



太興集團控股有限公司
TAI HING GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock code: 6811

2022
Environmental, Social and Governance Report



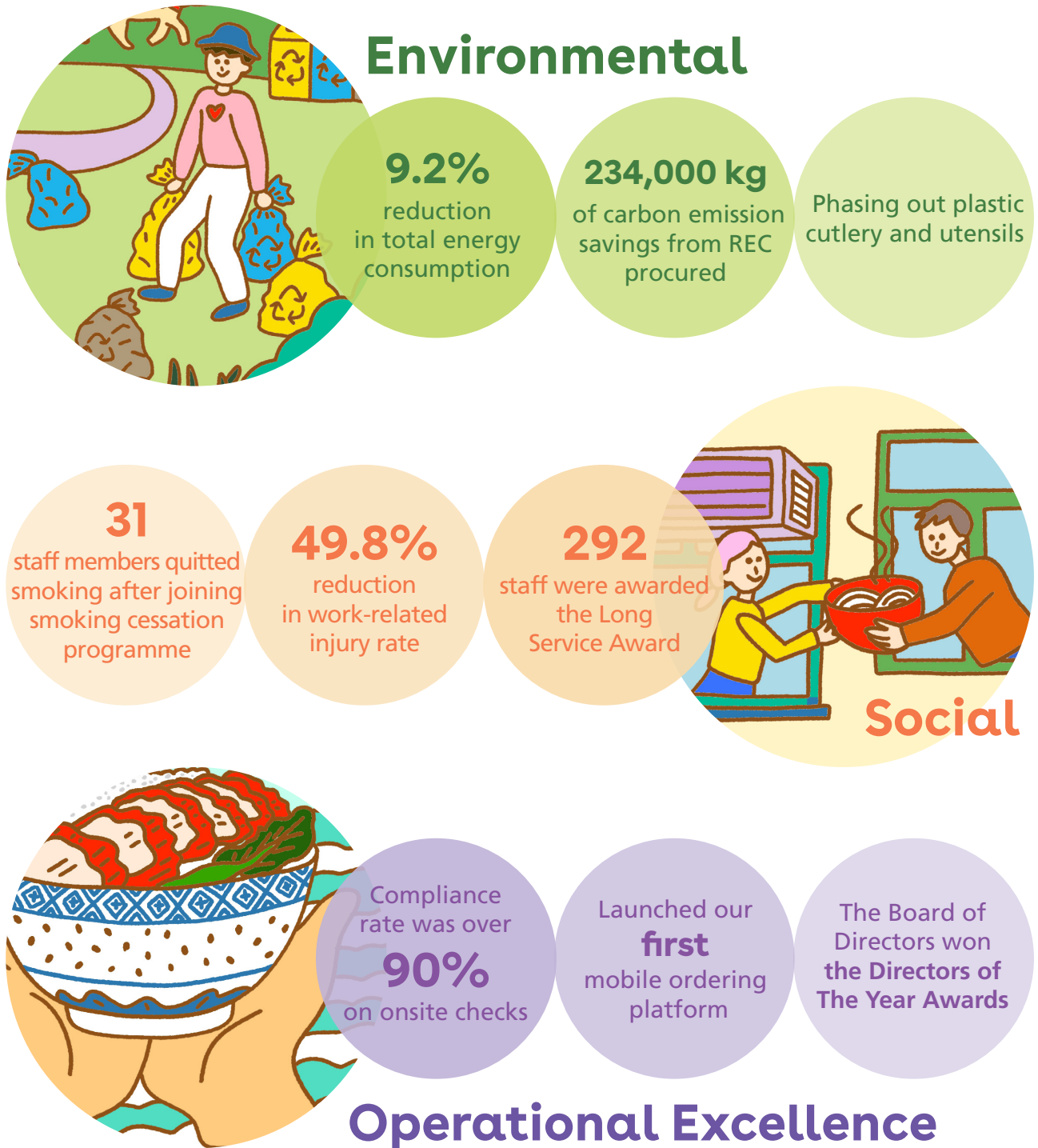
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HIGHLIGHTS OF THE YEAR

As part of our sustainability strategy, we are committed to being transparent about the impacts generated by our operations, measuring them accurately and acting to minimise them. Below is our key ESG performance during 2022:



ABOUT THIS REPORT

Tai Hing Group Holdings Limited's (hereinafter referred to as ("Tai Hing Group" or the "Group") fourth stand-alone sustainability report (the "Report") presents a review of its performance on environmental, social and governance ("ESG") topics. Focus is on topics that have a material impact on the long-term success of the Group.

The Report is published in English and Chinese. In case of any conflicts between the two versions, the English version shall prevail. There have been no significant changes to the Group's organisational structure and no significant restatements of data during the year.

REPORTING FRAMEWORK

This Report has been prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEX). The Group's sustainability performance, where applicable, aligns with the United Nation's Sustainable Development Goals (SDGs). For information relating to the Group's corporate governance practices, please refer to its annual report, available on the Group's website.

REPORTING BOUNDARY

Unless otherwise stated, the Report covers the business operations of the head office in Hong Kong, all self-operated restaurants and the food factory located in Fo Tan and the "restaurant operation and management" segment for the fiscal year ending 31 December 2022. We have defined our reporting boundary according to the financial materiality which accounts for over 80% of the Group's main sources of revenue and the significance of the impact generated. The reporting boundary excludes sale of food products in Hong Kong, operation of restaurants and sale of food products in Mainland China and Macau.

FEEDBACK

We have an internal system for collating ESG data and information and conducting regular reviews. Nevertheless, we recognise the potential shortcomings of our reporting process and strive to enhance our disclosure to the extent possible. We continue to pursue comprehensive and accurate ESG data for the benefit of our stakeholders. We welcome your feedback on this Report. Please address any queries and comments through the following channels:

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

Email: esginfo@taihing.com



ABOUT TAI HING GROUP

The Group is an operator of multi-brand casual dining restaurants with roots in Hong Kong and a network of more than 200 restaurants in Hong Kong, Mainland China and Macau. In addition to our flagship “Tai Hing” brand, our brand portfolio encompasses “Men Wah Bing Teng”, “TeaWood”, “Asam Chicken Rice”, “Trusty Congee King”, “Phở Lê”, “Dao Cheng”, “Dimpot”, “Dumpling Station”, “King Fong Bing Teng”, “Tommy Yummy”, “Tori Yoichi” and “SingKee Seafood Restaurant”.

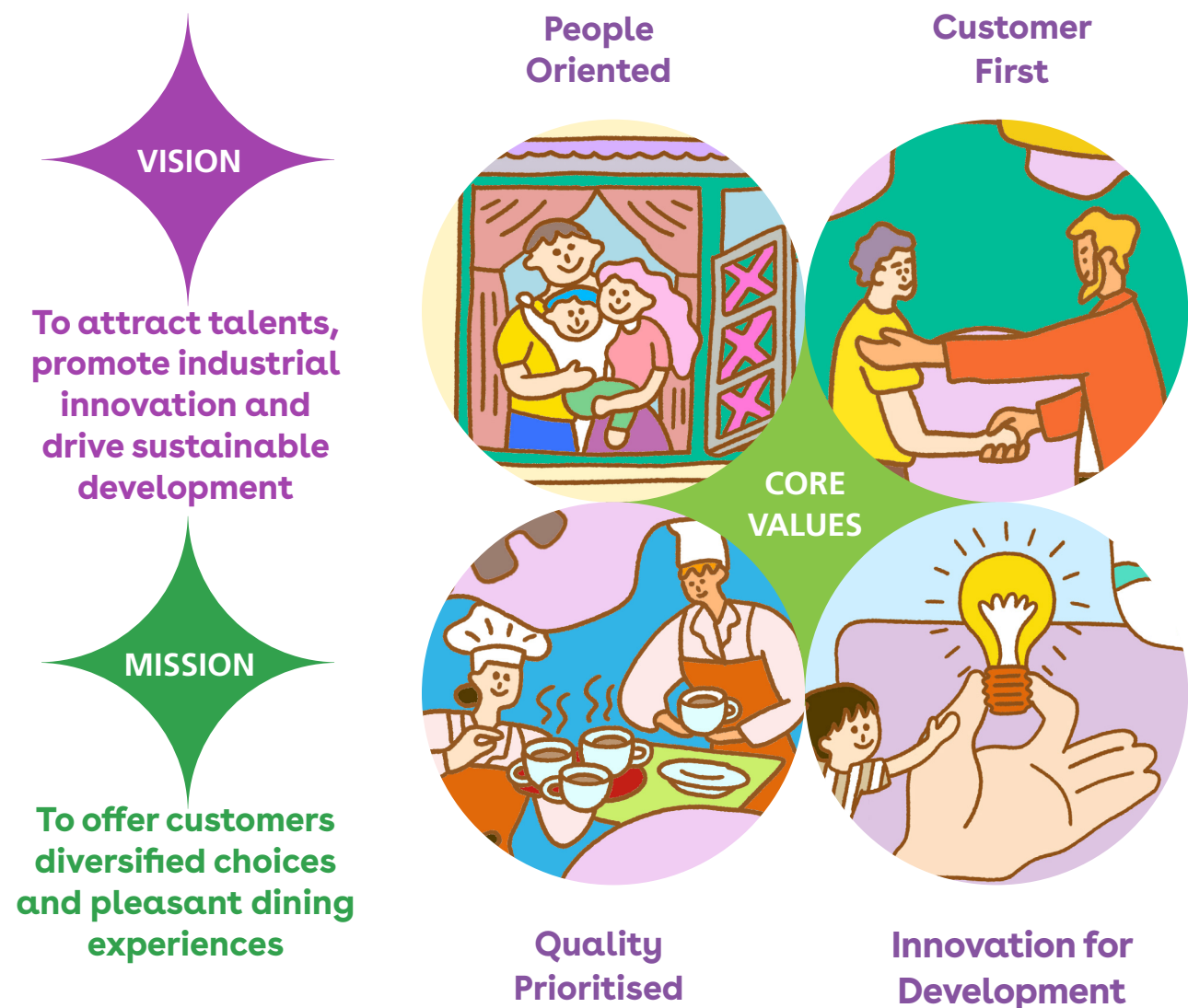
For milestones achieved over the years by the Group, please visit its corporate website and the next pages.

The Group operates food factories in Hong Kong and Mainland China, with an area of approximately 410,000 sq.ft. in total. While the Hong Kong food factory supports our local restaurant business, the factory in Mainland China is mainly responsible for purchasing and producing cured meat, frozen products, canned food and canned milk tea.

The Group’s food factories enable it to centralise purchasing of ingredients and other supplies, food processing, quality control of raw materials, semi-processed or processed food ingredients, as well as packaging, warehousing and distribution functions.

OUR VISION, MISSION AND CORE VALUES

Tai Hing Group’s success is driven by a relentless focus on its vision, mission and core values. These are rooted in having extraordinary focus on strong operating fundamentals, which enables our restaurant teams to create exceptional customer experiences on a daily basis.



MILESTONES OF TAI HING GROUP

2004



ESTABLISHMENT OF THE FIRST "TAI HING (太興)" RESTAURANT

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

EXPAND OUR MAINLAND BUSINESS

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



1989

2008

ESTABLISH THE HONG KONG FOOD FACTORY

Opened the Hong Kong Food Factory in Fo Tan, Hong Kong

ACQUIRE A NEW BRAND

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

2009

OBTAIN HACCP CERTIFICATION

Obtained HACCP certification for standardised process and quality control system



2011

INTERNATIONALLY RENOWNED BRAND

The "Trusty Congee King (靠得住)" restaurant in Wan Chai, Hong Kong was first published in the Michelin Hong Kong and Macau Guide (which remains in the Guide for 13 consecutive years till now)



2016

ESTABLISH THE FIRST "TEAWOOD (茶木)" BRAND

Opened the first restaurant under the "TeaWood (茶木)" brand in Mong Kok, Hong Kong



EXPAND OUR BRAND PORTFOLIO

Opened the first restaurant under the "Trusty Congee King (靠得住)" brand in Mainland China

Acquired the brand of a standalone bing sutt (冰室) named "Man Wah Bing Teng (文華冰廳)" which was subsequently rebranded as "Men Wah Bing Teng (敏華冰廳)"



2012



2017

DEVELOP A NEW BRAND

Opened the first Vietnamese restaurant under the “Phô Lê (錦麗)” brand in Kwun Tong, Hong Kong (which has expanded to 8 branches today)



ESTABLISH THE MAINLAND CHINA FOOD FACTORY

Opened a food factory in Dongguan, Mainland China



2018

2019



REACH A NEW MILESTONE

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

DEVELOP NEW BRAND

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

EXPAND OUR MAINLAND BUSINESS

Opened the first restaurant under the “Men Wah Bing Teng (敏華冰廳)” brand in Mainland China (which has expanded to 31 branches today)

2020

DEVELOP NEW BRANDS

Opened the first nostalgic Taiwanese cuisine restaurant under the “Dao Cheng (稻埕)” brand in Tsim Sha Tsui, Hong Kong



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

2022

EXPAND BRAND VARIETY

Developed new brands in Hong Kong with “Tommy Yummy”, “Tori Yoichi (鳥世一)” and rebranded “Sing Kee Seafood Restaurant (星記海鮮飯店)”

DEVELOP NEW BRANDS

Opened the handmade dumpling restaurant under the “Dumpling Station (餃子站)” brand in Kowloon Bay, Hong Kong

2021



MESSAGE FROM THE CHAIRMAN



MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

After several years of getting through the peak and trough of the pandemic, Tai Hing Group has been able to come out stronger than before by focussing more on sustainability initiatives. The work around ESG issues strengthens our relationships with staff, customers and communities where we operate and resilience of our supply chain, which helps ensure long-term value creation for our shareholders.

As a leading multi-brand restaurant chain in Hong Kong, the Group has taken some solid strides along its sustainability journey, as evidenced by the Board of Directors' winning the "Directors Of The Year Awards 2022" from the Hong Kong Institute of Directors and the Group's winning the Hong Kong Corporate Governance and ESG Excellence Awards 2022 from The Chamber of Hong Kong Listed Companies. The accolades recognise our outstanding efforts in governance and ESG, coupled with a diverse and capable board overseeing sustainability risks and opportunities, as well as enhancing the sustainability of the Group's business development.

During the year, we made a pledge against the Support SME ESG Charter in which we will consider sourcing from SME suppliers under the Charter, with an aim to manage the risk along our supply chain and support the SMEs in Hong Kong to undergo ESG transformation.

Covid-19 remained a public health issue impacting the entire restaurant industry during the years. The Group's first mobile ordering system was launched in 2022 to enable our customers to use their own devices to place orders, enriching their experience through digitalisation and automation while avoiding close contacts between our staff and customers to meet the social distancing requirement. The Group will continue to push digital transformation by installing the electronic self-checkout system at our restaurant network and launching a multi-functional app which aims to further enhance customers' experiences and loyalty.

