

唐宮  
Tang Palace



2020

環境、社會及管治報告

Environmental, Social and  
Governance Report



唐宮(中國)控股有限公司

TANG PALACE (CHINA) HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1181

# Contents

<b>INTRODUCTION</b>	03	<b>4. Caring for Operation</b>	45
<b>1. ABOUT THIS REPORT</b>	04	4.1 Food Safety	47
<b>2. ABOUT TANG PALACE</b>	07	4.2 Environmental Safety and Health	48
2.1 Group Profile	08	4.3 Products and Services Standards	49
2.2 Tang Palace's Missions and Values	10	4.4 Integrity and Trust	50
2.3 Awards and Accolades	11	4.5 Rights and Interests Protection	50
2.4 Tang Palace's Sustainable Development	13	<b>5. Caring for Community</b>	51
2.5 Stakeholders Communication	15	5.1 Employment Management	52
2.6 Materiality Analysis of Various Issues	16	5.2 Training and Development	54
2.7 Pandemic Prevention and Control Topic	17	5.3 Community Contribution	59
<b>3. Caring for Environment</b>	33	<b>6. Relevant Laws and Regulations</b>	63
3.1 Relevant Data for Carbon Emission / Resources Consumption	34	<b>7. OUTLOOK</b>	65
3.2 Goals and Strategies	35	<b>8. ESG INDEX</b>	66



# INTRODUCTION

2020 was an extraordinary year, the outbreak of the novel coronavirus disease has severely impacted the global economy, environmental health, catering market, and business operations. In the face of such unprecedented challenges, we adhered to the operating philosophy of “Altruistic Operation, Relentless Efforts and Conveying Happiness” and the belief of starting from heart. On one hand, we faced the pandemic with a cautious but positive attitude, and on the other hand, we continued to work on three major aspects, namely Caring for the environment, Operating with heart and Caring for the Society, to address all kinds of difficulties and challenges with pragmatic and decisive contingency measures. We relied on our team’s immense capabilities in execution, integration and innovation to move forward and strived to realize our vision of “Establishing the Paradigm of Blessed Catering, Fostering a Centennial International Brand”.

## Walk with Kindness

In view of the severity of the pandemic, the Group donated RMB1 million of medical assistance fund to the Hubei Charity Federation, while our staff from various outlets of different districts initiated a further donation of RMB250,000 to local charities for medical aid in the pandemic, and the Group was recognized as an “Outstanding Enterprise in Fulfilling Social Responsibility”.

For the safety of our employees and customers, the Group’s outlets in Mainland China had suspended dine-in services from 26 January 2020 onwards (and resumed orderly since early March), with the majority of our employees staying in their respective districts (minimize business and personal trips) to fight against the pandemic. The Group promptly initiated three great acts of love, namely setting up medical assistance funds, the greatest volunteer/best volunteer team award and the CEO scholarship. In addition, we developed a tailor-made “Tang Palace’s Guidelines for Daily Lives in Special Period”, which combined elements of health, learning and recreation for our staff, so that they can face challenges with a positive attitude.

While dine-in services were suspended, we continued to convey happiness with delicacy by participating in community volunteer services, offering meals to medical staff, and providing safe products and services for customers and colleagues who had difficulty going outside. We were further selected as the “Guaranteed Catering Unit for Pandemic Prevention and Control” and became a safe and secure canteen for the public.

At the same time, we continued to participate in various public welfare and environmental protection projects. For example, in order to fulfill the social responsibilities of a catering operator, we made donations for the reconstruction of flood-stricken areas, donation of Tang Palace mooncakes, donation for the production of charity calendars, and participated in the recycling of printer paper, the recycling of mooncake boxes and Earth Hour, etc.

## Caring for Environment

Although global economic activities have suddenly been slowed down by the pandemic, global warming is still a topic of concern to governments and various sectors around the world. The pandemic further prompts the public to reflect on how sustainable development of the society and businesses are only possible when humans maintain a harmonious balance with the nature. In the process of promoting business development, Tang Palace is committed to maintaining its brand image built on “Quality Products, Safety Assurance, Health Cultivation, Environmental Protection”. While meeting consumers’ expectations for products and services, Tang Palace promotes energy saving and carbon reduction through various environmental protection strategies and measures, including various aspects like equipment performance, packaging design, dishes development, and event advocacy, etc., thereby encouraging employees and customers to join hands in resources conservation and caring for the Earth.

## Caring for Operation

A conscientious, law-abiding and rigorous attitude is the basic responsibility of an operator. As a member of the catering industry, Tang Palace pledges to relentless effort and convey happiness. In the face of the normalization of the pandemic, Tang Palace actively adapts to such conditions and develops various products and platforms under the new norm of catering while ensuring the safety and health of employees and customers. Tang Palace facilitates the retail and e-commerce of food products through online and offline connections to enhance user experience with constantly innovative products and services in order to satisfy consumers’ consumption preference that value convenience, food safety and health cultivation.

## Caring for Community

The catering industry is closely related to people’s livelihood. Internally, our business involves the well-being of thousands of employees and their families, while externally, it is related to the health and dining experience of customers. Through a positive corporate culture and comprehensive all-round training, Tang Palace hopes to connect “individual, family, work, society and environment”, helping our employees to gradually radiate their influence outward, so that they can first develop their strengths at work, gain a sense of satisfaction and accomplishment, and lead a happy life, and then pass on the concept of happiness and health, health cultivation and environmental protection to every customer through heartfelt services.

Tang Palace’s operation philosophy of “Altruistic Operation, Relentless Efforts and Conveying Happiness” has established a solid foundation for the Group’s business and corporate culture. We believe that the value of “Focus on People, Start from Heart” enabled the Group to advance steadily in spite of the uncontrollable factors in 2020, and to grow sustainably in the midst of a volatile market.



# ABOUT THIS REPORT

# 1. ABOUT THIS REPORT

## 1.1 Reporting Period

This environmental, social and governance report (the “**Report**”, “**ESG Report**”) cover the period from 1 January 2020 to 31 December 2020 (the “**Reporting Period**”, “**the period**”).

## 1.2 Publication Cycle

This report is issued on a yearly basis and according to relevant statutory requirements, it will be released within 3 months after the publication of annual report of the Company.

## 1.3 Reporting Scope

The statistical information in this Report primarily covers the traditional Chinese restaurant business of the Group, including the regions in Northern China (Beijing), Eastern China (Shanghai / Suzhou / Hangzhou), Southern China (Shenzhen / Dongguan) and Western China (Chengdu), which contributes the largest cash flow and income to the Group.

## 1.4 Relevant Legal Requirements

The production and operation of the Company and its subsidiaries (the “**Group**”, “**We**” or “**Tang Palace**”) are mainly located in the People’s Republic of China (the “**PRC**”, “**China**”). The Group also operates its restaurant business in Hong Kong Special Administrative Region, Taiwan and Singapore through self-operation or joint venture. Our compliance with relevant laws mentioned in this Report is applicable to the relevant legal requirements in various regions.

## 1.5 Basis and principles of Preparation

This Report is prepared in accordance with the requirements of Rule 13.91 and the reporting framework set forth in the “Environmental, Social and Governance Reporting Guide” (the “**Guide**”) under Appendix 27 of the Main Board Listing Rules of Stock Exchange, and in complying with the Guide and Corporate Governance Code. The Board of directors of the Company is accountable to the overall responsibility of Group’s Environmental, Social and Governance (the “**ESG**”) strategy and reporting, and is also responsible for setting up effective equipment and process assessment and determination of major issues and issue risks related to the Group’s ESG-related risks.

The preparation of this report is based on the following principles:

	Principle Requirements	Report Application
<b>Importance</b>	When the Board of Directors determines that the environmental, social and governance will have an important impact on investors and other stakeholders, the issuer should report.	The Board of Directors set up a management structure and process to assess and sort out a matrix of major issues which serve as the basis of major issues reported.
<b>Quantitative</b>	Key Performance Indicators related to historical data must be measurable. The issuer should set targets to reduce individual impact (actual figures, directional or forward-looking statements).	The ESG Team is responsible for systematically collecting and reporting the required data from various business and functional departments, reviewing and then submitting it to a professional consulting company for carbon emission calculation. In addition, the data will be used for internal analysis.
<b>Balance</b>	The ESG report should report the issuer’s performance impartially, avoiding choices, omissions, or reporting formats that may inappropriately affect the decision or judgment of report readers.	This Report tries to describe the Group’s performance during the period as objectively as possible, avoiding any possible misleading to the report users.
<b>Consistency</b>	The issuers should use consistent statistical and disclosure methods so that environmental, social and governance data can be compared meaningfully in the future.	The Group uses consistent report disclosure methods and statistical methods to facilitate internal analysis.

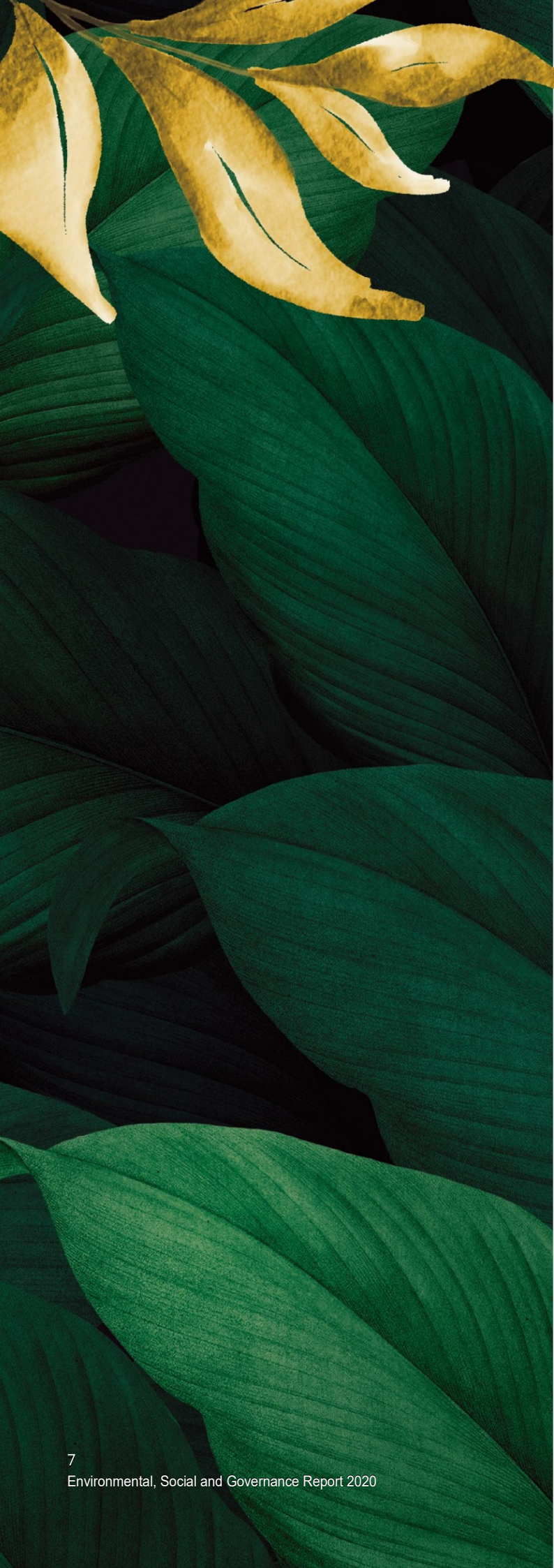
## 1.6 Sources of Data

All information in this Report are derived from the official documents and statistical report of Tang Palace (China) Holdings Limited. During the Reporting Period, the Company engaged Carbon Care Asia Limited to perform a carbon assessment to quantify the emission of greenhouse gas generated by its operations. The quantification process, adopting the operation control method to collect data, is referenced to the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Food, Tobacco, Alcohol, Beverages and Purified Tea Manufacturing Enterprises (《食品、煙草及酒、飲料和精製茶企業溫室氣體排放核算與報告指南》) and the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Other Industrial Enterprises (《工業其他行業企業溫室氣體排放核算與報告指南》) as promulgated by National Development and Reform Commission of the People's Republic of China, and also the International Standard ISO14064-1, so as to ensure the accuracy of the environmental key performance indicator information.

## 1.7 Access to the Report

The electronic version of this Report is available on the Company's website (<http://www.tanggong.cn/>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>).

This Report is published in both Chinese and English versions. In case of any inconsistency, the Chinese version shall prevail.



# ABOUT TANG PALACE

## 2. ABOUT TANG PALACE

### 2.1 Group Profile

Tang Palace (China) Holdings Limited (“Tang Palace Group” or “The Group”) is a chain food and beverage group operated in China. Since 1992, the Group adheres to the operation philosophy of “Altruistic Operation, Relentless Efforts and Conveying Happiness” to achieve the Four Major Missions of “With Glorious Tang Culture as Foundation, Modern Management as Core, Establishing Paradigm of a Blessed Catering, Fostering a Centennial International Brand” so as to provide the high-quality delicacy and excellent catering services to customers.

The Group was listed on the Main Board of the Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 2011 (stock code: 1181). The Group operates multi brands through self-operation, joint venture and franchising which aim to cater needs of different consumption markets, providing customers with a variety of high-quality Chinese cuisine, Hong Kong-style dim sum, Japanese cuisine and Malaysian cuisine. As at the end of 31 December 2020, the number of the Group's outlets had 57 self-operated and franchised outlets, and 11 outlets under joint ventures. The Group's outlets are located in Beijing, Tianjin, Chengdu, Shanghai, Suzhou, Hangzhou, Shenzhen, Dongguan, Hong Kong, Taiwan and Singapore with a food factory set up in Shanghai.


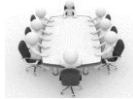








#### Brand Situation





## 2. ABOUT TANG PALACE

### Development Mileage

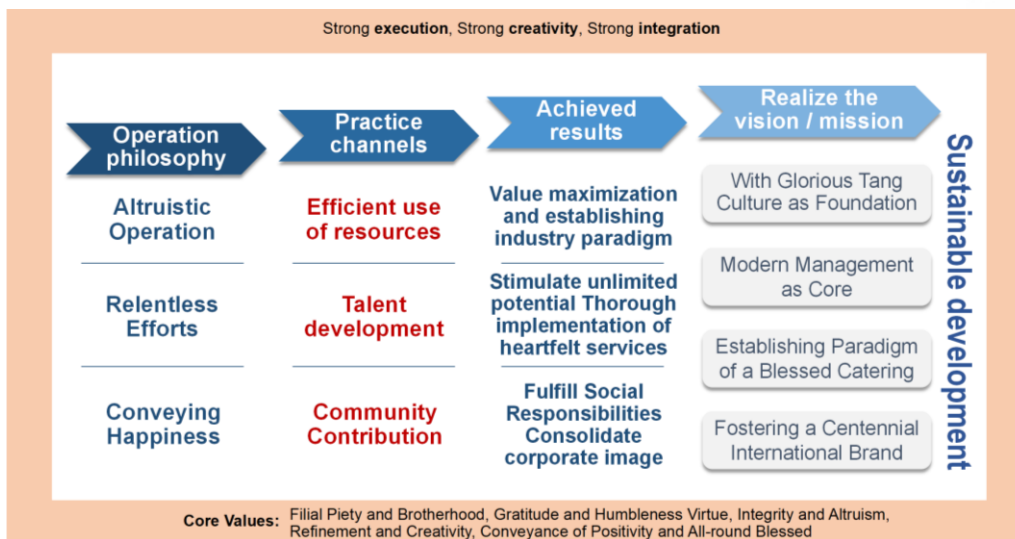
Timeline	Remarkable Event(s)	New Development Area(s)	New Brand(s)	Other Development(s)
2018 ~ 2022 (30th Anniversary)	<ul style="list-style-type: none"> <li>Introduced Social Place in Taiwan (2018)</li> <li>Expanded to Singapore (2019)</li> <li>Introduction of new board members (2020)</li> </ul>	Singapore	Mawangzi/ Kyoto Ichinoden  	<ul style="list-style-type: none"> <li>Introduction of new board members</li> </ul> 
2013 ~ 2017 (25th Anniversary)	<ul style="list-style-type: none"> <li>Introduced traditional Chinese culture (2013)</li> <li>Introduced the Malaysian brand PappaRich through joint venture (2013)</li> <li>Launched self developed causal dining brand</li> <li>first Social Place in Hong Kong (2014)</li> <li>Expanded to Chengdu (2015)</li> </ul>	Chengdu Hong Kong Taiwan	Tang Palace/ Social Place/ Canton Tea Room/ Bornga/ PappaRich  	<ul style="list-style-type: none"> <li>Brand integration</li> <li>Introduced traditional Chinese culture</li> </ul> 
2007 ~ 2012 (20th Anniversary)	<ul style="list-style-type: none"> <li>Commencement of Food factory (2008)</li> <li>Franchised operation of PepperLunch (2010)</li> <li>Listed on main board (2011)</li> </ul>	Macau# Suzhou Hangzhou Tianjin	PepperLunch/ Tang's Cuisine/ Sakuragawa#  	<ul style="list-style-type: none"> <li>Established food factory in Shanghai</li> <li>Listed on Hong Kong Stock Exchange</li> </ul> 
2002 ~ 2006 (15th Anniversary)	<ul style="list-style-type: none"> <li>Introduced 5S management (2003)</li> </ul>	Dongguan	Ninja House Japanese Restaurant#	<ul style="list-style-type: none"> <li>5S management</li> </ul> 
1997 ~ 2001 (10th Anniversary)	<ul style="list-style-type: none"> <li>Expanded to Beijing (1994), Shanghai (1998)</li> </ul>	Beijing Shanghai	Excellent Tang Palace#	
1992 ~ 1996 (5th Anniversary)	<ul style="list-style-type: none"> <li>First Tang Palace Seafood Restaurant (1992)</li> </ul>	Shenzhen	Tang Palace Seafood Restaurant/ Tang Palace Restaurant#  	

# Due to the integration of business resources and brands, the Group has ceased the relevant regions / brands operation.

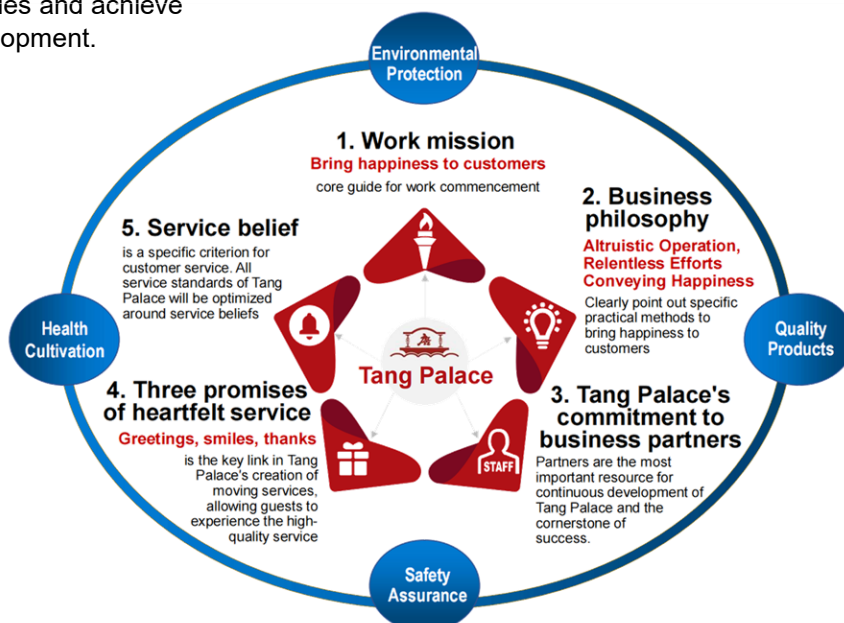
## 2.2 Tang Palace's Missions and Values

The culture of Chinese Cuisine has a long history, and every people want a blessed and happy life. The Tang Palace Group adheres to the missions of “With Glorious Tang Culture as Foundation, Modern Management as Core, Establishing Paradigm of a Blessed Catering, Fostering a Centennial International Brand”, incorporated the essence of Chinese culture in to management philosophy, which becoming the foundation of the corporate culture, combined with modern management systems to integrate blessed catering with happy life, so as to let the Group gradually achieve the vision of sustainable operation.

