



Xiabuxiabu Catering Management (China) Holdings Co., Ltd.

呷哺呷哺餐飲管理(中國)控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 520

# 2022

Environmental, Social and  
Governance Report



## ABOUT THIS REPORT

### REPORTING PERIOD

This report covers the period from 1 January 2022 to 31 December 2022, with some information and figures tracing back to earlier years beyond the stated reporting period.

### PUBLICATION CYCLE

This report is an annual report.

### ORGANIZATIONAL SCOPE

For information regarding the reporting scope, please refer to the organizational structure chart of Xiabuxiabu Catering Management (China) Holdings Co., Ltd..

### COMPILATION GUIDELINES

This report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) issued by the Hong Kong Stock Exchange, as well as the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB) and the Guidance on Fulfillment of Corporate Social Responsibility by Chain Stores & E-Commerce Platforms (《實體連鎖企業／互聯網消費平台社會責任實施指南》) (2021 Edition) issued by the China Chain Store & Franchise Association (CCFA).

### ESG REPORTING PRINCIPLES

**Materiality:** In compliance with the materiality principle of the Stock Exchange, this report makes disclosure on the ESG related issues considered by the board of directors and the ESG Working Group, stakeholder communication, identification process of materiality issues and the matrix of materiality issues, details of which are set out in the respective section below.

**Quantitative:** Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the annotations of the report.

**Balance:** This report shall provide an unbiased picture of the performance of the Group during the reporting period and shall avoid selections, omissions or presentation formats that may inappropriately influence the readers’ decisions or judgment.

**Consistency:** The statistical methodologies applied to the data disclosed in this report shall be consistent.

### DATA SOURCE

All the data in this report are derived from the official documents and statistical reports of Xiabuxiabu Catering Management (China) Holdings Co., Ltd..

### REFERENCE

In order to facilitate the presentation and reading, the words “Xiabuxiabu”, “the Company” or “we” in this report refer to “Xiabuxiabu Catering Management (China) Holdings Co., Ltd.”. Unless otherwise specified, the currency unit “Yuan” used in the report refers to “RMB”.

### ACCESS TO THE REPORT

The electronic version of the report is available at the Company’s website (<http://www.xiabu.com/>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>).

This report is published in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

### ESG GOVERNANCE STATEMENT FROM THE BOARD

Xiabuxiabu Catering Management (China) Holdings Co., Ltd. undertakes that the Company strictly complies with the disclosure requirements under the Environmental, Social and Governance Reporting Guidelines issued by the Hong Kong Stock Exchange. This report has been considered and approved by the Board for publication. In FY2023, the board of directors of the Company will further advance its ESG governance system to promote continuous improvement in its ESG performance.

# CONTENTS

<b>CHAIRMAN'S MESSAGE</b>	<b>3</b>
<b>ESG MANAGEMENT</b>	<b>4</b>
ESG MANAGEMENT MECHANISM	4
STAKEHOLDER COMMUNICATION	5
MATERIALITY ISSUES ANALYSIS	7
<b>THEME 1: CREATING THE BRAND "SHAOHOT" AND LEADING THE TREND OF CATERING</b>	<b>8</b>
BRAND CONCEPT	8
BUSINESS MODEL	8
BRAND ADVANTAGES AND CHARACTERISTICS	9
<b>THEME 2: "INTEGRATION OF FOCUS" TO ESTABLISH XIABUXIABU'S MEMBERS MANAGEMENT SYSTEM</b>	<b>11</b>
PROMOTION OF TECHNOLOGY	11
FOR CUSTOMER	11
FOR CORPORATE	12
<b>1. ABOUT US</b>	<b>13</b>
1.1 COMPANY PROFILE	14
1.2 COMPLIANCE OPERATION	16
1.3 REVIEW OF OPERATING RESULTS	20
1.4 HONOURS AND AWARDS	21
1.5 LEADING INDUSTRY DEVELOPMENT	22

<b>2. REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE</b>	<b>23</b>
---	-----------

2.1 IMPROVING SUPPLY CHAIN SYSTEM	24
2.2 CONTINUOUS DIVERSIFIED INNOVATIONS	27
2.3 ADHERING TO CUSTOMER-ORIENTED	34

<b>3. GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY</b>	<b>35</b>
---	-----------

3.1 OPTIMISATION OF ENERGY USE	36
3.2 OPTIMISATION OF EMISSION CONTROL	43
3.3 PROMOTION OF GREEN CONCEPT	46

<b>4. PEOPLE ORIENTED AND PRACTICING SOCIAL RESPONSIBILITY</b>	<b>49</b>
--	-----------

4.1 PROTECTING RIGHTS AND INTERESTS OF THE EMPLOYEES	50
4.2 PROMOTING CARE FOR EMPLOYEES	54
4.3 PROMOTING EMPLOYEE DEVELOPMENT	59
4.4 PRACTICING SOCIAL RESPONSIBILITY	63

<b>FUTURE OUTLOOK</b>	<b>67</b>
-----------------------	-----------

<b>SUPPORT UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS (SDGs)</b>	<b>68</b>
---	-----------

<b>ESG INDEX</b>	<b>70</b>
------------------	-----------

<b>GRI STANDARDS INDEX</b>	<b>76</b>
----------------------------	-----------

<b>READER FEEDBACK FORM</b>	<b>79</b>
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**Mr. Ho Kuang-Chi**  
Chairman of the Board

## CHAIRMAN'S MESSAGE

2022 was still a difficult and challenging year for the catering industry. In the face of the difficult times of the industry, Xiabuxiabu still maintained the spirit of being proactive and innovative. We practiced internal skills, continuously made breakthroughs and carried out deployment and planning for business expansion in advance, achieving a series of innovation achievements in the industry.

**We expanded steadily and opened one new restaurant every 4 days on average.** In 2022, Xiabuxiabu opened a total of 86 new restaurants, including 41 Xiabuxiabu restaurants, 44 Coucou restaurants and 1 Shaohot restaurant. The newly opened restaurants will bring new business growth to the Company after the pandemic in 2023.

**We launched a new brand “Shaohot”, which was another new growth point.** In September 2022, the first store of the new mid-to-high-end happy barbecue brand “Shaohot” was officially opened in Shanghai after elaborate improvement for eight years. It effectively integrated the business forms and elements such as barbecue, wine and tea, and joy, and created a new business model of “catering +”, which not only satisfied the needs of consumers for delicious food, but also achieved a happy emotional resonance with consumers.

**We have opened up the brand system to accelerate digital transformation.** In 2022, the Company opened up the digital platforms for brands and businesses such as Xiabuxiabu, Coucou, Shaohot and Xiabu Food to form synergies and promote the innovation and development of the overall business. In particular, the multi-brand member system of Xiabuxiabu was successfully launched in August 2022, and a series of digital marketing focusing on 30 million members was launched to provide digital tools for the Company’s strategy of “simultaneous development of multiple brands” and “merger or acquisition of new products”.

**We implement the strategy of dual head offices in Beijing and Shanghai to facilitate expansion.** In order to better expand its business layout, Xiabuxiabu established its second management head office in Shanghai in April 2022, which officially launched the dual head offices management model in Beijing and Shanghai. Through the establishment of the second management head office, it attracted more outstanding talents to join us, and also facilitated the implementation of expansion strategy of “expansion into the Eastern regions and entering the Southern regions”.

**We deployed the international catering market and accelerated the journey of internationalization.** In 2022, Xiabuxiabu officially implemented the strategy of entering the international catering market. The first overseas restaurant of Coucou was successfully launched in Singapore. We believed that the new layout of the international market would bring more development opportunities and new growth points for the Company.

In 2022, with the efforts of all the employees of Xiabuxiabu, we implemented work on a case-by-case basis under the guidance of the established strategic objectives. This is the best embodiment of Xiabuxiabu’s corporate values of “unity, pragmatism, integrity, dedication and innovation”. We always regard serving every customer well as our long-term management goal. We actively fulfil our corporate social responsibility, and are committed to providing consumers with considerate services and high-quality food, caring for our employees, adhering to green operation, participating in social welfare, and striving to promote the sustainable development of economy, society and environment.

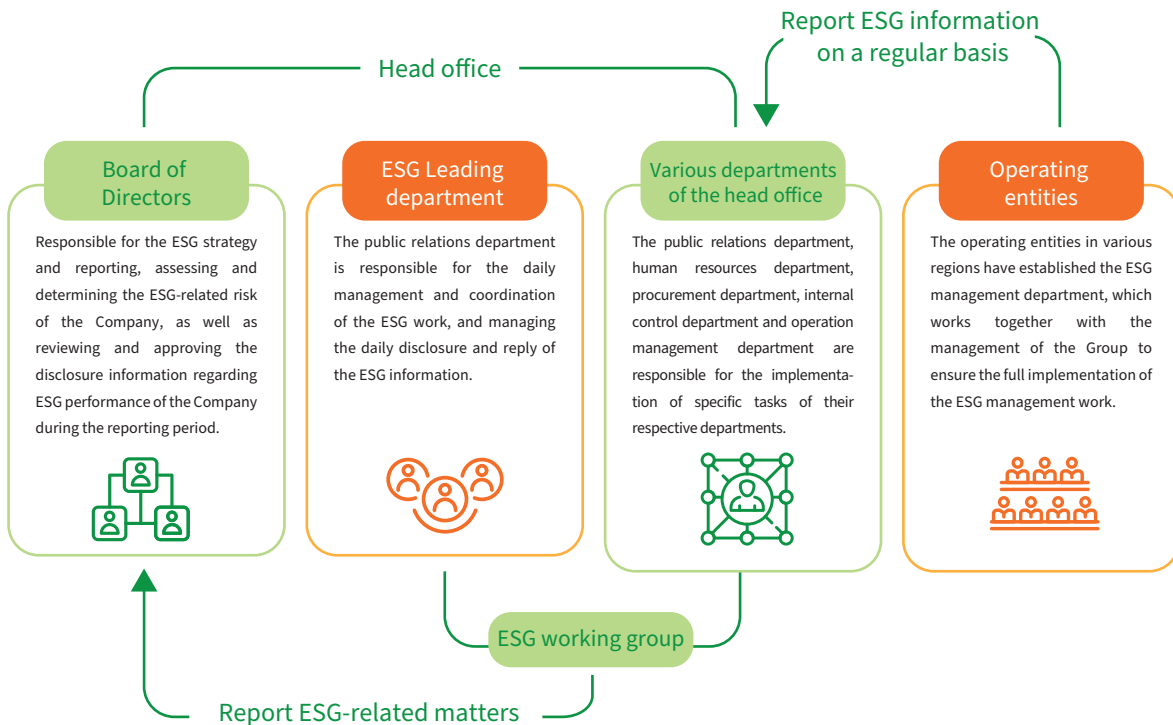
As at 31 December 2022, Xiabuxiabu owned and operated 801 Xiabuxiabu restaurants in 123 cities of 25 provinces and autonomous regions and 3 municipalities directly under the Central Government (Beijing, Tianjin and Shanghai) in the PRC; and the Group also owned and operated 224 Coucou restaurants in 50 cities of 26 provinces and 3 municipalities directly under the Central Government (Beijing, Tianjin and Shanghai), Hong Kong in the PRC and Singapore.

# ESG MANAGEMENT

## ESG MANAGEMENT MECHANISM

Xiabuxiabu has established an interlinked ESG management mechanism to ensure that our ESG efforts are carried out in an orderly manner. The board of directors of the Company is responsible for the development of ESG strategy and reporting thereon, and is also responsible for reviewing and making decisions on the material ESG-related issues of the Company. Our ESG working group, which consists of various departments involved in employees, food safety, public welfare and other ESG issues, takes the responsibility of reporting ESG matters to the Board of Directors.

The public relations department of our head office which acts as the leading department of the ESG working group is responsible for the coordination and arrangement of the ESG work, while other departments of the head office are responsible for the implementation of specific tasks as well as maintaining and reporting the annual ESG information regarding the issues handled by the respective departments, coordinating the task implementation and information reporting by each operating entity, and assigning a contact person for the ESG work who is responsible for the coordination and management of the issues handled by the department that he works for. The relevant departments of local operating entities carry out the implementation of specific tasks in accordance with the requirements of the head office and report the ESG information on a regular basis, so as to establish an effective system for synergetic effect and coordination.



ESG MANAGEMENT

**STAKEHOLDER COMMUNICATION**

Maintaining communication with stakeholders and actively responding to the demands of stakeholders is an important cornerstone for Xiabuxiabu to practise ESG management. The Company actively listens to the suggestions of all stakeholders in its daily operations. Through diversified communication channels, the Company continues to maintain its communication with the government and regulatory authorities, investors, consumers and other stakeholders, establishes diverse communication channels, continuously listens to the expectations and demands of stakeholders, and responds to their opinions in a timely manner. While operating in accordance with laws and regulations, we also fulfil our society responsibility and create value for the stakeholders.

From the perspective of sustainable development, the Company organizes and develops a communication table on stakeholders to provide a basis for the identification of its materiality issues.

Stakeholders	Communication mode	Expectations and aspirations	Our response
Government and regulatory authorities	<ul style="list-style-type: none"> <li>Daily communication</li> <li>Submission of information</li> <li>Meetings and workshops</li> </ul>	<ul style="list-style-type: none"> <li>Compliance operation</li> <li>Stringent internal control and risk management</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing compliance operation</li> <li>Fulfilling tax obligations</li> <li>Strengthening risk management</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Regular information disclosure</li> <li>General meetings</li> <li>Daily communication</li> <li>Official website</li> <li>Dedicated Investor Relations Contact Information</li> </ul>	<ul style="list-style-type: none"> <li>Satisfactory operating results</li> <li>Sustained and steady growth</li> <li>Operation with integrity and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Constantly improving our ability to create value</li> <li>Enhancing corporate risk management</li> <li>Promoting transparent and open information disclosure</li> <li>Enhancing investor management</li> </ul>
Media and non-governmental organisations	<ul style="list-style-type: none"> <li>Social media</li> <li>Press conference</li> <li>Exchange meetings</li> <li>Official websites</li> </ul>	<ul style="list-style-type: none"> <li>Propagating corporate strategic plan to external parties</li> <li>Obtaining public awareness of the Company and its brands</li> <li>Establish a convenient, smooth and reasonable communication mechanism with the public</li> </ul>	<ul style="list-style-type: none"> <li>Establishing domestic and foreign media matrixes</li> <li>Holding press conferences regularly</li> <li>Releasing corporate strategic information regularly</li> <li>Regularly participating in exchange meetings for further engagement with the public</li> </ul>

## ESG MANAGEMENT

Consumers	<ul style="list-style-type: none"> <li>Complaint hotline</li> <li>Message interaction through official Weibo account and WeChat account</li> <li>Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Food safety</li> <li>Efficient and quality service</li> <li>Nutritious, healthy and diversified product mix</li> <li>New brand building</li> </ul>	<ul style="list-style-type: none"> <li>Directly-operated chain stores</li> <li>Implementing strict control over food procurement</li> <li>Adopting centralised distribution approach</li> <li>Elaborately preparing ingredients</li> <li>Researching and developing new products</li> <li>Developing new brands which adapt to the market</li> <li>Optimising dining environment</li> <li>Safeguarding consumers' rights and interests</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Advocating the concept of environmental protection</li> <li>Adhering to the strategy of sustainable development</li> <li>Disclosure of environmental information</li> </ul>	<ul style="list-style-type: none"> <li>Supporting energy conservation and emission reduction, and promoting low-carbon lifestyle</li> <li>Emission of greenhouse gas (GHG)</li> <li>Kitchen wastes generated</li> <li>Energy consumption</li> <li>Resource conservation</li> <li>Sticking to the strategy of green sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Promoting environmentally friendly and low-carbon restaurant operation</li> <li>Strictly managing treatment of kitchen wastes</li> <li>Garbage sort-out</li> <li>Reducing use of plastic products and generation of wastes</li> <li>Actively advocating the concept of green office</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Training exchange</li> <li>OA platform announcement</li> <li>Team building activities</li> <li>Workshop communication</li> <li>Performance management mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Protecting the legitimate rights and interests of the employees</li> <li>Remuneration and benefits</li> <li>Providing fair and equal employment opportunities</li> <li>Providing diversified development and promotion opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Implementing fair recruitment practice</li> <li>Providing diversified training and study programs</li> <li>Providing smooth career development path</li> <li>Organising staff activities to promote a healthy work-life balance</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>Supplier assessment</li> <li>Cooperation agreements</li> <li>Regular visits</li> </ul>	<ul style="list-style-type: none"> <li>Fair procurement policy and fulfillment of promises</li> <li>Ensuring food quality and safety</li> <li>Local procurement</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing procurement management</li> <li>Implementing "farm-to-table" project</li> <li>Implementing global procurement</li> <li>Implementing fair and open procurement</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community activities</li> <li>Community services</li> </ul>	<ul style="list-style-type: none"> <li>Promoting safety compliance operation</li> <li>Organising activities for community charity to promote community harmony</li> <li>Implementing green operation</li> </ul>	<ul style="list-style-type: none"> <li>Opening restaurants in communities</li> <li>Enhancing restaurant safety management</li> <li>Organising public welfare activities</li> </ul>

