



# 1957 & Co. (Hospitality) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8495

## Environmental, Social and Governance Report 2021



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# Environmental, Social and Governance Report

## 1. INTRODUCTION

1957 & Co. (Hospitality) Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**We**”) is pleased to present the Environmental, Social and Governance (“**ESG**”) report (the “**Report**”) for the year ended 31 December 2021. The Group considers that environmental, social and governance performance is crucial in maintaining the Group’s future sustainability in development, achieving long-term objectives and creating long-term value for shareholders. While pursuing the development of our core restaurants operation and management businesses with our dining concept on the theme “Create an Original Lifestyle”, the Company does not solely attach great importance to food quality and safety alone, but also on a multidimensional catering concept that can reflect sustainability, social caring, and innovation. By incorporating corporate social responsibilities into its business operation and development, the Company strives to make common progress and grow together with its customers, employees, shareholders and society. We hope that our actions in sustainability could help the People’s Republic of China to achieve its climate policy, which the carbon emissions can reach the highest point before 2030 and for carbon neutrality before 2060.

While the vaccines against Coronavirus Disease 2019 (“**COVID-19**”) have been launched by governments worldwide, the year 2021 still saw many of the variants of the virus, especially the Omicron variant that was discovered toward at the end of the year. As such, 2021 continued to be a year of hardship for the restaurant operation and management industry, due to the grim atmosphere of the economy, the general social distancing measures, and the dine-in restrictions imposed on the restaurants. In this difficult environment, an operation with emphasis on sustainability can show strong resilience. The Company will continuously strengthen the ESG management mechanism and improve our ESG strategy to ensure a sustainable and growing returns for our investors.

As of 31 December 2021, we had twelve restaurants under five self-owned brands and three franchised or sub-licensed brands in Hong Kong. Through these various brands, we were dedicated to serving quality Thai, Vietnamese, Japanese, Shanghainese and Italian cuisines to different customers.



Our Thai-style cuisine restaurants — Mango Tree (Elements), Mango Tree (Cityplaza) and Mango Tree (YOHO Mall).



Our Vietnamese-style restaurants — An Nam (Lee Garden One) and An Nam (Festival Walk).



Our Japanese-style restaurants include Ta-ke (Lee Garden Two), Gonpachi (Lee Garden One) and Hokkaidon (Cityplaza).



Our Shanghainese-style restaurants include Modern Shanghai (YOHO Mall), Modern Shanghai (Olympian City) and 10 Shanghai (Lee Garden Two).



Our Italian-style restaurant include Paper Moon (Harbour City).

# Environmental, Social and Governance Report

## 2. ABOUT THIS REPORT

This Report aims to disclose the sustainability and social approach and performance of the Group's core business located in Hong Kong, emphasising the key issues with stakeholders' highest concern (please refer to the ESG issues materiality matrix section). This Report is prepared in accordance with the ESG Reporting Guide as set out in Appendix 20 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The scope of the Report includes the headquarter and all restaurants in Hong Kong from 1 January 2021 to 31 December 2021.

For more information on our approach regarding ESG matters or our financial performance and corporate governance, please refer to our official website at [www.1957.com.hk](http://www.1957.com.hk).

## 3. SUSTAINABILITY MANAGEMENT

### A. The Board

The board of the Company (the "**Board**") has ultimate accountability for the sustainability strategy of the Group, as well as its management, performance and reporting. The Board examines and approves the sustainability goals, objectives, policies and frameworks and reviews progress towards their implementation and achievement.

In order to strengthen corporate governance in quality control and customer services, the Group has created two new management positions in headquarter:

- A new director of operation was employed to raise the standard of quality service and ensure smooth operation at all restaurants; and
- A new administration manager was employed to assist the top management for better coordination with all restaurants. She is also responsible to follow up on maintenance works at all outlets to provide the best environment and dining experience to our customers.

# Environmental, Social and Governance Report

## B. Stakeholder engagement

Active communication with stakeholders is essential to the assessment of our current ESG strategy. The Group is committed to taking the initiative to continuously interact with key stakeholder groups. Diverse communication channels and platforms are established to exchange information and receive feedback from stakeholders, prompting adjustment and feedback in response to the changing needs and requirements of the stakeholders. Communication channels with major stakeholder groups were as below:

Stakeholder Group	Issues of Concern	Communication Channels
Investors and shareholders	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Future development plan</li> <li>Transparency of business</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Quarterly reports, corporate website, announcements, circulars and notices of meetings</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Remuneration and benefits</li> <li>Career development opportunities</li> <li>Occupational health and safety</li> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Staff orientation</li> <li>Continuously training and workshop programmes</li> <li>Performance reviews and appraisals</li> <li>Team building activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Food quality and safety</li> <li>Service</li> <li>Dining environment and experience</li> <li>Personal data collection policy</li> </ul>	<ul style="list-style-type: none"> <li>Customer service hotline</li> <li>Corporate website and social media channels</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Long-term business relationship</li> <li>Contractual arrangement</li> <li>Supply chain management</li> <li>Fair procurement policy</li> </ul>	<ul style="list-style-type: none"> <li>On-site inspection and performance review</li> <li>Tendering and other regular meetings</li> </ul>
Landlords	<ul style="list-style-type: none"> <li>Lease contract arrangement</li> <li>Corporate image and marketing</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Opening ceremonies of new shops</li> </ul>
Community	<ul style="list-style-type: none"> <li>Contribution to the community</li> <li>Promoting community harmony</li> <li>Pollution and other adverse effects</li> </ul>	<ul style="list-style-type: none"> <li>Press release</li> <li>Corporate website</li> <li>Community investment and activities</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Taxation compliance</li> </ul>	<ul style="list-style-type: none"> <li>Seminars and training</li> <li>Responses to government policies</li> </ul>

# Environmental, Social and Governance Report

## C. ESG issues materiality matrix

Based on the stakeholders' feedback collected from the aforementioned channels, 15 ESG-related material issues were identified and classified into four aspects, namely, environment, employment, quality and social aspects. Accordingly, we consider the issues located near or in the top right-hand portion of the matrix to be more important. Due to the persistence of COVID-19, health and safety continued to serve as one of the most important issues in the reporting year, while food safety and hygiene, food research and development ("R&D") and quality and customer service are the top issues for our stakeholders and our business. With the growing concern by our customers on food quality and dining experience, development and training of our staff as well as supply chain management raised to the second batch of the most important issues in 2021. The Report is concentrated to provide comprehensive disclosures on these top issues, with sufficient disclosures for other issues.

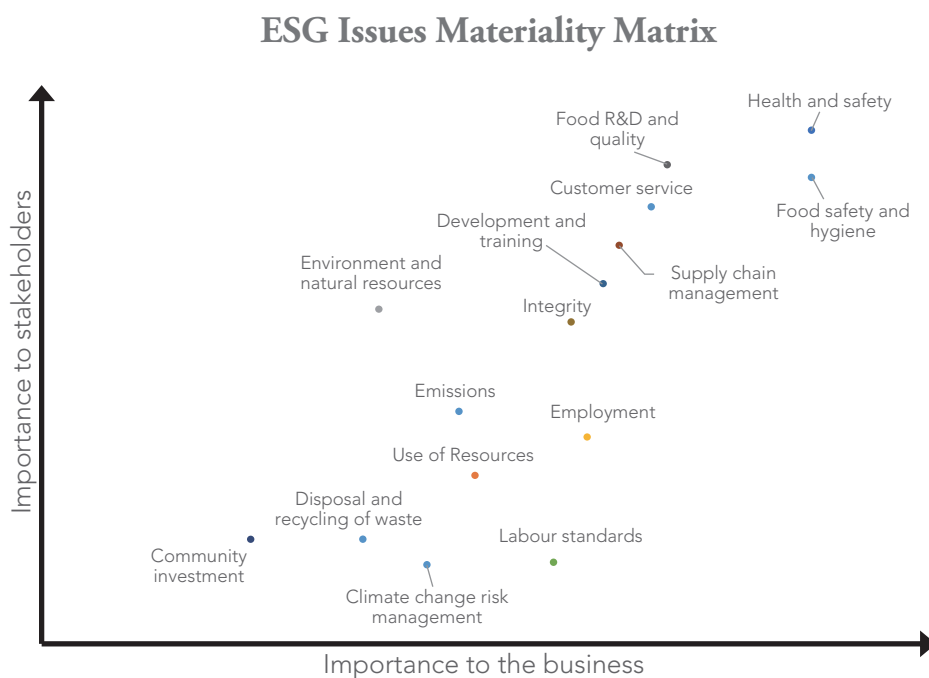


Figure 1 — ESG issues materiality matrix showing the issues that are important to stakeholders and the business



# Environmental, Social and Governance Report

## 4. OUR COMMITMENT TO THE ENVIRONMENT

### A. Introduction

Our Group has strictly implemented environmental-friendly measures according to the relevant Laws of Hong Kong and specific guidance in the food industry. Regarding disposal and discharge of wastes, we have strict compliance with the Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong), ensuring all sewage is treated properly before the discharge. On the other hand, according to Zero Foodprint organisation, 70% of a restaurant's foodprint comes from the production of its ingredients. Greenhouse gases are the major cause of climate change and global warming. Reducing our carbon foodprint over the long term is one of our key focuses of environmental policy, such that we could create sustainable food choices for our customers. Our other policies are as follows:

- Strengthening the ESG management system and establishing comprehensive environmental policies to reduce negative impacts on society and the environment;
- Optimising operation process by advanced technology adaptation in office and restaurants;
- Reducing the carbon footprint of our dishes by selecting sustainable ingredients;
- Consuming energy, water, resources and raw materials efficiently; and
- Advocate sustainability concepts to employee to create a joint effort in green business development.

