

# TASTY CONCEPTS HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)



賞之味控股有限公司

Stock Code: 8096

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

# 2020

# CONTENTS

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<b>2</b>	Basis of the ESG Report
<b>3</b>	The Board and ESG Working Group
<b>3</b>	Reporting Boundary and Principles
<b>4</b>	Stakeholder Engagement
<b>5</b>	Materiality Assessment
<b>6</b>	We and Our Environment
<b>8</b>	Our Supply Chain Management
<b>10</b>	Commitment to Product Quality
<b>13</b>	Commitment to Our Employees
<b>16</b>	Commitment to Ethics and Integrity
<b>16</b>	Giving back to the Community
<b>17</b>	Environmental Key Performance Indicators Table
<b>18</b>	Report Content Index

Tasty Concepts Holdings Limited (“We” or the “Company”) and its subsidiaries (collectively known as the “Group”), our Environmental, Social and Governance (“ESG”) report of (“ESG Report”) address a range of material impacts on the Group, outlining our sustainability approaches and disclosing our ESG performances during the period from 1 April 2019 to 31 March 2020 (the “Reporting Period”).

## **BASIS OF THE ESG REPORT**

Our ESG Report is conducted according to the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) as set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited. With reference to the ESG Reporting Guide and the Group’s business operation, the presentation of our ESG Report divides the relevant aspects and key performance indicators (“KPI”), which are determined to be relevant and material to the Group, into six subject areas:

1. Use of resources;
2. Product responsibility;
3. Supply chain management;
4. Health and safety;
5. Workforce management; and
6. Compliance operation.

A complete index in compliance with the ESG Reporting Guide is also available at the end of the ESG Report for reference. The Group has complied with the “comply or explain” provisions set out in the ESG Reporting Guide in the Reporting period.

As a food producer, we are committed to delivering high quality and safe food products and continuously meeting customers’ expectations and complying with legal requirements.

Owing to better and develop our reporting and strategic decision-making tools, we take reference to issues which matter to our stakeholders and business are to be priorities. The foundation of our materiality exercise is referred to the ESG Reporting Guide, opinion gathered from our senior management based on their constant interaction with our stakeholders.

## THE BOARD AND ESG WORKING GROUP

We admit that our Board has overall responsibility for the governance of ESG includes, but not limited to evaluating ESG related risks, determining ESG strategy and scope, setting forth related risk management and internal control system and approving the disclosure in this ESG Report.

Our ESG executive group, consisting of an executive director, senior management from Finance, Procurement, Operation and Human Resources Department collecting and continuously monitoring ESG data and preparing this ESG Report.

The members of the ESG executive group have a good understanding of our business and operations. The Board has reviewed the competency, experience and resources of the ESG executive group to ensure it can fulfill its duties due diligently.

## REPORTING BOUNDARY AND PRINCIPLES

The Board, with the assistance of the ESG executive group, has identified key ESG risks of the Group based on the consideration of a series of factors such as business nature and scale, geographic location, regulatory requirements, operating practices and stakeholders' expectations.

The key considerations that the Board has taken include, but not limited to:

- Our business is headquartered in Hong Kong and restaurants in Hong Kong and the People's Republic of China ("PRC");
- Our operation involves production, processing and serving of hot food and drinks;
- Our production and processing arrangement involve emissions and use of nature resources;
- Our operation is subject to the various food safety related regulations; and
- Our operation is subject to the various environmental protection related regulations.

Based on our assessment, the reporting boundary for this ESG Report shall be set at the production, processing and serving function of our Hong Kong and PRC operations.

## STAKEHOLDER ENGAGEMENT




We have identified the following key stakeholders based on the mutual dependency and influence. On a regular basis, the Group communicates with key stakeholders within and outside the Group through various channels, such as in-person meetings, written correspondence, telephone discussion, and for our shareholders, annual general meeting.