The greatest competitive edge the Group has is the quality of its staff. This year, they were recognised by four major awards, including the Chinese Cuisine Supervisory Staff Group Gold Award, in the Outstanding Quality Tourism Services Merchant Service Staff Award organised by the Hong Kong Tourism Board. We succeed because of our people. Nearly 300 staff were awarded the Long Service Award this year, epitomising their sense of belonging to the Group.

With more than 200 restaurants, we recognise the impact that we can make by continuing to optimise energy and water conservation efforts. To enhance the working environment of our existing restaurants during the year, we have continuously implemented an equipment enhancement programme covering furnaces, heaters and stoves. The programme helps optimise and improve the Group's energy efficiency by adopting new electric stoves and induction cookers. These new appliances helped the Group to mitigate the use of energy and reduce hazardous emissions, as the combustion process was eliminated.

Our definition of service extends beyond the four walls of our restaurants. The Group is committed to fighting hunger, investing in future generations, helping in times of need and making a difference in communities we serve. Over the years, we continue to collaborate with NGOs on charitable activities, benefiting over 100,000 grassroots people in total.

2022 marked the 33rd anniversary of the Group, we value the trust all our stakeholders place on us and achieving continual improvement of sustainability performance is an important part of earning that trust. Looking ahead, we will continue to collaborate with all stakeholder groups to create increasingly more value for the environment, the community and the economy. I take this opportunity to thank all our staff and business partners for their respective contributions towards a more sustainable future for our next generation.

Chairman

Chan Wing On

April, 2023

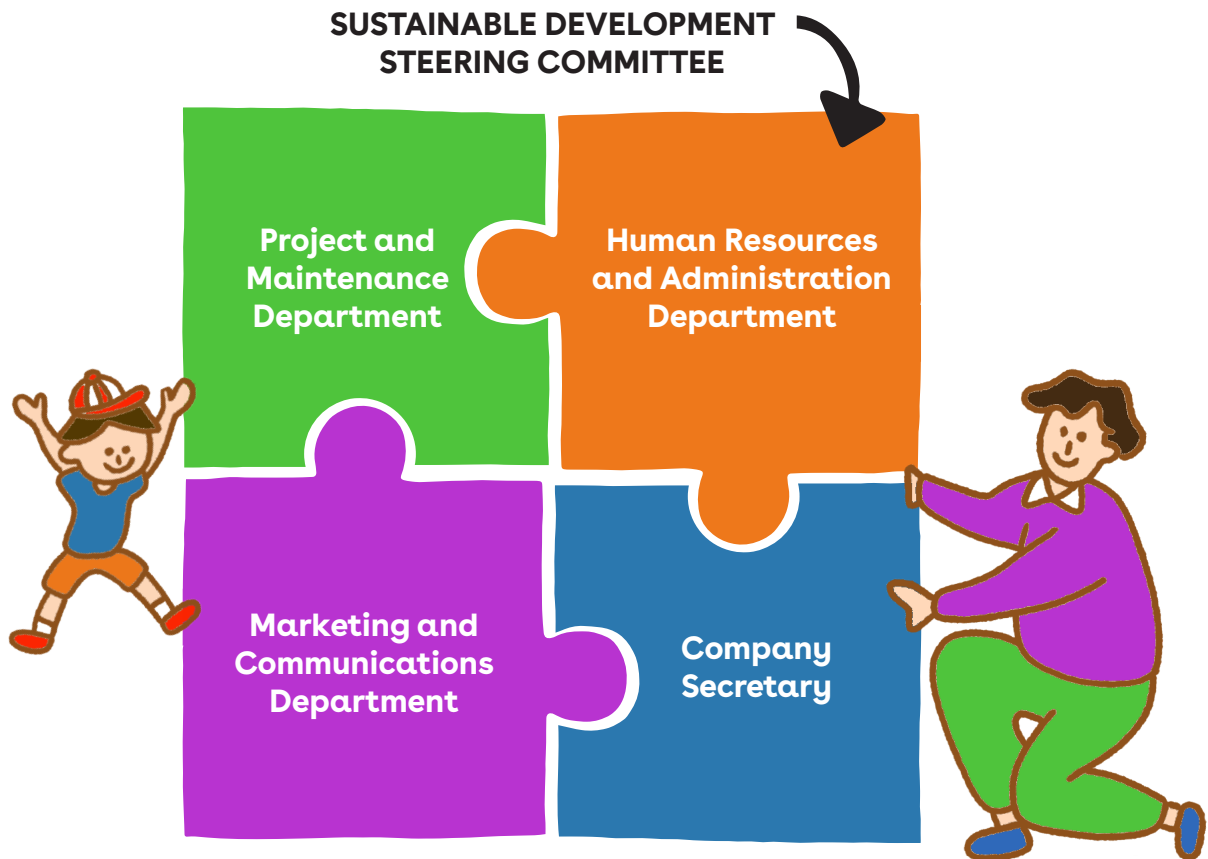
"The work around ESG issues strengthens our relationships with staff, customers and communities where we operate and resilience of our supply chain, which helps ensure long-term value creation for our shareholders."

SUSTAINABILITY GOVERNANCE

BOARD STATEMENT

The Board is the highest governing body for overseeing ESG, including climate-related risks and opportunities, and conducting regular meetings to review the progress made against ESG-related targets that have a significant impact on its businesses. The Board is supported by the Sustainability Development Steering Committee.

Chaired by an Executive Director, the Committee is responsible for validating the ESG-related topics that have a significant impact on the Group’s long-term enterprise value, as well as to the environment, economy and community. Sustainability management extends down to all departments responsible for managing the risks brought by critical sustainability issues and monitoring trends to identify opportunities to improve the Group’s sustainability performance. Composition of the Committee includes senior representatives from the Project and Maintenance Department, Human Resources and Administration Department, Marketing and Communications Department and Company Secretary.



Reporting to the Board, the Committee is also responsible for reviewing and approving the approach to management of the material topics, setting targets, and supervising implementation of various ESG initiatives.

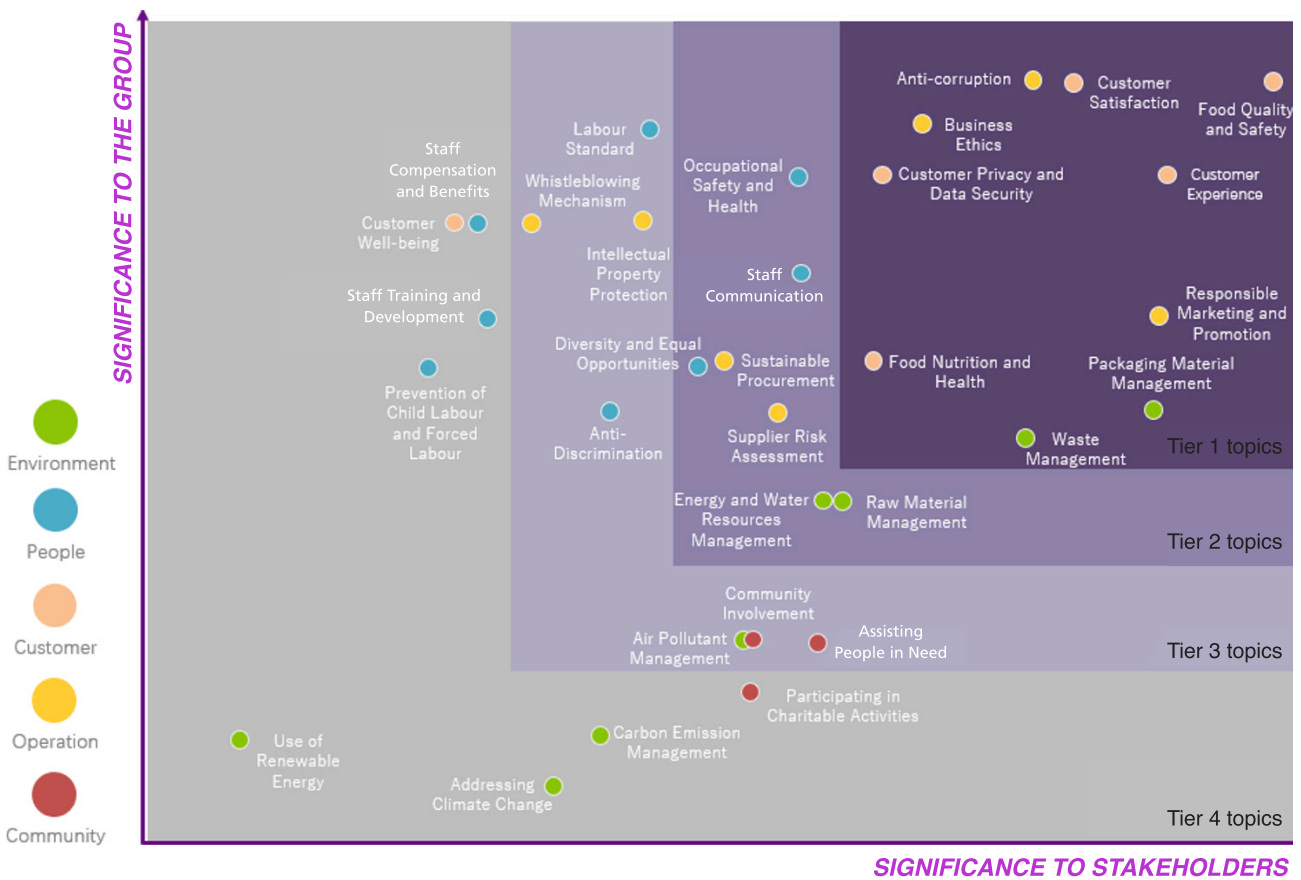
The Board acknowledges its responsibility for ensuring the integrity of the sustainability report and to the best of its knowledge, this report addresses all relevant material topics and fairly presents the ESG performance of the Group. The Board confirms that it has reviewed and approved the report.

TAI HING'S MATERIALITY

The Group engages closely with its stakeholders regarding their views on its sustainability initiatives and performance through multiple platforms, both proactive and reactive, including corporate reports, surveys and assessments, regular meetings, site visits, etc. We work with our stakeholders (including staff, suppliers, business partners, etc.) to seek to identify sustainability-related topics that are material to both the Company and to the environment, society and economy.

With reference to the HKEX ESG Reporting Guide and the other international industry-specific requirements including SASB and MSCI ESG ratings, together with intensive research and peer analysis, 32 sustainability issues were selected as potentially material topics. During the year, we prioritised these topics after examination and evaluation of our impacts as well as our stakeholders' concerns. The process was facilitated by an independent third party, which involves identification, prioritisation, validation and review of material topics.

The findings of the materiality assessment have been plotted in a materiality matrix, based on the significance to the Group and to stakeholders. In the matrix, topics are prioritised and categorised into four groups – Tier 1 to Tier 4, with topics classified in Tier 1 being identified as the Group's material topics.



Tier 1	Tier 2	Tier 3	Tier 4
<ul style="list-style-type: none"> • Food quality and safety 	<ul style="list-style-type: none"> • Occupational safety and health 	<ul style="list-style-type: none"> • Labour standard 	<ul style="list-style-type: none"> • Customer well-being
<ul style="list-style-type: none"> • Food nutrition and health 	<ul style="list-style-type: none"> • Staff communication 	<ul style="list-style-type: none"> • Anti-discrimination 	<ul style="list-style-type: none"> • Staff compensation and benefits
<ul style="list-style-type: none"> • Customer experience 	<ul style="list-style-type: none"> • Diversity and equal opportunities 	<ul style="list-style-type: none"> • Intellectual property protection 	<ul style="list-style-type: none"> • Staff training and development
<ul style="list-style-type: none"> • Customer privacy and data security 	<ul style="list-style-type: none"> • Sustainable procurement 	<ul style="list-style-type: none"> • Assisting people in need 	<ul style="list-style-type: none"> • Prevention of child labour and forced labour
<ul style="list-style-type: none"> • Anti-corruption 	<ul style="list-style-type: none"> • Supplier risk assessment 	<ul style="list-style-type: none"> • Community involvement 	<ul style="list-style-type: none"> • Carbon emission management
<ul style="list-style-type: none"> • Business ethics 	<ul style="list-style-type: none"> • Energy and water resources management 	<ul style="list-style-type: none"> • Whistleblowing mechanism 	<ul style="list-style-type: none"> • Addressing climate change
<ul style="list-style-type: none"> • Responsible marketing and promotion 	<ul style="list-style-type: none"> • Raw material management 	<ul style="list-style-type: none"> • Air pollutant management 	<ul style="list-style-type: none"> • Use of renewable energy
<ul style="list-style-type: none"> • Waste management 			<ul style="list-style-type: none"> • Participating in charitable activities
<ul style="list-style-type: none"> • Packaging material management 			
<ul style="list-style-type: none"> • Customer satisfaction 			

SUSTAINABILITY BLUEPRINT

Striving to become the most renowned catering group serving the best quality food and delightful dining experience to customers, the Group is intended to integrate our vision and mission with its prioritised sustainability goals and targets.

During the year, we formulated a sustainability blueprint with focus areas across four major pillars, namely: Food for Quality, Operational Excellence, People-oriented, and Environmental Commitment. These pillars aim to guide our efforts for adopting sustainable practices in all business operations over the years.

The blueprint is formulated by scrutinising the entire value chain* from raw material sourcing, operation process to service output and delivery, seeking to identify the priority SDG targets that are relevant to our business, and more importantly, where the Group can contribute more to the achievement of these targets by maximising its positive impacts or minimising its negative impacts.

THE GROUP'S MATERIAL TOPICS



The Group identified the relevant SDGs targets by (1) assessing significant risks to the people and the environment, and (2) identifying the positive impacts brought by the operations, services and investments. Based on the value chain analysis, the Group has identified 3 SDGs risks and 3 SDGs opportunities, corresponding to a total of 7 specific targets.

<div style="background-color: #00AEEF; border-radius: 50%; padding: 10px; width: 150px; margin: 0 auto; color: white; font-weight: bold; font-size: 1.2em;">Food for Quality</div> <ul style="list-style-type: none"> • Food quality and safety • Food nutrition and health <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  <p>2 ZERO HUNGER</p> </div> <div style="text-align: center;">  <p>14 LIFE BELOW WATER</p> </div> </div>	<div style="background-color: #00AEEF; border-radius: 50%; padding: 10px; width: 150px; margin: 0 auto; color: white; font-weight: bold; font-size: 1.2em;">Operational Excellence</div> <ul style="list-style-type: none"> • Anti-corruption • Business ethics • Responsible marketing and promotion • Customer privacy and data security <div style="text-align: center; margin-top: 10px;">  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div>	<div style="background-color: #00AEEF; border-radius: 50%; padding: 10px; width: 150px; margin: 0 auto; color: white; font-weight: bold; font-size: 1.2em;">Customer First</div> <ul style="list-style-type: none"> • Customer experience • Customer satisfaction <div style="text-align: center; margin-top: 10px;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div>	<div style="background-color: #00AEEF; border-radius: 50%; padding: 10px; width: 150px; margin: 0 auto; color: white; font-weight: bold; font-size: 1.2em;">Environment Commitment</div> <ul style="list-style-type: none"> • Packaging material management • Waste management <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> </div>
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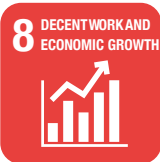



The formulation of the Blueprint is an important step for the Group as it moves to actually have a positive impact on the economy, environment and the community, and incorporate sustainability as part of the Group's long-term outlook.