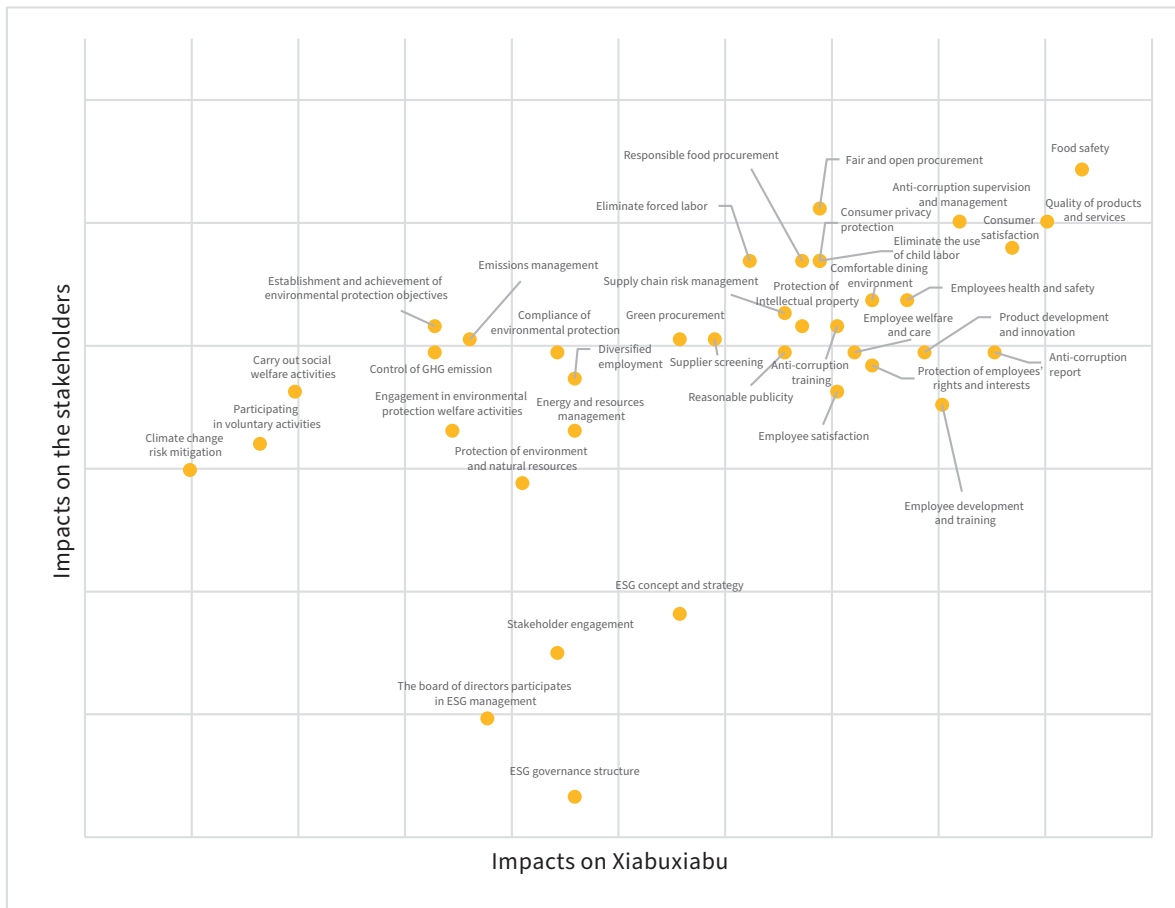


ESG MANAGEMENT

**MATERIALITY ISSUES ANALYSIS**

With reference to the Environment, Social and Governance (ESG) Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the international standards, Xiabuxiabu carried out assessment and analysis on the ESG-related issues through questionnaire survey, interview, communication and other means led by the ESG Working Group based on their respective importance to the stakeholders and the Company, and sorted out and prepared the below ESG materiality matrix. Details on the management of the material ESG issues identified will be disclosed in this report.

During the reporting period, the Group, on one hand, sorted out the concerns over the Company by the stakeholders of various department during the daily operation, and on the other hand, handed out questionnaires to the stakeholders such as the government and regulatory authorities, investors/shareholders, the Board, employees, consumers, suppliers, business partners, peer companies, the public, media, non-governmental organisations, the experts, and received 169 completed questionnaires. The survey results from communication with external stakeholders served as the basis for the preparation of ESG-related issues focused by the stakeholders, while the survey results from communication with the management such as the senior management of the Company served as the basis for the determination of issues that are important to the Company. We developed the ESG materiality matrix of the Group through assessment, identification and sort-out of these issues and made detailed disclosure in respect of such issues.



# THEME 1: CREATING A NEW BRAND OF “HAPPY BARBECUE” SHAOHOT TO LEAD THE TREND OF CATERING

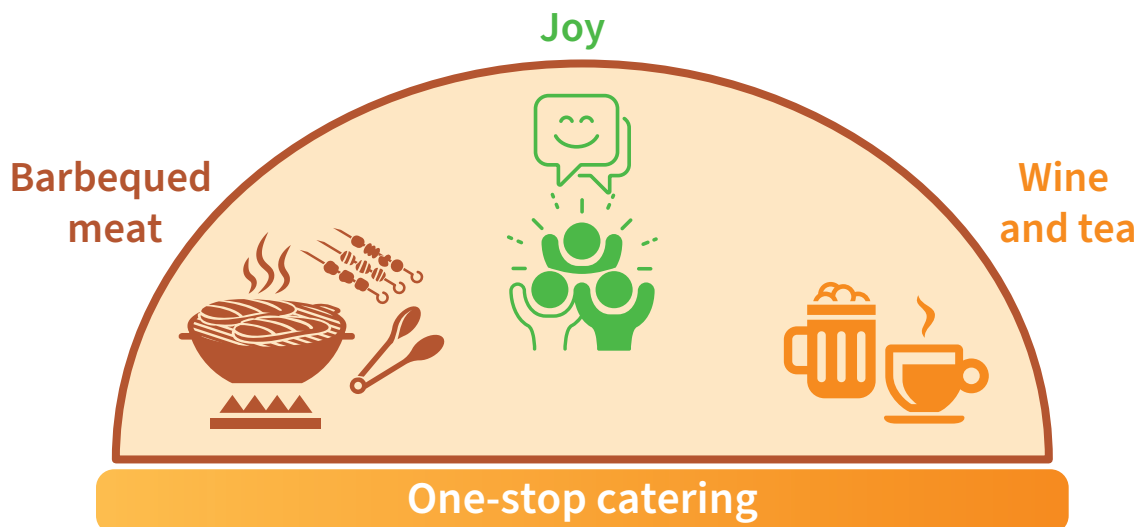
In 2022, Xiabuxiabu officially laid out the sector of barbecue and launched a new brand of “Happy Barbecue” Shaohot. In September 2022, the first store of Shaohot was opened in SML Centre, Dapujiao, Shanghai (上海打浦橋日月光中心). In the first month of operation of the new brand, consumers, KOL bloggers, institutional investors, persons from the field of commercial real estate and other fields were attracted to visit. In the first month, the customer traffic exceeded 8,000, the number of queuing consumers during the peak period exceeded 100, the peak seat turnover rate exceeded 6.0, and the store received a rating of 4.8 from consumers on Dianping. In 2023, Shaohot plans to expand its layout in first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen, and the number of stores is planned to exceed 100 in the next three years.

## BRAND CONCEPT

“Shaohot”, derived from the Hokkien word of “Eating while hot”, shows that the culinary mystery of how food ingredients can be stimulated by the heat control to produce the best taste, and embodies the Chinese people’s warm and sincere hospitality. Shaohot presents not only a diversified one-stop catering for high-quality barbecue, wine and tea and a happy atmosphere, but also conveys a delightful atmosphere where guests and hosts can enjoy the joy and happiness. The self-proclaimed proposition of happy barbecue of “Shaohot” is to capture the palate of all diners by demonstrating a youthful lifestyle, thus creating brand IP and expressing a unique brand attitude. It not only presents delicious food, but also creates a happy scene that breaks constraints, demonstrates personality and enjoys a good life. Our concept is to enjoy the moment while you are in Shaohot, and live up to the present. Shaohot is not concerned about the passage of time, on the contrary, it thanks the warmth brought by the time; good things are fleeting, but consumers can always feel the joy while they are in Shaohot.

## BUSINESS MODEL

Led by Ho Kuang-Chi, the founder and Chairman of the Board of Xiabuxiabu, the team has dedicated itself to build a new catering business format which has been improved for eight years and pioneered the unprecedented “catering +” business model: “Barbecue Wine and Tea + Joy” diversified business format, allowing 60% to 70% of consumers to enjoy delicious food and 30% to 40% of consumers to enjoy happiness. We plan to build the first brand of “Happy Barbecue” with wine, meat and joy.



## THEME 1: CREATING A NEW BRAND OF "HAPPY BARBECUE" SHAOHOT TO LEAD THE TREND OF CATERING

### CORE BRAND ADVANTAGES AND CHARACTERISTICS

#### • High-quality food ingredients

Unlike ordinary barbecue, Shaohot's ingredients, dishes and services are characterised by a combination of "domestic + international". For example, the main hot-selling beef adopts the diaphragm muscle near the abdominal part of the cow, which is rich in taste and fragrance. The diaphragm muscle is a very rare part of a cow and very little of it can be taken from each cow. Shaohot created this product as "born for barbecue" to meet customers' desire for high-end barbecue. Another high-end product of Shaohot is the freshly cut "wagyu ribeye steak", which is a food ingredient that will only appear in top wagyu restaurants. In Shaohot, consumers can cut and roast at the moment, and experience the advanced sense and service of dining. The lamb of Shaohot comes from the lamb processed at the Company's plant in Xilingol League, Inner Mongolia. It is also a China geographical label product.



#### • Featured Wine and Tea

Shaohot's wine and tea are also one of the characteristics of the brand. Shaohot mainly offers craft beers to consumers, including traditional German Style Stout, Gose Sour Beer, Belgian Tripel Beer, and the popular Kirin Ichiban Shibori Premium in Shanghai. Tea drinks are the "Tea Wine tipsy-series" tailor-made by the professional team of Tea Mi Tea. Among them, the tea drinks such as Vodka Longjing milk tea (伏特加龍井奶茶) and Perrigan red robo milk tea (百利甜大紅袍奶茶) have become popular among consumers.



## THEME 1: CREATING A NEW BRAND OF "HAPPY BARBECUE" SHAOHOT TO LEAD THE TREND OF CATERING

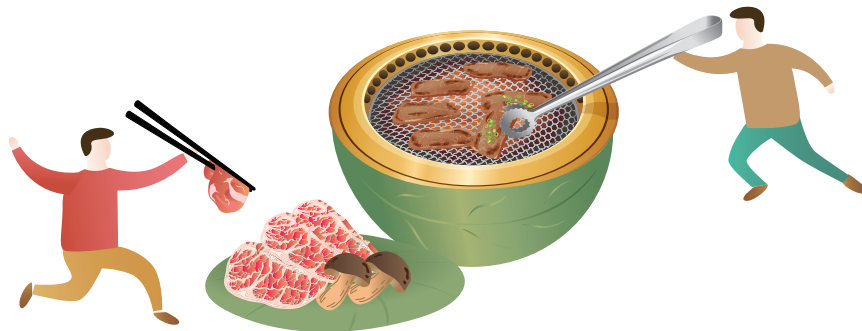
### • Happy atmosphere

Shaohot focuses on advocating that the "joy" element is interactive, allowing consumers to experience joy while enjoying food and ultimately generate emotional resonance. To this end, Shaohot arranges its stores into fashion styles such as izakaya and night-time stores, sets multiple TV screens in the store, and launches a large number of interactive games, sports event broadcast, time-limited discounts and other activities on the spot, gradually enhancing the diversified dining experience of users through the "Internet of Things" mode, so that consumers in the store can truly experience the joy of gathering.



### • Set meal based, separate order supplemented

With the introduction of various cost-effective set meals, Shaohot adopted a flexible model that focuses on set meals and takes into account separate order, so as to attract more consumers with a compound business model. The cost-effective set meals experience has increased the brand appeal of Shaohot.



## THEME 2: “INTEGRATION OF FOCUS” TO ESTABLISH MULTI-BRAND MEMBERSHIP MANAGEMENT SYSTEM

In accordance with its strategic planning, Xiabuxiabu has established a multi-brand members management system which was officially launched at the end of August 2022, striving to become a leading group members system in the catering industry. The system integrates various brands such as Xiabuxiabu, Coucou, Tea Mi Tea, Shaohot and Food Mall, so that customers can share a members system and a set of points rules, and the stored value balance is common across brands with only one registration. At the same time, the system is also open to the public, seeking more high-quality brands to join, forming an open and shared “life +” platform in the industry, and continuously improving the experience of consumers.

### TECHNOLOGY FIRST

The multi-brand members system integrates multiple front-end and back-end systems such as membership, cashier, BOH, ERP and fee control, using Nginx unified deployment to support high complications and good scalability; using RESTAPI and JSON to unify interface standards and data formats; the use of RabbitMQ ensures the stable and reliable data transmission of the front-end system under high complications; using idempotence check to ensure data consistency; the system stability is ensured through interface early warning, alarm and circuit breaker mechanisms; through the abnormal monitoring centre, real-time monitoring of the operation of each node is conducted to quickly discover and locate abnormal conditions to ensure the continuous operation capability of the system.

### FOR CUSTOMERS

#### One identity for sharing member benefits



- In the past, consumers must register members for each brand. Nowadays, they can become multi-brand members only once they are registered for any of the Company’s brands, reducing the burden of multiple registrations for members in several brands.

#### The points can be accumulated and exchanged across brands and the balance can be used across brands



- Consumers can enjoy convenience and benefits such as accumulating and exchanging the points across brands, using the balance cross brands, transferring stored value and giving as much as the amount of topping up. For example, consumers can eat hotpot and drink milk tea in different brands and stores, and can also purchase condiment products such as hotpot soup flavouring and dipping sauce on Xiabuxiabu food mall; the stored value balance can also be given to friends and relatives as a special gift given during the Spring Festival or special festivals.

#### Ten long-term privileges



- Each grade will also have different upgrade privileges, birthday privileges, new product tasting privileges, offline event privileges, queuing privileges, and snack privileges. The higher the grade, the more exclusive rights you own. If the grade reaches the highest level of black diamond member card, it can also enjoy the brand’s privileges such as no queue and no small seasoning fee.

#### Improving consumer experience



- The refreshing mini programme has combined the functions of dine-in ordering, self-pickup and delivery, points mall and retail mall, greatly improving the convenience and consumption experience of consumers; in the future, the Group will also launch interactive activities and functions such as games on the platform of the members system, so as to improve the stickiness and repurchase rate of consumers.






#### Intelligent recommendation



- Members can receive a push of systematic and intelligent marketing activities. For example, the system can intelligently push “interest products”, “interest brands” and “interest marketing activities” to members according to their consumption habits, so as to accurately promote new products, new brands, marketing activities and other information to members, so as to achieve the purpose of mutual attraction among brands. For example, 67% of consumers in the first month of a new brand Shaohot were attracted by the system.

## THEME 2: "INTEGRATION OF FOCUS" TO ESTABLISH MULTI-BRAND MEMBERSHIP MANAGEMENT SYSTEM

### FOR ENTERPRISES

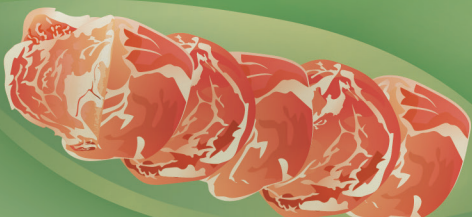
<p><b>Building a digital management system</b></p> 	<ul style="list-style-type: none"> <li>• The multi-brand members system connects business flow, system flow, data flow, account flow and other digital flows to achieve a more efficient and energy-saving digital management system.</li> </ul>
<p><b>Digital innovation</b></p> 	<ul style="list-style-type: none"> <li>• the competition in the catering industry is fierce. While improving the overall digital competitiveness of the Group, the members of the Group have improved the overall risk resistance ability and external premium ability of the Group.</li> </ul>
<p><b>Building a private domain flow pool</b></p> 	<ul style="list-style-type: none"> <li>• covering members to conduct full life cycle management from activation, repurchase, retention, and awakening, etc., to enhance member recruitment and stickiness and enhance customer loyalty.</li> </ul>
<p><b>Mutual introduction of customer flow for expansion</b></p> 	<ul style="list-style-type: none"> <li>• breaking the data barriers and isolated marketing between industries and brands, and building a strong integration between partners, brands, and online and offline.</li> </ul>
<p><b>Industry data model</b></p> 	<ul style="list-style-type: none"> <li>• building strong big data capabilities to provide the industry with more accurate and complete consumer demand segmentation, customer portrait/preferences and analytical insights to better serve consumers; introducing and bringing customer flow</li> </ul>

### FIRST LAUNCH OF THE MULTI-BRAND ANNIVERSARY CELEBRATION ACTIVITY OF "GIVING AS MUCH AS THE AMOUNT OF TOPPING UP"

From December 17, 2022 to January 15, 2023, based on the multi-brand members system as a digital carrier, the Company launched the store value privilege activities of "Giving as much as the amount of topping up" for multiple brands such as Xiabuxiabu, Coucou, Shaohot and Xiabu Food. The accumulated stored value of the activity exceeded RMB270,000,000, and issued more than 13,500,000 consumer coupons, with a total of RMB270,000,000 of concession, which further improved the repeated purchase rate and loyalty of members, helped to drive the catering consumption of over RMB800,000,000, and accelerated the recovery of consumption in the catering industry.



# 1 ABOUT US



## ABOUT US

### 1.1 COMPANY PROFILE

Xiabuxiabu Catering Management (China) Holdings Co., Ltd. owns two major catering brands, i.e., “Xiabuxiabu”, “Coucou” and “Shaohot”; in the new retail sector, we also launched the “Xiabu Food” and “Yixin Chu” brands, focusing on hot pot soup bases, dipping sauce, prepared dishes, convenience food and other markets; based on more than 20 years of experience in catering design and decoration, the Company has also established a design and engineering company to enter the catering industry’s decoration and design engineering sector with a market size of RMB100 billion.