Under the operation philosophy of “Altruistic Operation, Relentless Efforts and Conveying Happiness”, the Group takes “bring happiness to customers” as its work mission, and is committed to creating a working environment with Gratitude and Humbleness Virtue, Integrity and Altruism, Refinement and Creativity, Conveyance of Positivity, and let the team feel happiness at work and pass this happiness to the customers. We actualize our operation philosophy in our daily work through efficient use of resources, talent development and community contribution, strive to value maximization and establishing paradigm for the industry; stimulate unlimited potential and thoroughly implement heartfelt services; fulfill social responsibilities and consolidate corporate image.



The Group integrates the above missions, values and operation philosophy with the brand image of “Quality Products, Safety Assurance, Health Cultivation and Environmental Protection” in the driving process of business development, in order to provide customers and business partners with choices of health cultivation, environmentally friendly and secured, high-quality products, and through the “Mission Card” to effectively convey the work mission of Tang Palace to employees, fulfill the promise of “bring happiness to customers” from different aspects. This is also a key element for Tang Palace to respond to various “Environmental, Social and Governance” issues and achieve sustainable development.



## 2. ABOUT TANG PALACE

### 2.3 Awards and Accolades

Tang Palace is committed to promote the development of catering industry, endeavor to improving the professional standard of the restaurant environment, product and service, and actively fulfilling the social responsibilities, which obtained the recognition from the authority, industry associations, customer and business partners on the Tang Palace's capability and brand value. Tang Palace has received various awards in 2020 and some are listed below.

#### Authoritative Recognition

Organisation #	Awards #
《Hong Kong Economic Journal》	Listed Company Awards of Excellence 2020 (Hong Kong)
China Hotel Association	2020 TOP30 Cantonese Restaurant Brand in China
Jointly awarded by Shenzhen Retail Business Association, Shenzhen Catering Chamber of Commerce and Shenzhen Hotel Association	Shenzhen Catering 40 Years Outstanding Contribution Enterprise



#### Brand Recognition

Organisation #	Awards #
Dianping	2020 DianPing Must-eat List
Bacao, Gourmet Guide	2020 Shanghai Gourmet Guide, The Best Influential Restaurant
Sichuan Provincial Department of Commerce	Ten Leading Catering Brands in Sichuan (Land of Abundance)
Sichuan Travel Agency Association and Chengdu Traffic Art Broadcasting	2019 Sichuan's Most Popular Restaurant in Sichuan
《U Magazine》	My Favorite Cantonese Restaurant

## Famous Restaurant

Organisation #	Awards #
Catering Chamber of Commerce in Gu Su District, Suzhou	Top 20 "Northern and Southern Cuisine" - Tang Palace Golden Pigeon
Jointly awarded by Shenzhen Retail Business Association, Shenzhen Catering Chamber of Commerce and Shenzhen Hotel Association	Food and Beverage Landmarks in Shenzhen
Shenzhen Cuisine Association	Safety and Pretty Cuisine Famous Store

## Social Responsibility

Organisation #	Awards #
Consumer Observation Office of Consumer Daily	Outstanding Enterprise in Fulfilling Social Responsibility
Shanghai Commercial Association	2020 Shanghai's advanced collectives in the commercial and trade service industry to combat COVID-19, secure urban life, and boost the Shanghai market
Related departments / industry associations at local districts	Guaranteed catering unit in Pandemic prevention and control
Shanghai Restaurants Cuisine Association	Commendation Unit for Shanghai Catering Industry's Anti-pandemic Resumption
Jointly awarded by Shanghai Municipal Human Resources and Social Security Bureau, Shanghai Federation of Trade Unions, Shanghai Enterprise Confederation / Shanghai Entrepreneurs Association, Shanghai Federation of Industry and Commerce	Shanghai Harmonious Labor Relations Standard Enterprise
Shanghai Restaurants Cuisine Association	Green Restaurant in Shanghai Catering, Model Green Restaurant in Shanghai Catering
Guangdong Industry Polytechnic	2020 Demonstrative off-campus base of practical teaching for college students

## Integrity Enterprise

Organisation #	Awards #
Public Online (gzzx123.cn)	Public Trusted Enterprise
China Cuisine Association	2020 Beijing Quality Catering Demonstration Store in Beijing 2020
Jointly awarded by Shanghai Office of the Spiritual Civilization Construction Office and Shanghai Restaurants Cuisine Association	Civilized Restaurant in Shanghai
CPC Political and Legislative Affairs Committee in Changning District Shanghai	2019 Secured Unit in Changning District, Shanghai

# Organisation and award name in English is for identification only

## 2. ABOUT TANG PALACE

### 2.4 Tang Palace's Sustainable Development

In order to achieve the mission of “With Glorious Tang Culture as Foundation, Modern Management as Core, Establishing Paradigm of a Blessed Catering, Fostering a Centennial International Brand”, and realize **the vision of sustainable operation**, a good and pragmatic corporate culture and an ever-evolving management mechanism are indispensable. As early as 2003, the Group has introduced the concept of 5S to business management, with continuous upgrading under the guidance of an independent management consulting agency (ERS Institute), formulated an ERS management mechanism:

#### ERS Management System

Core category	Target	Management tools/content		Methodologies	
Value-added resources  Health and Safety	Sustainable Improvement Simple and environmentally friendly	ERS 5S principle	<b>Sort (1S)</b> Observe, classify and compress unnecessary resources to reduce the burden  <b>Storing (2S)</b> Control the rules of storage according to operational objectives  <b>Sanitation (3S)</b> Ensure the sanitation and maintenance system of the environment  <b>Standardize (4S)</b> Standardization of value-added resources and safety and health  <b>Self-discipline (5S)</b> Summarize the wisdom of the previous 4S and maintain the culture of internal and external repairs	<ul style="list-style-type: none"> <li>• Organizing</li> <li>• Training</li> <li>• Monitoring</li> <li>• Reporting</li> <li>• Statistics</li> <li>• Contingent Planning</li> <li>• Internal and External Audit</li> </ul>	
			Environmental resources and Business income ratio	<b>Business income</b> > <b>Product structure</b> > <b>Staffing</b> > <b>Item arrangement</b> > <b>Environment layout</b>	<ul style="list-style-type: none"> <li>• Competing</li> <li>• Exchange Visit</li> <li>• Dissemination</li> </ul>
			Safety and risk analysis	<b>Hazard Analysis Critical Control Point</b> (Food safety, occupational safety and health, fire safety)	<ul style="list-style-type: none"> <li>• Health and Safety Plan</li> </ul>








### Governance structure

For a more effectively management and compliance to the latest requirements of the ESG reports Guides under the Listing Rules from time to time, the Group continues to review the current management structure and established the Sustainability Committee in early 2021. The relevant committees are authorized by the Board of Directors to overall supervise the preparation of the Group's ESG report and related management work.

Management organization	Member	Main function
<b>Board of Directors</b>	Executive director: 6 members  Independent non-executive director: 3 members	<ul style="list-style-type: none"> <li>Set up a management structure for effective supervision</li> <li>Formulate ESG strategy</li> <li>Take responsibility for the content of the ESG report</li> </ul>
<b>Sustainability Committee</b>	3 members (Chairman of the Board, Chief Executive Officer and Chief Financial Officer)	<ul style="list-style-type: none"> <li>Formulate and review policy and management framework</li> <li>Establish key performance indicators and monitor effectiveness</li> <li>Review the importance of ESG issues</li> <li>Supervise the group's social responsibility and sustainable development work</li> <li>Approval of ESG report and report to the Board of Directors</li> </ul>
<b>ESG Team</b>	Representatives of Compliance and Internal Audit department, Investor Relations department and Administration department	<ul style="list-style-type: none"> <li>Monitor the implementation of the group's social responsibility and sustainable development work</li> <li>Collect relevant data, review and conduct systematic records and analysis</li> <li>Preparation of ESG report</li> </ul>
<b>5S Management Committee</b>	Representatives of Compliance internal audit department and regional operation	<ul style="list-style-type: none"> <li>Formulate specific operational management standards and systems in accordance with the group's ESG policy and management framework</li> <li>Regular on-site inspections of the implementation status</li> </ul>
<b>Regional Operation Management department</b>	Heads of Regional Operations department, Production department and Engineering department	<ul style="list-style-type: none"> <li>Collect on-site operation data</li> <li>Driving the implementation of specific ESG initiatives</li> </ul>
<b>Functional Management department</b>	Procurement department, Human Resources department, Finance department and I.T. department	<ul style="list-style-type: none"> <li>Feedback the actual situation</li> </ul>

## 2. ABOUT TANG PALACE

### 2.5 Stakeholders Communication

Each Stakeholders	Expectations and concerns	Communication Channels			Tang Palace's response	
		Meeting / instant two-way communication	Information announcement / submission	Other communication platforms/ mechanisms		Other information acquisition/ participation
 <p><b>Government and regulatory authorities</b></p>	<ul style="list-style-type: none"> <li>Compliant operation (food safety / environmental protection)</li> <li>Effective internal control and risk management</li> </ul>	Site inspection	Information submission		Seminars / research publication	<ul style="list-style-type: none"> <li>✓ Enhancing compliance operation</li> <li>✓ Know the latest requirements</li> <li>✓ Active follow-up response</li> </ul>
 <p><b>Investors</b></p>	<ul style="list-style-type: none"> <li>Stable performance and dividends distribution</li> <li>Continuous growth</li> <li>Integrity and transparent operation</li> </ul>	Meeting after result announcement / Shareholders' general meeting	Regular disclosure information	Official website / email		<ul style="list-style-type: none"> <li>✓ Providing stable and sustainable returns</li> <li>✓ Promoting transparent and open information disclosure</li> <li>✓ Multiple and timely communication channels</li> <li>✓ Improving risk management</li> </ul>
 <p><b>Consumers</b></p>	<ul style="list-style-type: none"> <li>Food safety</li> <li>Quality services / Environment, High value-for-money</li> <li>Consumer rights protection</li> <li>Diversified and healthy products</li> </ul>	Customer service hotline / Outlet service and communication	Online platform	Official email / Online platform		<ul style="list-style-type: none"> <li>✓ Implementing strict control over food procurement</li> <li>✓ Protecting consumer rights</li> <li>✓ Comfortable dining environment</li> <li>✓ Providing heartfelt services</li> </ul>
 <p><b>Natural environment</b></p>	<ul style="list-style-type: none"> <li>Energy conservation and emission reduction</li> <li>Reduce garbage and wastage</li> <li>Saving of consumption of resources / energy</li> <li>Waste sorting</li> </ul>		Environmental information disclosure		Advocacy by relevant organisations / Update of relevant regulations	<ul style="list-style-type: none"> <li>✓ Managing waste effectively</li> <li>✓ Advocating and promoting environmental protection internally and externally</li> <li>✓ Promote environmentally friendly, energy-saving and cool kitchens</li> </ul>
 <p><b>Staff</b></p>	<ul style="list-style-type: none"> <li>Protection the safety / legal rights and interests of employees</li> <li>Competitive compensation and benefits</li> <li>Equal Employment</li> <li>Opportunities for growth and learning</li> </ul>	Training / Regular meeting	Official email	Company internal WeChat / Labor Contract / "Peixunbao" mobile learning app		<ul style="list-style-type: none"> <li>✓ Providing diversified training</li> <li>✓ Promoting the work-life balance of employees</li> <li>✓ Establishing a good development platform</li> </ul>
 <p><b>Suppliers / partners</b></p>	<ul style="list-style-type: none"> <li>Equitable procurement, Faithful performance of contracts</li> <li>Assurance of food quality and safety</li> <li>Support local procurement</li> </ul>	Site inspection		Supplier evaluation / Contracts and agreements		<ul style="list-style-type: none"> <li>✓ Enhancing procurement management</li> <li>✓ Compliance with the contract / agreement</li> <li>✓ Pay attention to the food ingredients source and quality</li> </ul>
 <p><b>Community</b></p>	<ul style="list-style-type: none"> <li>Safe and compliant operation</li> <li>Community welfare / harmony</li> </ul>				Community activities / services	<ul style="list-style-type: none"> <li>✓ Focusing on community contribution</li> <li>✓ Promoting a culture of caring</li> <li>✓ Organizing volunteer team</li> </ul>

## 2.6 Materiality Analysis of Various Issues

During the Reporting Period, the Group collected opinions from internal and external stakeholders through interviews and existing communication channels, and through the communication and collaboration of the Company's board of directors, executives and ESG Team, to assess and judge on the importance of related issues, so as to summarized and sorted out the ESG issues, and disclosed in the following matrix according to the importance ranking.

Similar to the previous report, food and environmental safety, quality service and dining environment, diversified and healthy products with good quality, occupational safety and health, probity and honest business are still the main major ESG issues and are the key issues disclosed in this Report.



**L Labour Responsibility**

- 20. Equal employment / anti-discrimination
- 21. Employee occupational health / environmental safety
- 22. Employee rights protection
- 23. Staff training / promotion

**S Social Responsibility**

- 24. Promotion of industry development
- 25. Participation in public welfare and charity / community care
- 26. Employee Caring

**O Operational Responsibility**

- 9. Food safety and quality management
- 10. Environmental Safety (Fire Fighting and Operation)
- 11. Supplier source location
- 12. Supplier qualification / service evaluation
- 13. Excellent service / dining environment
- 14. Business practices with integrity and honesty
- 15. Respect and protect intellectual property
- 16. Protect customer information and privacy
- 17. Follow up on customer opinions
- 18. Anti-bribery and anti-corruption management
- 19. Response to COVID-19

**E Environment Responsibility**

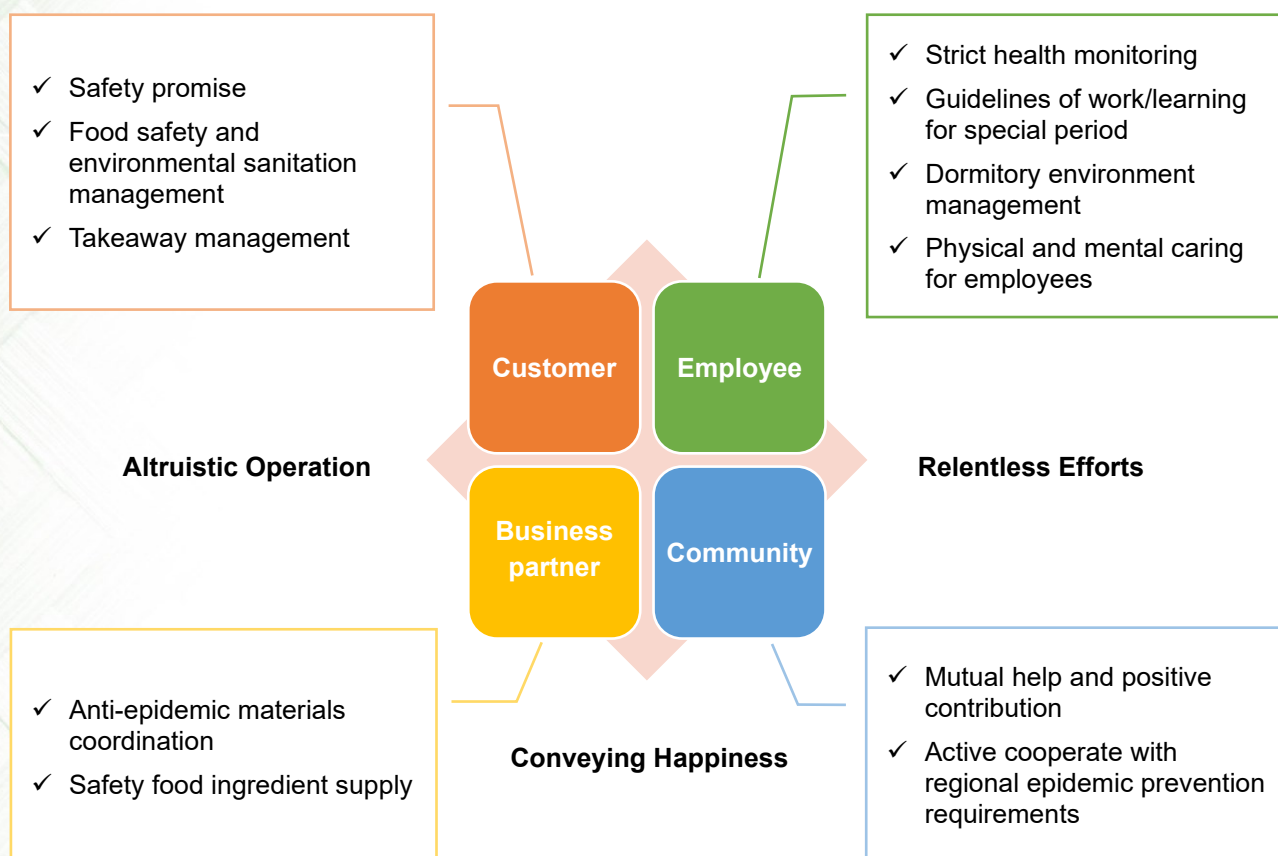
- 1. Energy saving and water management
- 2. Sewage treatment
- 3. Air pollution and greenhouse gas emission management
- 4. Solid waste treatment
- 5. Environmental friendly product / takeaway packaging design
- 6. Measures to reduce food waste
- 7. Company's participation in environmental protection activities
- 8. Supplier environmental assessment