Key Stakeholders	Communication Channels	Stakeholders' Main Concerns
Government Departments & Regulators	<ul style="list-style-type: none"> <li>✓ Regulatory updates correspondence</li> <li>✓ Professional conference</li> <li>✓ Inquiries &amp; questionnaires</li> <li>✓ Government websites</li> </ul>	<ul style="list-style-type: none"> <li>◆ Legal compliance</li> <li>◆ Food safety</li> <li>◆ Work safety</li> <li>◆ Environmental protection</li> </ul>
Investors & shareholders	<ul style="list-style-type: none"> <li>✓ Corporate website</li> <li>✓ Annual general meeting</li> <li>✓ Announcements and disclosures</li> <li>✓ Quarterly/Interim/Annual Reports</li> <li>✓ Public reports</li> </ul>	<ul style="list-style-type: none"> <li>◆ Performance and profitability</li> <li>◆ Scale and capacity</li> <li>◆ Market share</li> <li>◆ Supply chain management</li> <li>◆ Reputation</li> </ul>
Employees	<ul style="list-style-type: none"> <li>✓ Regular management meetings</li> <li>✓ Internal policy memorandum</li> <li>✓ Performance evaluation</li> </ul>	<ul style="list-style-type: none"> <li>◆ Career development</li> <li>◆ Remuneration and benefits</li> <li>◆ Staff training</li> <li>◆ Work safety</li> </ul>
Customers	<ul style="list-style-type: none"> <li>✓ Marketing and advertisement</li> <li>✓ Social media &amp; survey report</li> <li>✓ Quarterly/Interim/Annual Reports</li> <li>✓ Customer hotline</li> <li>✓ Sales representative visit</li> </ul>	<ul style="list-style-type: none"> <li>◆ Food safety</li> <li>◆ Product pricing</li> <li>◆ Image and reputation</li> <li>◆ Environmental protection</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>✓ Suppliers' evaluation</li> <li>✓ Meeting and correspondence</li> <li>✓ On-site visits</li> <li>✓ Product quality inspection</li> <li>✓ Overall performance assessment</li> </ul>	<ul style="list-style-type: none"> <li>◆ Material pricing</li> <li>◆ Stability and sustainability</li> <li>◆ Food safety</li> <li>◆ Environmental protection</li> </ul>
Communities	<ul style="list-style-type: none"> <li>✓ Community events</li> <li>✓ Social media</li> </ul>	<ul style="list-style-type: none"> <li>◆ Community service</li> <li>◆ Environmental protection</li> </ul>

With the goal to strengthen the approach and performance of the Group, engaging with stakeholders and understanding their views would allow the Group to propel its business practice closer to the satisfaction of stakeholders' needs and expectations and properly manage opinions from different stakeholders. Accordingly, on top of our regular engagements, we have formulated plans to strengthen our stakeholder engagement process, including the intended use of an ESG survey and interview program, from which the information and feedback to be collected and exchanged, will further enable us to take appropriate actions and enhance our ESG initiatives and reporting.

## MATERIALITY ASSESSMENT

We identified key issues based on the above summarized expectation and concerns from our stakeholders with reference to the ESG Reporting Guide, and industry characteristics. The following are shortlisted key items from our materiality assessment regarding the level of importance to stakeholders and to the Group. To determine the strategies and directions for our sustainability, and to identify environmental and social issues that are most essential for the Group and the stakeholders. The following table illustrates material issues covered by this ESG Report, which formed a basis for the Group's ESG key performance index (KPI) management and disclosure.

 <b>GOVERNANCE</b>	 <b>SOCIAL</b>	 <b>ENVIRONMENTAL</b>
<p><b>COMPLAINT HANDLING &amp; EFFECTIVE COMMUNICATION</b></p> <ul style="list-style-type: none"> <li>• Response in section of “Our Supply Chain Management”</li> </ul> <p><b>EFFECTIVE AND EFFICIENT MANAGEMENT SYSTEM</b></p> <ul style="list-style-type: none"> <li>• Response in section of “Commitment to Ethics and Integrity”</li> </ul> <p><b>PRODUCT QUALITY MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• Response in section of “Commitment to Product Quality”</li> </ul> <p><b>OPERATIONAL COMPLIANCE</b></p> <ul style="list-style-type: none"> <li>• Response in section of to “Our Supply Chain Management”</li> </ul>	<p><b>HEALTHY AND SAFE WORKPLACE</b></p> <ul style="list-style-type: none"> <li>• Response in section of “Commitment to Our Employees”</li> </ul> <p><b>CONTINUOUS IMPROVEMENT ON SERVICE SATISFACTION</b></p> <ul style="list-style-type: none"> <li>• Response in section of “Commitment to Product Quality”</li> </ul> <p><b>MANAGING OPERATIONAL RISKS</b></p> <ul style="list-style-type: none"> <li>• Responds in section of “Commitment to Product Quality” &amp; “Commitment to Our Employees”</li> </ul> <p><b>SUPPLIERS’ CAPABILITY &amp; MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• Response in section of “Our Supply Chain Management”</li> </ul> <p><b>EMPLOYEE COMPETENCY</b></p> <ul style="list-style-type: none"> <li>• Response in section of “Commitment to Our Employees – Development &amp; Training”</li> </ul>	<p><b>ENVIRONMENTAL CONCERNS &amp; MEASURES</b></p> <ul style="list-style-type: none"> <li>• Response in section of “We and Our Environment – Environment &amp; Natural Resources”</li> </ul>

The Group is dedicated in enhancing the interaction and exchanges with external stakeholders, encourage them to engage more in the communication on sustainable development of the Group and share their recommendations and expectations for the Group. The development of the sustainability strategy and vision are intended to be an iterative, ongoing process and we shall endeavor to provide future reports with further strengthening of corporate social responsibility and enhancement of environmental performance and resource efficiency within operations.

