# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022

Fulum Group Holdings Limited (Stock Code：1443)

# Contents

# ABOUT THE GROUP

Commenced in 1992, the catering business of Fulum Group Holdings Limited (the "Company" or the "Fulum Group", together with its subsidiaries, the "Group") has been adhering to the spirit of "Three Quality Principle: Quality Environment, Quality Food and Quality Service" to achieve continuous and steady development in terms of brand innovation, geographical expansion and market direction.

The Group's major businesses are restaurant operations, sale of food products and other operating items. Its portfolio of restaurants offers various cuisines under different brands to meet the evolving catering needs of local customers and improve their dining experience. During the Reporting Period, the Group continued to focus on its core businesses of "Fulum (富臨)" main brand and "Sportful Garden (陶源)" main brand. At the same time, the Group continued to operate the Fulum online ordering platform and various takeaway discounts and combos to enable the public to maintain their usual catering habit during the pandemic.

The Fulum Group's "Asian Catering" (亞洲餐飲) has proactively explored other types of restaurant apart from Cantonese cuisine to provide the general public with more diversified catering experiences with various characteristics and meet the needs of different customers, of which 4 food halls under the main line have been opened in Hong Kong.

As at 31 March 2022, the Group owned the "Fulum (富臨)" main brand, the "Sportful Garden (陶源)" main brand and the "Asian Catering (亞洲餐飲)" main line, with 95 restaurants and 9 supermarkets in Hong Kong and mainland China:

| | |
|---|---|
| **The "Fulum (富臨)" main brand** | *16 restaurants in Hong Kong and 4 restaurants in mainland China* <br> • Focusing on Cantonese cuisine, it offers a wide variety of delicacies such as seafood, dim sum and hotpot <br> • Providing distinctive decoration, digital lighting effects and unique dining experience for wedding banquets and events. |
| **"Sportful Garden (陶源)" main brand** | *8 restaurants in Hong Kong* <br> • Focusing on serving mid-to-high end Cantonese cuisine, which attracts customers from the mid-to-high end market who emphasise quality. |
| **"Asian Catering (亞洲餐飲)" main line** | *67 restaurants in Hong Kong* <br> • It offers a wide range of restaurant brands, including Korean barbecue brands and kid-friendly restaurants embedding the traditional culture of Korean local cuisines, as well as restaurants specializing in Japanese Wagyu beef hotpots. <br><br> *9 supermarkets in Hong Kong* <br><br> • It sources different fresh and premium food ingredients around the world which are cut and packed in its own workshops to provide quality products to our customers at affordable prices. |
| **Sales of food and other operating items** | • This includes the production of processed foods and festive foods such as New year puddings, rice dumplings and mooncakes. |

# ABOUT THIS REPORT

This report is the sixth Environmental, Social and Governance Report (the "Report") published by the Group. It reports the policies, measures, and performances of the Group in environmental, social and governance aspects from 1 April 2021 to 31 March 2022 (the "Reporting Period" or "2022") and allows all stakeholders to better understand the progress and development direction of the Group in relation to sustainability issues. Information documented in the Report is sourced from the official documents, statistical data, management, and operation information of and collected by the Group from various channels. This Report, which is prepared in both Chinese and English, has been confirmed and approved by the board of directors of Group (the "Board") in August 2022, and has been uploaded to the website of the Stock Exchange and the Group's website *www.fulumgroup.com*. In case of any inconsistencies between the Chinese version and English version, the Chinese version shall prevail.

## Reporting Scope

The report scope is the same as the Environmental, Social and Governance Report of the previous reporting period. The Group selected the reporting scope, which covers the environmental and social key performance indicators of the Group's major operating areas, in accordance with the principle of importance to comply with the disclosure request updated by the HKEx. The Report focuses on the operation of the Hong Kong head office, restaurants owned by the Group in Hong Kong, the central kitchen and logistics centre. While the Report does not cover the Group's operations in mainland China, the aim of the Group is to continuously upgrade the internal data collection procedure and gradually expand the scope of disclosure.

## Reporting Criteria and Principles

The Report is prepared in accordance with the "comply or explain" and the "mandatory disclosure requirements" provisions of Appendix 27 Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") of the Rules Governing the Listing of Securities on the Stock Exchange. The four reporting principles: materiality, quantitative, balance and consistency form the backbone of the Report.

| | |
|---|---|
| **Materiality** | The Group invited internal and external stakeholders to help identify the key issues through questionnaire, the result of which was reviewed and confirmed by the Board. These issues, which are important to the stakeholders, reflect the significant impacts brought by the Group's operation to the economy, environment and society. |
| **Quantitative** | Each department of the Group is responsible for recording the key environmental and social performance indicators, with an independent professional consultant appointed to conduct assessments for carbon emissions and other environmental key issues according to local guidelines and international standards. In addition, the Group ensures that the key performance data can be calculated and clearly state the criteria and method of calculation. |
| **Balance** | The Group elaborates on its achievements and challenges faced in sustainability based on the principles of accuracy, objectivity and fairness to let the stakeholders reasonably assess the Fulum Group's overall performance. |
| **Consistency** | The Group adopts consistent statistical methods and provides historical data where feasible to demonstrate its performances and progress in sustainability. |

## Feedback

The Group values the opinion of stakeholders. If you have any questions or suggestions regarding the content or format of the Report, please contact the Group via the following channels:

Address: 26/F, Capital Tower, 38 Wai Yip Street, Kowloon Bay, Hong Kong

Email: info@fulum.com.hk

# CHAIRMAN'S STATEMENT

The novel coronavirus (COVID-19) pandemic is still spreading across Hong Kong during 2022 and the daily life of the public has been affected to varying degrees, including restrictions on dining out and disruptions of normal business operations, which has brought challenges and uncertainties to the Group's business. As a result, the Fulum Group is aware of the importance of integrating environmental, social and governance elements into daily operation. Apart from ensuring the legality of its operation, the Fulum Group continued to pay attention to issues such as responsive measures against COVID-19, food safety, occupational health and safety and improving service quality and customer experience, etc. in order to fulfill the social responsibility of enterprises.

**Governance Performance**

To enhance the Board's engagement in environmental, social and governance matters, the Fulum Group has established an Environmental, Social and Governance Committee in 2021. The committee is responsible for reviewing and monitoring the Group's environmental, social and governance policies and practices to address environmental, social and governance issues more effectively and ensure that the Group complies with relevant legal and regulatory requirements. The Group hopes that the committee can lead the Group to reach a more sustainable operation. As the Board gradually values sustainable development, it is advantageous to fully integrate the idea of sustainable development into business operation. During the Reporting Period, the committee has organised a number of meetings to discuss the five major management approaches. The committee has also formulated and reviewed various environmental, social and governance matters such as launching the waste statistics initiative in branches, understanding the existing water testing procedures of the Group and following government guidelines related to food waste requirements, etc. to improve the environmental, social and governance performance of the Group. The Board of the Group will take on more environmental, social and governance responsibilities in order to address and manage different environmental and social risks.

**Environmental Performance**

During the Reporting Period, although the Group's overall emissions showed an upward trend, the main reason was an increase in restaurants' turnover as the pandemic subsided. In order to reduce emissions, the Group will study and implement more energy saving and emission reduction measures. In 2022, the Group implemented paperless working model to reduce the use of paper in offices, for example, purchasing and using electronic devices such as tablets to replace paper documents for meetings, etc. In addition, the Group has set directional goals for greenhouse gas emission management, waste management, energy and other aspects to further incorporate environmental performance into management.

**Social Performance**

Being people-oriented is one of the Group's operation directions. The Group values the expectations of its employees and other stakeholders and regularly reviews relevant policies and measures. In addition, in the midst of the pandemic, the Fulum Group has continued to strictly comply with a number of social distancing measures and preventive measures in 2022 in accordance with the guidelines of the Department of Health. In 2022, the Board has also organised a number of regular meetings to evaluate risks caused by the epidemic and has responded quickly to safeguard the health and safety of employees and customers.

Looking ahead, the Group looks forward to enhance awareness of environmental, social and governance issues to implement environmental and social management measures effectively and achieve the set targets step by step to boost performance continuously.