RESPONDING TO UN SDG TARGETS

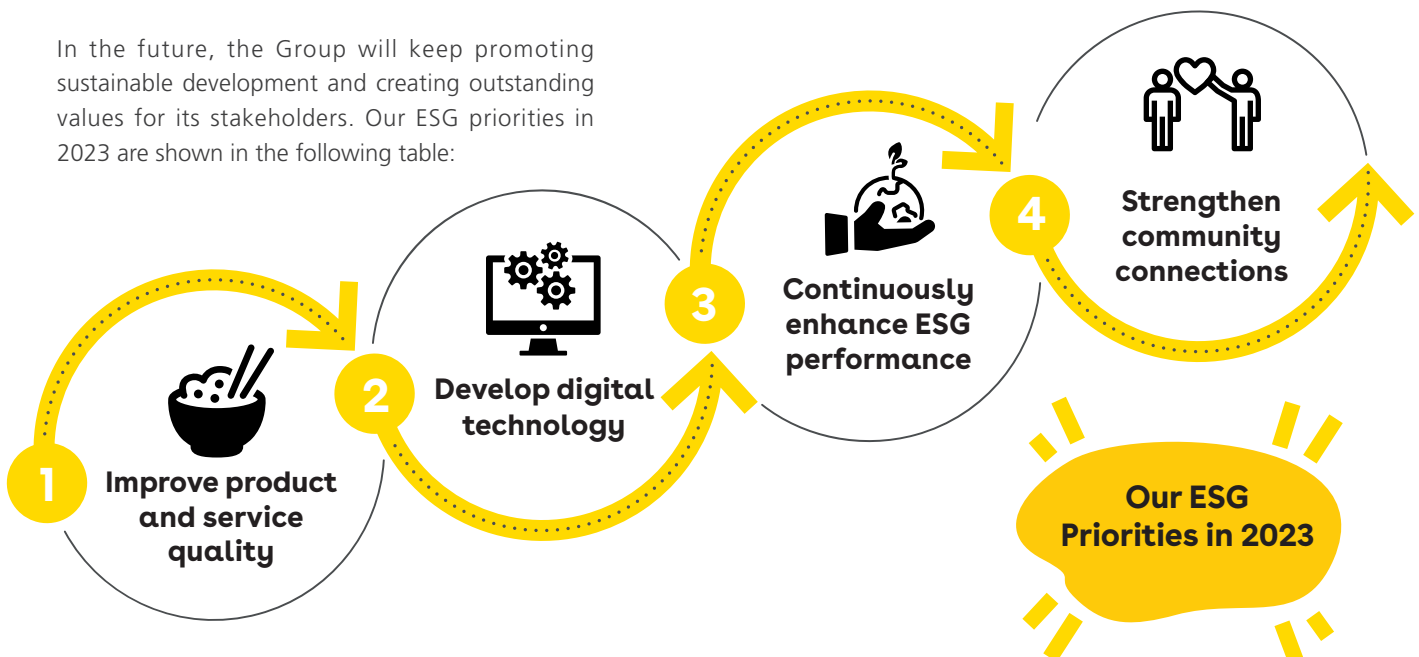
In response to the United Nations' Sustainable Development Goals ("SDGs"), the Group's sustainability approach is aligned with the SDG targets, contributing to the global goal of promoting economic prosperity while protecting the planet. The Group strives to make contributions to the fulfillment of the goal by 2030.

PILLARS	UN SDG targets	ACTION UNDERTAKEN BY THE GROUP
Food for Quality	 <p>2 ZERO HUNGER</p>	2.1. End hunger and ensure access by all people <ul style="list-style-type: none"> • Implement 5-S management approach to ensure the food safety and quality • Established quality assurance officer and quality monitoring procedures • Used automatic food handling machines
	 <p>14 LIFE BELOW WATER</p>	14.2. Sustainably manage and protect marine and coastal ecosystems <ul style="list-style-type: none"> • Obtained sustainability certification for certain of the seafood procured, including Best Aquaculture Practices (BAP) Certification and Marine Stewardship Council (MSC) Chain of Custody Standards

* The SDGs value chain analysis was conducted with reference to the "Integrating the SDGs into Corporate Reporting: A Practical Guide" jointly issued by the United Nations Global Compact (UNGC) and the Global Reporting Initiative (GRI).

PILLARS	UN SDG targets	ACTION UNDERTAKEN BY THE GROUP
People-oriented	 <p>8.8 Protect labour rights and promote safe and secure working environments for all</p>	<ul style="list-style-type: none"> Smoking Cessation Programme Vaccination Prophylaxis Covid-19 preventive measures Provided non-skid footwear for new employees
Environmental Commitment	 <p>12.5. Substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none"> 10% reduced waste intensity target Committed to MTR Food Waste Reduction Pledge Phở Lê and TeaWood won two Green Kitchen Awards under Swire's Green Kitchen Initiative Committed to Food Wise Hong Kong Campaign Launched recycling and reuse campaign of Poon Choi container Phasing out plastic cutlery and utensils such as straws, plastic bags, and takeaway containers
	 <p>7.2. Increase substantially the share of renewable energy in the global energy mix 7.3. Double the global rate of improvement in energy efficiency</p>	<ul style="list-style-type: none"> Developed an Energy Management Plan 20% reduction in energy consumption intensity target Purchased 600,000 kWh of renewable energy certificate
Operational Excellence	 <p>16.5. Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> Collaborated with the Independent Commission Against Corruption (ICAC) regularly to review the Group's internal policies and conduct anti-corruption trainings Collaborated with the Hong Kong Police Force Crime Prevention Bureau to give employees anti-fraud trainings Invited professionals to give cybersecurity trainings to the management Set out the Group's business ethics principles and requirements in the Staff Handbook Established a code of conduct for the receipt and declaration of conflicts of interest

In the future, the Group will keep promoting sustainable development and creating outstanding values for its stakeholders. Our ESG priorities in 2023 are shown in the following table:



AWARDS RECEIVED IN 2022



Awards for environmental protection

“Certificate of Merit in Hong Kong Awards for Environmental Excellence” for 5 consecutive years

Environmental Campaign Committee



BOCHK Corporate Low-carbon Environmental Leadership Awards 2022 (EcoChallenger)

Bank of China & Federation of Hong Kong Industries

“CLP Smart Energy Award 2022” — Renewable Energy Contribution Award

CLP Power Hong Kong Limited



Awards for CSR

15 Years Plus Caring Company Logo

The Hong Kong Council of Social Service

“Outstanding Employer Award of ERB Manpower Development Scheme” for 13 consecutive years

Employees Retraining Board





Awards for branding and marketing

ListCo. Excellence Awards 2022
am730

Enterprise Award, Hong Kong Star Brand Award 2022

Hong Kong Star Brand Enterprises Association

Awards for ESG

Directors of The Year Awards 2022 (Director Categories)

The Hong Kong Institute of Directors

The Hong Kong Corporate Governance and ESG Excellence Awards 2022

The Chamber of Hong Kong Listed Companies

Hong Kong Baptist University
Centre for Corporate Governance and Financial Policy

BDO ESG Awards 2022

BDO HongKong Limited

Excellent ESG Enterprise of 2021-2022, HKET Excellent ESG Recognition Scheme

Hong Kong Economic Times



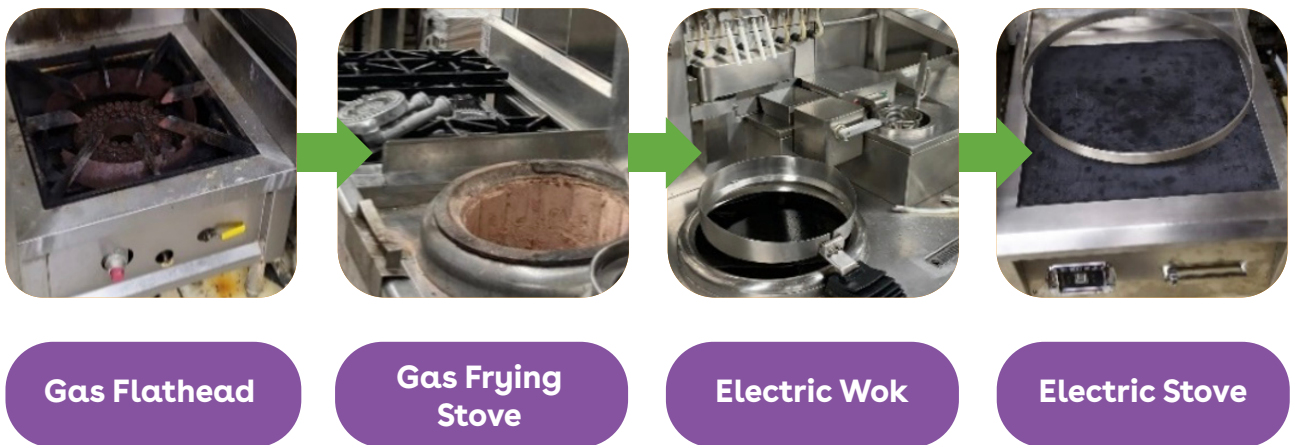
FEATURE STORY

UPGRADING TO HIGH-EFFICIENCY KITCHEN EQUIPMENT

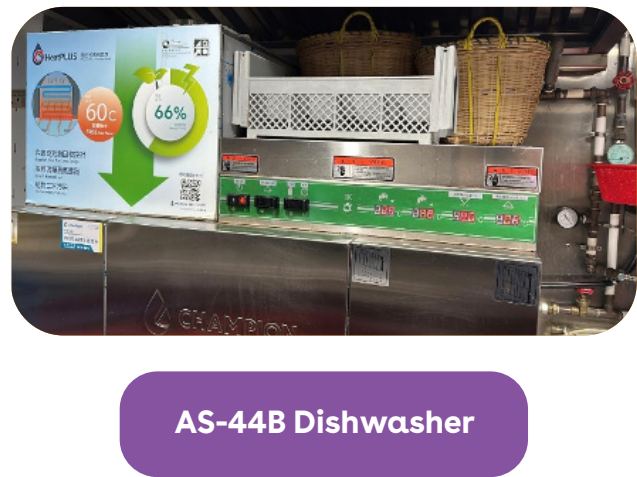
In 2022, the Group continued to upgrade its kitchen equipment. Inspired by CLP and CUHK’s joint study, which found that using electric appliances will significantly reduce carbon emission compared to using gas-fired ones in a restaurant setting, the Group started working on an appliances enhancement programme that was completed in 2022. The programme aims to optimise and improve energy efficiency and reduce emissions by replacing old gas-fired appliances with new electric stoves and induction cookers, especially Chinese wok.

Electricity-based induction cookers make metal appliances directly generating heat for cooking, thus minimising heat losses to the surrounding environment. The Group’s experience shows that induction cookers have an energy efficiency of up to 90%, much higher than that of traditional cookers.

Besides being highly efficient, using traditional open-air electric cookers and stoves has proven to be beneficial in many other ways. As the combustion process in the kitchen is eliminated, there is a resulting reduction in hazardous gas and waste heat emissions, which cools the kitchen environment and benefits the health of the chefs. Furthermore, the ability to instant boosting of high energy for induction cookers allows the staff to turn off power during non-peak hours, and eliminates the use of open fire to improve occupational safety level and avoid fire-related accidents.



In addition, we have gradually started replacing the traditional dishwashers in our restaurants with AS-44B Single Tank Conveyor Type Dishwashers (heat recovery) (referred to as “AS-44B dishwasher”) since 2021, and all new Tai Hing restaurants use AS-44B dishwashers. The AS-44B dishwasher features the first patented heat recovery system in Hong Kong, which saves energy and reduces carbon emissions by reusing the steam, thus consuming only 18.2 kWh of electricity per hour. At the same time, the AS-44B dishwasher, with its built-in heat recovery system, can recover the steam in the machine, recycle the residual heat, and lower the room temperature in the washing area. All of these features lead to the optimisation of the staff working environment.





**FOOD
FOR
QUALITY**

FOOD FOR QUALITY

FOOD SAFETY AND QUALITY MANAGEMENT

The Group places significant emphasis on food safety. Internal policies and standardised management approach covering all food production processes have been articulated, to provide quality food and services to customers.

To better maintain consistently high quality and hygiene standards in all restaurants and all products, the 5-S management approach has been in practice in Tai Hing for over 20 years. The Group provides the 5-S management system course and qualification recognition to its staff, and our internal inspectors conduct frequent onsite visits to ensure effective implementation of the 5-S management approach.



The Group has a number of "black belt" trainers who provide professional training to the staff, ensuring an in-depth understanding and proficiency in daily management and operations. We require all restaurant managers to obtain the "Green Belt" or above qualifications of the 5-S management approach.

