



# 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



## 2021 Environmental, Social and Governance Report

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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 for 33 years. Since its establishment in 1989, the Group has steadfastly been adhering 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 customers delightful dining experiences.

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 brand portfolio includes “TeaWood (茶木)”, “Trusty Congee King (靠得住)”, “Men Wah Bing Teng (敏華冰廳)”, “Phở Lê (錦麗)”, “Asam Chicken Rice (亞參雞飯)”, “King Fong Bing Teng (瓊芳冰廳)”, “Rice Rule (飯規)”, “Daocheng (稻埕飯店)”, “Dimpot (點煲)”, “Dumpling Station (餃子駅)” and “FanFanStore (小火伴士多)”, gathering dishes from various regions such as Taiwan, Vietnam, Southeast Asia and different parts of Mainland China. The Group has also established food factories in Hong Kong and Mainland China.

As of 31 December 2021, the Group has established a network of over 200 restaurants in Hong Kong, Mainland China, Macau and Taiwan.



# About Tai Hing Group



The Group prioritises the quality of service in its restaurants, supports business development with innovative technologies and actively adopts various automated food processing machinery at the restaurant level, thereby creating a safer and healthier working environment for kitchen staff, while concurrently improving operational efficiency and ensuring the quality of dishes.

In the face of the ever-changing external environment, the Group firmly believes that it will be able to create more value for the society while promoting the stable development of the Group, as long as it adheres 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)”. Over the years, the Group has spared no effort to participate in social and charitable activities, cooperated with local and overseas charitable organizations to promote volunteer work, contributed to the society, cared for the disadvantaged, and strived to integrate the concept of sustainable development into every aspect. Looking ahead, the Group will continue to consolidate its brand resources and work with various stakeholders to continuously maintain its leading position in the casual dining market through flexible operation and bring long-term value to all stakeholders.



# Milestones of Tai Hing Group

## 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



## 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



## Establish the First "TeaWood (茶木)" Brand



1989

2012

2015

2004

2008

2011

2013

2014



## Expand Our Mainland Business

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



## Internationally Renowned Brand

The "Trusty Congee King (靠得住)" restaurant in Wanchai, Hong Kong was first published in the Michelin Guide Hong Kong and Macau



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

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

## 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



## Obtain ISO 22000 Accreditation

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

# Milestones of Tai Hing Group

## 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)"



## Develop New Brands

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

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



## Develop New Brands

Opened the Seafood Stall restaurant under the brand of "Hing Ye Dai Pai Dong (興爺大排檔)" in Liwan, Guangzhou

Opened the first retail food store under the brand of "FanFanStore (小火伴士多)" in Shatin, Hong Kong

Opened the handmade dumpling restaurant under the brand of "Dumpling Station (餃子馱)" in Kowloon Bay, Hong Kong



2016

2017

2018

2019

2020

2021



## Develop a New Brand

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



## Reach a New Milestone

Tai Hing Group Holdings Limited was listed on the Main Board of the Hong Kong Stock Exchange on 13 June under the stock code 6811

## Develop New Brands

Opened the first Leisure Bing Teng under the brand of "King Fong Bing Teng (瓊芳冰廳)" in Tsim Sha Tsui, Hong Kong

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



## 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



**Obtained Excellent ESG Enterprise of 2020-2021**  
*Hong Kong Economic Times*

### Awards for employment management

- **“Excellent Employers” for 5 consecutive years**  
*Employees Retraining Board*
- **“Manpower Developer Award Scheme” for 12 consecutive years**  
*Employees Retraining Board*

### Awards for community investment

- **15 Years Plus Caring Company Logo**  
*Hong Kong Council of Social Services*
- **Certificate of Appreciation for Volunteer Service**  
*Social Welfare Department*



# Major Awards



## Awards for environmental protection

- **“Certificate of Merit in Hong Kong Awards for Environmental Excellence” for 4 consecutive years and “Hong Kong Green Organisation Certification” for 5 consecutive years**

*Environmental Campaign Committee*
- **BOCHK Corporate Environmental Leadership Awards for 4 consecutive years and 5 years + Eco Pioneer**

*Bank of China & Federation of Hong Kong Industries*
- **“CLP Smart Energy Award” — Joint Energy Saving Award for 4 consecutive years**

*CLP Power Hong Kong Limited*

## Other awards

- **“Outstanding Listed Companies Award” for 3 consecutive years**

*The Hong Kong Institute of Finance Analysts and Professional Commentators Limited*
- **“Hong Kong Star Brand Award — Corporate Award” for 7 consecutive years**

*Hong Kong Small and Medium Enterprises Association*
- **Greater Bay Area Power Brand for 2 consecutive years**

*Hong Kong Institute of Marketing*



# About the Report

The Report is the third environmental, social and governance report (the “Report”) published by the Group. The Report covers the Group’s policies, measures and performance in environmental, social and governance aspects, with an aim of allowing stakeholders to understand the Group’s management approach and progress in sustainable development. The Report is prepared in Chinese and English, both of which have been issued through The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) website and the Company’s website (<https://www.taihing.com>).

## REPORTING SCOPE

The Report covers the Group’s environmental, social and governance performance from 1 January 2021 to 31 December 2021 (the “Year”) and, as in previous years, focuses on the operation of the head office in Hong Kong, all self-operated restaurants and the food factory located in Fo Tan and the segment of “restaurant operation and management”<sup>1</sup>. The decision is due to the fact that their turnover accounts for approximately 80% of the turnover of the Group and they are the main sources of the Group’s revenue. Looking forward, the Group will also be committed to gradually expanding the reporting scope to provide stakeholders more comprehensive information.

## REPORTING STANDARDS

The Report is in compliance with the “mandatory disclosure” and 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 by fully applying the four reporting principles in the Guide, including Materiality, Quantitativeness, Balance and Consistency.

Reporting principles	Definition	Response
<b>Materiality</b>	Importance shall be attached to reporting of the environmental, social and governance issues which have an important impact on all stakeholders of the Group.	The Group has conducted a sustainable questionnaire for the Year 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.
<b>Quantitative</b>	The key performance data must be measurable, and comparative where appropriate.  Quantitative information should be accompanied by a description, explaining its purpose, impacts, and giving historical data where appropriate.	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 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.  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.
<b>Balance</b>	The Group adheres to the principle of impartiality in the preparation of this Report, which enables stakeholders to objectively evaluate the overall performance of the Group.	The Group fully reports the environmental, social and governance performance in the Report to avoid giving biased information.
<b>Consistency</b>	The Group adopts consistent statistical methods and provides historical data where practicable, so that meaningful comparisons can be made in the future to demonstrate the Group’s progress in sustainable development.	The Group has adopted the same statistical methodology as in previous years and ensures that a consistent method is used to calculate future ESG data and provide a basis for fair and meaningful comparisons.

<sup>1</sup> 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 28 March 2022.

## **FEEDBACK**

The Group's continuous improvement depends on the valuable opinions of all stakeholders on the Group. 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](mailto:taihinginfo@taihing.com)

Message from  
**the Chairman**



## Message from the Chairman

In addition to the challenges posed by the ongoing pandemic situation in 2021, countries around the world suffered the effects of extreme weather events. With such events becoming more frequent, it is now difficult for enterprises to ignore the impact of climate risks. At the 2021 United Nations Climate Change Conference, the Glasgow Climate Pact was formed, which calls on countries to significantly reduce coal consumption in a bid to limit the increase in the global temperature to 1.5°C by reducing carbon emissions. In the face of the promotion of low-carbon transformation and carbon neutrality by the state and Hong Kong, the Group is actively adjusting its business operations and improving its carbon emission performance through the formulation and implementation of a series of related measures.

Adhering to the core values of “people-oriented”, “customer-first”, “quality-focused” and “innovation for development”, the Group actively seeks ways to align with the national and Hong Kong carbon neutrality targets for 2060 and 2050, such as reducing resource consumption, improving resource efficiency, and raising environmental awareness among employees to reduce overall carbon emissions. At the same time, through the guidance and supervision of the Sustainability Steering Committee, the Board is able to develop a clearer understanding of how the Group’s sustainable development strategies and policies are being implemented, and make timely and effective adjustments, so as to establish a more interactive corporate governance system in the long run.

In response to the pandemic, the Group continued to put the health and safety of its employees as its top priority, and strived to strengthen the cleaning and epidemic prevention measures in the restaurants and offices of various brands through the supervision of the “Epidemic Prevention Team”, so that employees can work at ease under the pandemic. In addition to distributing epidemic prevention materials, the Group has formulated flexible working hours arrangements and encouraged employees to use online platforms to communicate in lieu of traditional meetings in order to reduce social contact. In addition, the Group actively contributes to society through its own initiatives, such as donating canned food and anti-epidemic supplies to different charities and vulnerable groups, benefiting more than 10,000 underprivileged people.

Despite the ever-changing world and the ever-changing development of the pandemic and climate change, our commitment to “innovation and change” as one of the Group’s core values has enabled us to maintain smooth operations and a stable financial position amid the turbulent environment. For example, during the pandemic, the Group launched online platforms for customers to order take-away food from its restaurants conveniently and cooperated with other take-away platforms to develop new revenue channels. Internally, we actively formulated response measures and development strategies for various situations, while retaining talent and maintaining the Group’s development momentum. Externally, we plan ahead, remain responsive and adapt to the ever-changing business environment with consistent and excellent quality. We believe that we will continue to create value for our stakeholders.

The Group’s contributions to the community have been widely recognized over the years. This includes being awarded the Silver Award for Volunteer Service (Organization) by the Social Welfare Department for two consecutive years, the 15-year Plus Caring Company Logo by the Hong Kong Council of Social Service, and the Excellent ESG Enterprise of 2020–2021 by the Hong Kong Economic Times this year, in recognition of the Group’s contribution to the community. In the future, we will continue to fulfill our corporate social responsibility, research and promote community investment programs in different areas, and increase the Group’s involvement and influence in the community.

