



Tasty Concepts Holding Limited
賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8096



**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT**

2019



CONTENTS

Forward	2
Scope and Review Year	2
Basis of Preparation	2
Stakeholders' Feedback.....	2
Stakeholder engagement	3
A1 Emission	5
A2 Use of Resources	5
A3 Environmental and natural resources	7
B1 & B4 Employment	8
Employee structure	8
Human Resource Management and Labour Standards.....	8
B2 Safety working environment	10
B3 Staff Development.....	11
B5 Supply Chain Management.....	11
B6 Product responsibility	12
B7 Anti-Corruption.....	13
B8 Community Investment	13
Appendix 1: SEHK ESG Reporting Guide Index	14

FORWARD

Tasty Concepts Holdings Limited (hereinafter referred to as the “Company”, “We”, “our”) and its subsidiaries (Collective as the “Group”) is pleased to issue the 2019 Environmental, Social and Governance report (hereinafter referred to as “the Report” or the “ESG Report”).

SCOPE AND REVIEW YEAR

The Group has been committed to managing its businesses in a sustainable manner. We believe that environmental protection, low-carbon, conservation of resources, and sustainable development for the social trends is essential to the Group’s long term success. In order to pursue a successful and sustainable business model in the broader social trend, the Group recognises the importance of incorporating environmental, social and governance concepts into its risk management system and will take appropriate measures from day-to-day operations and governance.

BASIS OF PREPARATION

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide” or “ESG Guide”) as set out in Appendix 20 of the Listing Rules. It reports on the major measures and activities implemented by the Group in respect of environmental and social aspects during the period from 1 April 2018 to 31 March 2019 (the “Review Year”), which is consistent with the financial year of the Group’s 2019 annual report. The report is prepared pursuant to the “comply or explain” provisions under the ESG Guide. To ensure the accuracy of environment related KPIs. The last section of this Report provides complete indexing to allow easy comprehension of this Report in accordance with the Guide.

STAKEHOLDERS’ FEEDBACK

The Group welcomes stakeholders’ feedback on its ESG approach and performance which will help us continuously improve our sustainability performance.



STAKEHOLDER ENGAGEMENT

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. Our approach in conducting our ESG Report:



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 reference to the ESG Reporting Guide, opinion gathered from our senior management based on their constant interaction with our stakeholders.

COMMUNICATION WITH OUR STAKEHOLDERS

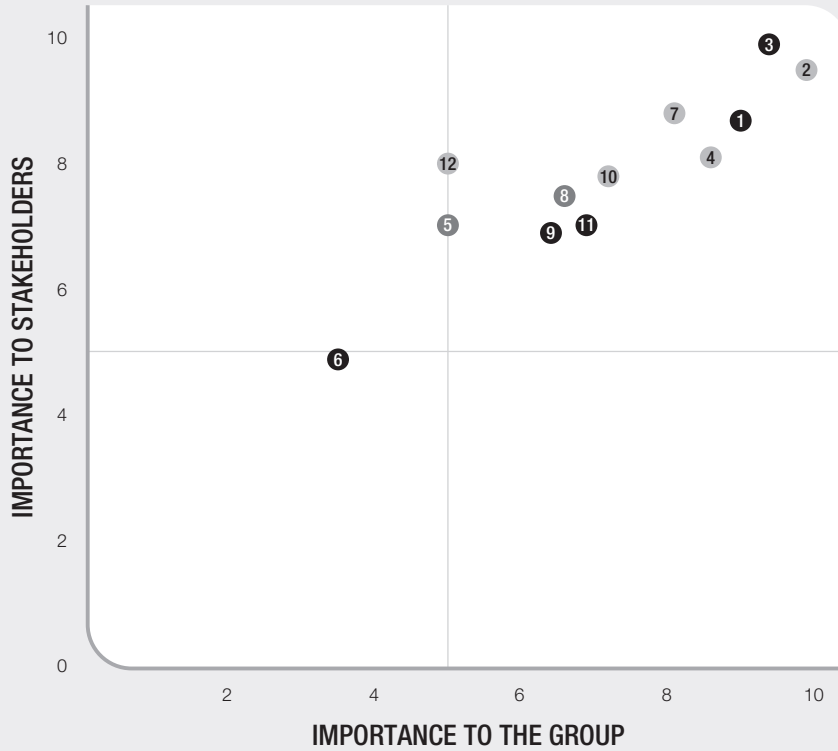
The Group considers our major stakeholders are directors, employees, shareholders, customers, business partners, and regulatory authorities. Our communication channel with our stakeholders are:

- Business meeting and conferencing
- Telephone conversations
- Emails and instant message
- Reports or documentation

MATERIALITY ASSESSMENT

We identifying key issues based on the summarised expectation and concerns from our stakeholders with reference to the “Environmental, Social and Governance 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.

MATERIALITY MATRIX



Index	KPI Section	Most concerned key issues identified	Responding sections
1	Social	Complaint handling & effective communication	B6 Product Responsibility
2	Governance	Compliance operation especially on waste disposal	B5 Supply Chain Management
3	Social	Quality management	B5 Supply Chain Management
4	Governance	Corporate governance enhancement	B5 Supply Chain Management
5	Environment	Efficient resource consumption	A2 Use of Resource
6	Social	Donation and participating in charity events	B8 Community Investment
7	Governance	Prevention of bribery, extortion, fraud and money laundering	B7 Anti-corruption
8	Environment	Put conservative program in practice	A2 Use of Resource
9	Social	Promoting and boosting local development	B1 & B4 Employment
10	Governance	Provide and promote healthy and safe working	B2 Health and Safety
11	Social	Procurement practices and their impact on the supply chain	B5 Supply Chain Management
12	Governance	Transparent and systematic communication channel and known responsible personnel	B1 Employment



A1 EMISSION

The Group attaches importance to the balance of business development and environmental, formulates and implements the ESG regulations, stipulating its responsibilities and commitment in environmental aspect, with an aim to use natural resources effectively and minimize environmental impacts through resource consumption from 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, in this regard, the composition of our kitchen's air emission is mostly steam.

Emissions	Unit	FY2019	Intensity ¹
Nitrogen Oxides (NO^x)	Kg	3,503	32.14
Sulfur Dioxide (SO²)	Kg	17	0.16
Direct Emission of GHG, Scope 1³	tones of CO ₂ e	2,221	20.38
Indirect Emission of GHG, Scope 2⁴	tones of CO ₂ e	135	1.24
Other Indirect Emission of GHG, Scope 3⁵	tones of CO ₂ e	365	3.35

Notes to above table:

- ¹ Intensity is calculated by the emissions by the Group's revenue for FY2019.
- ² 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.
- ³ Major source of Scope 1 emission came from usage of town gas.
- ⁴ Major source of Scope 2 emission came from usage of purchased electricity.
- ⁵ Major source of Scope 3 emission came from electricity used for processing fresh water and sewage by government departments.

A2 USE OF RESOURCES

The major source of GHG emissions emitted by the Group was the use of town gas and purchased electricity. Other than GHG emissions mentioned in previous section, the Group also generated certain amounts of solid wastes (including kitchen wastes) and waste water from its administration office, central kitchen and restaurants.

With the merit to our simple and precise serving menu, our cooking procedure and ingredient are simple and neat in turn minimal amount of waste are produced in our central kitchen and restaurant. With most of the food processing procedure are performed in our central kitchen which enhances utilisation of raw materials and effectively reduce food waste. Kitchen waste generated by our Group are mainly from customer's unfinished food. Since we do not provide take away service and do not provide single use plastic or paper made dining wear, the amount of packaging materials used was immaterial. In FY2019, the Group did not generate any hazardous waste.