Xiabuxiabu, originated from Taiwan, is a well-received mini hotpot brand with stylish features. Founded in 1998 in Beijing, Xiabuxiabu is among the Top 10 Hotpot Brands in China and Top 100 Restaurant Brands in China, and was listed on the Main Board of The Stock Exchange of Hong Kong on 17 December 2014. As a flexible adaptor to changes in consumption patterns and from the catering market, Xiabuxiabu adheres unwaveringly to its core mission of satisfying consumer needs and builds its business upon friends and family gathering-oriented consumption.

In order to adapt to changes in the market and consumer needs, Xiabuxiabu launched a mid-to-high end hot pot brand “Coucou” in 2016, introducing the perfect fusion of Taiwanese-style hotpot and Taiwanese-style hand-shaken tea, and the mode of “hotpot and tea” was an instant success among consumers. In the meanwhile, Xiabuxiabu entered into the “new retail” field, established its food companies to sell product series including condiments, soup bases and dipping sauces mainly via new retail channels such as e-commerce platforms and supermarkets, and launched the brands such as “Xiabu Food” and “Yixin Chu”.

In August 2019, the Company started the layout of the upstream supply chain, and fully acquired the national key leading enterprise of agricultural industrialization, Yishun Halal Meat Co., Ltd. located in Xilin Gol League, Inner Mongolia, which is engaged in cattle sheep slaughtering, processing, refrigeration, sales, import and export trade, etc. At present, the daily slaughtering and processing volume of lamb of Yishun Co., can reach 6,000 pieces, with an annual production of 15,000 tonnes and an overall annual production value of RMB1 billion. Both the quick freezing capacity and the cold storage capacity are at the forefront of the industry, ensuring the stable supply of core ingredients for the rapid development of the Group.

In May 2021, the Company established Xiabu (Shanghai) Design & Engineering Co., Ltd., which is mainly engaged in the whole-process project management service business in the chain industry, including project design, project construction management, equipment and facility maintenance, project cost accounting audit, formulation and implementation of process and technical standards. Since its establishment, it has operated more than 2,000 projects within Xiabuxiabu. After the corporatized operation, it has also served a number of well-known catering enterprises.

In September 2022, the first store of the new brand “Shaohot” was opened in Shanghai, which pioneered an unprecedented business model in the catering industry. In the next three years, we plan to develop it into a brand with one hundred stores and will become another high growth curve of the Company’s performance.

In 2022, Xiabuxiabu expanded steadily in both domestic and overseas markets by opening a total of 86 new restaurants, including 41 Xiabuxiabu restaurants, 44 Coucou restaurants and 1 Shaohot restaurant. During the Year, the Coucou debuted in Singapore and opened 3 restaurants successively in Singapore. As at 31 December 2022, Xiabuxiabu owned and operated 801 Xiabuxiabu restaurants in 123 cities of 25 provinces and autonomous regions and 3 municipalities directly under the Central Government (Beijing, Tianjin and Shanghai) in the PRC; and the Group also owned and operated 224 Coucou restaurants in 50 cities of 26 provinces and 3 municipalities directly under the Central Government (Beijing, Tianjin and Shanghai), Hong Kong in the PRC and Singapore.



**Xiabuxiabu remained true to its original aspiration of providing quality food for its customers for more than twenty years**

- 
- 1998** ▶ We launched the “Xiabuxiabu” mini hotpot brand and pioneered the “choosing your own pot” mini hotpot business model
  - 1999** ▶ The first restaurant of Xiabuxiabu – the Restaurant at Pearl Xidan, Beijing was officially opened
  - 2003** ▶ Xiabuxiabu became a well-known hotpot brand in Beijing with its distinctive business mode of “choosing your own pot”
  - 2008** ▶ We introduced institutional capital to accelerate expansion, and gained financial support from Actis (a global emerging market private equity fund)
  - 2009** ▶ Xiabuxiabu entered into the rapid development stage and was ranked as one of the top 100 restaurant brands in China
  - 2010** ▶ Xiabuxiabu entered into Shanghai market and gradually expanded into the national catering market
  - 2013** ▶ Xiabuxiabu had become one of the major chain catering enterprises in China with a total of over 400 restaurants
  - 2014** ▶ Xiabuxiabu was successfully listed on the Main Board of Hong Kong, making it the first listed chain hotpot brand in China on the HKEX
  - 2016** ▶ We launched the Taiwanese-style hotpot brand with ingredients “Coucou” featuring gathering style, and officially entered the mid-to-high end sector of catering
  - 2017** ▶ We deployed new retail channels, launched the “Xiabu Food” brand, and focused on a series of products such as hot pot condiments, soup bases, dipping sauces
  - 2019** ▶ We launched the dual-pronged strategy of “hotpot and tea” with tea beverages becoming a new growth point of net revenue; we deployed upstream supply chain and fully acquired Xilin Gol League Yishun Halal Meat Co., Ltd.
  - 2022** ▶ We launched a new brand of happy barbecue “Shaohot”, deployed the mid-to-high end barbecue sector, launched a multi-brand members system to digitally lead the development of the entire catering industry chain and initiated the “Beijing-Shanghai Dual Headquarters” management model to facilitate the southward and overseas expansion

## ABOUT US

## 1.2 COMPLIANCE OPERATION

Xiabuxiabu strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant regulations of the domestic and overseas securities regulatory authorities. The Company always commits to operating in compliance with the laws, emphasises on compliance management to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Company also improves its anti-corruption management, so as to ensure the effective coordination and virtuous cycle of development of all management processes and promote the quality and efficiency of operation and management at all levels.

**• Risk management**

During the reporting period, through continuous improvement of its internal control system and process control points, the Company achieved the integration of internal control and risk management, and gradually developed a comprehensive risk management system which helps to mitigate organisational risk and improve organisational value. In 2022, we carried out more than 10 key internal control work, 11 functional units and operations audit projects, received 98 complaints and reports, 100% of which were verified and accepted, including 10 major cases, and special investigation reports and handling opinions were presented in the form of audit reports.



Key internal control work carried out in 2022:

**Approval and process planning of the OA system:**



In 2022, the internal control department optimised the OA system process in accordance with the adjustment of the Group structure, the optimisation of the operation structure. The functional departments and the restaurant operation of the Group were sorted out one by one and re-built according to the needs of project establishment, including human resources related process, financial related process, operation of stores, development related process, etc., with a total of 36 new processes. During the year, the use of seal was also under process management and control, and the seal stamping, use of seal and lending were reviewed by types of authorization to reduce risks. At the same time, a new plan was made on the interface of the OA system process, which was separated according to the functional departments and operations of the Group.

**Establishment of the Company's significant risk database:**



In 2022, various risks in the Company's operation were sorted, classified and summarised. The Company's risk database was prepared in May 2022. The specific risks of the Company are divided into five categories, three levels and 89 specific risks according to financial risks, legal risks, market risks, operational risks and strategic risks. The description, assessment indicators, risk control activities and responsible departments of various risks were clarified. At the same time, the Company regularly conducts risk assessment to more accurately understand risks and identify risks, so that the management can reasonably choose risk countermeasures, thereby making the Company's decisions more scientific and promoting the realisation of the objectives of the Company's business activities.

**Special audit work will be conducted on the Group's functional departments and operating stores:**



The internal control department will carry out special audit work every year, mainly for the purpose of discovering problems or defects in processes and systems during the audit work, which can further strengthen internal control management and improve the requirements of system standardisation through special audit. In 2022, 11 special audit projects were carried out for brand operation and supplier management.

**Revision and review of the Company's system:**



The establishment and optimisation of the Company's system is conducive to the improvement of the Company's operating efficiency, and can effectively avoid risks and standardise the operation requirements in the walk-through test. The system is one of the cores of an enterprise and an integral part of the orderly operation of an enterprise. In 2022, the internal control department participated in a total of 12 items of revision and review of the core system of the Company.

## ABOUT US

### • Anti-corruption

The Company strictly abides by the Company Law of the People’s Republic of China, the Criminal Law of the People’s Republic of China, the Criminal Procedure Law of the People’s Republic of China, the Anti-money Laundering Law of the People’s Republic of China and other laws and regulations in China. In addition, the Company continued to perfect its internal management system, stepped up efforts in the establishment of anti-fraud system, revised anti-fraud system, strengthened the integrity awareness among the employees, and conducted the anti-fraud inspections.

#### Improve the anti-fraud system



Join certain enterprise anti-corruption organisations such as the “Trust and Integrity Enterprise Alliance” and the “Enterprise Anti-fraud Alliance”, and include those suppliers and sta who violate the integrity principle into the blacklist of the platform, so as to promote resource sharing, strengthen exchange of enterprise anti-fraud experiences, and strengthen the sharing and learning of anti-fraud investigation experience with other enterprises.

#### Revise the anti-fraud system



Revise the Integrity and Reward Measures for Whistleblowing of Xiabu (《廉潔呷哺舉報獎勵制度》) to further strengthen the supervision of anti-corruption and integrity, broaden the supervision channels, timely discover and master clues of violations of laws and disciplines and other staff, and ensure the fairness, justice and integrity of the Company’s project. The revised system has increased the incentive mechanism, encouraged our staff to report any breach of law, reported illegal suppliers and illegal supervisors, so as to protect the legitimated rights and interests of the Company

#### Strengthen the integrity awareness among the employees



All new employees learn and sign the Employee Manual and the Code of Business Ethics and Conduct when they join the Company. Full-time employees have completed integrity courses through Xiabu Academy, and have also participated in online quizzes. During the festive holidays in 2022, the internal platform carried out anti-corruption posters, strengthened publicity and education, and encouraged employees to actively refuse supplier gifts/cash gifts

#### Conduct anti-fraud inspections



Carry out special investigation on any corruption and fraud cases, put a priority on the investigation on corruption and fraud cases, and impose heavy punishments on those who violate relevant disciplines, so as to facilitate our anti-fraud efforts.

ABOUT US

At the same time, an independent risk-oriented internal control system featured with the separation of decision-making, execution and supervision has been formed to identify fraud risks, investigate on issues reported. A prevention-oriented approach with complementary efforts of cracking down has been in force to root out any corruption and fraud. During the Reporting Period, the Company has not been involved in any corruption case which has entered into litigation proceedings.



A system of separation of three rights

Anti-corruption trainings conducted during the year are as follows:

	Unit	2022
Number of anti-corruption trainings conducted	time	10
Number of trainees participating in anti-corruption trainings	person-time	255

• Intellectual property rights protection

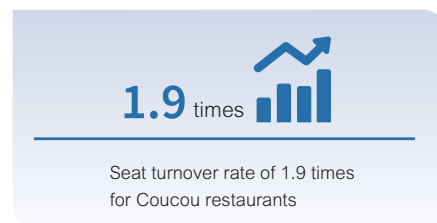
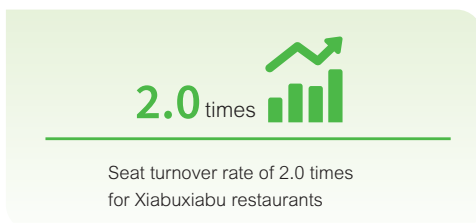
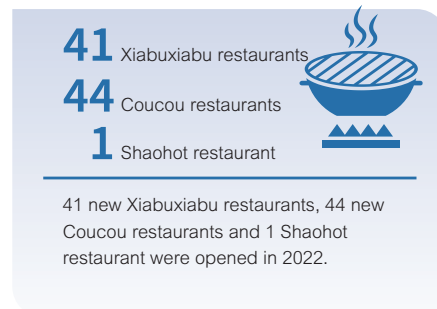
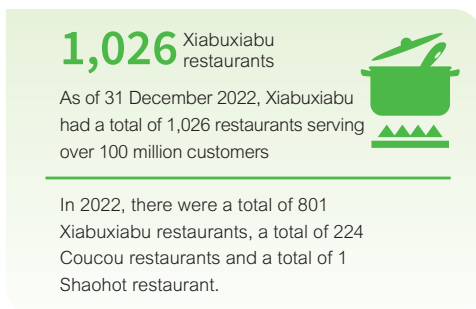
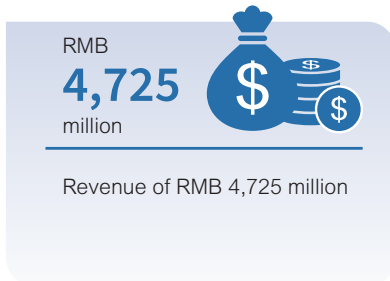
Xiabuxiabu strictly abides by the Trademark Law of the People’s Republic of China, the Patent Law of the People’s Republic of China, the Law on Anti-unfair Competition of the People’s Republic of China, the Implementation Regulations of the Trademark Law, the Implementation Rules of the Patent Law and other laws and regulations. We also attach great emphasis to intellectual property rights protection, adhere to the management philosophy of promoting healthy development of its own brand and implementing punishment against infringement, enhance management over the Group’s brand trademark registration, expand the use and influence of the trademarks and reinforced protection of intellectual property rights such as trademarks. In addition, we take active actions against all kinds of intellectual property infringements to defend legal rights of the Company. We take actions to guarantee our intellectual property rights and strive to safeguard our legitimate rights and interests by various means such as application for trademark invalidation and issuing infringement notice letters to the infringers as well as (if necessary) filing lawsuits.

In 2022, the Company continued to enhance management over trademark registration, and successfully applied for a number of its own brand trademarks, expanding the company trademark reserve of the Group. Meanwhile, we took active initiatives to fight against intellectual property infringements, and successfully prohibited infringements with maliciously registered trademarks through trademark invalidation. For example, we filed lawsuits against the maliciously registered trademarks such as “Kouyuebu”, “Shenbu”, “Shenbu”, “Yuebu”, “Shenbushenbu”, “Yabuyabu”, and “Qiabuqiabu”, thus safeguarding the rights and interests of the Company’s brands as finally the aforementioned trademarks were defined as invalid trademarks by China National Intellectual Property Administration.

ABOUT US

1.3 REVIEW OF OPERATING RESULTS

In 2022, Xiabuxiabu established a new brand and business model to further implement the Group’s multi-brand and multi-business expansion strategy. Throughout the development history of more than 20 years, Xiabuxiabu has always been committed to the mission of “enabling more people to enjoy health, nutrition, taste and fashion”, and has always adhered to the corporate spirit of “endless pursuit of excellence” to keep the feet on the ground.



ABOUT US

**1.4 HONOURS AND AWARDS**

With more than 20 years of unremitting insistence on quality, Xiabuxiabu has earned recognition from the industry and won preference and high praises from vast consumers. Xiabuxiabu has been recognised as one of the “Top 100 Restaurant Brands in China” for over ten consecutive years, and was awarded a number of honours. The Company and its brands have been awarded a number of honorary awards and titles such as “Top 50 Most Valuable Enterprises in China”, “China Corporate Social Responsibility Summit – Outstanding Company”, “Top 10 Hotpot Brands in China”, “Beijing Specialty Cuisine”, “Top 50 Catering Enterprise (Group) in Beijing”, “Top 10 Business Brands in Beijing”, “Top 100 Catering Enterprise in Beijing”, “2021-2022 Food Safety Integrity Unit” and “Beijing Catering Innovation Case” since 2010.

Awards	Issuing bodies
2021 Top 100 Restaurant Brands in China – Xiabuxiabu Catering Management Co., Ltd.	China Cuisine Association
2021 Top 100 Restaurant Brands in China – Coucou Catering Management Co., Ltd.	China Cuisine Association
2021 Top 100 Hotpot Brands in China – Xiabuxiabu Catering Management Co., Ltd.	China Cuisine Association
2021 Top 100 Hotpot Brands in China – Coucou Catering Management Co., Ltd.	China Cuisine Association
2021 Top 100 Catering Innovation Power in China (Business Mode Innovation Award)	China Catering Innovation Conference
Beijing “Orange” Food List	Beijing Cuisine Association
2022 Top 100 Catering Enterprises of Beijing Catering Brand Conference	Beijing Cuisine Association, Beijing Business News
2022 Top 50 China Catering Category Influence (Hotpot Category)	China Catering Innovation Conference
2022 Beijing Catering Innovation Case	China International Fair for Trade in Services
2022 Promotion Brand – The third Hotpot Gourmet Festival in Beijing Consumption Season	Beijing Cuisine Association
2022 Top 10 Hotpot Brands in China	Catering Big Data Research and Evaluation Institute (NCBD)
2021-2022 Food Safety Integrity Unit	Organizing Committee of China Food Safety Conference (the 20th session)

As the 2021 awards set out in the table were granted in 2022, they are included in the this annual report.

## ABOUT US

### 1.5 LEADING INDUSTRY DEVELOPMENT

As a standing council or deputy chairman of China Cuisine Association, China Chain Store & Franchise Association, Beijing Cuisine Association and Beijing Food and Beverage Industry Association, Xiabuxiabu demonstrates its innovation strengths as an industry leader, actively participates in the formulation of industry policies and carries out resource integration and business coordination. At the end of 2022, Xiabuxiabu distributed approximately RMB270 million consumption vouchers to the market through the stored-value activities of the Group's members system, hoping to boost consumption recovery through its own capabilities and channels and enhance more vitality for the catering industry.

Name of associations	Positions
Association of Taiwan Investment Enterprises on the Mainland	Deputy chairman
China Cuisine Association	Standing council
China Chain Store & Franchise Association	Standing council
Beijing Food and Beverage Industry Association	Deputy chairman
Beijing Cuisine Association	Deputy chairman
Beijing Association of Taiwan Investment Enterprises	Deputy chairman
Tianjin Association of Taiwan Investment Enterprises	Standing council



2

## REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE



## REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

Xiabuxiabu has always insisted on using multi-brand linkage to build the core competitiveness of the enterprise, namely “taking the upstream meat supply and global procurement as the source, guaranteeing the process from production to distribution, tightening its control on the high-quality management, operating with multi-business combination and having a network of 1,000 restaurants serving more than 100 million consumers”. At the same time, the Group continues to develop innovative dishes and products, and continues to optimize and improve its restaurants and services, so as to provide customers with fresh, nutritious and diverse food as well as efficient and attentive services.

