



Carrianna Group Holdings Company Limited  
佳寧娜集團控股有限公司

(Incorporated in Bermuda with limited liability)

Environmental, Social and  
Governance Report **2021**

Stock Code : 00126

佳  
寧  
娜

# CARRIANNA GROUP HOLDINGS COMPANY LIMITED ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

## CONTENTS

ABOUT CARRIANNA	2
ABOUT THIS REPORT	3
STAKEHOLDERS' ENGAGEMENT	4
MISSION AND VISION OF THE GROUP	5
MESSAGE FROM THE BOARD	6
ENVIRONMENTAL ASPECT	7
EMISSIONS	7
USE OF RESOURCES	10
ENVIRONMENT AND NATURAL RESOURCES	11
COMBATING CLIMATE CHANGE	12
SOCIAL ASPECT	13
EMPLOYMENT AND LABOUR PRACTICES	13
EMPLOYMENT	13
HEALTH AND SAFETY	15
DEVELOPMENT AND TRAINING	17
LABOUR STANDARDS	19
OPERATING PRACTICES	20
SUPPLY CHAIN MANAGEMENT	20
PRODUCT RESPONSIBILITY	20
ANTI-CORRUPTION	24
COMMUNITY	25
COMMUNITY INVESTMENT	25
INDEX OF "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE" BY THE STOCK EXCHANGE OF HONG KONG LIMITED	27

## ABOUT CARRIANNA

Carrianna Group Holdings Company Limited (the “Company”, together with our subsidiaries referred to as the “Group”) was established in 1967 and was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 November 1991. Founded by Honorary Chairman Dr. Ma Kai Cheung and Chairman Dr. Ma Kai Yum, the business scope and geographic coverage of the Group have been gradually expanded throughout the years. Currently, the Group has developed into an enterprise engaged in real estate investment and development, food production, catering, and hotel operations.

### Property Investment and Development

The Group has commenced to engage in real estate development business in Shenzhen since the early 1990s and has established a history of approximately 30 years on a solid foundation. The Carrianna Friendship Square (佳寧娜友誼廣場), completed in 1998, is among others a famous landmark in the central business district of Lowu. The Group continues to tap on the potential arising from the Greater Bay Area Development. The construction of the 13 storeys commercial building at the vibrant central district of the Guangzhou South Railway Station in Panyu, Guangzhou, was completed during the year ended 31st March 2021 (the “Reporting Period”). The Group also owns 50% interest in Dongguan Home Town, a property project comprising shopping mall and furniture and building material centre.

In Hong Kong, the Group owns 50% interest in each of the two re-development projects at 223-225A Haitan Street and 300-306 Castle Peak Road, Sham Shui Po, respectively, with buildable gross floor areas of 42,500 sq. ft. and 42,400 sq. ft., respectively.

### Hotel, Restaurant and Food Business

Food and restaurant business is another core business of the Group. We currently operate a number of restaurant and bakery brands in Hong Kong and six cities in the Mainland China, including the Carrianna (traditional Chiu Chow cuisine restaurants), Shun Yi (Shunde cuisine restaurants), Delicious (味皇), Gustation (嚐味), Gusto (樂天廚房), and Rasa Pesta (嚐聚) (Hong Kong style “Cha Chaan Teng” restaurants), King Noodle (麵皇) (Northern China style noodle shops), and bakery chain stores Empery Bakery (馥軒), Pak Lok Bakery (百樂麵包), and V28 Bakery.

We operate three food production factories in Hainan, Kunming, and Shenzhen respectively, and have built an advanced food production facility in Hainan with a site area of 29,968 sq.m. and a total area floor area of 58,114 sq.m. With this new Hainan food production facility, the production capacity of Carrianna’s renowned mooncakes will increase significantly. To diversify the food business, the facility will also produce bread, packaged Hainan-style food, and Chinese-style dry meat products in the future. Also, we currently operate two hotels in the mainland, namely Foshan Carrianna Hotel and Yiyang Carrianna International Hotel.

## ABOUT THIS REPORT

The Report is the fifth Environmental, Social and Governance Report (“ESG Report”) issued by the Group which aims to report to stakeholders the sustainability performance of the past year. All the information in this ESG Report is sourced from the Group’s official documents or statistical reports. The Board of Directors (“the Board”) has reviewed and approved this ESG Report.

### Reporting Period and Scope

The ESG Report covers the sustainability performance of the Group for the year ended 31st March 2021. The reporting scope covers the Group (i) Restaurant, food, and hotel, and (ii) Property investment and development businesses in the People’s Republic of China (“PRC”) and Hong Kong. Our overall approach, strategy, priorities, and objectives of ESG management remained largely the same as those of previous year. As identified by our materiality assessment and supported by the reporting principle of balance, the ESG Report mainly sets forth the aforesaid businesses.

For the information about the corporate governance structure of the Group and other related information, please refer to the Corporate Governance Report on page 16 to 29 of the annual report of the Company published on 22nd July, 2021.

### Reporting Principles

The ESG Report has been published in accordance with the ESG Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board (the “Main Board”) of the Stock Exchange and the “comply or explain” provisions contained therein. The contents of the ESG Report were prepared based on the Reporting Principles of materiality, quantitative, balance and consistency. Underpinned by the quantitative and consistency principles, the ESG Report presents the key performance indicators (“KPI”) with comparative data in order to provide a measurable and comparable evaluation and validation of our ESG management initiatives.