## 2. ABOUT TANG PALACE

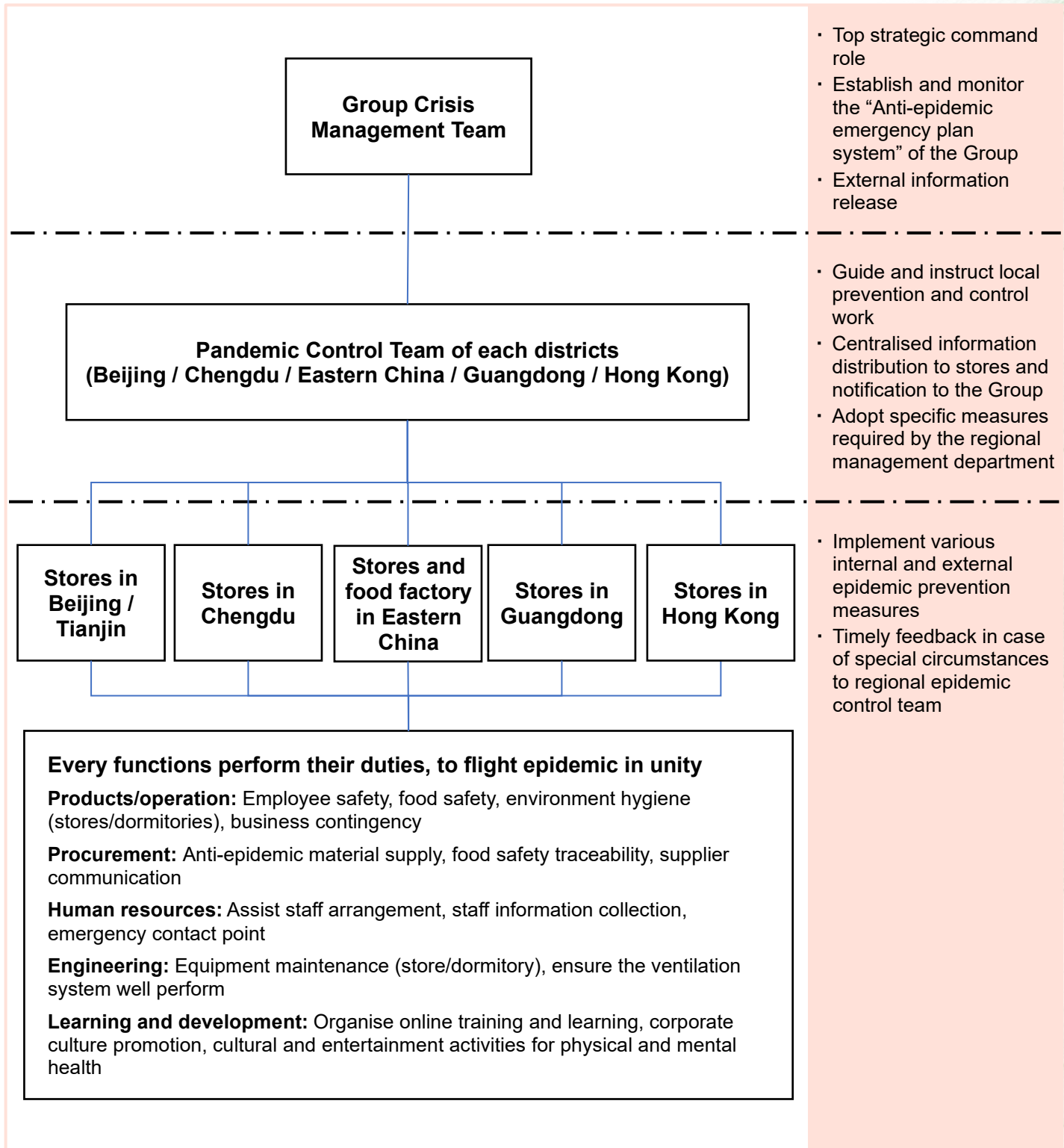
### 2.7 Pandemic Prevention and Control Topic – Fight the Pandemic with All Round Protection and Solidarity

The sudden emergence of the novel coronavirus pneumonia has challenged our capabilities in business innovation, contingency planning and crisis management. The Group insists on the primary operation philosophy of “Altruistic Operation, Relentless Efforts and Conveying Happiness”. With a focus on the four major parties of customers, employees, business partners and the community, and regarding the safety and health of customers and employees as the utmost priority, we have formulated a series of pandemic prevention and control measures and contingency plans. We work side by side with our long established business partners to overcome the hardship. We participate in various social welfare activities wherever possible to support frontline healthcare workers, fulfilling our social responsibility and commitment as a catering corporation.



### Crisis management structure

Since the emergence of the COVID-19 in January 2020, the group has immediately activated a crisis management system consisting of “group-region-store” linkage:



## 2. ABOUT TANG PALACE

### Rules and procedures

The Group's crisis management team reviews various handbooks and guidelines to be issued to effectively respond to the current pandemic situation and exert all efforts to protect the safety of the staff and employees. Such documents include Pandemic Prevention and Contingency Handbook (防疫危機應急手冊), Safety Training on Pandemic Prevention Handbook (防疫安全培訓手冊), Introduction Handbook on the Prevention and Control of the Novel Coronavirus Pneumonia (新型冠狀病毒肺炎防控知識手冊), Reminder on the Prevention and Control of the Novel Coronavirus Pandemic (新冠疫情防控提示), Prevention and Control Requirements for Suppliers During the Pandemic (供應商在疫情期間的防控要求), Tang Palace's Safe Catering Guarantee (唐宮無憂餐飲保障), Cleaning and Disinfection Guideline Handbook (清潔消毒指引手冊), Notice on Crucial and Fundamental Pandemic Prevention for Individual Employees (員工個人關鍵基本防疫須知), etc..



Safety Training on Pandemic Prevention Handbook



Cleaning and Disinfection Guideline Handbook



Introduction Handbook on the Prevention and Control of the Novel Coronavirus Pneumonia

Prevention and Control Requirements for Suppliers During the Pandemic



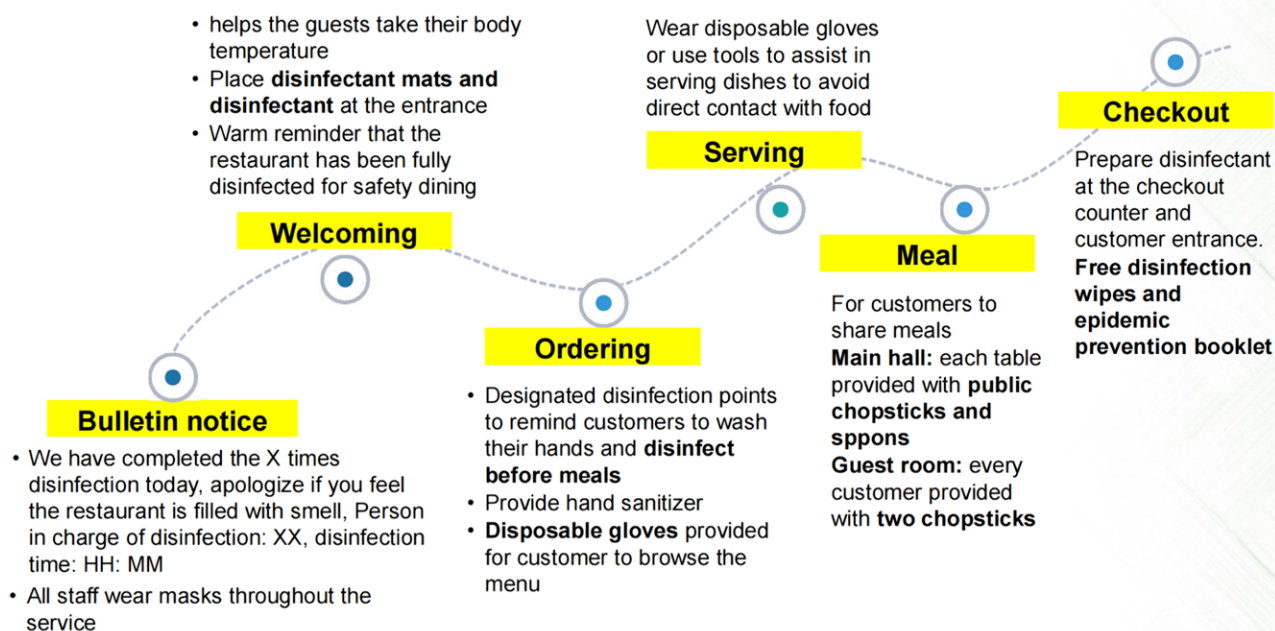
## Customer - Safety promise

The Group proactively played its role in the national virus prevention and control efforts. With a view to protecting the health and safety of customers and employees, outlets in Mainland China had temporarily suspended dine-in services since 26 January 2020. During this period, while ensuring food safety and the safety of employees, the Group continued to provide customers with takeaway services and Tang Palace instant dishes, etc., to offer safe and delicious food to customers who could not dine outside. Thereafter, we were selected as the “Guaranteed Catering Unit for Pandemic Prevention and Control”, providing safe and guaranteed group dining for corporations which had resumed operation. We satisfied their requirements of effectively avoiding traveling outside and clustering during meal times, thereby becoming a safe and secure canteen for the society and public.



In response to the pandemic, we have strengthen our management on various levels and give comprehensive concern to outlet hygiene and safety in aspects of products, services and environment. We strictly complied with the rules and specifications to create a visibly safe and comfortable dining environment which offers secured and safe dining experiences.

Clear operating guidelines for each aspect and location, strengthen standardization, implementation and follow up:



## 2. ABOUT TANG PALACE



### Customer - Food safety and environmental sanitation management

All tableware undergo twice high temperature detoxification

All staff wear masks and gloves

Food thoroughly and carefully cooked

Strengthen environmental disinfection, increase frequency

Covered dishes delivery with isolated protection

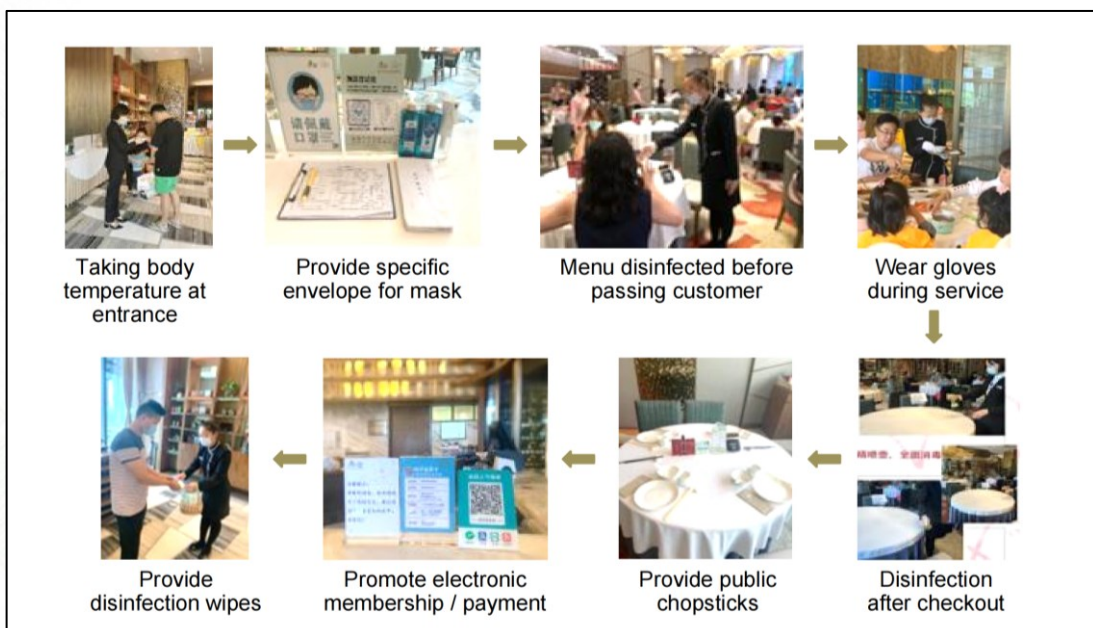
Traceable food ingredient with testing report

Daily strict monitoring to ensure healthy staff on duty

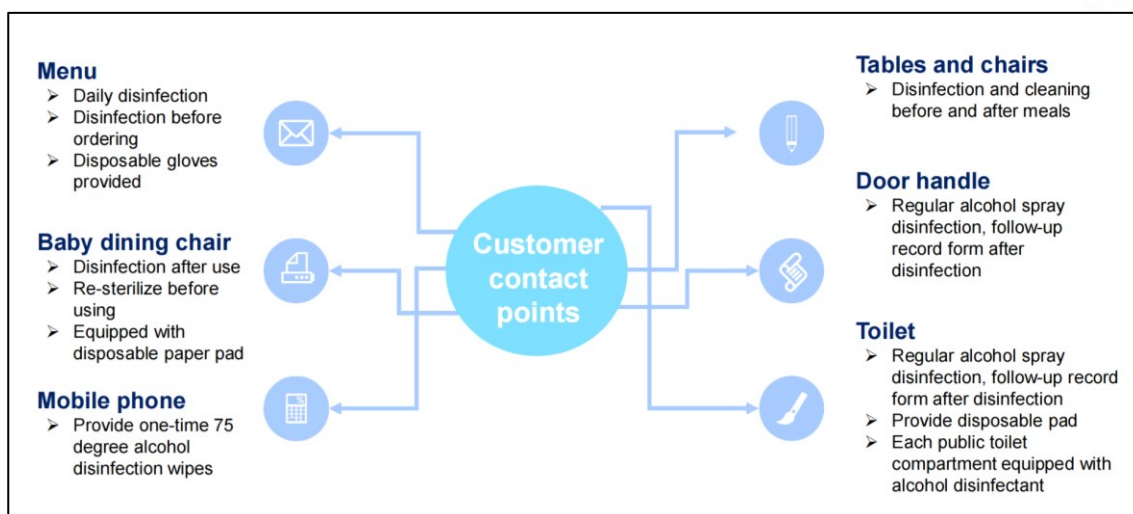
Contactless delivery for safe takeaway

**Tang Palace Operation Compliance for YOUR Health Assurance**

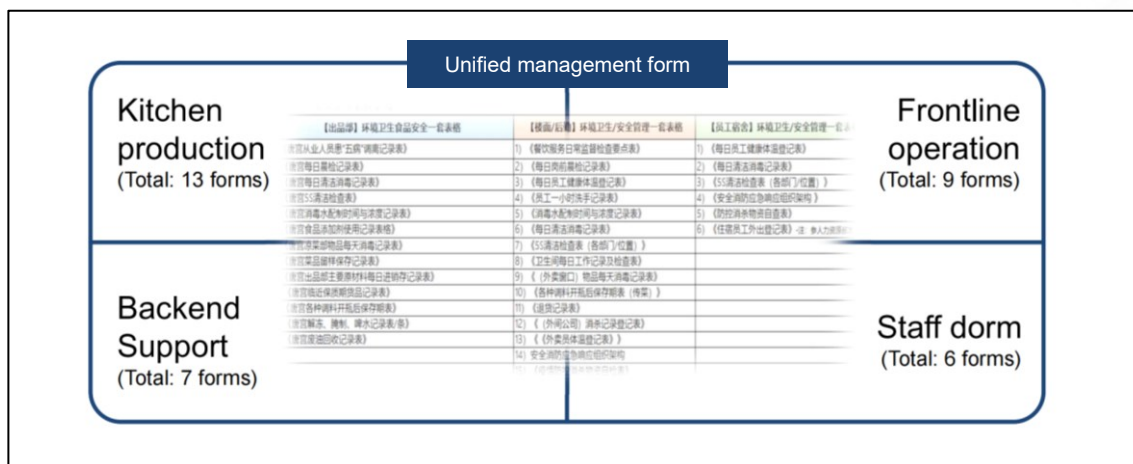
**Diagram:** store environmental safety management in every step of services



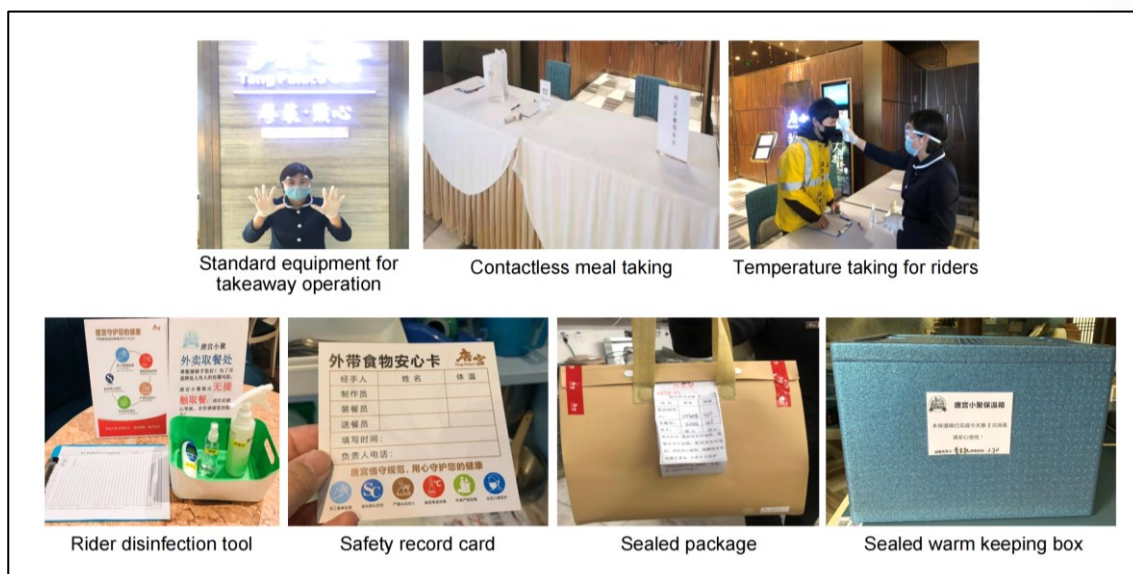
## Environmental sanitation management



**Management standardization:** Standardized forms and templates (application-inspection-supervision), to enhance safety management.



## Takeaway management: Safety and secured



## 2. ABOUT TANG PALACE



### Employee - Strict health monitoring

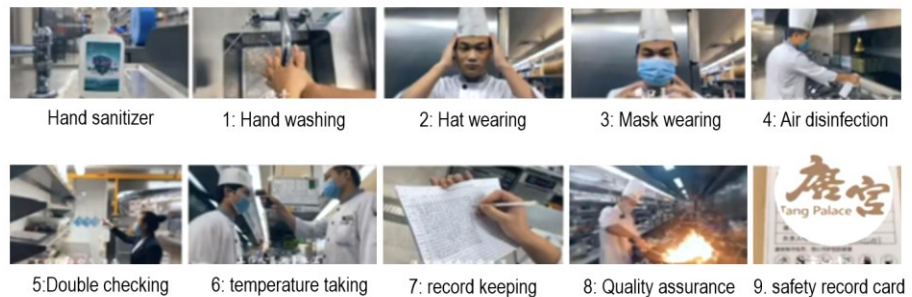
**Tools set equipped** (masks, disinfection, thermometer, inspection forms, etc.), all employees conduct daily health inspections, take body temperature twice per day, strictly monitor and record health situation of employee.



**Professional image:** The clothes are clean and tidy, masks and gloves are worn correctly, enhance employee image and strengthen the safety impression.