## WE AND OUR ENVIRONMENT

The Group admit the need to find a balance between business development and the environment. We commit to implement the ESG regulations, and stipulate its environmental responsibilities and commitments, aiming at the efficient use of natural resources and minimizing the environmental impacts of the resources consumed in its business operation.

The Group's greenhouse gases ("GHGs") emissions mainly come from combustion of town gas for food processing and energy indirect emission, the amount of particulate matter ("PM") generated by the Group is negligible. While our cooking media are mostly with water and consume immaterial amount of oil. In this regard, the composition of our kitchen's air emission is mostly steam. In the Reporting Period, the ESG Report includes the emission, water and energy usage data of the restaurants operating in Hong Kong and the PRC and those generated or consumed from food processing in our central kitchen

### USE OF RESOURCES

The main sources of the Group GHG emissions were the use of town gas and the purchase of electricity. In addition to the GHG emissions mentioned in the previous section, there were certain amounts of solid wastes (including kitchen wastes) and wastewater generated by the Group from its administrative office, central kitchen, and restaurants.

Owing to our concise serving menu, we can keep our cooking processes and ingredients simple and neat, leading to minimal amount of waste produced in our central kitchen and restaurants. In order to enhance the use of raw materials and reduce food waste effectively, we carried out most of the food processing procedure in our central kitchen. Therefore, most of the kitchen wastes were generated from customer's unfinished food. The Group starts to provide take-away service in Hong Kong since March 2020, therefore, the amount of packaging materials used is insignificant during the Reporting Period. The Group did not generate any hazardous waste.

In the Reporting Period, in response to the environmental topic and reduction use of plastic products, the Group keeps implementing the No-Straw policy that stopped providing straws to customers unless they request from our staff. Also, we have introduced a new activity of providing a set of collapsible eco-straw to our customers for free if they fulfil the requirement on stamps, aiming at promoting reduction use of plastic straws.

We use our resources efficiently, thereby reducing the costs and also for the benefit of our environment and workplace condition. Our management put conservative program in practice from 4 main aspects, namely promotion, inspection, monitoring, and evaluation.

Water is our major media in food processing. We attach importance to water conservation in our daily operations. There is no difficulty in sourcing water in our operation. To improve the utilisation efficiency of water resources, we regularly inspect our water taps, pipelines, and storage tanks. In case of leakage or malfunction, we will arrange for repair immediately.

## EMISSION AND CONVERSATION MEASURES

The GHG emissions of our Group are mainly generated from gas and electricity used in our food processing. Our indirect GHG emissions are mainly generated from the purchased electricity in our operations. We are dedicated in reducing the emission generated by our Group and, accordingly, have established relevant policies and initiatives, including:

1. restaurants adopt energy efficient appliances especially LED lights, to replace traditional energy-hungry equipment;
2. central kitchen applies slow cooking system which promote systematic control over energy and consumption in food processing; and
3. most of the ingredients are prepared in our central kitchen leaving minimal processing procedure in each restaurant, thereby greatly reducing resource consumption and waste generation.

In the Reporting Period, we have joined the “Food Wise Eateries” Scheme led by the Environmental Protection Department. Our Group is awarded with an Impressive Progress Award in the scheme.

In the Reporting Period, the Group generated 3.58 tonnes of wastepaper which is the main source of office wastes. To reduce the use of paper, the Group office proposed paperless office. We encourage our employees adopt online communication systems as far as practicable.

## WATER CONSUMPTION AND WASTE MANAGEMENT

The major water consumption of the Group is mainly for the production processes. We have established controls and procedures to ensure our water usage is within the reasonable range necessary for our productions without over-using concerns.

Our other water consumption is referring to office water consumption, which is considered minimal in quantity. We have encouraged all employees to develop the habit of conserving water consciously. The domestic sewage is discharged into the urban sewage pipe network.

In the Reporting Period, the Group did not face any problem in sourcing suitable water, which is supplied by the Government.

## NON-HAZARDOUS WASTE AND MANAGEMENT

The non-hazardous wastes generated by the Group’s business activities are mostly paper and plastic. Such wastes are usually collected and processed by general waste service providers.

## PACKAGING MATERIAL

Beginning from March 2020, we provide take-away service to our customers in Hong Kong.

To better control the level of environmental impact of packaging materials, we select paper-based packaging that are made from sustainable forest whilst the ink used for printing is vegetable-based. In addition, we set out and exercise a policy that the packaging materials supplied to us must have passed related food-grade testing conducted by reliable inspection, verification, testing and certification organizations.

Our management also due diligently design our delivery service process and related packaging material uses in accordance to a “best-use and sufficiently enough” principle for the purpose of avoiding over-ordering and wastage of foods and packaging materials.