### B. Green office operation

To operate our restaurants operation and management business in a more sustainable manner, we do not only address the waste produced at the restaurants, but also implemented several measures to deal with the office waste.

#### Digitalisation of daily operation

- Adoption of electronic gadgets instead of the traditional documents in meetings, prompting the entire Company to operate in a more environmental-friendly way; and
- Monitor energy and resource consumption regularly and investigating usual usage of resources.

#### Office waste management

- Paper and toner box recycling; and
- Following the relevant laws and internal guidelines to handle computers and other electronic appliances that are to be disposed of to reduce the environmental impacts of e-waste.

#### Saving electricity resource

- Upgraded the traditional lighting to brand new LED lamps with higher illuminance and power efficiency; and
- Air-conditioning systems with programmable thermostats to turn on or off the devices automatically.

# Environmental, Social and Governance Report

## C. Sustainable restaurants operation

### Reducing gaseous fuel consumption

- Installed a wide range of more environmentally friendly cooking stove in restaurants to reduce the fuel usage and greenhouse gases emission.

### Water conservation

- Implementation of sensor taps to optimise the amount of water used each time; and
- Raising employees' awareness to strike a balance between water-saving and the hygiene of kitchens by internal workshops and training.

### Using recyclable straws

- Recyclable paper straws are used for certain restaurants to minimise the negative impacts on ecosystems.

### Regular sanitation within the restaurants

- Eco-friendly disinfectant is used for cleaning the dining area to ensure customers as well as our employees are safe from various bacteria and virus that cause transmittable disease; and
- Several sanitation teams are on stand-by during the operation hours to monitor the cleanliness of the environment.

## D. Active waste recycling to minimise disposal

During our operation, we have invested tremendous efforts in reducing the amount of waste generated and have a standardised waste management system. The main generated waste from our restaurant operation is food waste. We do not produce any hazardous waste and packaging materials due to our business nature. Furthermore, our office promotes digital workplace and therefore paper waste are kept at minimal. We believe by adopting the following practice, there will be no material non-hazardous waste generated.

### Solid food waste management

- Implementing cooked-to-order measure to minimise the amount of pre-cooked food and potential food waste.

### Waste cooking oil ("WCO") management

- In a contractual relationship with a licenced company handling waste cooking oil recycling since 2018 to collect and transport the WCO to the Environmental Protection Department ("EPD")'s facility;
- Providing training to our staff on the effective and efficient techniques of using cooking oil;
- Strictly followed the guidelines from the EPD to store and record the WCO on-site; and
- All of our restaurants have contracted their respective property management company and are using the centralised grease trap(s) located in the shopping malls.

During the reporting period, the assigned recycling company collected 38,826 litres (2020: 35,064 litres) of WCO from our restaurants, which represented an increase of 10.7% of WCO collected compared to last year. While we do not record our waste oil in weight, assuming that each litre of oil corresponded to 0.8 kg, the total waste oil recycled was approximately 31.1 tonnes, and the intensity was about 0.1 tonne of oil per million Hong Kong dollars of revenue. We will continue to explore initiatives to make the best use of the WCO.



# Environmental, Social and Governance Report

## E. Sustainable dishes and food sourcing

Natural resources are significant to our business operation as we value food quality greatly. Increased frequency of natural disasters and rising temperatures caused by climate change will increase our operational risks. It will directly affect the stability of food supply and the procurement process. In order to cope with the impacts of climate change, the Group has to be climate resilient. It is important to strengthen the supply chain management and corporate governance so that the operation can be flexible enough to deal with any situation under climate change.

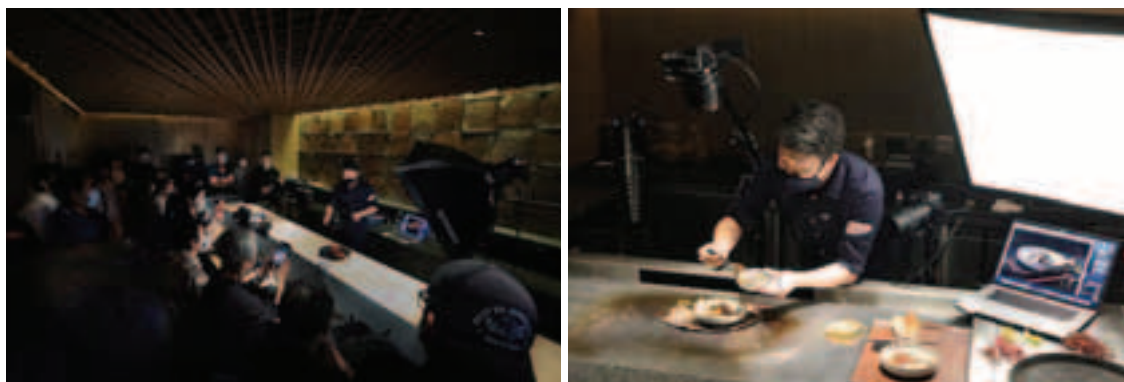
During the supplier selection procedure, we consider sustainability, prioritising those suppliers using safer pesticides, transportation with less carbon footprint, and less damaging fishing method. In the meantime, our restaurants do not purchase endangered or threatened species to sustain our natural environment. For instance, the Tuna being selected and used in one of our restaurant, Hokkaidon (Cityplaza), is Pacific bluefin tuna from Kyushu, Japan. Pacific bluefin tuna is classified as “least concern” by The International Union for Conservation of Nature, which means it is not being a focus of species conservation. In our restaurants, customers can also enjoy the Satsuma and Yonezawa beef from Kamichiku and Yonezawa farms in Japan. Kamichiku and Yonezawa farm are the biggest Wagyu farms in Kyushu and Yamagata. They are also part of the mutual-help communities. The farms will provide total mix ration, a systematic ration supply, feed for farmers to raise cattle. Farmers will use the excrement as compost for the field. A portion of the crops will then be fed to cattle again, forming a sustainable cycle.

We rely on nature greatly and we also respect it. We strive to maintain food sustainability and working our best to cause fewer impact on nature. We guarantee that our restaurants would only consume energy that is under absolute need and minimise the production of waste. We endeavour to strive for excellence in pursuing mutual coexistence and symbiosis with our environment.

### Our participation in food sustainability event — Canon food photography workshop

Ta-ke (Lee Garden Two) is one of our restaurants that put sustainability in daily operation and deliver a green concept to consumers. During the reporting period, it is a great honour to collaborate with Canon to hold a food photography workshop that uphold food sustainability as well as share the tips on food photography by Henrik Hui, a commercial photographer who specialises in food and interior photography.

During the workshop, not only could participants learn the photo-taking skills, but also the mechanise of garnishing and food presentation. More importantly, those participants could understand the important role of sustainable food played in preventing damage and wasting natural resources.



Figures 2 & 3 — Food photography sharing session at Ta-ke (Lee Garden Two)

# Environmental, Social and Governance Report

## F. Acts to manage climate change risks

The Group realises that climate change may cause certain risks to the Group's business. Therefore, we have specifically paid attention to climate change and its impact in recent years. According to the Task Force on Climate-related Financial Disclosures ("TCFD"), climate change risks can be divided into physical risks and transition risks. TCFD has also pointed out that physical risk is the impact or loss caused to the company's real capital, which can be further subdivided into acute and chronic risks. While transition risk refers to the risks related to the transformation towards a low-carbon economy. Companies may experience regulatory risks and litigation in the process risks, technical risks, reputation risks, and market fluctuations incurred by the transition.

