



唐宮(中國)控股有限公司

TANG PALACE (CHINA) HOLDINGS LIMITED

(Incorporated in the 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

唐宮  
Tang Palace



2021 環境、社會及管治報告  
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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# INTRODUCTION

## Conveying Happiness through Catering Inheriting Humanistic Touch of Tang Palace

2021 marks the 29th anniversary of the establishment of Tang Palace.

As the Group moves towards its 30th anniversary, it coincides with the normalization of the pandemic. The ever-changing and unstable objective factors have cast a haze on the society and people's hearts. Facing such challenges, the original intention of "Conveying happiness with Catering" has become our biggest driving force. We adhered to the operating principles of "Operating altruistically, Devoting relentless efforts, and Conveying happiness", and strive to fulfill the obligations of catering personnel in the environment, society and governance, with the Blessed Environment, Blessed Operation and Blessed life as our code of conduct, and toward the vision of "creating an international centennial brand that full of blessings".

### Blessed Environment

We firmly believe that we can only achieve "Blessed catering, Centennial brand" through maintaining a harmonious and balanced relationship with nature, green cuisine, energy-saving and carbon reduction are the focus and key for the long-term development of the catering industry in the context of environment protection. We emphasized the brand image of "Quality Products, Safety Assurance, Health Cultivation and Environmental Protection" and integrated to the Group's operations, encouraging healthy green diets and fulfilling customer's pursuit of high-quality and healthy lifestyle. In addition, through equipment efficiency improvement, dish design, electronic communication application, environmental-friendly packaging design, participation in community advocacy, various saving and management measures, we target to achieve more effective management and control in exhaust emission, waste oil and sewage discharge, waste (hazardous / harmless) disposals, water and energy conservation, as well as raising the environmental awareness of various stakeholders.

### Blessed Operation

A conscientious, law-abiding and rigorous attitude is the basic responsibility of an operator. As a company that has accumulated years of corporate culture and is full of humanity, we hope that customers and employees could be blessed through catering.

In terms of customers, we use "Bring Happiness to Customers" as our mission, promote Moved Services, and provide unique and caring value-added services, allowing customers to have different dining experiences.

In terms of employees, we take "Letting employees feeling blessed" as our mission and attach great importance to cultivating the teammates with both morality and talent. We created a working environment of filial piety and benevolent, gratitude and modesty, and honesty and altruism through passing on the essence of traditional Chinese culture and holding various cultural events, cultivating cultural literacy of our teammates, allowing them to enhance character growth, stimulate potentials and achieve

self-accomplishment. We provide diverse talent development training programs, continue to enhance the team spirit, and stimulate inner motivations of employees in a more systematic and autonomous manner, to cultivate versatile talents and new management personnel, providing employment and development platform for those aspired in catering business, as well as creating a competitive talents pool to support the long-term development of the Group.

### Blessed life

Individuals, families, work, society and the environment have an interactive relationship from internal to external, from near to far. Through positive corporate culture, we are committed to enabling employees to, firstly develop their strengths at work, gain a sense of satisfaction and accomplishment, and lead a blessed life, then further benefit their respective families. Accordingly, through the employees who are blessed fully with energy, convey the happiness and healthy, energetic and environmental-friendly lifestyle to the customers by their moved services. In addition, we cooperated with various charity groups to provide our Tang Palace volunteer groups and customers with various opportunities to participate in different charity events, so as to give back to the society, spread positivity, and promote the passing and sharing of love. On the other hand, we have built a platform for interaction among catering operators with the same aspirations, so as to support the development of food and beverage industry. In 2021, in addition to being awarded as the ERS 5S Management Model Shop and Cool Kitchen Model Shop (through which the hygiene, safety and efficiency of the relevant stores are proven to be recognised), we also shared the market opportunities of and promote the vegetarian dining at "New Cuisine: Sustainable catering and Culinary Summit".

### Blessed thirtieth

While proactively facing various challenges and changes, we always adhere to the value of Tang Palace, that is: allowing our employees to have a blessed lives and pass on the blessings to our customers.

We would like to take the chance to express gratitude to the management and staff of the Group for their contribution during the Year and extend the special thanks to all staff for their perseverance and dedication in fighting the pandemic. We would also like to express sincere appreciation to all of our supportive suppliers, business partners and government authorities as well as our customers and shareholders for their trust.

2022 also marks the 30th anniversary of the establishment of Tang Palace. Setting out again on the 30th anniversary of Tang Palace, we wish to adhere to our initial intentions, conveying happiness through catering, contributing to the happiness of employees, customers, shareholders, community, environment, together we create an international centennial brand that full of blessings.

# About This Report

## 報告說明







# 1. About This Report

## 1.1 Reporting Period

This environmental, social and governance report (the “**Report**”, “**ESG Report**”) cover the period from 1 January 2021 to 31 December 2021 (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 5 months after the end of the company's financial year in accordance with relevant regulations.

## 1.3 Reporting Scope

Unless otherwise indicated, 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 Tang Palace (China) Holdings Limited (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 strategy and reporting, and is also responsible for setting up effective equipment and process assessment and identifies important environmental, social and governance factors and issues (“**ESG Key Issues**”) and 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 had established a management structure and process to assess and sort out various ESG Key Issues which serve as the basis of communication with stakeholders.  The Group has identified important internal and external stakeholders and conducted an online questionnaire survey. For details and results, please refer to Section 2.5 “Stakeholders Communication” in this Report.
<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 systematic collection of the required data for the Report from various business and functional departments, reviewing and then submitting to professional consulting firm for carbon emission calculation according to Chinese and internationally recognized guidelines / standards.  Where applicable, the Group will include quantifiable targets and forward-looking statements in this Report, and disclose the assumptions and calculation methods used in such statements.
<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, and submits it to a professional consulting firm for review, 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 for comparative analysis and continuous review of the Group’s sustainable development status.

## 1.6 Sources of Data

All information in this Report are derived from the official documents and statistical report of the Company. During the Reporting Period, the Company engaged Hong Kong Productivity Council to perform a carbon assessment to quantify the emission of greenhouse gas generated by its operations. The process of quantification (using the operational control method to collect data) has made reference to (including but not limited 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》), People’s Republic of China domestic trade industry standards “Hotel Industry Greenhouse Gas Emission Standard” (中華人民共和國國內貿易行業標準《飯店業碳排放管理規範》), 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 (中華人民共和國國家發展和改革委員會), 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

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## 2. About Tang Palace

### 2.1 Group Profile and Development Milestones

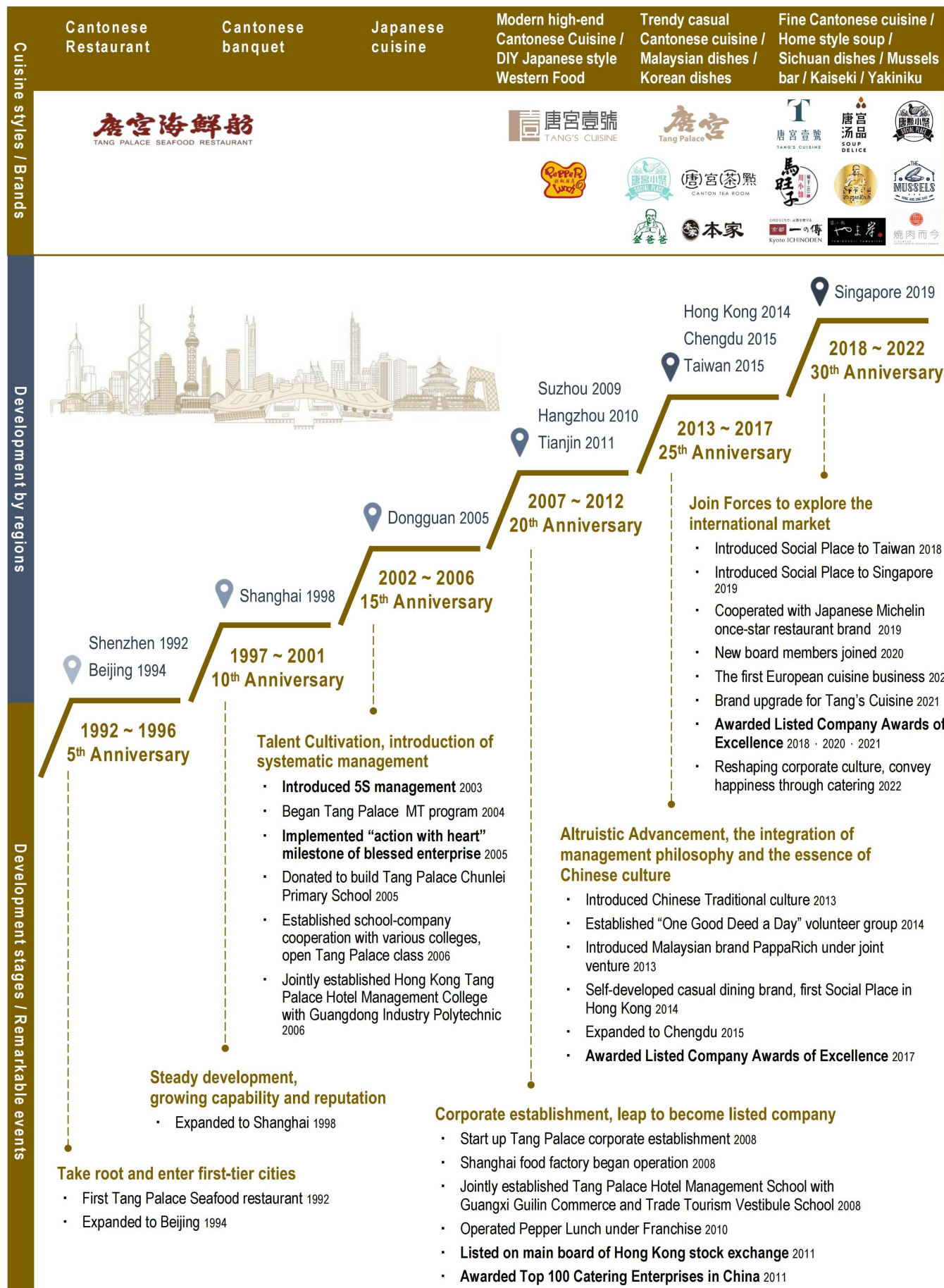
We are a chain food and beverage group mainly operated in China. Since 1992, the Group has insisted on conveying happiness to customers through healthy and delicious cuisine, professional and moved services (operation principles: “Altruistic Operation, Relentless Efforts and Conveying Happiness”), with the vision of enabling Company to have a healthy and sustainable development.

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 2021, the number of the Group's restaurants had 49 self-operated and franchised restaurants, and 13 restaurants under joint ventures. The Group's restaurants are located in Beijing, Chengdu, Shanghai, Suzhou, Hangzhou, Shenzhen, Dongguan, Hong Kong, Taiwan and Singapore with a food factory set up in Shanghai.

Type	Business model	Business area					
		Beijing	Shanghai/ Suzhou/ Hangzhou	Chengdu	Shenzhen/ Dongguan	Hong Kong /Taiwan	Singapore
Traditional Chinese Food / Cantonese cuisine 	Self-operated Core						
Modern Chinese food / Casual Dining 	Self-operated Core / Authorized Joint Venture						
Others cuisine: Sichuan 、 Malaysian 、 Japanese 、 Korean 	Franchise/ Joint Venture						



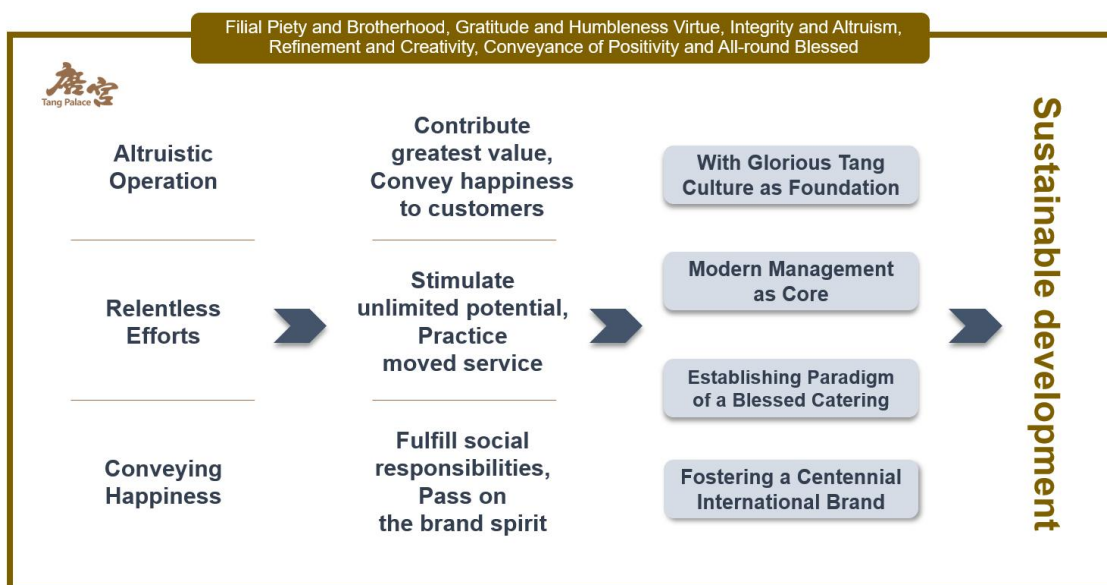
## Blessed trajectory of Tang Palace





## 2.2 Missions and Values

The culture of Chinese Cuisine has a long history, and every people want a blessed and happy life. Being member of the Food and Beverage industry that closely related people and culture, Tang Palace Group has always believed in and pursued the operation principles of “Altruistic Operation, Relentless Efforts and Conveying Happiness”. Through Altruistic Operation, we contribute our greatest value and convey happiness to customers; advocate sincere and heart-felt action, stimulate unlimited potential of our teammates, put moved services into practice; take pride in conveying happiness, take initiative to fulfill social responsibilities, and pass on the brand spirit of Tang Palace.



