

唐宮
Tang Palace

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

30th
1992~2022
anniversary
傳遞人情味



Since 1992 傳遞人情味



2022 環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



唐宮(中國)控股有限公司

TANG PALACE (CHINA) HOLDINGS LIMITED

(Incorporated in 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



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INTRODUCTION

Firm at Thirty, Transformation by Felicity

Thirty, the age of standing firm.

Conveying Happiness through Catering

In the past 30 years when the catering market, consumers' lifestyles and consumption behavior have been rapidly changing in an ever-changing environment, the various challenges that have come along with the integration, iteration, innovation and transformation in response to the times have proven the importance of Tang Palace's corporate culture of happiness and felicity as the cornerstone of its development and its insistence on "Conveying Happiness through Catering".

Under the operating philosophy of "Altruistic Operation, Relentless Efforts, and Conveying Happiness", we transform the concept of happiness into tangible strategies and projects, which are integrated into operation management, environmental protection and community benefits, so as to create an inseparable positive connection between employees, employees and customers, various stakeholders, and even between people and their community surroundings. With warm services, exquisite products, and diversified marketing channels, we deliver to customers the humanistic touch of Tang Palace. We organize diversified humanistic care activities to enhance the happiness of customers and employees; we advocate a healthy and health cultivating lifestyle, drive our employees and customers to participate in environmental protection and charity, give back to society, and fulfill our corporate responsibility; we continuously optimize our talent cultivation system and management system to enable the continuous development of enterprises in sound and compliant manner; we have shifted our business focus to brand upgrading and brand cooperation to open up a larger and newer space for business development.

Blessed employees, Blessed customers

After 30 years of accumulation, inheritance and reshaping of experience, our mission has become crystal clear - to make our employees happy and to pass on this happiness and humanistic touch to our customers.

To this end, during the process of reshaping the corporate culture, the Humanity Wellness Department was set up with an aim to systematically create an environment for employees to give full play to their talents and potential through the four mechanisms of "Care, Connection, Praise and Growth", and to enhance the self-happiness of our employees in an atmosphere full of gratitude, mutual assistance, craftsmanship and innovation, so that we can learn, grow and create happiness together.

Especially in the face of the COVID-19 pandemic in the past three years, the belief of "Conveying Happiness through Catering" has not only enabled our employees to maintain a positive and healthy mindset, but also allow us to provide our customers, during the pandemic lockdown period, with daily necessities featuring "Quality Products, Safety Assurance, Health Cultivation and Environmental Friendliness" and humanistic care by establishing store communities and community group purchase through a large scale of marketing model, all of which have won the appreciation and support from many customers. To share our love and happiness with our employees' family, customers, peers, and the public, we provided caring meals for medical staff and people in need during the pandemic period and delivered the daily necessities to the sick and the needy. In the past three years, we have also contributed to medical aid, the reconstruction of flood-stricken areas, and the "Free Lunch Fund" through our participation in various charitable donations.

The Taste of Blessings, the Taste of Tang Palace

Thirty years have passed, and we are always grateful that felicity happens in different moments and circumstances. To enhance the continuous conveyance of positive energy, we encourage our employees to record and share their daily happy stories. From June 2022 when Tang Palace's Happiness Credit Points Programme was launched, up to March 2023, our employees shared 400,000 happy stories and selected 149 of them for interview and filming, which became Tang Palace's valuable cultural collection. At the same time, we have interviewed 30 employees, customers and suppliers who have been associated with Tang Palace for many years and filmed 30 episodes of memoirs in the form of documentaries to share their stories with Tang Palace together, leaving a historical collection for the 30th anniversary.

Setting out again on the 30th anniversary of Tang Palace, we wish to adhere to our initial goal, fulfill our environmental, social and governance responsibilities, and convey happiness through catering to contribute to the felicity of our employees, customers, shareholders, society, environment, and work together to create an international centennial brand that filled with blessings.





About This Report

1. 報告說明

1.1 Reporting Period

This environmental, social and governance report (the “**Report**”, “**ESG Report**”) cover the period from 1 January 2022 to 31 December 2022 (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 at the same time as the release of the company's annual report.

1.3 Reporting Scope

Unless otherwise indicated, the statistical information in this Report primarily covers the traditional Chinese restaurant business of the Group (30 stores in total), including the regions in Northern China (Beijing), Eastern China (Shanghai / Hangzhou), Southern China (Shenzhen / Dongguan) and Western China (Chengdu), among them, stores that were closed earlier or later than this report were excluded (3 stores in total), 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 Rules Governing the Listing of Securities (“**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (“**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.



About This Report

1. 報告說明

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

	Principle Requirements	Report Application
Importance	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.	<p>The Board of Directors had established a management structure and process to assess and sort out various ESG Key Issues according to the business and management strategies, which serve as the basis of communication with stakeholders.</p> <p>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.</p>
Quantitative	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).	<p>The ESG Team is responsible for systematic collection of the required data for the Report from various business and functional departments in designated forms, reviewing and then submitting to professional consulting firm (the Hong Kong Productivity Council) for carbon emission calculation according to Chinese and internationally recognized guidelines / standards.</p> <p>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.</p>
Balance	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.
Consistency	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.



About This Report

1. 報告說明

1.6 Source 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 (<http://www.hkexnews.hk>).

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



About Tang Palace

2. 有關唐宮

2.1 Group Profile and Major Development Stages

We are a chain food and beverage group mainly operated in China. Since 1992, the Group has insisted on conveying happiness to employees and customers through healthy and delicious cuisine, professional and touching services, with the vision of enabling the Company to have a healthy and sustainable development and become an international centennial enterprise.

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 Group operates 40 restaurants , and owns 14 restaurants under joint ventures. The Group's restaurants are located in Beijing, Chengdu, Shanghai, Hangzhou, Shenzhen, Dongguan, Hong Kong, Taiwan and Singapore with a food factory set up in Shanghai.