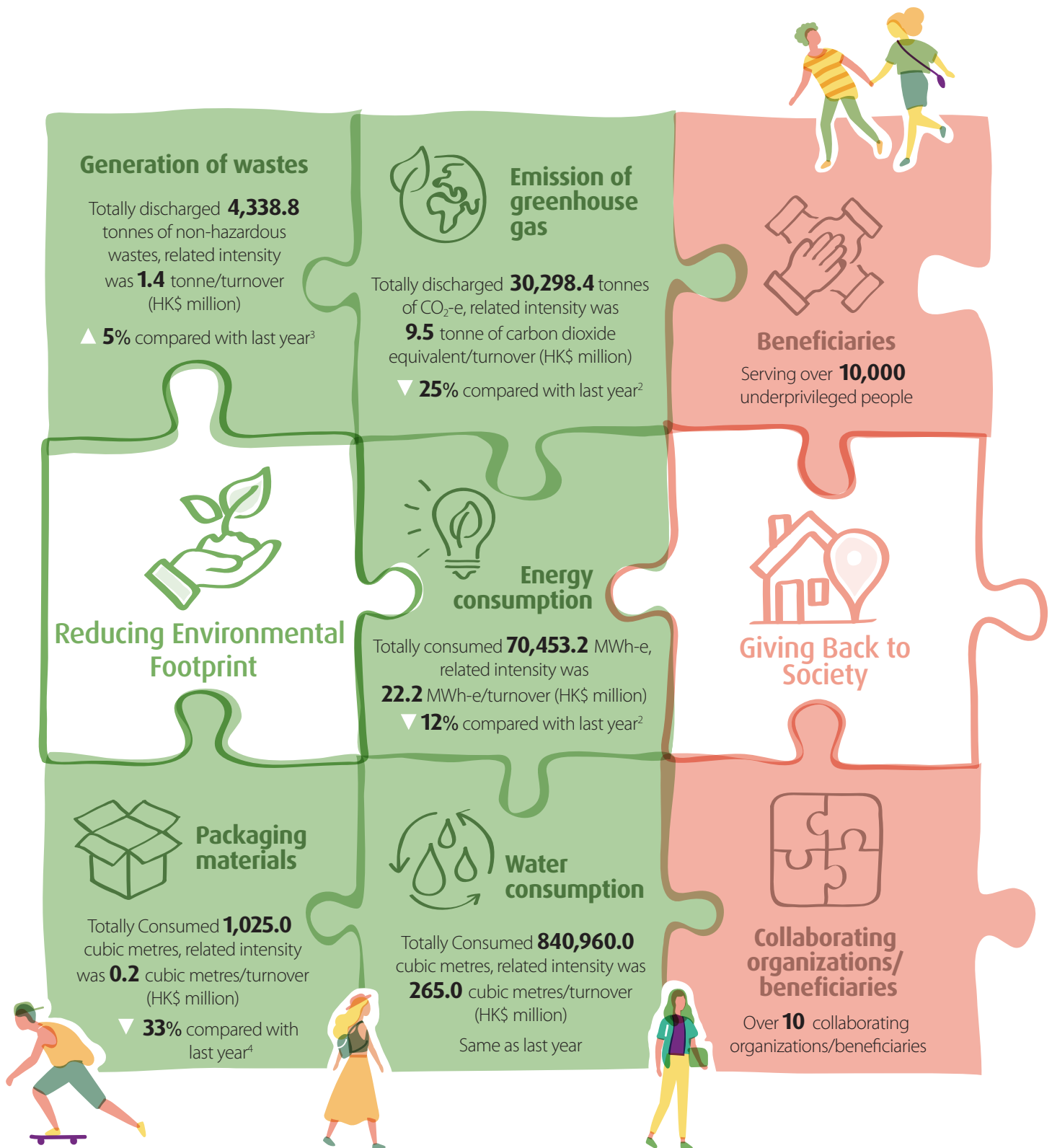
Looking ahead, the Group will continue to uphold the spirit of corporate social responsibility and give back to the society under the leadership of the Board and with the support of various stakeholders. In the face of the challenges ahead, we will continue to leverage our flexible and responsive operating model as well as the innovative corporate spirit to swiftly the challenge of the pandemic, while seizing the opportunities created by the low-carbon economy to move towards the goal of sustainable development.

*Chairman*

**Chan Wing On**



# Overview of Sustainability Performance

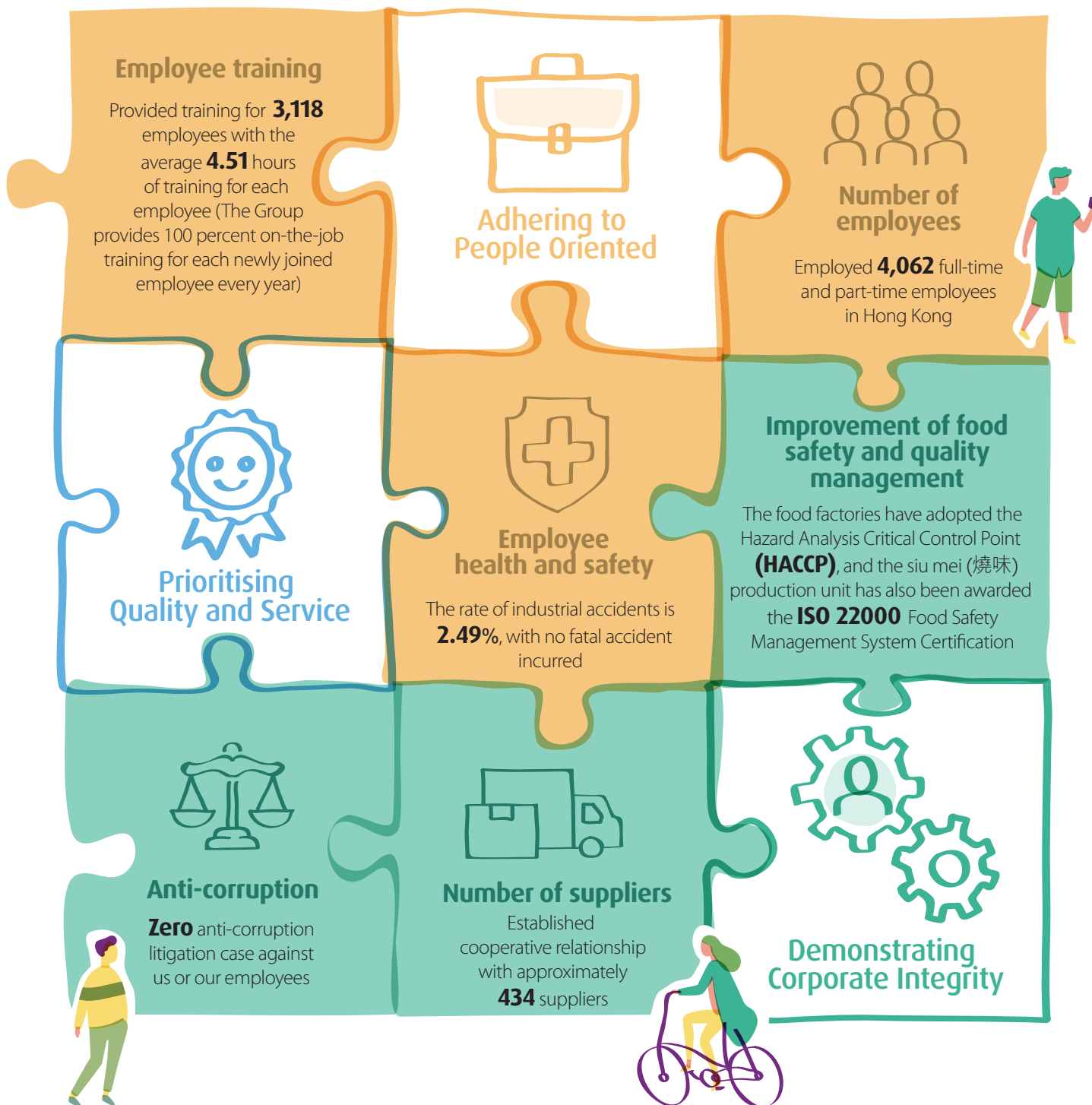


<sup>2</sup> During the reporting period, the Group has actively adopted various energy conservation and emission reduction measures, including the full use of power-saving stoves in restaurants. In addition, the operating hours of some brand stores were reduced due to the implementation of certain pandemic prevention measures. As a result, the Group's overall greenhouse gas emissions and energy consumption have decreased.

<sup>3</sup> Due to more disposable hygiene products used by employees as a result of the pandemic.

<sup>4</sup> The Group gives priority to environment-friendly products or material in the procurement process and avoids complicated packaging in product design to reduce unnecessary packaging materials.

# Overview of Sustainability Performance

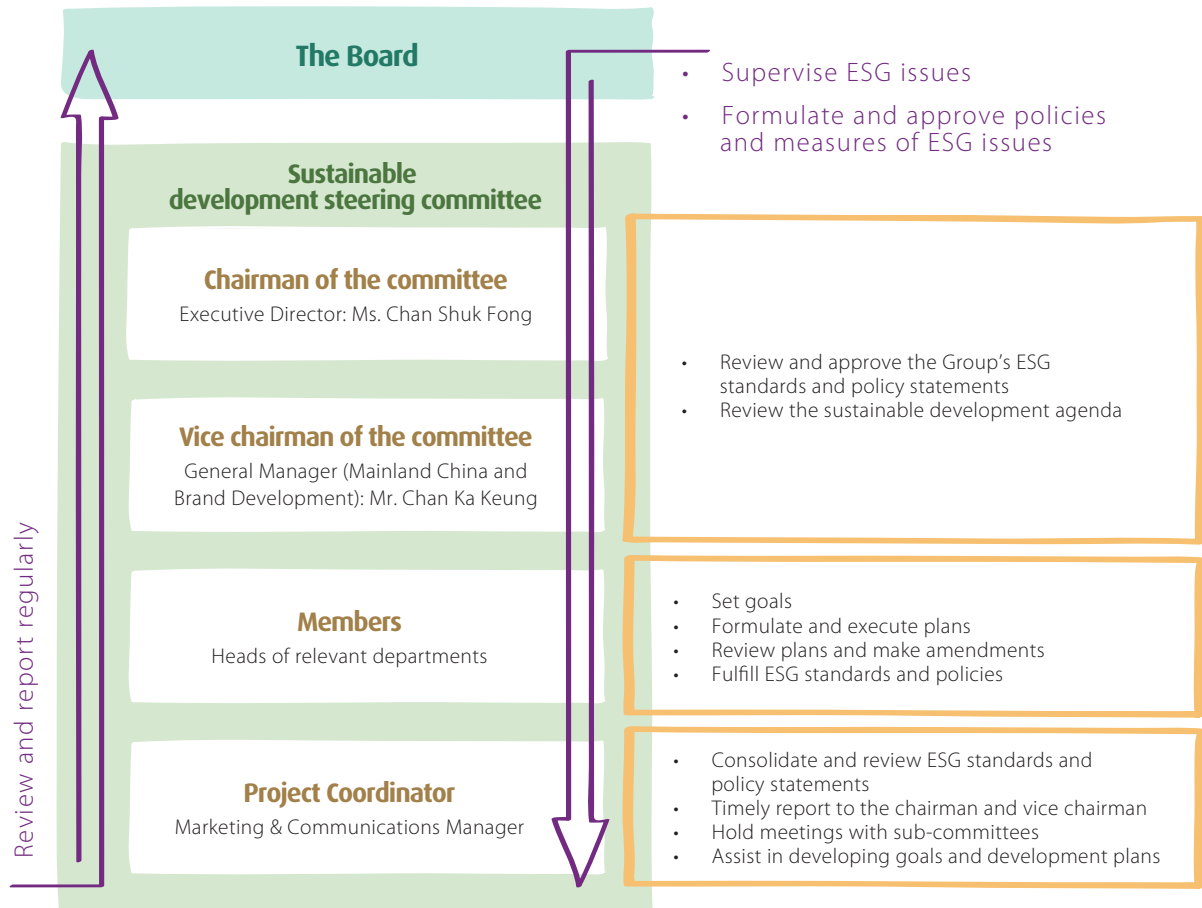


# ESG Management Policies

## SUSTAINABILITY GOVERNANCE

Sustainable development is the key to long-term success of an enterprise. The Group believes that the establishment of an effective governance structure and system can enhance the environmental, social and governance performance, which is essential to the effective implementation of sustainable development.

The Board’s responsibilities include supervising ESG issues, formulating and approving policies and measures for managing ESG issues. In terms of coordination and planning, the “Sustainability Development Steering Committee”, led by Executive Director, is responsible for supervising the implementation of the plans formulated by the Board, and then the members are responsible for urging the execution of the plans in various functional departments. The Marketing & Communications Manager is responsible for liaising and coordinating such policies and measures to ensure their effective implementation. The Committee meets at least twice a year to review the progress and effectiveness of the work. It also reviews and reports to the Board on key international sustainability trends, benchmarking against peers, sustainability risks, opportunities and other new developments to gradually enhance the sustainability of the Group’s business development.



# ESG Management Policies

## RISK MANAGEMENT

The Group has established effective risk management and internal control systems to identify, monitor, evaluate and manage risks that have a significant impact on the Group. The Audit Committee is responsible for overseeing the Group's risk management and internal control systems, including those applicable to ESG-related risks. The Board also oversees the Audit Committee on an annual basis to maintain proper and effective risk management.