Fulum Group Holdings Limited
**Mr. Yeung Wai**
Chairman and Executive Director

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

The Board of the Group assumes its full responsibility for managing the environmental, social and governance issues of the Fulum Group, while other departments are responsible for implementation of the related issues. To enhance the Board's engagement in environmental, social and governance issues, the Fulum Group has established the Environmental, Social and Governance Committee (the "Committee") in 2021. Comprising of the senior management of the Group, the Committee is responsible for reviewing and monitoring the Group's environmental, social and governance policies, measures, practices and effectiveness to ensure the Group's compliance with relevant legal and regulatory requirements. In addition, the Committee also monitors and addresses the latest environmental, social and governance issues, continuously explores opportunities of integrating the idea of sustainable development into the Group's business operation and makes relevant recommendations to the Board as and when appropriate to enhance the Group's environmental, social and governance performance. The Committee reports environmental, social and governance matters and performances to the Board at least once a year to ensure that the Board has considered relevant issues when formulating the Group's development strategies.

| Five Major Management Approaches of the Committee | |
| --- | --- |
| • Formulating strategies to reduce the environmental impact of business operations;<br>• Formulating the overall community investment strategy;<br>• Establishing a working environment that values employees; | • Monitoring good conduct and standards of operation;<br>• Formulating sustainable supply chain management. |

## Risk Management

The Board is fully responsible for maintaining a sound and effective risk management and internal control systems of the Group comprehensively. The systems include defining management structure and relevant authority, aiming to ensure that accounting standards are duly applied, providing reliable financial information for internal use and external announcement and ensuring compliance with relevant laws and regulations.

Control measures under the risk management systems aim to manage instead of eliminating the significant risks of the Group's business environment. The Group's risk management control structure includes the following major components:
- Identifying the significant risks of the Group's operating environment and evaluating the impacts of the risks on the Group's business
- Formulating necessary measures to manage the risks
- Monitoring and reviewing the effectiveness of relevant measures

As at the year ended 31 March 2022, the Group has no internal audit function and has entrusted external consultant to evaluate the efficacy of the Group's risk management and internal control.

The Board has reviewed the effectiveness of the Group's risk management and internal control systems as at the year ended 31 March 2022 through the Audit Committee, covering the significant financial, operational and compliance control aspects, and regarded the Group's risk management and internal control systems as effective and sufficient.

With the government's carbon neutral target and the public's preference for a more sustainable lifestyle since the pandemic, the Fulum Group is committed to reducing the impact of environmental and social risks on the Group. To this end, during the Reporting Period, the Fulum Group has enhanced the identification of the following environmental, social and governance risks:

| Type of risk | Description of risk |
| --- | --- |
| **Supply Chain Management** | The Group relied on stable suppliers to provide products and services and ensured that they have reached the requirements of the Group. The Group is aware that procurement partners' inappropriate choices or management, miscommunication or non-compliance with cooperation contracts and other reasons will affect business developed by the enterprise and impose adverse impacts on its performance and financial condition.<br><br>In addition, customers increased their understandings and needs of sustainable food, promoting the practices of green procurement. |
| **Responsive Measures Against COVID-19** | The COVID-19 pandemic has been going on for 2 years. The Group and the public have a better understanding of how to lower the risk of transmission, which includes working in line with and following preventive requirements set out by the government, maintaining restaurant hygiene at all times, formulating clear internal preventive guidelines, etc. |
| **Anti-corruption** | The Group identified anti-corruption as a lower risk to its business and has prevented anti-corruption behaviour through various measures (for example: formulating internal policies and reporting procedures, evaluating suppliers' performance in anti-corruption and arranging anti-corruption trainings, etc.).<br><br>During the Reporting Period, the Group was not aware of any concluded legal cases regarding corrupt practices brought against the Group or its employees. |
| **Climate Change** | The Group identified climate change as a lower risk to its business. The Group has formulated internal work guidance to safeguard the working safety of employees and address extreme weather conditions caused by climate change. For further details, please refer to the "Climate Change" section of the Report. |

In the future, the Group will include the identified ESG risks in our risk management procedures and formulate responsive strategies and management solutions to reduce the impacts brought by ESG risks.

## Compliance Management

Compliance is the cornerstone of the Group's operations. The Group ensures the legality of its daily operation by reviewing the operation and management system regularly as well as making timely adjustments to the operational rules. The Group relies on various departments to manage the relevant compliance requirements and effectively implement the Group's policies to ensure compliant operations. The Group's compliance department has identified laws and regulations that have a significant impact on the Fulum Group and their impact on the Group. The impact of violation of relevant laws and regulations on the Group includes:

- resulting in financial penalties, such as heavy fines;
- being subject to administrative penalties, resulting in suspension of business and affecting the progress of projects;
- damage to the reputation of the Group;
- resulting in a significant loss of talents;
- resulting in costly litigation.

To ensure that the Group's operations are legal and in compliance with the laws and regulations, the Group provides regular training and inspections to the heads of each operation site and logistics centre. The Group has established procedures to handle potential non-compliance incidents relating to emissions, employment and labour standards, health and safety, product liability and anti-corruption, including investigation, response and rectification of the non-compliance incidents. During 2022, the Group was not aware of any violation of

laws and regulations that have a significant impact on the Group resulting in heavy fines or non-monetary sanctions. The Group has identified the following laws and regulations that have a significant impact on the Group:

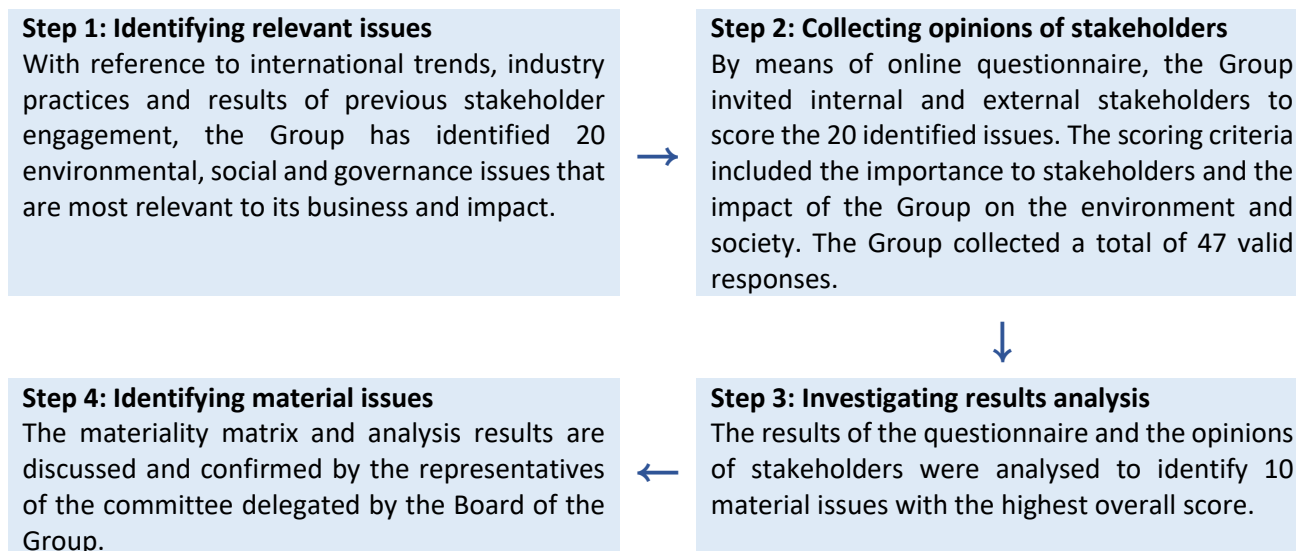| Aspects | Relevant laws that have significant impacts on the Group | |
|---|---|---|
| **Emissions** | Air Pollution Control Ordinance<br>Water Pollution Control Ordinance | Waste Disposal Ordinance |
| **Employment and Labour Standards** | Employment Ordinance<br>Employees' Compensation Ordinance<br>Sex Discrimination Ordinance | Disability Discrimination Ordinance<br>Family Status Discrimination Ordinance<br>Personal Data (Privacy) Ordinance |
| **Health and Safety** | Occupational Safety and Health Ordinance | Factories and Industrial Undertakings Ordinance |
| **Product Responsibility** | Food Safety Ordinance<br>Public Health and Municipal Services Ordinance<br>Trade Descriptions Ordinance<br>Copyright Ordinance<br>Trade Marks Ordinance | Patents Ordinance<br>Broadcasting Ordinance<br>Broadcasting (Miscellaneous Provisions) Ordinance<br>Personal Data (Privacy) Ordinance |
| **Anti-corruption** | Prevention of Bribery Ordinance | Organised and Serious Crimes Ordinance |