Type	Business model	Business area					
		Beijing	Shanghai/ Hangzhou	Shenzhen/ Dongguan	Chengdu	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			 		    	

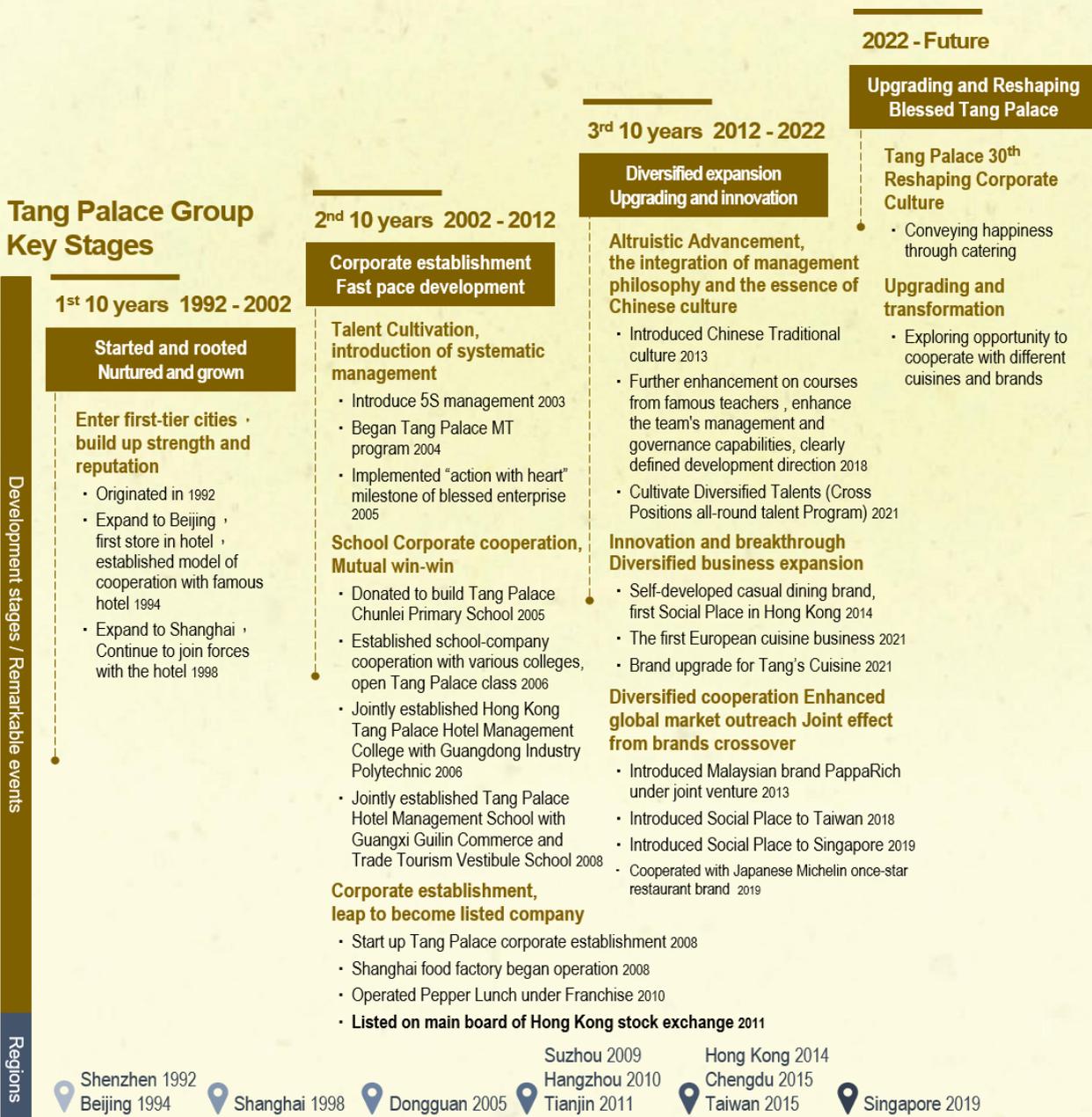
In the 1990s, the Group marched into the food and beverage market in Mainland China, targeting first-tier cities and opening restaurants in Shenzhen, Beijing and Shanghai. After years of hard work, we have gained the recognition of local diners and the industry, and has built up a reputation and a growing number of restaurants. In its second decade, the Group has gradually expanded to second-tier cities with the opening of restaurants in Dongguan, Suzhou and Hangzhou. Meanwhile, The Group believes that employees are a key element to the sustainable development of the enterprise, so it has gradually established a talent cultivation system with Tang Palace's characteristics based on a caring culture. In



About Tang Palace

2. 有關唐宮

2018, the Group started its corporate development and opened a food factory in Shanghai, and the Group was eventually listed on the Main Board of the Hong Kong Stock Exchange. In the third decade, in response to the changing market environment, the Group understands the importance of diversification to its sustainable development, and therefore, based on the study and application of management philosophy and the essence of traditional Chinese culture, we have built a diverse team of internal and external talents. At the same time, the Group has diversified in different industries and areas, including expanding its restaurant distribution, creating new brands, upgrading its brands, collaborating with other brands, broadening its business contents, and marketing channels, move towards its vision of becoming an international centennial enterprise of happiness in a more steady manner.





About Tang Palace

2. 有關唐宮

2.2 Group Culture and Values

The culture of Chinese Cuisine has a long history, and diet is not just for satiety, it is also a reflection of human culture. Therefore, the Group has always been pursuing the operation principle of “Altruistic Operation, Relentless Efforts and Conveying Happiness”, in the hope of conveying happiness to our customers through altruistic operation; stimulating staff potential and personal refinement through promoting work with care; and to take pride in conveying happiness, take initiative to fulfill social responsibilities, and pass on the brand spirit of Tang Palace.

The humanistic touch of Tang Palace that has been brewed over the past 30 years has become an important cornerstone for the company's sustainable development. We interviewed 30 employees, customers and suppliers who had been associated with Tang Palace for many years and made 30-episode memoirs in the form of documentary films, sharing together their stories with Tang Palace, leaving a precious historical collection for the 30th anniversary.

Meanwhile, taking 30th anniversary as an opportunity, we precipitate and reshape the corporate culture, adhere to the belief of “Conveying Happiness Through Catering”, make it our mission to “make employees feel blessed”, and spread happiness and humanistic touch to our customers. Through this, Humanity

Wellness Department has become the strategic unit to transform such belief into practice. We adhere to the values of “Safety, Kindness, Consideration and Contribution” and through the four mechanisms of “Care, Connection, Praise, Growth”, we promote gratitude, mutual assistance, craftsmanship, and innovation under the influence of filial piety, gratitude, altruistic and self-improvement culture. We create an environment for employees to unleash their talents and potential, enhance their self-happiness, and learn, grow, and create happiness together.



“Happy Stories Sharing and Happiness Credit Points” is a major project launched in 2022. We encourage employees to record and share happy stories on a daily basis. From June 2022 when Tang Palace happiness credit points went online until March 2023, 400,000 happy stories in total have been shared. Among those, 149 stories were selected for interviews and filming. These videos were shared with all staff on a regular basis and were uploaded on the Group’s WeChat platform for staff to revisit, it has become one of the valuable cultural collections of the Tang Palace.