Sustainability risks related to the industry are as follows:

	Description of risk impact	Response of the Group
<b>COVID-19 pandemic</b>	Over the past year, the COVID-19 pandemic has been volatile, and various pandemic prevention measures have severely affected the normal operation of the industry. In particular, the business operation under the pandemic has brought risks to the health and safety of employees and customers. If employees or customers are infected, the relevant branded restaurants will have to close down, which may even lead to mass infection, and further affect social stability.	<p>The Group has adopted a multi-pronged approach in pandemic prevention measures, including:</p> <ul style="list-style-type: none"> <li>• The "Committee on Emergency Management" and the "Pandemic Prevention Team" have been established to closely monitor the pandemic situation and adjust the response strategies in a timely manner</li> <li>• Guidelines on hygiene and pandemic prevention measures have been provided to all departments and all branded restaurants, as well as appropriate pandemic prevention equipment such as face masks and hand sanitizers</li> <li>• All restaurants fully comply with the anti-pandemic measures issued by the government, such as limit on the number of diners per table, the number of guests served and the distance between tables, temperature check for customers, use of "LeaveHomeSafe" and keeping their vaccination records, etc</li> </ul>
<b>Tightening of laws and regulations related to environmental protection</b>	In order to protect the environment, the Legislative Council of Hong Kong launched a public consultation on the control of disposable plastic tableware in response to the relevant recommendations of the "Waste Blueprint for Hong Kong 2035" published by the government in February 2021. It is planned to ban the provision of some disposable plastic tableware to dine-in and takeaway customers in 2025. In addition, the production and sale of disposable foam tableware has been prohibited in Mainland China since the end of 2020.	<p>The Group has conducted in-depth discussions on the implementation of relevant laws and regulations and started to study the feasibility of various countermeasures, including identifying suitable suppliers of environmental friendly tableware.</p> <p>Currently, all branded restaurants under the Group are no longer active in providing plastic drinking straws to customers, and some branded restaurants use paper tableware and degradable plastic bags instead.</p>



# ESG Management Policies

## COMPLIANCE MANAGEMENT

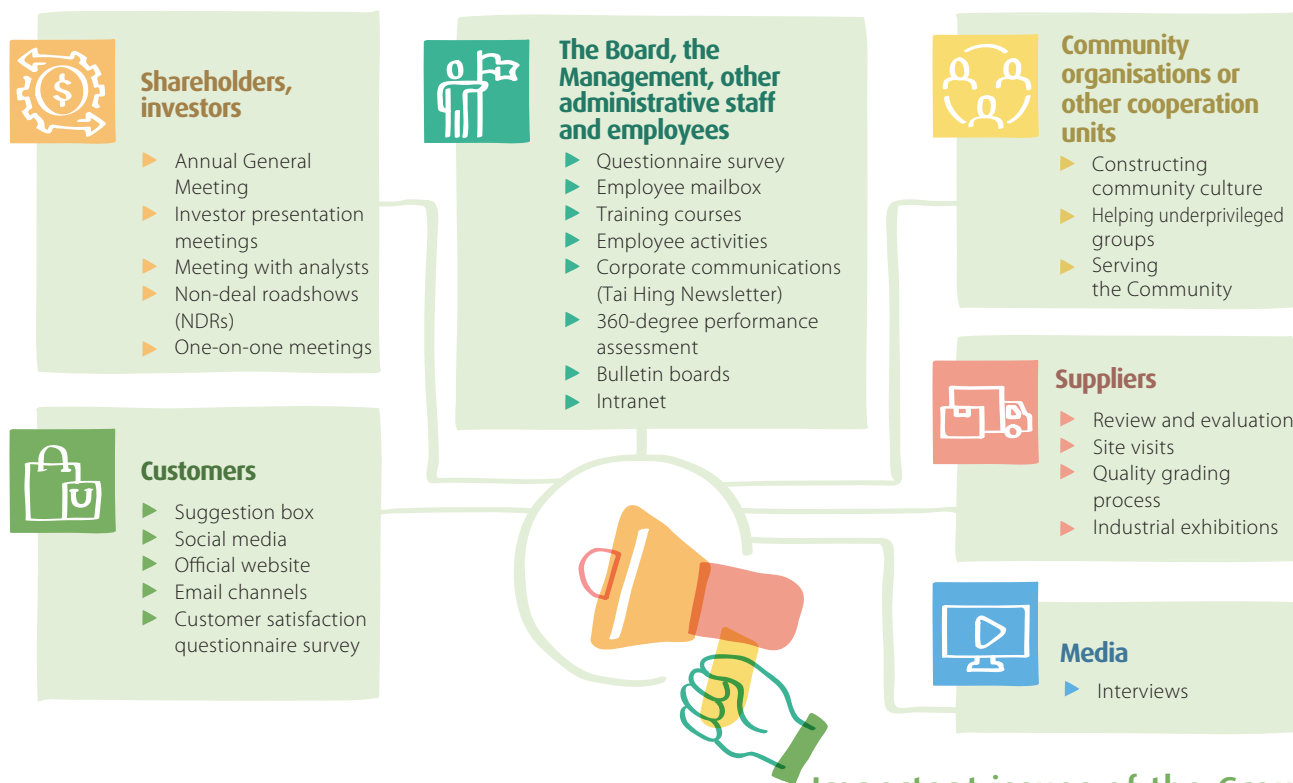
The Group recognises the importance of compliance operations and any non-compliance may affect the normal business operations, financial position and reputation, and in serious cases may lead to enforcement actions by regulators. In order to ensure full compliance, the Group has established clear guidelines for all directors, management and employees, and has regularly reviewed them to ensure that the relevant principles and measures are effectively implemented. The following are the laws and regulations that have a material impact on the Group and the related compliance measures and performance.

Aspect <sup>5</sup>	Relevant laws and regulations that have a material impact on the Group	Impact on the Group	Compliance measures	Performance
<b>Product liability</b>	<ul style="list-style-type: none"> <li>Trade Descriptions Ordinance</li> <li>Copyright Ordinance</li> <li>Personal Data (Privacy) Ordinance</li> <li>Prevention and Control of Disease (Requirement and Directions) (Business and Premises) Regulation</li> </ul>	<p>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, operating results or financial position.</p> <p>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, operating results or financial position.</p>	The Group has established guidelines and implemented regulatory measures with respect to all relevant parts of product liability to ensure that no relevant laws and regulations will be violated.	The Group did not violate relevant laws and regulations that have a material impact on it during the Year.
<b>Anti-corruption</b>	<ul style="list-style-type: none"> <li>Prevention of Bribery Ordinance</li> <li>Anti-Money Laundering and Counter-Terrorist Financing Ordinance</li> </ul>	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, operating results or financial position.	<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 invited the Independent Commission Against Corruption to hold various training seminars, during which it reviewed corruption prevention policies and shared cases for over 100 management members.</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.

<sup>5</sup> 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 believes that maintaining good communication with stakeholders is an important foundation for business development. We take stakeholders' opinions into consideration during our daily operations, which serves as a basis for reviewing the effectiveness of current measures and helping us identify ESG issues and formulate sound sustainable development policies. During the reporting period, we continued to engage with the stakeholder groups and understand their opinions and expectations on the Group through the following communication channels.



## Important issues of the Group

During the Year, the Group commissioned an independent consultant to invite members of the Board to conduct a questionnaire survey to assess the importance of various ESG issues to the Group's business and their individuals, so as to identify material issues. Based on the analysis of the questionnaire results, a total of 8 issues are the important issues that we will focus on in the ESG work during the Year. The material issues are ranked by their importance as shown in the right figure:

This Report has established a reporting framework based on this ranking to ensure that material issues are fully reported. Compared with the material issues of last year, there will be more issues related to "environmental protection" in this annual report will be more than that of last year, including "energy" and "water resources". We believe this will help the Company to make a comprehensive report and better align with the trend that global investors attach importance to environmental issues.



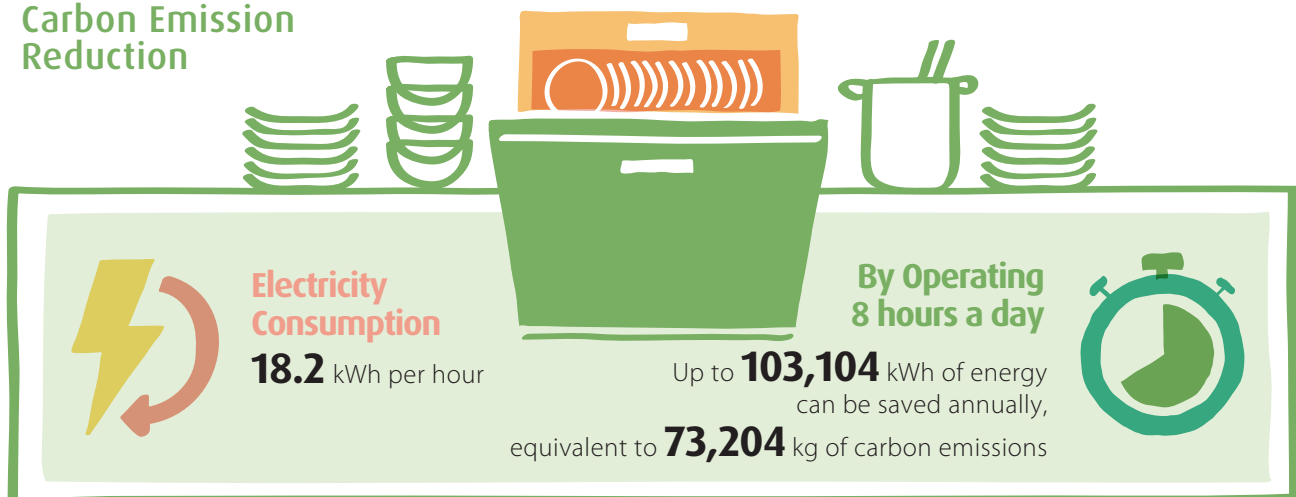
## Feature Story

### IMPROVING ENERGY EFFICIENCY

Global warming is continuously affecting the world. Therefore, it is imperative to implement energy-saving and carbon reduction measures. In response to Hong Kong’s goal of low-carbon transformation and carbon neutrality, the Group has also reduced energy consumption and improved operational efficiency through the development and application of innovative technologies to reduce carbon emissions from business operations. Under this trend, the Group actively applies energy-saving devices in its daily operations. Branded restaurants under the Group, including some restaurants of Tai Hing, Men Wah Bing Teng and Asam Chicken Rice, have used AS-44B Single Tank Conveyor Type Dishwashers (heat recovery) (referred to as “AS-44B dishwasher”) to accelerate the speed of tableware transportation and washing efficiency, while improving water efficiency and saving energy consumption, so as to reduce costs and carbon emissions.

AS-44B dishwasher is the first patented heat recovery system in Hong Kong to recycle waste heat to save energy. The self-developed heat recovery system makes good use of the heat conversion function to recycle the residual heat in the machine to improve the temperature of water. Compared with traditional water heaters, it can stabilize the water temperature, ensure the disinfection effect, and effectively save energy.

### Carbon Emission Reduction



In addition to energy saving and carbon reduction, the AS-44B dishwasher also provides a more comfortable working environment for employees. As the traditional channel dishwasher may cause to an increase in room temperature in the washing area, the dishwasher with heat recovery system can recover the steam in the machine, recycle the residual heat and reduce the room temperature in the washing area, thereby improving the working environment. This not only solves the problem of waste heat, but also improves the working environment of employees. Although the replacement of machinery involves additional capital investment, the Group believes that not only will it drive the Group’s sustainability performance in the long run, it will also reduce energy expenditure by improving energy efficiency.



# Demonstrating **Corporate Integrity**



## Demonstrating Corporate Integrity

The Group attaches great importance to corporate integrity, strictly complies with internal and external policy measures, and strives to bring positive impact to the industry. Through a reliable and flexible operating model, the Group has maintained stable restaurant operations, food production and material procurement despite the ever-changing operating environment, and will continue to actively expand its business to create value for all stakeholders.