# STAKEHOLDER ENGAGEMENT

The Fulum Group understands that the opinions of stakeholders must be taken into account of in order to fulfill social responsibilities, which is an important indicator for improving the Group's environmental, social and governance performance. Its stakeholders include both internal stakeholders (directors and employees) and external stakeholders (customers, suppliers, shareholders, investors and service recipients in the community). The Group is committed to establishing good communication channels with stakeholders to ensure that the Fulum Group can address the needs and expectations of various stakeholders in a timely manner. During the Reporting Period, the Group communicated with different stakeholders through various means, including:

| Employees | Customers | Suppliers | Community | Shareholders/Investors |
|---|---|---|---|---|
| Emails, regular meetings and other channels | Social media, telephone hotlines, suggestion boxes and other platforms | Evaluations for suppliers | Community activities | Annual general meeting, the Group's website and HKEx's website |

## Materiality Assessment

During the Reporting Period, the Group collected opinions from internal and external stakeholders on the environmental, social and governance issues related to the Group through questionnaires. The Fulum Group identifies and evaluates environmental, social and governance issues that are material to the Group through the following steps:

**Step 1: Identifying relevant issues**
With reference to international trends, industry practices and results of previous stakeholder engagement, the Group has identified 20 environmental, social and governance issues that are most relevant to its business and impact.

**Step 2: Collecting opinions of stakeholders**
By means of online questionnaire, the Group invited internal and external stakeholders to score the 20 identified issues. The scoring criteria included the importance to stakeholders and the impact of the Group on the environment and society. The Group collected a total of 47 valid responses.

**Step 4: Identifying material issues**
The materiality matrix and analysis results are discussed and confirmed by the representatives of the committee delegated by the Board of the Group.

**Step 3: Investigating results analysis**
The results of the questionnaire and the opinions of stakeholders were analysed to identify 10 material issues with the highest overall score.

The Fulum Group has presented the materiality ranking of the identified environmental, social and governance issues during the Reporting Period in the form of matrix (the graph below). Among them, the 10 most important issues considered by stakeholders were listed as the material issues:

## Fulum Group's Materiality Matrix 2022
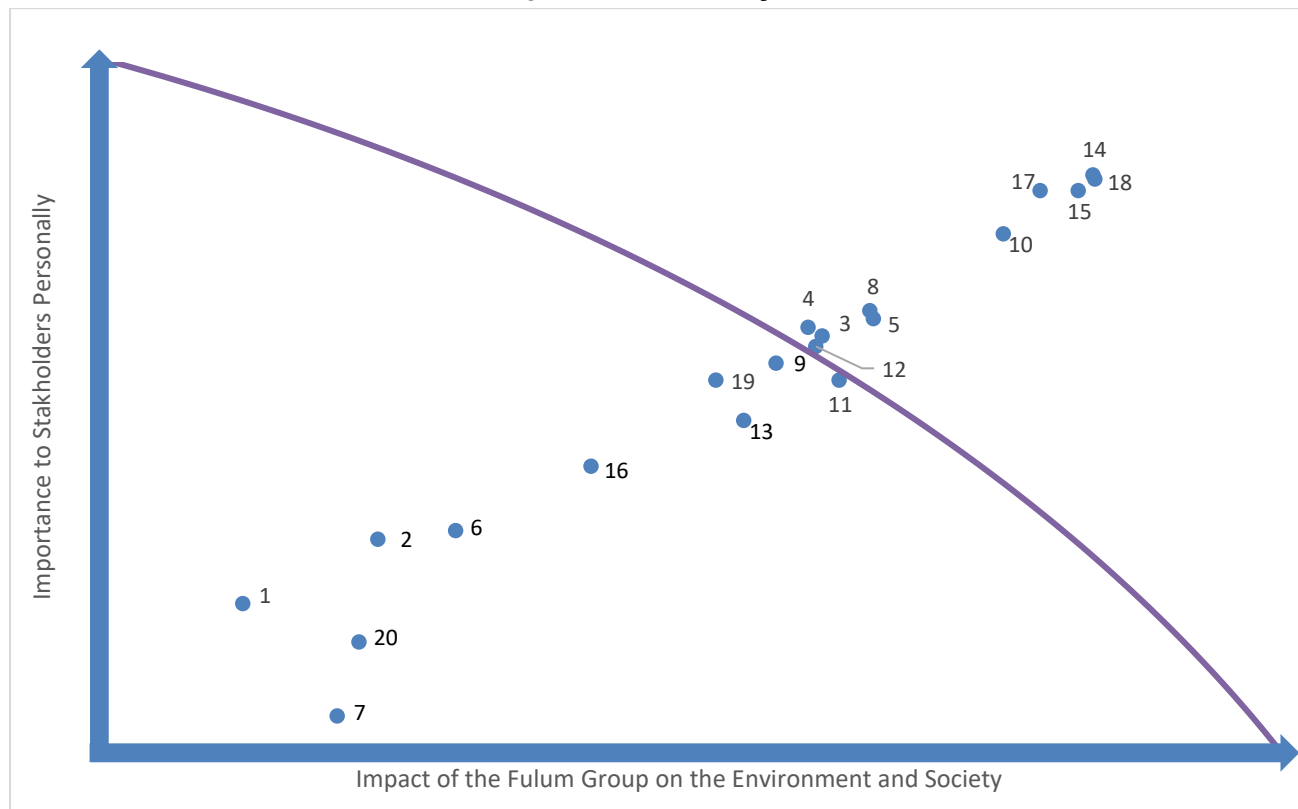


Environmental, social and governance issues (in descending order of materiality):

| Number | Material Issue | Number | Other Environmental, Social and Governance Issue |
|--------|----------------|--------|--------------------------------------------------|
| 18 | **Prevention of bribery, extortion, fraud, and money laundering** | 11 | Employees training and development |
| 14 | **Protection of customer information and privacy** | 9 | Equal and diversified employment environment |
| 15 | **Optimising product quality and service responsibility management** | 19 | Ensuring business activities take into account the needs and interests of the community |
| 17 | **Protecting the interests of customers and business partners** | 13 | Supply chain management |
| 10 | **A healthy and safe working environment** | 16 | Abiding by advertising and sales regulations |
| 5 | **Waste management** | 6 | Managing the impact of operations on the environment and natural resources |
| 8 | **Developing a comprehensive employment management system** | 2 | Greenhouse gas emission management |
| 3 | **Energy saving/improving energy efficiency** | 20 | Promoting community development |
| 4 | **Management of wastewater and use of water** | 1 | Air pollutants |
| 12 | **Adopting measures to prevent child labour** | 7 | Addressing climate change |

# OPERATING PRACTICES

The Fulum Group adheres to an ethical operating model and maintains quality services while protecting the interests of customers. In addition, the Group also maintains close cooperation with various suppliers to provide its environmental, social and governance performance.

2022 Performance Highlights:

No material anti-corruption cases identified

COVID-19 preventive measures

Food safety

## Ethical Operation

The policies of the Fulum Group such as the "Internal Welcoming Operation and Management System" and the "Personal Privacy Policy" regulate the Group's behavior in customer privacy, advertising and labelling and intellectual property rights. Under guidance of these policies, the Group implements the following measures to ensure that the interests of customers and business partners are protected:

### Protecting Customers' Interests and Intellectual Property

The Group strives to protect the personal information and privacy of customers. "Privacy Policy and Statement" has been provided to customers when their personal data is collected. It is ensured that the customers are aware of the policies and measures related to the collection, usage, storage, disclosure, transfer, protection and access of personal data. Besides, the Group protects customers' personal data with various safety technology and procedures to prevent unauthorised access, usage or disclosure. The Group has also included the "Confidentiality Agreement" in the employment contract to require employees to protect customers' personal data.