About Tang Palace

2. 有關唐宮

2.3 Awards and Accolades

Tang Palace is committed to promoting the development of the food and beverage 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 2022 and some are listed below.



Organisation #	Award #
Enterprise Recognition	
《Hong Kong Economic Journal》	Listed Company Awards of Excellence 2021 (Hong Kong) 5th year Awarded by 《Hong Kong Economic Journal》
China Cuisine Association	2021 Top 100 Chinese Catering Enterprises Awarded for 12 consecutive years
China Cuisine Association	2021 Top 500 Chinese Restaurant 7th year Awarded
The Award of the 4 th Red Eagle Awards of China's Catering	Top 100 Catering Brands 2022
Famous Restaurants for delicacy	
Dianping (大眾點評)	2021 Dianping Must-eat List 6 consecutive years on the list
2022 Food Festival of Ifeng.com (鳳凰網)	2022 Golden Phoenix Tree China Restaurant Guide One Star Restaurant
Humanistic Love and Passion	
Hanyuan, Chinese Catering Well-being Conference	2nd year Awarded in recognition of Tang Palace's dedication to conveying happiness through catering (業格典藏獎)
Plan International	Caring Corporate Award
China 525 Love Breast Day Committee	China 525 Love Breast Day 2022 Public welfare activities of caring for women's health Caring Enterprise
# the organization and awards name in English are for identification only, please refer to Chinese version for the official name.	



About Tang Palace

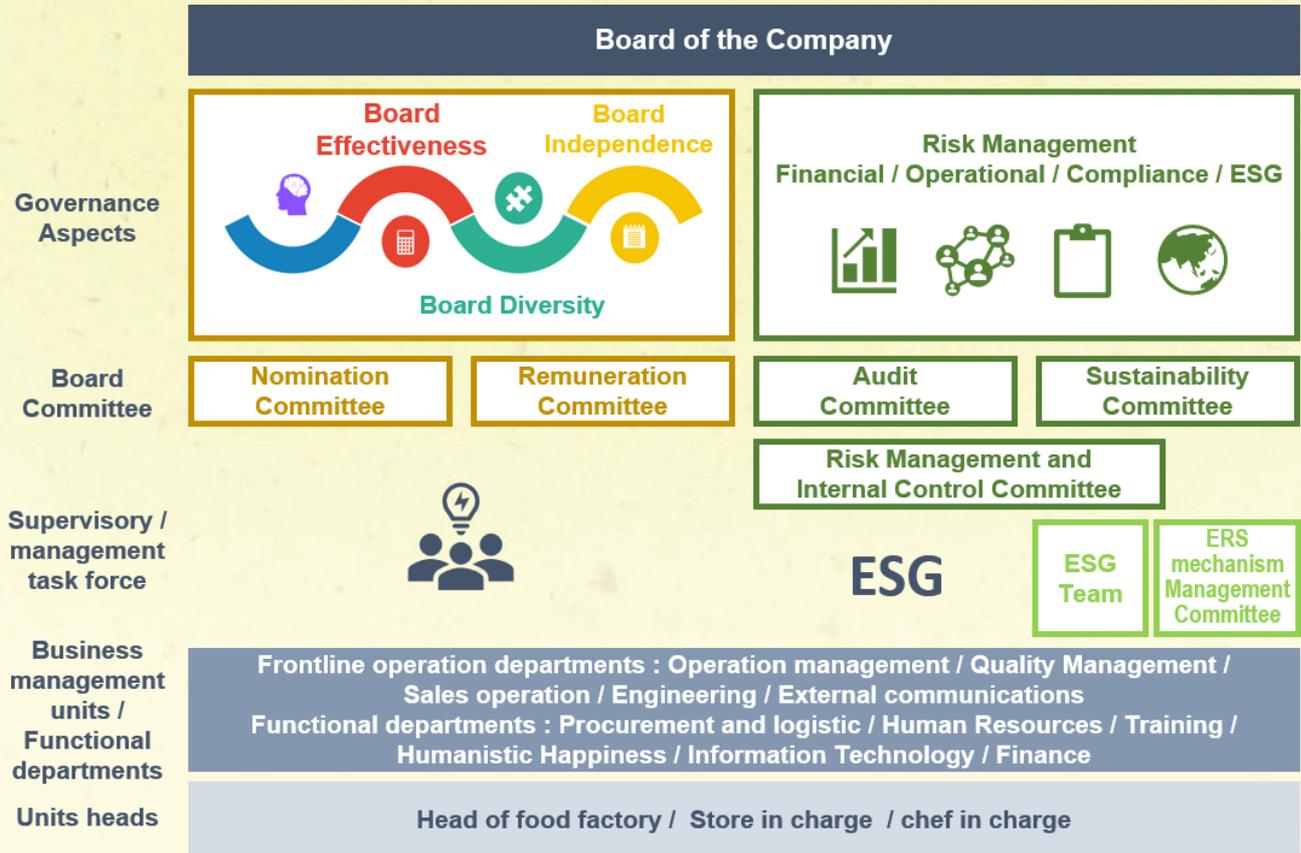
2. 有關唐宮

2.4 Sustainable Development and Risk Management

In order to focus on and manage important issues related to ESG key issues more effectively, the Group established the Sustainability Committee (the “**Sustainability Committee**”), under the supervision and leadership of the chairman of the board of directors of the Company (the “**Board**”), through effective integration with the current management structure, relevant ESG strategies can be effectively implemented in daily operations.

Followings are the current governance framework:

Governance Structure





About Tang Palace

2. 有關唐宮

Through 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 attend to the work reporting of the ESG Team and the advice from external expert consultants, to keep abreast of industry developments on Key ESG Issues, and to report regularly to the Board on issues that involve significant decision-making. The Board is responsible for the Group's strategies and reporting of the environmental, social and governance, ensuring that the relevant strategies are aligned with the corporate culture, the Group's goals and values, and implemented in daily business.

On the other hand, the ESG Team regularly collects and reviews relevant data and conduct effective communication and interaction with various supervision and management team (including the Risk Management and Internal Control Committee, and the ERS mechanism Management Committee) to understand exceptional situations during daily operation (if any) in each district, to identify and evaluate various Key ESG Issues, and to assist the Sustainability Committee to sort out, to prioritise and to manage Key ESG Issues according to the business strategies.