### 2.1 IMPROVING SUPPLY CHAIN SYSTEM

Xiabuxiabu is committed to building a stable and sustainable supply chain, fully ensuring food quality and safety, and continuously improving the stable supply capacity and product quality of suppliers.

#### • Promoting quality management system

During the year, the Company proactively promoted the improvement of the quality management system. To improve the recipes and characteristics of the Company’s product, regulate food safety along the entire chain, meet the requirements and improve the satisfaction of customers and other stakeholders, so as to increase the market share of products, thereby ensuring the realization of the Company’s interests. Yishun Halal Meat Co., Ltd., an upstream enterprise in the supply chain of the Group, has formulated quality and HACCP management plans under the name of QH Management Manual and HACCP Manual. The Company invited CQC China Quality Attestation Centre to carry out HACCP/ISO9001 quality management system for the Company, effectively implemented the Provisions on the Supervision and Administration of the Implementation of Main Responsibility for Food Safety by Enterprises, carried out daily control, weekly inspection and monthly scheduling work, and finally obtained the HACCP/ISO9001 management system certificate, implemented the process management of the quality management system, and effectively controlled the products.

#### • Regulated procurement process

Xiabuxiabu has been conducting procurement activities with the principles of openness, equality, fairness, legality, compliance and reasonableness. Public bidding is carried out through some platforms such as WeChat, the official website and other channels to ensure equality and transparency in bidding. During the bidding process, prices are communicated through competitive negotiation, price comparison and bargaining, cost breakdown accounting, etc. The bidding results are determined after a process involving multiple departments, multiple rounds of price comparison, review and evaluation, re-evaluation and price negotiation and other processes to select high-quality suppliers.

Details on the suppliers in cooperation with the Company as at the end of the reporting period are as follows:

Indicator	Unit	FY2022
Total number of suppliers	Number	766
Including: Domestic suppliers	Number	664
Overseas suppliers	Number	102

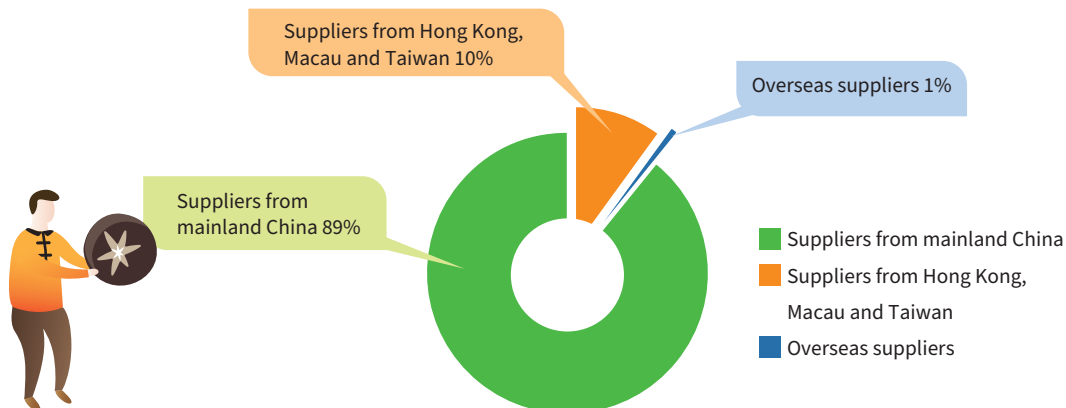
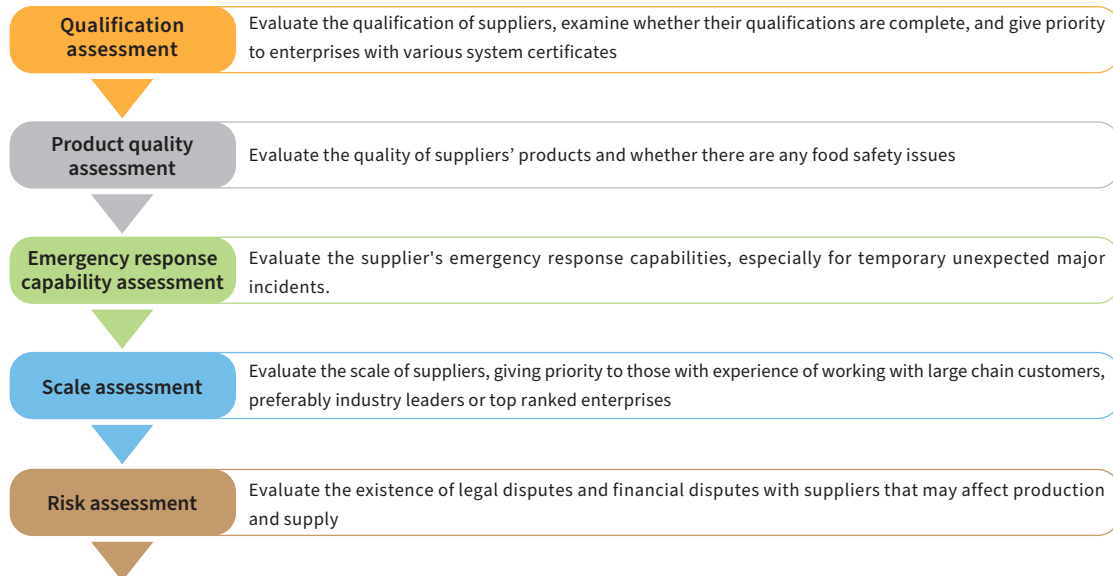


Chart: Distribution of suppliers by geographical regions

REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

• Selection and review of suppliers

Xiabuxiabu always adheres to strict supplier entry criteria for supplier selection, continuously revises and perfects internal management systems such as the Supplier Quality Management Process (《供應商質量管理程序》), On-site Review Rules (《現場審核細則》) and Supplier Quality Entry Management Criteria (《供應商質量准入管理準則》), implements procurement by giving priority to environmentally-friendly products, and develops a quality control plan for major ingredients such as meat and tea beverages. Prior to the products of the suppliers are put in storage, we evaluate their qualification, product quality, emergency response capability, scale and risk to ensure the quality of products at source.



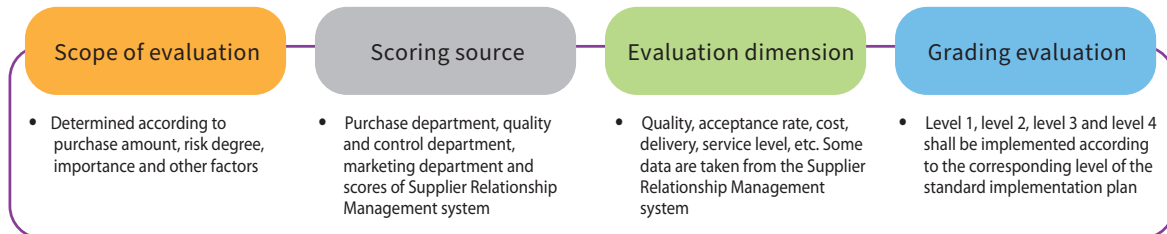
## REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

### • Supplier food safety inspection

Xiabuxiabu continued to strictly abide by the corporate responsibility requirements under the Food Safety Law and the Regulations for the Implementation of the Food Safety Law of the PRC, conducts visits and inspection of selective suppliers, and pays great attention to food safety, product quality and environmental conditions of production or operation sites of the suppliers. Even during the epidemic period, Xiabuxiabu also adhered to the supplier review mechanism, formulated the Supplier Online Review Guidance, implemented online video review during special periods, and conducted offline visits to suppliers and major suppliers with risks in online review and assessment. It not only meets the requirements of epidemic prevention and control, but also greatly improves the effectiveness and shortened the time of supplier inspection, and achieves good results. During the current year, there was no food safety risk in the supplier review results and the supply quality was stable. All ingredients also passed the sampling inspection conducted by the government regulatory authorities.

### • Supplier assessment

Xiabuxiabu conducts cooperation evaluation on suppliers on a quarterly basis, and implements different plans based on the performance rating, which are summarized annually. Effective reward and punishment will be given to suppliers through rating to motivate excellent suppliers while avoid frequent abnormal problems with demerit suppliers. The rating also serves as a reference basis and information guide to understand suppliers, which can effectively guide suppliers to become partners that meet the Company's requirements.



REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

• Strengthening cold chain management

In 2022, Xiabuxiabu formulated the Rules for the Management of Imported Cold Chain Food Qualifications in accordance with the national epidemic prevention policy, strictly followed the rules to obtain product disinfection reports, product nucleic acid testing reports, CIQ, etc., and implemented three items of special management (special channel for stocking, special storage, special sales management) for imported cold chain food. The Group identifies the area of suppliers and focuses on strengthening the disinfection and control of epidemic products and goods. In the goods verification process, the focus is on obtaining certificates and invoices, and in the storage process, the focus is on disinfecting and disposing of items, and deploy the cold chain management system in accordance with the requirements of the local government regulatory authorities, and sell the items after coding. In the restaurant, the Group will conduct three items of special management (special channel for stocking, special storage, special sales management) and disinfection of goods, store the imported cold chain food in special counters with clear labels, and check the information of traceability code to ensure the safety of consumers' consumption. During the current year, there were no incidents of positive virus contamination detected in the supplier's products. The ingredients used in the restaurants and environment all passed the sampling tests by the government regulatory authorities, and no pollution accidents occurred.

2.2 CONTINUOUS DIVERSIFIED INNOVATIONS

Xiabuxiabu maintains a high degree of sensitivity to the catering market and understands customers' consumption habits and needs. In 2022, despite the severe impact of the epidemic, we always adhered to the theme of "Taiwanese-style flavour" and the core spirit of "set meals", and strived to innovate the differentiation and uniqueness of Xiabuxiabu products.

• Diversified product offerings

The restaurants under the Xiabuxiabu are all differentiated by "quarterly + monthly" and "national + regional" mode, with "soup base + core dishes + seasonal new products" as a combination. The Group launched a series of new products throughout the year, and promoted the layout of launching regions in a rhythmic manner to meet the taste needs of consumers and reinforce the connection between consumers and the Company through new products. Despite the recurrence of epidemic in 2022 and the severe impact on the catering industry, the Company's new product sales reached a new high, and the annual contribution value of new products in 2022 far exceeded that of 2021 and 2020. The number of new dishes launched set a record high. As of the end of December, 77 new products (including Tea Mi Tea) were launched in 2022, covering 12 major categories. The profit contribution from new ingredients was the highest in the past four years, with a significant increase as compared to 2021 and 2020. Both new product sales and profit contribution from ingredients reached the best ever in 2019. In terms of consumer feedback on product satisfaction, there were a total of 589,000 honest comments from consumers on the platforms of Koubei, Dianping and Meituan in 2022, of which the product favorable rate reached 99.74%.



REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE



## REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

As a brand under Xiabuxiabu, Coucou attaches great importance to the research and development of new products, aiming to bring customers a fresh experience. Throughout the year of 2022, Coucou introduced 3 new soup bases with Korean kimchi, white-shell seafood and Thai tom yumkung, 17 dishes such as crisp tilapia, salmon rolls, brisket point end, rocket squid, and 16 tea beverages such as chocolate Ceylon tea, velvety black tea and mang mang nectar long jing tea, which were highly appraised by consumers on various online review platforms and takeaway platforms.



Figure: Coucou new soup base – white-shell seafood pot



Figure: Coucou new food – crisp tilapia

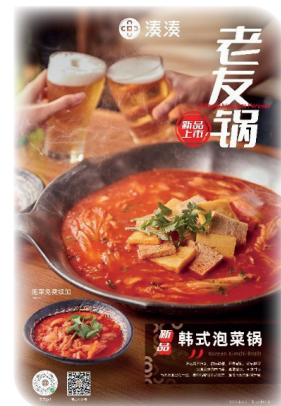


Figure: Coucou new soup base – Korean-style kimchi pot



Figure: Coucou new food – salmon rolls



Figure: Coucou new soup base – Thai tom yum kung pot



Figure: Coucou new food – rocket squid

## REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

## Case: A tender, non-greasy lamb kebab

Lamb kebab is the most popular product in the barbecue industry. In order to create a new consumer demand and enrich the product line to boost performance, after more than 2 months of research and testing by the R&D team, Xiabuxiabu grassland lamb kebab was successfully launched. As at 31 December 2022, more than 6.6 million lamb kebabs were sold nationwide, with sales of more than RMB30 million. After the launch of lamb kebab, the Company subsequently launched tender beef kebab to enrich its product line. As at 31 December, more than 0.9 million beef kebabs were sold in total with cumulative sales of approximately RMB5 million. The beef and lamb kebab successfully became a new growth point of performance.

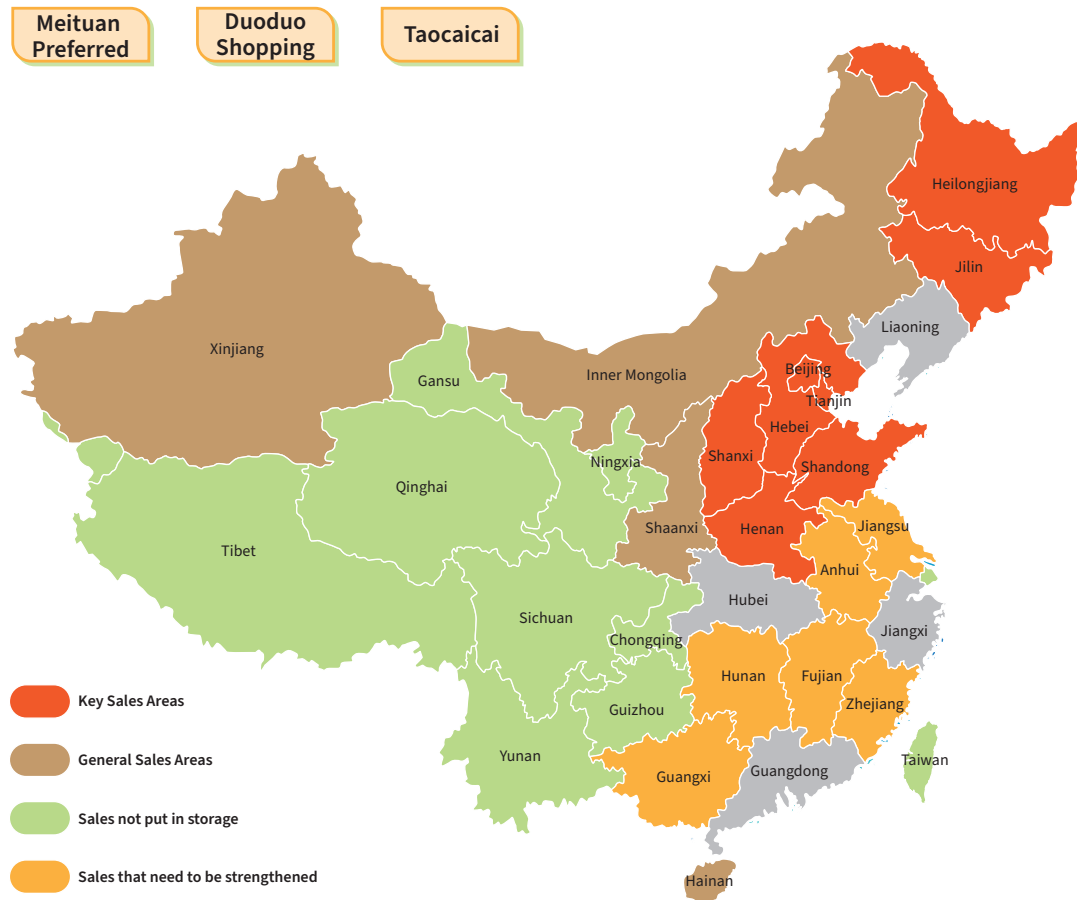




REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

• Diversified consumption patterns

In 2022, the sudden outbreak of the epidemic in some regions is full of challenges on the road of economic recovery. Faced with changes in consumption environment and habits, Xiabuxiabu made efforts to expand sales channels, actively promoted retail models such as community group buying and community marketing to further enhance its brand influence and market share. Throughout the year, we deployed our business presence in 25 provinces, covering 46 cloud warehouses, over 70 cities and 35,000 communities. More people can enjoy healthy and delicious Xiabu products at home without having to leave home.



Layout of community group purchase of Xiabu

REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

Diversified Promotion Channels

Xiabuxiabu is actively catering to consumer preferences with multi-platform marketing and promotion. It has commenced self-operating on online platforms such as TikTok and Xinmeida, such as live streaming sales and short video distribution, and new regional shops have topped the TikTok Catering Popularity List and Hotpot List. Xiabuxiabu has also cooperated with top popular variety shows and strives to expand brand awareness and reach out to young and trendy consumers. In addition, Xiabuxiabu has co-branded with “pop IP artist Nankong Xu Ming” to create the Xiabuxiaohu IP, a tiny tiger, thus enhancing its exposure and constantly increasing power and more radiant energy. Xiabuxiabu also utilized diversified marketing tools to effectively reach high-loyalty customer groups.



Live streaming achievement in TikTok



Participating in the recording of the variety show “Let’s have hotpot together”.

REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE



Peripheral products of Xibuxiaohu IP

Through various platforms such as institutional media and self-media, Xibuxiabu further strengthened its communication with the public and consumers through press conferences and regular external releases and dissemination of information on the strategies, achievements and progress of the Company and its brands. In September 2022, the press conference for “The Opening of the First Restaurant of New Brand Shaohot and the Launching of Xibuxiabu Members System” was held in Shanghai, which triggered news reports from over 100 media agencies and over 1,000 media platforms, including Xinhua News Agency, People’s Daily, Paper, Shanghai TV, Jiemian News and Blue Whale Finance.



## REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND HIGH QUALITY FROM PERSISTENCE

### 2.3 ADHERING TO CUSTOMER-ORIENTED

Xiabuxiabu always adheres to the customer oriented service concept, in line with strives for customer-focused, and projects our mind into customers' situation. The Group guarantees satisfaction to customers, thereby cultivating long-term and stable customer loyalty. We are committed to providing customers with an exquisite and enjoyable dining experience, listening attentively to our customers and improving our service level to create a customer-friendly atmosphere. During the reporting period, we continued to comply with the Food Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Advertisement Law of the People's Republic of China, focusing on the protection of customer privacy and promotion of reasonable advertising.

Furthermore, the Company also paid attention to the follow-up of the products sold. The food companies have formulated product return (recall) procedures and plans, which clearly stipulate the procedures of initiation of recall, coordination among departments involved in the recall based on their functions, subsequent treatment and points for attention of the products recalled. During the Reporting Period, no incident of recall was reported to the Company. The percentage of the products required to be recalled due to safety and health reasons to the total products sold or shipped was 0%.

#### • Improving customer satisfaction

Xiabuxiabu attaches great importance to customer experience. Each of its restaurants and operation management departments conducts in-depth analysis and review of various data related to customer satisfaction from Dianping, Meituan, Koubei, Eleme, 400 customer service hotline, Xiabuxiabu members system, Weibo and WeChat review system to accurately follow up the market conditions and ensure service quality. The restaurants hold weekly meetings to share service cases, collect cases for training and sharing, and timely adjust service skills to ensure service quality. For the praise rate of relevant platforms such as Dianping, the Group will conduct quantitative management based on star rating, set a comprehensive customer satisfaction index, and add performance assessment indicators. The Group will improve the importance of customer satisfaction in the restaurants through formulating rules, pay attention to customer feedback during the operation process, and enhance what aspects are not good enough, so as to provide a reference basis for service calibration and improvement.

The Company attached great importance to consumer complaints and provided multiple complaint channels such as customer service mailbox, telephone, Weibo and WeChat. Upon receipt of the complaints, we immediately reached out to our customers to learn about the problem and promptly offered solutions and treated appropriately. During the Reporting Period, the total number of complaints against Xiabuxiabu restaurants from all channels was 38, and the total number of complaints against Coucou restaurants from all channels was 32, with a customer complaint settlement rate of 100%.

#### • Protection of basic rights and interests

##### RATIONAL ADVERTISEMENT AND PUBLICITY

Xiabuxiabu carries out advertisement and publicity campaigns in strict compliance with the Advertisement Law of the People's Republic of China and other laws and regulations, and prohibits false advertising and publicity. All advertisement, documents, promotion pictures and other materials shall be subject to internal approval process before releasing through public channels, under which such materials shall be submitted by the proposer for review and approval by the supervisors and relevant departments before releasing to the public.

##### PROTECTION OF CONSUMER PRIVACY

In 2022, Xiabu launched a membership management system and strictly implemented relevant regulatory systems to ensure the security of member information privacy. Since the launch of Xiabu members system, no member information has been leaked, and no complaint about information leakage has been received.

#### Identification

- Members are subject to identity identification and verification before exercising membership benefits. Xiabuxiabu adopts dynamic coding system for its membership cards, which provide higher level of security and effective protection of member privacy.



#### Information protection

- Other than exceptional circumstances, Xiabuxiabu shall not disclose members' personal information to any third party without prior consent from the relevant members.

#### Data processing

- Xiabuxiabu manages its members' information through the CRM system provided by professional third-party companies, and stores such information on global leading cloud-based service platforms; The third-party companies shall not disclose such data without the consent of Xiabuxiabu. Such companies are also responsible for data maintenance and backup to ensure safe storage of such data.



3

# GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

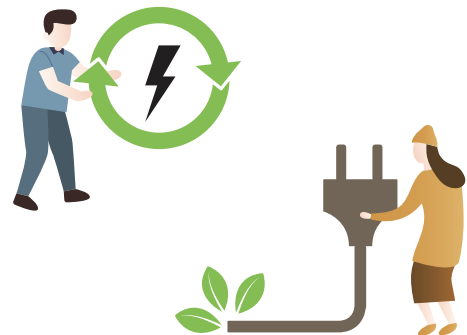


## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

Taking sustainable development as the main theme, Xiabuxiabu carries out all-round green transformation from the entire industry chain of the catering industry, strictly complies with the Environmental Protection Law of the People's Republic of China, the Law on Prevention and Control of Environmental Pollution by Solid Waste, the Anti-Food Waste Law of the People's Republic of China and other laws and regulations, makes active response to the national policies such as the "Carbon Peak and Carbon Neutrality", the "restriction on use of disposable plastic products" and "anti-food waste", fulfils corporate social responsibilities, and strengthens the concept of low-carbon green operation and management. During the year, the Company insists on energy conservation and emission reduction in all aspects of production, office and restaurant operation, improves resource utilisation efficiency, adheres to low-carbon and green operation, implements waste sort-out practice, reduces generation of wastes, promotes anti-food waste, and reduces emission of exhaust air and wastewater. Taking a multi-level approach, Xiabuxiabu makes active contribution to climate change mitigation, promotes the harmonious development of the enterprise and the environment, and makes due contributions to the sustainable development of the society. In 2022, the Company was not involved in any violation, litigation or penalty due to environmental issues.

### 3.1 OPTIMISATION OF ENERGY USE

Adhering to the management concept of "limited resources and unlimited conservation", Xiabuxiabu attaches great importance to the management of energy conservation and consumption reduction and the efficient conservation and use of water resource, continuously improves the environmental management system documents, environmental protection responsibility system and environmental emergency plan, establishes environmental protection management institutions, and clarifies the environmental protection responsible persons of each department at the company level. We carried out internal environmental protection training and emergency plan training, and organised emergency drills. At the same time, the Company makes continuous efforts to facilitate integration of energy conservation and technology advancement and management enhancement, and develop and promote application of energy conservation technology. In 2022, the Company comprehensively carried out activities of energy conservation and consumption reduction to enhance the awareness of energy conservation and consumption reduction of all employees. We completed the determined targets of energy conservation throughout the year and met the industry standards of energy consumption.



## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

Xiabuxiabu's GHG emission mainly comes from operation, production and office administration, in which various types of energy such as gasoline, diesel, natural gas and power are consumed. During the reporting period, the data of emissions and resources used are summarised as below:

Indicators	Unit	FY2022
Total electricity consumption	kWh	180,888,431.14
Electricity consumption per unit of operating revenue	kWh/RMB million	38,283.27
Gasoline consumption	litre	21,929.08
Gasoline consumption per unit of operating revenue	litre/RMB million	4.64
Municipal water consumption	m <sup>3</sup>	2,387,260.10
Municipal water consumption per unit of operating revenue	m <sup>3</sup> /RMB million	505.24
Catering sewage discharge	m <sup>3</sup>	2,029,171.09
Catering sewage discharge per unit of operating revenue	m <sup>3</sup> /RMB million	429.45
Domestic waste and kitchen waste	tonne	55,055.53
Natural gas consumption	m <sup>3</sup>	808,130.08
Natural gas consumption per unit of operating revenue	m <sup>3</sup> /RMB million	171.03
Scope 1: direct GHG emission	tCO <sub>2</sub> e	1,819.25
Scope 2: indirect GHG emission	tCO <sub>2</sub> e	104,979.92
Total GHG emission	tCO <sub>2</sub> e	106,799.16
GHG emission per unit of operating revenue	tCO <sub>2</sub> e/RMB million	22.60

## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

- Notes:1. The calculation of GHG emission refers to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), 2006 IPCC Guidelines for National Greenhouse Gas Inventory issued by the Intergovernmental Panel on Climate Change (IPCC). The grid emission factor used in the calculation of Scope 2 refers to the average national grid factors set out in the Guideline of the Greenhouse Gas Emissions Accounting and Reporting for the Enterprises (2022 revised edition) released by the Ministry of Ecology and Environment of the People's Republic of China;
2. The calculation of catering sewage discharge refers to The First National Survey of Pollution Sources on Urban Waste Source Discharge Coefficients Handbook;
3. The basic energy consumption data shown in the above table cover the data of Xiabuxiabu Restaurant Management Co., Ltd., Xiabuxiabu Restaurant Management (Shanghai) Co., Ltd., Xiabuxiabu Restaurant Management (Tianjin) Co., Ltd., Coucou Restaurant Management Co., Ltd. and Coucou (Tianjin) Restaurant Management Co., Ltd..

### • Energy-saving operation

#### Energy management

- In order to facilitate the Company's energy conservation management, Xiabuxiabu attaches great importance to and has set up an energy management group led by the Chairman and the Vice President, and defined the responsibilities and task objectives of the team members. Members of the team provided solid support for the implementation of energy conservation work in various departments of the Company, including public relations department, operation department and administrative and logistics department.
- The energy management group is responsible for collecting and delivering policies related to energy conservation and environmental protection, organising relevant training, organising the Company's energy conservation and environmental protection plans, energy, and checking the statistics of energy conservation data of various departments. At the same time, it is responsible for preparing various annual report on energy utilization and actively reporting to relevant government authorities. The Company will also carry out technology improvement for energy conservation in a timely manner according to the content of the report, and strengthen the management of green energy conservation. ◦

#### Day-to-day energy conservation management

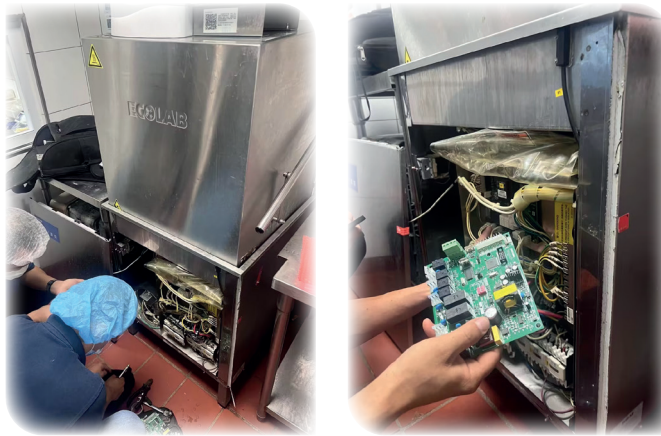
- Xiabuxiabu actively promotes green and energy conservation initiatives in the office by posting signs such as electricity saving on switches, reducing the energy consumption of lights during the daytime in public areas such as corridors, passages and toilets, and turning off lights in other office areas during the night except for safety precautions;
- The headquarters take a measure that lamps and equipments are turned off when leaving the office. The Company controls indoor temperature and adopts new energy-saving technologies such as the geothermal heat pump and solar power;
- All restaurants are equipped with dedicated staff to arrange customer traffic, with an aim to arrange the dining of customers in a centralised way as much as possible, so that lighting and air conditioners can be used in a centralised way;
- Service staff are required to adjust the temperature of the induction cookers based on cooking needs during the dining process, so as to reduce energy consumption;
- Service staff are required to pay close attention to the dining process of the customers and switch off power once the customers finish their meals, so as to avoid idle-running of the cookers;
- Lighting fixtures in warehouses and public office areas are turned off regularly to save electricity.



## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

### Case: Replacement of accessories and consumables for dishwashers

In 2022, after a 20-day test on a number of dishwashers, Xiabuxiabu tested the water consumption and electricity consumption per basket of dishwashers, and negotiated with manufacturers of dishwashers with high water consumption and electricity consumption, and decided to upgrade the accessories and vulnerable parts of 84 restaurants. All 84 restaurants were upgraded before 1 October, saving water of 7 tons/restaurant/month and approximately 588 tons/month for 84 restaurants after the upgrade; saving electricity consumption of approximately 308 kWh/restaurant/month and approximately 25,872 kWh/month for 84 restaurants.



### Improvement and application of energy-saving technology

- LED lamps are adopted to replace the high-pressure sodium lamps at the headquarters;
- Air conditioners and LED lamps in restaurants: according to the assessment of the use of electric wires and energy consumption of air conditioners, professional personnel will be arranged to gradually convert air conditioners into inverter air conditioners, and the lamps will also be replaced with LED lamps;
- The restaurants gradually replaced the induction cookers with energy-saving induction cookers through restaurant renovation to vigorously promote electricity conservation. ◦

## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

In 2022, the Company insisted on the improvement of energy-saving technology, improved the application of new technology, new process and new materials, improved the management system, formulated a special plan management system, and designated staff to be responsible for and provide financial support to comprehensively promote energy conservation and environmental protection.

### Case: Application of energy-saving and intelligent cold storage

Under the normal use of ordinary cold storage, the average daily electricity consumption of the cold storage is about 38 to 41.7 kWh. After the addition of intelligent control equipment, the average daily electricity consumption of the cold storage is reduced by about 1/3 to about 27 to 30 kWh.

At present, the Company has added intelligent control boxes and equipment for ordinary cold storages of two new restaurants, which can control the temperature of cold storage and start frequently to reduce electricity consumption. It is expected that a cold storage can save about 4,000 kWh of electricity throughout the year.



## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

### Case: Use of recyclable metal materials for composite wall panels to contribute to green and environmental protection

In order to better promote the sustainable use of equipment and facilities, in 2022, the walls of the kitchen of restaurants that combine the existing masonry panels with ceramic tiles were replaced with reusable metal composite wall panels to further reduce the use of materials such as gravel, cement, ceramic tiles that require a large amount of energy and natural resources. A Xiabuxiabu restaurant of 200m<sup>2</sup> is expected to save building blocks of 11m<sup>3</sup> and ceramic tiles of 197m<sup>2</sup>. A Coucou restaurant of 500 m<sup>2</sup> is expected to save building blocks of 16m<sup>3</sup> and ceramic tiles of 275 m<sup>2</sup>.

The Company is currently testing the use of composite panels of 175m<sup>2</sup> at the Coucou new store, saving building blocks of 13.1m<sup>3</sup> and ceramic tiles of 175m<sup>2</sup>. ◦



## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

## Water conservation management

- We managed water management in accordance with the law, used water scientifically and consciously saved water. Xiabuxiabu implements timely turn-off of water taps after use;
- We enhanced water consumption management, maintained pipelines in a timely manner and prevented water spraying, dripping and leaking;
- It was forbidden to wash unnecessary walls with water.
- In 2022, the water consumption of the central kitchen recorded a year-on-year decrease of 28% as compared with 2021, saving water consumption of 22,000 tonnes and saving cost of approximately RMB85,000.

## Case: Use of vegetable washers helps save water significantly

During the year, the vegetable washers were installed in 13 Xiabuxiabu restaurants, replacing the original manual vegetable cleaning with semi-automatic vegetable cleaning. The vegetable washers adopted advanced water treatment technology and the principle of recycling water, which can save more than 80% of water consumption; we adopted the principle of shock wave, which can automatically clean the picked food surfaces such as fruits, vegetables and meat, and improve the efficiency of more than 50%; we adopted a mature disinfection principle combining ultraviolet and ozone to effectively kill harmful bacteria and decompose residual pesticides.

The restaurants which have installed vegetable washers so far used 720 litres of water per restaurant per day on average before the installation of vegetable washers. After the installation, the average daily consumption per restaurant is 200 litres of water. The average monthly saving per restaurant is 15,600 liters (15.6 tons), and the average annual saving per restaurant is 187,200 liters (187.2 tons).



## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

### • Saving materials

1. We save office supplies, implement paperless office and use both sides of printing paper;
2. The paperless electronic invoice system enables customers to use QR code for invoicing, which makes it convenient for customers to obtain and store. It also saves the cost of personnel and consumables in restaurants and makes financial management more efficient.
3. The Company's internal reimbursement is made by means of online submission of electronic invoices and other means. Finance is directly approved online. Electronic invoices do not need to be printed paper-based versions, which greatly promotes the saving of office paper.
4. In the logistics operation, scrap materials, low-value consumables and office supplies are sorted out, packaged with paper cartons and delivered to the restaurants, so as to achieve the reuse of paper cartons.
5. We continue to promote the use of reusable containers and incubators, so as to reduce the usage of paper cartons and polyurethane foam cartons.

During the Reporting Period, the main packaging materials used by the Company included carton boxes, paper cups, plastic cups, PP bags, packing bags, plastic straws, packaging boxes, take-away packaging materials and degradable packaging materials. The total usage of the above-mentioned packaging materials was 4,117.1 tonnes, representing the consumption of packaging materials per RMB1 million operating revenue of 0.87 tonnes.

### • Environmental targets for energy and water consumption efficiency:

Energy consumption efficiency targets	Using 2020 as the base year, the average electricity consumption of Coucou restaurants will reduce by 5% by the end of 2025
	Using 2020 as the base year, the total energy consumption of Xiabuxiabu central kitchen will reduce by 10% by the end of 2025
Water consumption Efficiency targets	Using 2020 as the base year, the average water consumption of Coucou restaurants will reduce by 5% by the end of 2025
	Using 2020 as the base year, the proportion of water consumption by each Xiabuxiabu restaurant will further decline by the end of 2025

## 3.2 OPTIMISATION OF EMISSION CONTROL

Xiabuxiabu manages emission and waste discharge in accordance with the Regulations on the Management of Domestic Waste in Beijing and other relevant laws and regulations of the PRC, attaches great emphasis to the management of various types of emissions, continuously monitors emissions and takes proactive measures to mitigate the impact of such emissions on the environment. During the reporting period, the Company proactively implemented waste sort-out, and took active measures to promote emission reduction, reduce the production of wastes and ensure that wastewater discharge and exhaust emission meet the environmental protection requirements.