Humanistic touch is an important cornerstone of Tang Palace's sustainable operation. We incorporated the essence of Chinese culture into management philosophy, which becoming the foundation of the corporate culture, combined with modern management systems to integrate blessed catering with blessed life, through blessed employees, letting love and happiness can be shared and flow constantly amongst teammates, their respective families, customers and society.

2022 marks the 30th anniversary of Tang Palace and set out a new begin, also being an opportunity for us to conclude and reflect our achievements, reshape the corporate culture. In the ever-changing market, Tang Palace Group stick to unwavering faith of “Conveying happiness through catering”, and will continue to share the energy of blessings that stored by Tang Palace over years, letting our employees feel blessed, and in return bringing humanistic touch to customers, jointly create an international centennial brand that full of blessings.

## 2. About Tang Palace

### 2.3 Awards and Accolades

Tang Palace is committed to promoting the development of the catering industry, endeavor to improving the professional level of restaurant environment, products and services, cultivating catering talents, fulfilling social responsibilities, and gaining recognition from authoritative organizations, industry associations, customers and partners. Tang Palace has received various awards in 2021 and some are listed below.

#### Enterprise with Capability

Organisation#	Awards#
《Hong Kong Economic Journal》	<b>Listed Company Awards of Excellence 2021 (Hong Kong)</b> <b>4<sup>th</sup> year of Awards by 《Hong Kong Economic Journal》</b>
China Cuisine Association	<b>2020 Top 100 Chinese Catering Enterprises</b> <b>Awarded for 11 consecutive years</b>
Beijing Cuisine Association, Beijing Business Today	2021 Top 100 Restaurants in Beijing



#### Brand Recognition

Organisation#	Awards#
The National Restaurant and Hotel Rating Committee	<b>National Diamond-level Restaurant Demonstration Store, National Five-diamond Restaurant</b> <b>Since 2007, being awarded the title of national five-diamond restaurant</b>
Meituan (美團)	2020 Meituan Consumers' Favorite Brands
《Ganlanhuabao》 (橄欖畫報)	<b>2021 The Best Restaurant Awards</b> <b>“2021 The Best Food &amp; Beverage Brand”</b> <b>3<sup>rd</sup> year of awards</b>
Chinese Cuisine Association	Quality Catering Model Restaurant
Meituan Take Away	<b>Model Merchant Award on Co-building the Green Mountain</b> <b>2<sup>nd</sup> year of awards</b>







## Famous Restaurant for delicacy

Organisation#	Awards#
OpenRice (開飯喇)	<b>2021 Best Restaurant Award Ceremony</b> <b>Best Guangdong Restaurant 6 consecutive years on the list</b>
Dianping (大眾點評)	<b>2021 DianPing Must-eat List 5 consecutive years on the list</b>
2021 Food Festival of Ifeng.com (鳳凰網)	2021 Golden Phoenix Tree Shanghai Region Restaurant Guide - Annual Restaurant
2021 Food Festival of Ifeng.com (鳳凰網)	Sichuan-Chongqing Popular Restaurant
2021 Food Festival of Ifeng.com (鳳凰網)	Guangdong Popular Restaurant
Beijing Cuisine Association, Beijing Business Today	2021 Selected Restaurant in Beijing
Dianping (大眾點評), Meituan (美團)	2021 The Black Pearl Restaurant Guide - Nominee
《Ganlanhuobao》 (橄欖畫報)	2021 The Best Restaurant Awards “2021 The Authoritative Chef of the Year”

# the organization and awards name in English are for identification only, please refer to Chinese version for the official name.





## 2. About Tang Palace

### 2.4 Sustainable Development and Risk Management

A good governance structure is an important foundation for effective ESG management. In 2021, the Group established the Sustainability Committee to focus on and manage Key ESG Issues on the one hand, and to effectively integrate the Group's existing management structure on the other, so that relevant ESG strategies can be effectively implemented in daily operations.

The Board, through the Sustainability Committee (the “**Sustainability Committee**”) and its Environmental, Social and Governance Working Team (the “**ESG Team**”), is responsible for overseeing ESG issues with the assistance of external expert consultants. The Sustainability Committee holds at least two meetings every year to listen the work reporting of the ESG Team and the advice from external expert consultants, to keep abreast of industry developments on Key ESG Issues from a peer review perspective, and to report regularly to the Board on issues that involve significant decision-making.





The Board has always emphasised sustainable development, and is aimed to become a “Centennial Enterprise”. It takes the following as its core strategies:

- i) modern management that incorporates traditional culture,
- ii) high-quality products that attach importance to environmental protection and health care, and
- iii) professional services that are full of humanistic touch.

The ESG Team regularly collects and reviews relevant data and interacts with the Risk Management and Internal Control Committees to understand exceptional situations during daily operation (if any) in each region (e.g. major rectification requests from law enforcement agencies), and through the interviews with internal and external stakeholders and communication with expert consultants, to understand the status and opportunities on various Key ESG Issues, facilitating the Sustainability Committee to make a comprehensive assessment and sort out the priority of Key ESG Issues, and to prioritise the relevant projects and set quantifiable targets with different management departments, allowing effective management and follow-up during regular work meetings.



Followings are the main functions and interaction of different management units under current governance framework:

Management units	Nature	Member	Communication frequency	Main function	
				Risk management	Sustainable Development
Audit Committee	Board committees	Independent non-executive directors (3 members)	Once per quarter	<ul style="list-style-type: none"> <li>Review the effectiveness of financial and operational control and risk management systems</li> </ul>	<ul style="list-style-type: none"> <li>Review ESG report</li> <li>ESG risk identification and impact assessment</li> </ul>
Information sharing		 Chairman of the Board, Chief Executive Officer and Chief Financial Officer (3 members)	As needed (minimum twice per year)	<ul style="list-style-type: none"> <li>Communicate and interact with various supervisory / management task forces to identify major ESG risks and formulate management strategies</li> </ul>	<ul style="list-style-type: none"> <li>Formulate and review ESG policy and management framework</li> <li>Review target setting for key performance indicators and monitor progress</li> <li>Materiality review of ESG issues</li> <li>Supervise the Group's social responsibility and sustainable development activities</li> <li>Approval of ESG report and report to the Board of Directors</li> </ul>
Sustainability Committee				Twice per year	<ul style="list-style-type: none"> <li>Comprehensively analyze the reported risk incidents and review the effectiveness of operational management measures</li> </ul>
Risk Management and Internal Control Committee ("Risk Management Committee")	Supervisory / management task forces	Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Representatives of Independent non-executive director, compliance manager and lawyer (6 people)	Continuous communicates as needed	<ul style="list-style-type: none"> <li>Review internal data and the latest policies and laws, identify major risks and report to the Risk Management Committee</li> </ul> 	<ul style="list-style-type: none"> <li>Monitor the implementation of the group's social responsibility and sustainable development activities</li> <li>Data collection / review, conduct systematic record analysis</li> <li>Assist in the formulation of practical goals and follow-up mechanisms</li> <li>Preparation of ESG report</li> </ul>
ESG Team		5S management leader, Representatives of Compliance department, Investor Relations department and Administration department	As needed (minimum twice per year)	<ul style="list-style-type: none"> <li>Analyze and follow up on the risks found in the inspection process, and report major risks to the Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>Establish specific standards and systems for operational management in accordance with the ESG policy and management framework</li> <li>Regular on-site inspections for the implementation status</li> </ul>
ERS mechanism (5S) Management Committee Execution Management		5S management leader, compliance department representatives and regional operation representatives	Continuous communicates as needed	<ul style="list-style-type: none"> <li>Monthly report to the Group on exceptional incidents in regional operations (if any)</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate the provision of operational data from on-site</li> <li>Driving the implementation of specific ESG initiatives</li> <li>Feedback the actual situation</li> </ul>
Regional Business Management department	Specific execution management	Operations department, Production department, Food Factory, Engineering department	Once per quarter	<ul style="list-style-type: none"> <li>Review the relevant risks and hidden dangers of the department on a quarterly basis and fill in the feedback form to the Group</li> </ul> 	
Functional department		Procurement department, Human Resources department, Finance department and I.T. department			



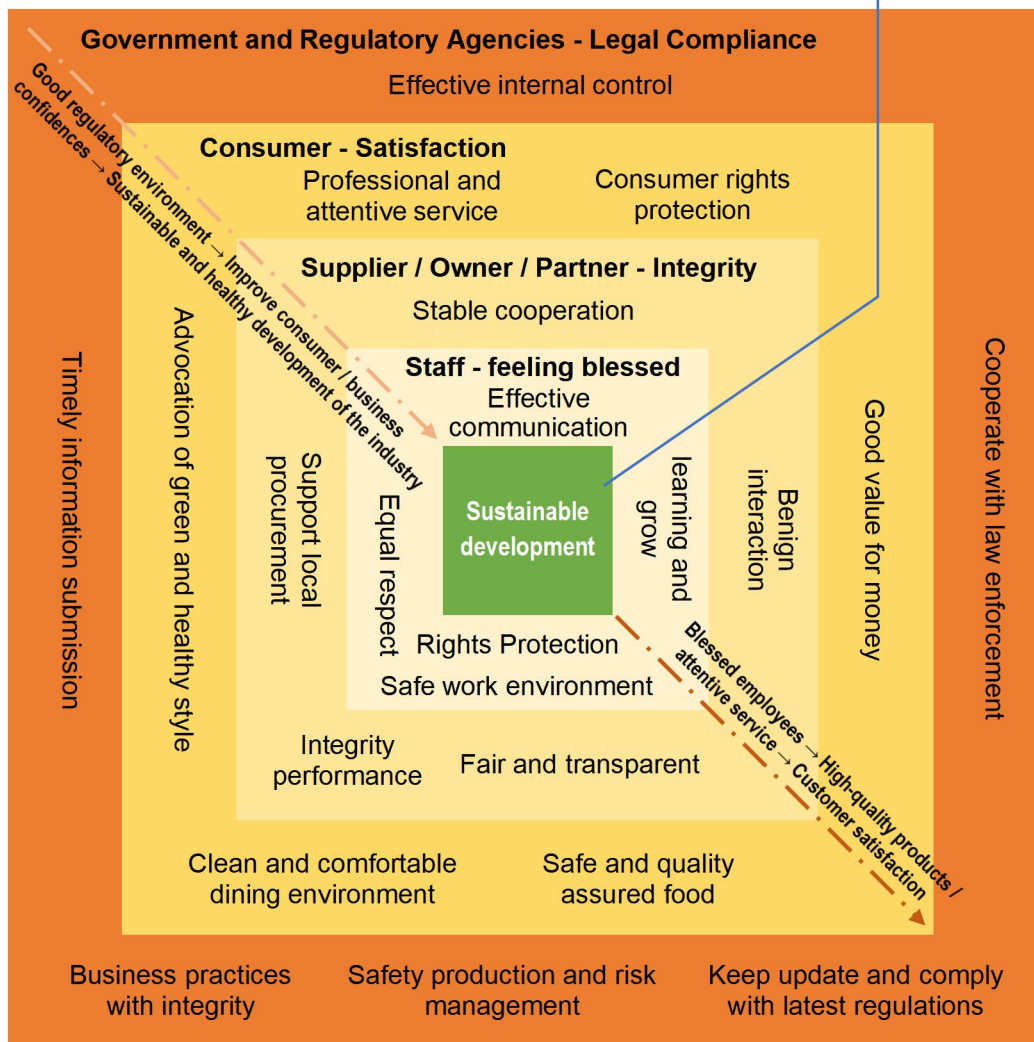
## 2. About Tang Palace

### 2.5 Stakeholders Communication

Fully understanding the concerns of different stakeholders and taking them into account in business decision-making is particularly important for enterprises to achieve sustainable development. We are of the view that even different stakeholders have different concerns, but under the premise of long-term development interests, the concerns of each stakeholder should be complementary to each other, effectively identify and balance the reasonable concerns of all parties, and comprehend to become our aligned common vision, are the key element for the sustainable development of the enterprise.


