**Posting illustration on hygiene and protection steps** for better understanding and implementation.





## Employee - Guidelines of work / learning for special period

香港唐宮飲食集團  
HONG KONG TANG PALACE FOOD & BEVERAGE GROUP

唐宮特殊時期“持續加強員工宿舍管理及學習”

為積極配合新型冠狀病毒防疫，保障員工和顧客的健康和安全。唐宮中國內地全線分店暫定營業（上海浦東機場店除外），營業時間根據疫情變化和國家規定另行通知。

**疫情之下，我們首先要關心唐宮人的身心健康。持續加強對員工宿舍管理及學習。具體安排如下：**

<b>一、員工宿舍的安全管理</b>	
人員範圍	居住在宿舍所有員工，居住在家里的所有員工
安全管理	1. 消毒：每天1-2次 2. 体温：每天2次，早晚測量（有溫度過高過低，及時汇报） 3. 口罩：外出與他人需帶口罩；在進行宿舍集體活動需帶口罩 4. 定期安全知識學習—線上平台培訓室 5. 安全配發工具：消毒水、口罩、體溫計
負責人員	門店管理團隊：店長、副經理、總宿管、小宿舍長
<b>二、員工基本的生活保障</b>	
人員範圍	所有員工
生活保障	1. 水電保障：水電費正常繳納，不斷水停電，保證水電正常供應 2. 用餐保障：匹配正常餐食，如水果、醬料等 3. 員工宿舍設備保障：如洗衣機、Wi-Fi等 4. 生活必需品保障：定期採購，人員出入記錄，安排人員協助等
負責人員	門店管理團隊：店長、副經理、正副宿舍長

Staff dormitory safety management

Basic guaranteed daily supplies

香港唐宮飲食集團  
HONG KONG TANG PALACE FOOD & BEVERAGE GROUP

唐宮特殊時期“持續加強員工宿舍管理及學習”

**三、員工宿舍的慰問關懷**

人員範圍	居住在宿舍所有員工，居住在家里的所有員工
慰問關懷	1. 實地關懷：管理層走進宿舍了解員工情況，每星期至少1次 2. 電話/視頻關懷：在家的員工，定期微信電話形式關心
負責人員	門店管理團隊：樓面部管理層、出品部管理層

**四、作息時間的調整**

人員範圍	居住在宿舍所有員工
作息時間	1. 依據“唐宮特殊時期生活規範指引”為基礎 2. 可根據地區和門店特殊性調整作息時間
負責人員	門店管理團隊：店長、帶教團隊、出品部管理層、宿舍長

**五、宿舍學習娛樂活動**

人員範圍	居住在宿舍所有員工，居住在家里的所有員工
學習娛樂	1. 線上課堂：公司培訓室平台、以蘭春風行動真傳 2. 觀影學習：勵志電影學習（如：舌尖上中國、壽司之神等） 3. 個人學習：每位同事可以有個人學習計劃（如業務知識培訓、考證等） 4. 在家居住學習重點：“父母孝學”“子女孝學”“生活陪伴”：分享心得/照片/小視頻/案例 5. 娛樂活動：唱歌、跳舞、瑜珈、健身、手遊、下棋、折紙等活動，勞逸結合
負責人員	門店管理團隊：店長、帶教團隊、出品部管理層、宿舍長

我們堅信：  
唐宮人不斷精進，獲得幸福人生的心沒有變  
在疫情一下，我們一起保護好自己，保护好伙伴，共同迎接春暖花開！

香港唐宮飲食集團  
2020年02月17日

Caring for staff in dormitory

Time management

Learning and recreation activities

Notice: Tang Palace special period “Continuous enhancement for staff dormitory management and learning”

**《員工上下班注意事項》(節選部分內容)**

**1、上班途中如何做**  
正確佩戴一次性醫用口罩。儘量不乘坐公共交通工具，建議步行、騎行或乘坐私家車、班車上班。如必須乘坐公共交通工具時，務必全程佩戴口罩。途中儘量避免用手觸摸車上物品。

**2、入樓工作如何做**  
進入公司樓前自覺接受體溫檢測，體溫正常可入樓工作，到衛生間洗手。若體溫超過 37.2℃，請勿入樓工作，並回家觀察休息，必要時到醫院就診。

**3、入室辦公如何做**  
保持辦公區環境清潔，建議每日通風3次，每次20-30分鐘，通風時注意保暖。人與人之間保持1米以上距離，多人辦公時佩戴口罩。保持勤洗手、多飲水，堅持在進食前、如廁後按照六步法嚴格洗手。接待外來人員雙方佩戴口罩。

**4、參加會議如何做**  
建議佩戴口罩，進入會議室前洗手消毒。開會人員間隔1米以上。減少集中開會，控制會議時間，會議時間過長時，開窗通風1次。會議結束後場地、家具須進行消毒。茶具用品建議開水浸泡消毒。

**5、食堂進餐如何做**  
採用分餐進食，避免人員密集。餐椅每日消毒1次，餐桌椅使用後進行消毒，餐具用品須高溫消毒，操作間保持清潔乾燥，嚴禁生食和熟食用品混用，避免肉類生食。建議營養配餐，清淡適口。

**6、下班路上如何做**  
洗手後佩戴一次性醫用口罩外出，回到家中摘掉口罩後首先洗手消毒。手機和鑰匙使用消毒濕巾或75%酒精擦拭。居室保持通風和衛生清潔，避免多人聚會。

**7、公務採購如何做**  
須佩戴口罩出行，避開密集人群，與人接觸保持1米以上距離，避免在公共場所長時間停留。

**【上班期間】員工個人關鍵基本防疫**

- 回到辦公室後、下班前用以上消毒洗手液洗手；  
進食前、如廁後及進行其他有機會的工作後也應立刻洗手（請參考專業洗手7步驟）
- 每人上班前必須測體溫
- 如有以下情況應及時就醫、回家觀察：  
并由部門主管/當班人專人進行記錄，關注情況：  
甲、體溫(>=)攝氏37.2度  
乙、持續出現呼吸困難
- 必須配帶適合口罩（請留意正確配帶口罩及棄置方法）
- 用餐時儘量少說話，用餐地方避免面對面或太擁擠
- 如廁後，必須立刻離開上廁板沖廁

[以上為最基本的個人防疫措施，請不時留意地區管理部門發出的參考信息指引]

**個案呈報**

- 每天呈報個人健康情況(透過微信傳報)，如體溫過高、出現呼吸困難等，再由IT及人事部進行跟進及地區分發，供區總每天掌握情況
- 地區如發現疑似感染武漢肺炎，區總需立刻通報集團總裁及副總裁，如有確診情況，需額外通知香港辦公室

**公司內部詳細參考文件**

- 唐宮無菌餐食保障(工作細則) - 2020年1月14日
- 唐宮集團應急管理-疫情防範手冊 - 2020年1月30日

Notice: Matters to be cautious during employee commuting



## 2. ABOUT TANG PALACE



### Employee - Dormitory environment management

#### 1. "Five key points" of environment management for staff dormitory

- 1) Strengthen management and publicity (posting in the dormitory notice board, training treasure learning, WeChat learning)  
(Designated bulletin area in dormitory for: "correct hands washing steps" "Personal protective guide" "correct mask wearing" "the Group norms for learning and living guidelines")
  - 2) Provide protection products (masks, temperature detection facilities)  
(One-stop protective materials supplies in dormitory: hand soap / masks / thermometer, with hand soap timely refilled)
  - 3) The bedding of the staff dormitory should be cleaned regularly, and the dormitory should be cleaned frequently  
(Clear dormitory roaster, weekly schedule for bedding washing)
  - 4) Use disinfectant water for ground disinfection and space spray disinfection every day (disinfect 3 times a day, at 10:00 am, 4:00 pm, and 9:00 pm and to record the disinfection and upload photos to the store pandemic team)  
(Store arrange each dormitory's disinfection record form, daily record with photo taking posted to the chat group for checking)
  - 5) Keeping good ventilation  
(Whenever practicable, the person on duty will open the window three times a day (morning, afternoon and night), each time not less than half an hour to ensure good ventilation dormitory in charge will perform checking)
2. Employees maintain good personal hygiene habits, wash hands frequently, clean personal towels, and keep ventilated.
  3. Pay attention to a balanced diet, exercise regularly, get enough rest, be physically and mentally happy, avoid smoking, and enhance the body's resistance.
  4. Avoid going to poorly ventilated and densely populated public places, and reduce gatherings.
  5. Well prepared for various materials and accessories to reduce unnecessary going out





## Employee - Physical and mental caring for employees, striving for self-improvement in the tough time

Under the backdrop of the pandemic, closing down of businesses and quarantine at home/in dormitories, various unpredictable factors beyond our control have induced immense pressures and challenges on people's bodies and mind, work, family and daily life.

In view of this, the Group initiated **three great acts of love**, including establishing medical assistance funds for supporting our staff's families in need; setting up the greatest volunteer and best volunteer team award, encouraging employees to participate in voluntary services during the pandemic; and establishing CEO scholarship, motivating employees for self-initiated learning and equipping additional knowledge and skills.



Furthermore, the Group developed a tailor-made **“Tang Palace’s Guidelines for Daily Lives in Special Period”** for employees, and implemented and promoted safety management in dormitories, so as to maintain employees’ well-being as well as a clean and sanitary dorm environment. It also ensured normal use and provision of necessary daily supplies and prepared delicious and nutritious care meals, and organized study groups and other types of events and competitions, enabling employees to get through and make efficient use of the leisure times during this special period.

“Tang Palace’s Guidelines for Daily Lives in Special Period” combines elements of health and fitness, learning and growth, and leisure and recreation, which facilitates employees to keep a healthy and disciplined dorm life and to pursue continuous learning in an active and optimistic environment, garnering stronger energy for the next step ahead.



## 2. ABOUT TANG PALACE



### The “My Dorm, My Action Cleaning Competition”

incorporates the 5S management philosophy of Tang Palace, which encourages and facilitates employees to enhance cleanliness, safety and order in their dormitories during the pandemic, by making good use of their creativity and space, with a view to making the dormitories a more cozy and pleasant place.



### The “Tang Palace Star Talent Competition”

provides a stage for employees to showcase their talents, and enables them to enrich their leisure times, achieve self-actualization, become a good team player and pass on positive corporate culture, thereby leading a rich life where they find pleasures and joy in their work.



### The “Tang Palace Spokesperson”

invites employees to be a promotion ambassador of Tang Palace and to become the best spokesperson with utmost confidence, beauty and understanding of Tang Palace products.



Learning and enhancement

## Cultivate spiritual qualities Broaden the horizon



### Online Course by Renowned Han Yuan Teacher

To share pandemic prevention knowledge, trend analysis and responding strategies, etc.



### Act to Success Philosophy

To learn differentiated strategies and the philosophy of "cultivating personality is the key to success".



### Journey of Inamori's Philosophy

To learn the management philosophy that combines the culture of ancient Chinese philosophy and modern corporate operation practices.



### Understanding Happiness Through Tao Te Ching

To reflect on life lessons brought by the pandemic through Tao Te Ching.

### Online Classroom

During the pandemic, through the "Online Classroom", the Group organized a series of online courses with different themes, where employees can maintain their passion for learning in an atmosphere that encourages fulfilment through sharing, and continue to improve themselves in aspects of operating philosophy, theoretical knowledge, professional technique, mental strength and quality, as well as understanding of the macro-environment, working towards to the goal of building an outstanding catering team.

- Online Course by Renowned Han Yuan Teacher: To share pandemic prevention knowledge, trend analysis and responding strategies, etc.
- Journey of Inamori's Philosophy: To learn the management philosophy that combines the culture of ancient Chinese philosophy and modern corporate operation practices.
- Act to Success Philosophy: To learn differentiated strategies and the philosophy of "cultivating personality is the key to success".
- Understanding Happiness Through Tao Te Ching: To reflect on life lessons brought by the pandemic through Tao Te Ching.



## 2. ABOUT TANG PALACE



### Suppliers - Safety food ingredient supply



#### No wild animals (gamey) / live poultry

- Strictly forbidden to implement national official documents not to buy or sell, not to cook, and not to consume non-poultry wild animals

#### Supply chain integration

- Form a close and seamless cooperation process with suppliers to reduce intermediate steps

#### Verification of the source of ingredients

- Legitimate supplier with complete certificates
- The source of food is safe, healthy, and environmentally friendly
- Keep records of goods receipts, proper filing of sourcing document / certificates for each batch of goods receipts

#### Standard on goods receipt checking

- Strictly implement the company's receiving standards, three parties confirmation (safety verification for supplier delivery personnel, disinfection, temperature measurement, and record keeping)



### Suppliers - Anti-pandemic materials coordination

#### Ensure stable supplies of anti-pandemic materials

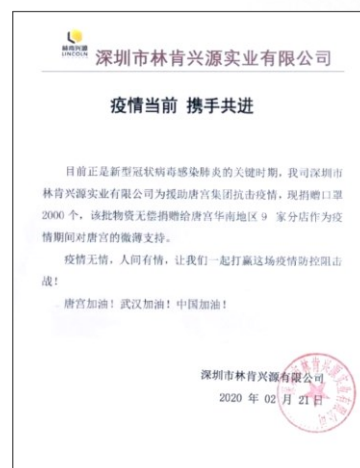
Designated supplies and coordination for each district





## Community - Mutual help and positive contribution

Through the years, the Group has established strong and amicable cooperation relationships with our business partners. During the pandemic, the Group **received enormous support from suppliers** in the form of donation letters, unconditional donations of masks, disinfectant, rice and fresh food ingredients and joining hands with us to overcome this time of hardship.



## Charitable Contributions

We are committed to the philosophy of “giving back to society”. As every sector in society was supporting the pandemic prevention and relief efforts, the Group fulfilled our corporate social responsibility by donating RMB 1 million to the Hubei Charity Federation for medical support, while our regional staff also contributed to the society with donations, raising an aggregate of RMB 250,000 million to support local charities.



## 2. ABOUT TANG PALACE

### Self-driven Support by Tang Palace's Volunteer Team

About a thousand staff members of the Group actively volunteered in serving colleagues, customers and society in different posts each day during the suspension of business amid the pandemic, to spread positive energy and bring warmth and confidence to the team and the general public with selfless dedication.

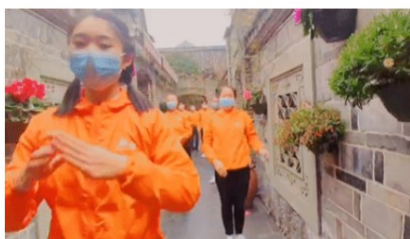
**Serving as pandemic prevention volunteers** to help residents measure body temperature and registration in the community.



Sending love and expressing blessing and hope with **sign language songs**.



不放弃



明天会更好



愛



愛與關懷



和你一樣



厚德載物

### Tang Palace Care Meals

The Group offered frontline healthcare workers and frontline pandemic prevention fighters in the community secure, safe, tasty and healthy Tang Palace care meals to express our compassion and care and pay tribute to their selfless dedication.



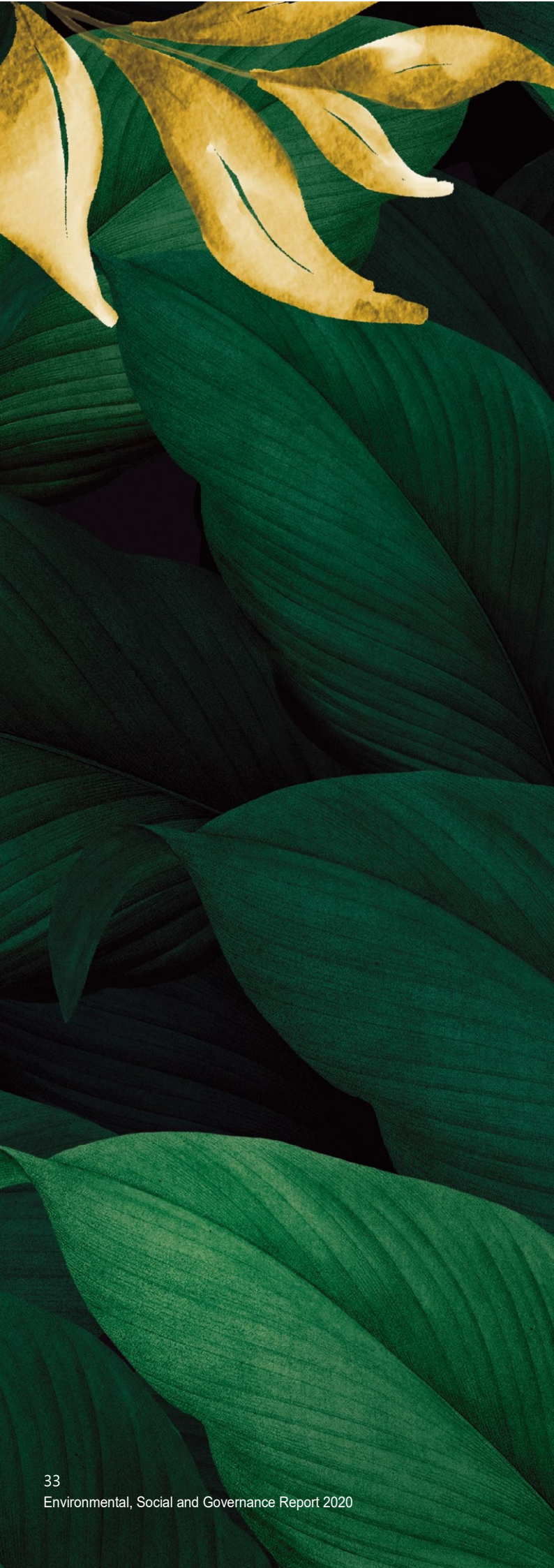
### Outstanding Enterprise in fulfilling Social Responsibility

The Consumer Observation Office of the Consumer Daily News launch a special report on “2020 China Corporate Social Responsibility” in April 2020, with the theme of “Fulfilling Social Responsibility and Demonstrating National Accountability”, combining market research and consumer feedback, focusing on the outstanding companies and individuals that actively fulfilled their social responsibilities, safeguarded the interests of consumers, and made outstanding contributions to fight pandemic during the period.

Tang Palace was awarded the “Outstanding Enterprise in fulfilling Social Responsibility” and was published in the “2020 China Corporate Social Responsibility” event exhibition of the “Consumer Daily” on 14 April 2020.