### Stakeholders’ Feedback

In addition to reporting our achievements in this ESG Report, we welcome all stakeholders’ feedback on our environmental, social and governance policies and performance. Please share your valuable views with us through the followings:

Postal Address: 26/F, Phase II Wyler Centre, 200 Tai Lin Pai Road,  
Kwai Chung, New Territories, Hong Kong  
Telephone: (852) 2426 1021  
Email: [info@carrianna.com](mailto:info@carrianna.com)

## STAKEHOLDERS' ENGAGEMENT

The Group understands that it relies on the trust and participation of stakeholders along the way, so we always hope to fully understand their views and expectations. We establish a variety of communication channels to gather stakeholders' views and communicate with them effectively. Our stakeholder groups include but are not limited to employees, investors, customers, and suppliers.

The main communication channels of the Group with stakeholders are detailed as follows:

Stakeholder category	Communication channels
Employee	<ul style="list-style-type: none"> <li>❖ Intranet and email</li> <li>❖ Internal meetings</li> <li>❖ Training programs</li> </ul>
Investors	<ul style="list-style-type: none"> <li>❖ Financial statements</li> <li>❖ General meetings</li> <li>❖ Announcements and circulars</li> <li>❖ Company website</li> </ul>
Customers	<ul style="list-style-type: none"> <li>❖ Company website</li> <li>❖ Daily operations</li> <li>❖ Email and customer service hotlines</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>❖ Business meetings</li> <li>❖ Supplier audit</li> </ul>
Government and regulatory departments	<ul style="list-style-type: none"> <li>❖ Periodic reporting</li> <li>❖ Operational meetings</li> </ul>
Community	<ul style="list-style-type: none"> <li>❖ Charity and public welfare service</li> <li>❖ Volunteer service</li> <li>❖ Company website</li> </ul>

## MISSION AND VISION OF THE GROUP

The Group constantly works to improve the way we run business. While we strive to achieve better results financially and maximise returns for our shareholders, we are also committed to the idea of “making change for good”. We aim to improve how we support our people and community, preserve our planet, and increase the quality of our products and services for our customers.

Our long-standing success stems from our dedication to operating ethically, caring and socially and environmentally responsible manner. It is our responsibility as good corporate citizens to always act with integrity and respect. We seek to connect with both internal and external stakeholders and integrate their needs into our operations for the betterment of society.

While we strive for better returns for shareholders, we always uphold the philosophy of “Giving back to the Community,” and use the sustainable development approach to put the persistent effort in aspects of product safety, supply chain management, environmental protection and energy conservation, staff growth, and community affairs understand the concerns of stakeholders and try our best to balance their interests.

**Quality.** We believe that a remarkable and reputable branding is crucial to the sustainable development of an enterprise. The prolonged widespread trust of Carrianna’s brand is attributable to our meticulous efforts and sheer persistence on products and services qualities.

**Integrity.** The Company has several decades of development history, continuously maintained solid relationships with our customers, suppliers, and other business partners, mainly because of our persistence in integrity.

**Green Operations.** Given society’s increasing awareness of environmental protection, we never ignore the possible impact of the operation processes on the environment. Through continuously improving our energy saving and environmental protection policies, raising environmental protection awareness of our staff, and recycling and reusing the wastes generated from our business operation under practicable circumstances, we reduce the negative impact of our operations on the environment.

**People-oriented.** The growth of an enterprise relies on support from its staff. We advocate an equal and harmonious working environment, constantly improving the personnel training and promotion system to provide the employees with comprehensive learning opportunities and more room for development. We also highly emphasise the employees’ safety and health in the workplace.

**Devotion.** As a responsible corporation, we encourage our staff to participate actively in community events, organise volunteer activities and undertake charity works, carry out practical actions to help the vulnerable groups to fulfil corporate social responsibility, and bring positive momentum to the community.

## **MESSAGE FROM THE BOARD**

Over the past year, the world has been continuing to face the unprecedented challenges brought by the global outbreak of the novel coronavirus disease (COVID-19). The challenges have underlined the need to develop sheer resilience in the food and beverage sectors. The Group is committed to safeguarding the health of our employees and customers, which cooperates with the government's infection control measures and the latest regulations to ensure our restaurants and hotels strictly follow all regulations imposed by the government.

It is fortunate that the vaccination success emerged in the battle against the epidemic in China, whereas the epidemic has been subsiding gradually. In terms of property development, the Group will regroup and continue expanding its business, focusing on development in the emerging the Greater Bay Area. In terms of the restaurant business, the Group has seen the picking up again in the second quarter of 2020. We are confident that the development of our business activities will improve along with the recovery of the economy and increasing spending power in the Mainland.

We will continue to reinforce the ESG strategies this year. Considering changes in the Environmental, Social and Governance Reporting Guide, the Group will re-examine the ESG Report to improve for further enhancement on sustainability governance and ongoing internal and external stakeholders communication.