At the same time, the ESG team also check out the status and opportunities of key ESG issues in the company through interviews with internal and external stakeholders and the opinions of expert consultants, and to formulates the implementation priorities of related projects and sets quantifiable goals with various management departments. so as to follow-up in regular working meetings.



About Tang Palace

2. 有關唐宮

2.5 Stakeholders Communication

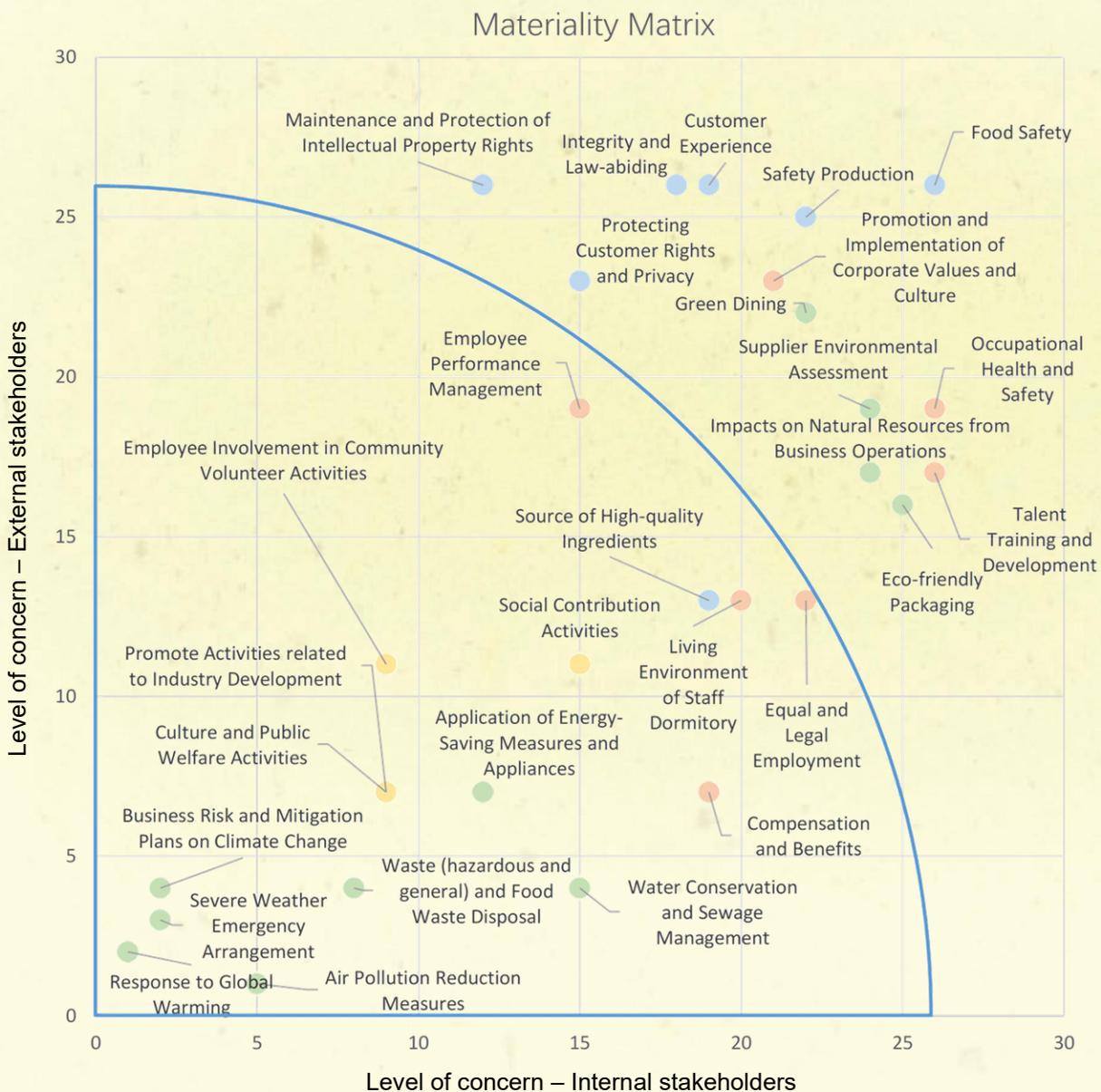
The Group responds and act upon the concerns and expectation of various stakeholders through the following different existing communication channels:

Stakeholders	Government and regulatory authorities	Investors	Customers	Employees	Suppliers / business partners	Community
Healthy and sustainable development, creating value for society						
Concerns / Expectations	<ul style="list-style-type: none"> - Compliant operation (production and food safety / environmental protection / pay taxes) - Effective internal control and risk management - Probity and integrity 	<ul style="list-style-type: none"> - Robust results with dividend payout - sustainable growth - operation with probity and transparency 	<ul style="list-style-type: none"> - Food safety - Quality services / Environment · High value-for-money - Consumer rights protection - Diversified and healthy products 	<ul style="list-style-type: none"> - Protection the safety/legal rights and interests of employees - Competitive compensation and benefits - Equal Employment - Opportunities for growth and learning 	<ul style="list-style-type: none"> - Equitable procurement, Faithful performance of contracts - Assurance of food quality and safety - Support local procurement 	<ul style="list-style-type: none"> - Safe and compliant operation - Community welfare / harmony - Environmental friendly
Our response and actions	<ul style="list-style-type: none"> - Enhancing compliance awareness - Know the latest requirements - Active follow-up response 	<ul style="list-style-type: none"> - Providing stable and sustainable returns - transparent and open information disclosure - Multiple and timely communication channels - Improving risk management 	<ul style="list-style-type: none"> - Implementing strict control over food procurement - Protecting consumer rights - Comfortable dining environment - Providing heartfelt services 	<ul style="list-style-type: none"> - Providing diversified training - Promoting the work-life balance of employees - Establishing a good development platform 	<ul style="list-style-type: none"> - Enhancing procurement management - Compliance with the contract / agreement - Pay attention to the food ingredients source and quality 	<ul style="list-style-type: none"> - Focusing on community contribution - Promoting a culture of caring - Organizing volunteer team - Effective management in waste and emission - Green advocacy internally and externally
Communications Channels						
Interactive Communication (eg): Site inspection / AGM / post results announcement communication / customers service hotline / training / WeChat Group / Volunteer activities	 ✓	 ✓	✓	 ✓	✓	✓
Specified information submission (eg): Announcement / Disclosure / Employee appraisal / Integrity Statement	 ✓	✓	 ✓	✓	✓	
other communication mechanism (eg): Policy Seminar / official website / email / WeChat Group	 ✓	 ✓	✓	 ✓	✓	✓