#### Collaborative Sustainability Vision:

- **Investors** - Stable performance and returns / business growth
- **Natural environment** - Reduce environmental impact of various aspects of business, continuously improvement in employees and customers' environmental friendly awareness and practice
- **Community** - Actively give back to the society and advocate people's caring





Below is the different existing channels for communicating with various stakeholders:

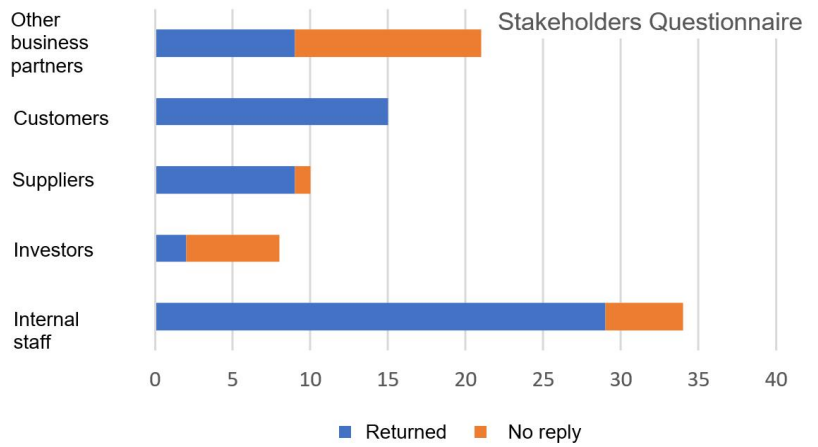
Communication Channels Stakeholders	Interactive communication	Specified information submission / collection	Different communication mechanisms
<b>Government and regulatory authorities</b> 	Site inspection 	Specific forms filling 	Policy Seminar 
<b>Investors</b> 	Shareholders' general meeting / Meeting after result announcement 	Announcement / Disclosure 	Official Online platform / email 
<b>Consumers</b> 	Customer service hotline / Store service and communication 	-	Public catering platform / Official WeChat ID / email 
<b>Staff</b> 	Training / Spring Festival / learning visit / Regular meetings / Internal WeChat group 	Employee appraisal / Opinion collection 	WeChat ID of "Tang Palace people" / bulletin board 
<b>Suppliers / business partners</b> 	Site inspection 	Supplier Evaluation Form / Integrity Statement 	Quality Supplier Appreciation Meeting 
<b>Community</b> 	Community activities / services (Volunteer Group) 	-	Communicate with local charities 
<b>Natural environment / Environmental organizations</b> 	-	Environmental information disclosure 	Understand the latest initiatives and regulatory updates 



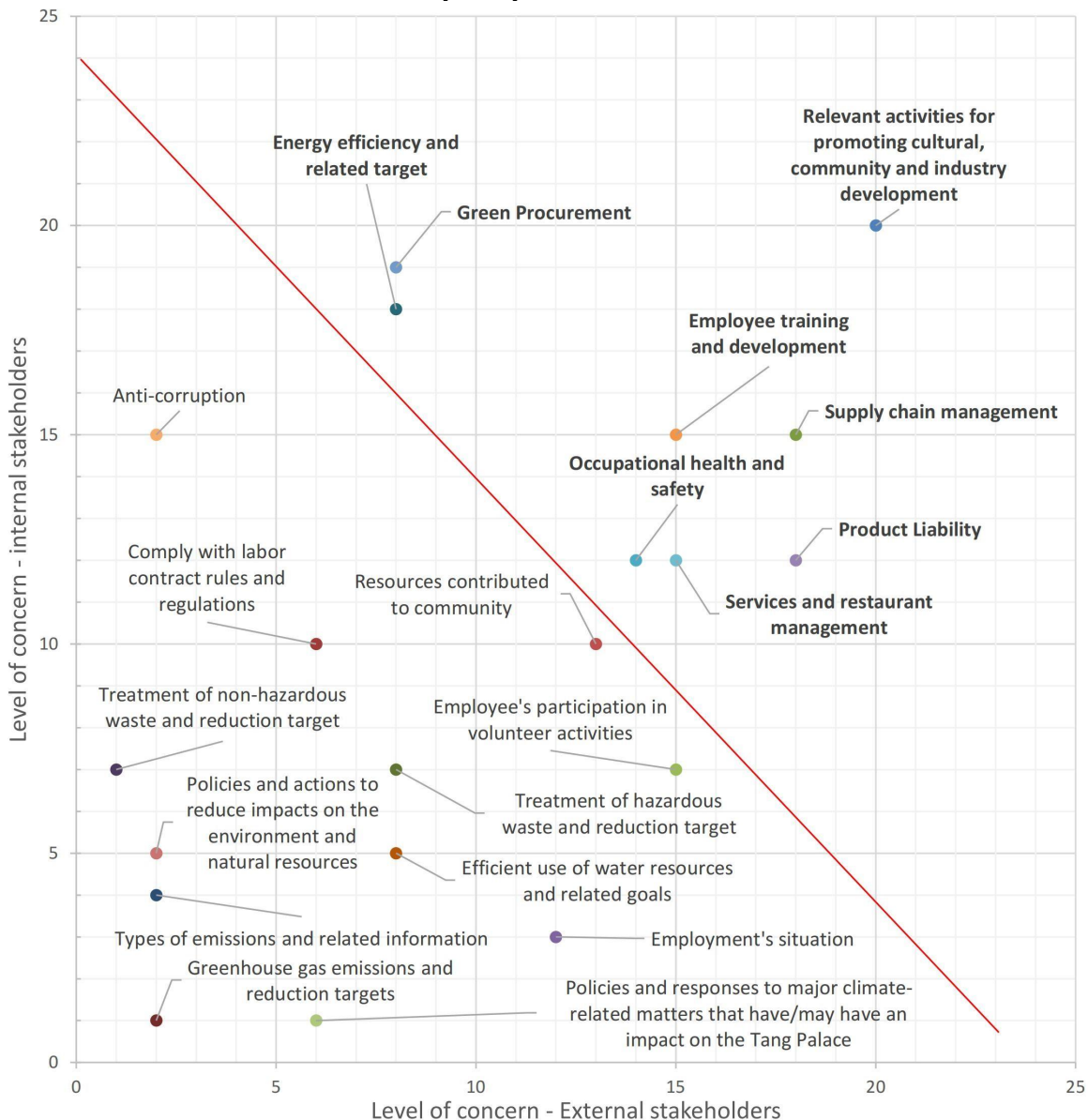
## 2. About Tang Palace

### 2.6 Materiality Analysis of Various Issues

In addition to various regular communication channels, we conducted an online survey among key stakeholders identified, both internal and external, to understand their key concerns. A total of 88 questionnaires were distributed and 64 were returned, representing a return rate of 73%.



Materiality Analysis of Various Issues



# Harmonious Coexistence with Environment

與環境幸福共存







## 3. Harmonious Coexistence with Environment

### 3.1 Relevant Data for Carbon Emission

Exhaust gases	Sources of Emission	Unit	Emission Amount <sup>1</sup>
<b>Nitrogen oxide</b>	Fuel vehicles and cooking stoves	KG	4,883.80
<b>Oxysulphide</b>	Fuel vehicles and cooking stoves	KG	22.00
<b>Particulate matters</b>	Fuel vehicles and cooking stoves	KG	133.33

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	9,364.09 <sup>2</sup>
	Indirect Emission from Energy – Purchased electricity and heating powers	Tonnes	13,305.84 <sup>3</sup>
	Other indirect emission – Commercial flights	Tonnes	94.84

Total Emission : 22,764.76 Tonnes Carbon Dioxide Equivalent

Intensity : 0.019 Tonnes or (19 KG Carbon Dioxide Equivalent) / RMB1,000 revenue

Waste	Sources	Unit	Weight	Total Weight	Intensity
<b>Non-hazardous waste</b>	Food waste	Tonnes	4,389.77	6,361.54 Tonnes	5.416KG / RMB1,000 revenue
	Other waste	Tonnes	1461.08		
	Recyclable waste	Tonnes	471.93		
	Waste oil	Tonnes	38.75		
<b>Hazardous waste</b>	Detergents and insecticides containers containing chemical substances	Tonnes		18.13 Tonnes	0.015KG / RMB1,000 revenue

### 3.2 Relevant Data for Resources Consumption

Resources Consumption	Sources	Unit	Weight / consumption	Total Weight / consumption Intensity	Resources Consumption
<b>Energy / Water consumption</b>	Direct Energy -	GJ	1,305.53	64,416.28 MWh	0.055 MWh / RMB1,000 revenue
	Gasoline <sup>4</sup>	MWh Equivalent	362.65		
	Direct Energy -	GJ	728.05		
	Diesel <sup>5</sup>	MWh Equivalent	202.24		
	Direct Energy -	GJ	152,413.71		
	Natural gas <sup>6</sup>	MWh Equivalent	42,337.18		
	Indirect energy -	GJ	1,904.67		
	Purchased heating power <sup>7</sup>	MWh Equivalent	529.07		
	Indirect energy - Purchased electricity	MWh	21,514.22		
	Water resource	cubic meter		563,876.57 cubic meters	0.480 cubic meters / RMB1,000 revenue
<b>Packaging materials</b>	Sauces for internal use	Tonnes	5.77	206.95 Tonnes	0.176KG / RMB1,000 revenue
	Product takeaway	Tonnes	112.83		
	New Year Cake / Rice Dumpling	Tonnes	29.96		
	Moon Cake	Tonnes	58.39		

- References to calculation methods include, but are not limited to, "The First National Pollution Source Census Manual on Urban Living Sources and Discharge Coefficients" and the "How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange;
- References for calculation methods include, but are not limited to, People's Republic of China domestic trade industry standards "Hotel Industry Greenhouse Gas Emission Standard", "Greenhouse Gas Accounting Tool for Chinese Cities (Pilot Version 1.0)", "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong", and the "How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX;
- Indirect emissions come from indirect greenhouse gas emissions generated during the production process of the restaurants' purchased electricity and Beijing district restaurants' purchased heat. References for calculation methods include, but are not limited to, People's Republic of China domestic trade industry standards "Hotel Industry Greenhouse Gas Emission Standard", and "The Ministry of Ecology and Environment of People's Republic of China (2019)";
- The actual gasoline consumption was 37,419.74 liters;
- The actual diesel consumption is 18,894.98 liters;
- The actual natural gas consumption is 3,914,970.37 cubic meters;
- The actual purchased heat is 9,064 cubic meters in terms of hot water.







# 3. Harmonious Coexistence with Environment

## 3.3 Goals and Strategies

The pandemic has slightly reduced economic activity and carbon emissions, but has not reversed the trend of global warming. The National Aeronautics and Space Administration (NASA) of the United States has announced 2021 to be the sixth hottest year on record, and it has said that we have entered a new cycle that could see the warmest decade in years. Extreme weather will continue to occur, with July 2021 being the hottest month record in human history.







Hot weather has a direct impact on health and marine ecology, and extreme weather events caused by it (such as heavy rainfall, flooding and mountain fires) will bring about substantial loss of life and economic damage. According to the China Climate Bulletin (中國氣候公報), in 2021, there were a total of 36 regional rainstorms across the country. The process of torrential rain in flood season was strong and critical, which caused a total of 47 regional strong convective weather events and extreme low temperatures across the country.

We are well aware that extreme weather caused by climate change will have different impacts on our business. The Board identifies and manages related risks and opportunities, with the assistance of external professional consultants, through the Sustainability Committee and related management structure. The ESG Team will also keep in close contact with business management departments to implement relevant strategies and management measures into daily operations and make timely adjustments as appropriate, so as to minimise the impact of our business on the environment and enhance the Group’s risk management in response to climate change.

Climate events	Identification of the key impacts on the Group	Responses
<b>Extreme high temperature</b> 	<ul style="list-style-type: none"> <li>Food safety risks under high temperature</li> <li>Affect animal husbandry and price of fresh meat supply</li> <li>Affect marine ecology, fisheries and seafood price</li> </ul>	<ul style="list-style-type: none"> <li>Strictly control storage temperature and production process, avoid high-risk dishes (e.g. sashimi, milk)</li> <li>Develop different domestic / external supply channels</li> <li>Develop more vegetarian dishes to reduce meat dependency</li> </ul>
<b>Extreme low temperature</b> 	<ul style="list-style-type: none"> <li>Affect harvest and crop price</li> <li>Icing / bursting of pipes</li> </ul>	<ul style="list-style-type: none"> <li>Develop different domestic / external supply channels</li> <li>Enhance checking and maintenance in extreme weather</li> </ul>
<b>Extreme rainfall</b> 	<ul style="list-style-type: none"> <li>Affect harvest and crop price</li> <li>Affect customer visits</li> </ul>	<ul style="list-style-type: none"> <li>Develop different domestic / external supply channels</li> <li>Expand other income stream besides dining-in</li> </ul>
<b>Typhoon</b> 	<ul style="list-style-type: none"> <li>Employee traffic risks and additional subsidies</li> <li>Affect customer visits or require temporary closure of business</li> </ul>	<ul style="list-style-type: none"> <li>Purchase insurance to transfer risk</li> <li>Guidelines for working in extreme weather</li> </ul>



Under different aspects of environmental management, the Group continues to procure the following strategies with continuous reviews and improvement:

Management category	Strategic direction	Equipment efficiency enhancement	Dishes design	Effective use of electronic communication	Eco-friendly packaging design	Participate in community welfare promotion	Various saving / management measures
Exhaust Emission Management		✓		✓			
Waste oil and sewage management							✓
Wastes (hazardous and non-hazardous) management			✓	✓	✓	✓	✓
Water saving management						✓	✓
Energy saving management		✓				✓	✓
Promote environmental awareness			✓		✓	✓	

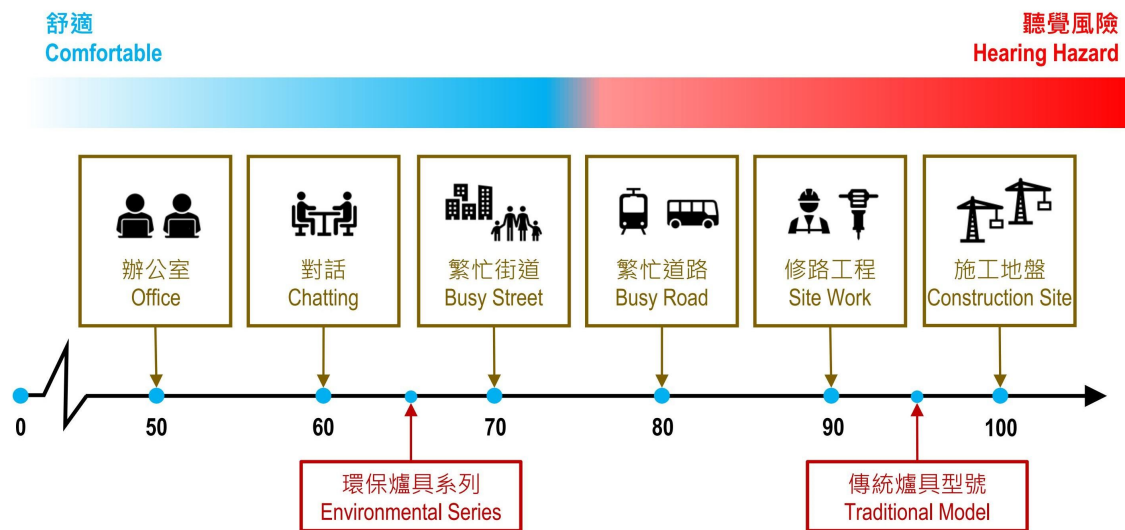


### 3. Harmonious Coexistence with Environment

#### Strategy 1: Use new environmental-friendly and energy-saving equipment

##### Key points 1: New eco-stoves

The restaurants opened by the Group after 2018 were equipped with new eco-stoves. Such stoves adopt patented combustion technology and thermal insulation design to improve heat conversion efficiency and are more energy-efficient than traditional stoves, New eco-stoves stove fans consume 0.13 kilowatts (Kw) of electricity per hour (compared with 0.25 Kw in the traditional ones), saving about 48% of electricity consumption. In addition, the noise level of the eco-stoves during operation ranges from 60 to 70 decibels, which is quieter than traditional stoves (over 90 decibels), reducing the risk of health problems or work-related accidents caused by noise.