### OPERATION WITH INTEGRITY

Policy	Purpose	Content
<b>Conflict of Interest Policy</b>	Provide employees with guidance on how to deal with conflicts of interest and ensure they understand the circumstance under which they should exercise caution.	The code and guidelines for handling conflict of interest are summarised and all employees should avoid any situations that constitute conflict of interest. If circumstances occur, employees are required to report to the Group in a timely manner. When dealing with gifts and accepting benefits, employees are required to obtain approval from their superiors.
<b>Policy and Procedure for Whistle-blowing</b>	Provide whistle-blowing channels and guidelines for reporting suspected cases to promote strict compliance with rules and regulations.	If there are suspected cases, employees should report any such misconduct or malpractice according to established procedures and channels. They will receive protection from the Group to avoid retaliation. If a suspected case of corruption or other criminal offences is discovered after investigation, the employee who violates the policy will be subject to disciplinary action, including immediate dismissal and transfer to the judicial department.
<b>Procurement Policy</b>	Set out the general principles of procurement, which require suppliers to uphold the high ethical standards.	All employees are required to conduct tendering and procurement in accordance with the procurement policy. Employees who violate the policies and take advantage of their positions to harm the Group's interests will be subject to disciplinary actions, including immediate dismissal, or reported to appropriate authorities.
<b>Staff Handbook</b>	Remind and require employees to pay attention to their conduct by setting out the Group's business ethical principles and requirements.	It states that employees must follow their ethical standards and values to prohibit any form of unethical and dishonest behaviour. If an employee violates the relevant standards and values, his/her department head will be advised. If such action fails, the relevant employee will be punished on a case-by-case basis, and in serious cases, disciplinary actions will be taken, including immediate dismissal.



## Demonstrating Corporate Integrity

The Group is well aware that operating with integrity is the cornerstone for the stable development of an enterprise and is particularly important for its long-term development capability. In order to operate with integrity, the Group believes that employees' personal ethics and awareness of integrity, as well as the formulation and regulation of policies, are the keys to maintaining integrity operation.

In order to ensure that all employees of the Group are able to maintain a good sense of integrity at work, the Group conducted relevant training during the Year, and provided a total of 722 hours

of anti-corruption trainings for members of the Board and other employees to remind and ensure internal personnel's requirements on relevant laws and regulations and internal policies, and jointly promote a clean business culture. For example, during the Year, the Group invited the Independent Commission Against Corruption (ICAC) to hold 7 anti-corruption seminars to explain anti-corruption and anti-bribery information to directors, management, frontline and back-office employees, and to discuss past non-compliance cases, so as to discuss how to properly deal with potential and actual non-compliance and assist employees in analyzing corruption risks. In addition, holding anti-corruption lectures can avoid employees from falling into corruption traps, thereby enhancing their awareness of integrity and understanding of anti-corruption laws, and creating a clean working environment.

In terms of integrity management, the Group has formulated detailed policies and procedures in different areas, including the Conflicts of Interest Policy, the Whistleblowing Policy and Procedures, and the Procurement Policy, to regulate business operations and avoid corruption cases. In case of suspected cases, the Group has set up a whistle-blowing channel for employees to report any misconduct or malpractice, and has set up protective measures to avoid retaliation against employees who have raised business conduct issues in good faith or cooperate with the Company's investigation.

During the Year, the Group was not aware of any anti-corruption litigation case brought and concluded against the Group or its employees.



# Demonstrating Corporate Integrity

## PRODUCT LIABILITY

Policy	Purpose	Content
<b>Guidance on Recall of Products and Regulations on Recall Procedures formulated</b>	Provide employees with considerations, processes and handling guidelines for determining whether a product is required to be recalled from the shelves.	<p>Upon receipt of a complaint or opinion regarding the product, the relevant department will investigate and report to the management to initiate the recall procedures and avoid recurrence of similar issues.</p> <p>All packaged foods are labeled with expiration date and strictly follow “first-in, first-out” policy. All expired food containers are strictly prohibited from sale or use.</p>
<b>Privacy Policy</b>	Ensure that the data provider understands and agrees with the Group’s use and handling of relevant data, and standardize the way employees handle relevant information.	Describe the ways and principles of the Group’s collection and processing of personal data of customers and others, including collection for use and disposal.
<b>Staff Handbook</b>	<p>Ensure that the data provider understands and agrees with the Group’s use and handling of relevant data, and govern how employees handle relevant information.</p> <p>Ensure employees understand the importance of protecting third-party intellectual property rights and comply with relevant licensing terms when using software.</p>	<p>Set out principles of conduct in handling company and customer information, which provide that all employees are not allowed to disclose any customer or internal information and data to third parties without approval.</p> <p>Employees are not allowed to copy any copyrighted works in violation of their copyright or licensing terms. In case of violation, the employee involved shall be subject to disciplinary action, and in serious cases, immediate dismissal, civil claim or submission to the police.</p>

The Group believes that product liability is not only to ensure the products and services provided meet customers’ expectations, but also to ensure that customers’ opinions are reflected and their rights are protected. Therefore, in addition to formulating relevant policies to ensure the quality of food, services and overall operations, the Group has also set up different processing procedures to ensure that each employee can properly address customer requirements in accordance with the Group’s principles.

## Food Safety and Quality Management

Good food safety and quality are the top priorities of the Group. Therefore, the Group is committed to maintaining the highest food safety and quality standards by implementing a standardised process and quality control system covering the Group’s procurement management, food ingredients production, delivery and restaurant operations to ensure the quality of the Group’s products and services.

In order to maintain consistent high quality and hygiene standards, the Group has extensively implemented the 5-S<sup>6</sup> management system in all operating points and business processes, and provided relevant training to ensure that employees have sufficient awareness of food safety and personal hygiene. Meanwhile, the Group also requires all restaurant management to obtain qualifications of 5-S “Green Belt” or above to ensure that they have sufficient knowledge and ability to apply the 5-S management principles to the daily management of restaurants. The Group has a number of experienced trainers with a 5-S black belt to provide internal qualification recognition courses for employees. In addition, in terms of food factory management, the Group’s siu mei production units hold Hazard Analysis Critical Control Point (HACCP) and ISO<sup>7</sup> 22000 Food Safety Management System Certification to ensure that all food products produced meet international and local standards.

<sup>6</sup> 5-S refers to “Structuralize, Systematize, Sanitize, Standardize and Self-discipline

<sup>7</sup> ISO refers to International Organisation for Standardisation, a non-governmental organization set in Geneva, Switzerland, which evaluates the quality system of enterprise organizations



## Demonstrating Corporate Integrity

In terms of food quality control, the Group has established operational and food preparation procedures for the production of food in the restaurants to standardise the quality standards and has also standardised the taste and quality of food by using automated food processing machines to process materials and prepare dishes. By conducting regular sample checks at each of the branded restaurants, the Group is able to keep abreast of the operations of each restaurant to ensure food safety and hygiene of the restaurants. In terms of quality control in the food factory, in addition to setting up an internal testing laboratory, the Group has also commissioned a qualified third-party laboratory to inspect various food safety and quality indicators such as personal hygiene of employees, restaurant hygiene, food quality and microbiological count, so as to avoid bacteria breeding and cross-contamination, and ensure the overall quality.

Processes		Key monitoring procedures
<b>Materials handling</b>	<b>Ingredients warehousing</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
	<b>Production and processing</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
	<b>Finished goods</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Transportation</b>		<ul style="list-style-type: none"> <li>Raw, semi-processed and processed food ingredients are delivered by the Group's own logistic team to our restaurants.</li> <li>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.</li> </ul>
<b>Storage</b>		<ul style="list-style-type: none"> <li>After the delivery, employees are also required to store ingredient 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.</li> </ul>
<b>Food in restaurants</b>		<ul style="list-style-type: none"> <li>Our central quality control team routinely conducts testing of our processed food, staff and bacteria on site.</li> <li>Samples from the our restaurants are delivered to the Central Laboratory for testing the hygiene of the food ingredients and equipments in the restaurants, which are used as key KPI operating indicators.</li> <li>Our area managers routinely inspect the operating procedures and quality standards.</li> </ul>

In order to further improve the quality of products, the Group is actively purchasing equipment, such as purchasing vacuum freezers, to quickly reduce the temperature of cooked food, avoid the breeding of bacteria during the cooling process and ensure food safety.

During the Year, the food factories under the Group did not recall any products for safety and health reasons.

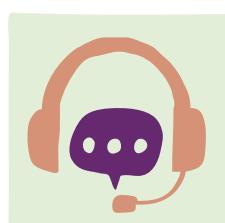
## Demonstrating Corporate Integrity

### Communication with Customers

The Group values customers’ opinions on its products and ensures that their opinions and complaints are handled to maintain two-way communication between customers and the Group. The Group has established various feedback channels, including:



**Questionnaire survey on customers**



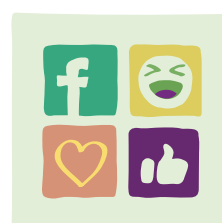
**Customer service hotline**



**Emails**



**Online feedback form**



**Social media platforms (such as Facebook page)**

Upon receipt of customer complaints, the restaurant manager is responsible for handling the complaints received at the restaurant immediately, while the customer service department is responsible for handling the complaints from other channels. The Group will investigate each complaint and resolve with the customer in accordance with the internal procedures. In order to handle complaints or opinions effectively, all products are accompanied with traceable information labels.

During the Year, the Group received 33 (2020: 35) customer complaints regarding the quality of food or service of staff in restaurants, of which 3 (2020: 4) were from the Consumer Council. The Group has investigated and handled relevant incidents and responded to relevant customers in a timely manner to improve the quality of our services.

During the period from July to August, the Group also conducted a questionnaire survey by visiting a total of 138 restaurants of various brands, and scored 1,214 customers on the service, food and environmental hygiene of our brands under the Group. The average score of overall customer satisfaction for the Group was 8.18 out of 10. In general, most of our customers expect that we can provide a wide variety of food and also maintain its quality and quantity. Besides, customers expect that the Group can solve manual problems, improve service efficiency and customer experience. In this regard, the Group believes that it can further optimize customer experience by enhancing staff training and improving service standards. The results of the questionnaire survey were published in the internal meetings with the management. The responsible persons of each brand are required to follow up the survey results to ensure that customers’ opinions are reflected.

### Protection of Customer Data and Intellectual Property

The Group respects customer privacy, values the value of knowledge and is committed to protecting intellectual property rights in its business operations. Any inadvertent leakage of customers’ personal information in the course of operation will have a serious impact on the Group’s reputation and operations, and may even bring other financial losses to customers. Therefore, the Group has formulated policies, such as the Employee Handbook, to ensure that employees understand the Group’s processes and requirements when handling relevant information and eliminate the risk of information leakage. Meanwhile, in order to protect third-party intellectual property rights and comply with relevant licensing terms when using software, the Group’s Employee Handbook stipulates that employees shall respect intellectual property rights and undertake that there is no infringement of intellectual property rights in the business.

# Demonstrating Corporate Integrity

## Openness and Transparency of Product Information

The Group is committed to ensuring that the contents of its product advertisements and promotional materials comply with the requirements of relevant laws to protect consumers’ rights. When preparing, producing and designing product advertisements and promotional materials, the Marketing and Communications Department will obtain relevant information and opinions from other departments if necessary to ensure the accuracy of the contents. In addition, as all packaging of factory products are required to be labeled for traceability, the Group attaches great importance to the accuracy of label information, including product name, shelf life, expiration date and storage temperature. To provide customers with the right information, the Group has ensured that all retail products are accompanied by nutritional labels that comply with Hong Kong or local laws.

## Quality Catering

In the past year, due to the recurrence of the pandemic in Hong Kong, and the anti-pandemic measures formulated by the government, and the catering industry was unable to fully resume its operation mode before the pandemic. In the spirit of “Innovation for Development”, the Group responded quickly in the face of adversity. Through the production and sales of canned food, the enhancement of its takeaway and delivery business and the operation of an online food ordering electronic platform, the Group quickly adjusted its business model and continued to provide customers with high-quality catering services while maintaining sound cash flow and building a solid foundation for the Group’s development.

In response to the demand for in-home dining, Tai Hing launched six new canned products, integrating the classic Hong Kong style dishes with canned food. The production process is rigorous and careful to ensure that customers can enjoy high-quality food at home. In addition, the Group is committed to strengthening its takeaway and delivery business and will continue to cooperate with leading third-party food ordering platforms in Hong Kong and Mainland China, and upgrade its self-developed online food ordering e-platform “FanFansLife”, so that customers can still enjoy the food of the Group’s branded restaurants during the pandemic.