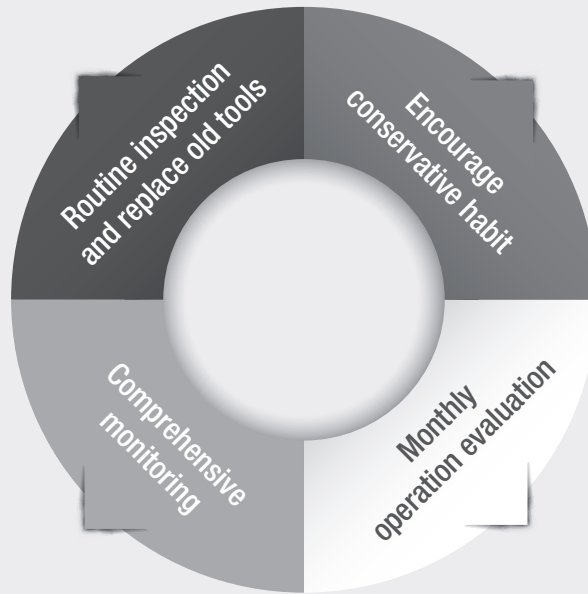
During the reporting year, the Group has implemented a measure in response to the environmental topic and theme of reduction use of plastic products. We have introduced a No-Straw policy and proactively stopped handing straws out to customers when they order drinks unless our customers request them from our staff.

Major resource consumed	Unit	Amount	Intensity ¹
Water – processing	liter	8,093,564	11.39
Water – serving	liter	801,600	11.46
Electricity – processing	kWh	113,173	0.14
Electricity – serving	kWh	101,736	1.45
Gas – processing	unit	1,324,800	1.94
Gas – serving	unit	14,400	0.92

Note to above table:

¹ Intensity is calculated by the emissions by the corresponding production output for FY2019.

We strive to use our resources efficiently, not only because such practice lower our cost, but also good for 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 put great attention to water conservation in our daily operations. We do not have any problem in sourcing water in our operation. To improve the utilisation efficiency of water resources, we perform regularly inspection on our water taps, pipelines and storage tanks. Whenever discover leakage or malfunction, we will arrange repair immediately.

WASTE MANAGEMENT

In operational aspect, our central kitchens and all branches of the Group have implemented effective measures for effective consumption of resource. To achieve additional resources savings, our

- restaurants adopt energy efficient appliances especially LED lights, to replace traditional equipment, which consumes larger amounts of electricity;
- central kitchen applies slow cooking system which promote systematic control over energy and consumption in food processing;
- most of the ingredient are prepared in our central kitchen leaving minimal processing procedure in each restaurant which in turn significantly minimise resource consumption and waste produce.

All the waste is collected and transported to regulated Landfill. We believe that through the above mitigation measures, it will change the behaviour of the use of energy and resources in the workplace and finally achieve the goal of reducing the GHGs and protecting our environment.

During the reporting period, the office wastes generated by the Group were mainly paper. When using paper, employees are encouraged to (1) use double-sided paper, black and white; (2) adjust the margin and font size of documents as far as practicable in order to optimise use of paper; (3) use emails for communication as far as practicable.

COMPLIANCE OPERATION

Compliance operation always come first. The Group complies with all relevant environmental laws and regulations during our daily operation including but not limited to the following:

In Hong Kong	In the People's Republic of China (the "PRC")
Regulations of the Management of Economical use of Urban Water	Prevention and Control of Water Pollution
Water Pollution Control Ordinance (Cap. 358)	Prevention and Control of Environmental Pollution by Solid Wastes
Water Disposal Ordinance (Cap. 354)	Environmental Protection Law
Environmental Impact Assessment Ordinance (Cap. 499)	Prevention and Control of Atmospheric Pollution
Water Pollution Control Ordinance (Cap. 358)	Conserving Energy

A3 ENVIRONMENTAL AND NATURAL RESOURCES

We adopt slow cook in our food processing in which water is the major media. 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. Besides, we let go take away revenue to avoid creating one-off packaging waste.