## WATER

We often explore effective ways of saving water in each segment of its operation such as fix dripping taps and leakage immediately, brooms and mops are widely used to clean floor in all our working and production premise, advocate the importance of saving water among employees by posters and protocols.

Our Group will continue to look for ways to reduce emissions and natural resource impacts from our operations. We aim to continually strive to understand and assess our impacts and contributions to all environmental, social and governance issues.

## ENVIRONMENTAL AND NATURAL RESOURCES

We are active in promoting environmental awareness among our employees through encouraging them of the four principles of “recycle”, “reuse”, “save water” and “save energy”.

We adopt slow cook in our food processing in which water is the major media where oil is rare required. In our central kitchen and restaurants, air emission is mostly steam in the course of boiling water. Such a cooking methodology reduced significant amount of energy consumption and food waste during our operation. In the Reporting Period, due to the outbreak of COVID-19, we provide take away service to maintain our revenue, so the packaging waste is increased.

The Group spared no efforts to conserve resources and promote environmental protection, to improve our operation efficiency, our management team strictly monitor, manages, and evaluate to make every possible improvement in our operation.

## OUR SUPPLY CHAIN MANAGEMENT

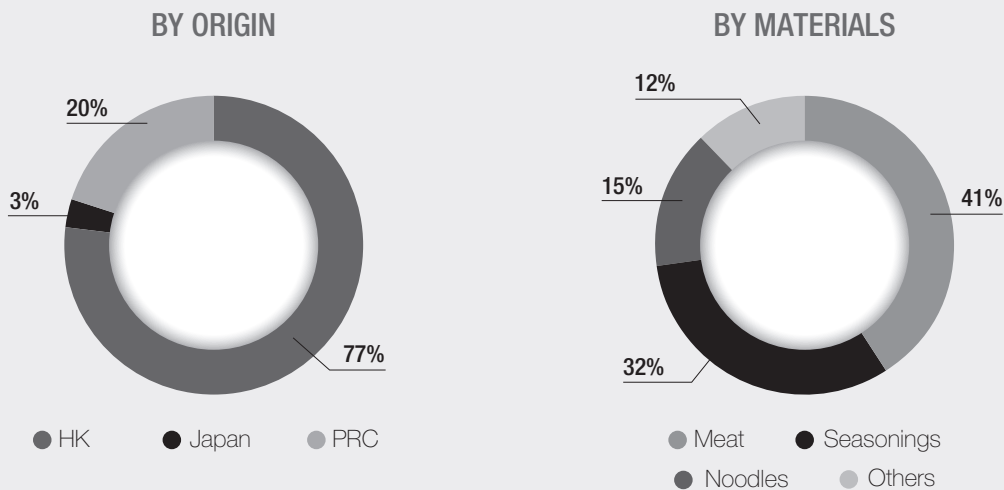
The Group maintains comprehensive procurement and storage management policy to acquire goods and services through an objective-oriented process. When sourcing items for our ingredients, we prioritize suppliers and service providers base on their background, pricing, service, quality, reputation, and after-sales support, as well as environmental protection considerations.

A set of criteria is strictly followed. We regularly review and update when needed. The ultimate goal is to select our suppliers (especially raw materials category) who to be in full compliance with the latest food labelling, hygiene, and sanitary regulations. In the evaluation process and thereafter, suppliers are required to provide relevant supporting documents (food sample, laboratory report or certificate for same item) or through field inspection, to ensure the requirements of the Group are met.

We apply a procurement authority based on the amount of the purchase. The cost of purchase which is below HK\$20,000 will be approved by procurement manager and the purchase which costs above HK\$20,000 should be approved by chief executive officer of the Company.