## **Caring for Environment**

## 3. Caring for Environment

### 3.1 Relevant Data for Carbon Emission / Resources Consumption

Greenhouse gas emissions	Sources of Emission	Unit	Emission Amount
<b>Carbon Dioxide Equivalent</b>	Direct Emission - Fossil fuel consumption by equipment and vehicles owned or controlled by the Group, and the Exhaust emissions of refrigerants (mainly used in refrigerators)	Tonnes	8,155
	Indirect Emission from Energy-Purchased electricity and heating powers	Tonnes	11,706
	Other indirect emission- Commercial flights	Tonnes	155

Total Emission: 20,016 Tonnes Carbon Dioxide Equivalent

Intensity: 0.02 Tonnes or (21KG) Carbon Dioxide Equivalent / RMB1,000 revenue

Exhaust gases	Sources of Emission	Unit	Emission Amount
<b>Oxysulphide</b>	Fuel vehicles and cooking stoves	KG	46
<b>Nitrogen oxide</b>	Fuel vehicles and cooking stoves	KG	5,569
<b>Particulate matters</b>	Fuel vehicles and cooking stoves	KG	107

Waste	Sources	Unit	Weight	Total Weight	Intensity
<b>Non-hazardous waste</b>	Food waste	Tonnes	3,638	5,338 Tonnes	5.6 KG / RMB1,000 revenue
	Other waste	Tonnes	1,231		
	Recyclable waste	Tonnes	435		
	Waste oil	Tonnes	34		
<b>Hazardous waste</b>	Detergents and insecticides containers containing chemical substances	Tonnes		157 Tonnes	0.015 KG / RMB1,000 revenue

Resources Consumption	Sources	Unit	Weight / consumption	Total Weight / consumption			
<b>Packaging materials</b>	Sauces for internal use	Tonnes	6.4	171.1 Tonnes	0.2 KG / RMB1,000 revenue		
	Product takeaway	Tonnes	89.4				
	New Year Cake/ Rice Dumpling	Tonnes	22.7				
	Moon Cake	Tonnes	52.6				
<b>Energy / Water consumption</b>	Direct Energy – Gasoline	GJ MWh Equivalent	966 268	56,072 MWh	0.059 MWh / RMB1,000 revenue		
	Direct Energy – Diesel	GJ MWh Equivalent	741 206				
	Direct Energy – Natural gas	GJ MWh Equivalent	130,895 36,360				
	Indirect energy- Purchased heating power	GJ MWh Equivalent	527 146				
	Indirect energy- Purchased electricity	MWh	19,092				
	Water resource	cubic meter				492,285 cubic meters	0.52 cubic meter / RMB1,000 revenue

# 3. Caring for Environment

## 3.2 Goals and Strategies

Governments around the world are increasingly concerned about global warming and set emission reduction targets from time to time. At the general debate of the 75th session of the United Nations General Assembly in September 2020, China further expressed its intention to increase its nationally determined contributions and adopt stronger policies and measures to peak CO2 emission by 2030, and strive to achieve carbon neutrality by 2060. \Regarding water resources management, according to the 2020 "China Water Resources Bulletin" issued by the Ministry of Water Resources of the PRC, China's water storage is generally stable, coupled with the reduction in water consumption throughout the country compared to 2019, water efficiency has been further improved, and the water utilization structure has been continuously optimized. During the Reporting Period, the Group did not encounter any problems in obtaining water. We will continue to monitor water consumption and adopt water conservation measures.

As a responsible enterprise with a major presence in China, we must incorporate environmental issues into our long-term goals for sustainable development, and we have identified environmental protection as one of the four elements of our brand image since the early years. Characterized by high emissions and energy consumption, the catering industry generates solid waste, sewage and oily fume in the course of operation, which have a considerable impact on the environment. Therefore, we maintain a high level of alertness at all times and constantly review our operational processes, adopting various strategies and specific measures to meet different environmental objectives and conducting regular assessment.

Figure 3a - Environmental Measures - Objectives and Strategies

Strategies / Specific measures		Goals						
		Reduce air pollution from operation (Greenhouse Gas/Exhaust Emissions)	Control of solid waste (Harmless and harmful)	Use energy efficiently (Electricity, natural gas)	Conserve water	Reduce the pollution of water resources from operation	Improve environmental awareness of customers / staff	
Improvement of equipment efficiency	✓ Full use of energy-saving LED lights in the front hall and kitchen			😊				
	✓ Use of water-saving valves in kitchen operation				😊			
	✓ Equipment for heat energy recovery and conversion to hot water			😊				
	✓ Air-cooled refrigerators are fully used in new / renovated stores, and traditional direct-cooled refrigerators will be cleaned on time			😊				
	✓ Intelligent kitchen ventilation system	Case 1	😊	😊				
Consider environmental protection when deciding dishes	✓ Completely use different parts of food ingredients to make dishes to reduce food waste		😊					
	✓ Menu indicate the portion size, remind customers to order moderately, encourage leftover takeaway to avoid food waste		😊				😊	
	✓ Increase the choice of vegetarian dishes and reduce the use of meat	😊					😊	

Strategies / Specific measures	Goals	Reduce air pollution from operation (Greenhouse Gas/Exhaust Emissions)	Control of solid waste (Harmless and harmful)	Use energy efficiently (Electricity, natural gas)	Conserve water	Reduce the pollution of water resources from operation	Improve environmental awareness of customers / staff
Changing the way of business communication	✓ Extensive use of electronic meeting equipment to reduce transportation	Case 2 ☺					
	✓ Effective use of online training platforms to reduce paper usage	Case 2 ☺	☺				
Packaging design considers environmental protection	✓ Reusable materials are used for take-away and seasonal products packaging, with exquisite design encourages reuse	Case 3	☺				
	✓ Using paper card packaging certified by the Forest Stewardship Council (FSC)		☺				
Daily considerable operation	✓ Won't provide disposable tableware unless upon request	Case 3	☺				☺
	✓ Use decomposable paper towels and toilet paper		☺				
	✓ Use water-saving faucet and adjust water output volume				☺		
	✓ Regular cleaning of oil separation equipment					☺	
Proactive external publicity and advocacy	✓ Participate in the Earth Hour event	Case 4	☺	☺			☺
	✓ Mooncake boxes and printed paper recycling activities	Case 5	☺	☺			☺
	✓ Promote measures to encourage food conservation	Case 6	☺	☺			☺
	✓ Participate in Green Mountain Charity (donations for each takeaway)	Case 7	☺	☺			☺
	✓ Raise internal environmental awareness (e.g. World Environment Day, Earth Day message sharing)						☺

# 3. Caring for Environment

## Case 1 - Intelligent ventilation system in the kitchen

The majority of a restaurant's energy consumption comes from the kitchen, and the ventilation system is one of the most energy-intensive equipment. In general, traditional ventilation is up and running at all times to ensure appropriate temperature and air quality in the kitchen, resulting in continuous energy consumption. For energy saving purpose, employees are required to turn off some airflow valves during off-hours. However, the results fall short of expectation due to subjective judgment or negligence.



Figure 3c – Transformer and system monitor

During the Reporting Period, the Dongguan outlet was the first to try out an intelligent ventilation system in its kitchen. By applying chip management technology, we installed sensors (Figure 3b) on each cooking equipment for data collection, and integrated the control of inverters (Figure 3c), fans and variable airflow valves through core algorithms, which enabled the ventilation system to automatically and continuously discharge fumes at different volume as required and stop running when the kitchen was not in use in an extended time period. The simulated computation technology and the slitting of the motorized airflow valve (Figure 3d) can effectively create different airflows for different environmental conditions in the kitchen, satisfying both the needs for energy saving and working comfort in the kitchen. According to preliminary estimation, the trial of intelligent ventilation system effectively reduced electricity consumption by about 50% as compared with the full operation of the ventilation system all day long. It was roughly estimated that the outlet could save 168,000 kilowatts (kwh) of electricity in one year. The system will be implemented in other outlets across the country if the results are satisfactory.



Figure 3b – The sensor installed on the furnace

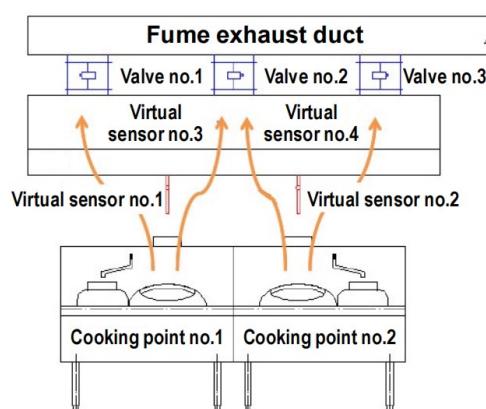


Figure 3 d – Schematic diagram of intelligent ventilation system

## Case 2 - Make good use of electronic communication equipment

Affected by the pandemic during the Reporting Period, the staff from frontline store to the management grade all reduced their travelling, and made good use of communication software (such as DingTalk conference call and Tencent video conference, etc.) to conduct various cross-regions meetings and training, which can save travelling time and reduce greenhouse gas emissions caused by transportation.



# 3. Caring for Environment

## Case 3 - Environmental conscious takeaway and seasonal product packaging

The pandemic has severely affected the dining out practice of the people, and the substantial increase in takeaways has led to a significant increase in the demand for packaging materials and tableware, resulting in significant pressure on the environment caused by solid waste. To reduce the environmental impact, we have introduced biodegradable bags and reusable bamboo chopsticks in our early years, and we have added environmental messages to our takeaway platform to encourage guests avoid using disposable tableware (Figure 3e).

Figure 3e – Environmental messages on takeaway platforms



In addition, we are also committed to designing simple and exquisite packaging bag styles for seasonal products and general take-out products, hoping to greatly encourage customers' willingness to reuse. Furthermore, we continue to use paper packaging materials certified by the Forest Stewardship Council (FSC).



Packaging design of rice dumpling and moon cakes



Packaging design for general takeaway products

## Case 4 - Earth Hour Activity

In the last report, outlets in Beijing take the lead in responding to the “Earth Hour” campaign initiated by the World Wildlife Fund (WWF), which was highly supported and recognized by customers. Therefore, during the Reporting Period, the Group further promoted to other Chinese restaurants food and casual dining outlets in Eastern China, Guangdong, Chengdu and Hong Kong, that together turned off the unnecessary lighting at 8:30 pm on the designated day, allowing the outlets and customers collaboratively contribute to the environmental protection. There were more than 40 stores participated and the response was excellent.





# 3. Caring for Environment

## Case 5 - Promoting recycling activities

### Printed paper recycling

Since November 2020, Tang Palace and Tzu Chi <sup>Note1</sup> collaborated to carry out the activity of “Waste Reduction, Resource Recovery” in Shenzhen and Dongguan to recycle the used printed paper (Computerized system paper from cashier, front hall and kitchen) from Tang Palace, and collected a total of approximately 215 kg of printed paper from 7 stores in Guangdong since the event commenced for more than a month. Upon receipt of the printing paper, Tzu Chi will hand over the printing paper to the recycling manufacturer to make recycled paper, which will not only reduce the amount of waste, so that resources can be recycled, and the money gained from the selling of the recycled resources will be used for Tzu Chi disaster relief or to help the disadvantaged in society, so that environmental protection and charity complement each other.



Note 1: Compassion Relief Tzu Chi Foundation is a national foundation registered with the Ministry of Civil Affairs in January 2008. It was evaluated by the Ministry of Civil Affairs in 2012 and 2017, both years being awarded 4A level accreditation by the national foundation and were recognized as Charitable Organizations in 2017 in response to the enactment of the Charity Law. Tzu Chi is committed to promoting four major projects: precision fighting against poverty and rural revitalization, ecological environmental protection for splendid China, encourage kindness and good act, promote heritage of civilization and the humanities.

## Mooncake Box Recycling

In addition to advocating customers to reuse the mooncake packaging bags through fashionable and practical design as we always did, we also encourage customers to return the unused moon cake boxes to Tang Palace for centralized collection and handing over to the environmental organization for recycling. In return, Tang Palace will provide gratitude coupons to customers for appreciating their support on environmental protection.

### Guangdong Tang Palace

Volunteers sent the moon cake boxes to Tzu Chi's environmental collection point, and then handed them over to recycling companies to make recycled paper. The proceeds from the sale of recycled resources were used for Tzu Chi's disaster relief or to help disadvantaged groups in society



### East China Tang Palace

After the mooncake boxes are sent to the Tzu Chi Environmental Protection Station, they will be sorted and reused. Our volunteer group took part in the practice of garbage sorting, resource recycling and the activities in environmental protection



### Beijing Tang Palace

The Tang Palace volunteer group first disassembled and sorted the mooncake boxes and sent them to Tzu Chi Jingsi bookstore to hand over to the manufacturer to make recycled paper. The use of recycled paper can reduce the cutting of trees and the emission of pollutants, save environment effectively



### Chengdu Tang Palace

The Tang Palace volunteer group sent the mooncake boxes to the recycling center of the environmental protection advocacy point of Xinhua area, Chengdu (western district) of Tzu Chi; through the promotion of resource recycling and environmental protection promotion, the love and kindness continued to circulate outward, and the love was gathered and enhanced



### 3. Caring for Environment

#### Case 6 - Advocate measures to encourage and cherish food

Food waste has been one of the most challenging issues of environmental concern. Not only it gives rise to issues such as greenhouse gas emission, solid waste generation and environmental sanitation, and, more importantly, food shortages will be exacerbated by uncontrolled food waste. During the Reporting Period, the PRC Government issued important instructions that emphasized the concept of “Say no to food waste and cultivate the habit of saving, establish a sense of shame in wastage but pride in saving in the entire society” (Central People’s Government of the People’s Republic of China, August 11, 2020, source: Xinhua News Agency).

While Chinese dining and hospitality culture is often perceived as wasteful, we have been emphasizing the virtue of respecting the nature by cherishing food since the early years when we introduced the traditional culture into our management, and have embodied this virtue in our daily operation through staff training and outlet signages. During the Reporting Period, the outlets in the four districts also concurrently launched the “Clean Plate Campaign” and formulated the “Service Standard Guidelines for Food Conservation and Clean Plate Campaign”, which raised the awareness and deepened the understanding of the staff on the company’s determination to promote food conservation.

**Internal advocacy**

**Encourage take away**

**Food Conservation**

**Gentle reminder during order**

**Restaurant slogans promote**

香港唐宮飲食集團

开展光盘行动  
杜绝饭菜浪费

光盘行动

天地“粮”心，珍惜莫蚀，  
拒绝餐饮浪费，从我做起！

碗中有剩饭  
路上有饥人

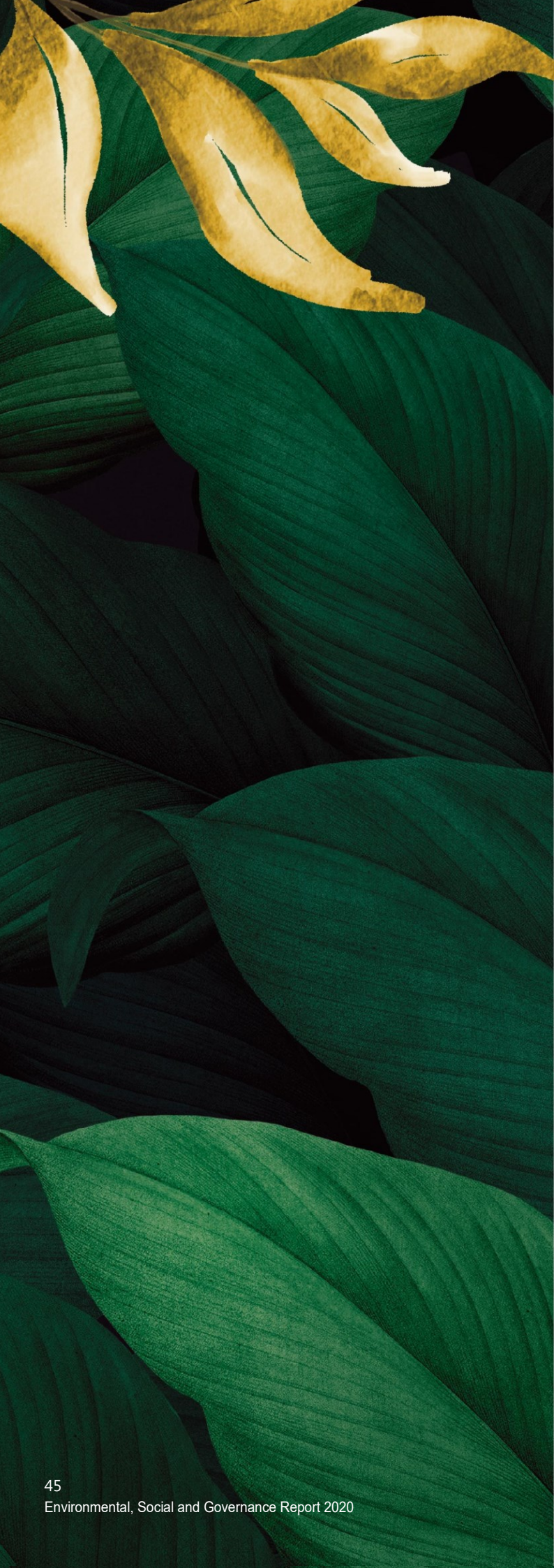
勤俭节约  
从餐桌上做起

## Case 7 - Green Mountain Charity

The Group has participated in the “Green Mountain Project Special Fund” established by the China Environmental Protection Foundation since 2018. During the Reporting Period, all districts outlets have responded to this meaningful activities and made a fixed amount of donations for each takeaway so as to support the events under Green Mountain Project.

The “Green Mountain Project Special Fund” is the first green and environmental specific community fund in the catering takeaway industry. Since the establishment of the fund, a series of green environmental activities have been carried out, such as the official release of the Green Takeaway Industry Convention (Ten Green Rules), held the seminar of “Environmental Friendly Takeaway - Green and Sustainable Development Seminar on the Internet Food Delivery Industry”, supported the development and promotion of project on smart trash bin for takeaway food garbage, released a large-scale public service advertisement of “Splendid China, I am the one to take action”, and continued to promote the minimization of takeaway tableware.





# Caring for Operation

## 4. Caring for Operation


As a livelihood related enterprise employing nearly 4,000 employees, we are carrying the operation philosophy of “Altruistic Operation, Relentless Efforts and Conveying Happiness”, internally we strive to provide employees with a pleasant and safe working environment; externally, we endeavor to delivery customers with quality dining experience, so as to bring out the brand value of “Quality Products”, “Safety Assurance” and “Health Cultivation”.