2.6 Materiality Analysis of Various Issues

We conducted an online survey among key stakeholders identified, both internal and external, to understand their key concerns. A total of 128 questionnaires were distributed and 102 were returned, representing a return rate of 80%. The majority of respondents are customers, internal employees and suppliers, the percentages of which are 47%, 21% and 13% respectively. Below chart is the relevant result analysis:





From Felicity to Environmental Protection

3. 幸福轉化保護環境

Below is the relevant environmental data within the Reporting Period:

3.1 Relevant Data for Carbon Emission

Exhaust gases	Sources of Emission	Unit	Emission Amount ¹
Nitrogen oxide	Fuel vehicles and cooking stoves	KG	4,103.10
Oxysulphide	Fuel vehicles and cooking stoves	KG	18.21
Particulate matters	Fuel vehicles and cooking stoves	KG	117.31

Greenhouse gas emissions	Sources of Emission	Unit	Emission Amount
Carbon Dioxide Equivalent	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	8311.45 ²
	Indirect Emission from Energy – Purchased electricity and heating powers	Tonnes	10,899.96 ³
	Other indirect emission – Commercial flights	Tonnes	141.45

Total Emission : 19,352.86 Tonnes Carbon Dioxide Equivalent

Intensity : 0.024 Tonnes or (24KG Carbon Dioxide Equivalent) / RMB1,000 revenue

Waste	Sources	Unit	Weight	Total Weight	Intensity
Non-hazardous waste	Food waste	Tonnes	2,875.06	4,372.52 Tonnes	5.471KG / RMB1,000 revenue
	Other waste	Tonnes	1,086.17		
	Recyclable waste	Tonnes	384.12		
	Waste oil	Tonnes	27.17		
Hazardous waste	Detergents and insecticides containers containing chemical substances	Tonnes		14.10 Tonnes	0.018KG / RMB1,000 revenue



From Felicity to Environmental Protection

3. 幸福轉化保護環境

3.2 Relevant Data for Resources Consumption

Resources Consumption	Sources	Unit	Weight / consumption	Total Weight / consumption Intensity	Resources Consumption
Energy/Water consumption	Direct Energy -	GJ	1,282.48	54,610.76 MWh	0.068 MWh / RMB1,000 revenue
	Gasoline ⁴	MWh Equivalent	356.24		
	Direct Energy -	GJ	744.01		
	Diesel ⁵	MWh Equivalent	206.67		
	Direct Energy -	GJ	125,177.96		
	Natural gas ⁶	MWh Equivalent	34,771.68		
	Indirect Energy -	GJ	1,458.97		
	Purchased heating power ⁷	MWh Equivalent	405.27		
	Indirect Energy–Purchased electricity	MWh	18,870.90		
	Water resource	cubic meter			
Packaging materials	Sauces for internal use	Tonnes	2.24	155.99Tonnes	0.195KG/ RMB1,000 revenue
	Product takeaway	Tonnes	93.87		
	New Year Cake / Rice Dumpling	Tonnes	25.57		
	Moon Cake	Tonnes	34.31		

- 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 to 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 annual average national power grid emission factor published by the Ministry of Ecology and Environment of the People's Republic of China (2022: 0.5703t CO₂/MWh)
- The actual gasoline consumption is 36,758.89 liters ;
- The actual diesel consumption is 19,309.08 liters ;
- The actual natural gas consumption is 3,215,380.10 cubic meters ;
- The actual purchased heat is 6,943 cubic meters in terms of hot water.



From Felicity to Environmental Protection

3. 幸福轉化保護環境

3.3 Goals and Strategies

Despite living under the shadow of the pandemic during the Reporting Period, extreme weather caused by global warming has not decreased and has casted impact on human life and economic activities on various levels. From mid-June to August 2022, China experienced prolonged heatwaves, with the average temperature reaching the highest level for the same period since 1961. Over 23 provinces reported temperatures exceeding 40 degrees Celsius. Dozens of cities across the country issued heatwave warnings, and there were reports of confirmed cases of heatstroke and even deaths caused by high temperatures in many places. According to the analysis of the National Climate Centre, the abnormal atmospheric conditions caused by global warming are the direct cause of the heatwaves, and the La Niña phenomenon has also contributed to the prolonged high-temperature weather

Extreme weather will have different impacts on various areas of our business. The Board identifies and manages related risks and opportunities through the Sustainability Committee, with the assistance of external professional consultants. 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 enhance the Group's risk management in response to climate change.

Climate events	Key impacts to the business					
	Livestock food availability and price	Agricultural food availability and price	Seafood ingredients availability and Price	Production / staff safety	Equipment loss	Customer consumption
Extreme high temperature	Livestock breeding cycle, Livestock disease/mortality			high temperature work environment		Affect customer visits (Note 2)
Extreme low temperature	Poultry growth (Note 1) Livestock disease / mortality	Grain freeze	Sea temperature affect the catch		Icing / bursting of pipes	
Extreme Rainfall		Soaked crops				Affect customer visits (Note 2)
Drought		Crops cannot grow	Water level affects the breeding			
Typhoon			Affect fishermen's fishing	Employee traffic risks and additional subsidies		Affect customer visits or require temporary closure of business
Responses						
<ul style="list-style-type: none"> Strictly control storage temperature and production process avoid high-risk dishes Develop different supply channel Develop more vegetarian dishes 			<ul style="list-style-type: none"> Enhance checking and maintenance in extreme weather Expand other income stream besides dining-in Purchase insurance to transfer risk Guidelines for working in extreme weather 			



From Felicity to Environmental Protection

3. 幸福轉化保護環境

Remark 1: Due to the cold weather in certain regions of Mainland China during the Reporting Period, the growth of pigeons (one of the main food ingredients of the Group) was affected. With a decrease in supply, the price of ingredients has risen by over 15% since the beginning of 2023.

Remark 2: Due to various factors such as increased electricity demand caused by high temperatures and reduced hydropower generation, power shortages have occurred in southwest China, such as Sichuan and Chongqing. From August 15 to 27, 2022, the Group's stores near Chengdu were also affected by restricted power supply. The government required power restriction and prohibited the use of air conditioning, while some of the lights had to be turned off. The high temperature in the operating area affected customers' dining experience, resulting in cancelation of reservation.