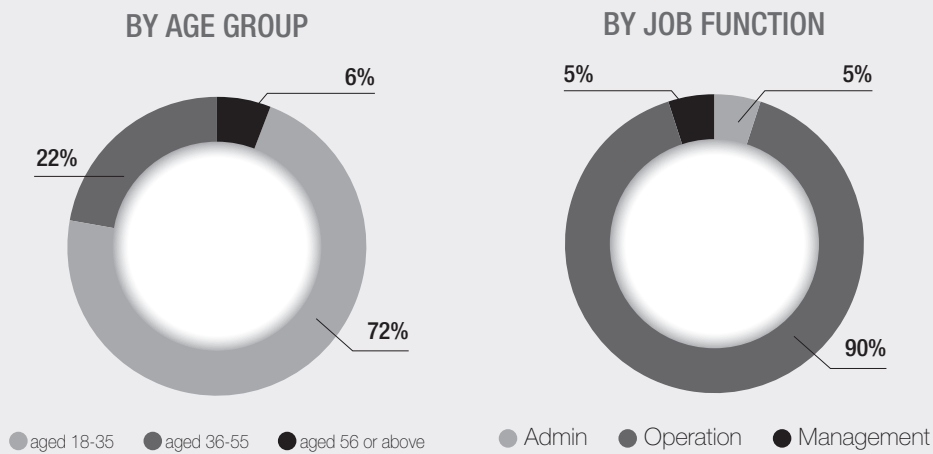
The Group spared no efforts to conserve resources and promote environmental protection, to improve our operation efficiency, our management team strictly monitor, manages and evaluate to make every possible improvement in our operation.

B1 & B4 EMPLOYMENT

Employees are regarded as the Group's greatest and valuable asset and the core of its competitive advantage.

EMPLOYEE STRUCTURE

As of 31 March 2019, the number of employees was 185. Among them, 48 persons are working in PRC. 72% of our staff aged between 18 and 35. In the course of our operation and industrial characteristic, front line staff tend to come and go simultaneously. In the review year, the Group have 109 joiners and 82 leavers. Illustrate below our employee composition as at 31 March 2019 below:-



HUMAN RESOURCE MANAGEMENT AND LABOUR STANDARDS

Human Resource ("HR") management is an integral part of our overall business strategy. An effective HR management system helps to attract and retain competent employees, assist employees in adapting to organisational changes, and facilitate the use of technology to determine how and where work can be better carried out. We aim to create a work environment that promotes harmonious employer-employee relations.

The Group has developed an employee handbook for regulating recruitment, promotion, discipline, working hours and vacations. The Human Resources department responsible for such implementation confirms that the staffs has full understanding of the contents of the handbook.

We generally recruit our employees through placing advertisements in the open market with reference to factors such as their experience, qualifications and expertise required for our business operations. The Group does not discriminate in terms of gender, age, race, marital status and religious belief and does not contain reference to any of the aforesaid factors in our recruitment criteria. We determine the employee's remuneration based on factors such as qualification, contribution and years of experience. 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 evaluation to assess their performance.

We believe our working environment and employee 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 our vacancy needs. We confirm that child and forced labour are strictly prohibited in our businesses and operation.

The table below summarise laws and regulations which have significant impact on us:

Origin	Rules and Regulations
Hong Kong	Employment Ordinance (Cap. 570); Disability Discrimination Ordinance (Cap. 487); Sex Discrimination Ordinance (Cap. 480); Occupational Safety and Health Ordinance (Cap. 509); Regulation on Work-Related Injury Insurance; Minimum Wage Ordinance (Cap. 608); Employees' Compensation Ordinance (Cap. 282); & Mandatory Provident Fund Scheme Ordinance (Cap. 485)
The PRC	Labour Law; Production Safety Law; & Prevention and Control of Occupational Diseases

In the Review Year, the Group followed relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, welfare and other benefits that have a significant impact on the Group.

B2 SAFETY WORKING ENVIRONMENT

The Group has established procedures for employee compliance by setting out a series of work safety rules in the employee handbook. In addition, the Group provides occupational safety education and training to employees to enhance their safety awareness. The Group follows the relevant health and safety rules and regulations as stipulated in every operating region.