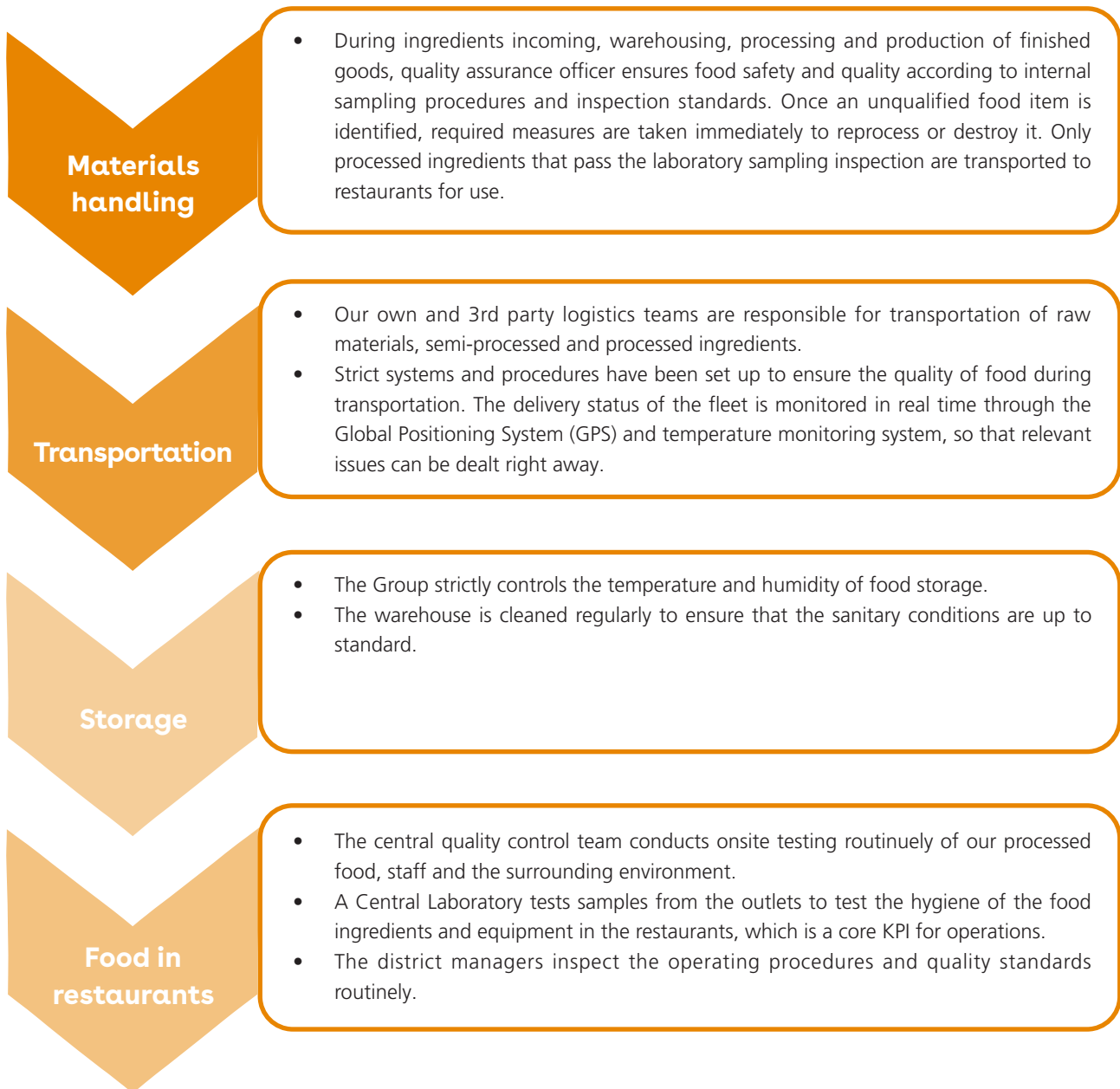
The Group always strictly abides by all laws and regulations. During the year, more than 800 onsite visits were conducted by law enforcement regulators. We had a compliance rate of over 90%. Rectifications were made immediately subsequent to the onsite checks, where needed, and all the identified issues were resolved.

Food safety and quality are the top priority for the Group. The Group has not only set up an in-house testing laboratory, but also appointed qualified third-party laboratories to conduct tests on various factors including hygiene, food quality and personal hygiene of the staff. The Group is committed to ensuring that its factories meet ISO international standards for quality. The Group's siu mei production units have received Hazard Analysis & Critical Control Point (HACCP) and ISO22000:2005 Food Safety Management System Certification.



Our commitments and actions described above contribute to: SDG Target 2.1. End hunger and ensure access to all people.

To ensure effective implementation of quality control policies, we have operational and food preparation procedures in place. We use automatic food handling machines when handling ingredients and preparing dishes to standardise the taste and quality of food. Our quality monitoring procedures are as follows:



The Group has guidelines and procedures for recall of products to provide employees with considerations, processes and handling guidelines for determining whether a product is required to be recalled from the shelves. Upon receipt of a complaint or opinion regarding the product, the relevant department will investigate and report to the management to initiate the recall procedures and avoid recurrence of similar issues.

NUTRITION AND INNOVATION

Over the years, the Group has continued to innovate with a focus on balancing the taste and nutrition of its products. In 2022, we launched four new canned beverages in line with the Group's innovation plans to tap into the retail market.



RESPONSIBLE SOURCING

The Group understands the importance of responsible and sustainable sourcing in managing product quality. We work closely with suppliers around the world to select high-quality ingredients and set appropriate standards according to our actual operational needs, so as to establish a good foundation for providing high-quality food and catering services.

Supplier Selection And Assessment

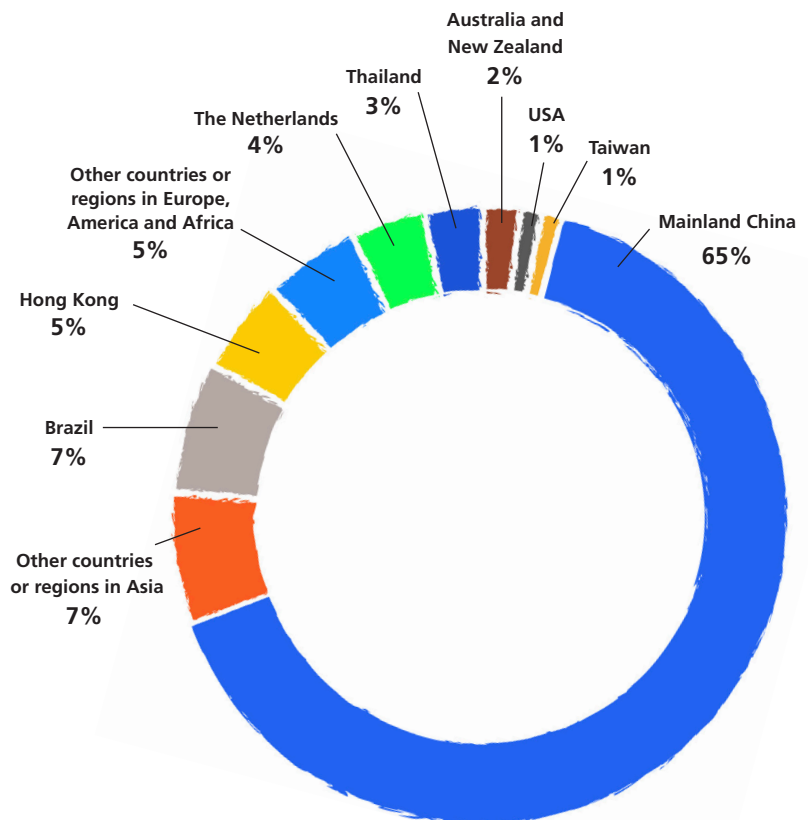
The Group believes that effective supplier management helps us to achieve competitive pricing, a stable supply chain and quality consistency. We have formulated the Purchasing Policy to clarify the criteria for the introduction, review and de-listing of suppliers, so as to provide clear guidelines to departments that are responsible for procurement and supplier management. To further promote sustainable procurement in our business, under the supervision of the purchasing department, we tend to prioritise environmentally friendly and social caring supply chain partners and at the same time, suppliers are required to provide raw materials and food that meet the highest food safety standards and comply with all applicable laws and regulations before being included in the supplier list.

For initial cooperation with new suppliers, the Group conducts a comprehensive evaluation and requires them to provide relevant supporting documents to ensure that the quality of the supplies is adhering to the highest food standards. For make-to-order vendors, our purchasing staff visit the food processing factories from time to time to ensure that the hygiene, process and quality of products are maintained at a high standard. Furthermore, we continue to evaluate performance of existing suppliers over the year, covering dimensions such as product and service quality, price, supply and delivery stability, food safety, risk management, and complaint handling performance. If we are not satisfied with suppliers’ evaluation results, improvement measures are required to be taken within three months, and suppliers whose performance does not meet the standard after the deadline are removed from the list of approved suppliers.

During the year, the Group purchased food and other consumables from 450 suppliers, sourced from all over the world, including Mainland China, Brazil, the Netherlands, Hong Kong, Thailand, Taiwan, Australia and New Zealand, United States of America (USA), other countries or regions in Asia, Europe and America, etc.

Food Origin By Geographical Region¹

- Mainland China**
 - Chilled and frozen pork, beef and mutton, poultry, seafood and basic groceries
- Brazil**
 - Frozen pork and beef, poultry
- The Netherlands**
 - Dairy and meat
- Hong Kong**
 - Noodle, bread and processed food
- Thailand**
 - Rice and groceries
- Taiwan**
 - Meat products and groceries
- Australia and New Zealand**
 - Dairy and seafood
- United State of America (USA)**
 - Beef
- Other countries or regions in Asia**
 - Meat, seafood and basic groceries
- Other countries or regions in Europe, America and Africa**
 - Meat, seafood and basic groceries



¹ The regional analysis represents the top 80% of food suppliers up to 31 December 2022.

Supply Chain Risk Management

To better manage ESG-related risks along the supply chain and promote sustainable development, the Group encourages all suppliers to implement the concept of sustainable development and follow responsible practices in their operations by emphasising environmental and social risk control in supplier selection procedures and standards. For example, we are concerned about where our food comes from and whether it is green or not at the sourcing stage, and we also strive to reduce or suspend plastic packaging in line with government plans to mitigate ESG-related risks in the supply chain.

During the year, the Group pledged to co-sign the Support SME ESG Charter with the Hong Kong Small And Medium Enterprises Association to commit that we will consider sourcing from SME suppliers under the Charter when formulating the budget for procurement projects, so as to promote ESG-related risk management in our supply chain and also help more SMEs in Hong Kong to achieve ESG transformation and gradually realise common prosperity.

Sustainable Procurement

The Group is committed to providing safe, sustainable and traceable seafood products. We have obtained relevant sustainability certification for some of the types of farmed seafood we procure, including Best Aquaculture Practices (BAP) Certification and Marine Stewardship Council (MSC) Chain of Custody Standards, to minimise its adverse impact on the environment and the ecosystem.



**Our commitments and actions described above contribute to:
SDG Target 14.2. Sustainably manage and protect marine and coastal ecosystems.**

In the future, we hope to continue to expand our green menu and sustainable procurement, reducing the use of plastics and increasing the percentage of sustainable seafood, such as introducing pangasius fillet with the Aquaculture Stewardship Council (ASC) label.

OPERATIONAL EXCELLENCE



OPERATIONAL EXCELLENCE

DIGITALISATION AND INNOVATION

Innovation is vital to the Group’s success in today’s highly competitive business environment. In recent years, the Group has continuously pursued innovation, vigorously promoted digital transformation, introduced a smart ordering system, enhanced takeaway services, and developed a new multi-function mobile application (App). During the year, we enhanced technology applications in factory, restaurants and back office to boost productivity, standardisation, efficiency and cost effectiveness.



The Technology and Innovation Programmes

- Introduce Office Automation (OA) Apps (WeCom) to reduce physical paper handling and enhance approval efficiency
- Use electronic devices (iPad) to store images of supplier invoices for record storage, invoice matching and subsequent payment processes to reduce the use of paper
- Introduce customer’s self-ordering platform and self-payment system in our restaurants to enhance customer experience
- Upgrade the Mainland Red Sea human resources system to simplify the operation process

In the near future, the Group will continue to push digital transformation to a more in-depth level, launch a new Warehouse Management System (WMS) and continue to cooperate with leading third-party ordering platforms to optimise operating performance. A multi-functional CRM app is about to be launched to enhance customers’ experiences and loyalty.

BUSINESS ETHICS

The Group is committed to pursuing its sublime business ethics and adhering to the principle of doing business with integrity. We strictly comply with applicable laws and regulations in the region where we operate and prohibit all the staff from engaging in any form of corruption, including bribery, extortion, fraud, and other unethical activities. Any individual found in violation of the Group’s policy is subject to disciplinary actions or dismissal.

Anti-corruption

To uphold high business ethics, the Group has formulated a Corruption Prevention and Disciplinary Code in the Staff Handbook, which sets out rules defining conflict of interest, money lending, banquet and congratulatory gifts, receiving benefits, etc.

Conflict Of Interest	Staff should avoid any situation that causes a conflict of interest. When an actual or potential conflict of interest occurs, the staff should immediately notify the department head or direct supervisor, and fill in the Conflict of Interest Declaration Form and return it to the Human Resources Department. If any deliberate concealment, falsehood, or omission is confirmed, the Group takes disciplinary action; in serious cases, the matter is transferred to the law enforcement agency for handling, and any losses incurred are recovered through legal channels.
Money Lending	Regardless of the reason, the Group strictly prohibits staff from borrowing money from each and receiving loans/benefits from suppliers or any other enterprises, institutions, and firms that have business dealings with the Group.
Banquet & Congratulatory Gifts	Staff should refuse to accept extravagant or frequent entertainment provided by suppliers or contractors, so as not to violate the "Prevention of Bribery Ordinance." If the staff needs to give a gift to maintain the business relationship, they should use a gift with the Group’s logo. Expenses for business gifts must be approved and recorded properly.
Receiving Benefits	The Group prohibits all staff from soliciting or accepting any benefits for themselves or others from any person, company or institution, or subordinate who has business dealings with the Group. Discounts or other benefits given to the Group’s staff by any person or organisation must be approved by an official who is holding the post of the Executive Director or above and formally notified to the Human Resources Department.

Grievance Mechanism

The Group has a confidential reporting platform for the staff to lodge grievances, and help them resolve their complaints in a free and fair manner, in order to enhance the equal, synergistic, and encouraging community environment. The scope of reports includes but is not limited to management negligence, unfair handling, personnel issues, disclosure of personal data privacy, and unequal job opportunities.

All complaints will be confidential and independently considered. The content of the complaint must be authentic. If the applicant is found to have acted dishonestly or deliberately slandered others, the Group deals with it in accordance with the Disciplinary Policy. Report of fraud, embezzlement and other form of corruption must be dealt with separately and be sent directly to the Group's management through the dedicated email or mail listed in the Whistleblowing Policy.

Working With Integrity

In order to ensure that all departments have provided clear anti-corruption guidelines to be followed during daily work, all staff is mandatory to sign the Corruption Prevention Code of Conduct formulated by the Group when they join the Group, which lists the laws and company regulations that need to be complied with on an everyday premise. The Group regularly cooperates with the Independent Commission Against Corruption (ICAC) to review internal codes, and conducts different seminars for senior management, middle-level and general-level staff to help them master the understanding and importance of anti-corruption laws and regulations, and improve their awareness of corruption, conflicts of interest and other integrity challenges. During the year, we provided a total of 63 hours of anti-corruption trainings for members of the Board and other staff members.

During the year, the Group had reported zero anti-corruption litigation cases brought and concluded against the Group or its staff. And the Group had reported zero non-compliances with relevant laws and regulations that could have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.



**Our commitments and actions described above contribute to:
SDG Target 16.5: Substantially reduce corruption and bribery in all their forms.**

INTELLECTUAL PROPERTY PROTECTION

The Group values the need for protection of intellectual property rights. Our Staff Handbook clearly states the responsibilities and duties of the staff to protect the intellectual property rights of the Group.

Computer Software	Reproduction of Copyright
Staff are prohibited from installing, copying or modifying the Group's computer software or using it for personal use without prior approval	Staff are prohibited from making unauthorised copies of any copyrighted work such as books, magazines, etc

During the year, the Group was not aware of any infringement related to intellectual property rights.