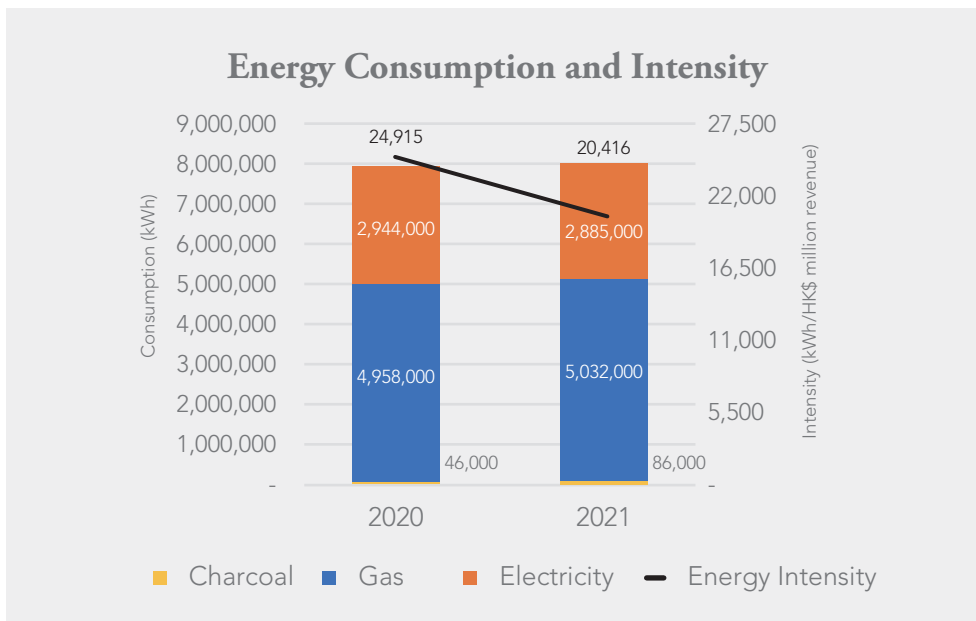
As a restaurant operator, we strive to ensure that the supply of our key ingredients can be safeguarded against foreseeable climate change risks, including the loss of habitats of various species. In recent decades, destruction of habitats in the ocean has been caused by over-fishing, and deforestation and desertification caused similar issues for animals and plants on land. While in no case we would use endangered species as ingredients, we acknowledge that some species in a particular region might decrease in number or completely disappear. As such, we actively scout for similar ingredients in different regions in the world, and at the same time conduct R&D activities on how our dishes may adapt to new ingredients, those that are less prone to climate change risks, or develop new dishes that make use of more resilient ingredient from a climate change perspective.

By exploring the risks and opportunities that climate change might bring, our management team formulates effective countermeasures and policies to deal with the climate change as well as reduce its impact on the business.

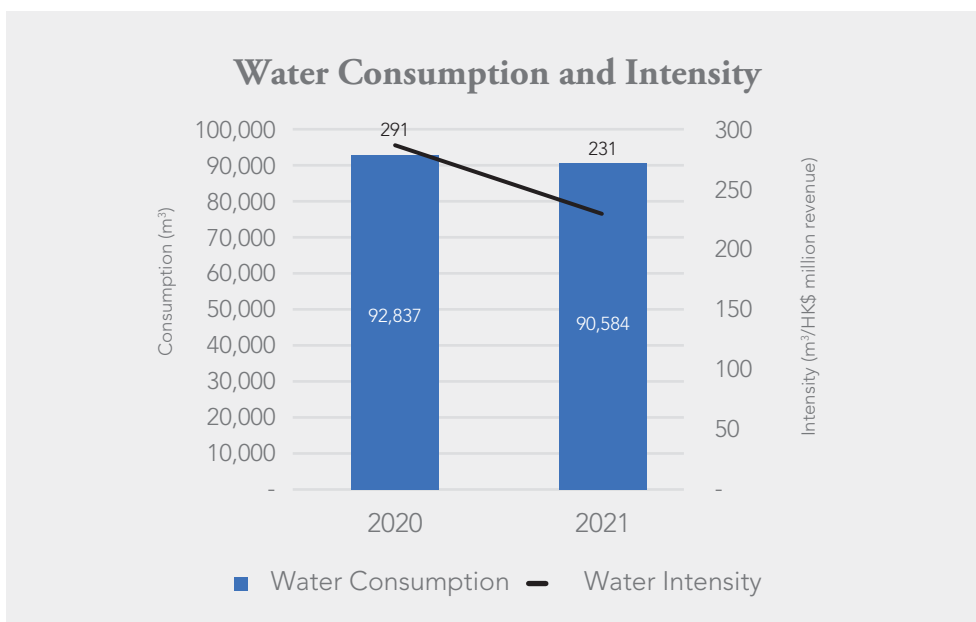
# Environmental, Social and Governance Report

## G. Energy consumption and emission data

Gas, electricity and charcoal are the major types of energy resources consumed by the Group. In 2021, the Group consumed approximately 5,032,000 kilowatt hour (“kWh”) and 2,885,000 kWh gas and electricity respectively and 10,590 kg of charcoal, with a total energy consumption of 8,003,000 kWh and the intensity was 20,416 kWh per HK\$ million revenue. The energy consumption decreased by 18.1% compared to preceding year.

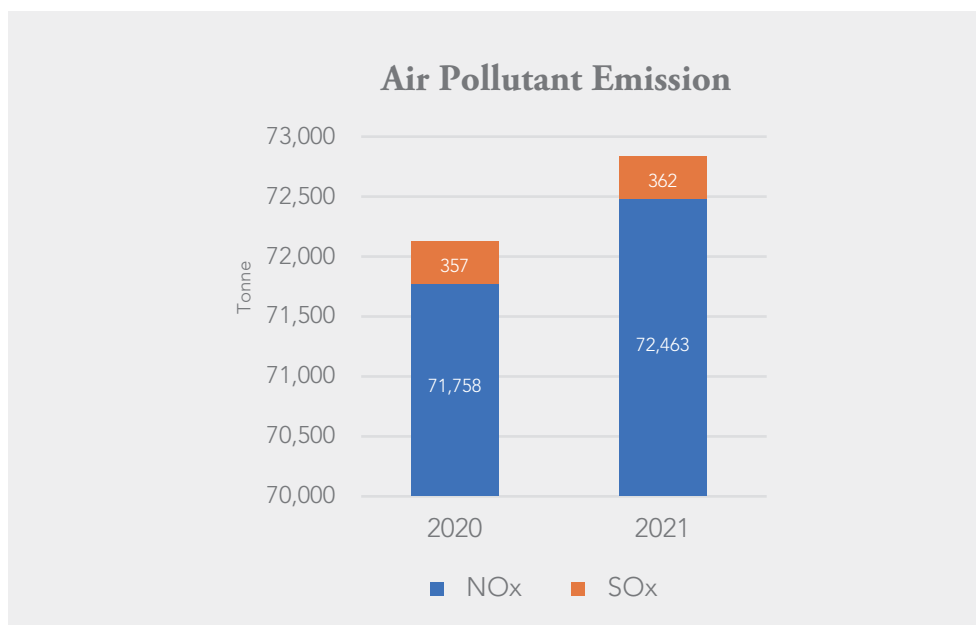


Water is another resource that the Group consumed most. The total consumption of water in 2021 was 90,584 cubic meter (“m<sup>3</sup>”), with water intensity of 231 m<sup>3</sup> per HK\$ million revenue. There was no issue in sourcing water that is fit for the purpose.