WORK SAFETY MECHANISM

The awareness of our employees is critical to reducing accidents. The Group provides work protocol and safety guideline. To provide and maintain a safe and clean working condition for employees, the Group provides appropriate and adequate tools for employees to operate effectively, posts safety and operational instructions in conspicuous places, minimizing the possibilities of significant occupational safety and health impacts.



The Group will continuous increase its employees' occupational health awareness in workplace to minimise the risk of safety hazard. In the Review Year, 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.

B3 STAFF DEVELOPMENT

We believe that the quality and capability of our employee are closely related to the performance of the Group. Our training is working through combination of orientation in-house training and on-the-job training to equip them with operational abilities and improve their mastery of the work thereafter.

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

We believe we will succeed if our people are well developed. We provide a well-defined evaluation procedure and promotion ladder that is equally applied to all employees. The Group regularly reviews its compensation packages and performs probationary and regular evaluations on employee’s capability and performance. We recognise and believe that talent retention is vital to our development.

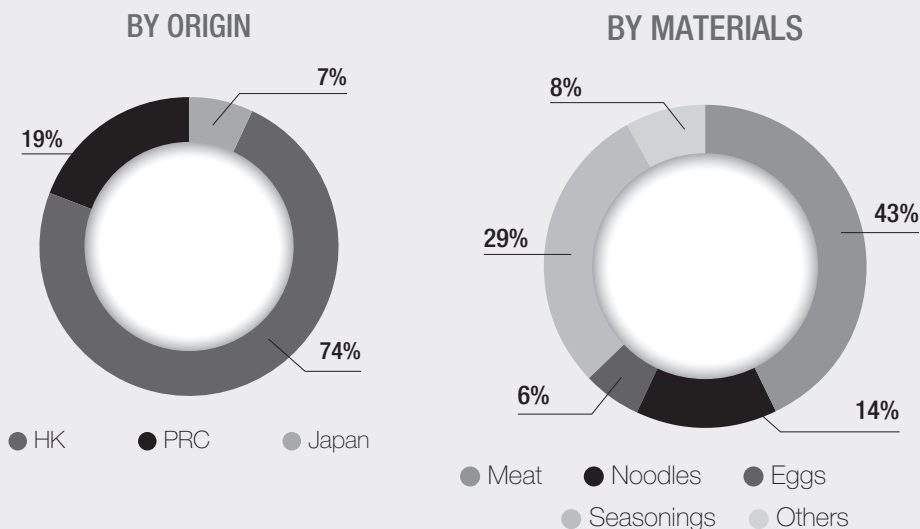
B5 SUPPLY CHAIN MANAGEMENT

The Group has established stringent internal controls to acquire goods and services through objective oriented process. The selection of suppliers and subcontractors will be based on background, pricing, service, quality, reputation, and after-sales support, as well as environmental protection considerations.

We employ a strict set of criteria to select our suppliers especially raw materials from suppliers are required to be in full compliance with the latest food labeling, hygiene and sanitary regulations. During the selection process and thereafter when needed, suppliers are required to submit corresponding health certificates and the results of laboratory tests of their goods to us, if any.

