	35,633.5	35,560.0
Intensity of GHG emissions	Tonne of carbon dioxide equivalent/turnover (HK\$ million)	12.7	14.1

Looking forward, the Group will continue to evaluate, record and disclose its GHG emissions and other environmental data annually. In addition, the Group will continuously improve the data collection system and review the existing data to further study and formulate feasible emission reduction targets.

⁹ During the Year, the Group's paper recycling volume exceeded paper consumption. As the carbon emissions avoided by paper recycling cannot offset the carbon emissions from other emission sources, this value was adjusted to zero.



Building Harmonious Communities Together



Building Harmonious Communities Together





The restaurant network of Tai Hing Group is rooted and connected people of different demographics day by day in the community. Establishing a good relationship with the community is the key to the sustainable operation of the Group. The Group's Community Investment Policy specifies its community investment strategy, and it will focus on and make contributions to following aspects, such as climate change and environment, care for communities and good-neighborliness, children and youth development, and the industry development. The Group is committed to exerting a positive influence in the community through charity collaborations, volunteer services and strategic giving. The Group place donation boxes in restaurant branches to raise funds for NGOs. In order to encourage employees and their families to participate in charity activities in their free time, the Group established a volunteer team including employees from various departments. Even though affected by the pandemic during this year, the Group still actively participated in a range of community activities. The details are as follows:

Theme	Description
Caring for the elderly 	Big Bowl Feast by Tai Hing & St. James' Settlement In the early beginning of the year, Ms. JoJo Chan, Executive Director of the Group, led the volunteer team to visit the Elderly Center in Central and Western District of St. James Settlement to celebrate the festive season with nearly 100 elderly people living alone and present them with Tai Hing signature basin dishes. Our volunteer team brought them joy and warmth and spent a great and unforgettable evening together.
Caring for the underprivileged 	Tai Hing BBQ Pork Rice Donation during the pandemic by Tai Hing & Institute of Shopping Centre Management In response to the "Donation Project during the Pandemic" held by the Institute of Shopping Centre Management, the Group delivered hundred boxes of Tai Hing BBQ pork rice to underprivileged families whom affected by the pandemic through The Boys' & Girls' Clubs Association of Hong Kong, expressing love and supports of the Group to the community.

Note: The Boys' & Girls' Clubs Association of Hong Kong is a local service organization for children with a long history. It focuses on the balanced development of physical and mental health of children and youth, and promotes the social environment which is benefit to the growth of children, so that they can grow up healthily and happily.

Building Harmonious Communities Together

Theme	Description
	<p>Canned food and children's masks donation to The Boys' & Girls' Clubs Association of Hong Kong</p> <p>The Group donated children's masks and a array of canned products of Tai Hing to The Boys' & Girls' Clubs Association of Hong Kong for over a hundred of underprivileged children and families.</p>
	<p>Canned food donations to Food Angel, Hong Chi Association, St. James' Settlement and Hong Kong Rehabilitation Power</p> <p>The Group presented Tai Hing's canned food to Food Angel, Hong Chi Association, St. James' Settlement and Hong Kong Rehabilitation Power. Families in Sham Shui Po, members and families of Hong Chi Association, the elderly of St. James' Settlement and even people with rehabilitation people were benefited during the pandemic and cold weather.</p>

During the Year, the Group has cooperated with 8 charitable organisations in total, serving more than 1,500 underprivileged beneficiaries. In addition, the Group's contribution was recognized by the community and was awarded the Silver Award for Volunteer Service (Organization) by the Social Welfare Department for two consecutive years, and the 15 Years Plus "Caring Company" logo by the Hong Kong Council of Social Service, in recognition of the Group's commitment on caring for the communities, staff and the environment.

Looking forward, the Group will continue to assume corporate and social responsibilities in the future and contribute to the sustainable development of the society. The Group will also address the needs of local residents, research and promote community investment plans of various scopes, and increase the participation and impact of the Group in the community.