## RESPONSIBLE SOURCING

Policy	Purpose	Content
<b>General Procurement Standards and Principles of the Group</b>	The requirements for suppliers are clearly listed to ensure that employees can select suppliers in a prudent and fair manner.	Suppliers are required to provide raw materials and food that meet the highest food safety standards and comply with all applicable laws and regulations before being included in the supplier list.
<b>Suppliers Management and List of Approved Suppliers Manual</b>	Regularly evaluate the performance of the existing suppliers, including the quality of products or services, food safety, risk management, complaint handling, environmental and social risk management.	If we are not satisfied with suppliers’ evaluation results, improvement measures shall 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.

# Demonstrating Corporate Integrity

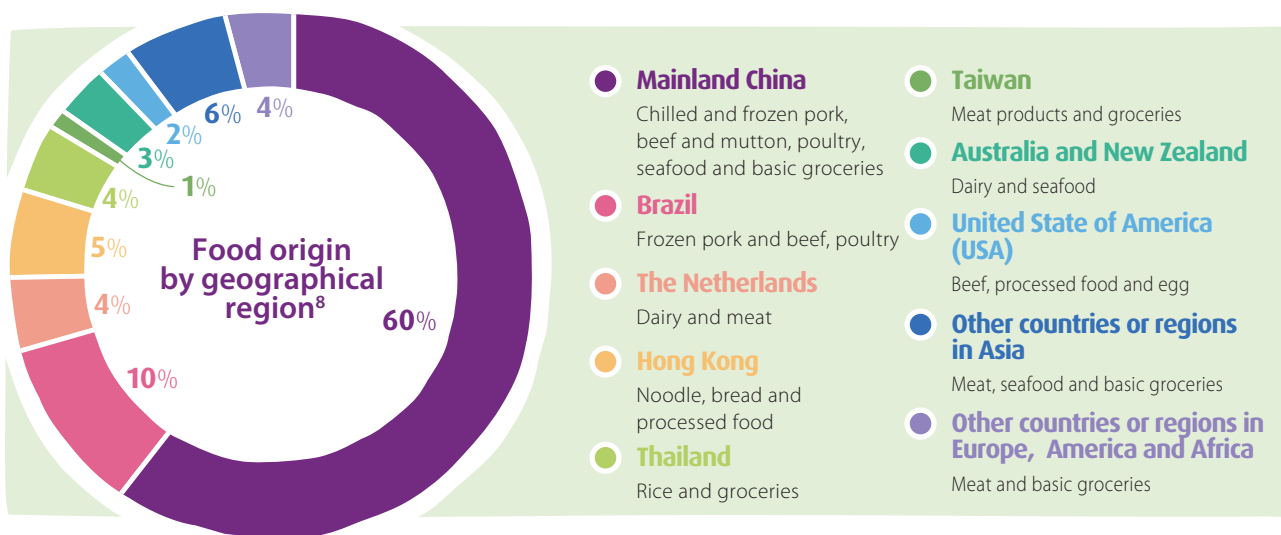
The Group recognises the importance of procurement in product quality management. In order to provide quality food and service, we source high-quality ingredients from carefully selected suppliers around the world, and set appropriate standards according to actual operational needs, so as to build a good foundation for the provision of high-quality food and catering services. Therefore, the Group will conduct a comprehensive evaluation on the suppliers for initial cooperation, and require them to provide relevant supporting documents to ensure that the quality of the supplies is qualified. The purchasing staff also visit the food processing factories from time to time to ensure that the hygiene, process and quality of their products are maintained at a high standard. In order to extend the concept of sustainable development to the supply chain, the Group encourages all its suppliers to implement the concept of sustainable development and responsible practices in their operations by emphasizing environmental and social risk control in supplier selection procedures and standards, so as to promote the sustainable development performance of both parties.

## Sustainable Procurement

In order to protect the resources of the earth, the Group has obtained relevant sustainability certification for certain of the seafood procured, including Best Aquaculture Practices (BAP) Certification and Marine Stewardship Council (MSC) Chain of Custody Standards to reduce the purchase of unsustainable food and its adverse impact on the environment.

During the Year, the Group purchased food and other consumables from 434 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), other countries or regions in Asia, Europe and America, etc..

Food origin by geographical region<sup>8</sup> are as follows:



<sup>8</sup> The regional analysis represents the top 80% of food suppliers up to 31 December 2021





Adhering to  
**People-oriented**



# Adhering to People-oriented

The Group adheres to the people-oriented value and believes that employees are an important element of corporate development. By providing employees with appropriate working environment, welfare and other elements, the Group ensures that they can bring positive impact to corporate development in a suitable working environment.

## EMPLOYMENT MANAGEMENT AND LABOUR STANDARDS

Policy	Purpose	Content
<b>Human Resources Policies Staff Handbook</b>	Provide a clear basis for human resources management to ensure fair and objective management principles, and create a respectful, fair and friendly working environment	Set out policies on compensation, resignation, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare

The Group's long-term business success is directly related to the joint efforts and contributions of its employees. Protecting the legitimate rights and interests of employees, cultivating excellent talents and creating a safe working environment are not only the cornerstone for the long-term development of an enterprise, but also important to the sustainable development of an enterprise. The Group's arrangements for various employment systems are as follows:



### Recruitment, promotion

The Group recruits employees based on a fair and open employment system. Equal promotion opportunities are offered based on their qualifications, abilities, performance and other relevant criteria.

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



### Compensation, resignation

The Group reviews its remuneration package annually and makes salary adjustments based on factors such as employees'

performance, the Company's operating conditions and market trends to ensure that employees are remunerated at a competitive 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.



### Anti-discrimination

The Group is committed to creating and maintaining an inclusive and collaborative work culture by adhering to zero discrimination in the workplace, and hiring employees only based on their attitude, knowledge, experience and performance, regardless of age, gender, race, disability or family status.



### Working hours, holidays

The Group is committed to safeguarding the well-being of its employees and providing reasonable working hours, which are set out in the Employee Handbook and employment contracts. In addition to general statutory holidays, the Group's employees are also entitled to a number of paid holidays, including compassionate leave, paternity leave, family leave, birthday leave and marriage leave, etc.



### Equal opportunities, diversity

The Group advocates a respectful and fair working environment. Recruitment or promotion is affected by factors such as age, gender, sexual orientation, relationship, family status, disability, race, ethnic background, nationality, religion or political opinion, and other factors. Moreover, a diversified working environment helps stimulate the Group's creativity to overcome challenges and seize opportunities.



### Prevention of child labour

During the recruitment process, all candidates must present their identification documents to meet the statutory age requirements and prevent misemployment of child labour.



### Prevention of forced labour

The Group prohibits any form of forced labour and ensures that all employment relationships are voluntary. For situations where overtime work is required, the Group's Employee Handbook states that individual employees are entitled to overtime allowance or compensatory leave, and reasonable rest periods as compensation in accordance with the terms of their employment contracts.



### Employment benefits

The Group offers various benefits to employees, including body checks, employee discounts, early release of work before festive days, family leave, vaccination leave, and free meals. To further care for health of our employees, the Group has launched weight-loss and quit-smoking programs and provides our employees with influenza vaccination service. An emergency assistance fund has also been set up to help employees overcome financial difficulties.

# Adhering to People-oriented

## TRAINING AND DEVELOPMENT

Policy	Purpose	Content
<b>Employee Orientation Training Policy</b>	Provide our employees with learning channels to encourage them to develop their potential and create more room for development.	Set up different learning channels in the policy to encourage and fund employees to further develop relevant professional knowledge.

The Group attaches great importance to the personal skill development of employees and provides a working environment with potential for development. In addition to encouraging and sponsoring employees to pursue relevant professional knowledge, different types and modes of training courses are offered internally, including brand marketing sharing session and internship program.

### Brand Marketing Sharing Session

In recent years, Mr. Chan Ka Keung (Tommy), General Manager (Mainland China and Brand Development) of the Group, has been actively developing the Group’s brand in Mainland China and has accumulated a wealth of valuable experience. At the brand marketing sharing session, Tommy shared the brand marketing insights and experience in Mainland China with the Group’s operations, production, marketing, branding and training departments and assisted other employees to better understand the reasons behind the popular brands by analyzing the current situation of the brand marketing, product research and development of catering industry in the Mainland China with case reference.



### Internship Program



Each year, different departments within the Group offer students summer internship for approximately two months. Through learning about the daily operations of the catering group and participating in various projects, we hope to attract more talents to join the team of the catering industry, promote the development of the industry, and build a talent pool for the Group.

During the summer vacation, a total of 5 students from Lingnan University and the Hong Kong Metropolitan University went to the Group’s Human Resources Department, Marketing and Communications Department, Customer Service Department and Brand Department for internship. They not only participated in challenging projects with their teams, but also gained opportunities to understand the Group’s daily operations and improve their personal capabilities.

## Adhering to People-oriented

In terms of employee development, the Group expects to evaluate employees' performance through objective standards, so that they can get promotion opportunities through an open and fair mechanism. Therefore, through the establishment of "Top-notch Training Program" and "Qualifications Framework", we enable employees to clearly understand their development space and promotion conditions, thereby increasing their motivation to compete for the future.

<b>Top-notch training program</b>	It aims to provide employees with a systematic promotion mechanism through a fair and open development platform and objective assessment criteria. When an employee meets the minimum seniority requirements for a certain position, he or she can apply for promotion or recommended by his or her supervisor to participate in the promotion assessment test. Training courses are also provided to help employees prepare for such promotion.
<b>Qualifications Framework</b>	It set out 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 to clearly understand the blueprint of their development.

### HEALTH AND SAFETY

Policy	Purpose	Content
<b>Human Resources Policies</b>	Provide a clear basis for human resources management to ensure fair and objective management principles, and create a respectful, fair and friendly working environment.	Set out policies on compensation, resignation, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.
<b>5-S Method</b>	Require employees to follow various occupational safety and restaurant safety matters.	Set out the principles and requirements in relation to the 5-S Code, namely "structuralize, systematize, sanitize, standardize and self-discipline".
<b>Staff Handbook</b>	Raise employees' awareness of occupational safety and health.	Set out its commitment to ensuring the health and safety of employees.

The Group is committed to establishing a corporate health and safety culture and is committed to maintaining a high standard of safety management system to protect the physical and mental health of employees. In terms of occupational health, the Group has set up 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 each restaurant from time to time, conducts reviews and makes suggestions for improvement. In addition, the Group has signed the Occupational Safety Charter formulated by the Labour Department and the Occupational Health and Safety Bureau to create a safe and hygiene working environment.

In terms of life and health, the Group has launched weight-loss and quit-smoking incentive programs to encourage employees to live in a healthier way. In particular, employees who successfully quit smoke and meet the standard of weight loss can receive cash as a reward to create a culture and atmosphere within the Group that attaches importance to healthy living. The Group also provides annual influenza vaccination to employees to ensure their health and wellness.

# Adhering to People-oriented

As the pandemic remains volatile, the Group has set up different pandemic prevention measures and actively encouraged employees to get vaccinated against COVID-19 to protect themselves. Most of the Group’s colleagues and management have been vaccinated with the hope to work with the public to get out of the difficult situation and bring the Hong Kong economy back on track.