### • Control of emissions

Following the implementation of the revised Regulations on the Management of Domestic Waste in Beijing, and in an active response to the government initiatives, Xiabuxiabu continued to perfect waste sort-out guideline, implemented further refined management of the four categories of wastes namely "kitchen wastes", "recyclable items", "other wastes" and "hazardous wastes" under the waste sort-out practice. The central kitchen of the Company has installed fume purification equipment to control oil fume pollution. In 2022, sewage treatment and oil fume purification were in normal operation, and the exhaust emission and wastewater discharged by the central kitchen met the national standards after treatment.

In order to better fulfil its social responsibility of reducing environmental pollution and saving land resources, Xiabuxiabu continues to strengthen the use of renewable resources. In 2022, we continued to implement waste sort-out, and insisted on waste recycling by professional waste recycling units. 100% of the non-hazardous recyclable waste generated by the central kitchen is recycled by professional recycling companies.

GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

Case: Pilot vegetable cleaning mode to reduce kitchen wastes before meal

The Company continues to innovate in terms of diligence, frugality and waste prevention. At present, the Company has fully piloted the clean vegetable model in Shijiazhuang. According to the data, the yield rate of using clean vegetables is also the ratio of 1 catty of vegetable that can finally be "put in a pot", which can increase from approximately 73% to 93%. It is obvious that the restaurant uses clean vegetables which can reduce a large amount of pre-meal kitchen wastes. At present, the all-in-one pilot clean vegetables restaurant in Shijiazhuang is about 20% less kitchen wastes compared to the previous output rate, and about 2.22 tonnes of kitchen wastes per month is reduced, which can reduce by 26.64 tonnes per year. The promotion of vegetable cleaning mode not only greatly reduces kitchen wastes, but also brings cost reduction and efficiency improvement to the corporate. Cost loss can be saved by approximately RMB3,600 each restaurant per month and RMB43,200 each restaurant per year.



- Environmental goals for emissions:

Emission reduction targets	Achieving reuse of incubators for ingredient transportation for 100% logistics warehouses across the country by the end of 2025
	Achieving 100% use of recyclable food containers and packaging materials for delivery services by Xiabuxiabu by the end of 2025






## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

### • Actions to address climate change

Xiabuxiabu has always been committed to promoting climate change action, reducing carbon emissions and continuously transforming into a low-carbon economy. In order to implement the United Nations 2030 Agenda for Sustainable Development (《聯合國2030年可持續發展議程》), and strictly comply with China National Climate Change Program (《中國應對氣候變化國家方案》), we identify climate change risks that may have or have had a significant impact on the Company. We enhanced management over climate change risks and took actions for energy conservation and emission reduction in an orderly manner in the places where we operate, so as to reduce GHG emissions. In addition, we proactively improved information disclosure on carbon emission and aligned the climate change with the Group's future, sparing no efforts in addressing climate change.

Risks and opportunities arising from climate change	Response methods
<p>Transformation</p>	<p>With the implementation of carbon neutrality and other environmental policies, the entire economy and society are undergoing green and low-carbon transformation. The low-carbon development of the Company will help to boost the investors' confidence, enabling us to obtain more credit facilities and effectively reducing risks such as increasing operation costs due to high energy consumption operation.</p> <p>We have established an energy management group to optimise our energy consumption structure and improve carbon emission management. We also invited authoritative third party agencies to conduct GHG emissions audit in the major cities, so as to analyse and identify the source and changes of GHG emission. In addition, we have set our GHG emission reduction target in a scientific manner, enhanced day-to-day energy conservation and emission reduction management, and developed various strategies for different cities to promote energy conservation and consumption reduction, striving to reduce carbon emissions through various measures such as optimisation of production process, enhancement of technology improvement for energy conservation and promotion of green office. Furthermore, we encouraged our staff to adopt low-carbon travel modes in daily lives, promoted the adoption of online meetings instead of long-distance travel to reduce unnecessary carbon emissions, and made great efforts to promote the low-carbon environmental protection concept, making positive contributions to the achievement of the goals of carbon peak and carbon neutrality.</p>
<p>Entities</p>	<p>Extreme weather events and severe natural disasters may lead to damages to the equipment and infrastructure facilities of the places where we operate, which may impose threats to the safety and health of the employees and serious impacts on the orderly production and operation of the Company.</p> <p>Against the background of intensified global climate change and complex and changing weather conditions, and in order to improve our capability in coping with emergencies under bad weather conditions, we continued to keep a close watch over climate change, stepped up efforts in formulating emergency response plans, and adopted various measures such as day-to-day inspection and emergency drills to effectively prevent and control such risks.</p>

### Measures to address climate change:

-  1. We improved energy utilisation technology and energy utilisation efficiency to reduce carbon dioxide emissions;
-  2. Employees are encouraged to drive less, go to work by ride for short distances and choose public transportation for green travel;
-  3. We reduced unnecessary business trips, trips and gathering activities;
-  4. We strengthened the allocation of company vehicles. In principle, the personnel travelling to the same destination share vehicles as much as possible to save resources;
-  5. The Company reduced the holding of large-scale events to avoid gathering of people and further promoted energy conservation and emission reduction.

## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

## 3.3 PROMOTION OF GREEN CONCEPT

Xiabuxiabu always attaches great importance to green catering, and is committed to spreading the concept of eliminating waste, cherishing food and protecting the environment to customers. At the same time, through the activity of waste sort-out month, we implement environmental protection requirements and actively cultivate employees' awareness of environmental protection.

- Clean plate campaign:

Xiabuxiabu actively implements anti-food waste and uses technological means to carry out preliminary control of "Clean Your Plate" campaign. By setting a combo-for-one and launching a model such as two-in-one combo, Xiabuxiabu promotes the concept of food conservation. The "solo dining" menu is rich and nutritious, which is well received by customers, and lays a good foundation for food conservation. In addition, through big data analysis, restaurants use the operation management system of front-end restaurants to automatically calculate the consumption volume of different days to achieve precise ordering. In the process of transportation, digital and refined management methods are used to reduce the consumption of ingredients. The Company continued to work hard on solutions such as process setting and dish research and development, and integrated the concept of "practising conservation and opposing waste" into the entire catering operation and management of the Company.



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BUBBLE UP THE MOMENT



## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

### • Waste sort-out activity month:

In November 2022, Xiabuxiabu's administrative and logistics department actively advocated all employees in the office building to carry out the activity month of "Waste Sort-Out and Learning". We once again carried out waste sort-out training. After the employees were familiar with the requirements of waste sort-out in Beijing, the administrative and logistics personnel carried out the "fixed-point" garbage disposal guidance: one-on-one guidance was given to the garbage disposal colleagues at the pantry gate area on the first floor, the public area on the second floor, the public area on the third floor and other garbage disposal points three times every day in the morning, noon and evening and half an hour each time. After the launch of the waste sort-out activity month, employees further understood the waste sort-out requirements of Beijing and attached importance to waste sort-out, strict placement and clear sort-out.



### • Digital logistics management:

Xiabuxiabu attaches great importance to the digital management of logistics and takes the lead in the digital reform of the supply chain in the industry, especially the promotion of anti-food waste and carbon emissions. We use the Transportation Management System, a digital system launched on the logistics end, to achieve integrated management of the entire process through intelligent vehicle dispatching, route optimisation, personnel management, expenses, temperature control and early warning in logistics operations, so that all tasks can achieve accurate digitalisation of all work and the overall logistics operation efficiency will be improved, in order to ensure the freshness of food ingredients and reduce food losses.

Through reforms such as digitalisation and personnel management, we are able to ensure that at least 150,000 tonnes of fresh food ingredients enter consumers' table every year. In terms of route optimisation, we started to introduce a digital system as early as 2019, which can optimise the intelligent wiring and line optimization. The cumulative delivery times in four years reduced by 7,200 vehicles, the accumulative saving of transportation costs in four years amounted to RMB10,000,000 and the cumulative carbon emissions reduced by 340,000 tonnes.

## GREEN DEVELOPMENT AND CONSTRUCTION OF SUSTAINABLE ECOLOGY

- Environmental non-woven fabric bags:

In order to respond to the environmental protection policy and reduce the use of plastic bags, Xiabuxiabu adopted non-woven bags for delivery in its restaurants nationwide in 2022, and the annual consumption of non-woven bags exceeded 5,000,000.



4

# PEOPLE ORIENTED AND PRACTICING SOCIAL RESPONSIBILITY



## Being people-oriented and fulfilling social responsibilities

“People-oriented” is the basic philosophy that Xiabuxiabu always adheres to. We firmly believe that when the Company is committed to safeguarding the basic rights and interests of the employees, cares for the physical and mental wellbeing of the employees, and assists employees in growing, we can support the long-term development of the Company. The Company implements a sound recruitment, remuneration and welfare system, offers employees with sound promotion and development channel, pays close attention to the employees’ expectations and demands, provides a diversified training and development platform, and supports employees to realise their self-worth, with an aim to promote mutual development of the employees and the Company. At the same time, the Company proactively fulfils its social responsibilities. In addition to giving care to its employees, the Company takes an active part in public welfare and carries out various public welfare and charity activities to benefit people in need and comprehensively enhance its awareness of corporate social responsibility.

### 4.1 EMPLOYEE RIGHTS PROTECTION

Xiabuxiabu strictly abides by the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China, Provisions on Prohibition of Child Labour and other relevant laws and regulations, and continuously optimises the human resources management mechanism. We uphold the equal and compliant recruitment policy, respect the human rights, and continuously optimise the employee structure, so as to safeguard the basic rights and interests of each employee. At the same time, the Company has established a fair and unified remuneration and benefit system to set out specific provisions on the interests and rights of the employees, benefit entitlements, working hours and rest periods, so as to encourage employees to make progress together with the Company. In addition, the Company enhances democratic management among the employees, establishes a sound mechanism to facilitate feedback and communication with the employees, and consolidates internal and external talent resources, with an aim to build a diverse and inclusive talent team. During the reporting period, the Company was not involved in any lawsuit relating to child labour or forced labour.

#### • Fair and compliant employment

Upholding the principles of “fairness, openness and equality” and the concept of “merit-based selection” in recruitment, Xiabuxiabu has built a comprehensive talent team, strived to build the employer brand, attracted more outstanding talents to join us, continued to improve the recruitment policy and system to ensure legitimate compliant employment and safeguard the basic rights and interests of the employees. The Company has zero tolerance towards any form of discrimination, prohibits the use of child and forced labour, and strives to realise diverse, fair, legitimate and compliant employment.

#### Recruitment Policy:

##### Ensure legitimate and compliant employment and prohibit the use of child and forced labour

The Company eliminates the recruitment of any job applicant under the working age stipulated by the government by deploying the E-HR system, thus prohibiting the use of child labour from the source. In addition, the Company conducts appraisal on staff from time to time, places emphasis on and closely monitors employment risks, and links the employment risk with the performance of each restaurant.

The labour contracts of employees are signed voluntarily by themselves, and the on-site photos of all documents signed by employees are kept to ensure that there is no sign-on-behalf and thus no forced labour.

##### Deepen school-enterprise cooperation and expand recruitment channels

The Company will deepen school-enterprise cooperation, expand more recruitment channels, integrate online and offline recruitment resources, innovate a number of online recruitment approaches, and ensure recruitment efficiency and quality through internal and external integration. In 2022, the Group set up its second headquarters in Shanghai, sought local recruitment channels in Shanghai actively, and completed the recruitment of relevant positions in two months.

##### Insist on fair competition and strengthen internal recommendation

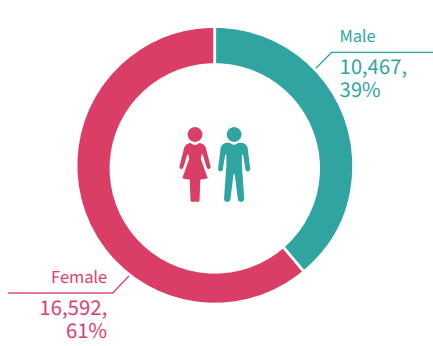
The Company strengthens internal recruitment incentive policies such as internal recommendation/re-employment, reviews its in-house position composition, optimises organisational structure, ensures and encourages inhouse excellent personnel to enjoy equal competition opportunities, and ensures the stability of employees while shortening the recruitment cycle.

##### Promote diversity in employment and advocate inclusive concept

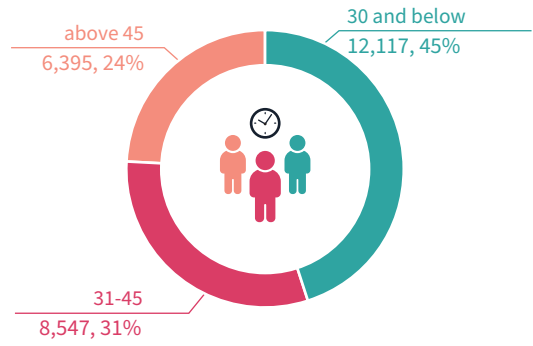
The Company advocates a diversified and inclusive workplace atmosphere, and adopts a variety of approaches to attract suitable talents with diverse background. The Company prohibits any discrimination on ground of age, gender, geographical region, cultural background, religion or other factors, achieves reasonable distribution of employees in terms of gender, age, region, and ensures a diversified, equal and inclusive working atmosphere.

## Being people-oriented and fulfilling social responsibilities

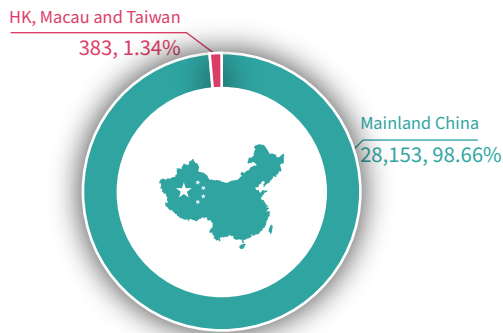
Xiabuxiabu adheres to equal employment and continuously optimizes the personnel structure. As of the end of the reporting period, there were 27,059 employees in Xiabuxiabu, and the employee distribution structure is as follows:



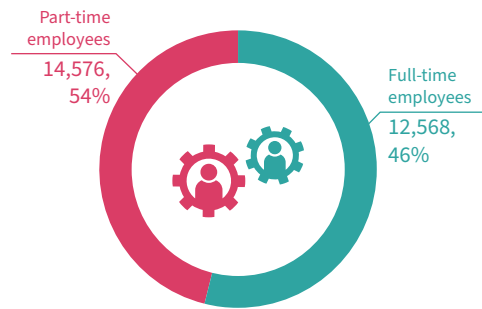
Number of employee by gender



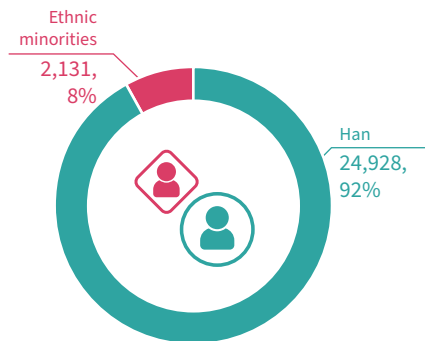
Number of employee by age group



Number of employee by gender



Number of employee by employment type



Number of employee by race

## Being people-oriented and fulfilling social responsibilities

Indicator	Unit	FY2022
<b>Employee turnover</b>		
Employee turnover rate	%	105.83%
Male employee turnover rate	%	136.29%
Female employee turnover rate	%	87.61%
Turnover rate of employees aged 30 and below	%	165.34%
Turnover rate of employees aged 31-45	%	61.15%
Turnover rate of employees aged above 45	%	61.79%
Employee turnover rate in Mainland China	%	105.16%
Employee turnover rate in HK, Macau and Taiwan	%	144.09%
Overseas employee turnover rate	%	159.68%
<b>Work-related injury data</b>		
Number of work-related fatalities in FY2020	person	0
Rate of work-related fatalities in FY2020	%	0%
Number of work-related fatalities in FY2021	person	0
Rate of work-related fatalities in FY2021	%	0%
Number of work-related fatalities in FY2022	person	0
Rate of work-related fatalities in FY2022	%	0%
Lost days due to work-related injury	day	23.23 days

Being people-oriented and fulfilling social responsibilities

• Remuneration and benefits

Following the principle of “giving priority to efficiency while taking fairness into consideration”, the Company has established a unified remuneration system, and formulated the internal salary distribution system and form of distribution by law based on post value and individual performance with rational income gap. The Company improves existing employees’ remuneration level in light of its actual profitability, and also continues to deepen profit distribution, monthly bonus, quarterly bonus and annual bonus according to their respective positions and job category. The Company adopts a combination of several remuneration forms, effectively reflecting the three remuneration elements including post, performance and capability and offering short-term with long-term incentives, which helps not only to motivate employees’ working initiatives but also drive growth in profitability of the Company, creating a win-win situation for the Company and its employees. Meanwhile, the Company implements labour budget management to analyse employees’ income every year, which links total salary with enterprise profitability. The Company also delivers pay rise in an active and prudent manner by developing annual salary increase scheme and adjusting salary policy, so as to improve employees’ remuneration and benefits.

In 2022, we continued to deepen the concept of profit distribution, gradually transformed functional performance bonus into consideration of profit or value creation, and improved the salary competitiveness for key positions.