In addition, the new eco-stoves are equipped with an electromagnetic valve flameout protection device, which replaces the temperature sensor of the traditional device with an ion inspection sensor, so that when the fire goes out, the controller reacts immediately and cuts off gas supply, effectively controlling the risk of gas leakage. In addition, the parts of the new stoves have a longer service life which will reduce industrial waste.

	New eco-stoves	Traditional Stoves
<b>Principle</b>	Flame Rectification Sensor	Thermocouple
<b>Gas cut off time</b>	2 seconds	Average 30~90 seconds
<b>Parts Durability</b>	Over 2 years	2~3 months

In addition to adopting the new eco-stoves in new restaurants, the Group plans to replace the existing stoves with the new eco-stoves when restaurants are refurbished. In 2022, one restaurant in Beijing is scheduled to be refurbished. After switching to such new environmentally friendly frying stove, gas consumption and electricity consumption are targeted to be reduced by approximately 65,900 cubic meters and approximately 2,100 Kw, respectively, on an annual basis (assuming a year-round operation with 7 hours per day), as well as reducing relevant stoves' exhaust emissions.

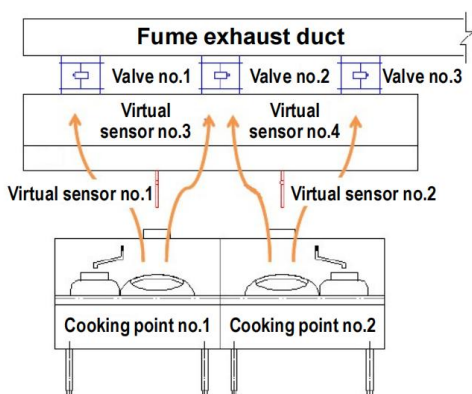
## Strategy 1: Use new environmental-friendly and energy-saving equipment



### Key point 2: Intelligent ventilation system

The intelligent ventilation system mentioned in the previous report was first used in the Dongguan restaurant and, due to the satisfactory results, further installations were carried out in four other qualified restaurants (located in Shenzhen, Shanghai and Hangzhou respectively) during the Period. The system records the temperature through a sensor installed above the stir-fryer and perform calculation, then adjusts the operating intensity of the ventilation equipment effectively and precisely through the intelligent variable airflow valve, and will stop automatically when not required, thus greatly improves energy efficiency. Compared to the energy consumption (in terms of equipment power) without the relevant equipment, the 5 restaurants equipped with intelligent ventilation systems have saved a total of approximately 435,764 kWh energy consumption in 2021.

In 2022, the Group has planned to install the equipment in another restaurant in Shenzhen. Assuming that the business volume of these 6 restaurants will be similar to that of 2021, the Group expect to achieve the target of saving approximately 734,000 kWh of energy consumption in 2022 (compared to the situation without the equipment).



### Key point 3: A new generation of energy-saving dishwashers

During the Period, restaurants in Beijing started to use S1 energy-saving dishwashers on a trial basis. Through the heat recovery device and more efficient cleaning process, in addition to improving energy efficiency and reducing water consumption, the temperature in the dishwashing room is also reduced. The following are comparisons with conventional models.

	Size	Washing speed (per hour)	Heat recovery efficiency	Distribution supply rate	Standard water consumption
<b>New model</b>	1105 x 770 x 2150	200 baskets	30%	28.7kW	1.6L/ basket
<b>Traditional model</b>	1105 x 770 x 1450		N/A	44.0 kW	1.75L/ basket

Based on 6 hours of cleaning per day, the restaurant aims to save approximately 33,500kWh of electricity in a full year. The Group's engineering department is continuously reviewing the effectiveness of the use of such dishwashers, and after taking into account the environmental layout of other restaurants, the status of existing dishwashers and the equipment contracts, aiming to formulate a feasible and cost-effective medium / long-term plan by 2022.





### 3. Harmonious Coexistence with Environment



#### Strategy 2: Promote green menus

In the global trend of green eating, more people are committed to a healthy and low-carbon lifestyle. Tang Palace has always advocated for “Quality Products, Safety Assurance, Health Cultivation, Environmental Protection” and joined hands with Green Monday in 2021 to create a delicate green menu named “Implantation of the spirit of Tang Palace’s craftsmanship”. It offers courses featuring various plant-based products, which are prepared into nutritious, healthy and environment-friendly dishes with taste and texture comparable to authentic meat, to offer customers with additional choices for green eating.





In September and October 2021, we held a tasting session of “Implantation of the spirit of Tang Palace’s craftsmanship” in Shanghai and Shenzhen, respectively, for guests to experience the concept of plant-based diet that combines “Environmental Friendly, Naturality, Health Cultivation” and “Quality Products, Craftsmanship, Safety Assurance”. Meanwhile, the tasting session also featured elements from cultural traditions, such as tea ceremony, Chinese music and Chinese dance, to provide guests with the delight of veganism with Tang Palace’s characteristics.











### 3. Harmonious Coexistence with Environment

#### Strategy 3: Environmentally friendly packaging design

##### Key point 1: Seasonal product packaging design

For the packaging designs of various seasonal products, the Group strives to balance the needs of product style and the responsibility of preservation and environmental protection and tends to adopt more environmentally friendly materials and simpler designs. It also considers practicality to encourage recycling and reuse.

Seasonal product packaging	Example	Simple and high-quality to encourages reuse	FSC certified paper	Environmentally friendly supporting materials like blister packing
Rice dumpling bag	 <p>Zipper seal, insulation layer, convenient and practical</p>	✓		
Moon cake gift box			✓	✓
Moon cake gift bag	 <p>Simple style, classic and elegant design</p>	✓		
Gift box / bag for preserved food product	 <p>Premium Thickened Felt Tote Bag</p>	✓	✓	✓
Rice cake gift box	 <p>PET materials for blister packing which is easier to decompose</p>		✓	✓
Poon Choi / "Buddha's Temptation" gift box	 <ul style="list-style-type: none"> <li>• Thick food grade stainless steel</li> <li>• Pearl cotton insulation bag</li> <li>• Medium-sized refined ceramic clay pot</li> </ul>	✓	✓	

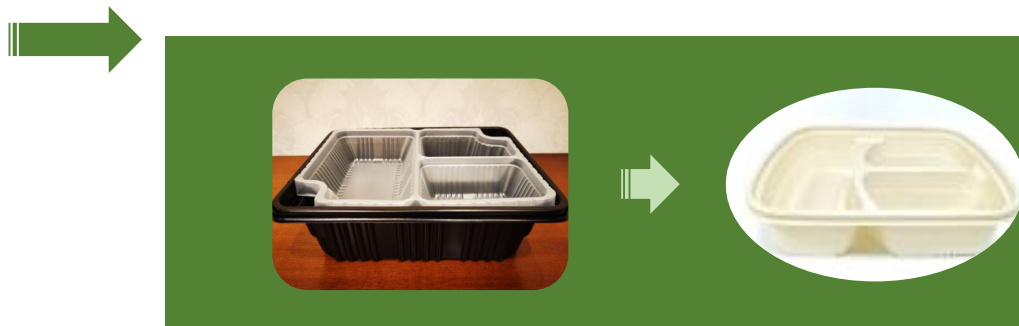
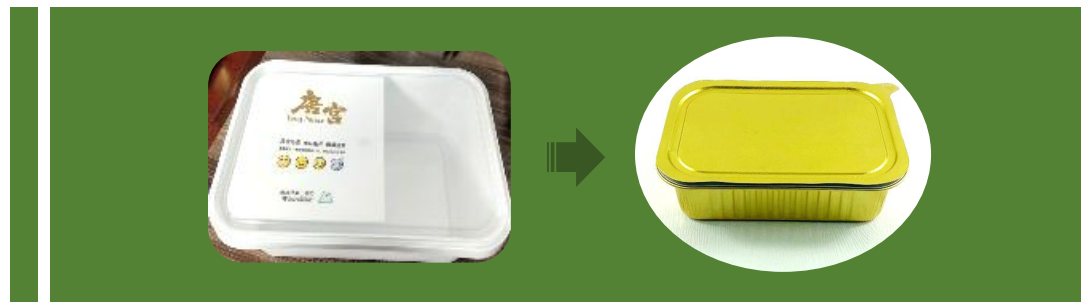


### Strategy 3: Environmentally friendly packaging design

#### Key point 2: Standardisation of takeaway packaging in all districts

As the demand for takeaway increases during the pandemic, consumption of takeaway boxes and relevant accessories has been increasing. In recent years, various governments have tightened the control over the production and consumption of plastic boxes and plastic bags through methods such as the implementation of plastic bag levy and ban of non-biodegradable plastic bags. Despite varying situation in different cities, in order to further promote environmental protection and enhance efficiency, the Group has started to standardise takeaway containers in different regions and conduct feasibility study in respect of operating procedure, suppliers' choice and clearance of existing inventories, with a view to achieving the following objectives:

1. To reduce the type of takeaway boxes throughout the Group from approximately 17 to approximately 10;
2. To fully replace plastic materials with recyclable aluminum foil or biodegradable corn fiber by the second half of 2022, which is estimated to reduce approximately 420,000 plastic boxes and relevant accessories per month throughout the Group.



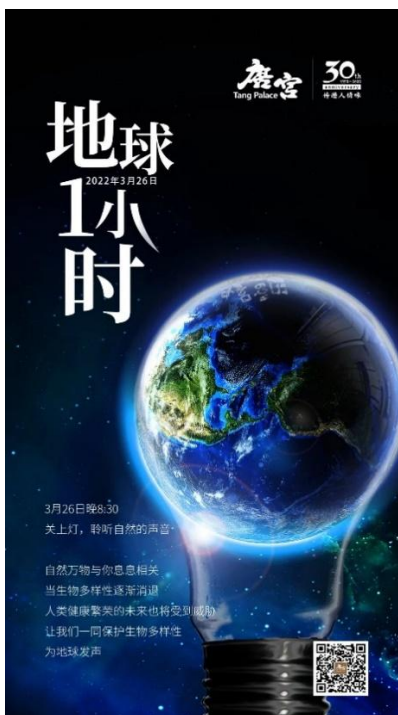


### 3. Harmonious Coexistence with Environment

#### Strategy 4: Actively participate in environmental protection and community welfare activities

##### Key point 1: Earth Hour

The Group has responded to the “Earth Hour” campaign initiated by the World Wildlife Fund (WWF) for three consecutive years. At 8:30 pm on the last Saturday in March every year, turned off the unnecessary lighting in the restaurants and staff dormitories for one hour, to raise the awareness of customers and employees in energy saving and carbon reduction, and collaboratively contribute to the environmental protection. Participating in “Earth Hour” campaign has become Tang Palace's annual environmental protection activity and is widely supported by customers.





## Strategy 4: Actively participate in environmental protection and community welfare activities

### Key point 2: Recycling of printed paper

Since the last report in November 2020, Tang Palace and Tzu Chi<sup>1</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. During the reporting Period, 7 stores in Guangdong continued this action and collected a total of approximately 1,909 kg of printed paper. After receiving the printed paper, Tzu Chi will send the printed paper to a recycling manufacturer to make recycled paper. Such action not only reduce the amount of garbage and allow resources to be recycled, but the money from the sale of recycled resources will also be used for Tzu Chi disaster relief or to help the disadvantaged groups in society, so that environmental protection and charity complement each other.



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.



# 3. Harmonious Coexistence with Environment

## Strategy 4: Actively participate in environmental protection and community welfare activities

### Key point 3: Green Mountain Charity



The Group has participated in the “Green Mountain Charity Activity” (青山公益行動) established by Meituan Food Delivery since 2018. With each completed takeaway order in Meituan Food Delivery, the Group being one of the Green Mountain charity merchant, will donate RMB 0.01 - RMB0.02 to the “Green Mountain Project Special Fund” established by Meituan Food Delivery and China Environmental Protection Foundation in 2017 (renamed as “Green Mountain Charity Special Fund” in 2022). The fund donations are used to support high-quality protection and development of nature reserves, climate change response, ecological conservation and poverty alleviation, Community advocacy of environmental protection and other environmental-friendly charitable projects.

When placing an order on the Meituan Food Delivery platform, the system automatically defaults to “no tableware”, which advocates reducing the use of disposable tableware.