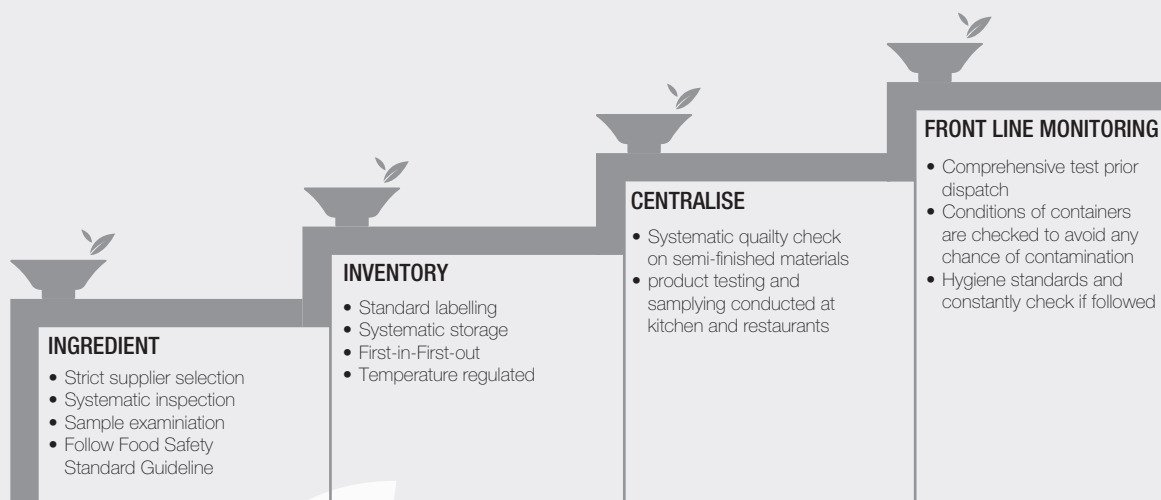
Before admitting new supplier, a set of evaluation checklist will be conducted. Once the selection of new supplier and service provider are confirmed, approval from management is needed before become one of our approved suppliers. Qualified suppliers will be registered in our record. The approved list of suppliers is documented in the Procurement Department and Finance Department. Besides that, the Procurement Department constantly reviews the existing suppliers and service providers' terms and takes necessary precaution measures when applicable. Procurement Department should choose the qualified suppliers on the list when the cost of purchase is below certain amount. If there is any act deviated from the procurement policy, it must be approved by the chief executive officer of the Company and the reason of deviant should be indicated.

Illustrate below the procurement composition in the Reporting Period:



## COMMITMENT TO PRODUCT QUALITY

We are committed to produce high quality food and drinks. Due to the nature of the food industry, there is an inherent risk of food contamination, complaints, and quality inconsistent filed by our customers. As our central kitchen process the majority of the semi-processed or processed food ingredients used in our Group's restaurants, it may cause food contamination during the transportation from our central kitchen to our restaurants and at our restaurants. To be a successful dining service provider, the Group is committed to ensuring that the food ingredients are safe, fresh, and of quality upon delivery, in storage, and during processing. Our four level of safeguard are:



To reduce such inherent risk, comprehensible standards for food safety, hygiene, and quality control measures are implemented throughout our entire food processing chain. Amongst all, we focus on observing proper hygiene standards and other quality control measures that would affect our food quality with our preset standards.

In the Reporting Period, a qualified person is appointed in every restaurant and central kitchen of our Group to strengthen food safety supervision. These people take up the post of hygiene manager or hygiene supervisor to satisfy the requirement in "A Guide to Application for Restaurant Licence" (September 2016 Edition) of the Food and Environmental Hygiene Department of Hong Kong. There was no product subject to recalls for safety or health reasons. The Group was not aware of any non-compliance with relevant laws and regulations regarding product responsibility.

## QUALITY CONTROL MANAGEMENT

Our Group pay a great attention in managing and delivering our products to our consumers. All restaurants of the Group strictly complied the Group's quality and safety control standards which guarantee the safety of products and health of diners. Key measures we adopted:



## FOOD QUALITY MONITORING

The Group established operating procedures and quality standards to manage the stages of food preparation. Knives, chopping boards, and ingredient container are well separated by colours to void cross contamination. Restaurants staff takes samples includes soup consistency, ingredient freshness and noodle condition to examine food quality before store opening. Inspection and documentation of ingredient is needed when it received from central kitchen and supplier.

## FOOD PRODUCTION

To ensure food safety and quality, a quality control standard is adopted in cooking process. It is required to inspect the quality of all food ingredients according to the freshness, size, and date of use. Kitchen staff should produce food by following the standardized product recipe. The temperature of soup and sauces should be examined. After the production, product should be quickly reduced the temperature and stored in a freezer.

## TRANSPORTATION OF INGREDIENTS

To guarantee the quality of ingredients during transportation, the Group requests suppliers should monitor the hygiene and temperature of trucks. Before being delivered to restaurants, staff must record the temperature and cleanliness of trucks, and the temperature of ingredients.

### STAFF HYGIENE CONTROL

Food handler must sterilise their hands before processing food ingredients and wear gloves when processing ready-to-eat food. Restaurant staff must wear headband when handling food. Employees should report any contagious health condition, including diarrhea, vomiting, wounds infection, or nasal discharge. Smoking is prohibited at or near the working area.

### RESTAURANT HYGIENE CONTROL

All restaurants have adhered to the basic quality and control management principles of the Group and implemented the following procedures to ensure high quality and safety of its product to customers. It is required to clean the cold storages, freezer, range hoods, extractor fans and cooking utensils regularly. The use of rag is divided into colours based on different working area to avoid contamination of food, food-related equipment and utensils.

### LISTENING TO CUSTOMERS

Actively collecting customer's feedbacks allows us to have a better understanding of the taste and demand of our customers.

In the Reporting Period, we provided numbers of campaign to enhance our relationship with customers in Hong Kong and the PRC. We are devoted to make great customer experience via our customer retention strategy. Promoting no straw is one of the campaigns that allows customers redeem reusable straws by collecting stamps.