We would like to express our sincere gratitude to our stakeholders for their unyielding support and trust in accompanying us for this very challenging year. In the future, we commit to living up to our stakeholders' expectations to achieve outstanding performance.

## ENVIRONMENTAL ASPECT

The environmental aspect is a core value that the Group upholds its commitment to sustainability. Fulfilling this mission requires much effort in areas including conserving natural resources and reducing carbon emissions as we grow our business. We maintain an environmental management system designed to raise and monitor our environmental standards, minimise our environmental footprint and assist us to improve the compliance level in environment.

During the Reporting Period, the Group had no incident of non-compliance with environmental protection laws and regulations that significantly impacted the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The Group also confirmed no penalty imposed by relevant government authorities arising from non-compliance with the aforesaid laws and regulations during our operation in the Reporting Period.

## EMISSIONS

The Group complies with the relevant regulations promulgated by the government that are applicable to the Group, including the Air Pollution Control Ordinance (空氣污染管制條例), Water Pollution Control Ordinance (水污染管制條例), Waste Disposal Ordinance (廢物處置條例), the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise (中華人民共和國環境噪聲污染防治法), Law of the People's Republic of China on Appraising of Environmental Impacts (中華人民共和國環境影響評價法), Environmental Protection Tax Law of the People's Republic of China (中華人民共和國環境保護稅法), Regulations of Environment Protection in Construction Projects (建設項目環境保護管理條例), Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法) and Decision of the State Council on Several Issues Concerning Environmental Protection (國務院關於環境保護若干問題的決定).

### Air Pollution – Greenhouse Gas

In the course of daily operations, apart from the greenhouse gases emissions generated from the combustion sources in transportation, our largest emission source is cooking stoves. The indirect emissions of the Group's greenhouse gases mainly come from the purchased electricity and fuel consumption of offices and vehicles. The Group considers that such greenhouse gas emission level is normal.

We are dedicated to reducing our carbon emissions by keeping a record of consumption levels for each business, closely monitoring emissions levels, and ensuring the proper functioning of all machinery and equipment to prevent excessive emission of exhaust gas caused by related mechanical malfunctions.

For the Group's real estate projects, we will only engage construction contractors with good environmental protection and safety records, which are required to strictly abide by all current environmental protection and safety regulations, such as the use of construction materials and methods.



**Hazardous and Non-hazardous Waste Treatment**

Handling processes for all waste generated from production and daily operations of the Group are in strict compliance with internal guidelines. Recycling and reusing waste are encouraged under feasible circumstances.

Food waste and construction materials are the major types of waste for our restaurant and property operations. Food waste is collected and handled by local executive agencies. The construction materials applied in property projects include but not limited to steel, bricks, and concrete. Some of these materials can be recycled and reused in site levelling, sub-base layers, and marsh infilling. All construction waste will be stockpiled together and disposed by municipal administrative department during the construction process.

Summary of emissions data:

<b><i>For the year ended 31 March 2021</i></b>		
<b><i>Type of emission</i></b>	<b><i>Unit</i></b>	<b><i>Quantity</i></b>
Total greenhouse gas emissions	kg of carbon dioxide equivalent	15,767,981
- Scope 1 – Direct emissions		
- Combustion of fuels in stationary and mobile sources	kg of carbon dioxide equivalent	2,989,887
- Scope 2 – Energy indirect emissions		
- Consumption of purchased electricity	kg of carbon dioxide equivalent	12,778,094
Intensity of greenhouse gases	kg of carbon dioxide equivalent / revenue (HK\$)	0.02
Exhaust		
- Nitrogen oxide (NOx)	gram	1,980,406
- Sulphur oxide (SOx)	gram	1,839
- Particulate matter (PM)	gram	109,727
Total non-hazardous waste	tonnes	477
- Food waste	tonnes	477
Total non-hazardous waste intensity	tonnes / revenue (HK\$ million)	0.60

<b>For the year ended 31 March 2020</b>		
<b>Type of emission</b>	<b>Unit</b>	<b>Quantity</b>
Total greenhouse gas emissions	kg of carbon dioxide equivalent	17,049,999
- Scope 1 – Direct emissions		
- Combustion of fuels in stationary and mobile sources	kg of carbon dioxide equivalent	3,379,977
- Scope 2 – Energy indirect emissions		
- Consumption of purchased electricity	kg of carbon dioxide equivalent	13,670,022
Intensity of greenhouse gases	kg of carbon dioxide equivalent / revenue (HK\$)	0.02
Exhaust Gas		
- Nitrogen oxide (NOx)	gram	2,230,368
- Sulphur oxide (SOx)	gram	1,987
- Particulate matter (PM)	gram	129,200
Total non-hazardous waste	tonnes	846
- Food waste	tonnes	846
Total non-hazardous waste intensity	tonnes / revenue (HK\$ million)	0.82

*\*Certain figures have been reassessed to conform with this year’s presentation*



**Hainan food factory**  
- Wastewater treatment facility

## USE OF RESOURCES

In addressing the global environmental issues, such as climate change and depletion of natural resources, the Group has stepped up its efforts to ensure efficient use of resources. Following the Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法), and other applicable laws, regulations, and industry standards for energy use, consumption levels for each of our business units are under strict supervision.