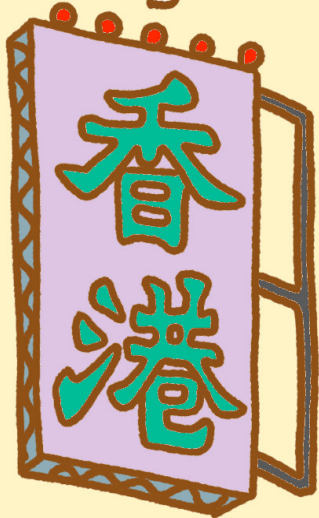
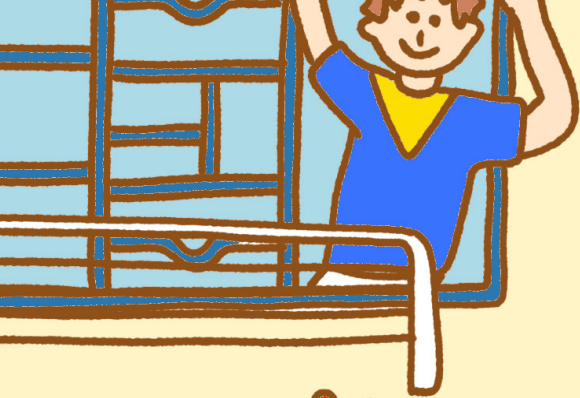
CUSTOMER PRIVACY AND DATA SECURITY PROTECTION

The Group takes the protection of customer privacy and data security seriously, including but not limited to industry inside information, business interests, customer data, production recipes and staff information. Our Staff Handbook sets out the processes and requirements for the staff to protect confidential company information and data. The Group takes disciplinary action and takes corresponding legal measures if necessary when a case occurs. During the year, the Group had no reported cases of any breach of customer privacy and data.

RESPONSIBLE ADVERTISING AND LABELLING

As one of the well-known restaurant chains in Hong Kong, the Group is committed to ensuring that all advertisements, promotional materials and labels truthfully describe the relevant facts and there are no false statements or exaggerated descriptions. All departments should ensure the accuracy and compliance of the information. In addition, the Group attaches great importance to the accuracy of label information and requires all self-manufactured products to be labelled for tracking.

During the year, the Group had reported zero non-compliances with relevant laws and regulations that could have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.



**PEOPLE-
ORIENTED**

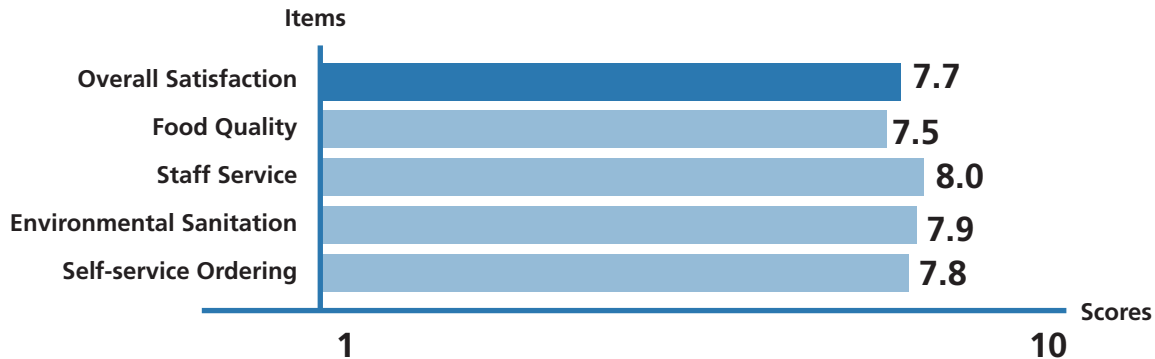


PEOPLE-ORIENTED

CUSTOMER FIRST

The Group believes in "customer first" and is committed to putting customers at the heart of our business. Comprehensive channels have been developed to facilitate communications with customers, including questionnaires, emails, hotlines, social platforms and so on.

During the year, we conducted our yearly customer satisfaction surveys from June to August, and interviewed a total of 2,460 customers. The survey covered five aspects: overall satisfaction, food quality, staff service, environmental sanitation, and self-service ordering. A high score of 7.5 or above has been achieved in all aspects. The results of the customer satisfaction survey are shown in the table below:



The Group places significant emphasis on complaints handling. Once we receive a customer complaint, the managers of restaurants handle it immediately while the customer service (CS) department is responsible for complaints from other channels, or when store managers are not able to resolve the issue on spot.

During the year, the Group received a total of 25 (2021: 33) customer complaints related to the quality of food or service in restaurant. All issues were resolved in a satisfactory manner.

EMPLOYMENT MANAGEMENT

The Group regards its staff as the most important asset and advocates a "people-oriented" culture in the workplace. By protecting the rights and interests of the staff, safeguarding their safety and health, and providing adequate training for career growth, we empower staff to realise and unleash their full potentials and grow along with the Group.

We are fully in compliance with employment-related laws and regulations in all places where we operate. The Group has a Staff Handbook in place, given to all staff, specifying policies and standards on compensation, resignation, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits.



RECRUITMENT AND PROMOTION

As an equal opportunity employer, we recruit staff based on their qualifications, abilities, performance, and other criteria. Recruiters are required to comply with relevant laws and regulations and avoid conflicts of interest to ensure legal and fair recruitment.

The Group has a clear and transparent promotion mechanism in place to provide appropriate promotion opportunities for staff with outstanding performance and potential. We also conduct performance evaluation to improve the performance of the Group and its staff. All staff promotions are based on merits.



COMPENSATION AND RESIGNATION

The Group offers competitive remuneration packages to its staff, including basic salary, allowances, bonuses, etc. To ensure we remain competitive, we also conduct annual reviews of salaries and make salary adjustments based on factors such as staff performance, the Group's operating conditions and market trends.

Staff is required to submit written resignations to their department heads when terminating their employment contract. The Group collects reasons for resignation from the resigning staff through a survey and continuously improves its employment policy.



WORKING HOURS AND HOLIDAYS

The Group is committed to safeguarding the well-being of its staff and providing reasonable working hours. In addition to general statutory holidays, the Group’s staff is also entitled to a number of paid holidays, including compassionate leave, maternity leave, paternity leave, family leave, birthday leave, marriage leave, etc.



EQUAL OPPORTUNITIES, DIVERSITY AND ANTI-DISCRIMINATION

The Group is committed to creating a fair, inclusive and diverse workplace by adhering to and upholding the principle of equality. We have zero tolerance for any form of discrimination and harassment in the workplace. In the recruitment process, we treat all job applicants and staff equally, regardless of age, gender, nationality, race, disability, sexual orientation and family status. All recruitment and promotion decisions are made only based on merits, and qualifications required for the position.



STAFF BENEFITS

The Group provides a wide range of benefits to its staff, including medical insurance, body checks, staff meals, staff discounts, etc. We also provide study allowances to encourage continuous learning. Meanwhile, an emergency assistance fund programme is in place to help staff overcome financial difficulties, including their immediate family.

During the year, the Group had reported zero non-compliances with relevant laws and regulations that could have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Staff Activities

To foster a caring and lively working environment, the Group arranges various staff activities from time to time to strengthen bonding between members of different teams and generally enhance communication among and with the staff. We have established a Long Service Award to recognise the contribution of our staff. In 2022, we introduced two new awards to promote cost-saving initiatives across different departments, with an aim to promote innovation, reduce costs and enhance the overall performance and competitiveness. During the year, a total of 292 staff members were bestowed awards.



In addition, four staff members were awarded the “Outstanding Quality Tourism Services (QTS) Merchant Service Staff Award 2022” in a competition held by the Hong Kong Tourism Board (HKTB).



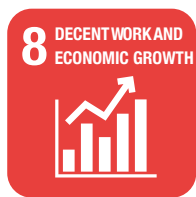
Staff Communication

The Group strives to maintain good communication with its staff through effective communication channels such as the intranet, email, WeCom and bulletin boards. The “Tai Hing Newsletter” published by the Group informs the staff of the Group’s trends and latest activities on a quarterly basis. As mentioned in the previous page, the Group has a grievance mechanism for staff to voice their concerns. Staff can also report directly to their immediate supervisors, district managers, department managers or human resources department. Based on opinions collected, the Group addresses the issue raised, identifies areas for improvement and makes continuous progress.

Prevention Of Child Labour And Forced Labour

The Group prohibits any form of child labour and forced labour and complies with all applicable laws and regulations to ensure legal employment practices are followed. To prevent child labour, we require all candidates to present their identification documents to show they meet the statutory age requirements during the recruitment process. To avoid forced labour, we ensure all employment relationships are voluntary. Meanwhile, staff who work overtime is entitled to overtime allowance or compensatory leave, and reasonable rest periods as compensation in accordance with the terms of their employment contracts.

During the year, the Group had reported zero non-compliances with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.



**Our commitments and actions described above contribute to:
SDG Target 8.8: Protect labour rights.**

LEARNING, TRAINING AND DEVELOPMENT

The Group is highly aware of the importance of development and training of its staff. We not only encourage and fund our staff to learn professional industry knowledge, but also provide different training programmes to pave the way for career development. In addition, the Group’s promotion policies and channels have been clearly defined in the Staff Handbook.

To explore staff’s potentials and maintain their competitiveness, the Group has established the “Top-notch Training Programme” and “Qualifications Framework”.



QUALIFICATIONS FRAMEWORK

It sets out the recognised qualifications for each job level, including academic qualifications, qualifications obtained from training, and skills, knowledge and relevant work experience accumulated in the job position. Staff are divided into different levels according to their qualifications to clearly understand the blueprint of their development.

TOP-NOTCH TRAINING PROGRAMME

It evaluates the performance of staff through objective criteria and provides a fair and open development platform for them to raise their motivation of work.

During the year, the Group provided different training programmes to its staff to enhance their knowledge and skills. Our training programmes not only allow the staff to be the best version of themselves, but also enable them to enhance their performance in the workplace. All staff is required to complete the Staff Orientation Training before commencement of work to ensure they understand the rules and culture of the Group well.

EXECUTIVE TRAINING SERIES - INED SHARING

The Group attaches great importance to enterprise management and personnel training. In the fourth quarter of 2022, the Group held a number of management experience sharing sessions and training for management personnel, inviting independent non-executive directors of the Group to share their experiences and ways of success.

PROFESSIONAL KNOWLEDGE SHARING

The Group invited professional lawyers and staff of the Hong Kong Institute of Directors to introduce the updates of listed company regulations, governance strategies and corporate culture inheritance to its senior executives and management staff, so that everyone can understand the latest changes in laws and regulations.

SUMMER INTERNSHIP PROGRAMME

The Group provides summer internship programmes annually for students, to attract more talents and promote the development of the industry. In 2022, we partnered with Hang Seng University, Lingnan University and Metropolitan University to recruit a total of nine interns to participate in this programme.



CYBER SECURITY AND FRAUD PREVENTION SEMINAR

In view of the increasing number of cyber traps and frauds in recent years, the Group invited representatives from the Crime Prevention Bureau of the Police Force to conduct five seminars for our back office and operation staff, with over 350 frontline and back office staff attending. The speakers shared with the staff a number of common online traps and fraudulent tactics, and provided correct countermeasures and fraud prevention tips to greatly enhance the awareness of the staff.



Training Photos



During the year, over 70% of staff members received training and the average training hours per staff member was 4.48 hours.

OCCUPATIONAL SAFETY AND HEALTH


The Group consistently adheres to the values of "people-oriented, lives-foremost", attaches great importance to occupational safety and health of its staff and is committed to ensuring that all the staff is free from injury while performing their duties. In accordance with the Occupational Safety Charter formulated by the Labour Department and the Occupational Safety and Health Council, the Group has established an Occupational Safety and Health task force, joining hands with various staff representatives to create a safe and healthy working environment and promote the importance of occupational safety and health across all working locations.

The Group's occupational safety and health policy focuses on compliance with occupational safety and health laws, creating a safe and healthy working environment for the staff, establishing related mechanisms, providing adequate resources to implement safety policies, and providing adequate training to the staff at all levels so that they have the ability and responsibility to carry out their duties in a safe manner. In addition, we have policies in place to protect the benefits of the staff in case of work-related injuries and the related compensation. The Group has taken out compensation insurance for all staff in accordance with the Employees' Compensation Ordinance, enabling staff to receive adequate health protection.

OCCUPATIONAL SAFETY INITIATIVES

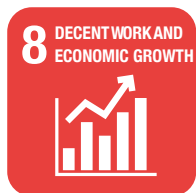
To facilitate the work of the staff and reduce unnecessary workload, we have adopted various food process machines to automate part of the cooking process. Most the Group’s restaurants are now installed with our automatic wok, which significantly reduces heavy lifting effort required during traditional Chinese food cooking process.

In 2022, the Group introduced semi-automatic gravity lifts in our food factories, designed to assist staff in lifting heavy objects and reduce injury rate. The Group also implements flexible working hours to protect the safety and health of the staff during Covid-19 outbreak and extreme weather such as typhoons and storms. In addition, all staff of the restaurant are required to wear shoes certified with anti-slip function when they are on duty (starting from the first day of work). The store management on duty will conduct onsite check on a daily basis, and the Group will also carry out surprise inspection to ensure the policy was implemented effectively. During the year, we achieved a drastic decline in reported injuries due to slipping and falling compared with last year.

Injuries due to slipping and falling			
	2022	2021	% Change
Cases	4	20	-80% 

The Group has set up the target of reducing workplace injury rates. During the year, with the initiatives being well implemented, our injury rate was 1.26%, a very significant 49.8% drop compared to that of 2021. And 98.6% of our restaurants recorded zero injuries. These figures indicate substantial achievement of 2022 targets.

During the year, the Group had reported zero non-compliances with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting staff from occupational hazards. We had reported zero number and rate of work-related fatalities occurred in each of the past three years including the reporting year.