Operational responsibilities involve different areas. According to the requirements of the relevant Guide of the Listing Rules, they are summarized as follows:



# 4. Caring for Operation

## 4.1 Food Safety

<b>Main relevant regulations</b>	The Food Safety Law of the PRC, Food Safety Ordinance (Cap. 612)																								
<b>Target</b>	Provide customers with safe and high-quality delicacy																								
<b>Main strategy</b>	<ul style="list-style-type: none"> <li>• Approval of supplier introduction at Group level, regular on-site assessment of major supplier, strict source monitoring</li> <li>• Food factories conduct centralized testing for important food ingredients, such as imported frozen ingredients</li> <li>• Implementation of monthly regional inspection mechanism and year-end group assessment to ensure the hygiene and sanitation of equipment and environment</li> <li>• Customer comments and government department inspection feedback are followed seriously and timely, effective accident reporting and management mechanism</li> </ul>																								
<b>During the period</b>	<p>During the Reporting Period, the group had approximately 467 suppliers, of which approximately 63 were in the northern region (Beijing), approximately 188 were in the eastern region (Shanghai/Suzhou/Hangzhou), approximately 190 were in the southern region (Shenzhen/Dongguan/Hong Kong), and the western region (Chengdu) accounts for about 26. Owing to the pandemic prevention and control, no on-site supplier assessments and high-quality supplier awarding ceremony were held during the period. However, the responsible persons for receiving goods in stores and food factories strictly follow the requirement of food quarantine to ensure that relevant quarantine and checking, detoxification reports and nucleic acid test reports are completely obtained before allowing the relevant food ingredients to enter into the warehouse.</p> <p>The testing carried out by the food factory on the same object during the period are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Testing object</th> <th>Testing object</th> <th>Result time</th> <th>No. of testing (in the Report Period)</th> </tr> </thead> <tbody> <tr> <td>Fresh vegetables</td> <td>Pesticide residues</td> <td>10 minutes</td> <td>169 Times</td> </tr> <tr> <td>Fresh meat</td> <td>Moisture and Clenbuterol</td> <td>5 minutes</td> <td>144 Times</td> </tr> <tr> <td>cooking oil</td> <td>Peroxide value / Peroxyacid value</td> <td>1 minute</td> <td>132 Times</td> </tr> <tr> <td>Seasonal products</td> <td>The coliforms / total number of colonies</td> <td>48 hours</td> <td>347 Times</td> </tr> <tr> <td>Hands and utensils</td> <td>Bacteria detection</td> <td>15 seconds</td> <td>72 Times</td> </tr> </tbody> </table> <p>All the above tests are passed. During the Reporting Period, there was no need to stop the use of any food ingredients due to quality issue, and no food product needs to be recalled.</p> <p>During the period, the Group's 5S Management Committee reviewed 28 major stores in various regions (10 in Beijing, 2 in Chengdu, 5 in Guangdong, and 11 in East China). The review items were mainly food safety and pandemic prevention and control, each store was able to pass the audit. Among them, 19 stores have achieved excellent results and won the title of "ERS 5S Model Shop" (the picture below shows the store assessment by the Group's 5S Management Committee).</p> 	Testing object	Testing object	Result time	No. of testing (in the Report Period)	Fresh vegetables	Pesticide residues	10 minutes	169 Times	Fresh meat	Moisture and Clenbuterol	5 minutes	144 Times	cooking oil	Peroxide value / Peroxyacid value	1 minute	132 Times	Seasonal products	The coliforms / total number of colonies	48 hours	347 Times	Hands and utensils	Bacteria detection	15 seconds	72 Times
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Hands and utensils	Bacteria detection	15 seconds	72 Times																						

## 4.2 Environmental Safety and Health

<b>Main relevant regulations</b>	<p>The Fire Control Law of the PRC, The Prevention and Control of Occupational Diseases Law of the PRC, The Production Safety Law of the PRC, Fire Services Ordinance (Cap. 95), Occupational Safety and Health Ordinance (Cap. 509)</p>
<b>Target</b>	<p>Effectively manage and reduce all types of safety incidents Improve employee awareness of safety and health on the environment, business operations and fire prevention</p>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Implement regular regional and group inspection mechanisms to examine and prevent safety hazards in the working environment</li> <li>• Management mechanism to strengthen the reporting, analysis, recording and summary of all types of accidents (e.g. work injuries)</li> <li>• Regular store briefing session, periodic training (including for new employee induction training), safety knowledge and case sharing as well as participation in the drill practices</li> <li>• Maintain good communication with regional regulatory authorities, understand the latest regulatory requirements and actively cooperate with regular inspections</li> </ul>
<b>During the period</b>	<p>In response to the pandemic, all operating units, including stores, offices, staff dormitories and food factories, have strengthened the pandemic prevention and control measures on the environment and individual (details please refer to section 2.7 pandemic prevention and control topics in this Report). The stores have also keep on regular training and inspection for the occupational safety and health, and there have been no deaths due to work during the Reporting Period and in the past two years.</p> <p>In addition, all business units have strengthened the cleaning and disinfection during the pandemic, some of the disinfectants contain alcohol, causing hidden fire hazards, apart from enhancing relevant guidelines (such as strictly prohibiting the use of alcohol-based spray disinfectants in the kitchen), we also actively participate in the fire drills arranged by the building property management, and arrange training on fire safety knowledge.</p> <div data-bbox="363 1182 1393 1951">  </div>



# 4. Caring for Operation

## 4.3 Products and Service Standards

<p><b>Main relevant regulations</b></p>	<p>Law of the PRC on Protection of the Consumers Rights and Interests, Advertising Law of the PRC, Trade Descriptions Ordinance (Cap. 362), The Supply of Services (Implied Terms) Ordinance (Cap. 457)</p>
<p><b>Target</b></p>	<p>Bring happiness to the customer through heartfelt service and continuous improvement of service level</p>
<p><b>Strategy</b></p>	<ul style="list-style-type: none"> <li>Regular online and offline training, letting employees master the service standards and maintain a good attitude</li> <li>Distribute mission cards, through specific reminders, allowing each employee to demonstrate the company's mission and core values in their daily work</li> <li>Hire mystery customers and conduct objective evaluations according to established standards</li> <li>Systematic follow-up of the customers' comments from different channels, adopting incentives scheme that linked to service levels</li> <li>The designated department to examine the wording used in the menu and promotional materials and keep updating the relevant regulatory requirements so as to avoid any misleading to the consumers</li> </ul>
<p><b>During the period</b></p>	<p>The unexpected pandemic has placed an unprecedented psychological burden on the catering practitioners, who are concerned about their business performance on the one hand, and worried about the health of themselves and their customers on the other. To enable our staff to concentrate on their daily work during this challenging period, on top of the basic anti-pandemic measures in our outlets, we have also launched the "Tang Palace Mission Card" and "Gold Medal Service Provider" recognition programs during the Reporting Period, allowing every staff to provide heartfelt services for our customers during this tough time and stick to our original intention conveying happiness.</p> <p><b>Launch of Tang Palace Mission Card</b></p> <p>The Group Operation department and Learning and Development department jointly organized the "Passing on the Mission, Conveying Happiness" Tang Palace Mission Card presentation and announcement seminar. 34 seminars were held in the seven cities of Beijing, Shanghai, Suzhou, Hangzhou, Chengdu, Shenzhen, and Dongguan, with around 4,000 employees attended. Through the official release of the work mission, our colleagues in Tang Palace gained a deeper understanding of their work mission, and developed a stronger belief in the importance of mission inheritance, growing the determination of "Never Forget the Original Intention and Bear the Mission in Mind".</p>  <p><b>Gold Medal Service Provider</b></p> <p>To encourage employees to keep up the good services, store managers will award the outstanding staff with the recognition of "Gold Medal Service Provider" and share the appreciated cases during the regular store meetings, while staff with the most accumulated recognitions will be awarded badges and certificates on a monthly and annual basis at the monthly staff meetings and the spring festival gala, respectively.</p> <p>In addition, since we could not arrange for mystery shoppers to visit our stores during the period due to the pandemic, starting from the second half of the year, we have been enhancing the effort to analyze online comments on the catering platform (Dianping) and arranged designated personnel to prepare analysis reports on positive and negative feedback and to communicate with stores directly via online conferences after summarizing the highlights. This approach allows store managers to obtain first-hand information and formulate improvement strategies promptly, resulting in a significant improvement in the store's positive feedback rate on the relevant platform.</p> 

## 4.4 Integrity and Trust

<b>Main relevant regulations</b>	<b>The Anti-Corruption and Bribery Law of the PRC, Prevention of Bribery Ordinance (Cap. 201)</b>
<b>Target</b>	Create a fair business environment and improve employees' professional ethics and awareness of misconduct
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• The employee code of conduct clearly prohibits any behavior that will breach the integrity and harm the company's interests</li> <li>• Effective segregation of duties and process management (e.g. contract clauses including the rejection of illegal rebate)</li> <li>• Regular cultural training to enhance the personal integrity of employees</li> <li>• Establish an internal whistleblowing mechanism with designated internal audit department to follow reported cases</li> <li>• Maintain good communication with anti-corruption departments to understand latest information and training resources</li> </ul>
<b>During the period</b>	<p>During the Reporting Period, there were no concluded legal cases of corruption against the group or its employees, and there were no internal reports on whistleblowing matters that need to be reported to the board of directors.</p> <p>We have been keeping in touch with the Hong Kong Independent Commission Against Corruption (ICAC) to obtain the latest anti-corruption information and arrange anti-corruption seminars that focusing on the catering industry. During the Reporting Period, two anti-corruption seminars were arranged in Hong Kong, and a total of more than 40 managerial staff participated. At the same time, we also updated the integrity statement of Hong Kong employees according to the reference template provided by the ICAC.</p>

## 4.5 Rights and Interests Protection

<b>Main relevant regulations</b>	<b>Trademark Law of the PRC, Copyright Law of the PRC, Trade Marks Ordinance (Cap. 559)</b>
<b>Target</b>	Good maintenance for own trademarks, respect the rights and interests as well as privacy of third parties
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Effective trademark registration and maintenance mechanism to protect own trademarks and respect other's</li> <li>• Maintain good communication with copyrighted software suppliers, formulate appropriate corporate plans, and prohibit employees from downloading pirated software</li> <li>• Do not obtain unnecessary customer information, handle it with care, only accessible to the employees that need to know</li> <li>• Require system providers to perform data encryption processing, and prohibit the unintended use or disclosure of customer information to third parties</li> </ul>
<b>During the period</b>	<p>For the need of music used in stores, having negotiated with a professional background music service company to provide suitable background music according to the style of the store, and to ensure the relevant music has obtained copyright.</p> <p>The trademarks used in the Groups' stores have been legally registered and timely renewed as needed. However, we found that some restaurants on the market have used logo/trademarks that similar to our registered trademarks, causing confusion to the market or constituted infringement. In addition, there are internet sites that pretend to be the brands of the Group, using counterfeiting pictures and trademarks to represent the Group's restaurants and food products, or/and making reference to the corporate information of the Group to make public franchise invitation. All of the above have harmful impact to the Group and the public.</p> <p>The Group has made voluntary announcements on the Hong Kong Stock Exchange and the Group's website on 14 March 2018 and 4 September 2020 respectively, to remind the public to beware and carefully identify to avoid being deceived, we will take necessary legal actions when needed to pursue the legal responsibility of the infringers.</p>

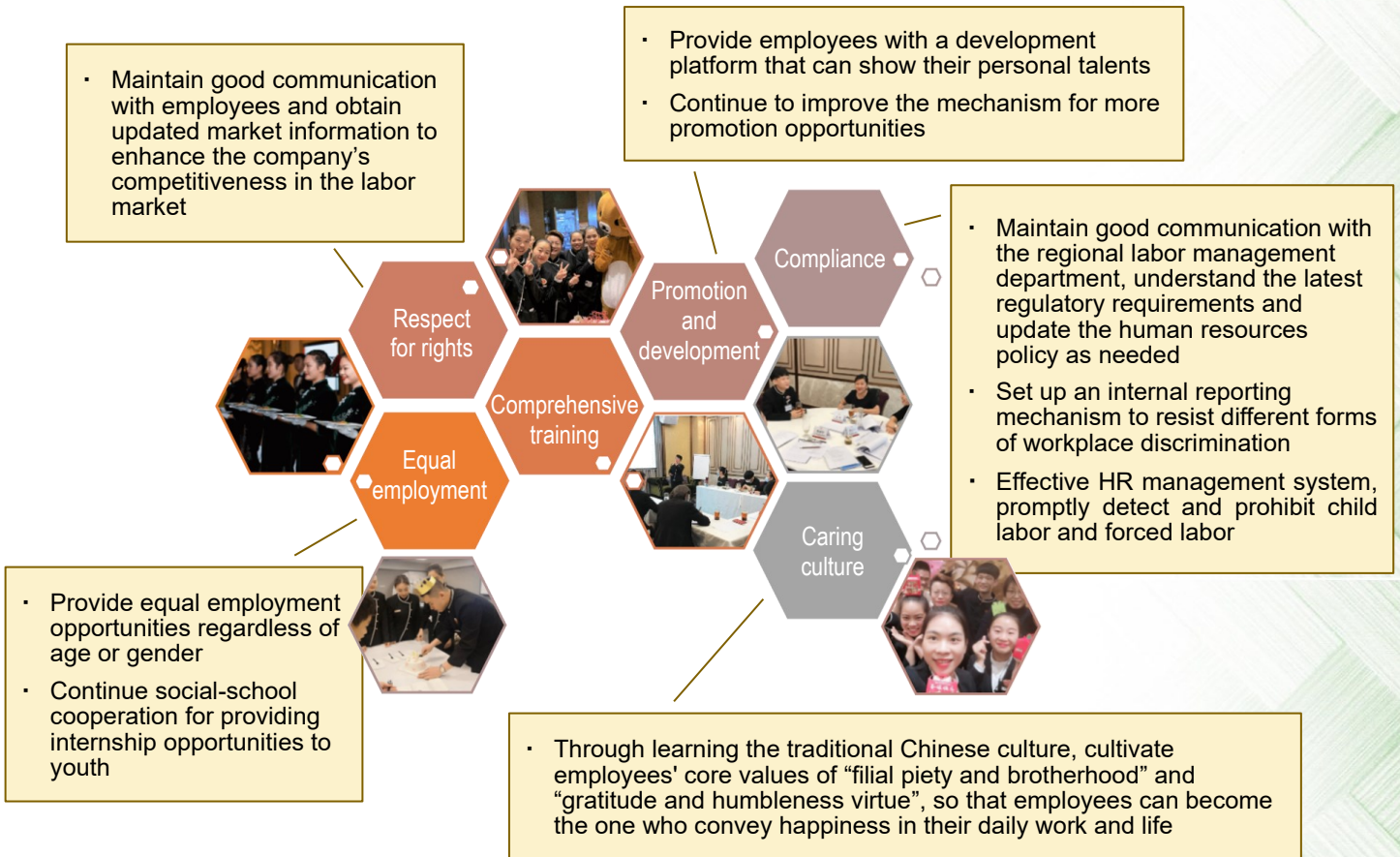
# Caring for Community



# 5. Caring for Community

## 5.1 Employment Management

As a catering company that emphasize on the quality of dishes products and services, talents are absolutely an indispensable element of success. To become a centennial enterprise that can convey happiness, we must first make our employees feel happy and satisfied. Although the global economy and the pandemic have caused companies to face unstable business prospects in recent years, we still adhere to the mission of “Establishing Paradigm of a Blessed catering and Fostering a Centennial international brand”, and through the following strategies on human resource management to achieve a three-win situation among employees, customers and enterprise.



### Topic of School-Company Cooperation

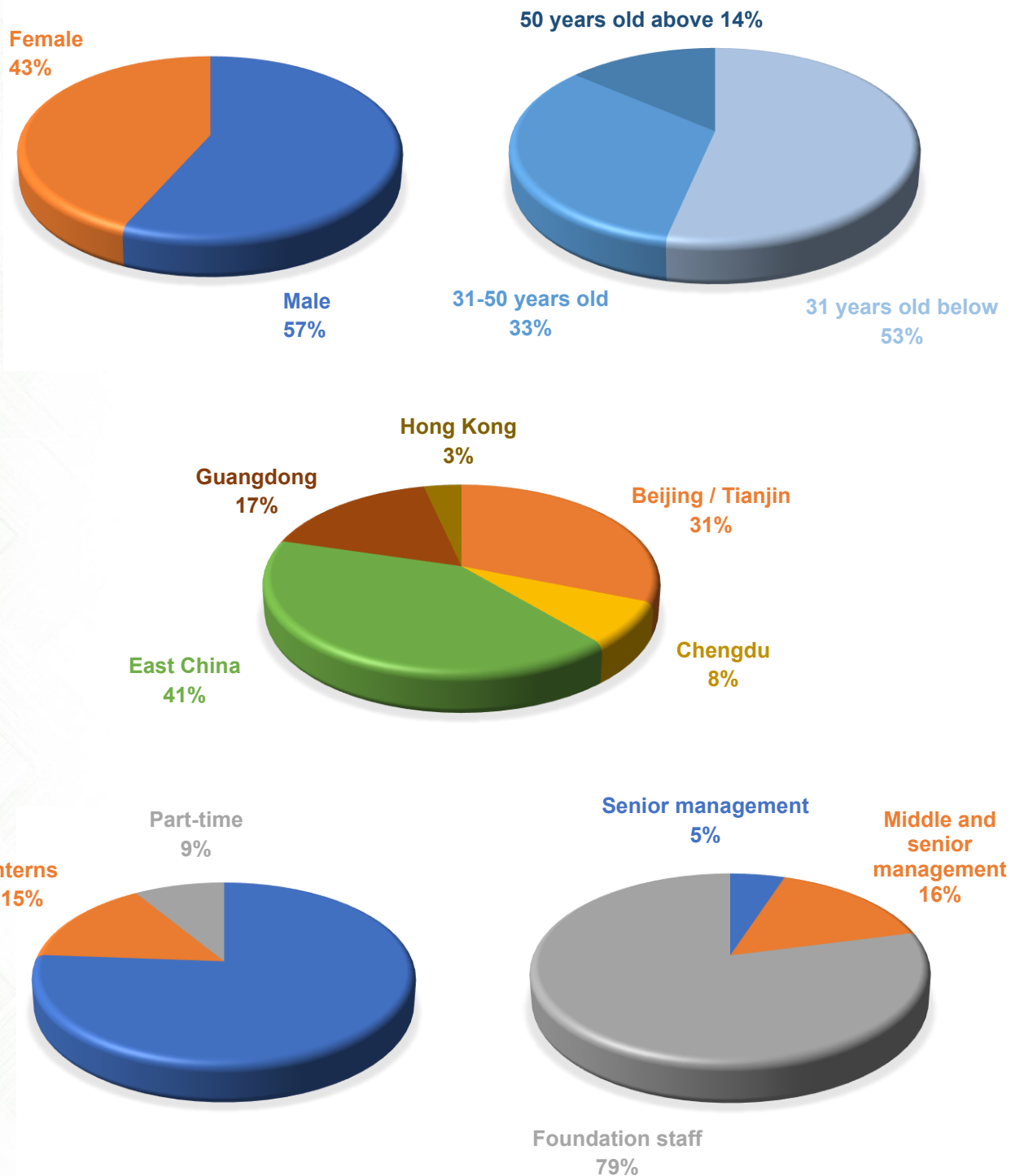
The Group has been promoting school-company cooperation in China since 2006, and in its early years has established strategic cooperative relationship with the Guangdong Industry Polytechnic, established Hong Kong Tang Palace Hotel Management College, with 15 years of collaboration, trained nearly 2,400 students and bringing nearly 950 students to the Tang Palace for internships, letting them to have a fast track promotion and development platforms. With the result being highly recognized by the school, after the assessment of the school-enterprise cooperative office committee experts, being honored as the Guangdong Industry Polytechnic 2020 “Demonstrative off-campus base of practical teaching for colleague students”. During the Reporting Period, Tang Palace has cooperated with 22 institutions, with 725 students being coached.



## 5. Caring for Community

### Group employment during the period

As of 31 December 2020, the total number of employees in the Group was approximately 3,800. The following are the analyses of the employment situation from different aspects.