The Group has set up various complaints and feedback channels to collect suggestions and advice from customers, which include our social media platform (i.e. Facebook page), our corporate email, and the marketing hotline. Our marketing department is responsible to investigate any problem arise, and take follow-up action and solutions to improve the restaurant. Our Group establishes a complaint guideline for frontline staff, managers and Marketing Department to handle complaints whenever they received. Regarding to the guideline, the Group will investigate each complain and resolve with the customer. While dealing with comments about food quality, we will first communicate with the restaurants manager to understand any abnormalities in the ingredients. After that, we analyse the fact that causes these unsatisfactory situations. Finally, we instruct the relevant branches to pay attention to the quality of ingredients and services and provide compensation.

In the Reporting Period, we do not receive any significant quality defects or claims from our customers regarding our services and products. It is indicated that a majority of customers were satisfied with the products, and service of the restaurants, and joint efforts from both the management and employees were made to meet our customer's expectations by constant improvement.

### PACKAGING MANAGEMENT

We had consumed minimum packaging material as we were not providing take-away option to our customers in Hong Kong until March 2020. The packaging material consumed were immaterial during the Reporting Period and packaging materials we consumed were paper-based materials that are made from sustainable forest whilst the ink used for printing is vegetable-base.

### ADVERTISING AND LABELLING

The Group has established internal guidelines which ensures our Marketing Department provide precise product descriptions and information that comply with the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012. Each internal packaged of product must be labelled with information including product name, expiry date, and storage temperature. Any misrepresentation in marketing materials or exaggeration of offerings is strictly prohibited.

## PRIVACY PROTECTION

As we place great emphasis on the privacy protection of our customers, the Group has strictly implemented Personal Data (Privacy) Ordinance, Cap 486 of the Laws of Hong Kong ("Personal Data (Privacy) Ordinance") to strictly protect customers' data and privacy while providing services to customers. Customer data security management primarily ensures the safe storage and use of customer data, including documents, communication record, and contact information. A records designated staff is appointed by the Group for proper safekeeping customers' data and maintaining the relevant records for processing and storing data. The Group has implemented a confidential data security policy in which all collected personal data is treated confidentially and kept securely. It also stipulates customer data can only be used for the provision of services to customers or internal managerial purposes in an anonymous manner.

## COMPLIANCE STATUS

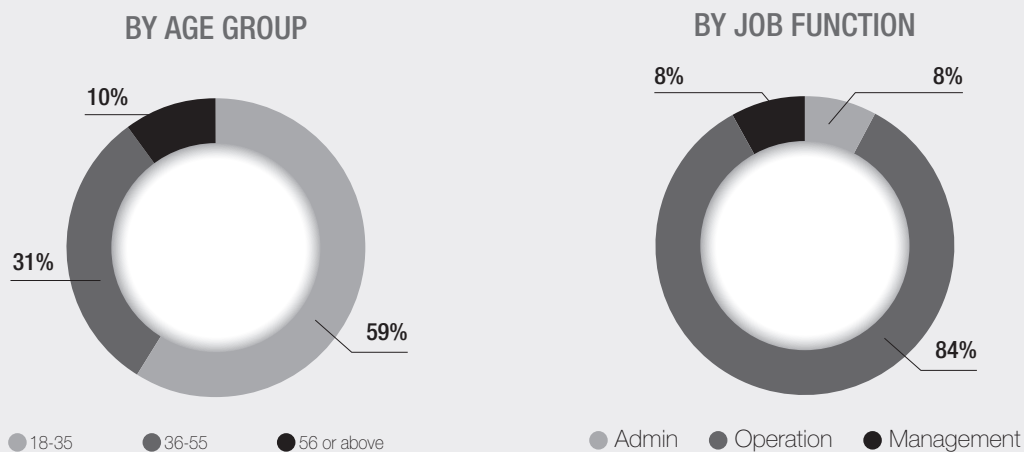
In the course of business, we only collect and maintain basic and public information of our customer. On this basis, data privacy is not material as we consider that we have a low-risk impact on it. Regardless, our collection, maintenance, and usage of customer information are in line with the Personal Data (Privacy) Ordinance. In the Reporting Period, we did not violate relevant laws and regulations that have a material impact on the Group.

## COMMITMENT TO OUR EMPLOYEES

We believe our employees are the Group's greatest asset and core competitive advantage. We constantly promote a harmonious and safe working platform for our employees.

As at 31 March 2020, we have employed a total of 133 employees in our Hong Kong and PRC operations where 12 personnel are working in PRC. There are 59% of our staff aged between 18 and 35. In the course of our operation and industrial characteristic, those front-line staff tends to come and go simultaneously. In the Reporting Period, there are 165 new joiners and 217 leavers.