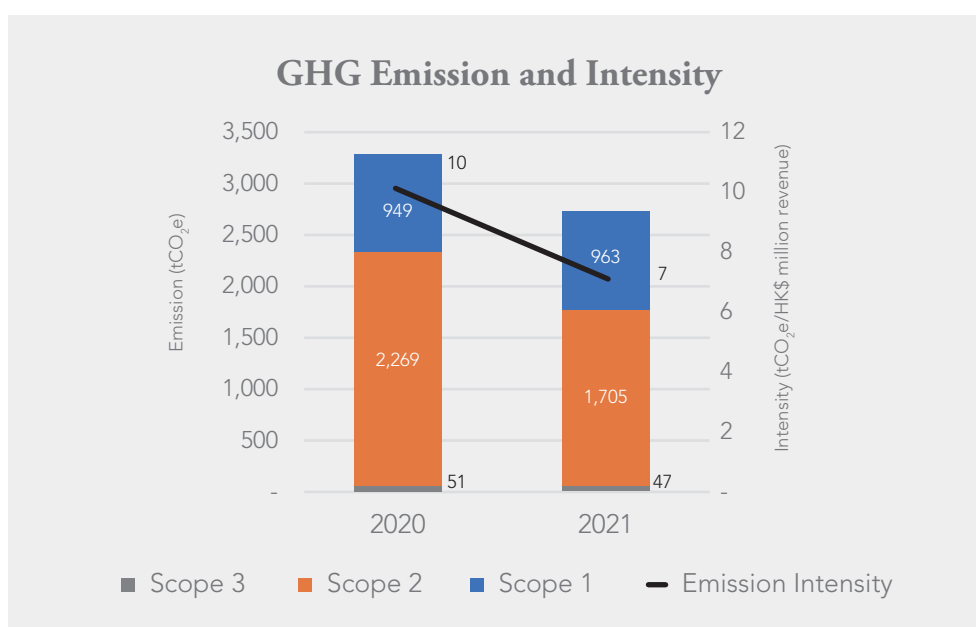


# Environmental, Social and Governance Report

The Group's gas consumption generates approximately 362 tonne sulphur oxides ("**SOx**") and 72,463 tonne nitrogen oxides ("**NOx**") as shown in the below diagram.



In 2021, the total greenhouse gas ("**GHG**") emissions amounted to approximately 2,715 tonnes of carbon dioxide equivalent ("**tCO<sub>2</sub>e**"), of which 963 tCO<sub>2</sub>e were direct emissions (Scope 1), 1,705 tCO<sub>2</sub>e were energy indirect GHG emissions (Scope 2) and the remaining 47 tCO<sub>2</sub>e were other indirect GHG emissions (Scope 3). The emission intensity was 7 tCO<sub>2</sub>e per HK\$ million revenue.



# Environmental, Social and Governance Report

## H. Performance and goal

The above energy consumption and emission data for this reporting period cover all our twelve restaurants. By comparing the figures for years 2020 and 2021, we have similar performance, and we have improvements in some aspects.

In terms of energy, our consumption of gas has increased while electricity decreased. We have also consumed less water in absolute terms. Furthermore, our emissions of SO<sub>x</sub> and NO<sub>x</sub> have slight increase over the year due to our increased use of gas. Our total GHG emissions intensity has decreased and we will continue to monitor it closely.

Reviewing the past performance is important while setting goals for the future is also critical. Based on the past performance and our future business development plan, we arrived at the following goals for our environmental performance. As we intend to continue expanding our business and we are still reviewing and adjusting our environmental policy, we will set the goals at a reasonable and reachable level. The catering and hospitality industry was severely affected in 2021. As we moved into the middle of 2022, the situation has been gradually recovering. As such, we expect that our consumption of energies in absolute terms will increase in 2022 compared with 2021, while we will endeavour to maintain our energy and water consumption intensities, as we believe it is already at a low level industry-wide, but we will try our best to reduce not less than 1% by next reporting year. Also, we expect that our GHG emissions will increase in 2022 in absolute terms, but we aim at lowering the total GHG emissions intensities through our various policies. We will integrate the sustainability concept into every stage of our operation and enhance our environmental and social performance in the future.

## 5. OUR COMMITMENT TO QUALITY

To retain customers as well as protecting their health, we put quality control of our services in a high place. There are several material issues identified and related policies are carried out to address the concerns.

Concerned issue	Related policies
Food quality	A. Procurement policy B. Internal health, safety and hygiene policy
Customer dining experience	C. Protecting intellectual property rights D. Our care to customers E. Data protection and privacy policies



# Environmental, Social and Governance Report

## A. Procurement policy

The creation of quality dishes starts from sourcing quality ingredients. To ensure the input supply are in a high standard sustainably, the Group managed the supply chain with several standards. Our Group has formulated internal guidelines for the selection of suppliers, in which the stability of input quality, hygiene and reputation are the main concerns. Apart from the solid background of the suppliers, we also pay much attention to the ethics of suppliers. Our approved partners must not be associated with any of the following offences, including animal cruelty, local pollution, child labour and forced labour. Even if a supplier is on our approval list, we have a range of rigorous procurement and monitoring processes to assess our suppliers. Through regular visit to factories and workshops, we can assess the current conditions, such as the cleanliness of the products and the overall environment at which the products are prepared. If there are any problems discovered, a meeting with the respective supplier will be held to seek for the solutions and improvement. During the reporting period, we have traded with 193 suppliers; in terms of monetary amount traded, the top 10 of them accounted for 42.4%. While we aimed to specify the origin of our raw materials, due to various factors, such as difficulty and insecurity of logistics caused by the COVID-19 pandemic, it was not always possible; instead, we rely on our suppliers, which were all located in Hong Kong, to provide us with the best raw materials based on their expertise and excellence in quality.



Figure 4 — Dive into Vietnamese Afternoon Tea Set from An Nam (Lee Garden One)



Figure 5 — Seafood Tower from Paper Moon (Harbour City)



# Environmental, Social and Governance Report

## B. Internal safety and hygiene policy

Workplace hygiene and safety are of our highest priorities for the restaurants' operations. The Group strives to provide high-ended dishes and experience to customers in a clean and safe environment that employees are comfortable with. To ensure our servings are in a consistently satisfactory standard, we follow not only the internal hygiene standard, but also the official supervising scheme as stated by the government. The Food and Environmental Hygiene Department (the "FEHD") has introduced the Hygiene Manager and Hygiene Supervisor Scheme (the "Scheme") under which all large food establishments and food establishments producing high-risk food are required to appoint a hygiene manager and a hygiene supervisor. Under that Scheme, all large food establishments producing high-risk food are required to be monitored by them on the hygiene level of the environment as well as the way food is handled. Food safety and hygiene are especially important under the persisting threats of COVID-19 and all employees are constantly reminded to try our best to prevent any cross infections within the restaurants and any food contaminations from occurring.

The manager and supervisor of each restaurant are also responsible to promote and support hygiene and health regulations. They have to participate in extra courses to enhance their food safety knowledge of eliminating any food poisoning and foodborne illnesses. All employees must strictly follow the instructions regarding cleaning, storage and food processing at all times.

### Measures in response to COVID-19 in 2021

Since early 2021, Hong Kong was still facing the challenges brought by the COVID-19. The daily business operation has been inevitably affected drastically. To better protect our customers and the staff working in the restaurants, we have strictly followed the government's guidelines on virus control and updated the regulations on personal hygiene. We believe the following measures would help securing the health and safety of every stakeholders and supporting the communities to back on the right track.

In our daily operation, we performed temperature checks on all staff and to require each of them to wash their hands and wear a proper mask before entering the restaurant. In order to prevent infected pollutants disperse around the restaurants, our staff would ensure the ventilation system was on for supplying sufficient fresh air.

Over the past year, we have strictly followed government guidelines. Every customer was required to perform temperature check and scan the QR code with the "LeaveHomeSafe" digital app or register their information before entering the restaurants. Hand sanitisers were also provided for the customers to lower their chance of cross infections during their stays in the venues. After customers have finished their meals, staff would sanitise the facilities properly, including the plastic partitions used to maintain the social distance, ensuring every piece of equipment are safe and ready to be used by the next customer.

# Environmental, Social and Governance Report

## C. Protecting intellectual property rights

Each of our restaurants has its own dining concept, and we provide a great dining environment by merging the interior design and restaurant view together. Our Company respects the effort of every designer and artist, therefore we comply with relevant laws and regulations to observe and protect intellectual property rights.

We are currently operating restaurants under five self-owned brands and three franchises or sub-licensed brands. We took measures to protect all trademarks and other intellectual property rights by making the necessary filing and registration. Apart from that, recipes are significant assets of our Group. Strict regulations in the kitchen and effective management to prevent disclosure of the recipes are in place. Any requests or enquiries from outside news organisations, magazines, competitors and other members of the public regarding our restaurants, their plans, sales procedures, team members or other matters should be referred immediately to the director of marketing communication.

## D. Our care to customers

A successful cooperation would not fail to cater customers' need. We value all sorts of opinion from the customers and are always motivated to interact with them. Our frontline staff are well-trained to be detail-minded and take the initiative to accommodate customers' need. It would help to build warm and comfortable atmosphere among the restaurants and retain our precious customers through direct interactions with customers.

All frontline staff are required to have a thorough understanding in all food and beverages items on our menus. Related training such as menu tasting, wine tasting, negotiation and service techniques will be provided to ensure that our team is able to deliver excellent and consistent service to the customers.

Apart from direct communications with frontline staff and managers, we also provide various communication channels for complaints and compliments. Our customer relations team will therefore respond to the enquiries in a timely and positive manner. They will also investigate into the subject and address the problem immediately once the case is confirmed. Complaints and material issues are reported to the headquarter on a regular basis.