Working hours and rest periods	<ul style="list-style-type: none"> <li>• comply with the working hour requirement under the Labour Law of the People’s Republic of China;</li> <li>• guarantee employees’ entitlement to national statutory holidays, marriage leave, funeral leave, home leave, maternity leave, family planning leave and paid annual leave.</li> </ul>
Five Social Insurances and One Housing Provident Fund	<ul style="list-style-type: none"> <li>• provide its employees with five social insurances including endowment insurance, employment injury insurance, maternity insurance, unemployment insurance, medical insurance and the Housing Provident Fund;</li> <li>• purchase employer liability insurance for employees of all restaurants nationwide.</li> </ul>
Allowances for employees	<ul style="list-style-type: none"> <li>• provide free working lunch or meal allowances for all employees;</li> <li>• provide transportation, telephone and travel allowances for employees at posts with particular needs.</li> </ul>

## Being people-oriented and fulfilling social responsibilities

### 4.2 PROMOTING CARE FOR EMPLOYEES

Xiabuxiabu always adheres to the principle of “people-oriented, integrity and pragmatism”. As a responsible employer, the Company attaches great importance to safeguarding the physical and mental wellbeing and safety of employees, and comprehensively creates a safe and comfortable working environment through implementation of relevant systems and measures. At the same time, the Company expects that the employees can balance work and family, maintains smooth communication with the employees, organises various employee care activities, and encourages employees to strike a work and life balance, with an aim to enhance the employees’ sense of happiness and belonging.

#### • Employee health and safety

Xiabuxiabu strictly complies with the Fire Prevention Law of the People’s Republic of China, the Safety Law of the People’s Republic of China, the Measures for the Administration of Contingency Plans for Work Safety Incidents, the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases, the Special Equipment Safety Law of the People’s Republic of China, the Regulations on the Safety Management of Hazardous Chemicals and other laws and regulations, adheres to the management concept of anti-violation, blocking loopholes, checking hidden dangers, and ensuring safety, formulates and perfects its systems in relation to production safety, assigns dedicated personnel to regularly allocate and maintain safety facilities, and formulates a number of measures to protect the health and safety of employees, so as to provide employees with a safe and harmless working environment. During the Reporting Period, the Company was not aware of any serious work safety accident or safety issue due to negligence in safety inspections.

#### Comprehensive safety monitoring

- The Company continues to pay attention to EHS-related regulations and changes of its employees, updates the management personnel and revises the relevant responsibility system, rules and regulations in a timely manner;
- The Company ensures that the wastewater, exhaust air, noise and other environmental pollutants meet the discharge standards, signs regular inspection agreements with qualified units, continuously tracks and masters the level of pollutant discharge, and timely corrects any excessive discharge to ensure that the pollutants meet the compliance and discharge standards;
- The Company signs maintenance agreements with qualified fire-fighting units to regularly maintain fire alarm and fire extinguishing systems and various fire-fighting equipment to ensure that the fire-fighting facilities and equipment are complete and effective;
- The Company assigns dedicated personnel to conduct regular inspections on the fire extinguishers and fire pumps of the Company, and completes in the spot checks record form;
- The Company strengthens the supervision and control of key areas and key parts, including special equipment registration and annual inspection, special operators review and obtain certificates, daily inspection of power distribution room and charging room;
- The Company carries out special safety inspection activities for the production safety month event, and conducts daily, weekly and monthly inspections, with an aim to facilitate timely rectification of potential hazards.

#### Health and safety training

- The Company rigorously carries out three-level safety training for the new employees, with an aim to ensure a three-level education training rate of 100% for the new employees;
- The Company formulates the education and training plan and organises lecturing and training activities in accordance with the aforesaid plan;
- The Company carries out establishment of emergency rescue system, updates its emergency rescue plan in a timely manner, and conducts emergency rescue drills such as fire extinguishment, evacuation and first-aid training in accordance with such plan;
- The Company organises professional certification trainings for special operators or special equipment operators;
- The Company proactively organises a wide variety of afterwork activities for the promotion of safety knowledge in a flexible and diverse manner via bulletin boards, banners, WeChat groups, pre-shift or post-shift meetings.



## Being people-oriented and fulfilling social responsibilities

### Employee food safety

- The Company's canteen actively complies with the Food Safety Law, implements strict control over the quality of canteen ingredients as well as the quality process, the hygiene process and the serving process, and the qualification rate in random inspections for tableware washing and sterilisation reaches 100%. In addition, the quality management department of the Company is invited to carry out monthly smearing inspection on employees' shared tableware and appliances of the meal-serving room to fully ensure the food hygiene and safety of diners;
- The Company requires the person-in-charge of the canteen to smear inspection to the valve and key connection parts of the canteen gas at morning shift, check whether there is gas leakage, and request to fill in the inspection record every morning;
- The administrative staff implements strict control on bottled water and filtration of boiled water, so that all of the drinking water provided for staff members is safe and healthy;
- The Company manages and maintains the coffee machines and vending machines in the Company to ensure the needs of the Company's employees to the maximum extent;
- The Company cleans all water boilers and inspects and replaces water purifiers and filters quarterly.

### Physical and mental wellbeing of employees

- All employees receive health examination, so as to protect our employees from malicious infectious diseases as good as we can;
- In order to make employees' work environment more comfortable, the administrative logistics maintenance staff carries out a series of upgrade, maintenance and renovation of the air-conditioners, domestic water heaters and dormitory facilities;
- The shuttle buses of the Company arrive at the designated places on time every day to effectively ensure the normal commuting of the employees, which recorded no traffic incidents or delayed phenomenon throughout the year;
- In order to enable employees of the Company to work in a beautiful environment, the administrative staff replaces the green plants in the office premise from time to time, and carries out decoration for various festivals to deliver a festive atmosphere, enabling our staff to keep a pleasant and relaxing mood in their busy work;
- The Company strictly manages the staff dormitories in the factory area to meet the accommodation needs of employees, keep the dormitories clean without any fire safety hazards.

## Being people-oriented and fulfilling social responsibilities

### • CARE FOR EMPLOYEES

Upholding the “people-oriented” principle, Xiabuxiabu attaches great importance to humanistic care and is committed to creating a happy and democratic working environment for employees, respecting and paying close attention to the employees’ expectations and satisfying the actual needs of employees. We actively carry out various employee activities, attach importance to communication with the employees, enrich employees’ daily life, commend advanced employees and establish learning benchmarks, encourage employees to strike a work and life balance, enhance the employees’ sense of belonging and happiness, gather the employees together, and enhance the harmony extent of the teams, with an aim to create a progressive, harmonious and friendly team atmosphere.

#### Organise employee activities

- The implementation of team-building projects by members of each business unit of the Group requires the team activities of various departments to be centred on corporate culture, which on one hand accelerates team integration, and on the other hand deepens the awareness of corporate culture among the employees;
- Incentive program to promote corporate culture of Xiabuxiabu, “Shining Star” enables the entire business to enter into a way of healthy competition, which is not just an appraisal indicator, but a multi-dimensional creation from the Company’s operation, paying more attention to personal development at work;
- Incentive program to promote corporate culture of Xiabuxiabu, “Outstanding Xiabu Staff” essay solicitation activity, received nearly 100 articles in total, which recorded the details of the dedication and hard work of Xiabu staff, and built a communication platform for everyone to see each other and learn from each other.

#### Extend care for the employees

- The Company organised all kinds of activities on various traditional festivals to offer blessing and gifts for the employees;
- The Company offered employees with special benefits and consolation money for their wedding and funeral of their families;
- The Company offered the employees’ birthday gifts and benefits to celebrate their birthdays;
- The Company extended care for female employees and continued to maintain the mother’s room to provide convenience for the working moms;
- The Company offered special benefits for the employees during the hot summer.

#### Enhance communication with the employees

- Each outlet holds democratic life meetings on a regular basis, organises corporate culture learning and understands employees’ expectations in a timely manner;
- The Company completed communication and exchange meetings for the new employees, accepted the advice and established a communication and exchange platform.

Being people-oriented and fulfilling social responsibilities



The Labour Union of Huangcun Town conducted the activity of bringing coolness in summer



Building of models strength of Xiabuxiabu of Xiabuxiabu Group

呷哺集团2022年度- Q3闪亮之星

2022-11-22 集团人力资源部

闪亮之星是集团自2021年开启的面向餐厅经理及一线业务人员旨在鼓励伙伴们突破自我，创造佳绩，打造内部优秀标杆人物的一项评选活动。自去年启动后已相继有几十位员工获得此殊荣并获得了携家人出游奖励基金。

今年，该项活动仍在进行，除了季度奖励外，季度闪亮之星还有望入围年度评选，获得年度旅游基金。现在就让我们一同来认识他们吧！

《呷哺呷哺三季度闪亮之星》

《呷哺呷哺三季度闪亮之星》

☆ **冲碧先**

第三季度餐厅利润达成&利润同比2021增长排名全国前列，为本区最高

☆ **窦炳昆**

第三季度餐厅利润达成&利润同比2021增长排名全国前列

☆ **刘煜水**

超额完成10月利润率管理，为本区最高

Xiabuxiabu "Shining Star" Award

Being people-oriented and fulfilling social responsibilities

1月3日 16:53



**最美凑凑人**  
(西北区)

**凑凑西北区服务案例 | 把我的服务...**  
用心服务, 真诚待人  
集团人力资源部&凑凑人力资源部

2022年12月9日 13:13



**最美凑凑人**  
(京津区)

**凑凑京津区服务案例 | 以微小之光...**  
小细节, 传递大温暖  
集团人力资源部&凑凑人力资源部

1月6日 13:38



**最美凑凑人**  
(东北区)

**凑凑东北区服务案例 | 有限的空间...**  
为您, 我们会做得更好  
集团人力资源部&凑凑人力资源部

2022年12月12日 11:00



**最美凑凑人**  
(西南区)

**凑凑西南区服务案例 | 心与心的距...**  
总有那么一瞬间, 一个温暖的细节能让你感动不已  
集团人力资源部&凑凑人力资源部

“The outstanding employee of Coucou” Award

## Being people-oriented and fulfilling social responsibilities

### 4.3 PROMOTING EMPLOYEE DEVELOPMENT

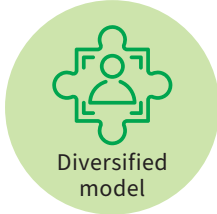
The professional development of the employees is essential for the long-term development of the Company. Xiabuxiabu places great emphasis on talent cultivation. Through developing a comprehensive employee training system, continuously optimising the learning platforms, formulating the annual training plan in light of the actual condition of the Company, using various forms of training, providing employees with rich learning resources and convenient learning channels, offering them personalised career advancement channels, and setting specific performance appraisal requirements to support the company's internal talent development and build highly competent professional talents to enhance the Company's core competitiveness.



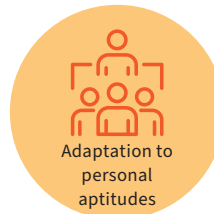
## Being people-oriented and fulfilling social responsibilities

### • Diversified training mechanism

Xiabuxiabu attaches great importance to talent cultivation and always believes that talents are the first element of the Company's development, and urges employees to apply what they have learned and integrate knowledge with practice. We accelerate the establishment of a standardised and transparent talent certification system, providing employees with various learning channels and professional, abundant, diversified and scientific training content according to their different stages of career development, enhance their work and management skills, facilitate employee career development, offer opportunities for them to realise their self-value, drive organisational growth and achieve outstanding operations.



Customized courses are developed for employees in different regions, business lines and ranks to ensure that the courses cover all employees while meeting the personalized needs of employees and ensuring that they are taught according to their skills.



Through the combination of online pre-job training and offline reinforcement training, we carried out teaching, sharing, seminars and other training content, and implemented several occupational character assessments, which helped to develop a career development plan and build a team with empowerment and growth potential.



The Company supervises and guides the regular training and calibration to continuously update the knowledge of operation executives, update and strengthen operational standards, and at the same time, activates the talent certification system, determines the fixed training model and assessment method, and promotes the innovative talent development model.



In addition to orientation training, the Company also subsequently provides position skill training, management training and trainings on attitude motivation based on business needs, with trainings covering the entire career of employees.

## Being people-oriented and fulfilling social responsibilities

### • Xiabuxiabu:

1. New staff training: 1 session per month, covering nearly 300 employees throughout the year.
2. Professional courses for the catering industry: covering operation management, catering talent cultivation and organizational development, marketing and customer services, with 640 online trainees; Empowered employees and managers, and conducted two SHL report training sessions, with a total of approximately 200 people.
3. Learning of internal process system: employees grasp the rules and procedures issued by the Company in a timely manner, improve work efficiency, and effectively reduce risk probability; enhance employees' vision, work skills and awareness.
4. Special Topic Sharing Micro-course of Xiabu Class: The purpose is to create internal training courses that are in line with the actual situation of the enterprise, all of which are self-developed, such as DISC, OPQ and other theoretical courses for identifying talents and managing staff.
5. Learning of "Seven Swords in Management" course: It is mainly designed for directors and front-line management personnel, aiming to help young managers to complete the role transformation and the overall improvement of management level of management personnel quickly.

### • Coucou:

1. Conducting standard courses:  
We have set up standard training courses and regional special courses. During the year, a total of 5,786 service teams and 939 management group partners were promoted and developed in their original positions.
2. Promotion of cultural course:  
Make courseware based on the trilogy of Coucou temperature, Coucou power and Coucou vision, and promote Coucou temperature first, then focus on the knowledge base required for Coucou employees.
3. Cost analysis & order management training:  
The teachers of the headquarters conducted training on 11 restaurants, and conducted special business training for restaurant managers, kitchen managers and kitchen supervisors to improve the management level of management cadres. The number of trainees is 336.
4. Hong Kong, Macau, Taiwan & overseas restaurant training:  
Teachers from southern Greater China conducted new employees training and corporate culture training for restaurants in Hong Kong and Singapore. At the same time, we have prepared a SOP bilingual wall sticker and operation guideline for overseas restaurants to facilitate local partners' learning and use.
5. 100% coverage project of new employees training:  
In addition to the learning of company profile and corporate culture to new employees joining in the Company, the Company also enhanced the course content of part-time employees to improve their job skills and professional knowledge, so as to ensure that the operation QSC meets the standards.
6. Stage plan of talent development  
As an emerging talent development path system, the Company rationalised the arrangement of all courses, and divided the original three departments (dining hall, tea bar and kitchen) into four departments (dining hall, usher, tea bar and kitchen), and adjusted the promotion methods of kitchen partners and learning of cross-position.

## Being people-oriented and fulfilling social responsibilities

Indicator	Unit	FY2022
Percentage of female employees trained	%	53%
Average training hours received by female employees	hours	6.3
Percentage of male employees trained	%	53%
Average training hours received by male employees	hours	6.4
Percentage of managers or above trained	%	80%
Average training hours received by managers or above	hours	8.4
Percentage of other level employees trained	%	52%
Average training hours received by other level employees	hours	6.3

## Case: Special course of catering operation

This course aims to empower front-line business personnel by introducing external online training courses. The courses cover restaurant personnel, operation and management, etc. in the catering industry, aiming to expand the industry vision, leadership ability and professional knowledge of front-line business personnel, and set compulsory courses for certain level of front-line employees to strengthen the rapid and effective learning of the group. The Xiabuxiabu business unit set 10 courses under the series as compulsory courses for restaurant managers, and most of the restaurant managers have completed the required learning tasks in 2022.





## Being people-oriented and fulfilling social responsibilities

### • Appraisal and promotion

Xiabuxiabu places great emphasis on and steps up efforts to build up talent reserve, and is committed to offering the employees with a fair, just and open environment for career development. It attaches great importance to employee appraisal and long-term incentives, pay close attention to the training of backup talents, and creates career development channel for employees. The Company continues to improve its talent appraisal system, with an aim to ensure fair and scientific appraisal results. The Company implements monthly appraisal, quarterly appraisal and special appraisal for performance appraisal, and regularly tracks and analyses the employees' accomplishment of performance targets. In addition, the Company continued to implement in-house competition policy, further reviewed its internal position composition, offered more promotion opportunities for its employees, so as to make full use of its in-house talent reserve, and enabled employees to obtain diversified development opportunities. In 2022, the Company achieved the training of backup talents, actively carried out campus recruitment for management trainees, and established a team of backup talents to provide a stable supply of frontline management backbones for the business development of the Company. Meanwhile, we paid greater attention to the capabilities of frontline operation and management cadres and functional middle-level management cadres, and conducted large-scale talent review to reserve talents for the subsequent development of the Group. During the year, the Group had a more comprehensive development in identifying, cultivating and retaining talents.

### 4.4 PRACTICING SOCIAL RESPONSIBILITY

Xiabuxiabu attaches great importance to corporate social responsibilities, continuously pays attention to the needs of the community, and unswervingly fulfils its social responsibilities with practical actions. We firmly believe that the development of an enterprise benefits from the progress of the society, and the promotion of good community development is an important part of the sustainable development of an enterprise. While ensuring stable operation, the Company makes proactive efforts to serve and give back to the society, promotes industrial and ecological poverty alleviation programs, facilitates local economic development, as well as participates in and support public welfare activities, charitable donations and voluntary activities, and works with all sectors of society to build a better society.

#### Case: Keeping up with “Shanghai” and overcoming difficulties together – Xiabuxiabu urgently allocated 200 tonnes of lamb to assist Shanghai

The pandemic in Shanghai has weighted on the heart of the people across the country. In order to alleviate the pressure on the providing of living supplies for residents during the pandemic prevention and control period, on 31 March, under the call of the Shanghai Municipal Government and the government of the Inner Mongolia Autonomous Region, the Ximeng Yishun factory of Xiabuxiabu urgently allocated 200 tonnes of lamb and transportation vehicles at the fastest speed, which were sent to Shanghai in two batches by emergency flight. The first batch of 100 tonnes of lamb was transported by cold chain on 1 April. The second batch of 100 tonnes of lamb was urgently loaded in the morning of 1 April and arrived in Shanghai on 2 April. The 200 tonnes of lamb are all high-quality lamb, which is the same standard as that of Xiabuxiabu restaurants. After the lamb arrives in Shanghai, it will be centrally coordinated by the Shanghai Municipal Government and then served on the dining table of Shanghai citizens. “Xiabuxiabu will fight the pandemic together with the people of Shanghai and overcome difficulties together.”