Our employment structures by function and age are presented as:



## EMPLOYMENT AND REMUNERATION

The Group believes an effective human resource management leads to better development for our business. A well-developed system enhances our targeted hiring and staffing, employee learning and education, and work allocation. Our goal is to provide and maintain a safe and equal working environment which promotes harmonious employer-employee relations.

The Staff Handbook of the Group has already set out policies in relation to recruitment, promotion, discipline, working hours and vacations; The Human Resources Department responsible for such implementation confirms that the staff has a full understanding of the contents of the Staff Handbook.

Placing advertisements in the open market is the major recruitment channel regarding factors such as their experience, qualifications, and expertise required for our business operations. The Group has a fair recruitment system in which we only consider qualification, contribution, and years of experience and never treats candidates differently based on gender, age, race, marital status, and religious belief. The key principle of the Group's remuneration policy is to remunerate employees in a manner that is market competitive. We regularly carry out staff evaluations to assess their performance.

We believe our inclusive and supportive working environment and development opportunities have contributed to good employee relations and employee retention. We recruit our employees based on several factors such as their work experience, educational background, and vacancy needs. The Group strictly prohibits the employment of forced labour and child labour in our businesses and operation.

### Compliance status

In the Reporting Period, we have been in compliance with the laws and regulations in Hong Kong and the PRC relevant to the Labour Standards such as relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare., including, but not limited to:

1. Employment Ordinance (Cap. 570, the laws of Hong Kong);
2. Disability Discrimination Ordinance (Cap. 487, the laws of Hong Kong);
3. Sex Discrimination Ordinance (Cap. 480, the laws of Hong Kong);
4. Occupational Safety and Health Ordinance (Cap. 509, the laws of Hong Kong);
5. Regulation on Work-Related Injury Insurance (the laws of Hong Kong);
6. Minimum Wage Ordinance (Cap. 608, the laws of Hong Kong);
7. Employees' Compensation Ordinance (Cap. 282, the laws of Hong Kong);
8. Mandatory Provident Fund Scheme Ordinance (Cap. 485, the laws of Hong Kong);
9. Labour law (PRC);
10. Production Safety Law (PRC); and
11. Prevention and Control of Occupational Diseases (PRC).

In the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations that had 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.

## DEVELOPMENT AND TRAINING

We attach great importance to enhancing the quality and capability of our employees to improve the performance of the Group. Through a combination of orientation in-house training and on-the-job training, the Group strives to make sure that all employees are equipped with operational abilities. It brings diversified development opportunities to each employee as well. In the Reporting Period, a total of approximately 212 hours of training were provided to the Group's employees in Hong Kong. The average training time by each individual was approximately 4 hours.

We encourage and support employees to participate in personal and professional inspiration. In the Reporting Period, the Group organised an exchange tour to Japan to refreshing our understanding and passion on Japanese ramen.

The growth of our employees is the key that leads to sustainable business growth. All employees are equally applied to a well-defined evaluation procedure and promotion ladder for their career development. Our compensation packages are constantly reviewed. A probationary evaluation is regularly performed on assessing employees' capability and performance as well. We recognise and believe that talent retention is essential in helping us to improve our development and operation more efficiently.

## OCCUPATIONAL HEALTH AND SAFETY

To provide and maintain a safe and environmentally friendly working condition for employees, the Group has formulated a series of work safety rules in the Staff Handbook regarding safety and health which are in line with relevant laws and regulations in Hong Kong and the PRC. In addition, occupational safety education and training are provided to employees to strengthen their safety awareness.

## WORK SAFETY MECHANISM

We believe increasing our employees' safety awareness is critical to minimize accidents. Therefore, work protocols and safety guidelines are provided for employees. With the goal to effectively manage occupational safety and health, the Group adopts appropriate and adequate tools in order to improve the effectiveness of the operation. Besides, the Group posts safety and operational instructions in conspicuous places, and thereby reducing the possibilities of significant occupational safety and health impacts.

Example of the Group's guidelines and policies of occupational safety and health showed as below:

- Keep the grounds, entrances, and aisles clean and clear; do not accumulate items or waste.
- Find out safe handling procedures based on the size, shape and weight of the object. Use tools or find other colleagues to help.
- To avoid slipping and falling, grease or water on the floor must be dealt with as soon as possible and non-slip work shoes must be worn.
- Staff should wear protective clothing such as cut resistant gloves and aprons for work.

An occupational hazard contributes to severe health problems among workers. Interventions on awareness-raising will be continued to lessen the risk of safety hazards. In the Reporting Period, the Group was not in violation of any of the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.



## COMMITMENT TO ETHICS AND INTEGRITY

### ANTI-CORRUPTION

The Group attaches great importance to staff integrity. The Group instructs employees to conduct duties in good faith, ethical, and lawful manner.