The Group respects intellectual property of others and undertakes that there is no infringement of intellectual property rights in its business. At the same time, it is ensured that data such as product recipes, knowledge and technology of partners is not violated in the business.
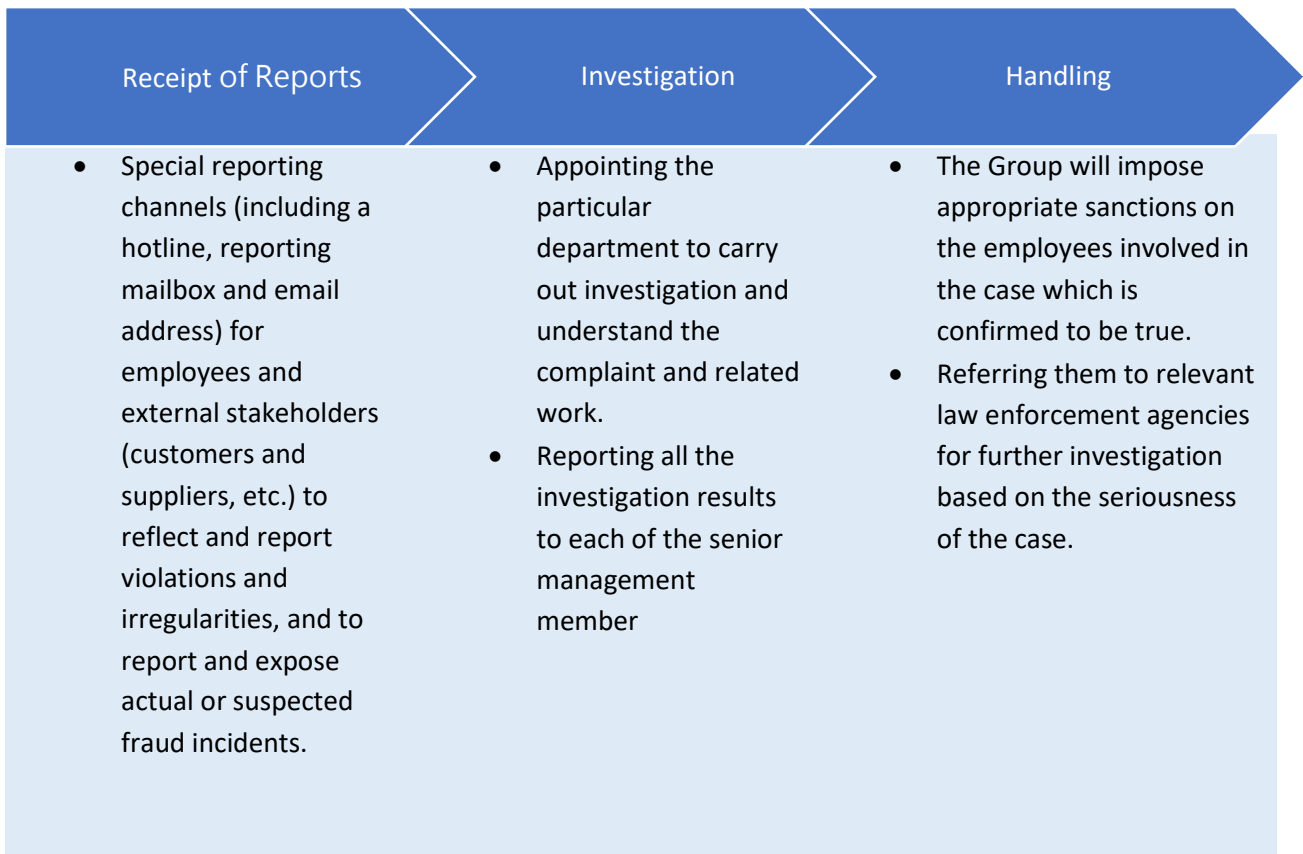
### Advertising and Labelling

All promotional materials of the Group must be approved internally before publication. "General Principle of Promotional Materials" is formulated to ensure that the contents are legal, healthy, honest and accurate without a misleading impression. The Group also values diversity and respect for others, endeavouring to prevent its promotional materials from making others a sense of disgust or discrimination. No promotional materials promoting hatred, discrimination, prejudice, sensitive events or violent content are allowed.

## Anti-corruption

The Fulum Group has zero tolerance against any corruption such as bribery, extortion, fraud, and money laundering and has formulated "Human Resources Department Management System" and "Anti-fraud and Reporting and Complaint Management System" to regulate anti-corruption. It is stipulated that all employees must not engage in private dealings with the Group's money or resources and must comply with the relevant laws, industry regulations and standards and the Group's regulations and systems. Employees would face sanctions if they were found to be involved in any misbehaviour. Employees involved in serious violation of the code of conduct may be subject to dismissal and legal proceedings.

To reduce the risk of corruption and fraud, the Group strives to provide anti-corruption trainings and send regular reminder emails to employees and members of the Board, providing various anti-fraud and anti-corruption policies and measures to enhance their awareness of handling conflict of interest at work and addressing temptation of improper benefits correctly.

In addition, in order to prevent anti-corruption, the Company has set up the following reporting procedures:

| Receipt of Reports | Investigation | Handling |
|---|---|---|
| • Special reporting channels (including a hotline, reporting mailbox and email address) for employees and external stakeholders (customers and suppliers, etc.) to reflect and report violations and irregularities, and to report and expose actual or suspected fraud incidents. | • Appointing the particular department to carry out investigation and understand the complaint and related work. <br> • Reporting all the investigation results to each of the senior management member | • The Group will impose appropriate sanctions on the employees involved in the case which is confirmed to be true. <br> • Referring them to relevant law enforcement agencies for further investigation based on the seriousness of the case. |

The Fulum Group values the cooperation of business partners such as suppliers to achieve a clean operation. The Group evaluates the performance of suppliers (including the performance in anti-corruption behavior) annually. The Group promises to keep the personal information of whistleblowers confidential, and prohibits any form of discrimination or retaliation or hindrance, interference or antagonism against employees participating in the investigation.

## Product Responsibility

The Fulum Group has always been strictly controlling the product and service quality to ensure customer satisfaction and protect their health and safety. The Group's "5S (Structurise, Systematise, Sanitise, Standardise and Self-discipline)" approach standardises measures relating to the management of product and service quality. The Group has established the 5S Committee, and its members and the frontline management will conduct monthly food safety meetings to regularly review food safety. As a catering industry player, food safety is the important issue that the Group values in quality management. The Fulum Group's central kitchen and logistics centre has obtained international standard certifications such as ISO 22000 and HACCP. The Group has established the "Fulum Group Food Hygiene Code" which stipulates the requirements in relation to the food handling environment at its restaurants and the central kitchen, the quality of food ingredients, the cleaning, sanitation and maintenance of equipment and tools as well as the definition of hygiene and safety standards. In addition, the Group's "Sino Rank Logistics Management System" lists detailed procedural specifications on inventory management, logistics and distribution management, production management and hygiene management, etc.
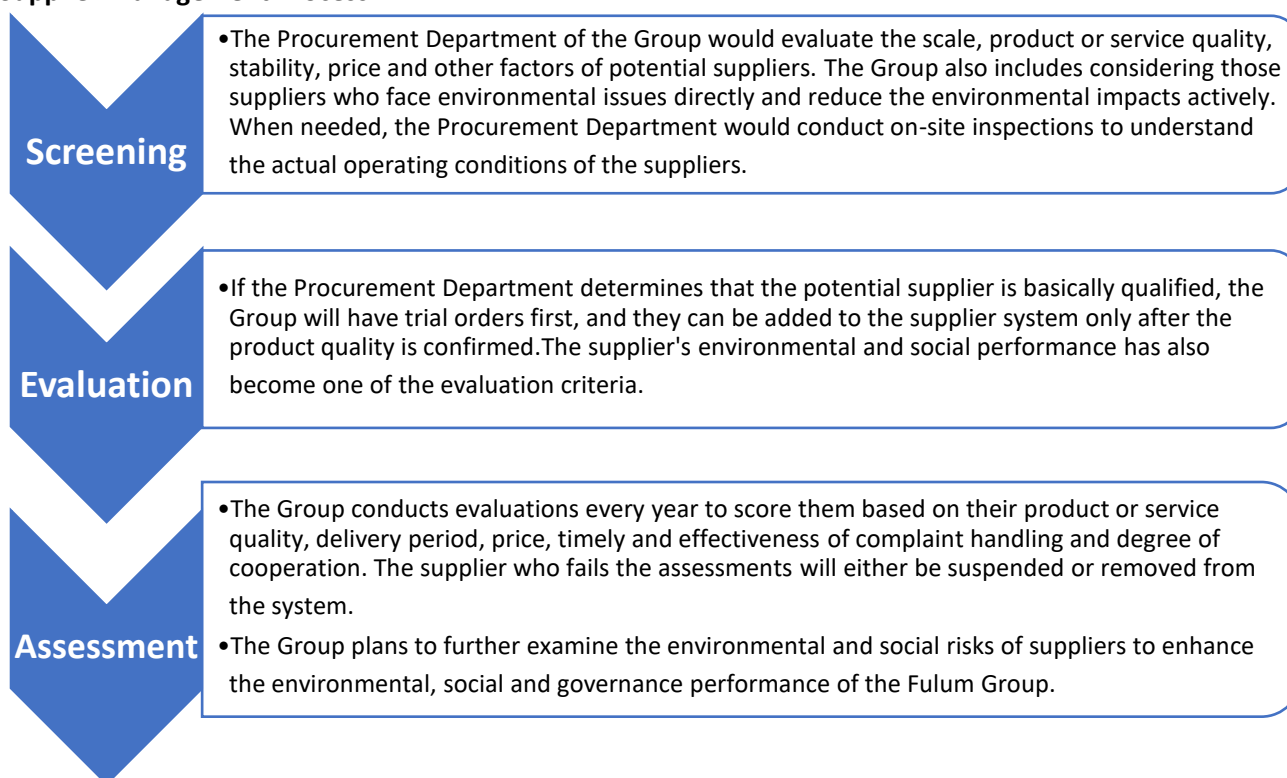
| Scope | Measures |
|---|---|
| **Restaurant Environmental Quality** | • The Group regularly arranges the Internal Audit Department (Operation) staff to attend inspection in accordance with the "Internal Audit Department (Operation) Management System" and the "5S" approach.<br>• The Group summarises the results of review with shop managers and department heads and proposes solutions for improvement regarding the shop's deficiencies<br>• Training is provided to employees to remind them to maintain environmental hygiene at all times. |
| **Food Safety** | • When any food safety problems are reported, the Group will immediately notify the affected customers and immediately stop the production of related products until the root cause of the problem is identified and recorded in the "Corrective and Preventive Action Request". The food safety problem must be confirmed to be corrected by the food safety team leader before resuming production.<br>• The Group has established the 5S Committee and will conduct monthly food safety meetings to regularly review food safety.<br>• During the Reporting Period, the Group had no products that need to be recalled due to safety and health issues. |
| **Service Quality** | • The Group has set up diversified channels for the customers to provide their feedbacks, including a restaurant hotline, suggestion box set up at conspicuous locations in restaurants, the Group's website and social media.<br>• The Group consolidated and analysed customer feedbacks and produced a monthly summary of complaints to understand its deficiencies in service and product quality, and determined corresponding improvement measures.<br>• The Group has provided employees with trainings on service quality improvement to improve the product and service quality.<br>• During the Reporting Period, the Group received a total of 737 complaints, mostly about service, product and food hygiene. The Group has followed up and handled all complaints, and all the relevant customers have accepted the solutions proposed. |