## 5.2 Training and Development

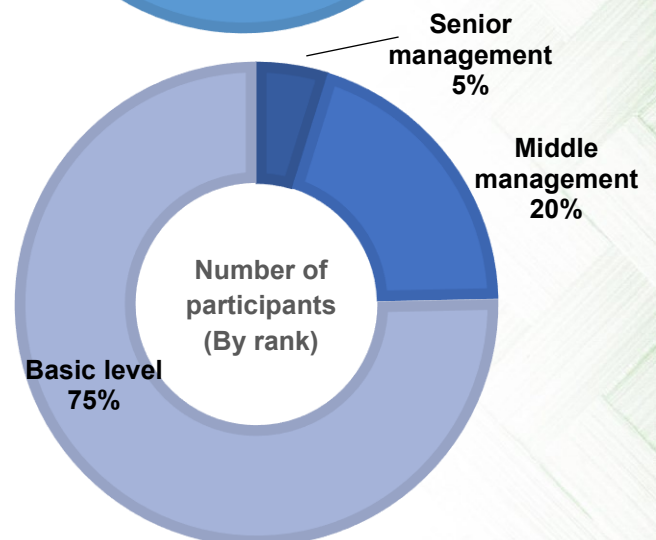
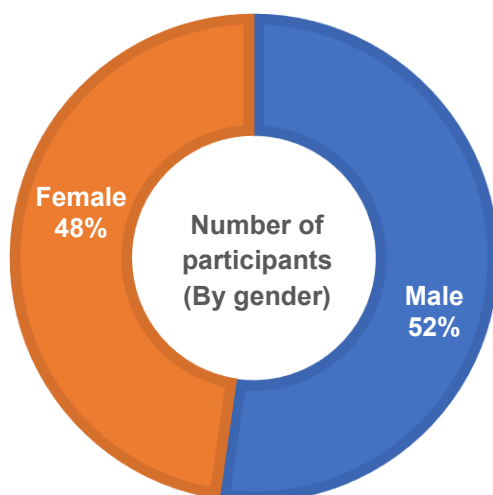
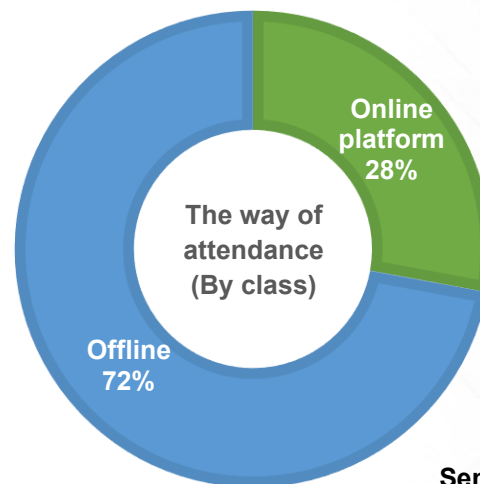
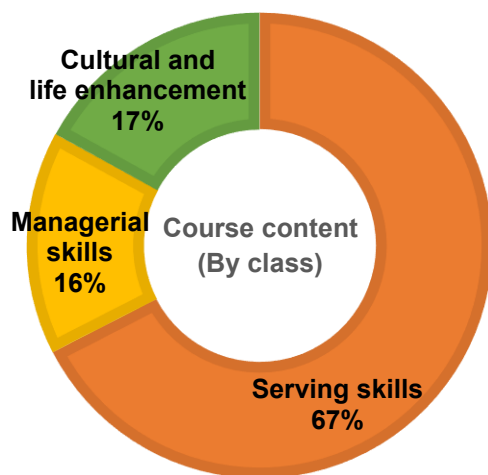
### Training class situation during the period

As an enterprise that focus on learning and growth, we provide diversified and appropriate training for different employees of the Group every year, while hoping that our employees' management skills and ideas can keep pace with the rapidly changing business environment, we also wish our employees to maintain a positive attitude through cultural learning, so as to face the market and business challenges positively, and to grow together with the enterprise.

Although the enterprise continued to be under the haze of the pandemic during the Reporting Period, we provided more courses through the effective use of the online platform, allowing our staff to attend in different locations (nearly 30% of the training courses were conducted online during the period). During the Reporting Period, we arranged 1,892 training courses in different nature totaling 2,330 hours and covering 68,694 participants.

	Serving skill	Managerial skill	Culture and life enhancement	Total
No. of training/lesson	1,276	294	322	1,892
No. of class participants	12,862	44,303	11,529	68,694
Training hours	1,642	453	236	2,330

	Senior management	Middle management	Basic Level	Male	Female
No. of participants (in people times)	3,306	13,639	51,749	35,896	32,798
Average training time/staff (in hours)	105	133	497	276	615



## 5. Caring for Community

### Mobile learning platform of “Peixunbao” (培訓寶)

As mentioned in the previous part, online learning platform becomes more popular under the pandemic, The mobile learning platform “Peixunbao” mentioned in the last report has been widely used during the period. Currently all stores’ employees have installed the relevant mobile apps, enabling them to attend video classes in whatever time and place. During the Reporting Period, the “Peixunbao” has 76 teaching videos. The learning and development department and operation department will continue to collaborate and add more videos according to business management needs:

Category	The number of videos	Examples of courses
Products knowledge	8	“How wine goes with cuisine”, “Benefits of drinking wine”
Traditional Chinese culture	7	“The practicing of Di Zi Gui 《弟子規》”, “Wisdom of Altruism”
Social etiquette	9	“Etiquette in Chinese dining – Seats order”, “Posture for holding and shaking wine glasses”
Business Management	9	“How to reconstruct a business model, from pandemic recovery to victory”, “cultivating personality is the key to success”
Interaction with customers	17	“Service Standards - Handling discrepancy” “Service standards – Welcome and arrange seating, tea serving and other preparation”
Basic courses	2	“Introduction to the Group”, “Food Safety”
Operational skills	24	“Skills on dishes serving for Chinese cuisine”, “Management skills on takeaway operations”

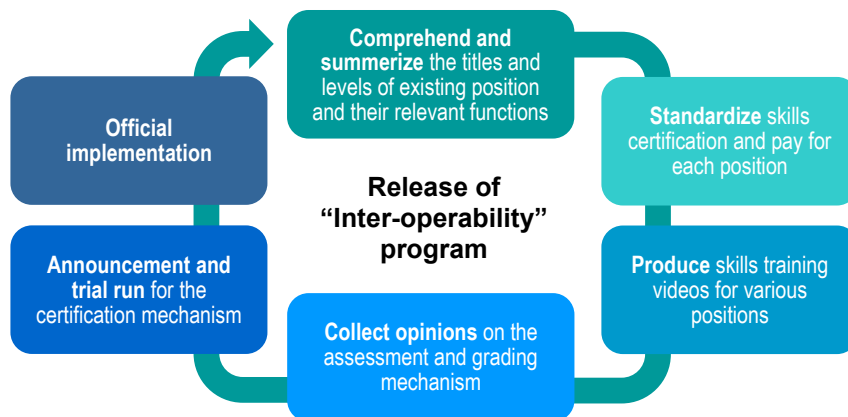
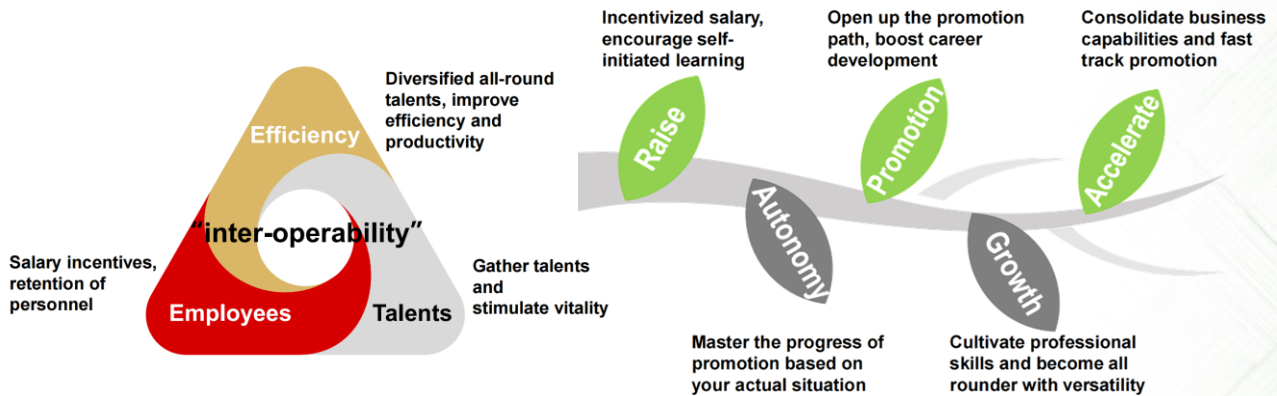


## Diversified Talent Development Plan

### “Cross positions all-round talent” training program

With the continuous changing in business environment and the labor market, the traditional employment model not only being insufficient to meet the company’s lean management requirements, but also cannot meet employees’ personal development and promotion pursuit. To break through from the current situation, during the period, the group began to introduce the all-round talent development program through cross positional interoperation (namely "Inter-operability").

Inter-operability is beneficial to both the company and the employees. In contrast to the traditional talent training approach, the new model allows employees to obtain more rewards according to their abilities, and at the same time enables the company to manage manpower more flexibly and enhance staff efficiency.



#### 2. Online learning

Learning theory and practice through the “Peixubao” and pass the knowledge assessment

#### 3. Offline practice

Offline practices for the practical parts

#### 4. Offline assessment

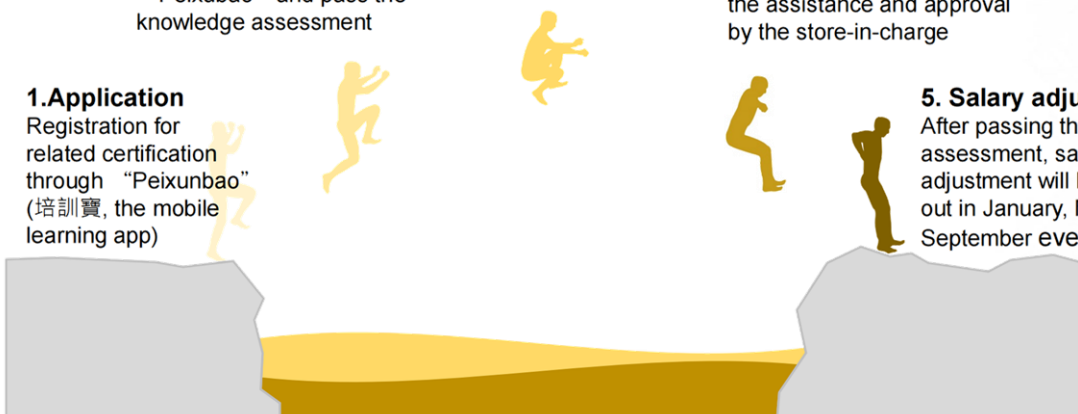
Testing of the practical parts by the manager or chef, with the assistance and approval by the store-in-charge

#### 1. Application

Registration for related certification through “Peixunbao” (培訓寶, the mobile learning app)

#### 5. Salary adjustment

After passing the assessment, salary adjustment will be carried out in January, May and September every year





## 5. Caring for Community

### Development platform – “Tang Palace Treasury”

Our employees are multi-talented, in order to encourage employees to demonstrate their talents in the working scene, the Group launched the "Tang Palace Treasury" development platform program during the Reporting Period, and organizing variety show during specific festivals, allowing our staff to have a platform to show off their talents while at the same time serving as sales promotion. The pictures below are various performance (painting, doing kung fu and dancing) by our staff on the theme of the Mid-Autumn Festival during the period, and obtained recognition.



## Promotion during the period

Although 2020 is full of challenges, each of our employees holds fast to their own position, adhere to the belief of Relentless Effort and Conveying Happiness, continue to strive for self-improvement at work, and eventually get promoted through the Company's assessment mechanism.

### Management Trainee Program

The "Management Trainee Program" (MT Program) established in 2004 is an important project for Tang Palace to cultivate future management talents. We offer a fast track talents cultivation channel for the Tang Palace members who are ambitious in further development in cater industry, positive and motivated, enthusiastic, and with team spirit, providing them a boarder faster are interested in the development of the catering industry, active progress, initiative enthusiasm, team spirit of the Tang Palace people to set up a rapid channel for talent training, to provide a broader, faster and more diverse platform of development, while simultaneously reserve potential talents for the company. Even though the sudden emerging of the pandemic postponed the original plan of the MT Program, the determination to continuous learning of our MT is not hampered. During the period, there were 20 MT members, after nine months of training and passed the graduation interview, eventually got promoted or transferred to the new roles and continue to give full play to their strong point.



### Section head and supervisor promotion

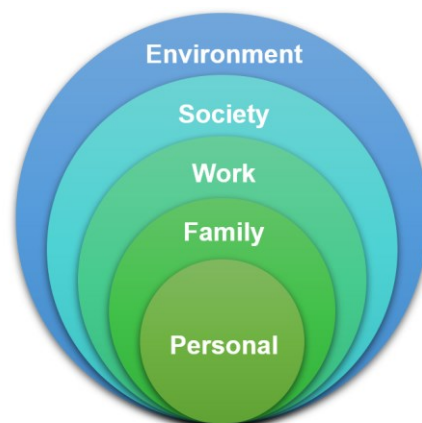
Furthermore, during the Reporting Period, another 45 employees successfully passed the assessment and were promoted to section head or supervisors and continued to grow with the Company.



## 5. Caring for Community

### 5.3 Community Contribution

Through establishing a positive corporate culture, Tang Palace hopes to provide its employees with a positive and diversified development platform, allowing them to gradually radiate their influence outward, so that they can first gain a sense of satisfaction and achievement from their jobs and appreciate happiness, and then pass on “happiness” through family, work, society, and the environment, and actualize our operation philosophy of “Conveying Happiness” through taking part in various community contribution events.



### Harmonious Family and Gratitude to Parents

Due to different culture and development across the regions, most of our employees in Mainland China have left their hometown to work in other cities, sacrificing the time to spend with their parents and children. The Group is grateful for the dedication and commitment of our employees to the catering industry and the silent support of their family members behind. We encourage our employees to be thankful to their parents for their upbringing and parental love and promote harmonious family life by providing consolation fund for golden age elderly, thanksgiving gifts for outstanding staff, festivals thanksgiving gifts and letters, “Yearning for parents” birthday party, and thanksgiving events on Mother’s Day and Father’s Day.

#### Consolation fund for golden age elderly

Offer consolation fund payments to our employees’ parents aged 70 above in the Chinese New Year.

#### Thanksgiving gifts for outstanding staff

The education and nurturing of parents are inseparable from the success of children. The Group advocates that the outstanding employees of the year who pay half of their bonus to their parents will be offered an appreciation gift of the same amount of the former, as a way to present the honor of awarding and filial piety to the awardees’ families.

#### Festivals thanksgiving gifts

During the Chinese New Year and Mid-Autumn Festival, the Group sent rice cakes and mooncakes to its employees’ families, together with hand-written thank-you cards from our staff to appreciate family members for their support to the catering practitioners who stick to their posts and to convey heartfelt festival blessings and the yearning for family.

#### Thanksgiving Events on Mother’s Day and Father’s Day

During the exclusive festivals, while customers celebrate at our stores, the Group also gives gifts and blessings to the employees who are parents, thanking them for their hard work and conveying happiness.



## Promoting Industry Development and Spreading Guangdong Cuisine Culture

The Group was invited by various entities, such as industry associations and the government, to assume positions in industry committees and participate in food festivals and conferences, thereby promoting industry development and the Guangdong cuisine culture.



### 2020 Creative Delicacy and Dim Sum Breakfast Culture Development Conference

The Group was invited to the “2020 Creative Delicacy and Dim Sum Breakfast Culture Development Conference and Yangzhou Food Industry Trade and Investment Symposium” at 2020 Yangzhou-Huaiyang Cuisine Festival and the second Yangzhou Dim Sum Breakfast Culture Festival in China to shed light on Hong Kong Dim Sum breakfast culture, Dim Sum breakfast product innovation and Dim Sum breakfast operation system, with the chief executive officer of the Group, and the operation general manager of Eastern China, as our representatives.

Held in Yangzhou on 26 September 2020, the conference received supported from the China Hospitality Association and Department of Commerce of Jiangsu Province and was organized by Yangzhou Municipal People's Government, co-hosted by the Municipal Ministry of Commerce, and sponsored by the Municipal Propaganda Department, the Yangzhou Broadcast & Television Media Group, Yangzhou Newspaper Media Group, Municipal Cooking and Catering Industry Association, Municipal Huaiyang Cuisine Chefs Association, etc..



### Chengdu International Sichuan Cuisine Chefs Festival

The Group was invited to the first Chengdu International Sichuan Cuisine Chefs Festival, themed “Passing on Craftsmanship and Sharing Visionary Flavors” to demonstrate fine Guangdong cuisine which combined classic and modern elements.

The inaugural ceremony of the Chefs Festival was held on 15 November 2020 in China Railway Ludao Art City, Chengdu, where a few hundred catering industry participants from around the nation, including nationally acclaimed Sichuan cuisine gurus, persons-in-charge and gurus of popular Sichuan cuisine restaurants, gathered and took part in the summit. In the “Tianfu Feast”, Tang Palace delivered more than ten fine dishes and courses, from long-established classics to avant-garde dishes with modern and fashionable elements, to fully demonstrate the delicacy, freshness and well-rounded appearance, flavor and taste of Guangdong cuisine.

### Young Entrepreneur Professional Committee

On 25 October 2020, Mr. Chen Zhi Xiong, the chief executive officer of the Group, was appointed as the Vice Executive President of the Young Entrepreneur Professional Committee, Shenzhen Cuisine Association. He would contribute to the establishment of an exchange platform for young managers in the catering industry, and the promotion of emerging ideas, technology, capital and big data applications of catering corporations to empower traditional catering.



# 5. Caring for Community

## Community Care and Charitable Donations

Many a little makes a mickle. Through various activities, the Group encourages customers to take part in community charity and endorse employees to engage in social services in different aspects, spreading the love and blessing and conveying happiness. (For the social welfare activities during the pandemic, please refer to 2.7 Pandemic Prevention and Control Topic)

### Joining Hands with Customers to Rebuild Flood-stricken Areas

On the day of Mid-autumn Festival where families reunite, the Group joined hands with the general public in flood relief efforts. We pledge to make donations to the Shanghai Charity Federation from the mooncake coupon presale prior to 31 August 2020 at Tang Palace outlets in Mainland China on the basis of RMB5 per box. Thanks to the overwhelming support from our customers, we raised an aggregate of RMB120,000 to help rebuild flood-stricken areas.



### Charity Red Tablecloth

In September 2020, the Group participated in the “Shenzhen Dining, Charity Table” charity dining activity hosted by Shenzhen Caring Committee Office (深圳市關愛辦), Shenzhen Cuisine Association, etc., to encourage customers to “order dishes for charity”. Tang Palace issued charity certificates to the participants and fully donated the meal charges to the Charity Red Tablecloth project of the Shenzhen Project Care Foundation to aid disadvantaged families during the period of pandemic.



### Charity Mooncakes to Spread Warmth

In Autumn 2020, Hong Kong Social Place, together with about 20 local charity organizations, including Chu Kong Plan, the Chi Heng Foundation, Warmhearters, Food Angel, donated 1,750 boxes of “Fang Hua Si Xi” (芳華四喜) Mooncake to repay the society with love and spread warmth to those in need.



In addition, the Tang Palace volunteer team visited elderly homes and Jing Si Academy under Tzu Chi Foundation to deliver Tang Palace charity mooncakes and blessings to the elderly and enthusiastic volunteer workers.