During the Reporting Period, the Group's resource consumption was within a reasonable level. Resources consumed in the offices are mainly from document photocopying and printing. The Group promotes a "Paperless office" by promoting email and document digitalization among employees. Meanwhile, we implement paper-saving measures to encourage our employees to formulate green habits in daily operation. For instance, we are adapting double-sided printing and photocopying, recycling, and reusing wastepaper with the aim of controlling the paper and toner consumption to reduce waste.

Summary of resource consumption data:

<i>Type of resource consumption</i>	<i>Unit</i>	<i>Quantity</i>	
		<i>For the year ended 31 March 2021</i>	<i>For the year ended 31 March 2020</i>
Total energy consumption	kilowatt hour	31,491,305	36,695,949
- Electricity	kilowatt hour	18,063,257	19,850,100
- Gasoline – vehicle	kilowatt hour	1,049,163	1,149,855
- Gas	kilowatt hour	12,378,885	15,695,994
Energy intensity	kilowatt hour / revenue (HK\$)	0.04	0.04
Total water consumption	Tonnes	366,773	489,744
Intensity of water consumption	tonnes / revenue (HK\$ million)	461	475
Paper	kg	5,244	6,408
Total packaging material	tonne	1,020	971
- Plastic	tonne	84	106
- Metal box	tonne	757	704
- Corrugated box	tonne	179	161

## ENVIRONMENT AND NATURAL RESOURCES

### Raising Environmental Awareness

We are taking a holistic approach in environmental management. In addition to the energy saving and emission reduction measures, we believe in enhancing environmental awareness and strengthening the governance, including daily operations and business decision-making by the Board. We actively promote environmental protection awareness among the employees. Internal codes are reviewed and internal environmental protection guidelines, and reminders are issued from time to time. Information related to environmental protection such as green office has been shared by the Group.

### Attaching Importance to Biodiversity and Deforestation

Biodiversity can increase ecosystem productivity, and all kinds of species, no matter how small, play an essential role in the ecosystem. Therefore, we value the conservation of biodiversity and strive to achieve our food ingredients sustainable. We intend to enhance our food sourcing sustainability commitments by undertaking comprehensive studies in areas such as not to use HPCIA in the chicken, purchase sustainable beef and seafood labelled with MSC (Marine Stewardship Council), ground and whole bean coffee sourcing through Rainforest Alliance and other relevant certification schemes.

We understand that forest conservation contributes to mitigating climate change and protecting biodiversity. Sustainable food pronouncement also is a key to cease excessive logging. We hope to achieve complete traceability across the entire commodities supply chain through continuous improvement eventually. Other measures include fiber-based packaging, recycled wood, and other materials, increasing production and resource efficiency, reducing landfill waste and waste recycling, support for landscape restoration.

## COMBATING CLIMATE CHANGE

As a responsible company, we recognise that climate change has become a severe threat to the planet and potentially creates a significant impact on our communities and operations. Therefore, we continue to consolidate our efforts to combat climate change and mitigate global warming.

Regarding the physical risks of the business, adverse weather events have frequently occurred in recent years to paralysing transportation and road systems, causing a shortage of water or other resources. This will result in suspension or hindrance of business operation. While countries around the world continue to act on climate change, we are convinced that corporates are exposed to changes in regulations, technologies requirements and market responses in the future, such as new greenhouse gas emission limits and stricter laws to hold companies accountable for the environmental degradation and requirement on adapting renewable energy. These factors may bring additional operating costs and extensive changes in operating structure.

Given that the risks mentioned above, we proactively address climate change at different levels. We reinforce internal governance by reviewing our environmental policies from time to time to identify environment-threatening issues and improve with greener measures. Close communication with our suppliers is maintained and we work together to develop contingency plans in case of supply chain disruption or other issues. We also keep a watchful eye on any changes in relevant regulations that significantly impact our operations and environmental policies, while acquiring new knowledge and technology that are instrumental to our environmental initiatives.

The Group is currently mapping out its plan on reducing its carbon footprint by pursuing best operational practices and enhancing supply chain management. Our plan to minimise our environmental impact covers water stewardship, waste management, and energy and carbon reduction.

## SOCIAL ASPECT

### EMPLOYMENT AND LABOUR PRACTICES

#### EMPLOYMENT

Summary of employment data:

	Unit	As at 31 March 2021	As at 31 March 2020
<b>Total number of staff</b>	Number of staff	1,594	1,740
<b>By gender</b>	Number of staff /		
- Male	Percentage	706 / 44	803 / 46
- Female	Percentage	888 / 56	937 / 54
<b>By age</b>			
- below 30	Number of	450 / 28	379 / 22
- 30-39	staff /	301 / 19	402 / 23
- 40-49	Percentage	389 / 25	460 / 26
- 50-59	Percentage	355 / 22	384 / 22
- 60 or above		99 / 6	115 / 7

#### Employment, Remuneration and Benefit Policies

We employ approximately 1,594 (2020: 1,740) employees in Hong Kong and beyond. They are the key to our business competitiveness. We are committed to providing them with a working environment where they can find respect and satisfaction. We give our staff opportunities to learn, grow and succeed at work, and this concept incorporates into our human resources policy.