## Strategy 5: Other environmentally friendly initiatives

To keep raising employees' and customers' awareness of the environmental protection, we continue to integrate environmental considerations and relevant reminders into various business procedures. For example:

 <p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Energy conservation</b></p>	<ul style="list-style-type: none"> <li>• Dining rooms and kitchens in our restaurants have fully adopted LED lighting and implemented segmented lighting to facilitate effective management</li> <li>• Guidelines in respect of segmented lighting and timing of switching off air-conditioners are formulated according to the operating condition of the restaurants</li> <li>• Utilises equipment that recover heat energy and convert to hot water to reduce energy consumption caused by purchased hot water</li> <li>• Utilises environment-friendly steam ovens (reducing gas consumption by 30%)</li> </ul>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Emission and waste reduction</b></p> 	<ul style="list-style-type: none"> <li>• Fully utilises software to facilitate training, meeting and approval aiming to reduce carbon emissions caused by paper documents and traveling</li> <li>• Regularly cleans ventilation, oil separation and kitchen equipment and handles sewage discharge and exhaust emissions in accordance with the law</li> <li>• Disposable utensils are not provided for dine-in unless upon request</li> <li>• Displays food conservation reminders at conspicuous locations of our restaurants and staff canteen, promote the "Clean Plate Campaign" and regards the order quantity reminder to customer as a part of the service standard</li> <li>• Recycles various containers to reuse as storage equipment and use the unutilised food ingredients to make dim-sum as staff meal</li> </ul>
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## Cherish water resources

Although the Group did not experience any difficulty in water sourcing during the Period, it continues to take the following measures to reduce water resource consumption:

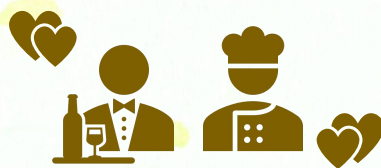
- Partially installs infrared sensor taps and water-saving valves in kitchen, when practicable
- Routinely examines water output volume of taps at our restaurants and immediately repairs dripping taps
- Recycle water with detergent from dish washers to be used in pre-washing operation

The total water consumption of the group in 2021 is 563,876.57 cubic meters (2020: 492,285 cubic meters), with an average of 0.48 cubic meters per RMB1,000 revenue yuan (2020: 0.52 cubic meters).



# Conveying Happiness Through Operation

以經營傳遞幸福





# 4. Conveying Happiness Through Operation



## 4. Conveying Happiness Through Operation

As a livelihood related enterprise employing nearly 4,000 employees, we are carrying the operation principles 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. Conveying Happiness Through Operation

## 4.1 Product Liability and Supply Chain Management

### Target:

- Promote a healthy and tasteful lifestyle through safe and high-quality delicacy
- Prevent all food safety incidents through raising employee awareness

**Relevant regulations:**

The Food Safety Law of the PRC,  
Food Safety Ordinance (Cap. 612)

### Main strategies:

- Approval of supplier introduction at Group level, on-site assessment of major supplier, strict source monitoring
- Food factory conduct centralized testing for important food ingredients, such as imported frozen ingredients
- Designated procurement department to manage and supervise the quarantine, disinfection and nucleic acid reporting requirements of all kinds of food ingredients entering the restaurants
- Implementation of monthly regional inspection mechanism and year-end assessment by the Group to ensure the hygiene and sanitation of equipment and environment
- Customers' comments and government department inspection feedback are followed seriously and timely, effective accident reporting and management mechanism

Key risks	Responses
<ul style="list-style-type: none"> <li>• The ongoing pandemic has a great impact on the safety and stability of food supply</li> <li>• The government has higher pandemic prevention requirements for individual food ingredients (such as imported frozen products)</li> </ul>	<ul style="list-style-type: none"> <li>• On-site supplier assessment could not be arranged due to the pandemic prevention and control requirement, but the procurement department still contacted all major suppliers by electronic means to understand their production and operation situation, so as to obtain the latest market information and ensure supply stability</li> <li>• Update the recording method of supplier's on-site inspection, sort out key items for observation and specify the responsible person, well prepared for the resumption of future on-site inspections</li> <li>• The restaurants and food factories' person in charge for the entry of food ingredients will strictly comply with the food quarantine requirements and ensure that the relevant quarantine, disinfection reports and nucleic acid testing reports are available and on filed before allowing the food materials to be stocked</li> </ul>

### Updates during the Period:

During the Reporting Period, the group had approximately 447 suppliers, of which approximately 57 were in the northern region (Beijing), approximately 193 were in the eastern region (Shanghai / Suzhou / Hangzhou), approximately 175 were in the southern region (Shenzhen / Dongguan / Hong Kong), and the western region (Chengdu) accounts for about 22.

In addition, the food factory has qualified food inspector to continuously random inspect the fresh vegetables, fresh meat, edible oil, seasonal products, utensils and employees' hand hygiene to ensure source hygiene. All relevant tests were passed during the Period, and the food factory has taken all necessary environmental protection and pandemic prevention measures. During the Period, there were no violations related to food production, and no food ingredients that needed to be stopped from use due to quality problems, nor any food needed to be recalled for safety and health reasons.

During the Period, the Group's ERS mechanism Management Committee reviewed 29 major restaurants in various regions (9 in Beijing, 6 in Guangdong, and 14 in Eastern China). The review items were mainly focus in food safety and pandemic prevention and control, each restaurant was able to pass the audit. Among them, 14 restaurants have achieved excellent results and awarded the title of "ERS 5S Model Shop".



## 4.2 Environmental Safety and Health

### Target:

- Effectively manage and reduce all types of safety incidents
- Improve employee awareness of safety and health on the environment, business operations and fire prevention

### Strategies:

- Implement regular regional and group inspection mechanisms to examine and prevent safety hazards in the working environment
- Management mechanism to strengthen the reporting, analysis, recording and summary of all types of accidents (e.g. work injuries)
- Regular restaurant briefing session, periodic training (including for new employee induction training), safety knowledge and case sharing as well as participation in the drill practices
- Maintain good communication with regional regulatory authorities, understand the latest regulatory requirements and actively cooperate with regular inspections

### Relevant regulations:

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),  
Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap 599F)



Key risks	Responses
<ul style="list-style-type: none"> <li>Infection risk of frontline employees under the pandemic</li> <li>Physical and mental health of employees under access control</li> </ul>	<ul style="list-style-type: none"> <li>Actively cooperate and comply with the local pandemic control measures (e.g. nucleic acid testing, business restrictions and social distancing measures, etc.)</li> <li>Each region's control team coordinates the management and liaison of pandemic control in the region</li> <li>Formulate specific guidelines on restaurant operation and dormitory life during special period to reduce the risk of infection (e.g. advice on commuting to and from work and recommend hours for work and rest)</li> <li>The training department provides online classes for physical and mental health</li> </ul>

### Updates during the Period:

The Group places great importance on environmental and occupational safety and health, which is one of the key concerns of various stakeholders. Through the ERS management system, which has been introduced and continuously enhanced since its inception, the Group ensures the constant implementation key principles of the ERS management system (e.g. standardised organisation, storage and hygiene requirements) and early identification of safety risks through the use of visual contextual initiatives (e.g. different colour management, reminder labels), specific operational guidelines and tool forms, as well as regular inspection and evaluation. During the Period, ERS management consultants also imparted the ERS management system concept and implementation guidelines to the staff and management of Hong Kong restaurants through classroom learning and on-site coaching.

During the reporting Period and in the past two years, there were no work-related fatalities. For the Group as a whole, the number of people involved in work-related injuries was 31 and the number of working days lost was 604 during the Period. In addition to reporting all work-related accidents to the governmental labour department in accordance with the statutory requirements, the regional operation management departments will also record the analysis of the causes of accidents and improvement measures in accordance with the Group's prescribed reporting forms which will be used for internal case studies to prevent similar accidents from occurring.





# 4. Conveying Happiness Through Operation

## 4.3 Service Standards

### Target:

- By moved and professional service level, let customers feel being blessed during dining process

### Strategies:

- Regular online and offline training, letting employees master the service standards and maintain a good attitude
- Distribute mission cards, through specific reminders, allowing each employee to demonstrate the Company's mission and core values in their daily work
- Hire mystery customers and conduct objective evaluations according to established standards
- Systematic follow-up of the customers' comments from different channels, adopting various motivational scheme praise and recognise employees with outstanding performance
- The designated department to examine the wording used in the menu and promotional materials, actively cooperates with law enforcement departments for any rectify requirements and shares cases to avoid misleading to the consumers

**Relevant regulations:**

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)



### Updates during the Period:

The normalisation of the pandemic has led to significant changes in the catering business. In order to better manage the increasing number of online takeaway sales, the operation management departments in various regions have continued to improve the operational procedures and environmental layout, so as to enhance the efficiency of takeaway operations and reduce hygiene risks.



The Group has established a designated department to review customer feedback from various channels (e.g. company mailbox, Openrice, Facebook, DianPing.com, etc. and provide timely responses. The relevant department will summarise the improvement points relating to products/services in the comments and prompt the relevant persons in charge (including regional general managers/managers, restaurant in charge and head chefs, etc.) in the monthly service review meetings, which will be attended by the Chairman of the Board and the Chief Executive Officer. In addition, the Group received a total of 20 complaints about food quality and staff service from official channels such as the Company's mailboxes and website message inbox during the Period, of which one was from the Consumer Council regarding the different interpretations of the coupon terms by the customer. The Group has completed internal review and responded to customer.

will summarise the improvement points relating to products/services in the comments and prompt the relevant persons in charge (including regional general managers/managers, restaurant in charge and head chefs, etc.) in the monthly service review meetings, which will be attended by the Chairman of the Board and the Chief Executive Officer. In addition, the Group received a total of 20 complaints about food quality and staff service from official channels such as the Company's mailboxes and website message inbox during the Period, of which one was from the Consumer Council regarding the different interpretations of the coupon terms by the customer. The Group has completed internal review and responded to customer.

A total of 395 mystery customer visits were arranged during the Period, covering 38 of the Group's major restaurants, in order to objectively review the quality of the restaurants' products and services. The results of the visits were reviewed and analysed by the designated training department, with necessary key reminders/training provided as a follow-up. In addition, in response to the changing business environment, the training department will review the content of the visits on a half-yearly basis in accordance with the business strategy and restaurant conditions, so that service can be continuously improved.

In addition to the external objective service review, the Group continued its "Tang Palace Mission Card" and "Gold Medal Service Provider" recognition programs as a reminder and encouragement to its staff, so as to keep employee in a positive frame of mind during COVID-times. Touching stories from day-to-day work were also shared in different training sessions as an encouragement for employees to forge ahead.



## 4.4 Integrity and Trust

### Target:

- Create a fair business environment and improve employees' professional ethics and awareness of misconduct

### Strategies:

- The employee code of conduct clearly prohibits any behavior that will breach the integrity and harm the Company's interests
- Effective segregation of duties and process management (e.g. contract clauses including the rejection of illegal rebate)
- Regular cultural training to enhance the personal integrity of employees
- Establish an internal whistleblowing mechanism, contents will be kept confidential with designated internal audit department to follow reported cases
- Maintain good communication with anti-corruption departments to understand latest information and training resources

### Updates during the Period:

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.

The Group has been following the latest corruption prevention information released to the public by the Hong Kong Business Ethics Development Centre and will liaise with the relevant departments of the Hong Kong Independent Commission Against Corruption to arrange corruption prevention seminars for the catering industry. The Group has organised two corruption prevention seminars for frontline management staff in Hong Kong in 2020 and plans to organise corruption prevention training for the Directors and senior management in 2022. In addition, the Group will also continue to educate staff by means of traditional culture learning (e.g. Liao-Fan's Four Lessons) to maintain personal ethics and keep corruption at bay.

### Relevant regulations:



The Anti-Corruption and Bribery Law of the PRC,

Prevention of Bribery Ordinance (Cap. 201),

The Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap.615)





# 4. Conveying Happiness Through Operation

## 4.5 Rights and Interests Protection

### Target:

- Good maintenance for own trademarks, respect the rights and interests as well as privacy of third parties

### Strategies:

- Effective trademark registration and maintenance mechanism to protect own trademarks and respect other's
- Maintain good communication with copyrighted software suppliers, formulate appropriate corporate plans, and prohibit employees from downloading pirated software
- Do not ask for unnecessary customer information excessively, handle it with care and only allow relevant employees to access relevant information
- The membership system registration process will display the Company's privacy policy and allow customers to choose whether to accept the information provided for future promotional purposes
- Require system providers to perform data encryption processing, and prohibit the unintended use or disclosure of customer information to third parties

**Relevant regulations:** 

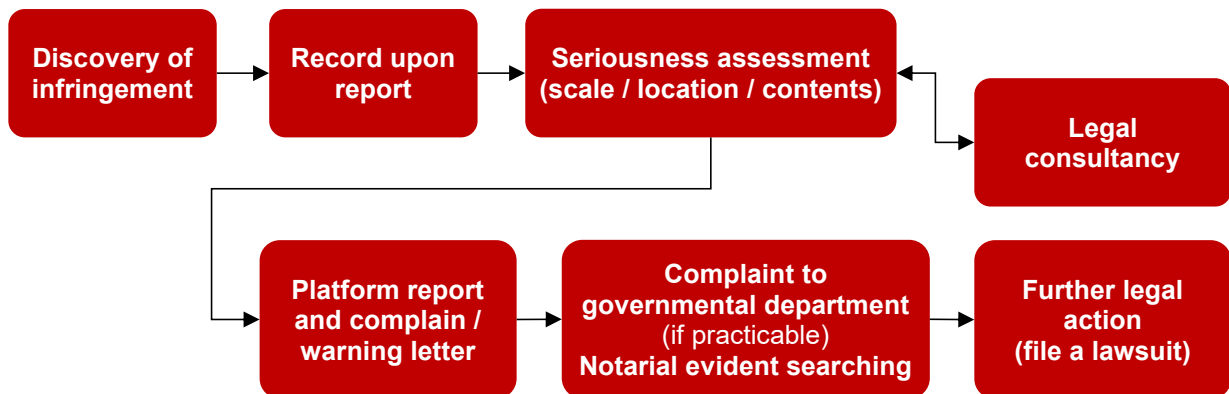
Trademark Law of the PRC,  
 Copyright Law of the PRC,  
 Trade Marks Ordinance (Cap. 559),  
 Copyright Ordinance (Cap. 528)

### Updates during the Period:

In response to the needs of music playing within the restaurants in China, the Group has entered into contracts with professional background music service companies to provide suitable background music according to the restaurant's style. In addition, the information technology department of the Group regularly understands the needs of various departments for different office software, and purchases legally authorised software as required.