In addition to the direct risks mentioned above, the corresponding waste reduction and emission reduction measures and legislation that local governments take to address global warming may increase the Group's related compliance costs (or non-compliance risks). For example, China will accelerate the promotion of legislation related to climate change, and the study of a legal framework for addressing climate change. Hong Kong is also in the process of legislating for municipal solid waste charging. The Group will continue to pay attention to the publication of relevant legislation and study feasible response measures.

The Group continues to review different links in the value chain and places more emphasis on the natural environment's "well-being" in the corresponding management areas. The Group adopts appropriate strategic measures to improve and "transform" the existing operations, minimizing the business's impact on the natural environment, and striving for harmonious coexistence between felicity and nature:

		Basic Activities					
		food ingredients purchase	Preparation and process	Dishes cooking	Dinning / Serving	other selling activities	Clean up
Supporting activities	Sales and Corporate planning						
	Equipment management						
	Staff training						
	Dishes development						
	Environmental management						
	Logistics transportation						
Environmental impact	Exhaust emissions						
	Waste generation						
	Waste oil / sewage						
	Water consumption						
	Energy consumption						



From Felicity to Environmental Protection

3. 幸福轉化保護環境

Exhaust gases emission management

Major related business sectors:

Transportation process of the food ingredient procurement, business traveling transportation, culinary process

Strategic measures :

- support local procurement, reduce transportation demand
- utilize electronic communication and conferencing facilities for cross districts meetings to reduce unnecessary vehicle or flight arrangements
- regular examination and cleaning for hydro-washing hood and related facilities to ensure the grease purification is functioning as normal
- introduce more healthy diet options to maintain a balanced menu which helps to reduce oil fume and exhaust gases produced during cooking
- eco-stoves adopted for reducing the gas consumption and related exhaust gases emissions during cooking

Target:

To renovate one store in Beijing (originally planned for 2022 but delayed due to the pandemic) and one in Shanghai in 2023. During the renovation, environmentally friendly model stoves will be in place, both stores are expected to open in mid to late August 2023. The goal is to reduce gas consumption by approximately 49,000 cubic meters and related stoves' exhaust emissions in 2023.

助力环保 延续物命
唐宫外卖“煲仔”环保回收
回收的“煲仔”经专业清洗和消毒后，循环使用，减少浪费。

每个回赠代金券5元
代金券可叠加，无条件使用，与其它优惠共享。门店堂食、自营外卖、电商平台通用。
每次回收数量不限，煲仔越多，回赠越多。

回收时间：即日起长期回收
回收地点：唐宫各门店
回收要求：煲仔、煲盖完好，无破损

Packing material and wastage management

Related business sectors :

The leftovers from the food processing stage, the kitchen waste from the cooking process of dishes, the leftovers after meals, the packaging of takeaway and retail products, and the waste paper generated from office/menu/printing papers

Strategic measures :

- procure pre-processed food ingredients that can be used immediately to reduce processing time and the resulting leftovers
- utilize the edges parts of food ingredients for staff meal preparation
- place posters and slogans advocating food conservation in prominent positions in the restaurant and staff canteen. Train staff to pay attention to portion sizes when taking orders
- implement long-term recycling program for the takeaway clay pot rice, and encourage customers to recycle by offering cash vouchers



From Felicity to Environmental Protection

3. 幸福轉化保護環境

- minimalist design for seasonal product packaging, and environmentally friendly materials are used as much as possible (such as FSC-certified cardboard that promotes sustainable development of forests) and degradable auxiliary materials. Customers are also encouraged to recycle and reuse the packaging
- Starting from the second half of 2022, the restaurants gradually and comprehensively use recyclable and reusable aluminum foil or corn fiber material produced takeaway boxes and reduce the use of more than 385,000 plastic boxes



- minimize unnecessary printings, request double-sided printing, use online training materials, and recycle used printing papers, menu cards, dim sum menus, and mooncake paper boxes from stores. In 2022, approximately 1,500 kilograms of these materials were recycled in Guangdong district throughout the year.



Target:

In 2023, the focus of the plan is to upgrade the supporting materials of the inner container of the gift boxes for our New Year rice cake and preserved meat, considering to replace the existing plastic moldings with environmentally friendly cardboard. The goal is to reduce the use of approximately 70,000 plastic moldings (about 2,630 kilograms of plastic) in the year.





From Felicity to Environmental Protection

3. 幸福轉化保護環境

Waste oil and sewage discharge management

Related business sectors :

The wastewater from food washing, waste oil from cooking, leftover beverages, wastewater from tableware cleaning, and wastewater from cleaning the premises/equipment

Strategic measures:

- use qualified waste oil recycling merchants to handle waste oil properly
- use high-quality and durable cooking oil to reduce the amount of waste oil produced
- balance the development of dishes with different cooking methods and to control the amount of cooking oil used
- provide different beverage portion options to avoid excessive leftovers that causes waste
- study and consider to use new models of dishwashers gradually, of which water consumption per basket of dishes will be reduced from 1.75 liters to 1.6 liters.

Water conservation management

Related business sectors:

wash process, beverages and dishes making process, restrooms

Strategic measures:

- while applicable, stores reuse the water with detergent for pre-rinsing dirtier tableware
- where feasible, restaurants will use infrared sensor taps and install water-saving valves in the restroom.
- routinely examines water output volume of taps at our restaurants and immediately repairs dripping taps
- place stickers encouraging water conservation in appropriate locations

Targets :

Although the Group did not encounter any issues in sourcing water during the Reporting Period, in order to protect the limited and precious water resources, the group aims to control the water consumption density at between 0.50 to 0.55 cubic meters per thousand RMB and will periodically review this target.





From Felicity to Environmental Protection

3. 幸福轉化保護環境

Energy conservation

Related business sections :

Lighting, air-conditioning 、 ventilation 、 refrigerator , cooking facilities(such as steamer/stoves) 、 dish-washer

Strategic measures :

- dining areas and kitchens in our restaurants have fully adopted LED lighting and implemented segmented lighting to allow for on/off switching as needed
- guidelines in respect of segmented lighting and timing of switching off air-conditioners are formulated according to the operating condition of the restaurants and is managed by a dedicated personnel
- indoor air conditioning is set between 25 to 27 degrees Celsius
- while applicable (such as large scale renovation or new store opening), install different energy-saving facilities(such as eco-stoves, intelligent intelligent ventilation system, energy-saving dish washer, environment-friendly steam ovens and heat energy recovery system), details as below :