Collaborating organizations/Beneficiaries



Summary of KPIs

Environmental KPIs

KPIs	Unit	2020	2019
Waste air emissions			
Nitrogen oxides	Tonne	1.2	2.4
Sulfur oxide	Tonne	0.002	0.003
Respiratory suspended particles	Tonne	0.1	0.2
Greenhouse gas (GHG) emissions			
Scope 1 ¹⁰	Tonne of carbon dioxide equivalent	3,208.8	4,137.7
Scope 2 ¹¹	Tonne of carbon dioxide equivalent	32,004.4	30,777.1
Scope 3 ¹²	Tonne of carbon dioxide equivalent	420.3	645.2
Total GHG emissions (Scopes 1, 2 & 3)	Tonne of carbon dioxide equivalent	35,633.5	35,560.0
Intensity of GHG emissions	Tonne of carbon dioxide equivalent/turnover (HK\$ million)	12.7	14.1
Waste produced			
Total hazardous waste produced	Tonne	0.3	Failed to obtain data
Intensity of hazardous waste produced	Tonne/turnover (HK\$ million)	0.0001	N/A
Total non-hazardous waste produced	Tonne	3,619.8	4,822.6
Intensity of non-hazardous waste produced	Tonne/turnover (HK\$ million)	1.3	1.9
Energy consumption			
Direct energy	MWh	13,313.0	17,448.5
Indirect energy	MWh	57,553.2	53,940.3
Total energy consumption	MWh	70,866.2	71,388.8
Intensity of energy consumption	MWh/turnover (HK\$ million)	25.3	28.3
Water consumption			
Total water consumption	Cubic metre	741,479.0	962,990.0
Intensity of water consumption	Cubic metre/turnover (HK\$ million)	265.0	381.8
Packaging material used for finished products			
Total amount of packaging material used	Tonne	952.4	1,204.9
Intensity of packaging material used	Tonne/turnover (HK\$ million)	0.34	0.48

¹⁰ Scope 1 includes direct GHG emissions from gas combustion in kitchen stoves, diesel combustion in logistics trucks, and fugitive emissions from refrigeration/air-conditioning equipment

¹¹ Scope 2 includes indirect GHG emissions from purchased electricity and gas

¹² Scope 3 includes indirect GHG emissions from waste paper disposed of in landfills and electricity consumed by government departments when treating drinking water and sewage

Summary of KPIs

Social KPIs

KPIs	Unit	2020	2019
Overview of workforce			
Total	person	4,509	4,229
By gender			
Male	person	1,566	1,443
Female	person	2,943	2,786
By age group			
Below 30	person	1,014	947
30–50	person	2,027	1,853
Above 50	person	1,468	1,429
By rank group			
Senior management	person	10	10
Middle management	person	787	834
General staff	person	3,712	3,385
By employment type			
Full-time	person	3,441	2,980
Part-time	person	1,068	1,249
Other types of workforce	person	N/A	N/A
Occupational health and safety			
Number and rate of work-related fatalities	person (%)	0 (0%)	0 (0%)
Number of work-related injury cases	case	90	82
Rate of work-related injury	%	1.99	1.94
Number of lost workdays due to work-related injury	day	2,883	2,805

Summary of KPIs

KPIs	Unit	2020	2019
Development and training			
Total number and percentage of trained employees¹³	person (%)	2,024 ¹⁴ (44.9%)	1,177 ¹⁵ (27.8%)
By gender			
Male	person (%)	767 (49.0%)	496 (34.2%)
Female	person (%)	1,257 (42.7%)	681 (24.4%)
By rank group			
Senior management	person (%)	7 (70.0%)	6 (60.0%)
Middle management	person (%)	456 (57.9%)	425 (51.0%)
General staff	person (%)	1,561 (42.1%)	746 (22.0%)
Average training hours of per employee	hour/person	2.19	2.27
By gender			
Male	hour/person	2.0	2.4
Female	hour/person	2.4	2.2
By rank group			
Senior management	hour/person	4.23	3.90
Middle management	hour/person	2.71	4.35
General staff	hour/person	2.01	1.75
Number and percentage of employees receiving regular performance and career development reviews	person (%)	3,441 (76.3%)	2,980 (70.5%)
By gender			
Male	person (%)	1,305 (83.3%)	1,143 (79.2%)
Female	person (%)	2,136 (72.6%)	1,837 (65.9%)
By rank group			
Senior management	person (%)	10 (100.0%)	10 (100.0%)
Middle management	person (%)	787 (100.0%)	833 (99.9%)
General staff	person (%)	2,644 (71.2%)	2,137 (63.1%)