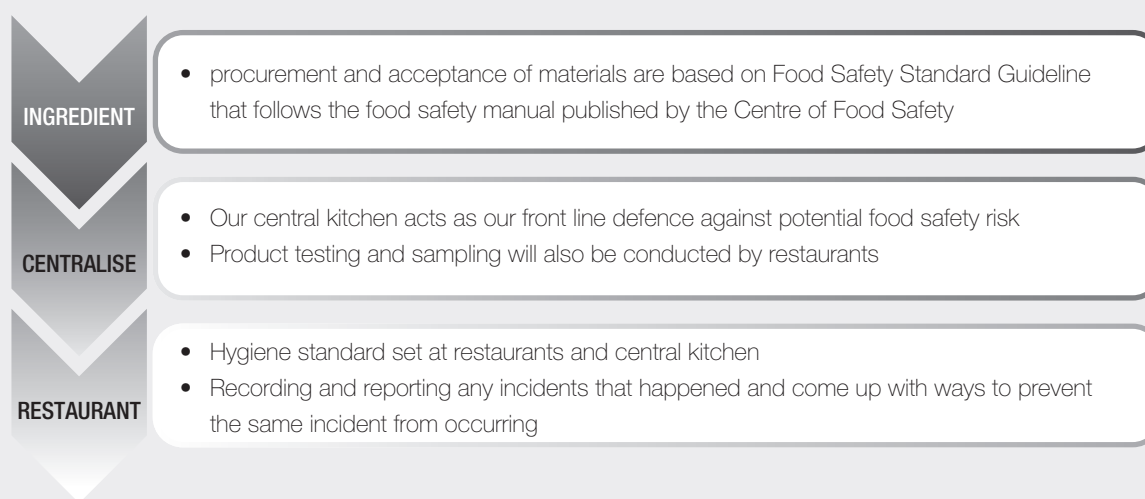
Once the selection of new supplier and subcontractor are confirmed, they will become our approved suppliers after the management’s approval. Besides that, the procurement department regularly reviews the existing suppliers and subcontractors’ terms and takes necessary precaution measures when applicable.

Illustrate below the procurement composition in the Review Year.



B6 PRODUCT RESPONSIBILITY

Given the nature of food industry, we face an inherent risk of food contamination, complaints and liability claims filed by our customers. Majority of the semi-processed or processed food ingredients used in our Group's restaurants are first processed at our central kitchen. Any food contamination occurred therein, during the transportation from our central kitchen to our restaurants and at our restaurants could adversely affect our food safety. Our three level of safeguard are:



To minimize such inherent risk, we have adopted high food safety and hygiene standards and implemented quality control measures throughout our entire food production chain, to detect defective food supplies, observe proper hygiene standards, and other quality control measures which would affect our food quality.

In the Review Year, all of the restaurants and central kitchen of our Group in Hong Kong have appointed a qualified person to 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 Special Administrative Region.

LISTENING TO CUSTOMERS

Our marketing department actively collects customer's feedbacks which assist our Group better understand the tasty and demand of our customers. The current communication channel including our social media platform (i.e. Facebook page), our corporate email and marketing hotline. Our marketing department are responsible to address any problem arise and suggest possible corrective measure to the restaurant. In the Review Year, we do not receive any significant quality defects or claims from our customers regarding our services and products.

CUSTOMER PRIVACY PROTECTION

The Group attaches great importance to the privacy of customer information and has strictly implemented internal control over Personal Data (Privacy) Ordinance, Cap 486 of the Law of Hong Kong, in order to strictly protect customers' data and privacy. Customer data security management primarily ensures the safe storage and use of customer data, including documents, communication record, and contact information. The Group has appointed designated staff to be responsible for proper safekeeping customers' data and maintaining the relevant systems for storing data. The customer data we mainly collected are the payment records of customers processed through electronic payment channels, such as credit cards. We only apply payment channels that are subjected to payment security system and controls.

In the course of business, we only collect and maintain basic information of our customer in the payment process. On this basis, we consider that we have a low risk impact over the area of data privacy. Nevertheless, our practices of collecting, maintaining and using our customer information are in line with Personal Data (Privacy) Ordinance. In the Review Year, we are in compliance with the Personal Data (Privacy) Ordinance.