Energy-saving Equipments	Eco-stoves	Energy-saving dish washer	Intelligent ventilation system
Concept of energy saving	The new eco-stoves hourly power consumption is 0.13 kWh (traditional stoves consume 0.25 kWh), and it also has improved safety and reduced noise	The heat recovery function is installed, and the hourly power consumption is reduced to 28.7 kWh (traditional stoves consume about 40 kWh)	According to the usage of the stoves, adjusts the fan intensity automatically based on usage, accurately controlling power consumption. Compared to operation without this equipment, electricity consumption is reduced by an average of 50%
Implementation in 2022 (during the Reporting Period)	The renovation of one store in Beijing, which was originally scheduled to be completed during the Reporting Period, was postponed until 2023 due to the pandemic. Therefore, the related energy-saving goals of using eco-stoves and energy-saving dishwashers could not be achieved. In addition, some underperforming stores were closed in 2022, and the percentage of stores using eco-stoves increased from 36% in 2021 to 45%		In 2022, a total of 6 stores used an intelligent ventilation system, reducing electricity consumption by 665,000kWh (The previous report target was 734,000kWh.)
Plan in 2023	Replacement of traditional stoves with eco-stoves is expected due to renovation of some Beijing and Shanghai stores in quarter three. It is expected to further increase the percentage of stores using eco-stoves to 52%, and reduce electricity consumption by approximately 1,600kWh	Beijing is expected to have 2 stores using energy-saving dishwashers in the third quarter, which is expected to reduce electricity consumption by approximately 14,000 kWh	One more store in Beijing is expected to use an intelligent ventilation system, and a total of 7 stores are expected to reduce electricity consumption by approximately 689,000 kWh in 2023
Total energy-saving target	Through the aforementioned energy-saving equipment, the Group aims to reduce electricity consumption by a total of approximately 704,600 kWh in 2023.		



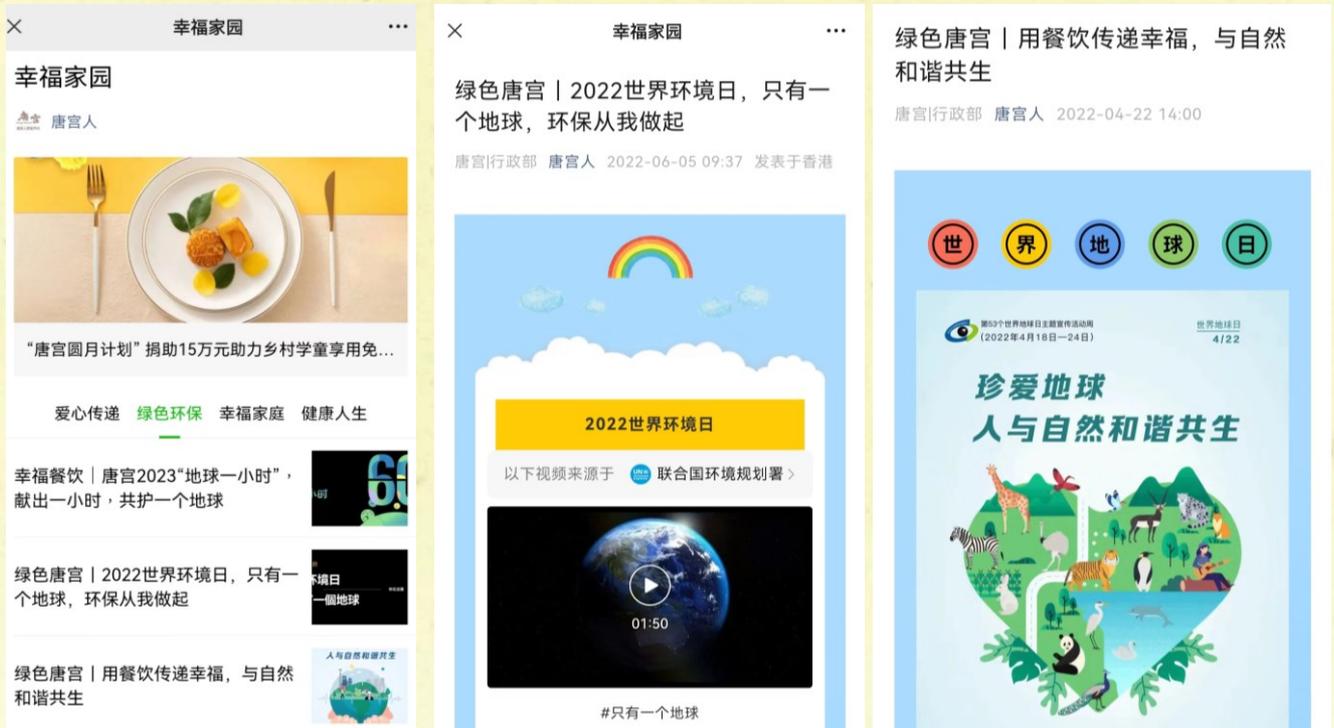
From Felicity to Environmental Protection

3. 幸福轉化保護環境

Other carbon emission reduction advocacy

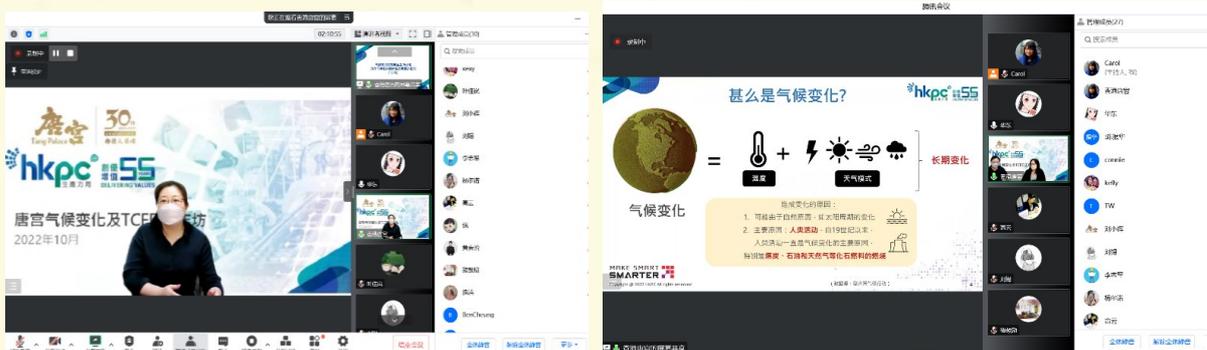
Internal environmental protection information sharing platform:

Internal environmental friendly information sharing through internal platform: The Group has a dedicated environmental protection section on its internal communication platform, and regularly shares environmental information with all employees in the Group.