With the assistance of professional trademark consultants, the Group arranges designated personnel to have a centralised management of trademark registration and maintenance in various areas to ensure that the trademarks used in the business are legally registered and renewed in a timely manner as necessary. In view of the market confusion and misleading to customers caused by the use of tradenames (by other individual restaurants) that similar to our registered trademarks, apart from voluntary announcement issued earlier as reminder, we have also clearly listed the addresses of our restaurants on our website and clarified that other look similar restaurants or franchise invitation websites in the market are unrelated to the Group, so as to protect the public interest.

During the Period, the Group further discussed with trademark consultants to improve the handling mechanism when suspected trademark infringement of our restaurants is identified, with a view to handling different suspected infringement cases more effectively, so as to protect the legitimate rights and interests of the Group.





# Sharing Blessing with Society

向社會分享幸福



# 5. Sharing Blessing with Society

## 5.1 Employment Situation

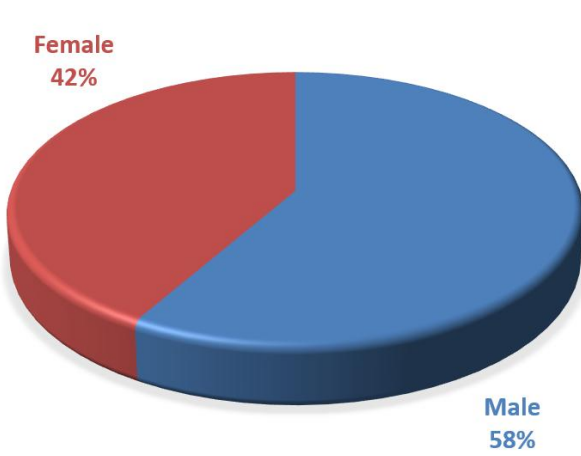
The Group understands that positive and initiated employees are the beginning of all high-quality products and services. Therefore, in addition to respecting the basic legal rights and interests of employees<sup>1</sup>, we also attach great importance to different employee fringe benefits and caring measures (see Section 5.3 for details) and classics cultural learning, dedicated to creating a positive and friendly working atmosphere, so as to improve the happiness of employees. The following are the main employment policies of the group:

<b>Effective recruitment / resignation procedure</b>  	Systematic entry procedures, candidate information review, system prohibits the recruitment of underage	<b>Equal and diverse recruitment opportunities</b>  	Regardless of age and gender, use people for talent
	Written contract required for entry, which is updated from time to time in accordance with relevant labor laws and regulations		Continued school-company cooperation <sup>2</sup> , providing valuable internship training opportunities. During the Period, we cooperated with 20 schools and provided 882 internship positions
	Exit forms and interviews for better understanding and continuous improvement of employment situation		Board diversity Policy
<b>Friendly working environment</b>  	Respectful and voluntary labor relationship, all forms of forced labor are prohibited	<b>Promotion &amp; Development / Whole person enhancement</b>  	Balanced emphasis on employee professional skills, management skills / mentality and spiritual civilization
	Pay attention to the work-life balance, and provide compensating leave and related work allowances		Provide different promotion opportunities (Supervisor Assessment, Management Trainee Program and Cross positions all-round talent Program)
	Provide statutory holidays, work injury leave and other specific paid holidays (such as marriage leave, compassionate leave, etc.)		Internal employees participate in training video shooting and product endorsement
	Through cultural learning and cultivation, encourage mutual support and caring among the team (Tang Palace People), and prohibit any form of workplace discrimination and bullying (established whistle-blowing mechanism)		Provide online and offline diversified training and learning courses
	Other benefits: medical insurance, medical check-up allowance, "One Good Deed a Day" emergency assistance fund, birthday gift coupons, employee discounts and holiday gifts, etc.		

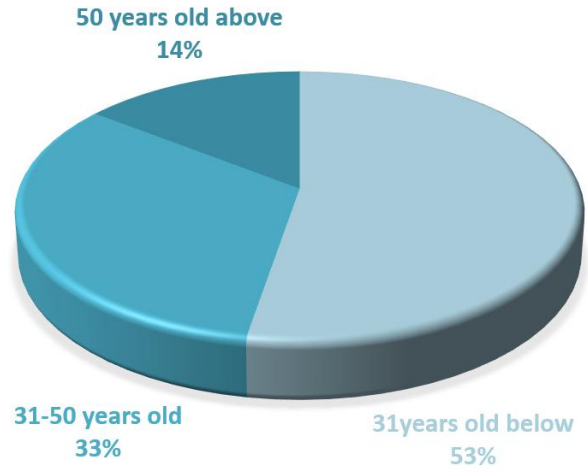
1. The main employment regulations include (but are not limited to) China's "Labor Law", "Labor Contract Law" and "Social Insurance Law" etc.; Hong Kong SAR's "Employment Ordinance", "Minimum Wage Ordinance" and "Mandatory Provident Fund Scheme Ordinance" etc. We maintain good communication with regional labor management departments, understand the latest regulatory requirements, and update human resources policies in a timely manner as needed.
2. The Group has been cooperating with various school since 2006, and has further established strategic cooperative relationship with the Guangdong Industry Polytechnic, established Hong Kong Tang Palace Hotel Management College, which has provided internship positions for schools over the years, allowing students to develop and growth in actual practice, with the achievements highly recognised by the school, and being honored as "Demonstrative off-campus base of practical teaching for colleague students" in 2020.

## Group employment status during the Period

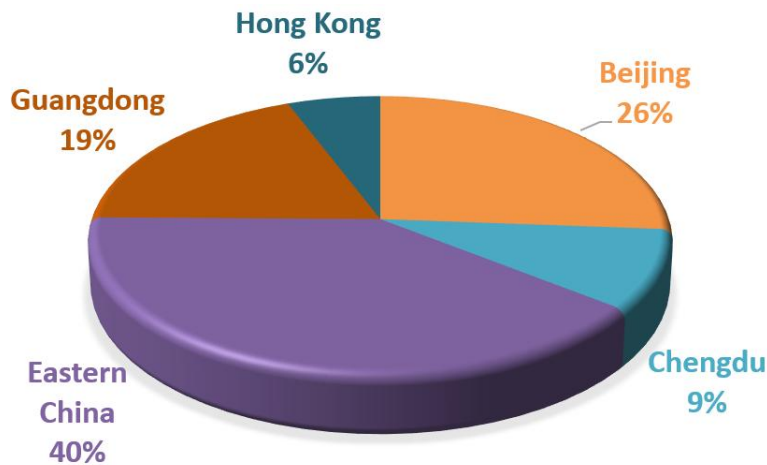
As of 31 December 2021, the total number of employees in the Group was approximately 3,800. The following are the analyses of the employment number from different aspects (including sex, age, regions, rankings and contract nature), and the turnover rate status under individual grouping.



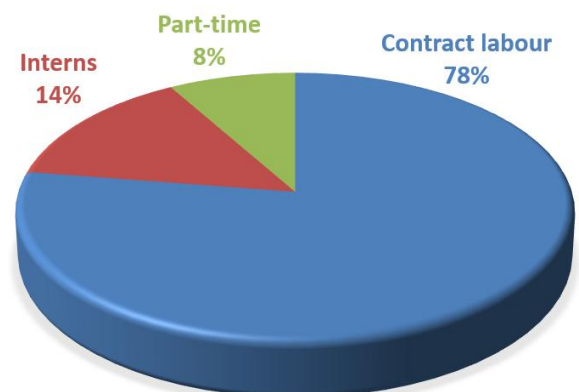
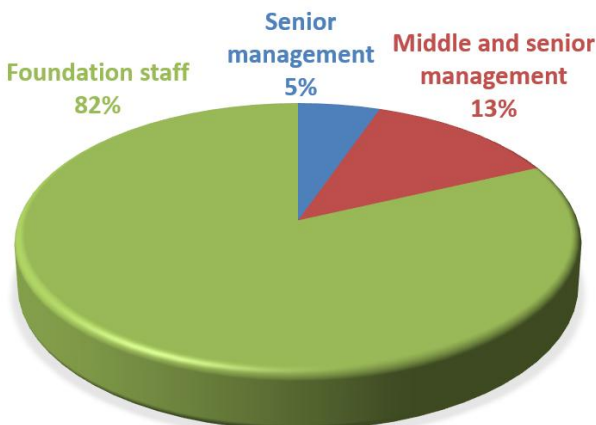
Relevant turnover rates under above grouping  
( Male 42.8% / Female 33.8% )



Relevant turnover rates under above grouping  
( <31 : 44.5% / 31-50 : 31.2% / >50 : 30.3% )



Relevant turnover rates under above grouping  
( Beijing 39.5% / Eastern China 39.0% / Guangdong 34.0% / Chengdu 38.1% / Hong Kong 56.4% )





# 5. Sharing Blessing with Society

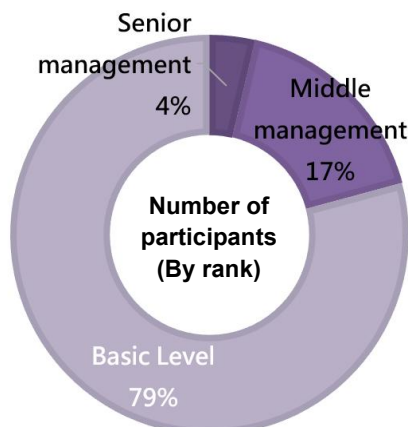
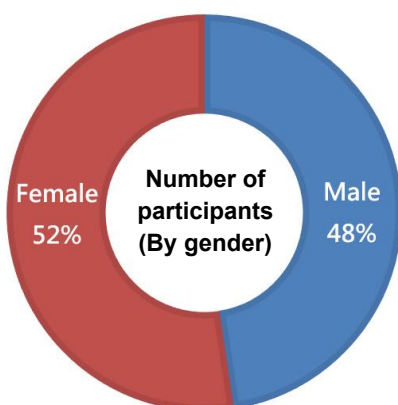
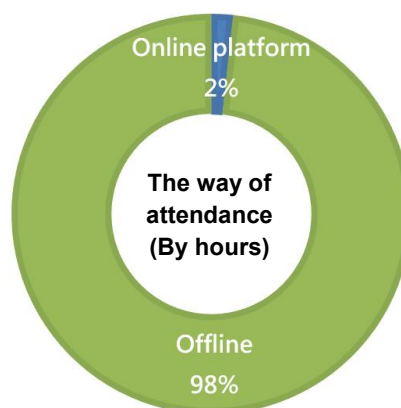
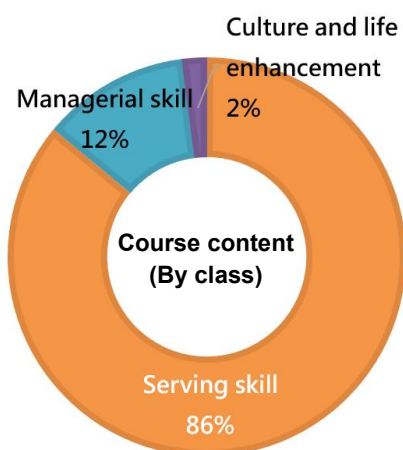
## 5.2 Training and Development

### Training class situation during the Period

Although the normalization of the pandemic continues to impact the daily operations of the enterprise, it does not prevent us from persisting in our determination to learn and improve. Through different online and offline channels and internal and external training resources, employees make good use of their time to learn, continue to grow and stay positive. During the Report Period, we arranged 1,992 training courses in different nature totaling 3,096 hours, and covering 32,988 participants.

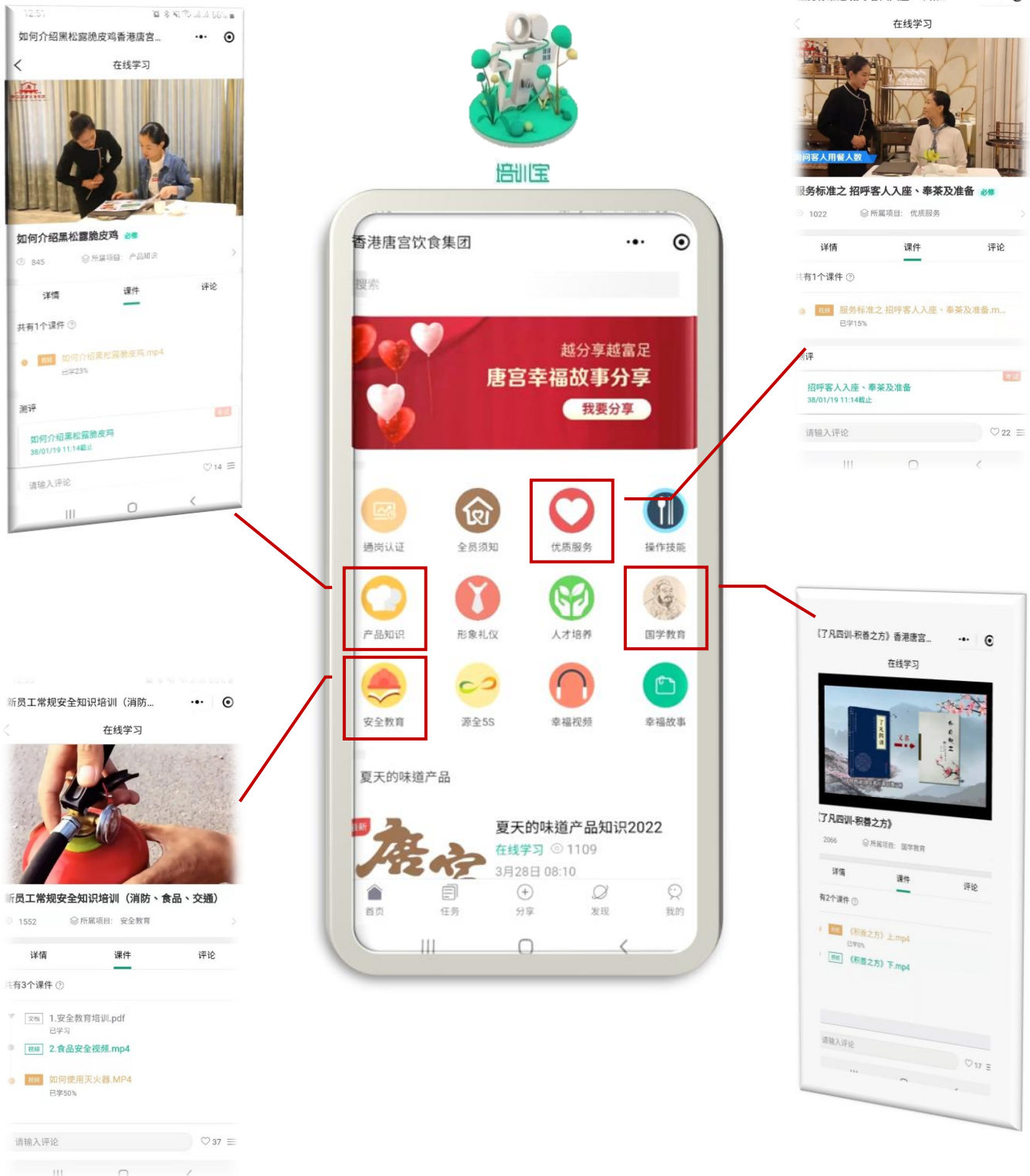
	Serving skill	Managerial skill	Culture and life enhancement	Total
<b>No. of training / lesson</b>	1,714	238	40	<b>1,992</b>
<b>No. of class participants</b>	21,436	10,152	1,400	<b>32,988</b>
<b>Training hours</b>	2,315	617	164	<b>3,096</b>