¹³ Percentage of employees receiving training = number of employees receiving training/total employees

¹⁴ The percentages of breakdown of total employees receiving training in 2020 are as follows: by gender: male (37.9%) and female (62.1%); by rank group: senior management (0.3%), middle management (22.5%) and general staff (77.1%)

¹⁵ The percentages of breakdown of total employees receiving training in 2019 are as follows: by gender: male (42.1%) and female (57.9%); by rank group: senior management (0.5%), middle management (36.1%) and general staff (63.4%)

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Subject Areas, Aspect, General Disclosure and KPIs		Page Number
A1 Emissions		
General Disclosure	Information on:	15, 32
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	
A1.1	The types of emissions and respective emissions data	32
A1.2	GHG emissions in total and intensity	37
A1.3	Total hazardous waste produced	33
A1.4	Total non-hazardous waste produced	33
A1.5	Description of measures to mitigate emissions and results achieved	32, 33
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	33
A2 Use of resources		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials	32, 34
A2.1	Direct and/or indirect energy consumption by type in total and intensity	35
A2.2	Water consumption in total and intensity	35
A2.3	Description of energy use efficiency initiatives and results achieved	34, 35
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved ¹⁶	35
A2.5	Total packaging material used for finished products and with reference to per unit produced	36
A3 The environment and natural resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	36
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	36
B1 Employment		
General Disclosure	Information on:	15, 26
	(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	
B1.1	Total workforce by gender, employment type, age group and geographical region	42
B1.2	Total workforce resign rate by gender, age group and geographical region	42

¹⁶ The drinking water for the Group's operation is supplied by the municipal organization, and we are not aware of that there is water pressure at its operation sites. Therefore, the Group has no problem in finding the water resources (including water consumption and water quality) for the business operation.

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Subject Areas, Aspect, General Disclosure and KPIs		Page Number
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	28
B2.1	Number and rate of work-related fatalities	42
B2.2	Lost days due to work injury	42
B2.3	Description of occupational safety and health measures adopted, how they are implemented and monitored	28, 29
B3 Development and training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	29
B3.1	The percentage of employees trained by gender and employee category	43
B3.2	The average training hours completed per employee by gender and employee category	43
B4 Labour standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour	26
B4.1	Description of measures to review employment practices to avoid child and forced labour	26
B4.2	Description of steps taken to eliminate such practices when discovered ¹⁷	N/A
B5 Supply chain management		
General Disclosure	Policies on managing environmental and social risks of supply chain	23
B5.1	Number of suppliers by geographical region	24

¹⁷ In terms of the Group's business activities type, the Group is not aware that the relevant business is considered to have significant child labor and forced labor risks.

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Subject Areas, Aspect, General Disclosure and KPIs		Page Number
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 relating to products and services provided and methods of redress	15, 19–23
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	21
B6.2	Number of products and service related complaints received and how they are dealt with	22
B6.3	Description of practices relating to observing and protecting intellectual property rights	23
B6.4	Description of quality assurance process	19–20
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	23
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 the prevention of bribery, extortion, fraud and money laundering	15, 19
B7.1	Number of legal cases regarding corrupt practices and the outcomes of the cases	19
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	19
B8 Community investment		
General Disclosure	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests	39
B8.1	Focus areas of contribution	39