## Supply Chain Management

The quality of food ingredients from suppliers is the first line of defence for the Group's food quality. In order to ensure that the performance of suppliers meets its expectations, the Group has established a set of procedures to screen and manage suppliers:

| Internal Policy | Content |
|---|---|
| **"Sino Rank Logistics Management System"** | • Standards of selecting suppliers<br>• Annual evaluation process<br><br>Purpose<br>• Improving the quality of the purchased ingredients and service to lower the supply chain risk |
| **"Fulum Group Environmental Policy"** | • Stipulating the considerations on the supplier's environmental and social performance when selecting goods or services for procurement<br>• Giving priority to those suppliers who face environmental issues directly and reduce the environmental impacts actively<br>• Using local suppliers as much as possible<br><br>Purpose<br>• Reducing the carbon footprint of the operating cycle<br>• Promoting green procurement |

**Supplier Management Process**

**Screening**
• The Procurement Department of the Group would evaluate the scale, product or service quality, stability, price and other factors of potential suppliers. The Group also includes considering those suppliers who face environmental issues directly and reduce the environmental impacts actively. When needed, the Procurement Department would conduct on-site inspections to understand the actual operating conditions of the suppliers.

**Evaluation**
• If the Procurement Department determines that the potential supplier is basically qualified, the Group will have trial orders first, and they can be added to the supplier system only after the product quality is confirmed. The supplier's environmental and social performance has also become one of the evaluation criteria.

**Assessment**
• The Group conducts evaluations every year to score them based on their product or service quality, delivery period, price, timely and effectiveness of complaint handling and degree of cooperation. The supplier who fails the assessments will either be suspended or removed from the system.
• The Group plans to further examine the environmental and social risks of suppliers to enhance the environmental, social and governance performance of the Fulum Group.

During the Reporting Period, the Group has 146 suppliers in Hong Kong and Mainland China. All suppliers were engaged in accordance with the internal practices related to suppliers.

## Addressing the COVID-19 Pandemic

During 2022, with the continuous outbreaks of the COVID-19, the Group has implemented the government's disease prevention measures and proactively adopted a number of measures to provide a safe dining environment for customers:

**Dining environment**
- Leaving at least 1.5 meters between tables or separating with partitions
- Limiting the number of customers per table
- No live performance or entertainment activities allowed
- Requiring employees and customers to take their body temperature and clean their hands with alcohol-based hand-rub when they enter the restaurants
- Using separate trays for serving food and collecting used utensils
- Promoting digital payment to reduce the transmission risk of unnecessary contacts

**Employee safety and hygiene**
- Requiring the staff who collect the used utensils and clean used tables and partitions to take hand hygiene measures before performing other tasks
- Requiring the staff to undergo a test every 14 days
- Requiring new employees to present the SMS notification on "negative" test result

**Regular inspections**
- Requiring customers to scan the "LeaveHomeSafe" QR code
- Inspecting notices at the shop entrances, inspecting vaccination records or medical certificates issued by doctors, the number of installed air purifiers and normal operation and other work
- Informing or updating the shops with the latest preventive measures required by the government in the epidemic-prevention group chats
- Requiring relevant management or individuals to take responsibility for penalty due to FEHD's summons action in case of human negligence to increase employees' sense of responsibility

# EMPLOYEE CARE

A well-established employment system has always been the foundation for the steady development of Fulum Group. The Group's Human Resources Management System covers Fulum Group's management systems in employment, health and safety, and development and training. In addition, the Group has established various policies and measures to safeguard the health and safety, rights and interests of employees and their well-being. The Group also reviews the effectiveness of various policies and measures in a timely manner to ensure that employees' needs are effectively addressed.

2022 Performance Highlights:

1,868 employees

Total average training hours:
3.1 hours

## EMPLOYMENT SYSTEM AND LABOUR STANDARDS

Fulum Group's "Human Resources Management System" specifies the Group's arrangements for compensation and dismissal, recruitment and promotion, working hours, rest periods, labour standards and other benefits and welfare to ensure that employees are properly protected.

| Scope | Measures |
|---|---|
| Remuneration | • Remuneration is determined based on factors such as qualification, rank, work experience and performance.<br>• Remuneration adjustments are made regularly based on factors such as employees' work performance and rank. |
| Recruitment and Promotion | • The recruitment and promotion processes are conducted in a fair, just, transparent and open manner.<br>• Recruitment and promotion are based on employees' competence and suitability with their positions. |
| Employee Benefits | • Every employee of the Group can enjoy discounts when shopping at the shops.<br>• If the shop performance and employee's work performance have met the Company's expected targets, the Group would consider issuing discretionary performance-based bonus payments granted by employers. |
| Labour Standards | • In order to prevent the misuse of child labour, the Human Resources Department shall check the identification documents of employees when they join the Group. If an employee is under the legal working age, the Group will disqualify him/her.<br>• The Group also strictly prohibits forced labour, and does not require employees to pay deposits or deposit identity documents when they join the Group, nor detain employees' wages, benefits, properties or other certificates to force them to work continuously.<br>• During the Reporting Period, the Group has no misuse of child labour or forced labour. |
| Equal Opportunity and Anti-discrimination | • Employees will not be affected by discrimination at recruitment or promotion.<br>• No one is discriminated against due to race, gender, age, disability, marital status, sexual orientation or religious belief.<br>• If an employee encounters any discrimination or unequal treatment, he/she can report to the department head. |
| Prevention of Sexual Harassment | • Sexual harassment is not tolerated and the definition of sexual harassment is stated in the relevant policy.<br>• If any action relating to sexual harassment in the workplace is discovered, it is necessary to take all necessary actions to prevent employees from sexual harassment. |
| Diversity | • Respecting the differences in skills, experience, style and background of employees should be and will contribute to the innovation, change and long-term growth of the business. |