Employees	Customers
<ul style="list-style-type: none"> <li>• Arrange flexible working hours for key job according to actual conditions</li> <li>• Reduce of parties and unnecessary gatherings among employees</li> <li>• Carry out discussion, recruitment and training activities via video conference</li> <li>• Distributed alcohol-based hand sanitizer and masks to over 4,000 frontline and back-office staff</li> <li>• Encouraging vaccination:                         <ol style="list-style-type: none"> <li>1. Provide paid vaccination leave to each eligible Hong Kong employee who has completed the COVID-19 vaccine, so that employees have sufficient time to rest after vaccination</li> <li>2. Launched the Million Employee Lucky Draw, giving out prizes totaling approximately HK\$1 million to 100 Hong Kong employees who have been vaccinated, and each can receive HK\$10,000 as reward</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Its ancient Taiwanese restaurant “Daocheng” is equipped with a QR code ordering system, allowing customers to place orders by scanning the QR code on their mobile phones, instead of using the traditional “order paper” to reduce the risk of virus transmission</li> <li>• Using the smart delivery vehicle “Little Rice” to deliver food and beverages to customers in a “zero-touch” manner to reduce the risk of transmission</li> </ul>

## Million Lucky Draw for Vaccinated Employees

In order to create a positive and encouraging vaccination atmosphere within the Group, we launched a large-scale million lucky draw for employees and selected 100 vaccinated colleagues in 9 rounds with each reward of HK\$10,000. Currently, most of our colleagues and management have been fully vaccinated.



### Mr. Ho Siu Fung, General Manager and Director of Chinese Gourmet, shared his views after vaccination:

“To protect the health of my own, my family, friends, colleagues and customers, I have been vaccinated earlier without any discomfort. Through a 24-hour online system, colleagues can make an appointment, complete their personal information, select vaccination centres, and get vaccinated on a specified date upon successful appointment. The process is quite simple.”



# Adhering to People-oriented

## EMPLOYEE COMMUNICATION AND ACTIVITIES

A cohesive team culture is the key to success of the Group. The Group strives to create a caring and lively working environment for its employees. To this end, the Group has arranged a wide range of activities and measures to promote close cooperation and effective communication among employees and increase their sense of belonging and productivity. In addition to sharing the latest activities and trends of the Group through the publication "Tai Hing Newsletter" (太興SUN資), the Group also publishes the latest news and information on the bulletin board and intranet. Besides, the Group always encourages open communication and positive feedback from employees. If employees have any comments on their work, they can report them to their immediate supervisors, area managers, department managers or human resources department. The Group will follow up and handle opinions in a fair and impartial manner, and explore room for improvement, so that the Group can make continuous progress.

### Creative New Ideas to Improve Efficiency

Under the leadership of the Group's Chairman and senior management, around 200 new ideas were proposed across all front-line and back-office functions including negotiating with landlords for rental reductions to reduce operating costs; seeking the most favourable terms with suppliers to enhance the room and capability of price negotiation; making good use of resources, save energy and reduce carbon, reducing the use of paper, and promote paperless operation; optimizing its accounting information and human resources management system to enhance cost efficiency and reducing unnecessary consumption, so as to achieve its sustainable development of the Group.

There were a number of creative ideas, such as improvements in store image and hygiene standards proposed by the operation department, which could also enhance the dining experience and leave a wonderful impression on customers.



### Live Broadcast at Office Supporting Hong Kong Olympic Athletes



The Olympics is a four-year event, with Hong Kong athletes achieving outstanding results in the Tokyo Olympics and the overwhelming response from the public. In support of the Hong Kong athletes to participate in the event, the Group allowed all back office staff to put down their work and gather at the conference room to watch the live broadcast to cheer for the Hong Kong athletes. Ho Sze Pui, a female swimming athletes from Hong Kong, was the first time in Hong Kong to obtain her Olympic silver medal in swimming and our colleagues were very excited. Hong Kong's athlete have performed well and achieved outstanding results for Hong Kong.



# Reducing the **Environmental** Footprint



# Reducing the Environmental Footprint

Policy	Purpose	Content
<b>Policy on Environment</b>	Take full account of the environment while developing the business, improve the efficiency of resource use and minimize the possible impact on the environment.	Sets out the Group's commitment to environmental protection and a series of measures to reduce resource consumption and improve the efficiency of resource utilization.

Environmental management is the responsibility of an enterprise to the society. With increasing concern of the society and the world about the impact of operations on environmental resources, the Group attaches great importance to the use of resources and emissions, as well as the impact of operations on the surrounding environment. Through the implementation of various governance policies and measures, the Group is able to effectively manage the impact of operations on the environment and the use of natural resources. Under the guidance of the Policy on Environment, we will continue to monitor the Group's environmental footprint and improve our environmental performance to contribute to the sustainable development of the society.

## EFFECTIVE USE OF RESOURCES

Improving energy efficiency can not only reduce the environmental impact of business operations, but also save energy-related expenses, resulting in financial improvements for the Group in the long run. Therefore, during the Year, the Group carried out various system upgrades, and required the offices and restaurants to adopt the following energy-saving measures:

Highlights of Action	
<b>Offices</b>	<ul style="list-style-type: none"> <li>• Gradually replace and use energy-saving fluorescent tubes</li> <li>• Turn off the lighting, air-conditioning and other electronics equipment when nobody is on duty</li> <li>• Routinely educate the importance of energy-saving for the staff</li> <li>• Launch paperless office in all aspects</li> </ul>
<b>Restaurants</b>	<ul style="list-style-type: none"> <li>• Implement the energy saving plan on lighting, and completely replace osram lamps and quartz lamps with LED lamps</li> <li>• Conduct electrical consumption audit at least once every year, and all restaurants implement quota and monitoring system for energy consumption of electricity, gas, etc.</li> <li>• Maintain and clean ventilation, cooling and heating equipment regularly, and check the sealing of freezers, walls, doors and windows through the monitoring system to reduce energy waste caused by old equipment</li> <li>• Adopt 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 traffic</li> <li>• Replace appliances to enhance energy efficiency. Most of our restaurants have fully utilised energy-efficient appliances</li> <li>• Recover the excess heat discharged from the steaming furnaces in the kitchens and allocate the hot water to be used in restaurants</li> <li>• Implement paperless restaurant operation and promote self-service ordering</li> </ul>

During the Year, the Group's total energy consumption was 70,453.2 MWh, of which purchased electricity was the major energy consumption, and the rest was direct energy consumption, including the use of gasoline, gas and diesel. Among which, the consumption of gasoline and gas were 198.2 MWh and 12,146.5 MWh, respectively. Due to the active adoption of various energy-saving measures by the Group and the impact of anti-pandemic measures taken by the government, the operating model of the Group's branded restaurants has also been adjusted, resulting in a reduction in total energy consumption as compared with last year.

## Reducing the Environmental Footprint

To promote the renewable energy generation system in Hong Kong, we participated in the local Feed-in Tariff Scheme. The Group has installed 33 solar panels on the roof of our Fo Tan Factory. During the reporting period, a total of 7.2 MWh of electricity was generated and the electricity generated was transmitted to the power grid, representing a slight increase of approximately 5.9% as compared to last year.

Use of energy			
KPIs	Unit	2021	2020
<b>Direct energy consumption</b>	<b>MWh</b>	<b>13,749.6</b>	<b>13,313.0</b>
<b>Indirect energy consumption</b>	<b>MWh</b>	<b>56,703.6</b>	<b>57,553.2</b>
Purchased electricity	MWh	56,703.6	57,553.2
<b>Total energy consumption</b>	<b>MWh</b>	<b>70,453.2</b>	<b>70,866.2</b>
<b>Intensity of energy consumption</b>	<b>MWh/turnover (HK\$ million)</b>	<b>22.2</b>	<b>25.3</b>

### ENVIRONMENTAL AND NATURAL RESOURCES

As a responsible corporation, the Group has been constantly exploring ways to use resources more efficiently and has implemented the actions described in the previous sections to actively reduce its carbon footprint associated with its operations. As far as the Group's principal businesses are concerned, we have no significant impact on the environment and natural resources.

#### Greenhouse Gas ("GHG") Emissions

The Group is concerned about the impact of emissions generated in the course of its operations on the environment, and engages a professional consulting firm to conduct a carbon assessment. The quantification process is conducted with reference to the guidelines<sup>9</sup>, Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard and other international standards such as ISO14064-1 prepared by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong.

During the Year, the Group's total carbon emissions were 30,298.4 tonnes of carbon dioxide equivalent, arising mainly from purchased electricity in scope 2 (accounting for approximately 83.2% of total emissions) and gas consumption in scope 1 (accounting for approximately 7.7% of total emissions). Compared with the year of 2020, the total GHG emissions decreased by 15%, mainly due to the fact that most of the Group's stores have fully used energy-saving electric appliances to effectively reduce carbon emissions while improving energy efficiency.

<sup>9</sup> Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong

## Reducing the Environmental Footprint

GHG Emissions			
KPIs	Unit	2021	2020
<b>Scope 1 — Direct GHG emissions</b>	<b>Tonne of carbon dioxide equivalent</b>	<b>3,708.5</b>	<b>3,208.80</b>
Fossil fuel combustion — fixed source	Tonne of carbon dioxide equivalent	2,325.6	2,419.9
Fossil fuel combustion — mobile source	Tonne of carbon dioxide equivalent	421.4	174.1
GHG generated from operation of equipment and system	Tonne of carbon dioxide equivalent	961.5	614.8
<b>Scope 2 — Energy indirect GHG emissions</b>	<b>Tonne of carbon dioxide equivalent</b>	<b>25,754.2</b>	<b>32,004.4</b>
Electricity purchased from power companies	Tonne of carbon dioxide equivalent	25,214.9	31,438.5
Gas purchased from gas companies	Tonne of carbon dioxide equivalent	539.3	565.9
<b>GHG emissions (scope 1 &amp; 2)</b>	<b>Tonne of carbon dioxide equivalent</b>	<b>29,462.8</b>	<b>35,213.2</b>
<b>Scope 3 — Other indirect GHG emissions</b>	<b>Tonne of carbon dioxide equivalent</b>	<b>835.6</b>	<b>420.3</b>
Methane produced by waste paper in Hong Kong landfills	Tonne of carbon dioxide equivalent	361.2	0
GHG emissions from electricity consumed by the Water Supplies Department when treating drinking water	Tonne of carbon dioxide equivalent	350.7	314.4
GHG emissions from electricity consumed by the Drainage Services Department when treating sewage	Tonne of carbon dioxide equivalent	123.8	105.9
<b>Total GHG emissions (scope 1, 2 &amp; 3)</b>	<b>Tonne of carbon dioxide equivalent</b>	<b>30,298.4</b>	<b>35,633.5</b>
<b>Intensity of GHG emissions</b>	<b>Tonne of carbon dioxide equivalent/turnover (HK\$ million)</b>	<b>9.5</b>	<b>12.7</b>

In the future, the Group will further improve its control, assessment records and annual disclosure of its GHG emissions and other environmental data, continuously strive to integrate sustainable development with operations, and gradually set feasible emission reduction targets based on actual conditions.

# Reducing the Environmental Footprint

## Waste Air Treatment

Waste 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 waste air emissions. The Group implemented the following measures for waste air emissions from kitchen equipment and logistics truck fleet:

Highlights of initiatives	
<b>Air emissions from kitchen equipment</b>	<ul style="list-style-type: none"> <li>• Purchase numerous electric appliances such as induction cookers and automatic woks to improve energy efficiency and reduce associated emissions</li> <li>• Improve kitchen designs and cooking stoves to control the oil fume and odor emitted from the cooking process</li> <li>• Set the exhaust vents in well-ventilated places and keep sufficient spatial distance from nearby residential buildings to avoid nuisance to the public and improve indoor air quality</li> <li>• 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</li> <li>• Appoint qualified professionals to repair and maintain air pollution control equipment regularly to ensure effective operation of the equipment</li> </ul>
<b>Air emissions from logistics truck fleet</b>	<ul style="list-style-type: none"> <li>• 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 to reduce the emission of waste air</li> </ul>

During the Year, the Group generated a total of 2.3 tonnes of nitrogen oxides, 0.003 tonnes of sulphur oxides and 0.2 tonnes of respirable suspended particulates. The Group will continue to implement various measures and strive to reduce overall air pollutants emissions.