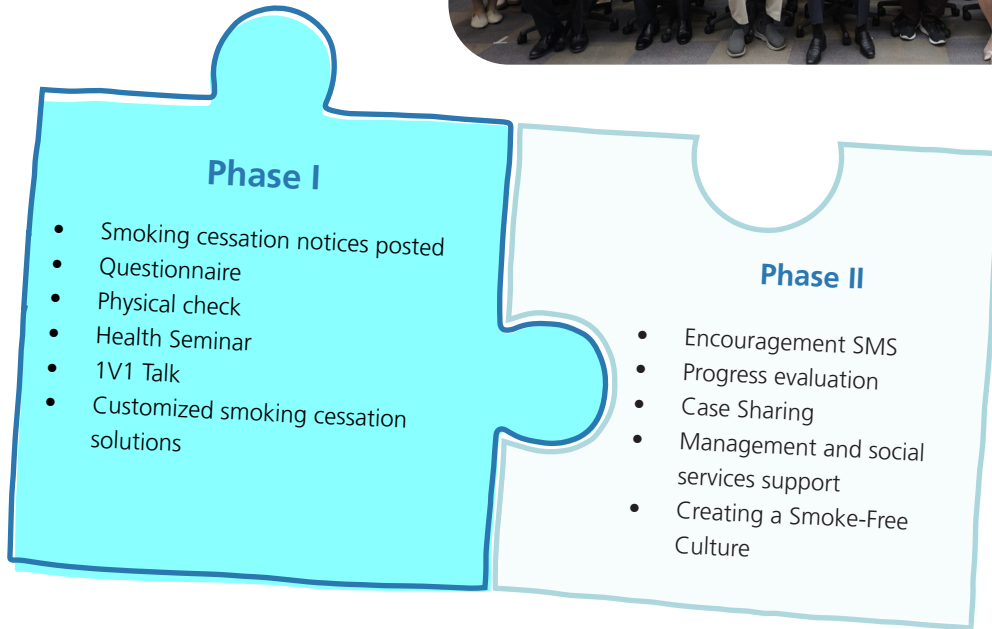
Our commitments and actions described above contribute to: SDG Target 8.8: Promote safe and secure working environments for all workers.

Smoking Cessation Programme

Riding on the success of former staff smoking cessation initiatives, the Group made every endeavour to kick off the first smoking cessation programme of its kind in collaboration with the Lok Sin Tong Benevolent Society, Kowloon in April 2022. The programme is designed to encourage and assist the staff to actively contribute to smoking cessation and promote a smoke-free culture, while creating a healthy, smoke-free work environment.

A prominent record of 31 staff members successfully completed the quit-smoking campaign in 6 months, with support activities such as smoking cessation seminars, posting of smoking cessation tips, and physical examinations, plus a heart-warming video from the corporate management to encourage the staff.





Vaccination Prophylaxis

As a socially-responsible corporate, we took decisive action to contain the spread of the Covid-19 outbreak by actively encouraging and providing incentives for Covid-19 vaccination uptake to all staff and specially built an intranet system to monitor its vaccination status. During the year, more than 60 staff members received influenza vaccination at the Fo Tan Training Centre to build herd immunity and create a safe environment for the community.

Covid-19 Prevention Measures

In 2022, the Group enacted a number of Covid-19 prevention policies and measures to combat Covid-19 to minimise its adverse effects. In response to the impact of the Covid-19, the Group has complied with the relevant requirements of the Hong Kong laws and the Centre for Health Protection (CHP) and has implemented a series of policies and measures to deal with confirmed incidents, making special arrangements when needed.

The Group has also taken a number of measures to protect the health and safety of its staff and customers, such as improving the dining environment, encouraging the staff vaccination uptake, implementing flexible work schedules to reduce psychological and physical stress for the staff.

Ten Measures of Covid-19 Prevention

- Disinfection of carpets: hourly spray disinfection liquid
- Disinfectant hand sanitiser: for customers and staff
- Temperature measurement: measured daily and recorded
- Wear the mask: all day
- Door handle and cashier: disinfected towel wipe
- Dining table and chair: disinfected towel wipe
- Floors: hourly spray disinfection liquid
- Restrooms: hourly spray disinfection liquid
- Wearing hats
- Disinfection of kitchenware

ENVIRONMENTAL COMMITMENT



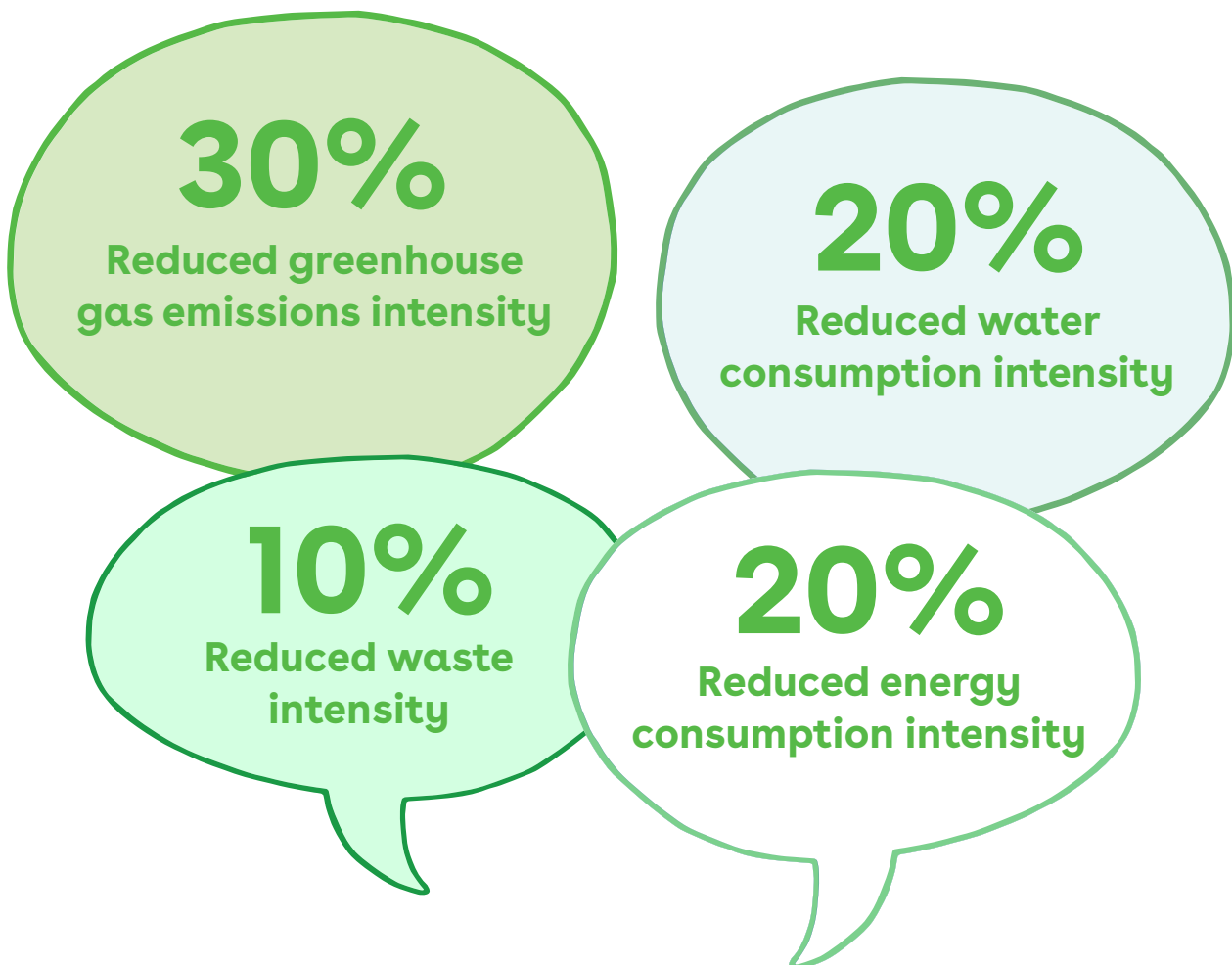
ENVIRONMENTAL COMMITMENT

REDUCING OUR ENVIRONMENTAL FOOTPRINT

The Group's Policy on Environment stipulates a holistic approach on minimising environmental impact, and encompasses a commitment to optimisation of resource consumption and allocation. This policy reflects the Group's motivation to continually implement measures or take initiatives that contribute to the larger goal of minimising the Group's environmental footprint.

Through well-established policies that guide us to structure future initiatives and plans, the Group takes an active approach to environmental management, and ensures that its network of restaurants is equipped and positioned to embrace any legislative changes. The Group also understands the key role that environmental management plays in contributing to a more sustainable community, and will continue to strive to make significant changes to improve its overall environmental performance.

With the objective to alleviate the impacts of climate change, the Group made efforts on managing energy usage, water usage, greenhouse gas emissions, and waste. To maintain accountability, the Group has set reduction targets for 2030 for its Hong Kong operations with a baseline year of 2019 and will continue to monitor yearly progress to be on the right track, and they are as follows:



During the year, the Group had reported zero non-compliances with relevant laws and regulations that could have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

OPTIMISING RESOURCE USAGE**Energy Consumption**

To optimise our resource usage, the Group keeps looking into its operations and makes changes where efficiency can be improved. In 2022, the Group outlined an Energy Management Plan that targets 4 key energy consuming appliances: lighting fixtures, air conditioners, refrigerators, and freezers.

OPERATION AND CONFIGURATION OF LIGHTING FIXTURES	Engage the staff to promote usage that vary according to peak and non-peak hours, and to embrace natural lighting where possible
	Examine areas where lighting is excessive, and optimize without compromising safety or security
	Replace current lighting appliances with energy-efficient LED lamps
AIR CONDITIONING SYSTEM	Engage the staff to promote usage that varies according to peak and non-peak hours, and to turn air conditioners off when not in use
	Maximise cooling efficiency through regular maintenance of equipment and by optimising the system design to increase circulation and reduce cooling system load
REFRIGERATORS AND FREEZERS	Optimise placement to prevent external disturbances that increase the cooling system load

Through implementation of these energy-saving initiatives, the Group's total energy consumption was reduced by 9.2% to 63,978.3 MWh in comparison with 2021. Similar to last year, a majority of the 2022 energy consumption falls under the Scope 2 emissions resulting from electricity purchased, and the remaining direct Scope 1 emissions are from gasoline, gas, and diesel consumption.

KPIs	Unit	2022	2021	%Change
Direct energy consumption	MWh	11,619.4	13,749.6	-15.5%
Indirect energy consumption	MWh	52,358.9	56,703.6	-7.7%
Purchased electricity	MWh	52,358.9	56,703.6	-7.7%
Total energy consumption	MWh	63,978.3	70,453.2	-9.2%
Intensity of energy consumption	MWh/sales turnover (\$ M)	23.9	22.2	7.7%²



Our commitments and actions described above contribute to: SDG Target 7.3: Double the global rate of improvement in energy efficiency.

Water Consumption

Water plays a significant role in catering services and in the F&B industry. During the year, the Group’s total water consumption³ was 783,145.0 m³, a reduction of 6.9% in comparison with 2021. The Group faced no issues in sourcing water that is fit for the purpose, for its operations.

KPIs	Unit	2022	2021	% Change
Total water consumption	Cubic metre	783,145.0	840,960.0	-6.9%
Intensity of water consumption	Cubic metre/sales turnover (\$ M)	292.7	265.0	10.5%⁴

The Group continues to implement water-saving initiatives. The initiatives undertaken aim to reduce water consumption either through limiting its usage, or by optimising current practices or systems.

Limiting Water Usage

- ✓ Implement quotas to avoid water or detergent wastage during the cooking and cleaning processes

Optimising Practices or Systems

- ✓ Maintenance of plumbing system to prevent wastage through leaks
- ✓ Reduce water flow on taps
- ✓ Optimize detergent usage in all restaurant's dish washers and cleaning cycles

CONTROLLING OUR EMISSIONS

Greenhouse Gas ("GHG") Emissions

Beyond optimising internal operations, the Group continues to invest in external energy-saving initiatives. This was the fifth consecutive year when the Group won CLP Smart Energy Award 2022 – Renewable Energy Contribution Award through investing in 600,000 kWh of renewable energy, which resulted in 234,000 kg of carbon emission savings.

To promote the renewable energy generation system in Hong Kong, we continuously participated in the local solar Feed-in Tariff Scheme. The Group has installed 33 solar panels on the roof of our Fo Tan Factory. During the year, a total of 7.1 MWh of electricity was generated and the electricity generated was transmitted to the power grid.

234,000 kg

of CO₂ Savings




Our commitments and actions described above contribute to:
SDG Target 7.2: Increase substantially the share of renewable energy in the global energy mix.

³ In order to ensure cleanliness of restaurants and operation points under the epidemic situation and meet the pandemic prevention requirements, water consumption during the reporting period was mainly used for cleaning of restaurants and operation points of all brands.
⁴ The increase in intensity of water consumption was due to the decrease in sales turnover in 2022.

During the year, the Group's total GHG emissions were 27,016.2 tonnes of CO₂e, arising mainly from purchased electricity in Scope 2 (accounting for approximately 86.7% of total emissions) and gas consumption in Scope 1 (accounting for approximately 7.3% of total emissions). Compared with the year of 2021, the total GHG emissions decreased by 8.2%, mainly due to the fact that most of the Group's restaurants have installed and upgraded to energy-saving electric appliances, which effectively reduces carbon emissions while improving energy efficiency.

KPIs	Unit	2022	2021	%Change
Scope 1 — Direct GHG emissions	Tonne of CO₂e	2,687.3	3,166.8⁵	-15.1%
Fossil fuel combustion — fixed source	Tonne of CO ₂ e	1,975.1	2,325.6	-15.1%
Fossil fuel combustion — mobile source	Tonne of CO ₂ e	352.4	421.4	-16.4%
GHG generated from operation of equipment and system	Tonne of CO ₂ e	359.8	419.8 ⁵	-14.3%
Scope 2 — Energy indirect GHG emissions	Tonne of CO₂e	23,867.5	25,754.2	-7.3%
Electricity purchased from power companies	Tonne of CO ₂ e	23,412.6	25,214.9	-7.1%
Gas purchased from gas companies	Tonne of CO ₂ e	454.9	539.3	-15.6%
GHG emissions (Scope 1 & 2)	Tonne of CO₂e	26,554.8	28,921.0⁵	-8.2%
Scope 3 — Other indirect GHG emissions	Tonne of CO₂e	461.4	495.6⁵	-6.9%
Methane produced by wastepaper in Hong Kong landfills	Tonne of CO ₂ e	10.9	21.1 ⁵	-48.3% ⁶
GHG emissions from electricity consumed by the Water Supplies Department when treating drinking water	Tonne of CO ₂ e	335.2	350.7	-4.4%
GHG emissions from electricity consumed by the Drainage Services Department when treating sewage	Tonne of CO ₂ e	115.3	123.8	-6.9%
Total GHG emissions (scope 1, 2 & 3)	Tonne of CO₂e	27,016.2	29,416.6⁵	-8.2%
Intensity of GHG emissions	Tonne of CO₂e/sales turnover (\$ M)	10.1	9.3⁵	8.6%⁷

Air Emissions

As bulk of the Group's principal operations (restaurant) remain unchanged, the most significant sources of air pollutants, namely nitrogen oxides, sulfur oxides, and particulate matters are attributed to combustion in logistics departments and kitchen.

During the year, the Group generated a total of 1.9 tonnes of nitrogen oxides, 0.003 tonnes of sulfur oxides and 0.2 tonnes of respirable suspended particulates. Upon the implementation of the kitchen equipment upgrade programme, the Group was able to reduce its air pollutant emissions further.