## E. Data protection and privacy policies

The Group places great emphasis on the data protection and privacy security of our customers. The Group strictly follows the guidance of the employee handbook and restricts any unauthorised usage of personal data. We have a "1957 & Co. Loyalty Program" (the "**Program**") for our frequent guests to earn and redeem points across our restaurants and enjoy exclusive privileges. We understand the importance of our customers' concerns of personal data collection, hence, we have fully instructed our employees that they must only collect and use personal data in accordance with applicable data protection laws, as well as the Group's policy on Personal Data Governance and local policies of the Telecommunications division.

All our personal data collection complies strictly with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong), including that for the operation and management of the Program, and are collected solely for activities related to the Program.

# Environmental, Social and Governance Report

## 6. POLICY AND MEASURES ON ANTI-CORRUPTION

Our Group believes that loyalty, integrity, and fairness are core assets to our business. Therefore, all employees of the Group, from the top management to our frontline staff, must strive to ensure that the reputation of the Group is not damaged by dishonesty, disloyalty or corruption. We maintained zero tolerance to corruption and fraud. We have implemented a strict internal control policy and regulation towards bribery or dishonesty, and are stated in the Code of Business Conduct (the “Code”). The content of the Code is applicable to all employees, including permanent and part-time workers. Well-structured processes on purchases, sales, operation and finance are mentioned for employees to follow to avoid the occurrence of any potential corruption issues.

Our Company’s whistleblowing policy is available on our website. We encourage our employees who are concerned about any suspected misconduct or malpractice within the Group to voice out verbally or in written standard whistleblowing report form, and the Group will acknowledge receipt of the report within five working days. A designated senior officer — Company Secretary or Compliance Officer, will be appointed to manage the report. An investigation will be conducted in accordance with the investigation procedures that were set out. We will also review the relevant policy on a periodic basis so that it is up-to-date and comply with any legal requirement or best practices, as the case may be. We have no tolerance towards any corruption incidents. During the reporting period, there was no concluded legal cases regarding corruption.

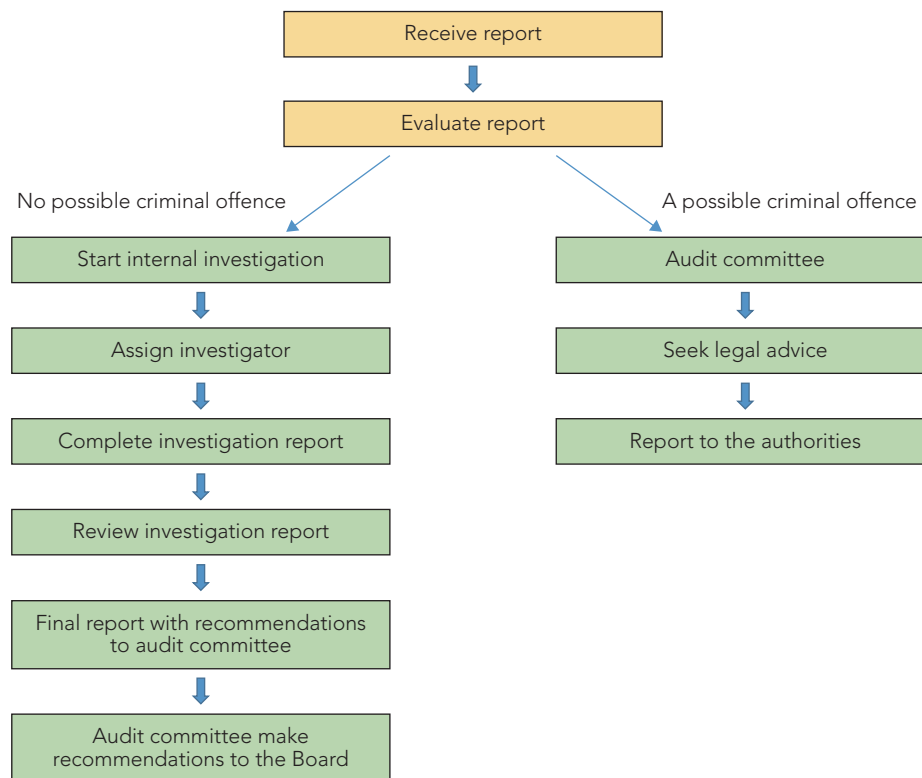


Figure 6 — The anti-corruption policy of our Group

# Environmental, Social and Governance Report

## 7. OUR COMMITMENT TO OUR PEOPLE

### A. Introduction

Employees are of vital importance to us and we pay attention to the protection of employees' interests and rights. We strictly comply with all relevant laws, including but not limited to Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong), Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) and Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong). We believe a safe, healthy and fair working environment would encourage productivity and incentive and hence is beneficial to the Group's growth.

Every employee is engaged with an employment contract through our human resources department. Employee handbook is delivered to every employee. The standard employment policy coverage ranges from recruitment to termination as well as policies regarding employee safety, prevention of food poisoning, food contamination handling and staff or guest injury treatment are contained in the employee handbook. Each employee could refer to the employee handbook under different situations at work promptly as the policies are based on scientifically proven and time-tested results.

### B. Labour standards and equal opportunity

Our Group as an equal opportunity employer, welcome all talents and enthusiastic candidates to join our family regardless of their backgrounds, ages, genders and nationalities. Inclusiveness, fairness and integrity are always embedded in our recruitment policy. Discrimination and harassment are strictly prohibited in our Group. Any verbal, visual and physical conduct of discrimination or harassment will subject the employee to disciplinary action, up to and including dismissal. The fair and equal concepts are also integrated into our promotion ladder. We provide equal opportunities for our employees who are looking for a chance to make a career in one of the best award-winning restaurants in town. We believe in promoting internally and rewarding performance excellence. Employees with satisfactory professionalism and passionate to serve our customers have a chance to be promoted.

The employee handbook clearly states the general rules on compensation, dismissal, recruitment, promotion, working hours, annual leave, anti-discrimination, employment certificates, etc. We provide sick leave, annual leave, maternity leave, paternity leave, birthday leave, marriage leave and funeral leave to our employees. All full-time employees have participated in the Mandatory Provident Fund ("MPF") scheme after completion of 60 days of continuous employment.

Our Group does not tolerate any forced or child labour in support of human rights and labour standards. We strictly comply with the statutory requirement of the Employee's Compensation Ordinance (Cap. 282 of the Laws of Hong Kong). All related job duties, including the number of working hours, over-time working arrangement and staff welfare and allowance are clearly stated in the employment contract. During the recruitment process, the human resources department is responsible for ensuring the candidate has reached the legal working age by inspecting the candidate's Hong Kong identity card or valid travel document. If any child or forced labour is discovered, employees can report to us through phone, mail and email. The reported case will be followed up with an immediate investigation. During the reporting period, there is no related violation cases discovered.

# Environmental, Social and Governance Report

## C. Occupational health and safety

We care about both physical and mental health of our employees. We apply “team building and career development” management philosophy to our employees. Our Company makes every effort to provide a healthy, efficient and safe working environment. Emergency plans and drills, employee safety training and appraisals, on-site inspection and safety forums are conducted on a regular basis to ensure safe operation. The Group makes every effort to provide and maintain the optimal working environment for our employees. Related practices that we have adopted are as below:

- Take the staff circulation and latitude into consideration when designing the restaurants;
- First Aid Box is provided to all employees in case of medical emergency and placed at every restaurant, whenever work injury occurred on the premises, first aid should be given to the injured person by a certified first aider and should be escorted to the nearest hospital or clinic for immediate medical treatment;
- The department head should submit a comprehensive “Workplace Incident & Accident Report” form to the human resources department within 24 hours of the incident;
- An investigation will be conducted and corresponding suggestions will be given to prevent reoccurrence of similar accident;
- Safety supervisor in every outlet conducts safety checks regularly, three main aspects on the checklist include employee behaviour, kitchen environment and cleanliness; and
- Supervisor is encouraged to make suggestions or opinions for improvement.

In dealing with COVID-19, we have implemented the below practices:

- Provision of mask allowance to all staff; and
- Supporting and registering for the FEHD’s free COVID-19 tests for frontline.



Figures 7 & 8 — Long Service Awards 2021

During the reporting period, the number and the rate of work-related fatalities were zero (2019 and 2020: same), while lost days due to work injury was 16 days (2020: 26 days). Accidents at work has decreased significantly compared to the last reporting period and all injured staff received their claim under insurance coverage and sick leave with pay.