The Group complies with the Hong Kong Employment Ordinance (僱傭條例), Minimum Wage Ordinance (最低工資條例), Employees' Compensation Ordinance (僱員補償條例), Mandatory Provident Fund Scheme Ordinance (強制性公積金計劃條例), Labour Law of the People's Republic of China (中華人民共和國勞動法), Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法) and other relevant labour laws and regulations, as well as industry standards. From recruitment, probation, promotion, reward, and disciplinary actions, welfare and benefits are all conducted fairly and justly. All staff, upon joining, are given a set of Employee Handbook, which sets out the company policies on employee benefits and code of conduct and provides clear guidelines for their work ethics and morality norms.

We strictly follow the national social protection policy and regularly pay for social insurance, pension, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance, and housing provident fund for our staff. Meanwhile, the Group has formulated a comprehensive Employee Benefits Scheme in accordance with the Labour Law of the People's Republic of China and other relevant regulations and the industry where our operations are carried out. Such scheme outlines the policies for paid annual leave, paid marital leave, sick leave, maternity leave, leave of absence, and other holidays. Each employee is entitled to statutory holidays stipulated by the national law.

We offer competitive remunerations, strive to improve our fair remuneration incentive scheme, and link up remuneration and promotion with the competence and performance of our staff. Each department rewards outstanding staff performance with the “Excellent Staff” title and provides reasonable promotion opportunities and bonuses according to their business contributions, research, and inventions.

We are devoted to giving our staff a comfortable working and living environment and continuously improving employee benefits. Staff can enjoy work meals, meal subsidies, subsidies based on length of service, and holiday gifts. A dormitory is arranged for hotel staff who have living difficulties.

#### Equal Opportunity and Diversity Policy

We value talents, consider employees as our most valuable and core asset. We always adhere to uphold the concept of fairness, impartiality, and openness in employment, recruit promising talents to provide talent reserves for our Group’s restaurant, hotel, and property businesses, to enhance the competitiveness of business development.

We comply with the Discrimination Ordinances (歧視條例), the Law on the Protection of Women’s Rights and Interests (婦女權益保障法), the Employment Promotion Law (就業促進法) and other applicable laws and regulations. We prohibit discrimination of nationality, age, gender, religion, disability, marital status, or any other form. We adopt calibre, performance, and other qualities as recruitment, promotion, and salary increment criteria. We ensure our employees can thrive in a working environment where we champion diversity and inclusion.

We encourage internal staff self-recommendation or recruitment of promising talents from the society. By a fair and merit-based standardised recruitment principle, promising talents suitable for the job positions are selected. Therefore, we have gathered a group of experienced experts in marketing, engineering, logistics, and property development, thereby providing continuous impetus for long-term corporate growth.

#### Dismissal Policy

The Group complies with the guidance under relevant employment law. If staff employment termination is required, we will follow the standard procedures to handle and make reasonable compensation to the dismissed employees. The applicable provisions on termination of the employment are set out in the employment contracts of every staff.

## HEALTH AND SAFETY

The Group has always been mindful of occupational health and safety, which are integral parts of a broader environment and workforce sustainability strategy. Through various initiatives, including implementing company-wide safety standards, we are committed to reducing the risk of harm to our people and helping them remain safe, healthy, engaged, and productive.

The Group strictly complies with Construction Law of the People's Republic of China (中華人民共和國建築法), the Regulations on the Work Safety Management of Construction Projects (建設工程安全生產管理條例), Regulation on Work Safety Licenses (安全生產許可證條例), the Occupational Safety and Health Ordinance (職業安全及健康條例) and other relevant laws and regulations. We have strengthened health and safety control, and the employee safety protection system provided a safety handbook for different business operations, covering preventive measures and crisis response procedures.

During the Reporting Period, we had 21 (2020: 31) industrial accidents in which 11 (2020: 16) staff were injured at work. All of them were minor work injuries and did not violate any relevant employment, health and safety laws and regulations.

Regarding work-related injuries, the Group complies with relevant laws and regulations and records and reports after accidents to avoid recurrence of such work-related injuries in the future. Injured employees will have sick leave and insurance protection. At the same time, we will send condolences to the injured employees and arrange for the personnel department to follow up on the employees' rehabilitation progress. In addition, we will regularly review work-related injury insurance arrangements and collect opinions from employees on the effectiveness of current safety measures.

We equip our staff with safety and protective gear, including safety helmets, safety belts, insulated safety shoes, protective goggles, and particulate respirators. We provide targeted training of special equipment to help staff understand the correct usage of protective gear. All labour protective gears comply with the Safety Helmet (安全帽) (GB2811), Safety Belt (安全帶) (GB6095), Modular Technical Requirements for Protective Footwear (防護鞋通用技術條件) (GB 12623-90), and other relevant national standards required for labour protection equipment.

Meanwhile, even with a solid health and safety record, there is always room for improvement in occupational safety. We believe improving and prioritising our education efforts are essential to lowering our lost-time injury and illness rates. Therefore, the Group regularly conducts fire safety training to raise employees' awareness of fire protection and operating procedures; and keeps a detailed record of the training's staff training hours and content. The Group regularly and periodically checks, repairs, tests, and maintains fire prevention facilities. Especially on important holidays, such as Chinese New Year, New Year's Day, Labour Day, and National Day are chosen for targeted publicity, including evacuation signs and emergency lighting are in place; exits are clear; passages for fire trucks are not blocked, junk items are not piled up and firefighting equipment and alarms are fully functional.