KPIs	Unit	2022	2021	%Change
Nitrogen oxides	Tonne	1.9	2.3	-17.4%
Sulfur oxides	Tonne	0.003	0.003	-
Respiratory suspended particles	Tonne	0.2	0.2	

⁵ The data for 2021 has been updated.

⁶ The decrease in wastepaper in Hong Kong landfills was due to the implementation of various paperless initiatives in 2022.

⁷ The increase in intensity of GHG emissions was due to the decrease in sales turnover in 2022.

ENVIRONMENTAL IMPACT

To the best of our knowledge, the Group’s operations and businesses have no significant impact on the environment and its biodiversity.

Hazardous Waste Treatment

In the interest of environmental protection, the Group continues to pre-treat all sewage generated from its food factories. Third-party experts are commissioned to ensure that the quality of sewage discharged is compliant with local regulations.

Waste Management

Tackling Hong Kong’s Food Waste Problem

Besides treating the hazardous waste, the Group endeavours to explore ways to better manage and reduce waste generation. This year, the Group undertook 3 initiatives dedicated to better managing its food waste.

MTR Food Waste Reduction Pledge

Committing to the MTR Malls Food Waste Reduction Pledge, Trusty Congee King has successfully achieved a higher food waste reduction rate compared to other merchants, who averaged a 12% reduction in 2022.

Swire Green Kitchen Initiative

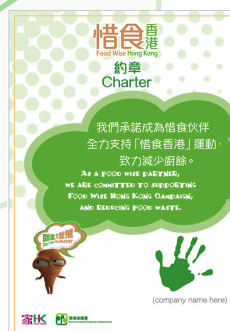
In 2022, the Group was awarded two Green Kitchen Awards for Phở Lê and TeaWood’s adoption of green measures, which include initiatives such as investing in energy-conserving equipment and energy-efficient appliances.



Food Wise Hong Kong (FWHK) Campaign

The FWHK Campaign was launched to promote food waste reduction and contribute to a society that is "Food Wise" and conscious of waste. Noting that 3,500 tonnes of food waste were disposed into landfills every day in 2011, resulting in additional stress on the limited capacities of landfills and emission of greenhouse gases, this Campaign represents a key step to push Hong Kong closer to its 2050 Net Zero goal. Hence, Tai Hing Catering Group is proud to be an official signatory to the Food Wise Eateries Scheme and the Food Wise Charter. As a member of the Charter, the Group is committed to:

- ✔ Promoting behavioural changes to reduce food waste
- ✔ Identifying measures to reduce food waste (such as through offering portioned meals)
- ✔ Implementing action plans with quantifiable targets
- ✔ Improving the Group's waste management performance



During the year, all wastes generated by the Group were non-hazardous wastes, including waste oil, food waste and other domestic wastes produced in offices, restaurants and food factories, which were collected and disposed of by public institutions. The total amount of non-hazardous waste was 5,760.5 tonnes, representing an increase of 32.8% as compared to that of 2021, which was mainly due to the addition of waste oil data in 2022.

KPIs	Unit	2022	2021	%Change
Total hazardous waste produced	Tonne	0	0	-
Intensity of hazardous waste produced	Tonne/sales turnover (\$ M)	0	0	-
Total non-hazardous waste produced	Tonne	5,760.5	4,338.8	32.8%⁸
Waste Oil	Tonne	1,453.1	N/A	-
Food waste and other non-hazardous waste	Tonne	4,307.4	4,338.8	-0.7%
Intensity of non-hazardous waste produced	Tonne/sales turnover (\$ M)	2.2	1.4	57.1%⁹



Our commitments and actions described above contribute to:
SDG Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse.

⁸ Waste oil data was added in 2022.

⁹ The increase in intensity of non-hazardous waste produced was due to the decrease in sales turnover in 2022.

Raw Materials Management

The Group adopts a variety of measures to reduce the use of raw materials, including applying paperless ordering system to reduce paper consumption. In addition, the Group prioritises the procurement of environment-friendly products or materials and actively seeks alternatives to minimise the use of plastics.

Paperless Initiatives

Taking advantage of recent progress in Object Character Recognition (OCR) technology, the Group has implemented a paperless “Vendor’s Delivery Note image Capture” system that uses OCR to extract and organise data from the restaurants’ goods receipt from suppliers at stores. Digitalising this process has achieved significant time savings in physical paper-handling, logistics, filing/storage, invoice matching and subsequent payment process. The Group is extending this initiative to other areas of operations.

Plastic Consumption

In 2022, the Group has set targets to respond to various campaigns or schemes, including the “Control of Disposable Plastic Tableware” scheme, the “Plastic Shopping Bag Charging Scheme”, and the “No Straw Campaign” organised by the Ocean Park Conservation Foundation Hong Kong. To effectively react to upcoming legislative changes, below are some anticipated initiatives that the Group is committed to implementing.



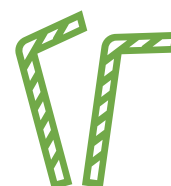
Completely decommission foam food containers and replace them with reusable or degradable plastic containers



Phase out non-degradable plastic bags with degradable materials (e.g., paper bags)



Replace plastic utensils (e.g., stirrers, knives, cups, plates) with wooden or paper alternatives



Replace the provision of plastic drinking straws with paper or stainless steel straws

Poon Choi (盆菜) Container Recycling and Reuse Campaign

Through encouraging our customers to participate in waste collection and recycling, the Group has embraced Hong Kong’s traditions and goes green with the “Poon Choi” season. Poon Choi composes of various layers, each containing different types of ingredients. Upon enjoying the meal, the large metal containers used to hold the Poon Choi together are typically discarded and sent to landfills by the customer.

Since 2020, the Group has been active in the Poon Choi Container Recycling and Reuse Campaign. The metal Poon Choi containers collected through this campaign are now reused in restaurants after thorough cleaning and disinfection. The Group provides its customers with further incentive by giving back HK\$20 promotional coupon to customers who return the Poon Choi containers after consumption, and collected 2,000 containers from this campaign in 2022.

Raw materials used by the Group mainly include packaging materials, disposable tableware, tissues and machine paper. During the year, the Group used 721.9 tonnes of packaging materials, representing a slight decrease of 0.4% as compared with last year.

KPIs	Unit	2022	2021	%Change
Packing materials used for finished products				
Total packaging material used ¹⁰	Tonne	721.9	724.9	-0.4%
Intensity of packaging material used	Tonne/sales turnover (\$ M)	0.27	0.23	17.4% ¹¹
Use of other materials				
Disposable tableware	Tonne	144.6	114.8	26.0% ¹²
Tissues, thermal paper ¹³	Tonne	171.7	185.2	-7.3%
Posters, leaflets, coupons, menus, etc.	Tonne	3.3	10.2	-67.7%

¹⁰ This data is based on purchase orders not actual usage. In the future, the Group will further enhance data collection and disclose actual usage data.

¹¹ The increase in intensity of packaging material used was due to the decrease in sales turnover in 2022 due to Covid-19 pandemic.

¹² The increase in disposable tableware was due to adjustments in switching categories.

¹³ For cash registers and credit card terminals.

CLIMATE CHANGE

The Group has taken the first step towards increased resilience to climate change and to better equip itself to mitigate the impacts by analysing various climate-related risks and opportunities that are relevant to its operations as outlined in the table below, following the recommendations set out by the Task Force on Climate-Related Financial Disclosures (TCFD). In taking this first step, the Group has laid out a foundation for planning future improvement in its sustainability performance.

Physical Risks

Categories	Descriptions	Impacts on Business
The acute physical risks below refer to extreme weather events or hazards		
Asset Damage	Extreme weather events may damage the Group's assets	<input type="checkbox"/> Facility / building damage <input type="checkbox"/> Water intrusion in kitchens
Disrupted Operations	Extreme weather events may impact the staff, logistical, and operational productivity	<input type="checkbox"/> Suspension of operations <input type="checkbox"/> Supply chain disruptions <input type="checkbox"/> Food shortage <input type="checkbox"/> Unaffordable food pricing
Customer Inconvenience	Extreme weather events may reduce the desire to travel	<input type="checkbox"/> Fewer customers to dine in at the Group's restaurants
Occupational Safety and Health	Extreme weather events may pose threats to health and safety of the staff	<input type="checkbox"/> Staff injured
The chronic physical risks below refer to long-term changes in climatic patterns		
Disrupted Supply Chain	Increase in droughts and changes in temperatures will affect farming practices and thus the Group's supply chains	<input type="checkbox"/> Increased costs in supply chains <input type="checkbox"/> Unreliable food supplies
Operational Efficiency	Increase in average global temperatures will increase cooling requirements	<input type="checkbox"/> Increased cooling cost for kitchens and offices
Staff Comfort	Increase in average global temperatures may affect staff productivity	<input type="checkbox"/> Reduction in workplace efficiency

Transitional Risks

Categories	Descriptions	Impacts on Business
Technological Changes	Technological advances will render current equipment obsolete or "outdated"	<input type="checkbox"/> Increased costs for purchasing new equipment
Market Value	Failure to comply with stringent compliance requirements will impact investors' perceptions	<input type="checkbox"/> Less investments
Reputation	Lack of sustainability initiatives will impact Group's reputation and customers' perceptions	<input type="checkbox"/> Reputation damage
Policies and Regulations	Upcoming legislation will impact the Group's operational norms	<input type="checkbox"/> Policies and regulations

Climate-related Opportunities

Categories	Descriptions	Impacts on Business
Operational Efficiency	Optimising operational practices to become more sustainable will increase efficiency	<input type="checkbox"/> Sustainable agriculture to improve suppliers' operational resilience and efficiency
Operational Efficiency	Adopting low-carbon sources of energy will increase efficiency	<input type="checkbox"/> Lower electricity and energy bills
Investment opportunity	Demand for sustainable solutions will open access to new investments	<input type="checkbox"/> More investments and partnerships for the Group to leverage
Resilient Supply Chains	Prioritising more sustainable logistical solutions will diversify suppliers	<input type="checkbox"/> Develop domestic and foreign supplier channels <input type="checkbox"/> Increase Group's resilience
Product and Service	The increasing market demand for greener products will push for new product lines	<input type="checkbox"/> Develop vegetarian recipes to reduce carbon emissions arising from meat products

Moving forward, the Group will continue to conduct a comprehensive analysis of the risks and opportunities that affect its operations, and strive for a closer alignment with TCFD guidelines.



**COMMUNITY
INVOLVEMENT**

COMMUNITY INVOLVEMENT

Leveraging its industry knowledge and strengths, the Group has actively collaborated with charitable organisations and invested in building a better community. The Group has established a Community Investment Policy, which sets out community investment strategy of the Group, and it will focus on and make contributions to following aspects, such as climate change and environment, care for communities and good-neighborliness, children and youth development and the industry development. In addition, the Group has mobilised colleagues from various departments to join the Corporate Volunteer Team to enhance community involvement and reach out to those in need.

CONTINUOUSLY FIGHTING AGAINST COVID-19 AND SUPPORTING MEDICAL STAFF

In addition to the preventive work carried out within the Company to protect the health of its staff, the Group has implemented a number of initiatives in its branded restaurants to maintain hygiene and protect the health of its guests, such as:

- Improving the cleanliness of all its branded restaurants;
- Hiring Swisher to clean the toilets in our outlets and offices;
- Requiring all staff to wear masks when on duty and to take their body temperature before and after work;
- Taking body temperature and providing disinfectant hand rubs for customers;
- Installing a range of smart sterilisation devices in our outlets, including ultraviolet ray devices for mobile phones, smart temperature detection devices on entry to the restaurant and self-service order taking by scanning a QR code, etc; and
- Introducing automated delivery robots in restaurants to reduce the delivery burden on staff and provide customers with a safe, hygienic and high-tech dining experience by delivering food and beverages without contact.

During the fifth wave of the severe epidemic in Hong Kong, the Group offered 300,000 meal coupons (with up to HK\$6M discounted value) to medical staff through the Hospital Authority and the Hong Kong Federation of Youth Groups of the Chinese People's Political Consultative Conference, as a token of appreciation for their caring and untiring service.

SHARING INDUSTRY KNOWLEDGE WITH THE COMMUNITY

Mr. Ho Siu Fung, General Manager and Director of Chinese Gourmet of the Group was invited to attend the "Catering Industry Development and Prospects Sharing Meeting" at the School of Continuing and Professional Studies of the Chinese University of Hong Kong, where he shared with 170 tertiary students his insights on marketing strategies, catering industry prospects and career planning in the face of the epidemic. A Q&A session was held during which the students displayed great enthusiasm. After the session, the Group distributed the newly launched Tai Hing canned beverages to the students, which was well received by all.



"TAI HING CARE" CORPORATE VOLUNTEER TEAM

The Group's Corporate Volunteer Team is a driving force in community development. This year, under the theme of "Tai Hing Care", the Corporate Volunteer Team focused on wide-ranging initiatives such as environmental protection, youth development and care for the elderly and underprivileged.

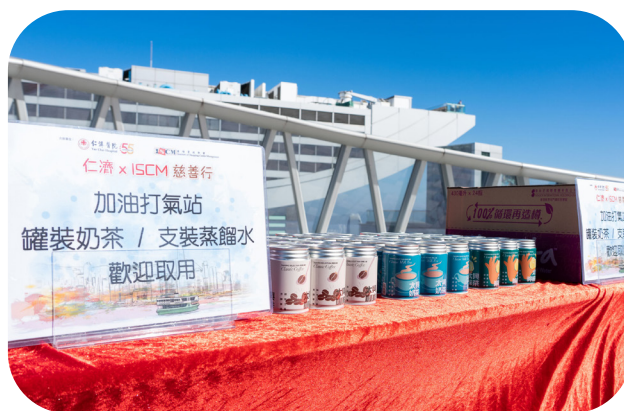
To date, the Group's social welfare activities have benefited more than 100,000 grassroots people.

To encourage more staff to join the volunteer team, the Group has set up a "Volunteer Award Scheme", under which those who achieve the maximum number of volunteer hours throughout the year are to be awarded a certificate of appreciation and a meal voucher. This year, two staff members who actively participated in the Group's charity activities and achieved the highest total volunteer service hours were awarded certificates of appreciation from the Group.

CHILDREN AND YOUTH DEVELOPMENT

Supporting Yan Chai Charity Walk

The Group's Men Wah Bing Teng at the peak supported the "Charity Walk" event organised by Yan Chai Hospital. Apart from discounted dining vouchers, the Group also sponsored and distributed 200 cans of Tai Hing canned beverages on site to cheer up the participants. The event was themed on Hong Kong sentiment and aimed to raise funds for child development services under its jurisdiction.