# Environmental, Social and Governance Report

## Team building activity

We also established policies to take care of our employees' mental health, enforcing team spirit and encouraging more effective communication. We encourage free communication and maintain high morale among team members and management so that issues and opinions can be raised freely. We hope every employee could work in an environment with their health and safety protected with an enjoyable working atmosphere.



Figures 9 & 10 — Opening ceremony of new office in 2021



# Environmental, Social and Governance Report

## D. Employee development and training

Catering is an industry that provides both services and products to our guests, and the quality of both depends on the quality of our staff. We believe that we cannot grow unless the quality of our staff grows. We provide training for all levels of staff, including both knowledge and skill-based training workshops, on areas such as anti-corruption, food safety and industry insights. The training help employees to gain new knowledge and skills, which in turn foster the growth of the Company.

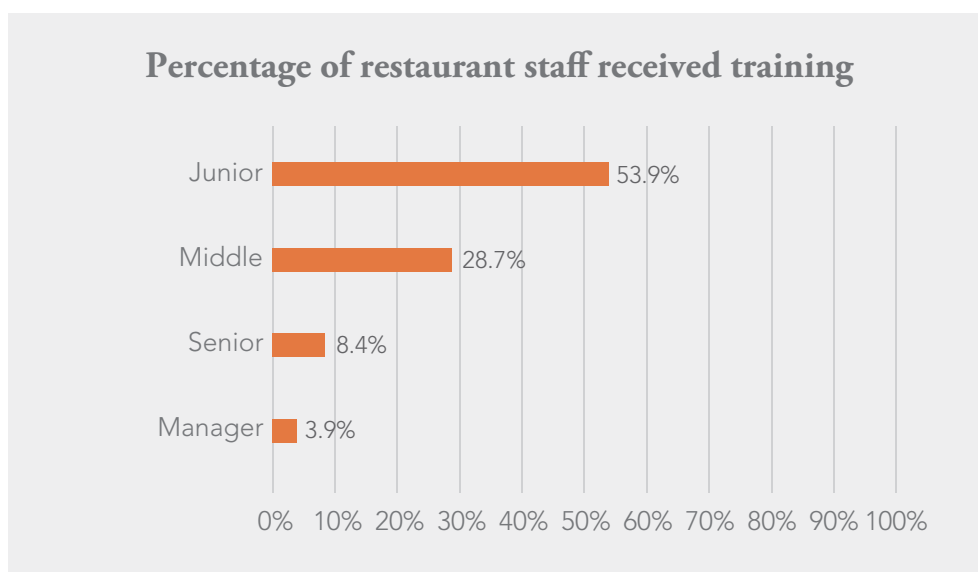
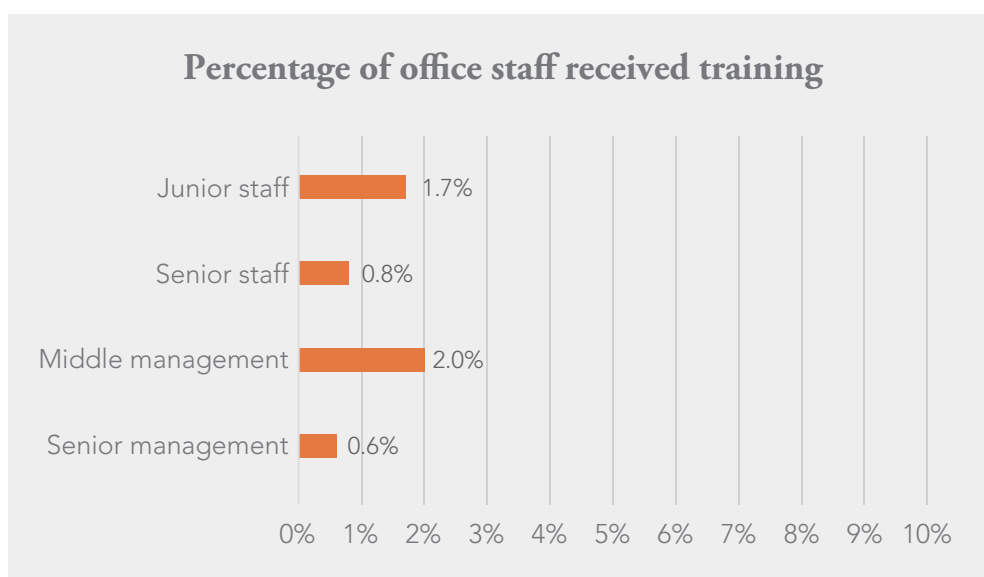
The table below shows the various themes of training held during the reporting period.

Training Date	Training theme	Target employee	Training content
Day one of work	New Joiner Orientation	New joiners	<ul style="list-style-type: none"> <li>Group's organisation chart and the Group's concept</li> <li>Outlets Specific Rules &amp; Regulations, Equipment Orientation</li> </ul>
May 2021	Safety and Health Training	All employees	<ul style="list-style-type: none"> <li>Introduction of the major safety regulations related to working in the catering trade</li> </ul>
June 2021	Complaints Handling Strategy	All frontline employees	<ul style="list-style-type: none"> <li>The positive way of handling complaints</li> <li>Professional technique and procedure to handle complaints and negative emotions from the customers</li> </ul>
June 2021	Medical Insurance Talk	Manager level restaurant employees	<ul style="list-style-type: none"> <li>Introduction of the functions, common coverage and common insurance classifications of medical insurance</li> </ul>
On regular basis	Human Resources Policy Introduction and Updates	Human Resources Department employees	<ul style="list-style-type: none"> <li>Guest speakers from Privacy Commissioner for Personal Data, Hong Kong</li> <li>Laws and liability about personal data and privacy</li> </ul>
On regular basis	Mystery Shopper Scheme	All restaurant employees	<ul style="list-style-type: none"> <li>A scheme as a regular evaluation on services, including dining environment, serving dishes, etc.</li> </ul>

# Environmental, Social and Governance Report

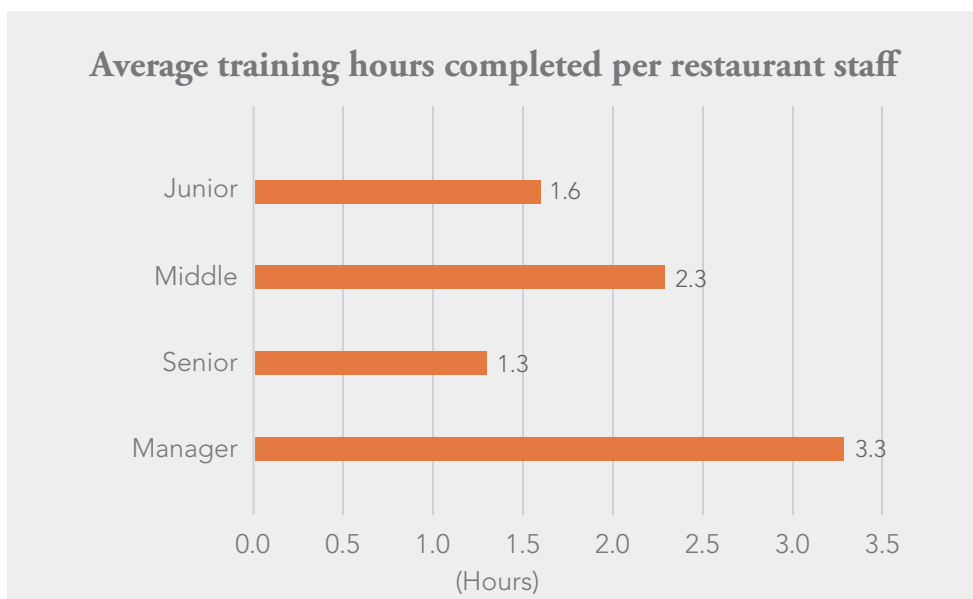
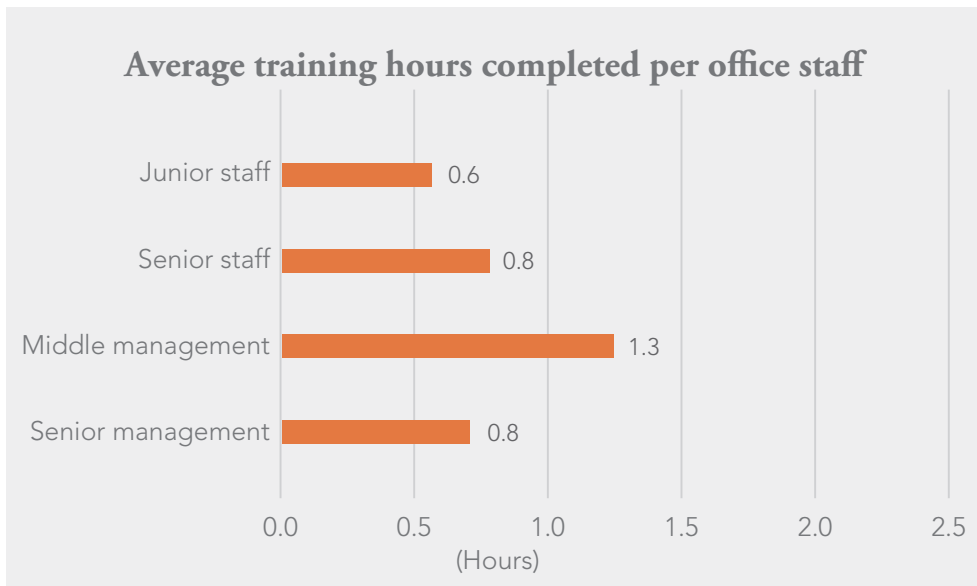
## E. Hours of training received by our staff