## Health and Safety

The Group's policies such as "Risk and Safety Handbook", "Working Safety Rules for Occupational Safety and Health", "Guidelines for Safe Use of Gas Cooking Appliances" and "Fire Crisis Safety Guidelines" provide the employees with safe working procedures and guidelines, in order to manage the safety hazards and risks encountered by employees in their daily work. In addition, the Group has also established the Safety Policy Committee and the Shop Safety Committee to be responsible for managing issues related to environmental safety at the corporate management and branch operation level, including:

| Safety Measures | Description |
|---|---|
| Inspection | • Regularly review and revise the safety policies and procedures.<br>• Conduct regular environmental and safety reviews of the Group, and implement plans to resolve related issues.<br>• Arrange regular or irregular inspections, and determine and execute reforming measures in a timely manner upon the identification of hidden problems.<br>• Require all operating points of the Group to participate in risk assessments, including identifying potential dangers, evaluating different positions' risks, recording, and reviewing the evaluation results.<br>• Remove potential sources of hazard, and carry out tracking and inspection regularly.<br>• Keep document records and review them regularly to determine potential hazards. |
| Safety Training | • Ensure the proper maintenance of equipment.<br>• Arrange trainings for employees on safety policies and procedures.<br>• Arrange regular safety procedures drills such as fire drills and evacuation drills at various operating points (in accordance with the instructions of the property management company) and logistics centres.<br>• Require employees to wear appropriate protective equipment properly. |
| Addressing COVID-19 | • Require employees to take RAT regularly before entering kitchens or shops.<br>• Provide sufficient epidemic-prevention equipment for employees.<br>• Establish a systematic reporting mechanism and handle employees' working arrangement in a timely and proper manner.<br>• Participate in the "Anti-Epidemic Hygiene Measures Certification Scheme" of the Hong Kong Quality Assurance Agency to raise the awareness of epidemic prevention. |

During the Reporting Period, there was no work-related fatal accidents over the last 3 reporting years (including the Reporting Year). For work injury, there were 20 cases over the past year. Most of the work injury cases were mainly injuries caused by handling of ingredients (burns, cuts) and slips at the working environment, etc. All injured employees had already received timely treatment and taken work-related injury leave. The Group strongly values the occupational health and safety of employees, and will continue to strictly execute internal guidelines, regularly review the effectiveness and adjust the policy contents.

## Development and Training

The Fulum Group provides comprehensive training courses and continuing professional trainings to employees to maintain their competitiveness and development opportunities within the industry. The Fulum Group strives to provide trainings and development opportunities and build up an internal promotion culture for the sake of establishing an excellent team with professional knowledge and creating opportunities for long-term career development.

In the "Human Resources Department Management System", the Group has referred to "Organisational Policy on Improving Employees' Knowledge and Skills in Fulfilling their Work Obligations" as the outline of the employee training system.

Fulum Group's training programs focus on improving employee's quality of service, and formulate a series of training activities according to the needs of employees at different grades and positions, providing them with professional knowledge, professional skills, occupational safety and health education and other training activities.

| Training activities | Training content |
|---|---|
| **Rank Training Program** | <ul><li>Target: New frontline staff</li><li>Purpose: Provide the frontline staff with the basic knowledge of work before taking up their posts to improve the service quality of shop workers</li></ul> |
| **Newly Hired Employees Training** | <ul><li>Target: Newly hired employees</li><li>Purpose: Appoint experienced employees to serve as mentors, assisting new colleagues to smoothly integrate into the new team and working environment as peers and providing valuable and reliable guidance and support.</li></ul> |

# PROTECTING THE ENVIRONMENT

Fulum Group is aware of the environmental impact of its operations, including resources used, emissions and wastes produced from restaurant operations, and emissions generated from food production in the central kitchen. In order to reduce the negative impact brought by operations to the environment, the Group has incorporated the "Environmental Policy" into the "Internal Operation Management System" to provide the work guidance, monitoring mechanism and specific measures covering the three major aspects of emissions, use of resources, and environmental and natural resources.

2022 Performance Highlights:

Total GHG emissions:
24,215.7 tonnes of $CO_2$ equivalent

Total water consumption:
658,559.0 cubic metres

Total energy consumption:
68,939.9 MWh

## Emissions

### Greenhouse gas ("GHG") emissions management

During the Reporting Period, the Group continued to appoint the consultant to conduct carbon assessment to quantify the GHG emissions produced in its operations. The process of quantification follows the guidelines published by the Environmental Protection Department and the Electrical and Mechanical Services Department[1], and references international standards such as ISO14064-1 and the GHG Protocol Corporate Accounting and Reporting Standard.

The Group's total GHG emissions for the Reporting Period were 25,418.5 tonnes of $CO_2$ equivalent. The main source of emissions was indirect GHG emissions from the purchased electricity under scope 2 (accounting for 69.2% of the total emissions), followed by direct GHG emissions from a stationary source of fossil fuel combustion under scope 1 (accounting for 28.4% of the total emissions). During the Reporting Period, as the pandemic subsided, the Group's turnover has increased compared to the previous year, resulting in a 13.6% increase in the total GHG emissions compared to the previous reporting period, but the GHG emissions intensity has decreased by 8.4%.

| GHG Emissions | | |
|---|---|---|
| **Scope** | **Emissions** | |
| | **Year 2022** | **Year 2021** |
| **Scope 1 – Direct GHG Emissions[2]** | | |
| Fossil fuel combustion – stationary source (tonnes of $CO_2$ equivalent) | 5,887.9 | 5,094.0 |
| Fossil fuel combustion – mobile source (tonnes of $CO_2$ equivalent) | 128.6 | 135.5 |
| GHG emitted by equipment and system during operation (tonnes of $CO_2$ equivalent)[3] | 1,202.8 | 1,102.7 |

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[1] "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings of Commercial, Residential or Institutional Purposes in Hong Kong".
[2] Scope 1 is generated from the consumption of LPG and town gas in kitchen stoves, vehicle diesel and petrol.
[3] The source of the greenhouse gas emitted by equipment and system during operation is generated from the use of refrigerant.

| Scope 2 – Energy Indirect GHG Emissions[4] | | |
|---|---|---|
| Electricity purchased from power companies (tonnes of $CO_2$ equivalent) | 16,239.0 | 15,418.9 |
| Town gas purchased from gas companies (tonnes of $CO_2$ equivalent) | 1,338.4 | 93.2 |
| **Total GHG emissions (Scope 1 and 2)** | **24,796.7** | **21,844.3** |
| Scope 3 – Other indirect GHG emissions[5] | | |
| Methane produced by waste paper in landfills in Hong Kong (tonnes of $CO_2$ equivalent) | 246.4 | 231.73 |
| GHG emissions from electricity consumption in freshwater treatment by the Water Supplies Department (tonnes of $CO_2$ equivalent) | 274.6 | 214.79 |
| GHG emissions from electricity consumption in wastewater treatment by the Drainage Services Department (tonnes of $CO_2$ equivalent) | 100.8 | 77.88 |
| **Total GHG emissions (Scope 1, 2 and 3) (tonnes of $CO_2$ equivalent)** | **25,418.5** | **22,368.7** |
| **GHG intensity (tonnes of $CO_2$ equivalent/HK\$ million of turnover)** | **17.5** | **19.1** |

Apart from carbon assessment, the consultancy has analysed and identified the greenhouse gas emissions under scope 1 as significant sources of carbon emissions to the Company's business, specifically the consumption of fossil fuel combustion – stationary source in food manufacturing and processing. The Group continues to implement various energy-saving solutions, conduct regular maintenance for kitchen equipment, and select more efficient cooking appliances when it is necessary to replace kitchen equipment, striving to achieve a medium-to-long term reduction in the emissions of fossil fuel combustion – stationary source.

## Air emission management
The air emissions of the Group mainly came from kitchen equipment and vehicles of the logistics fleet. To reduce air pollution, the control measures at the exhaust outlets, including the installation of purifying facilities and venting equipment, were implemented in the Group's kitchen equipment to control the emissions of oily fume. During the Reporting Period, the air emissions generated by the Group included nitrogen oxides, sulphur oxides and respirable suspended particulates, which generated 3,104.0 kg, 3.0 kg and 263.1 kg respectively.