Reaching out to Child and Youth Development Services

The Group works closely with the Boys' and Girls' Clubs Association of Hong Kong (BGCAHK) and S.K.H. St. Christopher's Home for Children to donate food and support their charity events. This year, the Group has donated more than 2,000 cans of canned food to the BGCAHK. Furthermore, the Group also supported S.K.H. St. Christopher's Home for Children, donating canned food to children from low-income families, sponsoring the raffle prizes for their Christmas charity dinner and offering handmade Chinese sausages to support their Chinese New Year hamper sale. During the festive season, the Group joined hands with the Centre in the Chocolate Charity Sale Campaign and shared love to business partners through sending out the chocolate gift boxes, enlightening more people to support their services.



Sowing Seeds of Love to Children: Film Appreciation Day

In collaboration with Yan Oi Tong Community Centre, the Group organised a cartoon appreciation activity for children from low-income families in Tuen Mun. 30 children led by the Group's volunteers visited Candy Park by Cinema City in Discovery Park, Tsuen Wan to enjoy "The Fart Detective Movie: Artie the Fart + The Fantasy Giant Potato Batch Celebration". After movie time, Tai Hing gift packs were distributed to put smiles on children's faces, including colouring books, cartoon vaccination products, Tai Hing canned food and dining vouchers.



CARING FOR THE ELDERLY AND UNDERPRIVILEGED

Tai Hing & Po Leung Kuk Charity Poon Choi Feast

The Group has partnered with Po Leung Kuk again this year as the supplier of Poon Choi for its 2022-23 Charity Poon Choi Fundraising Programme to raise funds for the development of its elderly services and to contribute to its soft-serve meal programme, so that traditional culture and love can also be passed on.

With the theme of "One Good Deed, Double Love", the event was held on November 2022. The Group's representatives shared a hearty Tai Hing Poon Choi with the community leaders and the elderly, and received a souvenir from Po Leung Kuk on behalf of the Group.



Donating to the Salvation Army

The Group donated canned goods and handmade Chinese sausages to the community partner, the Salvation Army Hong Kong and Macau Corps, to support their transitional housing services. Ms Jojo Chan, Executive Director of the Group, visited the Salvation Army headquarters in Yau Ma Tei and met with Alice Law, Secretary for Business Administration of the Salvation Army, to learn more about its community services and to explore future collaboration opportunities. After the meeting, a Certificate of Appreciation was presented to the Group in recognition of its contribution.



ENVIRONMENTAL PROTECTION

Coastal Clean-up Drive

To encourage colleagues to care about marine ecology and conservation, the Group sponsored the work of a local green group, the Green Council, and supported the International Coastal Clean-up Campaign by sending a team of volunteers to clean up the marine waste accumulated on the shore at Starfish Bay, Ma On Shan. A team of 17 volunteers was divided into four groups to help record and identify the source of waste, explore ways to save and reduce waste. The volunteers had a great time sharing the "interesting trash" they found and collected, including shoe heels, car tyres, underwear accessories, rusty old packaged cans, fans and face masks.



During the year, the Group cooperated with more than 14 charitable/social welfare organisations, with a total charitable donation of HK\$360,000, and donated more than 10,000 Tai Hing products, benefiting 15,000 underprivileged people. We also partnered with over 6 NGOs to place donation boxes at all Tai Hing restaurants throughout the year, with an aim to encourage customers to make donation and contribution to the community.

Collaborated with over

14

Charitable / Social welfare organisations

Total charitable donations
HK\$360,000

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

15,000
underprivileged people



TAI HING DONATED PRODUCTS



COMMUNITY PARTNERS/BENEFICIARIES



Upholding its intrinsic corporate values, the Group remains fully committed to fulfilling its corporate social responsibility by investing in the community, caring for the underprivileged, fostering "Tai Hing Care" volunteering culture among the Group, mobilising and encouraging colleagues and their families and friends to actively participate in volunteer activities.

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

Looking ahead, the Group will continue to make strides on its sustainable journey and extend the beneficiary basis beyond participation in community engagement projects. While seizing the opportunities of a low-carbon economy and building a business that is fit for the future, the Group will also focus on enhancing the well-being of its staff, customers and the community, and moving towards a sustainable environment.

APPENDICES

LAWS AND REGULATIONS

Aspects	Applicable Laws and Regulations
Environment	<ul style="list-style-type: none"> Air Pollution Control Ordinance Waste Disposal Ordinance Noise Control Ordinance Water Pollution Control Ordinance
Employment and Labour Standards	<ul style="list-style-type: none"> Employment Ordinance Disability Discrimination Ordinance Sex Discrimination Ordinance Race Discrimination Ordinance Minimum Wage Ordinance Mandatory Provident Fund Schemes Ordinance
Health and Safety	<ul style="list-style-type: none"> Occupational Safety and Health Ordinance Employees' Compensation Ordinance Factories and Industrial Undertakings Ordinance Occupational Safety and Health Regulation
Product Responsibility	<ul style="list-style-type: none"> Food Safety Ordinance Food and Drugs (Composition and Labelling) Regulations Public Health and Municipal Services Ordinance Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation Product Eco-responsibility Ordinance Consumer Goods Safety Ordinance Trade Descriptions Ordinance Copyright Ordinance Trade Marks Ordinance Personal Data (Privacy) Ordinance
Anti-corruption	<ul style="list-style-type: none"> Prevention of Bribery Ordinance Anti-Money Laundering and Counter-Terrorist Financing Ordinance Competition Ordinance Securities and Futures (Stock Market Listing) Rules

SUMMARY OF KPIs

Environmental KPIs¹⁴

Summary of KPIs	Unit	2022	2021
Waste air emissions			
Nitrogen oxides	Tonne	1.9	2.3
Sulfur oxide	Tonne	0.003	0.003
Respiratory suspended particles	Tonne	0.2	0.2
Greenhouse gas (GHG) emissions			
Scope 1 ¹⁵	Tonne of CO ₂ e	2,687.3	3,166.8 ¹⁶
Scope 2 ¹⁷	Tonne of CO ₂ e	23,867.5	25,754.2
Scope 3 ¹⁸	Tonne of CO ₂ e	461.4	495.6 ¹⁶
Total GHG emissions (Scopes 1, 2 & 3)	Tonne of CO ₂ e	27,016.2	29,416.6 ¹⁶
Intensity of GHG emissions	Tonne of CO ₂ e/sales turnover (\$ M)	10.1	9.3 ¹⁶
Waste produced			
Total hazardous waste produced	Tonne	0	0
Intensity of hazardous waste produced	Tonne/sales turnover (\$ M)	0	0
Total non-hazardous waste produced	Tonne	5,760.5 ¹⁹	4,338.8
Intensity of non-hazardous waste produced	Tonne/sales turnover (\$ M)	2.2	1.4
Energy consumption			
Direct energy	MWh	11,619.4	13,749.6
Indirect energy	MWh	52,358.9	56,703.6
Total energy consumption	MWh	63,978.3	70,453.2
Intensity of energy consumption	MWh/sales turnover (\$ M)	23.9	22.2
Water consumption			
Total water consumption	Cubic metre	783,145	840,960
Intensity of water consumption	Cubic metre/sales turnover (\$ M)	292.7	265.0
Packaging material used for finished products			
Total amount of packaging material used	Tonne	721.9	724.9
Intensity of packaging material used	Tonne/sales turnover (\$ M)	0.27	0.23

¹⁴ Environmental KPIs stated in the report are calculated with reference to HKEX's "How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs".

¹⁵ Scope 1 includes direct GHG emissions from gas combustion in kitchen stoves, diesel combustion in logistics trucks, petrol combustion in private cars, and fugitive emissions from refrigeration/airconditioning equipment.

¹⁶ The data for 2021 has been updated.

¹⁷ Scope 2 includes indirect GHG emissions from purchased electricity and gas.

¹⁸ Scope 3 includes indirect GHG emissions from waste paper disposed of in landfills and electricity consumed by government departments when treating drinking water and sewage.

¹⁹ The increase in total hazardous waste produced was due to the addition of waste oil data in 2022.

Social KPIs

Summary of KPIs	Unit	2022	2021
Overview of workforce			
Total	person	4,204	4,062
By gender			
Male	person	1,311	1,309
Female	person	2,893	2,753
By age group			
Below 30	person	805	777
30–50	person	1,696	1,641
Above 50	person	1,703	1,644
By rank group			
Senior management	person	10	10
Middle management	person	802	781
General staff	person	3,392	3,271
By employment type			
Full-time	person	3,036	3,098
Part-time	person	1,168	964
Other types of workforce	person	N/A	N/A
By region			
Hong Kong	person	4,204	4,062
Other regions	person	N/A	N/A
Staff turnover rate^{20,21}			
Total	%	76.0	78.9
By gender			
Male	%	22.3	77.6
Female	%	53.7	79.5
By age group			
Below 30	%	22.2	N/A
30–50	%	27.1	N/A
Above 50	%	26.7	N/A
By region			
Hong Kong	%	76.0	N/A
Other regions	%	N/A	N/A
Occupational health and safety			
Number and rate of work-related fatalities	person (%)	0 (0%)	0(0%)
Number of work-related injury cases	case	53	102 ²²
Rate of work-related injury	%	1.26	2.51 ²²
Number of lost workdays due to work-related injury ²³	day	1,655	3,087 ²²

²⁰ During the year, the number of the Group's restaurant staff was 3,893. The turnover rate of the restaurant staff was 77.0%, of which 98.3% left voluntarily.

²¹ Employee turnover rate = number of staff left/total number of staff in the Group

²² The data for 2021 has been updated.

²³ Only the work-related injuries that occurred during the year are calculated.

Summary of KPIs	Unit	2022	2021
Development and training			
Total number and percentage of trained staff ²⁴	person (%)	2,946 ²⁵ (70.1%)	3,118 ²⁶ (76.8%)
By gender			
Male	person (%)	926 (70.6%)	987 (75.4%)
Female	person (%)	2,020 (69.8%)	2,131 (77.4%)
By rank group			
Senior management	person (%)	10 (100%)	10 (100%)
Middle management	person (%)	766 (95.5%)	712 (91.2%)
General staff	person (%)	2,170 (64.0%)	2,396 (73.2%)
Average training hours per staff member	hour/person	4.48	4.51
By gender			
Male	hour/person	4.70	4.61
Female	hour/person	4.38	4.56
By rank group			
Senior management	hour/person	7.70	5.48
Middle management	hour/person	5.71	6.71
General staff	hour/person	4.03	3.78
Number and percentage of staff receiving regular performance and career development reviews	person (%)	3,036 (72.2%)	3,092 (76.1%)
By gender			
Male	person (%)	979 (74.7%)	1,058 (80.8%)
Female	person (%)	2,057 (71.1%)	2,034 (73.9%)
By rank group			
Senior management	person (%)	10 (100.0%)	10 (100.0%)
Middle management	person (%)	797 (99.4%)	781 (100.0%)
General staff	person (%)	2,229 (65.7%)	2,321 (71.0%)

²⁴ Percentage of staff trained = number of staff trained/total number of staff

²⁵ The percentages of breakdown of total staff trained in 2022 are as follows: by gender: male (31.4%) and female (68.6%); by rank group: senior management (0.3%), middle management (26.0%) and general staff (73.7%)

²⁶ The percentages of breakdown of total staff trained in 2021 are as follows: by gender: male (31.7%) and female (68.3%); by rank group: senior management (0.3%), middle management (22.8%) and general staff (76.9%)

HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspect, General Disclosure and KPIs	Content	Page Number/ Explanation
Governance structure		
General Disclosure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	8
Reporting principles		
General Disclosure	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <ul style="list-style-type: none"> (a) Materiality: The ESG report should disclose: <ul style="list-style-type: none"> (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. (b) Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. (c) Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. 	<p>Stakeholder engagement is undertaken to identify issues related to sustainability that are material to the Group and these are adequately addressed in this report.</p> <p>The report indicates which data have been estimated, and the underlying assumptions and techniques used for the estimation, or where that information can be found.</p> <p>The report and its information can be compared on a year-to-year basis. Any significant variation between reporting periods can be identified and explained. There were no changes to the methods or KPIs used during the year.</p>
Reporting boundary		
General Disclosure	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	2

Aspect, General Disclosure and KPIs	Content	Page Number/ Explanation
A. Environmental		
A1 Emissions		
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	33,35-39,49
A1.1	The types of emissions and respective emissions data.	36
A1.2	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions and intensity.	36
A1.3	Total hazardous waste produced and intensity.	38
A1.4	Total non-hazardous waste produced and intensity.	38
A1.5	Description of emission target(s) set and steps taken to achieve them.	33,35
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	33,37-38
A2 Use of resources		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	33
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	34
A2.2	Water consumption in total and intensity.	35
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	33-34
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. ²⁷	33,35
A2.5	Total packaging material used for finished products and with reference to per unit produced.	39
A3 The environment and natural resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	33
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	37
A4 Climate change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	33
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	40-41

²⁷ The drinking water for the Group's operation is supplied by the municipal organisation, and we are not aware of any water stress at its operation sites. Therefore, the Group has not experienced any difficulty in finding the water resources (including water consumption and water quality) for its business operations.

Aspect, General Disclosure and KPIs	Content	Page Number/ Explanation
B. Social		
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.	25-26,49
B1.1	Total workforce by gender, employment type, age group and geographical region.	51
B1.2	Employee turnover rate by gender, age group and geographical region.	51
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.	29,49
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	31
B2.2	Lost days due to work injury.	51
B2.3	Description of occupational health and safety and measures adopted, and how they are implemented and monitored.	29-31
B3 Development and training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	27-28
B3.1	The percentage of employees trained by gender and employee category.	52
B3.2	The average training hours completed per employee by gender and employee category.	52
B4 Labour standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	27,49
B4.1	Description of measures to review employment practices to avoid child and forced labour.	27
B4.2	Description of steps taken to eliminate such practices when discovered. ²⁸	N/A

²⁸ In terms of the Group's business activities, the Group is not aware of any business that is considered to involve significant risks associated with child labour and forced labour.

Aspect, General Disclosure and KPIs	Content	Page Number/ Explanation
B5 Supply chain management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	19-20
B5.1	Number of suppliers by geographical region.	19
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	19
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	20
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	20
B6 Product responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	17-18,23,25,49
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the year, the food factories under the Group did not recall any products for safety and health reasons.
B6.2	Number of products and service related complaints received and how they are dealt with.	25
B6.3	Description of practices relating to observing and protecting intellectual property rights.	23
B6.4	Description of quality assurance process and recall procedures.	17-18
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	23
B7 Anti-corruption		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	22-23,49
B7.1	Number of concluded legal cases brought against the issuer or its employees during the reporting period and the outcomes of the cases.	23
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	22-23
B7.3	Description of anti-corruption training provided to directors and staff.	23

Aspect, General Disclosure and KPIs	Content	Page Number/ Explanation
B8 Community investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	43
B8.1	Focus areas of contribution.	43-48
B8.2	Resources contributed to the focus area.	47