Employees' growth and development are essential in helping the Group's journey as it translates into an efficient and smooth operation. We support and encourage employees to climb up the career ladder. To ensure the quality and knowledge enhancement for our staff, all staff are encouraged to participate in training that suit their needs, regardless of age, gender and employment level. During the reporting period, all new joiners were provided a staff orientation, which included training relevant to their individual roles. Overall, 106.0% of the total staff were trained (a percentage larger than 100% due to the fact that more employees in absolute number received training, compared with the total number of employees at the end of the reporting period), while the percentages for male and female employees were 61.8% and 38.2% respectively. Other relevant breakdowns are shown below.



# Environmental, Social and Governance Report

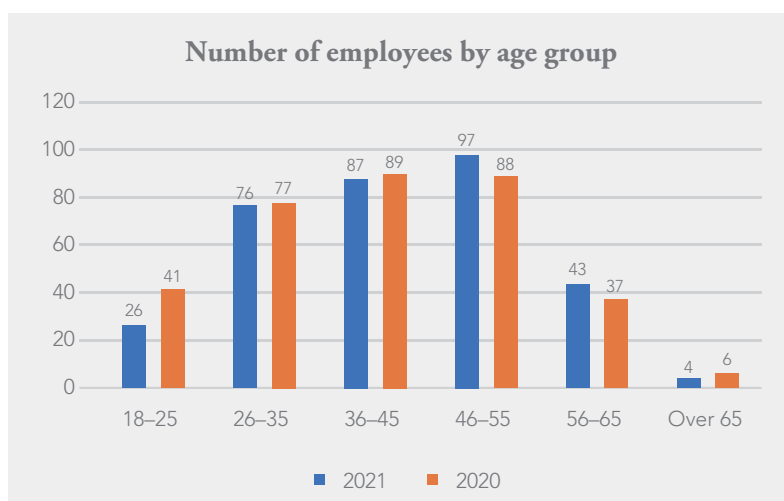
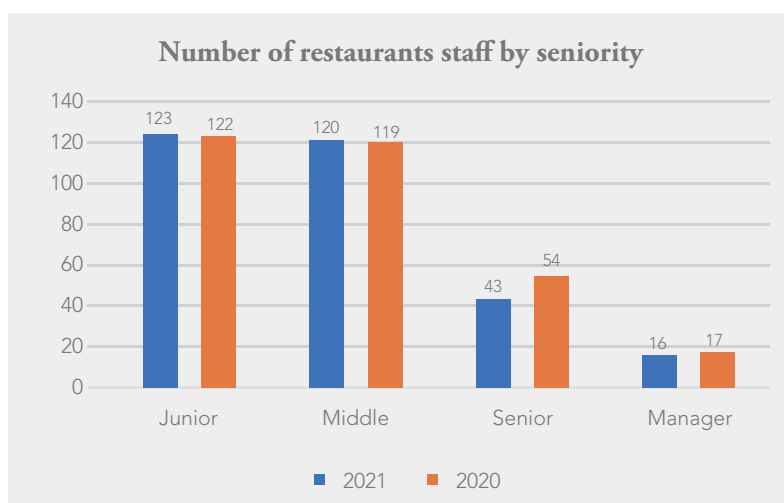
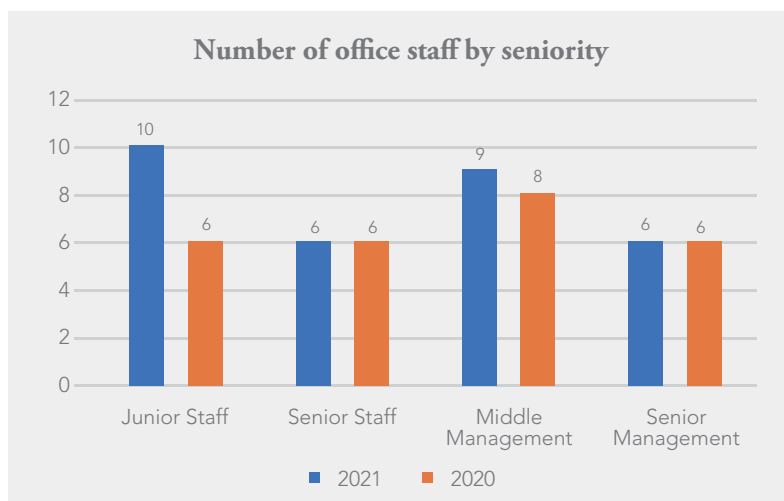
During the reporting period, the average training hours per employee was approximately 1.1 hours, and that for male and female employees were 0.9 hour and 1.3 hours respectively. The other relevant breakdowns were as follows:



# Environmental, Social and Governance Report

## F. Employee data

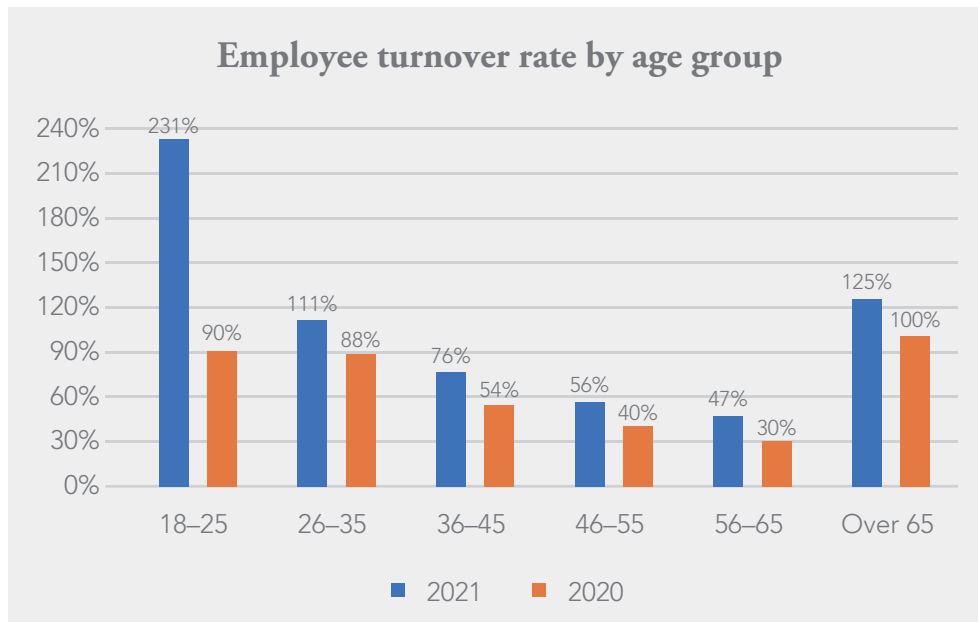
The total number of employees decreased from 338 to 333 in the reporting period, and all employees are located in Hong Kong. Other details related to the employee data are illustrated in the below charts.



# Environmental, Social and Governance Report

## G. Employee turnover rate

During the reporting period, the overall staff turnover rate was 86.8%. The turnover rates for male and female were 94.4% and 77.9% respectively, while in the year 2020, the numbers were 60.2% and 61.2% respectively, owing to the much improved employment market of the catering industry this year. Moreover, the turnover rates by age group for years 2021 and 2020 are shown below.



# Environmental, Social and Governance Report

## 8. OUR CONNECTION WITH THE LOCAL COMMUNITY

### A. Donation, venue and media support

During the reporting period, our Group made monetary donations and raised funds for charities through events and campaigns. We continued to use our local footprint to offer welcoming venue and media support to charities, helping them to promote public awareness of issues ranging from environmental conservation, food waste, mental health, animal welfare and protection, children with special needs and disabilities, youth programmes, underprivileged families and poverty alleviation.