To maintain a fair, ethical, and efficient business and working environment, the building of related systems and processes such as those of procurement and the comprehensive internal control of the Group, are consistently enhanced. We strictly abide by:

- the Drug Trafficking (Recovery of Proceeding Ordinance (Cap. 405 of the Laws of Hong Kong); and
- the Organized and Serious Crimes Ordinance (Cap 455 of the Laws of Hong Kong).

### REPORTING AND MONITORING

All employees must adhere to the clauses set out in the Staff Handbook which delineates the behaviours and situations in the business expected of the employees. We strongly encourage reporting to the management when employees are likely to accept gifts from clients, suppliers or service providers.

#### Compliance status

In the Reporting Period, we have been in compliance with the laws and regulations relating to bribery, extortion and fraud. In the Reporting Period, we did not acknowledge and encounter any anti-corruption incidents, reporting, enforcements and/or legal proceedings against our Group, directors and employee.

### GIVING BACK TO THE COMMUNITY

As a member of the society, the Group is constantly aware of the needs of community and take up our corporate responsibility to contribute to the society. We strive to develop long term relationship with our stakeholders and bring a positive impact on community development. In the future, the Group will continue to assume the corporate social responsibilities and make contribution to the sustainable development of society.

## ENVIRONMENTAL KEY PERFORMANCE INDICATORS TABLE

Emission Type	Indicator	FY2020
Greenhouse gas <sup>2</sup>	Direct emissions – Scope 1 <sup>4</sup> (tonnes CO <sub>2</sub> )	1,338.3
	Indirect emissions – Scope 2 <sup>5</sup> (tonnes CO <sub>2</sub> )	112.0
	Indirect emissions – Scope 3 <sup>6</sup> (tonnes CO <sub>2</sub> )	38.1
Exhaust gas	Sulphur Dioxide (SO <sub>x</sub> ) – kg	0.3
	Nitrogen Oxides (NO <sub>x</sub> ) – kg	62.9

Major resource consumed	Unit	Amount	Intensity <sup>1</sup>
Water – processing	'000 Liter	22,257.5	0.3
Water – serving	'000 Liter	2,473.0	0.0
Electricity – processing	kWh	111,711.8	1.4
Electricity – serving	kWh	72,488.6	0.9
Gas – processing	kw	363,681.7	4.5
Gas – serving	kw	40,409.1	0.5

**Notes to above table:**

- 1 Intensity is calculated by the emissions by the Group's revenue for FY2020 (round to thousand).
- 2 Figures round to 1 decimal place.
- 3 GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong Limited.
- 4 Major source of Scope 1 emission came from usage of gas.
- 5 Major source of Scope 2 emission came from usage of purchased electricity.
- 6 Major source of Scope 3 emission came from processing fresh water and sewage by Government departments.
- 7 Our operation does not generate hazardous waste.
- 8 Major wastes are non-hazardous-municipal waste and was disposed at Government authorised sites via licensed contractors. All waste water are non-hazardous water and undergo qualify waste treatment units before discharge to authorised channel for further handling by Government.

## REPORT CONTENT INDEX

Report Content Index		Index
<b>A1 Emission</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	We and Our Environment
A1.1	The types of emissions and respective emissions data.	Environment KPI Table
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Environment KPI Table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Not applicable – We do not product hazardous waste.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	We and Our Environment – Non-hazardous waste and management
A1.5	Description of measures to mitigate emissions and results achieved.	We and Our Environment
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	We and Our Environment
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	We and Our Environment
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Environment KPI Table
A2.2	Water consumption in total and intensity.	Environment KPI Table
A2.3	Description of energy use efficiency initiatives and results achieved.	Environment KPI Table
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	We and Our Environment
A2.5	Total packaging material used for finished products and with reference to per unit produced.	Environment KPI Table
<b>A3 The Environment and Nature Resource</b>		
General Disclosure	Policies on minimizing the issuer’s significant impact on the environment and natural resources.	We and Our Environment – Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	We and Our Environment – Environment and natural Resources

Report Content Index		Index
<b>B1 Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Commitment to Our Employees
B1.1	Total workforce by gender, employment type, age group and geographical region.	Commitment to Our Employees
<b>B2 Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Commitment to Our Employees – Occupational Health and Safety
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Commitment to Our Employees – Occupational Health and Safety
<b>B4 Labour Standard</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Commitment to Our Employees – Occupational Health and Safety
B4.1	Describe measures to review recruitment practices to avoid child labor and forced labor.	Commitment to Our Employees – Occupational Health and Safety
B4.2	Description of steps taken to eliminate such practices when discovered.	Commitment to Our Employees – Occupational Health and Safety
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Supply Chain Management
<b>B6 Product Liabilities</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Commitment to Product Quality

Report Content Index		Index
<b>B7 Anti-Corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Commitment to Ethics and Integrity
<b>B8 Community Investment</b>		
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.	Giving Back to the Community