Air pollutant emissions			
KPIs	Unit	2021	2020
Nitrogen oxides	Tonne	2.3	1.2
Sulfur oxides	Tonne	0.003	0.002
Respiratory suspended particles	Tonne	0.2	0.1



# Reducing the Environmental Footprint

## MANAGEMENT ON WATER USE

Water consumption in the catering industry is huge, and water management has become one of the important issues of the Group. In order to improve the Group's water performance, the Group is committed to reducing water consumption by adopting practical designs and improving equipment.

### Highlights of initiatives

<b>Process design</b>	<ul style="list-style-type: none"> <li>Set water consumption quota for main food preparation processes, and establish a accountability system to clarify responsibilities</li> <li>Develop clear water consumption quota for toilet, wash basin, kitchen and dishwasher</li> <li>Inspect and maintain the plumbing equipment in restaurants regularly to prevent waste leakage</li> <li>Adopt the 5-S method to limit excessive use of detergent and save water</li> </ul>
<b>Restaurants</b>	<ul style="list-style-type: none"> <li>Install limited flow devices on the main water taps</li> <li>All restaurant kitchens are equipped with dishwashers to reduce water consumption</li> <li>For some of the restaurants of Tai Hing, Men Wah Bing Teng and Asam Chicken Rice, AS-44B Single Tank Conveyor Type Dishwashers (heat recovery) have been used accelerating the speed of tableware transportation and washing efficiency, improving water efficiency and saving energy consumption</li> </ul>

During the Year, the Group's total water consumption<sup>10</sup> was 840,960.0 m<sup>3</sup>, and the intensity of water consumption remains the same as last year.

### Water consumption

KPIs	Unit	2021	2020
Total water consumption	Cubic metre	840,960.0	741,479.0
Intensity of water consumption	Cubic metre/turnover (HK\$ million)	265.0	265.0

## Sewage Treatment

The Group understands that improper treatment of sewage will cause land and water pollution, and therefore requires food factories to conduct preliminary sewage treatment before discharging domestic sewage. In order to meet the industry's sewage discharge standards, the Group has commissioned a third-party professional environmental protection company to test sewage and regularly monitor the effectiveness of its system. All sewage after pre-treatment meeting the standards will be discharged into the sewage treatment plant through the municipal sewage pipe network for treatment. Restaurants and food factory of the Group are equipped with grease traps to ensure that the grease is isolated from the sewage before the discharge. Grease traps waste is also cleaned on a regular basis to ensure effective operation of the grease traps.

<sup>10</sup> In order to ensure the cleanliness of restaurants and operation points under the epidemic situation and meet the pandemic prevention requirements, the water consumption during the reporting period was mainly used for cleaning purposes of restaurants and operation points of all brands.

# Reducing the Environmental Footprint

## WASTE MANAGEMENT

To promote environmental protection, we adopt appropriate waste treatment and monitoring methods to manage and reduce waste generation.

### Highlights of initiatives

<b>Reduce kitchen waste</b>	<ul style="list-style-type: none"> <li>Food factory implement centralized procurement, and only purchases appropriate amount of ingredients when necessary to avoid excessive procurement.</li> <li>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.</li> <li>Provide customers with different options (such as less rice and smaller portions)</li> </ul>
<b>Reduce plastic packaging</b>	<ul style="list-style-type: none"> <li>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</li> <li>All brands would not initiate to provide plastic drinking tubes, among which TeaWood (茶木) and Phở Lê (錦麗) provide paper drinking tubes</li> <li>Special paper drinking tube sleeve for Tai Hing (太興)</li> <li>Tai Hing (太興), TeaWood (茶木), Trusty Congee King (靠得住), and Phở Lê (錦麗) have switched to use wood stirrers</li> <li>TeaWood (茶木) have switched to use degradable black plastic forks and spoons</li> <li>Tai Hing (太興) has stopped using foam boxes and replaced them with reusable plastic take-away lunch boxes</li> <li>Special paper take-away lunch box and soup bowl for TeaWood (茶木) and Phở Lê (錦麗)</li> <li>Plastic bags of biodegradable material used in TeaWood (茶木), Phở Lê (錦麗) and Dao Cheng (稻埕)</li> <li>Uniform production of take-away disposable containers and reduce waste through centralized resource utilization</li> </ul>

With the government’s public consultation on the control of disposable plastic tableware, the Group is also committed to carry out various initiatives to reduce the use of disposable plastic tableware at source. Use more environmentally friendly materials, such as biodegradable plastics, or use paper take-away meal boxes and soup bowls, if unavoidable. The Group will continue to discuss with relevant departments on the application of environmentally friendly production and packaging materials, so as to identify and explore more effective measures for waste reduction and emission reduction.

During the Year, all wastes generated by the Group were non-hazardous wastes, including food waste and other domestic wastes produced in offices, restaurants and food factories, which were collected and disposed of by public institutions. The total amount of non-hazardous waste was 4,338.8 tonnes, representing an increase of 20% as compared to 2020, which was mainly due to the increased use of disposable hygiene products by employees during the pandemic.

### Hazardous waste produced

KPIs	Unit	2021	2020
Total hazardous waste produced	Tonne	0	0.3
Intensity of hazardous waste produced	Tonne/turnover (HK\$ million)	0	0.0001
Total non-hazardous waste produced	Tonne	4,338.8	3619.8
Intensity of non-hazardous waste produced	Tonne/turnover (HK\$ million)	1.4	1.3

## USE OF RAW MATERIALS

The Group attaches great importance to environmental protection and has implemented a variety of paper-saving measures to reduce the use of raw materials, for example, using thinner papers, and applying electronic communications and filing to achieve paperless office. In addition, the Group gives priority to environment-friendly products or materials in the procurement process and avoids complicated packaging in product design to reduce unnecessary packaging materials. In addition to the vegetarian menu, the Group also increased the purchase of plant-based meat and provided corresponding menus, which further expanded the possibility of vegetarian diet.

## Reducing the Environmental Footprint

In addition to the ingredients, raw materials used by the Group mainly include packaging materials, disposable tableware, tissues and machine paper. During the Year, the Group used 724.9 tonnes of packaging materials, representing a decrease of 24% as compared with last year, which demonstrated that the Group's conservation measures were effective in reducing the overall use of raw materials.

Use of raw materials			
KPIs	Unit	2021	2020
<b>Packaging material used for finished products</b>			
Total packaging material used	Tonne	724.9	952.4
Intensity of packaging material used	Tonne/turnover (HK\$ million)	0.23	0.34
<b>Use of other materials</b>			
Disposable tableware	Tonne	114.8	98.8
Tissues, thermal paper <sup>11</sup>	Tonne	185.2	199.4
Posters, leaflets, coupons, menus, etc.	Tonne	10.2	9.9

### CLIMATE CHANGE

Policy	Purpose	Content
<b>Climate Change Policy</b>	Given that climate change may bring a series of risks, the Group identifies and manages the risks and opportunities associated with climate change, so as to adapt to and mitigate the impact of climate change.	Deepen the understanding of the impact of climate change on our business by assessing climate change and any associated risks and opportunities, and formulate appropriate measures to prevent or minimise the damage that climate change may cause and capture the opportunities that may arise.

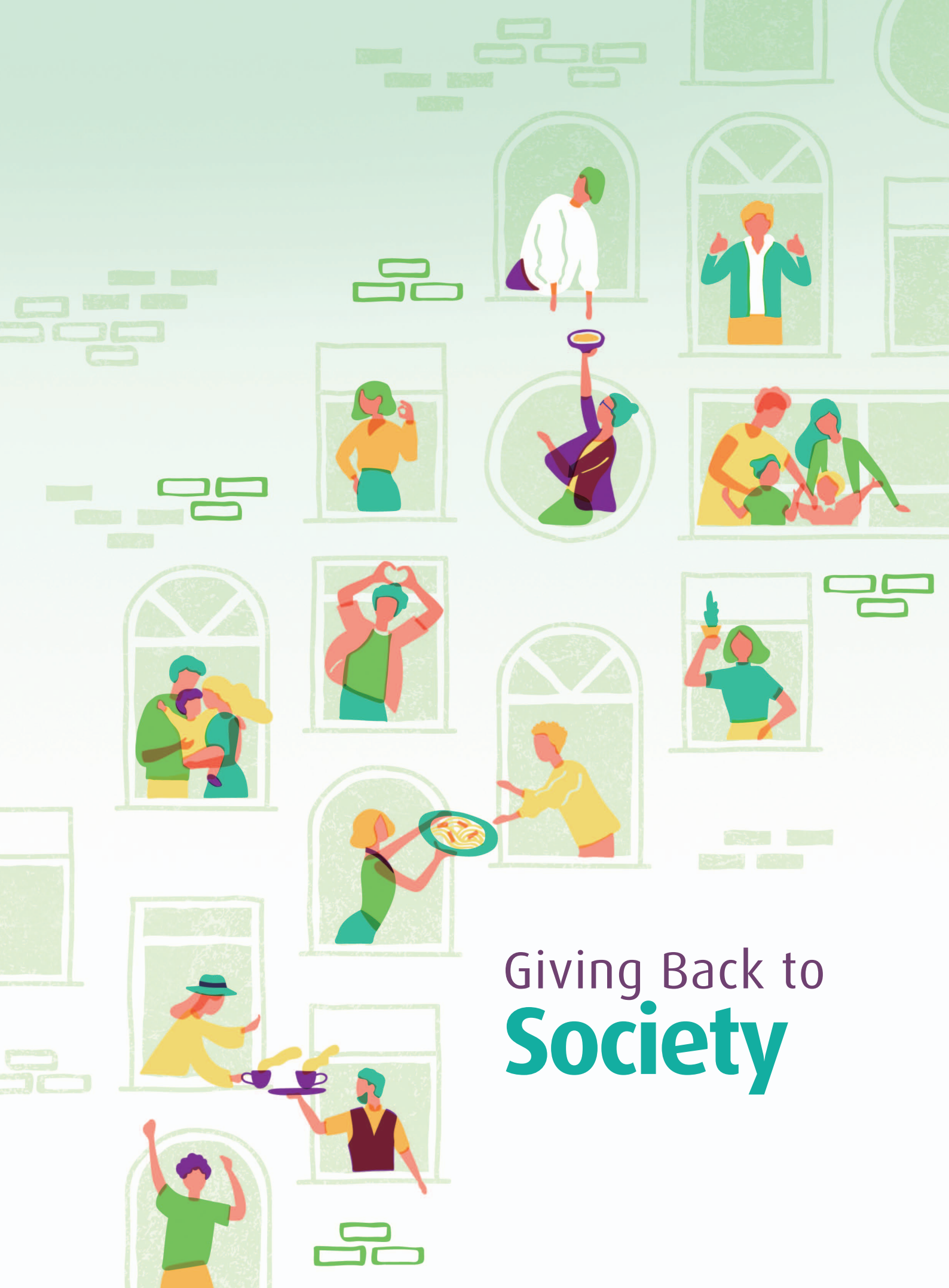
In response to the global climate risk, the Group is aware that the frequency of extreme weather is increasing and may affect its business operations. It is identified that extreme weather may have an impact on human safety and infrastructure. Therefore, the Group has formulated the Climate Change Policy, which will identify and manage the risks and opportunities associated with climate change, and actively reduce the carbon footprint of our business to enhance our resilience and adaptability to climate change.

### Highlights of initiatives

- Identify and manage climate change and any associated risks and opportunities to enhance our understanding of the impact of climate change on our business
- Implement innovative, modern and appropriate measures to prevent or mitigate the damage that climate change may cause, and capture the opportunities and controls that may arise
- Take into account climate-related risks when planning the location and design of new projects and facilities
- Disclose environmental performance in a timely manner through diversified forms and channels to keep all stakeholders informed of the operations of the Group and ensure compliance with relevant regulatory disclosures

In the future, we will continue to improve management and control, review the existing data collection and statistical processes, and gradually set feasible targets based on actual consumption, including setting waste reduction targets across the Group. These goals not only demonstrate our commitment to transition to a low-carbon economy, but also lay a solid foundation for us to further evaluate and develop the feasibility of our long-term goals.