	Senior management	Middle management	Basic Level	Male	Female
<b>No. of participants (in people times)</b>	1,205	5,561	26,122	15,711	17,277
<b>Average training time / staff (in hours)</b>	56	294	530	327	719



## Mobile learning platform of "Peixunbao" ( "培訓寶" )

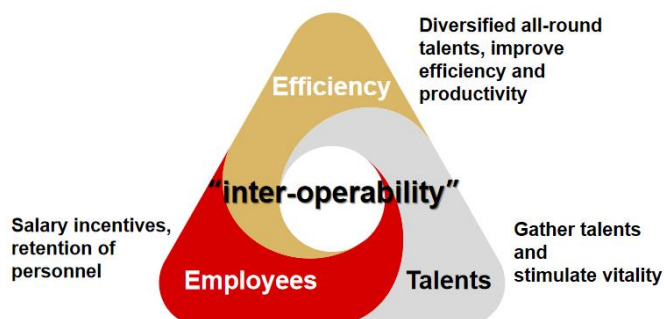
The Group continued to use "Peixunbao" to provide online learning resources to employees. During the Period, 6 teaching videos on operational management were added. In addition, "Peixunbao" was also used in the assessment and certification of the "Cross positions all-round talent" training program and the sharing of praise cases from different restaurants, to strengthen the interaction amongst employees and the Company.



## 5. Sharing Blessing with Society

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

During the Period, the training department completed the sorting out of existing job skills under the cooperation of different functional departments and standardised them into different skills certifications, so as to conduct more accurate and systematic assessment and position management. After passing the relevant skills certification, employees can get the opportunity for promotion and salary increase by adjusting the content of their functional scope.

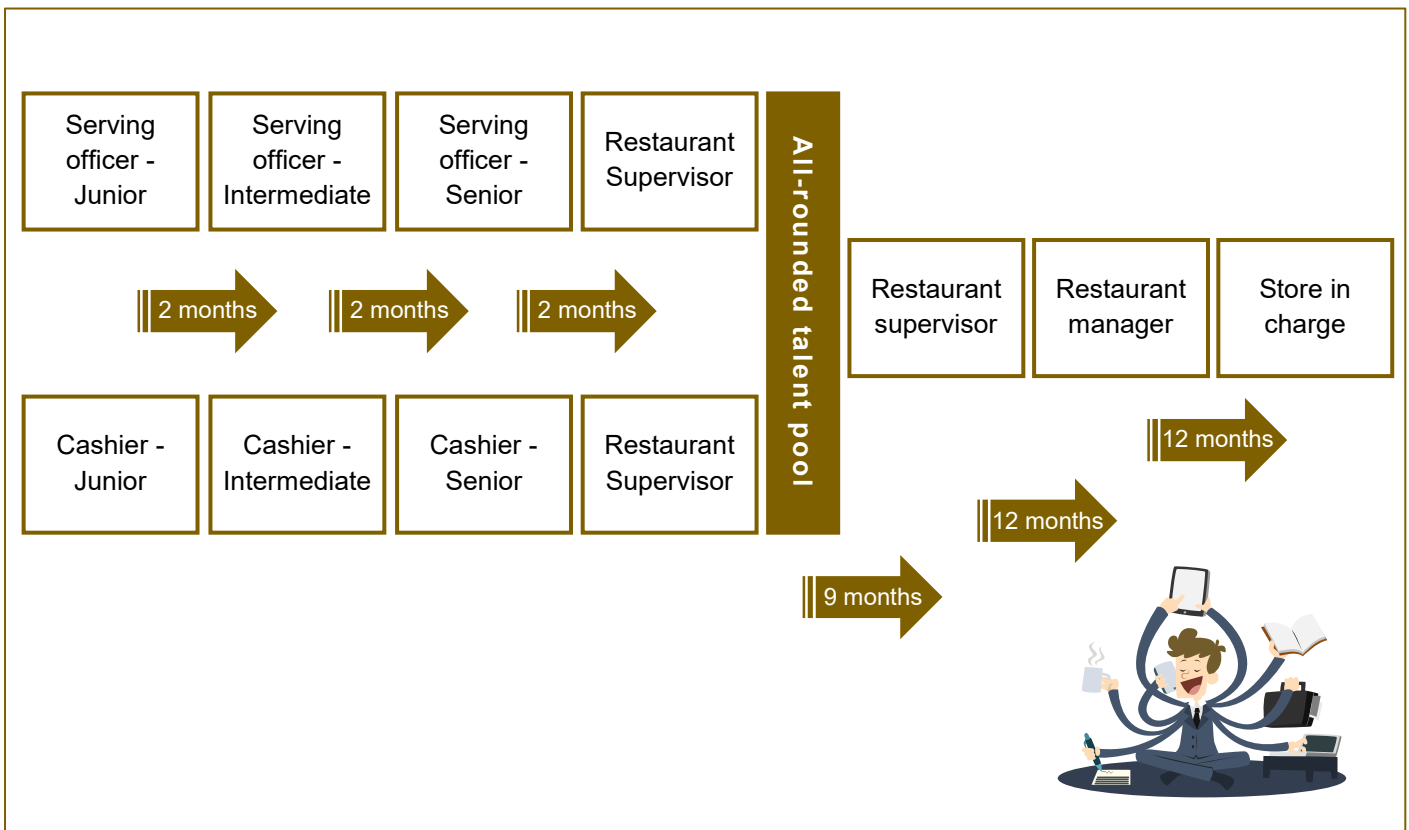


Original Post	Comprehended after inter-operability	Skills certifications	2021 participants
Serving crew / Waiter / reception / barman	Serving officer - Junior	6	Serving Officer / Cashier: 1457  Steward: 410  Supervisor / department in charge: 942  <b>Total: 2,809</b>
	Serving officer - Intermediate	6	
	Serving officer - Senior	9	
Main hall supervisor / Waiter supervisor / Reception in charge / Cashier in charge / Bar in charge	Restaurant supervisor	12	
Cashier	Cashier - Junior	2	
	Cashier - Intermediate	2	
	Cashier - Senior	7	
Security guard / Warden / Watchman / Cleaner / Utensil cleaner / Trainee / Linen in charge	Steward - Junior	3	
	Steward - Intermediate	3	
	Steward - Senior	9	
Electrician	Electrician - Junior	3	
	Electrician - Intermediate	2	
	Electrician - Senior	7	
	Electrician supervisor	7	
Logistics supervisor	Security Supervisor	7	
	Cleaning supervisor	7	





Peixunbao (培訓寶) facilitates cross positions skills Theory learning (online) + Assessment and certification (offline)



## 5. Sharing Blessing with Society

### Promotion during the Period

During the Period, 132 employees of the Group successfully passed the assessment and were promoted to section head or supervisors, and continued to grow together with the Company. In addition, in order to meet the development pace of the Group and the demand for talents in business operations, as well as provide employees with more in-depth and comprehensive training, the Group has based on the foundation of the existing “Management Trainee Program” (MT Program), implemented the first advanced MT training program during the Period, aiming to establish a “talent pool” for restaurant in charge and management for different important functions of the Group.

### Advanced management trainee program



**Advanced MT training:**  
**May to October 2021**  
**(6 months period)**

#### 1. Target

- 1) Existing manager
- 2) Supervisor grade for one year

#### 2. Selection mechanism

360-degree comprehensive scoring of superiors, peers and subordinates

#### 3. Selection criteria

Communication skills, management thinking, corporate philosophy

#### 4. Training area

Master the entire business process from group, regional and store perspective

#### 5. Training mode

Online and offline, good utilisation of various regions, internal and external resources for all-round and multi-dimensional training

#### 6. Graduation assessment

Assessment scoring from actual practice, coach / mentor and defense speech

A total of 18 candidates have been selected and participated for this advanced MT training program, the job functions and positions of respective participants have been enhanced after the program completion, with some of them joined the important strategic planning department of the Group (e.g. Operating and sales Department).

Beijing 5

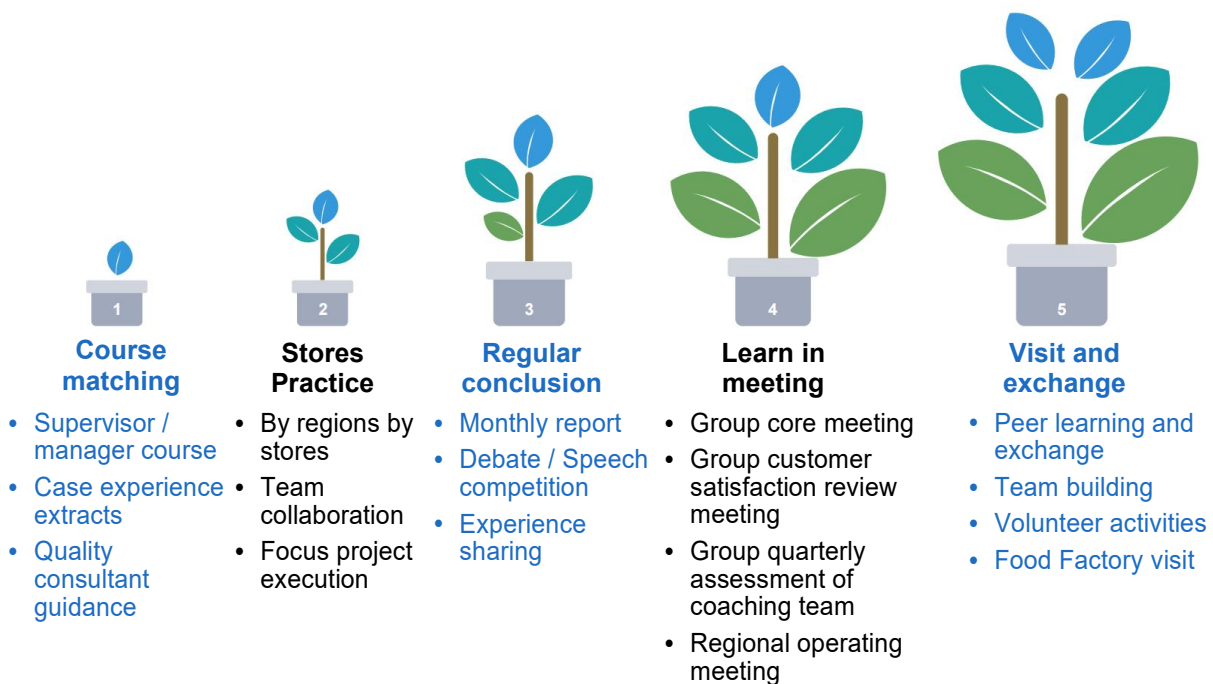
Eastern China 5

Guangdong 3

Chengdu 5

Male 5

Female 13

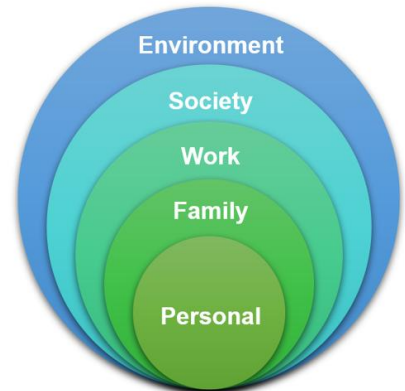




# 5. Sharing Blessing with Society

## 5.3 Community Contribution

Individuals, families, work, society, and the environment have an interactive relationship from internal to external, from near to far. By various internal and external activities, originated from our blessed employee, Tang Palace hopes to have more passing and sharing of love through the positive corporate culture, so as to actualise the operating principal of “Conveying Happiness”.



### From Blessed Workplace to Blessed Family

Most of employees in Mainland China work in other cities (which are remote from their home) and spend less time with their families; during festivals and holidays, caterers are also unable to reunite with their families due to the industry nature. The Group is grateful for the dedication and commitment of our employees to the catering industry, as well as the silent supports from their family members. Through different internal activities, encourage our employees to be thankful to their parents, attach importance to their children’s growth and development, and promote harmonious family life.

#### Consolation fund for golden age elderlies

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 caterers 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 restaurants, the Group also gives gifts and blessings to the employees who are also being parents, thanking them for conveying happiness through diligent work.