For inflammable and explosive items, we have established a stringent inflammable and explosive items control system. It ensures that they are stored in facilities with comprehensive fire safety equipment, placed visible labels and signs, stored them separately in fixed amounts, and carried out regular checks and maintenance of fire safety measures in storage facilities.

**Anti-pandemic Measures**

The Group is involved in the catering business and needs to protect its employees' health during the novel coronavirus period. The Group guarantees that its catering business complies with the “Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation” Chapter 599F of the Laws of Hong Kong. We arrange for employees to work flexibly according to actual conditions. In addition, we encourage employees to get vaccinated. For this reason, we will arrange vacations for vaccinated employees. At the same time, we will check our staff body temperature and ensure that they are tested for viruses regularly by government requirements.



Foshan – Anti-pandemic emergency program



Foshan – Anti-pandemic emergency program – quarantine section



Foshan – Anti-pandemic emergency program – body-temperature checking

Foshan – Anti-pandemic emergency program – sanitization

## DEVELOPMENT AND TRAINING

Our business success is based on the knowledge and commitment of our employees to a large extent. As an employer, we provide our employees with attractive conditions and wide-ranging individual development opportunities. We are devoted to building a competent workforce and developing future management talents and leaders.

Professional training, conveying corporate values, and creating open dialogue are crucial to our training methodologies and programs. We aim at fostering employees' career growth by helping our employees acquire job-related skills and leadership qualities. Our training programs include pre-employment training, English training, job-transfer training, and management training.

The new staff is given orientation training and on-the-job training to help them familiarise themselves with our protocols and systems and understand the needs for their respective positions and business operations. On-the-job staff can accommodate their needs at different career stages through cross-department training or specialised training. We also provide mid-level to senior management and key staff with management training or overseas study opportunities and continuous learning courses, intending to enhance the competitiveness of our management and progress with time.

In addition, we encourage continuous education and the establishment of a learning room in our office. Our employees can access content that is suitable for their development needs. If the job requires, it is allowed to apply for purchasing relevant professional reference books.

During the Reporting Period, the total time of the training arranged and funded by the Group and participated by our staff amounted to 8,170 (2020 : 5,711) hours.



Internal training session organized for our staff (1)



Internal training session organized for our staff (2)

We promote a harmonious and friendly working environment, encourage all supervisors to maintain close communication with their staff, and treat each other earnestly, thereby improving the working atmosphere. This can be seen from the regular and periodic birthday parties and staff functions for different festivals and special days organised by the human resources department of our various business units.

We have set up an Internal Communication and Complaint mechanism which conducts an anonymous survey for staff satisfaction and investigates serious issues and concerns of staff. By these, we hope to understand the career development goals of our team so that we can develop more effective training and development programs, as well as appropriate offer promotion or job rotation opportunities.

The Group encourages the Directors and senior management to participate in the training on the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and corporate governance to continuously improve the internal control and corporate governance level of the Company. We also encourage accounting and company secretarial staff to conduct periodic updates on relevant professional knowledge.

Summary of training data:

	Unit	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Total participating staff</b>	Number of staff- counts	1,217	2,590
<b>By gender</b>			
- Male	Total number of training hours	4,439	2,822
- Female		3,731	2,889

## LABOUR STANDARDS

The Group strictly complies with the Employment Ordinance (僱傭條例) (Chapter 57 of the Laws of Hong Kong) and the Regulation on Labour Security Supervision (勞動保障監察條例) issued by the State Council of the PRC and other relevant laws and regulations to stamp out child labour and forced labour. We do not tolerate any form of forced labour, including coerced, bonded, indentured, or child labour, nor do we allow any form of slavery and human trafficking. We adopt a strict and meticulous recruitment process as our human resources department requires candidates to provide valid identity documents for verification.

The Group will conduct investigations, punish, or dismiss the related staff immediately when any violation behaviour is discovered. The Group will further improve the labour system against violation behaviours as and when appropriate.

During the Reporting Period, there was no child labour and forced labour in the Group.

## OPERATING PRACTICES

### SUPPLY CHAIN MANAGEMENT

The Group has been well-known for its quality of service and product delivery, which relies on our effective supply chain management. We procure only from reliable suppliers and business partners with good reputations and high ethical and professional standards. We review potential and existing suppliers, including performing background research, assessing potential and underlying risks in service or product delivery, environmental protection, and legal compliance. During the Reporting Period, most of our suppliers were based in China and Hong Kong.

As part of our responsible and sustainable procurement, we carefully source our materials and food ingredients without critically endangering the biodiversity and ecology, such as seafood, organic vegetables, paper, tea, coffee, and meat.

#### Procurement Policy

We have built up a well-developed and comprehensive procurement and auction mechanism based on production capability, product quality, supply stability of the suppliers to execute a strict assessment and control practice. The instrument also carries out quality sample-check and makes tracking records for product quality to maintain a high-quality supply chain management.