<sup>11</sup> For cash registers and credit card terminals



Giving Back to  
**Society**

# Giving Back to Society

Policy	Purpose	Content
<b>Community Investment Policy</b>	Incorporate community investment into daily management work planning and enable the Group to effectively use resources in building communities.	Set out community investment strategy of the Group, 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.

Tai Hing Group’s business is closely related to the community. The Group adheres to its social responsibility as a corporate citizen, cares for the underprivileged and creates a better community. The Group actively promotes various charitable activities and has established a volunteer team comprising employees from different departments to encourage employees and their families to participate in various charitable activities in their leisure time. The Group has also been committed to understanding the daily needs of the community and benefiting more than 10,000 underprivileged people through various charitable activities.

During the Year, the Group continued to serve the needy by cooperating with different charitable organisations as follows:

## Caring for the underprivileged

### Deliver festive rice dumplings to 5 charitable organisations

On the eve of the Dragon Boat Festival, the Group provided festive rice dumplings to the underprivileged children and families of Food Angel, St. James’ Settlement, The Boys’ & Girls’ Clubs Association of Hong Kong, Helping Hand and Hong Kong Rehabilitation Power, giving the festive warmth and blessings to the needy.





## Giving Back to Society

### Deliver Tai Hing canned food to NGOs

The Group provided Tai Hing canned food to various NGOs, including Food Angel, Youth Outreach (charity walk), Bliss District Elderly Community Centre, Social Welfare Department's "Link Up Kwai Tsing District • Shek Lei Treasure Hunt", etc., to bring love and positive energy to people in need during the pandemic.



### Caring for the elderly and people with disabilities

#### Po Leung Kuk Charity Poon Choi 2021

For the first time, the Group cooperated with Po Leung Kuk and participated in Po Leung Kuk Charity Poon Choi 2021 as a supplier of their tailored Poon Choi to deliver blessings to the elderly and people with disabilities.



# Giving Back to Society

## Sponsorship of charity coupons and events

The Group sponsored charity coupons and events, including the Yo Charity Walk 2021, Our Lady of Maryknoll Hospital Charity Raffle, Hong Kong Rehabilitation Power Charity Raffle 2021, Uplift Educational Charity Foundation Scholarship and Hong Kong Generation Next Arts Charity Concert 2021, expecting to bring love and care to those in need and promote the spirit of kindness.



**Collaborated with over**  
**10 charitable organisations**



**Total charitable donations**  
**HK\$203,000**



**Donated over**  
**10,000 pieces**  
**Tai Hing Products**  
**(including canned products and festive food),**  
**benefiting more than**  
**10,000 underprivileged people**

With years of experience in community involvement, the Group has been awarded the 15-year Plus Caring Company Logo and the Certificate of Appreciation for Volunteer Service in recognition of our efforts in giving back to the community.

Looking forward, the Group will continue to shoulder its corporate social responsibility, give back to the society, and actively cooperate with more charities to expand the beneficiary groups and help more people in need. We expect to further enhance our social engagement and influence on the community in different ways, as well as raise awareness and support for people in need and the underprivileged.

## Collaborating organisations/Beneficiaries



# Summary of KPIs

## ENVIRONMENTAL KPIs

Summary of KPIs	Unit	2021	2020
<b>Waste air emissions</b>			
Nitrogen oxides	Tonne	2.3	1.2
Sulfur oxide	Tonne	0.003	0.002
Respiratory suspended particles	Tonne	0.2	0.1
<b>Greenhouse gas (GHG) emissions</b>			
Scope 1 <sup>12</sup>	Tonne of carbon dioxide equivalent	3,708.5	3,208.8
Scope 2 <sup>13</sup>	Tonne of carbon dioxide equivalent	25,754.2	32,004.4
Scope 3 <sup>14</sup>	Tonne of carbon dioxide equivalent	835.6	420.3
Total GHG emissions (Scopes 1, 2 & 3)	Tonne of carbon dioxide equivalent	30,298.4	35,633.5
Intensity of GHG emissions	Tonne of carbon dioxide equivalent/ turnover (HK\$ million)	9.5	12.7
<b>Waste produced</b>			
Total hazardous waste produced	Tonne	0	0.3
Intensity of hazardous waste produced	Tonne/turnover (HK\$ million)	0	0.0001
Total non-hazardous waste produced	Tonne	4,338.8	3,619.8
Intensity of non-hazardous waste produced	Tonne/turnover (HK\$ million)	1.4	1.3
<b>Energy consumption</b>			
Direct energy	MWh	13,749.6	13,313.0
Indirect energy	MWh	56,703.6	57,553.2
Total energy consumption	MWh	70,453.2	70,866.2
Intensity of energy consumption	MWh/turnover (HK\$ million)	22.2	25.3
<b>Water consumption</b>			
Total water consumption	Cubic metre	840,960.0	741,179.0
Intensity of water consumption	Cubic metre/turnover (HK\$ million)	265.0	265.0
<b>Packaging material used for finished products</b>			
Total amount of packaging material used	Tonne	724.9	952.4
Intensity of packaging material used	Tonne/turnover (HK\$ million)	0.23	0.34

<sup>12</sup> 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

<sup>13</sup> Scope 2 includes indirect GHG emissions from purchased electricity and gas

<sup>14</sup> 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

Summary of KPIs	Unit	2021	2020
<b>Overview of workforce</b>			
<b>Total</b>	person	4,062	4,509
<b>By gender</b>			
Male	person	1,309	1,566
Female	person	2,753	2,943
<b>By age group</b>			
Below 30	person	777	1,014
30–50	person	1,641	2,027
Above 50	person	1,644	1,468
<b>By rank group</b>			
Senior management	person	10	10
Middle management	person	781	787
General staff	person	3,271	3,712
<b>By employment type</b>			
Full-time	person	3,098	3,441
Part-time	person	964	1,068
Other types of workforce	person	N/A	N/A
<b>Employee turnover rate<sup>15</sup></b>			
<b>Total</b>	%	78.9	N/A
<b>By gender</b>			
Male	%	77.6	N/A
Female	%	79.5	N/A
<b>Occupational health and safety</b>			
Number and rate of work-related fatalities	person (%)	0 (0%)	0 (0%)
Number of work-related injury cases	case	101	90
Rate of work-related injury	%	2.49	1.99
Number of lost workdays due to work-related injury	day	3,414	2,883

<sup>15</sup> During the Year, the overall turnover rate of the Group was 78.9%. The higher turnover rate of frontline staff in restaurants was mainly due to the implementation of various anti-pandemic measures, while the turnover rate of other staff and management in other departments has remained fairly steady. In terms of the classification by age, the number of turnover in each age group is similar, of which the age group under 30 has the highest turnover rate. As there were frequent changes in the Group's manpower deployment during the reporting period and the relevant data was not yet complete. Therefore, the detailed turnover data by age groups could not be disclosed. The Group will further improve the quality of relevant data collection provide relevant data with more details in the future.

## Summary of KPIs

Summary of KPIs	Unit	2021	2020
<b>Development and training</b>			
<b>Total number and percentage of trained employees<sup>16</sup></b>	person (%)	3,118 <sup>17</sup> (76.8%)	2,024 <sup>18</sup> (44.9%)
<b>By gender</b>			
Male	person (%)	987 (75.4%)	767 (49.0%)
Female	person (%)	2,131 (77.4%)	1,257 (42.7%)
<b>By rank group</b>			
Senior management	person (%)	10 (100%)	7 (70.0%)
Middle management	person (%)	712 (91.2%)	456 (57.9%)
General staff	person (%)	2,396 (73.2%)	1,561 (42.1%)
<b>Average training hours of per employee</b>	hour/person	4.51	2.19
<b>By gender</b>			
Male	hour/person	4.61	2.0
Female	hour/person	4.56	2.4
<b>By rank group</b>			
Senior management	hour/person	5.48	4.23
Middle management	hour/person	6.71	2.71
General staff	hour/person	3.78	2.01
<b>Number and percentage of employees receiving regular performance and career development reviews</b>	person (%)	3,092 (76.1%)	3,441 (76.3%)
<b>By gender</b>			
Male	person (%)	1,058 (80.8%)	1,305 (83.3%)
Female	person (%)	2,034 (73.9%)	2,136 (72.6%)
<b>By rank group</b>			
Senior management	person (%)	10 (100.0%)	10 (100.0%)
Middle management	person (%)	781 (100.0%)	787 (100.0%)
General staff	person (%)	2,321 (71.0%)	2,644 (71.2%)

<sup>16</sup> Percentage of employees trained = number of employees trained/total number of employees trained

<sup>17</sup> The percentages of breakdown of total employees trained in 2021 are as follows: by gender: male (31.7%) and female (68.3%); by rank group: senior management (0.3%), middle management (22.8%) and general staff (76.8%)

<sup>18</sup> The percentages of breakdown of total employees trained 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%)



# HKEx ESG Reporting Guide Content Index

General Disclosure and KPIs	Content	Page Number
<b>A. Environment</b>		
<b>A1 Emissions</b>		
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 waste air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	16, 37
A1.1	The types of emissions and respective emissions data.	37
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	36
A1.3	Total hazardous waste produced and intensity.	39
A1.4	Total non-hazardous waste produced and intensity.	39
A1.5	Description of emission target(s) set and steps taken to achieve them.	35, 36
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.	39
<b>A2 Use of resources</b>		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	35, 38, 39
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	36
A2.2	Water consumption in total and intensity.	38
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	34, 35
A2.4	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. <sup>19</sup>	38
A2.5	Total packaging material used for finished products and with reference to per unit produced.	40
<b>A3 The environment and natural resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	35
A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	35
<b>A4 Climate change</b>		
General Disclosure	Policies on identifying and dealing with significant climate-related issues which have affected and may affect, the issuer.	40
A4.1	Description of the significant climate-related issues which have affected and may affect, the issuer, and actions taken to manage them.	40

<sup>19</sup> The drinking water for the Group's operation is supplied by the municipal organization, and we are not aware of any water pressure at its operation sites. Therefore, the Group has not experienced any difficulty in finding the water resources (including water consumption and water quality) for its business operations.

# HKEx ESG Reporting Guide Content Index

General Disclosure and KPIs	Content	Page Number
<b>B. Society</b>		
<b>B1 Employment</b>		
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.	16, 28
B1.1	Total workforce by gender, employment type, age group and geographical region.	46
B1.2	Total workforce resign rate by gender, age group and geographical region.	46
<b>B2 Health and safety</b>		
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.	12, 30
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	46
B2.2	Lost days due to work injury.	46
B2.3	Description of occupational safety and health measures adopted, how they are implemented and monitored.	15, 30
<b>B3 Development and training</b>		
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.	46
B3.2	The average training hours completed per employee by gender and employee category.	46
<b>B4 Labour standards</b>		
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.	28
B4.1	Description of measures to review employment practices to avoid child and forced labour.	28
B4.2	Description of steps taken to eliminate such practices when discovered. <sup>20</sup>	N/A

<sup>20</sup> In terms of the Group's business activities, the Group is not aware of any business that is considered to involve significant risks associated with child labor and forced labor.

# HKEx ESG Reporting Guide Content Index

General Disclosure and KPIs	Content	Page Number
<b>B5 Supply chain management</b>		
General Disclosure	Policies on managing environmental and social risks of supply chain.	20, 25
B5.1	Number of suppliers by geographical region.	26
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	25, 26
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	25
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	25
<b>B6 Product responsibility</b>		
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.	16, 22
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	22
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.	24
B6.4	Description of quality assurance process and recall procedures.	22
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	24
<b>B7 Anti-corruption</b>		
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.	16, 21
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.	21
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	21
B7.3	Description of anti-corruption training provided to directors and staff.	21
<b>B8 Community investment</b>		
General Disclosure	Policies on understanding the needs of the community where it operates through community engagement and ensuring that the community's interests are taken into account in business activities.	42
B8.1	Focus areas of contribution.	42
B8.2	Resources contributed to the focus area.	42