## Waste management
The Group properly disposed of waste generated during operations to lower the potential impact on the environment. Non-hazardous waste of the Group mainly included waste oil, general waste, recyclable waste and food waste. Regarding food waste, certain restaurants under the "Fulum (富臨)" main brand and the

"Sportful Garden (陶源)" main brand were awarded the Silver Class in the "Food Wise Eateries" Scheme by promoting reduction of food waste from the origin to the public through measures such as providing food portion selection and encouraging customers to take leftover away. In addition, the Group replaced the plastic straws in some restaurants by the eco-friendly sugarcane straws to reduce the amount of plastic consumed.

Regarding waste cooking oils produced daily, the Group established the "Waste Cooking Oils Regulation Procedure" and implemented the "Restaurant Waste Cooking Oils Recycling" Scheme to arrange qualified waste cooking oil recyclers to collaborate in handling waste cooking oils. During the Reporting Period, 72.1 tonnes of waste cooking oils were produced, all of which were resold to recyclers; other non-hazardous waste was collected and handled in a centralised manner by the property management company of each operating point, but the Group did not collect relevant data during the Reporting Period. Regarding

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[4] Scope 2 is generated from the consumption of purchased electricity and town gas.
[5] Scope 3 is generated from water and sewage treatment, paper used in office and restaurant. A total of 4.4 tonnes of paper was recycled during the Reporting Period.

hazardous waste, the Group did not record the amount of hazardous waste (such as waste batteries, waste mercury tubes and energy-saving bulbs) produced in 2022. In order to quantify the Group's measures in reducing waste production and establish relevant waste reduction targets, the Group is currently collecting the data of hazardous and non-hazardous waste from each operation point to disclose the amount of waste produced in the next reporting period. The consumption of packaging materials of the Group was 30.5 tonnes due to an increase in the demands for takeaway meals during the epidemic, resulting in an increase of 27.1% in consumption compared to the previous reporting period.

In addition, the Group's headquarters office implemented paperless working model to reduce the use of paper in offices, for example, purchasing and using electronic devices such as tablets to replace paper documents for meetings, etc.in 2022. As a result, the consumption of paper in headquarters office during the Reporting Period was 4.2 tonnes, representing a decrease of 10.6%.
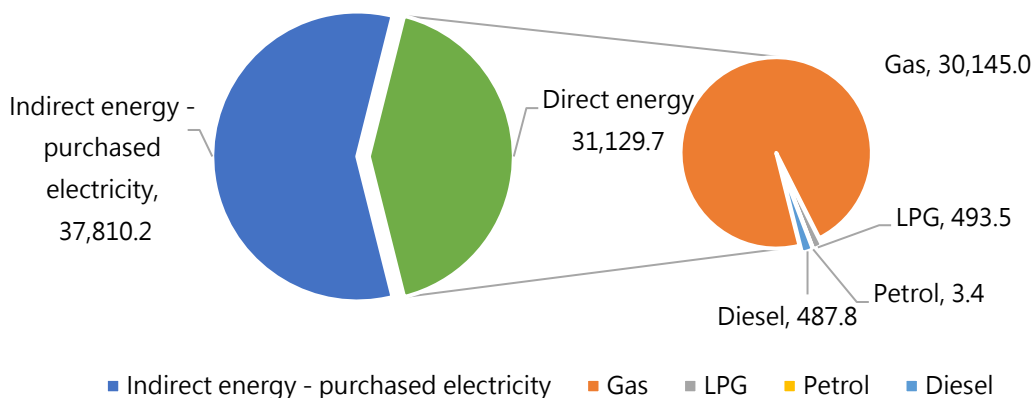
The Group is aware of the fact that although it is unable to control the volume of food waste, the related issue is one of the public concerns. The Group has participated in the "Food Wise Eateries" Scheme and received the Silver Award, striving to promote environmentally-friendly messages to the public, reduce food waste and encourage the idea of cherishing food. During the Reporting Period, the Group also participated in the EatSmartRestaurant Campaign, promoted EatSmart Snacks and lived a low-carbon lifestyle.

## Use of Resources

The main resources used by the Group included town gas, electricity, water, paper used for order-taking and menus, as well as plastic bags and boxes for takeaway packaging. To enhance the efficiency in the use of resources continuously, the Group implemented the "Consumption Reduction Management" to formulate standardised consumption reduction data to assess the consumption of electricity, town gas and consumables of each department in restaurant branches on a monthly basis. The Internal Audit Department (Operation) is responsible for evaluating the reasonableness in the resources usage based on the consumption data. If the performance of a shop fails to meet the standard, the Group will schedule a meeting with the shop manager to evaluate the cause, or the Internal Audit Department (Operation) will conduct an inspection at the shop and discuss measures for improvement.

### Energy

During the Reporting Period, the total energy consumption increased by 7.6% compared to the previous reporting period, mainly due to an increase in the Group's turnover compared to the previous year as the COVID-19 pandemic subsided. In 2022, the Group's total energy consumption was 68,939.9 MWh, which were mainly attributed to the electricity and town gas used in the operations. The total direct energy consumption and total indirect energy consumption increased by 15.2% and 2.004% respectively compared to the previous reporting period, while the energy intensity was 0.05 MWh/HK$ thousand turnover, representing a decrease of 16.7% compared to the previous reporting period.



Indirect energy - purchased electricity, 37,810.2

Direct energy 31,129.7

Gas, 30,145.0

LPG, 493.5

Petrol, 3.4

Diesel, 487.8

■ Indirect energy - purchased electricity  ■ Gas  ■ LPG  ■ Petrol  ■ Diesel

The Group regards the direction of reducing energy intensity continuously as the target and is aware that implementing a number of energy-saving measures can reduce cost of operation. The stores of the Group will continue to adopt advanced energy-saving measures and replace equipment such as stores' lighting, gas stoves, etc. with a more energy-saving version to increase energy use efficiency.

## Water Resources

During the Reporting Period, the Group's total water consumption was 658,559 cubic metres with an increase of 30% compared to the previous reporting period, mainly due to an increase in the Group's turnover compared to the previous year as the COVID-19 pandemic subsided. The Group did not encounter any issue in sourcing water in the 2022 financial year. However, the Group understands the importance of water conservation and continues to enhance the efficiency of the use of water resources through water resources management measures. During the Reporting Period, the Group continued to optimise the production process such as formulating stringent regulations on the use of water resources, and raised the environmental protection awareness of employees through trainings to reduce the waste of water resources.

## The Environment and Natural Resources

The Group pays attention to the impact of its business operations on the environment and natural resources, complies with laws and regulations during the course of its daily operations, and continuously monitors its operations to meet the emission requirements. Fulum Group understands that climate change can bring legal, compliance, operational and economic risks to the Group. In light of this, the Group plans to establish climate change policies, identify relevant climate change risks, and set relevant environmental targets in the coming year to manage the impact of climate change on the Group.

As the customers are getting more concerned about the use of ingredients and their impact on the environment, the Group continued to cooperate with environmental organisations, including the cooperation between its restaurant MeokBang and Green Monday to provide discounted vegetarian meals, the participation in the Hong Kong Green Day to provide discounts on designated meals, and the participation in the scheme of EatSmart Restaurant to promote the low-carbon living style and reduce customers' carbon footprint. During the Reporting Period, Fulum Group added plant-based meat dishes to further promote green eating habits. In addition, apart from participated in the "Green Purchasewise Performance Scheme" launched by the Hong Kong Federation of Restaurants & Related Trades (the "HKFORT"), the Group also supported the "Hong Kong Green Purchasing Guidelines for Food and Beverage Sector" formulated by the HKFORT and the Green Council.

## Climate Change

The Group regards the disclosure recommendations under the Task Force on Climate-related Financial Disclosures ("TCFD") structure as the benchmark, setting policies in compliance with the idea of sustainable development which will gradually be in line with the disclosure standards of the TCFD in the future. Besides, the Group has identified environmental and social risks with significant impacts on the Group's operation and business and formulated relevant alleviating strategies. In addition, in order to address extreme weather, the Group has formulated relevant measures such as "Special Arrangement under Storm/Black Rainstorm Warning Signal for Office", etc. to minimise the adverse impacts brought by extreme weather. The Board also pays attention to the impacts brought by climate change and improves the Group's performance of addressing climate change by including the issue in meeting discussions and studying strategies of peer companies.