Since the outbreak of the COVID-19 pandemic in 2020, Xiabuxiabu has taken various measures to ensure supply and enrich the dining tables for the citizens. Xiabuxiabu and Coucou restaurants have stepped up their operational efforts under high standards of pandemic prevention, while ensuring the hygiene of the dining tables for the citizens by way of take-away, group meals and prepared dishes.



## Being people-oriented and fulfilling social responsibilities

### Case: Volunteer service team of Xiabuxiabu: Willingly as the “hidden whiteness” and went to the front line to help the community fight against the pandemic

Under the call of the government of Huangcun Town, Daxing District, where the headquarters of Beijing Group is located, a number of employees including the headquarters of the Group, Beijing Region of Xiabu, Beijing Region of Coucou, and Xiabu Design Engineering Company\* (呷哺設計工程公司) volunteered to form the volunteer service team of Xiabuxiabu, turned into a “hidden whiteness” and went to the front line of the community to fight against the pandemic and contributed to the fight against the pandemic. In less than two days after the issuance of the volunteer collection order, more than 50 employees volunteered. On the summer, they wore protective clothing, turned themselves into “hidden whiteness”, stuck to the “pandemic” line, moved forward against the trend, and tackled the pandemic prevention work in each community, contributing to the fight against the pandemic in Beijing.

Responsibility is the best interpretation only when we come out in the face of difficulties. In the face of the urgency of pandemic prevention and control, while ensuring supply, Xiabu staff actively participated in volunteer services for pandemic prevention and control, and demonstrated the spirit and power of Xiabu staff at all times, and interpreted the volunteer spirit of “dedication, fraternity, mutual assistance and progress” with practical actions.



## Being people-oriented and fulfilling social responsibilities

### Case: 24-hour standby! 6 female employees supported a restaurant to ensure supply

On 3 May, Xiabuxiabu restaurants and Coucou restaurants in Shanghai resumed operation successively, with distribution coverage covering major areas in Shanghai. The restaurant in Jinhai Road, Powerlong, Pudong, for which Qian Xiaofeng, an employee, was responsible, currently consisted of six female employees (including herself), and fully maintained the normal “operation” of this restaurant of ensuring supply. As the closed-loop management was implemented in the restaurants to ensure supply, employees were required to take protective clothing throughout the day to ensure the safety of meals. At the beginning of implementing the whole process, we made some adjustments. However, when we received positive feedback from our first customer, we were happy that our efforts have brought our customers satisfaction of taste and physical and mental happiness.

Xiabuxiabu is committed to making a contribution to the people of Shanghai and allowing everyone to enjoy the freedom of hotpot and bubble tea. We have set up a special group for resumption of work and production in Shanghai “headed” by HO Kuang-Chi, Chairman of Xiabuxiabu. Since the beginning of work resumption at the end of April, the headquarters, operations, supply chain, quality control, marketing, IT and other departments have closely coordinated, and have been nearly 6,000 meetings on corporate WeChat only, with more than 40,000 attendees and more than 200,000 minutes of meetings, in order to fully ensure the smooth resumption of work and production.



## Being people-oriented and fulfilling social responsibilities



Xiabuxiabu extended love to personnel of pandemic prevention in Daxing District



The China Chain Store & Franchise Association “Public Welfare Law Forum” to share Xiabuxiabu’s sustainable development initiatives



Some restaurants of Xiabuxiabu set up “Daxing Delivermen Service Station” to distribute free gift packs to delivermen

## FUTURE OUTLOOK

Looking forward to 2023, the production and living will be fully restored when COVID-19 comes under Category B management officially. As the saying goes, “Food is the basic necessity of people”, the food industry will also gradually return to prosperity. Facing the new situation of recovery, Xiabuxiabu always adheres to the core values of “unity, pragmatism, integrity, diligence and creativity” and continues to promote the further development of the Group’s multi-brands to promote the complete layout of the Group’s overall business. We are committed to providing the safest and highest quality food to our customers by focusing on safety, nutrition and health. Meanwhile, we actively responded to climate change, turning challenges into opportunities, and fulfilling our social responsibilities while achieving high-quality corporate development.









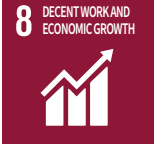


In the future, we will accelerate the improvement of the multi-brand and multi-business expansion strategy and continue to innovate, and make full use of the synergy created by Xiabuxiabu, Coucou, Shaohot and Xiabu Food under the Group to promote the long-term development of the Group. Aiming to build a leading group members system in the catering industry, we have gradually improved the membership management system of Xiabuxiabu and invited more high-quality brands to join. Diversion and expansion have been carried out by means of cross-brand common use and membership privileges and private domain traffic pool has also been built, which will drive the development of different brands under the Group and enhance the experience of consumers. At the same time, we attach great importance to multi-platform marketing and publicity and build the IP of Xiabu Hi-Tiger, to strengthen the exposure of Xiabuxiabu among young people, ensuring the popularity of Xiabuxiabu in young groups. The successful establishment of Coucou overseas also indicates the Group’s continuous efforts in overseas markets. On the other hand, the Group will continue to make efforts in the barbecue sector by taking advantage of the new brand “Shaohot” launched this year, and will continue to expand in the first-tier and new first-tier cities in the future. While providing high-quality ingredients and high-end dining experience, Shaohot will also utilise the unprecedented “catering +” business model of the catering industry to highlight the young lifestyle and continue to provide a pleasant and comfortable dining environment.

In the future, we will still put food safety and product quality as our top priority to provide customers with healthier, more delicious, stylish, diversified food and services. We not only guarantee a sustainable supply chain and maintain stable and high-quality products, but strictly control the links of ingredients inspection, warehousing management, dish processing and restaurant operations, etc., so as to ensure the freshness, good quality, safety and traceability of the ingredients. In an effort to provide customers with a safe dining environment, we strictly abide by the food safety and hygiene standards at each restaurant. In addition, we focus on the research and development of new products, pay close attention to customers’ taste habits and demands, so as to improve the differentiation and uniqueness of the Group’s products through a careful selection of ingredients and a meticulous preparation, offering customers with innovative and diversified food. Based on the changes in customers’ consumption habits, we will set up various consumption patterns to further expand our sales channels. Customer consumption experience is also an important part of our operation. We are dedicated to continuously improving customer satisfaction with food and services by conducting research and analysis through various platforms and methods, strengthening training and constantly improving the business mode.

Looking ahead, sticking to the sustainable development of the Group as an important principle, we will further implement the people-oriented principle, attach importance to the talent reserve of the Group, and fulfil the green development obligations of a responsible enterprise. In addition, we also make continuous efforts to create a diverse, fair, harmonious, safe and comfortable work environment for the employees to effectively protect their interests, and pay attention to the physical and mental health of employees. By providing diversified training, opening up the promotion channel for employees, understanding the needs of employees, optimising the remuneration system and incentive mechanism, the cohesion of employees will be greatly improved, which is conducive to achieving a win-win situation between the Company and its employees.

Looking forward, we will continue to support the national dual-carbon plan and proactively fulfil our social responsibilities. We will strictly comply with various laws and regulations and resolutely implement the business philosophy of low-carbon operation. Through continuous optimisation of resource utilisation and comprehensive emission management, we will spare no efforts in warehouses, kitchens, stores and other places to make proactive response to climate change. At the same time, with the goal of giving back to society, we will continue to facilitate the development of the local economy, while motivating employees to participate in public welfare undertakings and making great contribution to the development of society.

# SUPPORT UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Goal	Action	Goal	Action
 <p>1 NO POVERTY</p>	Implement green poverty alleviation program	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make active response to the waste management measures introduced by local governments and reduce wastes generated by our business operation
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Provide healthy and safe products and place emphasis on the physical and mental wellbeing of the employees	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Reduce food wastage and reduce wastes through prevention measures, emission reduction, recycling and reuse
 <p>5 GENDER EQUALITY</p>	Ensure equal employment and care for female employees	 <p>13 CLIMATE ACTION</p>	Implement energy-saving and emission reduction measures
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Enhance efficient use of energy	 <p>14 LIFE BELOW WATER</p>	Taking into account the sustainability of target stocks and focusing on sustainable fisheries harvested that have minimum impact on the environment when procuring ingredients
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Prohibit the use of child labour and forced labour, create a diverse and harmonious working environment, and provide rational remuneration package	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Maintain compliant operation and prohibit fraud and bribery
 <p>10 REDUCE INEQUALITIES</p>	Ensure equal employment, and prohibit discrimination on ground of age, geographical region, religion, etc.		

## SUPPORT UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS (SDGs)

### ABOUT UN SDGS

The Sustainable Development Goals (SDGs) were adopted at the United Nations Sustainable Development Summit held in Rio de Janeiro in 2012, which provide guidelines for the global development work during 2015 and 2030 and were designed to address the severe environmental, political and economic challenges currently confronted by the world through coordinated efforts. The SDGs include 17 measurable and generally accepted goals, including elimination of poverty, prevention of deadly diseases, actions to address climate change, reduce inequality, promotion of sustainable consumption, etc.



## ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
A1 Emissions	<p>General Disclosures</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and soil, generation of hazardous and non-hazardous wastes, etc.</p> <p>Note: Exhaust emissions include NO<sub>x</sub>, SO<sub>x</sub> and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Disclosed	P36, P43
A1.1	Types of emissions and respective emission data.	Disclosed	P37
A1.2	GHG emissions in total (in tonnes) and, if appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	P37
A1.3	Hazardous wastes generated in total (in weight or volume) and, if appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Not applicable	Due to the nature of the main business of the Company, no significant amount of hazardous wastes are generated during the operation process, thus this index is not applicable.
A1.4	Non-hazardous wastes generated in total (in weight or volume) and, if appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Disclosed	P37
A1.5	Description of measures to mitigate emissions and results achieved.	Disclosed	P36-P44
A1.6	Description of treatment of hazardous and non-hazardous wastes, reduction initiatives and results achieved.	Disclosed	P43-P44



ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
A2 Use of Resources	<p>General Disclosure</p> <p>Policies on efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.</p>	Disclosed	P36-P43
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	P37
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	P37
	A2.3 Description of energy use efficiency initiatives and results achieved.	Disclosed	P36-P43
	A2.4 Description of whether there is any issue in sourcing water that is fit for the purpose, water efficiency initiatives and results achieved.	Disclosed/ partial not applicable	P36-P43, due to the nature of the main business of the Company, the source of water is municipal water supply and there is no issue in sourcing water.
	A2.5 Total packaging materials used for finished products (in tonnes) and, if appropriate, packaging materials used for per unit produced.	Disclosed	P43
A3 Environment and Natural Resources	<p>General Disclosure</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	Disclosed	P43-P48
	A3.1 Description of the significant impacts of business activities on the environment and natural resources and the actions taken to control such impacts.	Disclosed	P43-P48
A4 Climate Change	<p>General Disclosure</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted and may impact the issuer.</p>	Disclosed	P43-P48

## ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B1 Employment	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	P50-P53
	B1.1 The total number of employees by gender, employment type, age group and geographical region.	Disclosed	P51
	B1.2 The employee turnover rate by gender, age group and geographical region	Disclosed	P52
B2 Health and Safety	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	P54-P58
	B2.1 Number and rate of work-related fatalities.	Disclosed	P52
	B2.2 Lost days due to work injury.	Disclosed	P52
	B2.3 Description of occupational health and safety measures adopted, as well as how they are implemented and monitored.	Disclosed	P54-P58

ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B3 Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external training programs paid by the employer.</p>	Disclosed	P59-P63
	<p>B3.1</p> <p>The percentage of employees receiving trainings by gender and employee category (e.g. senior management, middle management, etc.).</p>	Disclosed	P62
	<p>B3.2</p> <p>The average training hours completed per employee by gender and employee category.</p>	Disclosed	P62
B4 Labour Standard	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing use of child labour or forced labour.</p>	Disclosed	P50
	<p>B4.1</p> <p>Description of measures to review recruitment practices to avoid child labour and forced labour.</p>	Disclosed	P50
	<p>B4.2</p> <p>Description of steps taken to eliminate such practices when discovered.</p>	Disclosed	P50
B5 Supply Chain Management	<p>General Disclosure</p> <p>Policies on managing the environmental and social risks of the supply chain.</p>	Disclosed	P24-P27
	<p>B5.1</p> <p>Number of suppliers by geographical region.</p>	Disclosed	P24
	<p>B5.2</p> <p>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, as well as how they are implemented and monitored.</p>	Disclosed	P24-P27
	<p>B5.3</p> <p>Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p>	Disclosed	P24-P27
	<p>B5.4</p> <p>Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p>	Disclosed	P25, p48

## ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B6 Product Responsibility	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(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 in relation to products and services provided and methods of redress.</p>	Disclosed	P27-P34
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	P34
	B6.2 Number of products and service related complaints received and how they are dealt with.	Disclosed	P34
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Disclosed	P19
	B6.4 Description of quality assurance process and recall procedures.	Disclosed	P34
	B6.5 Description of consumer data protection and privacy policies, as well as how they are implemented and monitored.	Disclosed	P34

ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B7 Anti-corruption	General Disclosure Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	P18-P19
	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.	Disclosed	P19
	B7.2 Description of preventive measures and whistleblowing procedures, and the related implementation and supervision approaches.	Disclosed	P19
	B7.3 Description of anti-corruption training provided to directors and staff.	Disclosed	P19
B8 Community Investment	General Disclosure  Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities taking into consideration the communities' interests.	Disclosed	P63-P66
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	P63-P66
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Disclosed	P63-P66

## GRI STANDARDS INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
102-1	Name of the organization	Disclosed	P14
102-2	Activities, brands, products and services	Disclosed	P14-P15
102-3	Location of headquarters	Disclosed	P14
102-4	Location of operations	Disclosed	P3, P14
102-5	Ownership and legal form	Disclosed	P14
102-6	Markets served	Disclosed	P3, P14
102-7	Scale of the organization	Disclosed	P3, P14, P20, P51
102-8	Information on employees and other workers	Disclosed	P51
102-9	Supply chain	Disclosed	P24-P27
102-10	Significant changes to the organization and its supply chain	Disclosed	P24-P27
102-13	Membership of associations	Disclosed	P22
102-14	Statement from senior decision-maker	Disclosed	P3
102-15	Key impacts, risks and opportunities	Disclosed	P3, P67
102-16	Values, principles, standards and norms of behaviour	Disclosed	P3
102-20	Executive-level responsibility for economic, environmental and social topics	Disclosed	P4
102-21	Consulting stakeholders on economic, environmental and social topics	Disclosed	P5-P6
102-29	Identifying and managing economic, environmental and social impacts	Disclosed	P7
102-30	Effectiveness of risk management processes	Disclosed	P16-P17
102-31	Review of economic, environmental and social topics	Disclosed	P7

GRI STANDARDS INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
102-32	Highest governance body's role in sustainability reporting	Disclosed	About this report, P4
102-40	List of stakeholder groups	Disclosed	P5-P6
102-43	Approach to stakeholder engagement	Disclosed	P5-P6
102-44	Key topics and concerns raised	Disclosed	P5-P7
102-46	Defining report content and topic boundaries	Disclosed	About this report
102-47	List of material topics	Disclosed	P7
102-49	Changes in reporting	Disclosed	About this report
102-50	Reporting period	Disclosed	About this report
102-51	Date of most recent report	Disclosed	About this report
102-52	Reporting cycle	Disclosed	About this report
102-53	Contact point for questions regarding the report	Disclosed	P79
102-55	GRI content index	Disclosed	P67-P78
201-1	Direct economic value generated and distributed	Disclosed	P3, P20
205-2	Communication and training about anti-corruption policies and procedures	Disclosed	P18-P19
301-1	Materials used by weight or volume	Disclosed	P43
302-1	Energy consumption within the organization	Disclosed	P37
302-3	Energy intensity	Disclosed	P37
302-4	Reduction of energy consumption	Disclosed	P37
302-5	Reductions in energy requirements of products and services	Disclosed	P36-P43
305-1	Direct (Scope 1) GHG emissions	Disclosed	P37

## GRI STANDARDS INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
305-2	Energy indirect (Scope 2) GHG emissions	Disclosed	P37
305-4	GHG emissions intensity	Disclosed	P37
306-1	Total water discharge by quality and destination	Disclosed	P37
306-2	Total amount of waste by type and disposal method	Disclosed	P37
307-1	Non-compliance with environmental laws and regulations	Disclosed	P37
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	P53, P56-P58
401-3	Parental leave	Disclosed	P53
404-2	Programs for upgrading employee skills and transition assistance programs	Disclosed	P59-P63
414-2	Negative social impacts from the supply chain and actions taken	Disclosed	P24-P27
416-1	Assessment of the health and safety impacts of products and service categories	Disclosed	P34
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	P34



# READER FEEDBACK FORM

Thank you for reading 2022 Report of Environmental, Social and Governance of Xiabuxiabu. In order to provide you and other stakeholders with more valuable information and improve the Company's ability to fulfil ESG, we sincerely welcome any opinions and suggestions you may offer on the report via:

Mail to: Room 1201, 12/F OfficePlus@Wan Chai, No. 303 Hennessy Road, Wanchai, Hong Kong

Telephone: (852) 2952 3566

Email: Godfrey@xiabu.com

1 Which of the following stakeholder types applies to you? \_\_\_\_\_

A Government B Regulatory Authority C Shareholder D Customer E Employee F Supplier and Partner  
G Community H Public and Media

2 Do you think this report has fully satisfied your expectations for the Company? \_\_\_\_\_

A Yes B No, which of your expectations do you think is not reflected in this report?

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3 Do you think the Company has met your expectations well? \_\_\_\_\_

A Yes B No, which of your expectations do you think has not been met well?

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4 Do you think the arrangement of content and layout design of this report provide easy reading? \_\_\_\_\_

A Excellent B Good C Average D Poor

5 What other opinions and suggestions do you have on our fulfillment of social responsibility and this report?

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Thanks again for your participation!