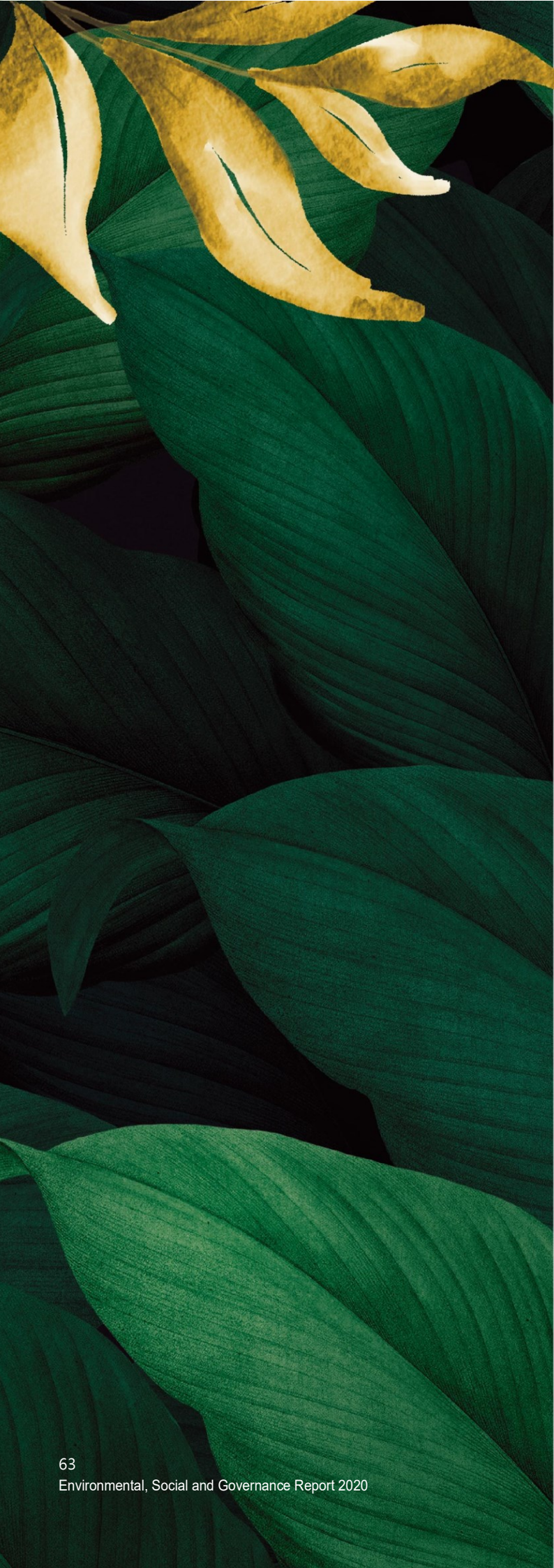


### Tang Palace Charity Calendar

Tang Palace partnered with the Chi Heng Foundation in Hong Kong to produce beautiful calendars from paintings by beneficiary children of the Foundation. The calendars were distributed at our outlets to spread positivity and urge for more public attention to the disadvantaged and participation in the welfare activity.

The Chi Heng Foundation is a registered charity organization in Hong Kong which focuses on providing services such as education assistance and psychological development in Mainland China. The beneficiaries primarily include students from families affected by AIDS, including students suffering from poverty, disease and discrimination.





## **Relevant Laws and Regulations**

## 6. Relevant laws and regulations

The Group's business operation are in compliance with the laws, regulations and policies in the PRC and Hong Kong relating to aspects of environmental, operational and social etc., the following are the laws and regulations that have significant impact on the Tang Palace in relevant aspects.

Area Aspects	PRC	Hong Kong, SAR
Environmental safety and health	<ul style="list-style-type: none"> <li>The Prevention and Control of Occupational Diseases Law of the PRC</li> <li>The Production Safety Law of the PRC</li> </ul> 	<ul style="list-style-type: none"> <li>Public Health and Municipal Service Ordinance (Cap. 132)</li> <li>Employees' Compensation Ordinance (Cap. 282)</li> <li>Occupational Safety and Health Ordinance (Cap. 509)</li> <li>Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap 599F)</li> </ul>
Food safety	<ul style="list-style-type: none"> <li>The Food Safety Law of the PRC</li> <li>Catering Service Food Safety Operation Specification</li> <li>The Food Hygiene Law of the PRC</li> <li>The General Hygiene Rules for Food Production</li> <li>Standard for Use of Food Additives</li> <li>The Measures for the Supervision and Administration of the Safety of Food Offered through Online Catering Services</li> <li>Measures for Penalties Against Illegal Acts Concerning Online Food Safety</li> <li>The Measures for the Supervision and Administration on the Quality Safety of the Food Manufacturing and Processing Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>Food Safety Ordinance (Cap. 612)</li> <li>Food and Drugs (Composition and Labelling) Regulation</li> </ul> 
Integrity and trust	<ul style="list-style-type: none"> <li>The Anti-unfair Competition Law of the PRC</li> <li>Criminal Law of the PRC</li> <li>The Company Law of the PRC</li> <li>The Anti-Corruption and Bribery Law of the PRC</li> <li>The Anti-money Laundering Law of the PRC</li> </ul>	<ul style="list-style-type: none"> <li>Prevention of Bribery Ordinance (Cap. 201)</li> </ul> 
Products and services	<ul style="list-style-type: none"> <li>Product Quality Law of the PRC</li> <li>Hygienic Standards for Uses of Additives in Food Containers and Packaging Materials</li> <li>The Administrative Provisions on Food Labeling</li> <li>The General Principles on the Labels of Pre-Packaged Food</li> <li>Law of the PRC on Protection of the Consumers Rights and Interests</li> <li>Advertising Law of the PRC</li> <li>Price Law of the PRC</li> </ul>	<ul style="list-style-type: none"> <li>The Sale of Goods Ordinance (Cap. 26)</li> <li>Trade Descriptions Ordinance (Cap. 362)</li> <li>The Supply of Services (Implied Terms) Ordinance (Cap. 457)</li> </ul> 
Other rights guarantee	<ul style="list-style-type: none"> <li>Trademark Law of the PRC</li> <li>Copyright Law of the PRC</li> </ul>	<ul style="list-style-type: none"> <li>Personal Data (Privacy) Ordinance (Cap. 486)</li> <li>Trade Marks Ordinance (Cap. 559)</li> </ul>
Employment management	<ul style="list-style-type: none"> <li>The Labour Law of the PRC</li> <li>The Labour Contract Law of the PRC</li> <li>The Social Insurance Law of the PRC</li> <li>Law of the PRC on the Protection of Minors</li> <li>Trade Union Law of the PRC</li> <li>Law of the PRC on the Protection of Women's Rights and Interests</li> <li>Law of the PRC on the Protection of Disabled Persons</li> <li>The Labour Dispute Mediation and Arbitration Law of the PRC</li> <li>Regulation on Settlement of Labour Disputes In Enterprises of the PRC</li> <li>Regulation on Work-Related Injury Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Employment Ordinance (Cap. 57)</li> <li>Sex Discrimination Ordinance (Cap. 480)</li> <li>Mandatory Provident Fund Scheme Ordinance (Cap. 485)</li> <li>Disability Discrimination Ordinance (Cap. 487)</li> <li>Minimum Wage Ordinance (Cap. 608)</li> </ul> 
Environmental protection	<ul style="list-style-type: none"> <li>The Environmental Protection Tax Law of the PRC</li> <li>The Environmental Protection Law of the PRC</li> <li>The Law of the PRC on the Prevention and Control of Water Pollution</li> <li>The Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste</li> <li>The Law of the PRC on the Prevention and Control of Air Pollution</li> <li>The Law of the PRC on the Prevention and Control of Pollution from Environmental Noise</li> <li>The Law of the PRC on Promotion of Cleaner Production</li> <li>Energy Conservation Law of the PRC</li> <li>Marine Environmental Protection Law of the PRC</li> <li>Urban water conservation regulations</li> </ul>	<ul style="list-style-type: none"> <li>Air Pollution Control Ordinance (Cap. 311)</li> <li>Waste Disposal Ordinance (Cap. 354)</li> <li>Water Pollution Control Ordinance (Cap. 358)</li> <li>Noise Control Ordinance (Cap. 400)</li> <li>Environmental Impact Assessment Ordinance (Cap. 499)</li> </ul> 

Note: The English name for laws and regulations in PRC is for identification reference only



## 7. Outlook

In 2020, the catering industry was presented with the greatest challenge ever. Faced with such adversity, on the one hand, the Group has proactively cooperated with government departments in prevention and control efforts, launched various management contingency measures, and insisted on maintaining high standards in environmental health, food, and production safety; on the other hand, it has adjusted its business strategy promptly and strived to cultivate highly efficient and all-round talents to seek various opportunities in the new norm of the catering industry. Our proactive approach to challenges has allowed us to face multiple uncertainties brought about by the pandemic positively. It is also another demonstration that business and its surrounding environment represent an entity of mutual influence.

2021 marks the approaching of the 30th year of Tang Palace. In this extraordinary sixth five-year anniversary, we are still facing challenging impacts from the economic environment and the pandemic on the global market and catering industry, we will continue to adhere to our mission of "With Glorious Tang Culture as Foundation, Modern Management as Core, Establishing Paradigm of a Blessed Catering, Fostering a Centennial International Brand", actualizing the philosophy of "Altruistic Operation, Relentless Efforts and Conveying Happiness" in our operation, actively re-examine our business and sustainable development strategies in response to market changes and customer demands, and continuously optimize our internal management. At the same time, we remain steadfast to our targeted brand image of "Quality Products, Safety Assurance, Health Cultivation, and Environmental Protection", integrate green concepts of energy saving and emission reduction into our daily operation and management, promote and provide employees and customers with health cultivating, environmentally safe and quality choices, and contribute to the happiness of our employees, customers, shareholders, society and the environment.



# ESG INDEX

## 8. ESG Index

Relevant Disclosure Index	Description	Disclosure Requirement	Disclosure Status	Relevant Sections in the Report
<b>Aspect A1: Emissions</b>	<b>General Disclosure</b> 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. <i>Note:</i> <i>Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i> <i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i> <i>Hazardous wastes are those defined by national regulations.</i>	Comply or Explain	Disclosed	P.35-36, 64
<b>Aspect A1: Emissions</b>	<b>KPI A1.1</b> -The types of emissions and respective emissions data.	Comply or Explain	Disclosed	P.34
<b>Aspect A1: Emissions</b>	<b>KPI A1.2</b> -Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply or Explain	Disclosed	P.34
<b>Aspect A1: Emissions</b>	<b>KPI A1.3</b> - Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply or Explain	Disclosed	P.34
<b>Aspect A1: Emissions</b>	<b>KPI A1.4</b> - Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Comply or Explain	Disclosed	P.34
<b>Aspect A1: Emissions</b>	<b>KPI A1.5</b> - Description of measures to mitigate emissions and results achieved.	Comply or Explain	Disclosed	P.37-38, 40
<b>Aspect A1: Emissions</b>	<b>KPI A1.6</b> - Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Comply or Explain	Disclosed	P.36, 39 P.41-43
<b>Aspect A2: Use of Resources</b>	<b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Comply or Explain	Disclosed	P.37-44
<b>Aspect A2: Use of Resources</b>	<b>KPI A2.1</b> – 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).	Comply or Explain	Disclosed	P.34
<b>Aspect A2: Use of Resources</b>	<b>KPI A2.2</b> - Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Comply or Explain	Disclosed	P.34
<b>Aspect A2: Use of Resources</b>	<b>KPI A2.3</b> - Description of energy use efficiency initiatives and results achieved.	Comply or Explain	Disclosed	P.35-40
<b>Aspect A2: Use of Resources</b>	<b>KPI A2.4</b> - Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Comply or Explain	Disclosed	P.35-36
<b>Aspect A2: Use of Resources</b>	<b>KPI A2.5</b> - Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Comply or Explain	Disclosed	P.34
<b>Aspect A3: The Environment and Natural Resources</b>	<b>General Disclosure</b> Policies on minimising the issuer's significant impact on the environment and natural resources.	Comply or Explain	Disclosed	P.35-36
<b>Aspect A3: The Environment and Natural Resources</b>	<b>KPI A3.1</b> - Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Comply or Explain	Disclosed	P.37-44

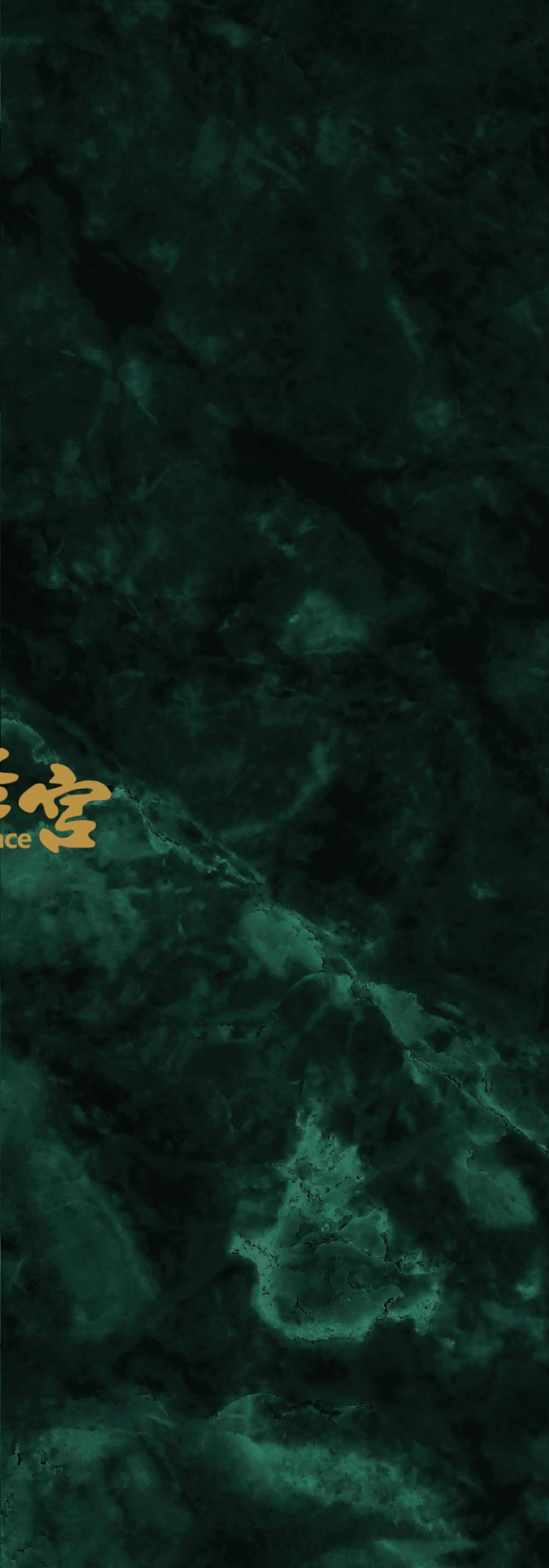
Relevant Disclosure Index	Description	Disclosure Requirement	Disclosure Status	Relevant Sections in the Report
<b>Aspect B1: Employment</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Comply or Explain	Disclosed	P.52, 64
<b>Aspect B1: Employment</b>	<b>KPI</b> B1.1 -Total workforce by gender, employment type, age group and geographical region.	Recommended Disclosures	Disclosed	P.53
<b>Aspect B1: Employment</b>	<b>KPI</b> B1.2 -Employee turnover rate by gender, age group and geographical region.	Recommended Disclosures	Not yet disclosed	-
<b>Aspect B2: Health and Safety</b>	<b>General Disclosure</b> 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.	Comply or Explain	Disclosed	P.46, 48, 64
<b>Aspect B2: Health and Safety</b>	<b>KPI</b> B2.1 -Number and rate of work-related fatalities.	Recommended Disclosures	Disclosed	P.48
<b>Aspect B2: Health and Safety</b>	<b>KPI</b> B2.2 -Lost days due to work injury.	Recommended Disclosures	Not yet disclosed	-
<b>Aspect B2: Health and Safety</b>	<b>KPI</b> B2.3 -Description of occupational health and safety measures adopted, how they are implemented and monitored.	Recommended Disclosures	Disclosed	P.48
<b>Aspect B3: Development and Training</b>	<b>General Disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Comply or Explain	Disclosed	P.54-58
<b>Aspect B3: Development and Training</b>	<b>KPI</b> B3.1 -The percentage of employees trained by gender and employee category (e.g. senior management, middle Management).	Recommended Disclosures	Disclosed	P.54
<b>Aspect B3: Development and Training</b>	<b>KPI</b> B3.2 -The average training hours completed per employee by gender and employee category.	Recommended Disclosures	Disclosed	P.54
<b>Aspect B4: Labour Standards</b>	<b>General Disclosure</b> 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.	Comply or Explain	Disclosed	P.52, 64
<b>Aspect B4: Labour Standards</b>	<b>KPI</b> B4.1 -Description of measures to review employment practices to avoid child and forced labour.	Recommended Disclosures	Disclosed	P.52
<b>Aspect B4: Labour Standards</b>	<b>KPI</b> B4.2 -Description of steps taken to eliminate such practices when discovered.	Recommended Disclosures	Disclosed	P.52
<b>Aspect B5: Supply Chain Management</b>	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.	Comply or Explain	Disclosed	P.46, 47
<b>Aspect B5: Supply Chain Management</b>	<b>KPI</b> B5.1 - Number of suppliers by geographical region.	Recommended Disclosures	Disclosed	P.47
<b>Aspect B5: Supply Chain Management</b>	<b>KPI</b> B5.2 -Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Recommended Disclosures	Disclosed	P.47

Relevant Disclosure Index	Description	Disclosure Requirement	Disclosure Status	Relevant Sections in the Report
<b>Aspect B6: Product Responsibility</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Comply or Explain	Disclosed	P.49, 64
<b>Aspect B6: Product Responsibility</b>	<b>KPI</b> B6.1 - Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Recommended Disclosures	Disclosed	P.47
<b>Aspect B6: Product Responsibility</b>	<b>KPI</b> B6.2 - Number of products and service related complaints received and how they are dealt with.	Recommended Disclosures	Disclosed	P.49
<b>Aspect B6: Product Responsibility</b>	<b>KPI</b> B6.3 - Description of practices relating to observing and protecting intellectual property rights.	Recommended Disclosures	Disclosed	P.50
<b>Aspect B6: Product Responsibility</b>	<b>KPI</b> B6.4 - Description of quality assurance process and recall procedures.	Recommended Disclosures	Disclosed	P.47
<b>Aspect B6: Product Responsibility</b>	<b>KPI</b> B6.5 - Description of consumer data protection and privacy policies, how they are implemented and monitored.	Recommended Disclosures	Disclosed	P.49, 50
<b>Aspect B7: Anticorruption</b>	<b>General Disclosure</b> 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.	Comply or Explain	Disclosed	P.64
<b>Aspect B7: Anticorruption</b>	<b>KPI</b> 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.	Recommended Disclosures	Disclosed	P.50
<b>Aspect B7: Anticorruption</b>	<b>KPI</b> B7.2 - Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Recommended Disclosures	Disclosed	P.50
<b>Aspect B8: Community Investment</b>	<b>General Disclosure</b> 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.	Comply or Explain	Disclosed	P.59-62
<b>Aspect B8: Community Investment</b>	<b>KPI</b> B8.1 - Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Recommended Disclosures	Disclosed	P.52, 59-62
<b>Aspect B8: Community Investment</b>	<b>KPI</b> B8.2 - Resources contributed (e.g. money or time) to the focus area.	Recommended Disclosures	Disclosed	P.59-62

Thank you for reading the “Environmental, Social and Governance Report of Tang Palace”, for the Report to be more all-rounded and provide stakeholders with more valuable information, so as to enhance our level in fulfilling the corporate social responsibility, your opinions (through email or mailing) to the Report are most welcomed.

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