#### Code of Conduct

Our suppliers are required to work in a responsible manner and comply with all laws, international treaties, and contractual responsibilities. We insist that our suppliers must implement an employment policy that is fair, humane, and non-discriminatory to their employees, and we work together to achieve a better balance in protecting our environment. They are also required to obligate the Group's code of conduct. We maintain close communications with suppliers and convey our standards of law compliance, labour, workplace safety and health, and environmental protection.

### PRODUCT RESPONSIBILITY

#### Product Quality

Product safety and quality are our essential core. We believe that maintaining product safety and quality is indispensable for building strong brands and reputation, which is a significant factor for the successful operation of the Group. We have formulated the Food Safety System to regulate the food storage, workplace environment, and equipment cleanliness, thus guaranteeing food safety. We ensure that we comply with the Food Safety Ordinance (食品安全條例), Public Health & Municipal Services Ordinance (公眾衛生及市政條例), Food Safety Law of the People's Republic of China (中華人民共和國食品安法).

The Group ensures that products meet the quality requirements based on a quality inspection mechanism. All employees are required to follow internal guidelines and handbooks to execute each procedure.



2020 China Charity Festival - Responsible Brand Award



2021 Second Quality Festival - Outstanding Brand Word-of-mouth Award Industry Quality Standard Award

Our new production facility in Hainan is the largest in scale, the highest degree of automation food production facility ever built and invested in the Mainland by the Group.



New Hainan Carrianna food factory located at Yunlong High-and-new-tech Industrial Zone in Haikou City



The highest degree of automation food production facility in new Hainan Carrianna food factory

Two of our “Delicious” group restaurants comply with the assessment criteria of the Quality Tourism Services Scheme of the Hong Kong Tourism Board. They are authorised to use the Certification Mark upon “Restaurants” Category.

During the Reporting Period, we received no complaints or claims from our customers related to the quality issues of the Group’s products.

### Restaurant Anti-pandemic Measures

During the novel coronavirus disease period, the health of diners is the top priority of the Group. We always follow the latest regulations announced by the government and adjust the anti-epidemic measures in the restaurants. We will limit the number of customers to a certain level, place partitions on each unit and limit each unit to no more than a certain number of people according to regulations. Anyone who enters the restaurant needs to check his/her body temperature, wear a mask, use the disinfectant provided by the restaurant to clean their hands, and use the “Leave Home Safe” QR code or other registration methods to record such information. In addition, we have installed air purification equipment in the restaurants that meets the specifications specified by the government to ensure air circulation in the restaurants.

### Protection of Intellectual Property

The Group builds up and protects its intellectual property rights and has registered various brands and trademarks in Hong Kong and China. Meanwhile, we also respect the intellectual property of our business partners and other companies. During the Reporting Period, we are not aware of any instances of non-compliance with laws and regulations in relations to intellectual property that have a significant bearing on the performance of the Group. The related laws and regulations include Patent Law of the People’s Republic of China (中華人民共和國專利法) and the Trademark Law of the People’s Republic of China (中華人民共和國商標法).

### Communication with Customers

We strive to provide customers with competitive products and services and ensure that they enjoy the rights they are entitled to by the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法) and other applicable laws and regulations. We stress the importance of clients’ needs and regularly collect their opinions on the foundation of future improvement.

### Privacy Policy

We hardly gain access to our customers' personal information or confidential data of enterprises during daily operations. Nevertheless, we stress the high importance of customers' privacy. All personal data the Group collected, such as employee information and personal data of property buyers, will be kept strictly confidential. Personal data of our customers and staff will not be used for marketing purposes if without authorisation. Any illegal acts of unauthorised use and revealing of personal information are prohibited. We ensure that we comply with the Personal Data (Privacy) Ordinance.

In addition, during the epidemic, we collect personal data of restaurant customers in accordance with government requirements. We will lock up written data collected every day in a briefcase or safe so that employees are not allowed to disclose the information. Only upon the request of the Centre for Health Protection ("CHP") from the Department of Health, the data will be provided so as to prevent the occurrence or spread of an infectious disease or contamination. If CHP does not request to submit the information, the personal data will be erased after 31 days.

### Advertising and Labelling

The Group engages no large-scale advertisement for our products and services. However, we still produce advertising materials or carry out different promotional campaigns based on the nature of products and services of specific business operations to entice customers. These promotional materials and campaigns comply with the Advertisement Law of the People's Republic of China (中華人民共和國廣告法), the Interim Measures for the Administration of Internet Advertisement (互聯網廣告管理暫行辦法), Food & Drugs (Composition & Labelling) Regulations (食物及藥物(成分組合及標籤)規例), Trade Marks Ordinance (商標條例), Trade Descriptions Ordinance (商品說明條例) and other applicable laws and regulations concerning advertising and labelling, contain no exaggeration or untruth, to ensure that consumers are provided with sufficient information to make informed choices.

During the Reporting Period, the Group has complied with all relevant laws and regulations that significantly impact the Group relating to health and safety, advertising, labelling, and privacy matters.