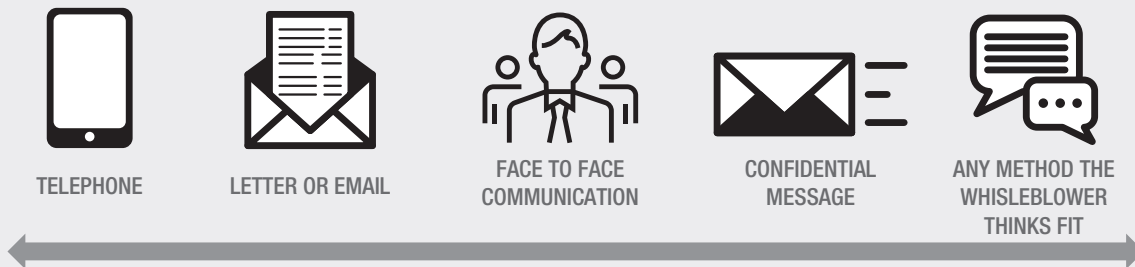
B7 ANTI-CORRUPTION

The Group realises the importance of staff integrity. All business activities within the Group are carried out in good faith and in ethical and lawful manner.

We consistently strengthen the building of related systems and processes such as those of procurement, and the comprehensive internal control of the Group. We strictly abide by or follow the principles of:

- Prevention of Bribery Ordinance (Cap. 201 of the Law of Hong Kong);
- the Drug Trafficking (Recovery of Proceeding Ordinance (Cap. 405 of the Law of Hong Kong);
- the Organized and Serious Crimes Ordinance (Cap 455 of the Law of Hong Kong); and
- the Anti-Money Laundering and Counter-Terrorist Financing Ordinance ("AMLO"), Cap. 615 of the Law of Hong Kong.

Employees are required to comply with the clauses listed in the staff handbook that outlines the behaviours and situations in business expected of the employees. Employees shall promptly report to the management if they are likely to accept gifts from clients, suppliers or subcontractors. Our reporting channels are



The Group was not involved in any legal cases regarding corrupt practices brought against the Group or our employee.

B8 COMMUNITY INVESTMENT

As a responsible corporation, the Group has been working towards to building a beautiful and healthy community and has been maintaining close communication and interaction with the community to contribute to the development of the community.

Promoting the awareness over helping impoverished families and reducing use of plastic products is the vision of the Group towards community investment.

In the reporting period and up to the date of this report, the Group has promoted such awareness by being a sponsoring organisation of a fundraising activity of a charity that helps impoverished families in Mainland China and promoting the No-Plastic Day among our employees and on social media platform.



APPENDIX 1: SEHK ESG REPORTING GUIDE INDEX

SEHK ESG Reporting Guide General Disclosures		Reference Section/ Remark	Comply or Explain
A. Environment			
A1 Emission	Information on: (a) the policies; and (b) compliance and material non-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, generation of hazardous and non-hazardous wastes, etc.	A1 Emission	Complied
KPI A1.1	The types of emissions and respective emissions data.	A1 Emission	Complied
KPI A1.2	Greenhouse gas emissions in total, and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1 Emission	Complied
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable – total hazardous waste produced in operation were insignificant.	Explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	A1 Emission	Complied
KPI A1.5	Description of measures to mitigate emissions and results achieved.	A2 Use of Resources	Complied
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	A2 Use of Resources	Complied
A2 Use of Resource	Policies on efficient use of resources including energy, water and other raw materials.	A1 Emission A2 Use of Resources	Complied
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	A2 Use of Resource	Complied
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	A2 Use of Resource	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/ Remark	Comply or Explain
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	A2 Use of Resource	Complied
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not applicable – we do not have problem in sourcing water in our operation.	Explained
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable - Packaging materials used in operation were insignificant.	Explained
A3 The Environment and Natural Resources	Policies on minimizing the operation's significant impact on the environment and natural resources.	A1 Emission A2 Use of Resource	Complied
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A1 Emission A2 Use of Resource	Complied
B. Social			
B1 Employment	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.	B1 & B4 Employment	Complied
B2 Health and Safety	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.	B2 Safety working environment	Complied
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3 Staff Development	Complied

SEHK ESG Reporting Guide General Disclosures		Reference Section/ Remark	Comply or Explain
B4 Labour Standard	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.	B1 & B4 Employment	Complied
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	B5 Supply Chain Management	Complied
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B6 Product Responsibility	Complied
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance and material non-compliance with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering.	B7 Anti-Corruption	Complied
B8 Community Investment	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	B8 Community Investment	Complied