# COMMUNITY INVESTMENT

The Group has formulated the "Fulum Group Community Investment Policy". To give back to the society, the Group helped those in need through sponsorships and donation activities. The policy follows the six principles as the basis for planning community activities, including 1) meeting the needs and expectations of the community and complying with the local culture, customs and values; 2) setting up clear goals; 3) building long-term partnerships with community organisations; 4) encouraging employees to participate in community investment activities; 5) assessing the effectiveness and impact of community investment activities regularly; and 6) stiving to avoid conflicts of interest and maintaining neutrality. The activities that the Group participated in and organised are based on the above principles. In addition, the Group's Positive Energy Team serves as a bridge between the Fulum Group and the community. The Positive Energy Team provides services to the residents in different districts by leveraging on the Group's advantages of owning operating points in every district in Hong Kong. During the Reporting Period, the Group has a total of 12 volunteers, contributing 36 hours of volunteer work to the area of environmental issues and giving cash-donations of HK$25,000 to the area of culture.

During the Reporting Period, the Group organised and participated in the following activities:

| Activity | Activity content |
|---|---|
| **Rice Dumplings Purchasing (糭有愛相隨)** | • Donated HK$25,000 to the Senior Citizen Home Safety Association, providing festive warmth and care for the elderly in need. |
| **Flag Selling Day by Senior Citizen Home Safety Association** | • Recruited 12 volunteers to sell fund-raising flags for the Senior Citizen Home Safety Association. The total hours spent for voluntary activities were 36 hours. |
| **Mooncake Sponsorship** | • Sponsored over 5,000 mooncakes for charitable activities to send festival blessings to those in need during Mid-Autumn Festival. |
| **New Year Pudding Sponsorship** | • Sponsored 1,500 new year puddings for charitable activities to create a festive atmosphere for those in need during the Lunar New Year. |

# OVERVIEW OF KEY PERFORMANCE INDICATORS

## Environmental Performance (TBC)

| | 2022[6] | 2021 | Unit |
|---|---|---|---|
| **Air Emissions** | | | |
| Nitrogen oxides | 3,104.0 | 1,591.8 | kg |
| Sulphur oxides | 3.0 | 2.8 | kg |
| Respirable suspended particulates | 263.1 | 119.5 | kg |
| **Greenhouse gas emissions in total and intensity** | | | |
| Scope 1[7] | 7,219.3 | 6,332.2 | tonnes of $CO_2$ equivalent |
| Scope 2[8] | 17,577.4 | 15,512.1 | tonnes of $CO_2$ equivalent |
| Scope 3[9] | 621.8 | 524.4[10] | tonnes of $CO_2$ equivalent |
| Total GHG emissions (Scope 1, 2 and 3) | 25,418.5 | 22,368.7 | tonnes of $CO_2$ equivalent |
| GHG intensity (by turnover) | 17.5 | 19.1 | tonnes of $CO_2$ equivalent/HK$ million |
| **Total non-hazardous waste and intensity[11]** | | | |
| Total non-hazardous waste produced | 72.1 | 64.9 | tonnes |
| Non-hazardous waste intensity (by turnover) | 0.05 | 0.055 | tonnes/HK$ million |
| **Total energy consumption** | | | |
| Direct energy[12] | 31,129.7 | 27,025.9 | MWh |
| Indirect energy[13] | 37,810.2 | 37,067.5 | MWh |
| Total energy consumption | 68,939.9 | 64,093.4 | MWh |
| Energy intensity (by turnover) | 0.05 | 0.06 | MWh/HK$ thousand |
| **Water consumption in total[14]** | | | |
| Water consumption in total | 658,559 | 506,583 | cubic metre |
| Water consumption intensity (by turnover) | 0.5 | 0.4 | cubic metre/HK$ thousand |
| **Total packaging material used for finished products and intensity** | | | |
| Total packaging materials used | 30.5 | 24.0 | tonnes |
| Intensity of packaging materials used (by turnover) | 0.02 | 0.02 | tonnes/HK$ million |

[6] During the Reporting Period, most of the resources used by Fulum Group were in an upward trend, mainly due to the alleviation of the COVID-19 pandemic. At the same time, there is an increase in the Group's turnover compared to the previous year.

[7] Scope 1 is generated from the consumption of LPG and town gas in kitchen stoves, vehicle diesel and petrol.

[8] Scope 2 is generated from the consumption of purchased electricity and town gas.

[9] Scope 3 is generated from water and sewage treatment, paper used in office and restaurant. A total of 4.4 tonnes of paper was recycled during the Reporting Period.

[10] The emissions under scope 3 have been updated due to the updated water consumption in total and water consumption intensity.

[11] Only includes the disposal of edible oil.

[12] Direct energy includes the consumption of LPG and town gas in kitchen stoves, vehicle diesel and petrol.

[13] Indirect energy includes the consumption of purchased electricity.

[14] Water consumption in total and water consumption intensity in 2021 have been updated to reflect a more accurate figure.

## Social Performance

| Number of employees[15] | | Category number | Total staff number |
|---|---|---|---|
| **By gender** | Male | 777 | |
| | Female | 1,091 | |
| **By rank** | Top management | 7 | |
| | Senior management | 42 | |
| | Middle management | 598 | |
| | General staff | 1,221 | |
| **By age group** | Below 30 | 286 | 1,868 |
| | 30 - 40 | 494 | |
| | 40 - 50 | 378 | |
| | Above 50 | 710 | |
| **By employment type** | Full-time | 1,791 | |
| | Part-time | 77 | |
| **By region** | Hong Kong | 1,598 | |
| | Mainland China | 270 | |

| Number of new employees and ratio of new hire[16] | | Category number | Total number | Average monthly ratio of new hires | |
|---|---|---|---|---|---|
| | | | | **2022** | **2021** |
| **By gender** | Male | 281 | | | |
| | Female | 396 | | | |
| **By age group** | Below 30 | 182 | 677 | 3.0% | 6.1% |
| | 30 - 40 | 107 | | | |
| | 40 - 50 | 182 | | | |
| | Above 50 | 206 | | | |

| Number of employees turnover and turnover rate[17] | | Category number | Total number | Average monthly turnover rate | |
|---|---|---|---|---|---|
| | | | | **2022** | **2021** |
| **By gender** | Male | 766 | | | |
| | Female | 989 | | | |
| **By age group** | Below 30 | 452 | 1,755 | 7.8% | 2.6% |
| | 30 - 40 | 286 | | | |
| | 40 - 50 | 374 | | | |
| | Above 50 | 643 | | | |

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[15] Number of individuals as of 31 March 2022.

[16] Due to the characteristics of the catering industry, some employees of the Group joined and left the Group more than once during the Reporting Period, which is also reflected in the new hire rate.

[17] Due to the characteristics of the catering industry, some employees of the Group joined and left the Group more than once during the Reporting Period, which is reflected in the turnover rate.

| Total number of reported work injuries and lost days due to work injury[18] | Total |
|---|---|
| Reported cases of work injury | 20 |
| Lost days due to work injury | 3,760 |

| Number and rate of employees receiving training[19, 20] | | Category number | | Total | |
|---|---|---|---|---|---|
| **By gender** | Male | 637 | 82.0% | | |
| | Female | 808 | 74.1% | | |
| **By rank** | Top management | 7 | 100% | 1445 | 77.4% |
| | Senior management | 37 | 88.1% | | |
| | Middle management | 347 | 58.0% | | |
| | General staff | 1,054 | 86.3% | | |

| Average training hours of employees receiving training (hours) | | Category average hours | Total average hours |
|---|---|---|---|
| **By gender** | Male | 1,593.5 | |
| | Female | 2,828 | |
| **By rank** | Top management | 17.5 | 3.1h |
| | Senior management | 111.5 | |
| | Middle management | 967.5 | |
| | General staff | 3,324 | |

| Number of suppliers[21] | Number |
|---|---|
| Hong Kong | 142 |
| Mainland China | 4 |

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[18] From 2020 to 2022, the rate of fatality due to work is 0%.

[19] The breakdown of employees receiving training by gender: female (74.1%) and male (82.0%); the breakdown of employees receiving training by employment category: top management (100%), senior management (88.1%), middle management (58.0%) and general staff (86.3%).

[20] The percentage of employees receiving training = the number of employees in the relevant category/number of employees in the relevant category.

[21] All suppliers are active suppliers during the Reporting Period. The products and services provided by the suppliers to the Group include food, printing, packaging supplies, cleaning supplies, uniforms, fuels, tableware, installations, equipment, systems, repair and maintenance and laboratory service.

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|---|---|---|
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