We contributed to the Society of Community Organisation and the Care of Rehabilitated Offenders Association Limited. The former contribution used for supporting their promotion of civil rights and the latter contribution used for organising a movie event to continue supporting the rehabilitated offenders to have a normal life.

### B. Education

Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) (the “HKMU”) organised a dinner for their students who are studying food appreciation, styling and photography at one of our Thai restaurant. Our restaurant managers and chefs provided an operation sharing session in food sustainability and managing skills with their students during dining time.



Figures 11 & 12 — Operation sharing session with HKMU students at Mango Tree (Element)

### C. Special discounts during COVID-19

Creating positive values for different aspects of the community is part of our Group’s commitment in corporate social responsibility. Especially under the COVID-19 pandemic, we understand the importance of bringing positive energy to the community. We strive to create a harmonious environment. In order to ease the financial burden of Hong Kong citizens under COVID-19, special discounts are offered, especially to the people who are working in medical and healthcare industry. By offering these discounts, we hope that it could provide financial aid and positive energy to them.



# Environmental, Social and Governance Report

## 9. AWARDS AND RECOGNITION

We are pleased to share the most honourable awards that we received in 2021 regarding the below scope:

### Recognition on staff development

We fulfilled Mandatory Provident Fund (MPF) Scheme requirement that all full-time employees have participated in the scheme. We were honoured as a “Good MPF Employer” by the Mandatory Provident Fund Schemes Authority.



Figure 13 — Good MPF Employer Award 2020–2021

### Recognition on food quality and services



Figure 14 — Our Group was authorised to use the certification mark under the Quality Tourism Services Scheme

All restaurants are authorised to use the certification mark under the Quality Tourism Services Scheme by Hong Kong Tourism Board. This recognises us as meeting the high standards of product quality and service under the scheme.

# Environmental, Social and Governance Report

## 10. LAWS AND POLICIES

ESG subject area	Related laws and regulations which we have been in compliance with in the reporting period, including but not limited to:
Environment	<ul style="list-style-type: none"> <li>• The Environmental Protection Law of the People’s Republic of China</li> <li>• Law of the People’s Republic of China on Environmental Impact Assessment</li> <li>• Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution</li> <li>• Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution</li> <li>• Law of the People’s Republic of China on Prevention and Control of Water Pollution</li> <li>• Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes</li> <li>• Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong)</li> <li>• Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong)</li> <li>• Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)</li> <li>• Noise Control Ordinance (Cap. 400 of the Laws of Hong Kong)</li> </ul>
Employment	<ul style="list-style-type: none"> <li>• Labour Law of the People’s Republic of China</li> <li>• Labour Contract Law of the People’s Republic of China</li> <li>• Employment Promotion Law of the People’s Republic of China</li> <li>• Employment Ordinance (Cap. 57 of the Laws of Hong Kong)</li> <li>• Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong)</li> <li>• Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong)</li> <li>• Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)</li> <li>• Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong)</li> <li>• Employees’ Compensation Ordinance (Cap. 282 of the Laws of Hong Kong)</li> <li>• Mandatory Provident Fund Scheme Ordinance (Cap. 485 of the Laws of Hong Kong)</li> </ul>
Product liability	<ul style="list-style-type: none"> <li>• Product Quality Law of the People’s Republic of China</li> <li>• Construction Law of the People’s Republic of China</li> <li>• Anti-Unfair Competition Law of the People’s Republic of China</li> <li>• Law of the People’s Republic of China on the Protection of Consumer Rights and Interests</li> <li>• Trademark Law of the People’s Republic of China</li> <li>• Advertising Law of the People’s Republic of China</li> <li>• Food Safety Ordinance (Cap. 612 of the Laws of Hong Kong)</li> <li>• Public Health and Municipal Service Ordinance (Cap. 132 of the Laws of Hong Kong)</li> <li>• Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong)</li> <li>• Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)</li> <li>• Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong)</li> </ul>

# Environmental, Social and Governance Report

ESG subject area	Related laws and regulations which we have been in compliance with in the reporting period, including but not limited to:
Anti-corruption	<ul style="list-style-type: none"><li>• Anti-Money Laundering Law of the People’s Republic of China</li><li>• Criminal Law of the People’s Republic of China</li><li>• Anti-Unfair Competition Law of the People’s Republic of China</li><li>• Bidding Law of the People’s Republic of China</li><li>• Regulation on the Implementation of the Bidding Law of the People’s Republic of China</li><li>• Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)</li><li>• Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong)</li><li>• Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong)</li></ul>

# Environmental, Social and Governance Report

## 11. REPORT DISCLOSURE INDEX

KPIs	Description	Relevant Section in the Report
<b>A: Environmental</b>		
<b>A1: Emissions</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 non-hazardous waste	4. Our Commitment to the Environment
KPI A1.1	The types of emissions and respective emission data	4G. Energy consumption and emission data
KPI A1.2	Greenhouse gas emissions in total (tCO <sub>2</sub> e) and intensity (tCO <sub>2</sub> e/HK\$m revenue)	4G. Energy consumption and emission data
KPI A1.3	Total hazardous waste produced (tonne) and intensity (tonne/HK\$m revenue)	4G. Energy consumption and emission data
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4D. Active waste recycling to minimise disposal
KPI A1.5	Description of measures to mitigate emissions and results achieved	4D. Active waste recycling to minimise disposal
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	4F. Energy consumption and emission data
<b>A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	4. Our Commitment to the Environment
KPI A2.1	Energy consumption by type in total (kWh) and intensity (kWh/HK\$m revenue)	4G. Energy consumption and emission data
KPI A2.2	Water consumption in total (m <sup>3</sup> ) and intensity (m <sup>3</sup> /HK\$m revenue)	4G. Energy consumption and emission data
KPI A2.3	Description of energy use efficiency initiatives and results achieved	4. Our Commitment to the Environment
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	4. Our Commitment to the Environment
KPI A2.5	Total packaging material used for finished products (tonne)	4G. Energy consumption and emission data
<b>A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	4. Our Commitment to the Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	4. Our Commitment to the Environment

# Environmental, Social and Governance Report

KPIs	Description	Relevant Section in the Report
<b>A4: Climate Change</b>		
KPI 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	4F. Acts to manage climate change risks
<b>B: Social</b>		
<b>Employment and Labour Practices</b>		
<i>B1: Employment</i>		
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	7B. Labour standards and equal opportunity
KPI B1.1	Total workforce by gender, employment level and age group	7F. Employee data
KPI B1.2	Employee turnover rate by gender and age group	7G. Employee turnover rate
<i>B2: Health and Safety</i>		
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	7C. Occupational health and safety
KPI B2.1	Number and rate of work-related fatalities	7C. Occupational health and safety
KPI B2.2	Lost days due to work injury	7C. Occupational health and safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	7C. Occupational health and safety
<i>B3: Development and Training</i>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	7D. Employee development and training
KPI B3.1	The percentage of employees trained by gender and employee level	7E. Hours of training received by our staff
KPI B3.2	The average training hours completed per employee by gender and employee level	7E. Hours of training received by our staff

# Environmental, Social and Governance Report

KPIs	Description	Relevant Section in the Report
<i>B4: Labour Standards</i>		
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	7B. Labour standards and equal opportunity
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	7B. Labour standards and equal opportunity
KPI B4.2	Description of steps taken to eliminate such practices when discovered	7B. Labour standards and equal opportunity
<b>Operating Practices</b>		
<i>B5: Supply Chain Management</i>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	5A. Procurement policy
KPI B5.1	Number of suppliers by geographical region	5A. Procurement policy
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	5A. Procurement policy
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	5A. Procurement policy
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	5A. Procurement policy
<i>B6: Product Responsibility</i>		
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	5. Our Commitment to Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	5. Our Commitment to Quality
KPI B6.2	Number of products and service related complaints received and how they are dealt with	5. Our Commitment to Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	5C. Protecting intellectual property rights
KPI B6.4	Description of quality assurance process and recall procedures	5. Our Commitment to Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	5E. Data protection and privacy policies



# Environmental, Social and Governance Report

KPIs	Description	Relevant Section in the Report
<i>B7: Anti-corruption</i>		
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	6. Policy and Measures on Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	6. Policy and Measures on Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	6. Policy and Measures on Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff	6. Policy and Measures on Anti-corruption
<b>Community</b>		
<i>B8: Community Investment</i>		
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	8. Our Connection with the Local Community
KPI B8.1	Focus areas of contribution	8. Our Connection with the Local Community
KPI B8.2	Resources contributed to the focus area	8. Our Connection with the Local Community