### Blessed and Wisdom Youth Training Camp (福慧少年训练营)

Since 2014, the Group has held a Blessing and Youth Training Camp for employees' children and daughters during the summer vacation (free of charge), to cultivate children's virtues of filial piety to their parents, respect for teachers, and self-discipline and courtesy. The training camp held in July 2021 was the tenth run so far, and it is also the first time jointly held by various regions with a total of 43 children traveled to Beijing from different cities to participate, together with 26 Tang Palace volunteer teaching assistants and members of the logistic team collaborated to complete.





## 5. Sharing Blessing with Society

### 5.3 Community Contribution

#### Participation in Green Charity, Collaborated for a Blessed Life

Through different activities, the Group encourages employees and customers to participate in community welfare together, to contribute to good deeds and convey happiness.

#### Collaborated with customers, free lunches offer for rural school students

Following the donations to rebuild flood-stricken areas in “Tang Palace’s Full Moon Program” in 2020, “Tang Palace’s Full Moon Program” returned in 2021 on the eve of Mid-autumn Festival to invite customers to join us in charitable deeds. We promised to donate RMB5 to “Free Lunch Fund” of China Social Welfare Foundation for every box of Tang Palace mooncake sold before 20 August 2021 at Tang Palace’s restaurants in China, resulting in a donation of RMB160,000 which help to provide free lunches for school students in rural area.



唐宫已捐赠16万元月饼收益  
谢谢您请孩子们吃饭!



2011年4月2日，邓飞联合500名记者、国内数十家主流媒体和中国社会福利基金会发起免费午餐基金公募计划，为孩子们提供4元一份有营养的“免费午餐”，助力孩子们健康成长。



#### Charity Mooncakes to convey happiness

On the Mid-Autumn Festival eve every year, the Tang Palace Volunteer Group will visit elderly homes, Green Food Bank (綠洲食物銀行) and other charitable organizations, to deliver Tang Palace charity mooncakes and holiday greetings, and bring warm care and sweet blessings to the elderly, volunteers and those in need in the society, to inherit the way of filial piety and convey blessings and happiness.





## Charity Platinum sponsor of the “Chi Heng With Love Charity Concert” 《智行·有愛》慈善音樂會

Tang Palace supported the “Chi Heng Foundation”, a charitable organization in Hong Kong, to convey happiness through music, and being the platinum sponsor of “Chi Heng with Love” charity concert, featuring charitable music singers Ms. Chan Kit Ling and Mr. Lun Wing Leung, famous dancer Mr. Wong Ting Lam, charitable singer Mr. Young Lap-moon, Outstanding Young Persons awardee and visually impaired singer Ms. Siu Hoi Yan, Guzheng master Mr. Ng Ping Kwan, etc. All revenue of the charity concert, without any cost deduction, was used for projects to support AIDS orphans, financial aids for poor students and the psychological development projects in China.



## Tang Palace Charity Calendar, painted with beautiful colors

Tang Palace partnered with the Chi Heng Foundation in Hong Kong for three consecutive years to produce beautiful calendars from paintings by beneficiary children and teenagers of the Foundation, the calendars are promoted and distributed in restaurants, aiming to arouse the public's attention to vulnerable groups, so as to participate in charity and spread positivity.



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 China. The beneficiaries primarily include students from families affected by AIDS, including students suffering from poverty, disease and discrimination.



# 5. Sharing Blessing with Society

## 5.3 Community Contribution

### Participation in Green Charity, Collaborated for a Blessed Life

#### Support poverty alleviation products with harvest of sweet fruits

We purchased tangerines (砂糖橘) from Dong Zhuang village (東庄村). The village and its mandarin are recognised as the first batch of provincial “One Product for Each Village, One Industry for Each Town” (一村一品、一鎮一業) professional village. The purchased tangerines are considered as poverty alleviation products and was the first batch passing the poverty alleviation product certification in Guangdong Province.

#### Support entrepreneurs green charity project

We donate to support the green charity projects of “SEE Foundation” (北京市企業家環保基金會) to contribute to ecosystem protection. The scope of the foundation focuses on environmental protection issues such as desertification prevention, climate change and commercial sustainability, coastal wetland protection, biodiversity protection, nature education, Yangtze River protection, green supply chain, etc.

#### Promote green diet and support industry development

Ms. WENG Peihe, the chairman of the Group, was invited by ProVeg International to participate in the guest forum of “New Cuisine: Sustainable Foodservice and Culinary Summit” held in Hangzhou and share the insight on the market opportunities and promotion of plant-based dining, share the experience on promoting low-carbon, environment-friendly and healthy veganism with industry peers, and help to support the sustainable development in environment.







## 6. Outlook

### Thirtieth of Tang Palace, a Taste of Blessings

Over the years, Tang Palace has been committed to operating a blessing restaurant that emanate humanistic touch. We are affectionate to our teammates, customers, catering, society, as well as the environment. We give back to the society and spread positivity through ingenious food and a catering culture with blessing.

The humanistic touch of Tang Palace is our most cherished and important taste. On the occasion of the 30th anniversary, we launched a series of events for celebration and gratitude expression to reward customers, and filmed a series of themed documentaries “The Taste of Blessings”, inviting 30 people who have been associated with Tang Palace for years, including employees, customers, suppliers, etc., to talk about their story with Tang Palace that full of blessing and human touch.

Thirty years for a corporate, there are countless unforgettable moments, there are innumerable touching moments. From the first restaurant in Shenzhen to dozens of restaurants in first-tier cities in China, from inside and outside China, people and things in the years are full of the taste of blessings. Tang Palace's “The Taste of Blessings” records the bonding of love between people over the past 30 years, which reflects the true portrayal of caterer who convey happiness through catering. Each memory is a precious history written by Tang Palace and its teammates. It is also our driving force to continue to adhere to the mission of caterer, to further pass on and share love.

At the same time, we take the coming new 30 years as an opportunity to conclude and comprehend the achievements of past 30 years, to reshape and refine the corporate culture of Tang Palace. We will continue to adhere the belief of “conveying happiness through catering”, regard “letting employees feel blessed” as our mission, follow the values of “safety, kindness, consideration and contribution”, to carry out the spirit of gratitude, spirit of mutual help and support, and the spirit of craftsmanship with the nurturing of the culture of filial piety and gratitude, altruism and refinement, so as to demonstrate Tang Palace’s energy of blessings and convey her humanistic touch.

To step forward the sustainable vision of “Fostering a Centennial International Brand”, we continuously strive to integrate the brand image of “Quality Products, Safety Assurance, Health Cultivation and Environmental Protection” throughout the operation of the group (such as introducing more healthy vegetarian dishes, more green consideration during suppliers’ selection and packaging designing and actively respond to green charitable activities, etc.); provide employees with a good working environment and development platform; provide customers with healthy, environmental-friendly and safe as well as high-quality catering options, and at the same time fulfilling corporate obligations of caterer in environmental, social and governance.





# 7. ESG Index

Relevant Disclosure Index	Description	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. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	P.21-22
	<b>KPI A1.1</b> - The types of emissions and respective emissions data.	P.19
	<b>KPI A1.2</b> - Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P.19
	<b>KPI A1.3</b> - Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P.19
	<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).	P.19
	<b>KPI A1.5</b> - Description of emissions target(s) set and steps taken to achieve them.	P.23-24
	<b>KPI A1.6</b> - Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P.27-28
<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. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	P.22-32
	<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).	P.20
	<b>KPI A2.2</b> - Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P.20
	<b>KPI A2.3</b> - Description of energy use efficiency target(s) set and steps taken to achieve them.	P.22-32
	<b>KPI A2.4</b> - Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P.32
	<b>KPI A2.5</b> - Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P.20
<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.	P.22
	<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.	P.25-32
<b>Aspect A4: Climate Change</b>	<b>General Disclosure</b> Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P.21
	<b>KPI A4.1</b> - Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P.21



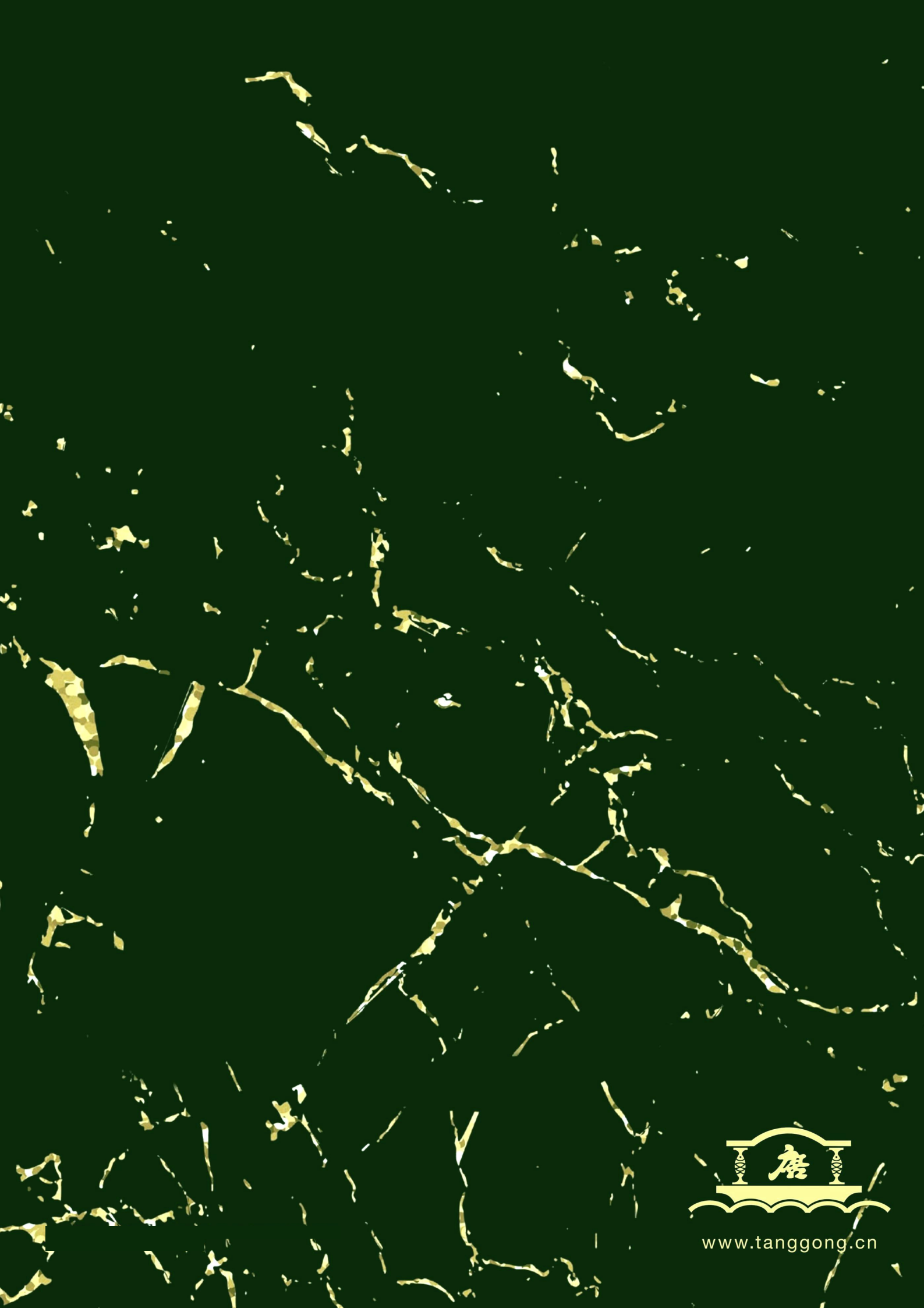
Relevant Disclosure Index	Description	Relevant Sections in the Report
<b>Aspect B1: Employment</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P.41
	<b>KPI B1.1</b> - Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	P.42
	<b>KPI B1.2</b> - Employee turnover rate by gender, age group and geographical region.	P.42
<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.	P.36
	<b>KPI B2.1</b> - Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P.36
	<b>KPI B2.2</b> - Lost days due to work injury.	P.36
	<b>KPI B2.3</b> - Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P.36
<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. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	P.43-48
	<b>KPI B3.1</b> - The percentage of employees trained by gender and employee category (e.g. senior management, middle Management).	P.43
	<b>KPI B3.2</b> - The average training hours completed per employee by gender and employee category.	P.43
<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.	P.41
	<b>KPI B4.1</b> - Description of measures to review employment practices to avoid child and forced labour.	P.41
	<b>KPI B4.2</b> - Description of steps taken to eliminate such practices when discovered.	P.41
<b>Aspect B5: Supply Chain Management</b>	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.	P.35
	<b>KPI B5.1</b> - Number of suppliers by geographical region.	P.35
	<b>KPI B5.2</b> - Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P.35
	<b>KPI B5.3</b> - Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P.35
	<b>KPI B5.4</b> - Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P.23 · 24 · 28



Relevant Disclosure Index	Description	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, labelling and privacy matters relating to products and services provided and methods of redress.	P.39
	<b>KPI B6.1</b> - Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P.35
	<b>KPI B6.2</b> - Number of products and service related complaints received and how they are dealt with.	P.37
	<b>KPI B6.3</b> - Description of practices relating to observing and protecting intellectual property rights.	P.39
	<b>KPI B6.4</b> - Description of quality assurance process and recall procedures.	P.35
	<b>KPI B6.5</b> - Description of consumer data protection and privacy policies, how they are implemented and monitored.	P.39
<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.	P.38
	<b>KPI B7.1</b> - 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.	P.38
	<b>KPI B7.2</b> - Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P.38
	<b>KPI B7.3</b> - Description of anti-corruption training provided to directors and staff.	P.38
<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.	P.49-53
	<b>KPI B8.1</b> - Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P.49-53
	<b>KPI B8.2</b> - Resources contributed (e.g. money or time) to the focus area.	P.49-53

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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