## ANTI-CORRUPTION

An operating environment with honesty and integrity is vital to a company's long-term development and business reputation. All employees of the Group shall strictly adhere to the staff code and are prohibited from abusing their power for personal gains, receiving rebates without authorisation, corruption, embezzling funds, taking bribes, and other illegal acts. We will seek legal recourse according to the national laws and regulations if any unlawful acts are found. We strive to eliminate the undesirable trend of corruption and bribery and protect our reputation.

To ensure sound corporate governance, we have set up an audit committee and hired external legal advisors and auditors to review our financial reports and statutory disclosures and offer their views. We also provide information and training on corporate governance to our directors and staff.

During the Reporting Period, the Group complied with the Prevention of Bribery Ordinance (防止賄賂條例), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (打擊洗錢及恐怖分子資金籌集條例), the Criminal Law of the People's Republic of China (中華人民共和國刑法) and the Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法), and other applicable anti-corruption laws and regulations. The Group had not identified any corruption or fraud incidents, nor any concluded or ongoing legal cases brought against the Group concerning corruption. The Group will periodically review the implementation of respective systems and devote more resources to improving the mechanism if necessary.

### Whistle-Blowing Policy

We encourage our employees to anonymously report any inappropriate behaviour and take all possible measures to protect the identity of the informers. We will carry out internal investigations on the allegations, furnish the results to management for subsequent actions, and cooperate with law enforcement bodies.

## COMMUNITY

### COMMUNITY INVESTMENT

With our deep roots in China and Hong Kong, we are dedicated to enhancing our communities to thrive. We must give back to different communities to help them fight their distinct challenges. We engage and invest in the local communities by cooperating with charity and other non-government organisations. Through donations and other cultural, educational, and volunteering initiatives, we are committed to offering support and delivering care to the underprivileged and people in need, embracing the local culture, and enhancing the younger generation’s development. We uphold the Group’s values as a caring company and empower people to impact the community to use their spheres of influence positively. For this, one of our Group companies, Delicious Group Dining Services Limited, has registered with the Social Welfare Department of the Hong Kong Government as a Volunteer Participating Organisation.



Shenzhen  
– Mooncake donations to community (1)



Shenzhen  
– Mooncake donations to community (2)



Shenzhen  
– Mooncake donations to community (3)



Pandemic free bread deliveries activity by our Profit Smart colleagues (1)



Mooncake donation to primary school students in Qinghai Province



Pandemic free bread deliveries activity by our Profit Smart colleagues (2)



Souvenirs donated to medical people in Shenzhen



Materials donated to Henan for the flood disaster

## INDEX OF “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas	Content	Section in the ESG Report
<b>A. Environmental</b>		
A1 Emissions		
General Disclosure	Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies ; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Environmental Aspect
A1.1	The types of emissions and respective emissions data.	Environmental Aspect - Emissions
A1.2	Total greenhouse gas emissions and intensity.	Environmental Aspect - Emissions
A1.3	Total hazardous waste produced and intensity.	Environmental Aspect - Emissions
A1.4	Total non-hazardous waste produced and intensity.	Environmental Aspect - Emissions
A1.5	Description of emissions target(s) set, and steps taken to achieve them.	Environmental Aspect - Emissions
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them.	Environmental Aspect - Emissions
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Environmental Aspect - Use of Resources
A2.1	Direct and/or indirect energy consumption by type and intensity.	Environmental Aspect - Use of Resources
A2.2	Water consumption in total and intensity.	Environmental Aspect - Use of Resources
A2.3	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them.	Environmental Aspect - Use of Resources
A2.4	Description of energy use efficiency targets(s) set, and steps taken to achieve them.	Environmental Aspect - Use of Resources
A2.5	Total packaging material used for finished products.	Environmental Aspect - Use of Resources
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Environmental Aspect - Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Aspect - Environment and Natural Resources
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Aspect - Combating Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Aspect - Combating Climate Change
<b>B. Social</b>		
<i>Employment and Labour Practices</i>		
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.	Social Aspect - Employment
B2 Health and Safety		
General Disclosure	Information on the policies and 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.	Social Aspect - Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and promoted.	Social Aspect - Health and Safety
B3 Development and Training		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Social Aspect - Development and Training

Subject Areas	Content	Section in the ESG Report
<b>B. Social</b>		
<i>Employment and Labour Practices</i>		
B4 Labour Standards		
General Disclosure	Information on: (a) the policies ; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to preventing child and forced labour.	Social Aspect - Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Aspect - Labour Standards
B4.2	Description of steps taken to eliminate non-compliance upon discovery.	Social Aspect - Labour Standards
<i>Operating Practices</i>		
B5 Supply Chain Management		
General Disclosure	Polices on managing environment and social risks of the supply chain.	Operating Practices - Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operating Practices - Supply Chain Management
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 preventing products and services provided and methods of redress.	Operating Practices - Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
B6.2	Number of product and service related complaints received and how they are dealt with.	No significant complaints received
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Practices - Product Responsibility
B6.4	Description of quality assurance process and recall procedures.	Operating Practices - Product Responsibility
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Operating Practices - Product Responsibility
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.	Operating Practices - Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operating Practices - Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Operating Practices - Anti-corruption
<i>Community</i>		
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 of the communities' interests.	Community - Community Investment
B8.1	Focus areas of contribution.	Community - Community Investment
B8.2	Resources used on the focus areas.	Community - Community Investment