Store and district management training:

During the Reporting Period, the Hong Kong Productivity Council organized a 'Climate Change and TCFD Workshop' for the group, allowing the supporting management staff from various districts to have a better understanding of ESG management issues and disclosure requirements related to the environment. This enables them to collaborate on related work and provide suggestions more effectively.





From Felicity to Environmental Protection

3. 幸福轉化保護環境

Furthermore, the 5S in charge personnel of the Group's ERS mechanism Management Committee has also incorporated environmental management elements into its regular training content to strengthen the connection between daily work and ESG-related management



Continuously responding to environmental protection public welfare activities

Qingshan Public Welfare Fund:

Since 2018, the Group has continuously participated in the Qingshan Public Welfare activities initiated by Meituan (美團外賣). For every completed takeaway order, the Group donates RMB 0.01-0.02 to the "Qingshan Public Welfare Fund" (established in 2017 by Meituan (美團外賣) in collaboration with the China Environmental Protection Foundation, formerly known as the "Qingshan Project Special Fund"). The fund's donations are used to support environmental public welfare projects such as the high-quality protection and development of natural protected areas, addressing climate change, ecological conservation and poverty alleviation, and environmental advocacy etc.



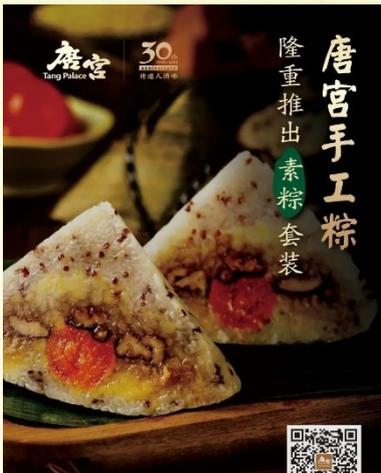
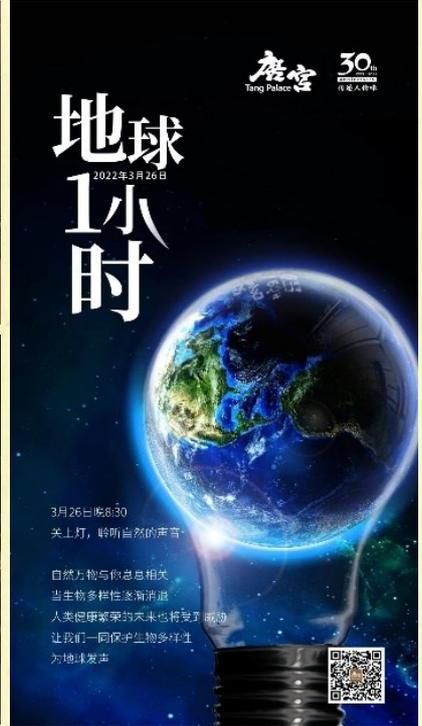


From Felicity to Environmental Protection

3. 幸福轉化保護環境

Earth Hour:

Since 2019, the Group has responded to the "Earth Hour" campaign initiated by the World Wild Fund For Nature (WWF) every year. On the evening of March 26, 2022, at 8:30 pm, we once again invited our customers to participate in and share the significance of the event.



粽有福

素粽套装

- 咸蛋黄坚果素肉粽 x 2只
- 金桔豆沙枫水粽 x 2只
- 红藜五谷杂粮粽 x 2只



Consideration of Environmental and Health Elements in Menu Development:

The Group considers the proportion of vegetarian dishes and reduces over-reliance on meat during the process of updating the menu. In the 2022 menu update (consisting of 108 dishes), the Group maintains a proportion of pure vegetarian dishes of no less than 15%. In addition, nearly 10% of the dishes feature non-meat ingredients as the major ingredients. Furthermore, the Group also launched low-carbon and vegetarian sticky rice dumplings during the Dragon Boat Festival, advocating for a healthy, delicious, and green lifestyle



From Felicity to Operation

4. 幸福轉化融入經營

All operational management and strategies are implemented through employees. We firmly believe that continuous, compliant and high-quality "blessed" operations depend on a team of positive and "blessed" employees, and pass on this sense of felicity through high-quality products and touching services to customers, and the customers' supports and recognitions in return is one of the important sources of employee happiness, forming a virtuous circle and that sustain endlessly.



The main management matters in different aspects of the value chain are summarized as follows:

		food ingredients purchase	Preparation and process	Dishes cooking	Dinning / Serving	other selling activities	Clean up
Main management issues	Supply chain management	🐟	👨‍🍳				
	Food safety	🐟	👨‍🍳	👨‍🍳	🍴	🛒	🔄
	Environmental Safety and Health		👨‍🍳	👨‍🍳	🍴		🔄
	Sales and Service				🍴	🛒	
	Protection of interests				🍴	🛒	
	Probity and integrity	🐟		👨‍🍳	🍴	🛒	🔄



From Felicity to Operation

4. 幸福轉化融入經營

4.1 Supply Chain Management

Targets	Key relevant regulations
<ul style="list-style-type: none"> • Find food ingredient suppliers with stable quality and quantity supplies • Find suppliers with probity, compliance and integrity • Ensure uninterrupted store supplies with good logistic management • Obtain cost-effective ingredients 	<ul style="list-style-type: none"> • The Food Safety Law of the PRC • Food Safety Ordinance (Cap. 612)
Main strategies	
<ul style="list-style-type: none"> • The introduction of suppliers is uniformly approved at Group level, and periodic market inquiries and price approvals are carried out • Centralised purchase by the Group for the main ingredients (such as squab and high value seafood) to ensure quality and cost control • Clear main aspects for the on-site suppliers inspection: such as environmental sanitation, health protection awareness of staff, equipment status and health and safety policies and rules, and record the inspection results in a designated form • Food factories and stores are managed by designated departments, to quarantine and disinfect specific food ingredients (such as imported frozen ingredients) according to law and collect necessary nucleic acid reports from suppliers • The quality and quantity of food ingredients purchased are jointly checked by various relevant departments at stores • Support local procurement and reduce transportation needs (reduce costs, vehicle carbon emissions and other uncertainties) • The supplier contract specifies the terms of honesty and integrity 	
Key risks	Responses
<ul style="list-style-type: none"> • The pandemic and international trade relations have had a major impact on the stability of food supply (stop production, control of imported frozen products) • The extreme weather in the Period affected the supply of major ingredients 	<ul style="list-style-type: none"> • 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 • Adjust the sales strategy in response to the supply of food ingredients, disperse the demand for different food ingredients, and maintain close communication with suppliers to grasp the latest situation in the supply market

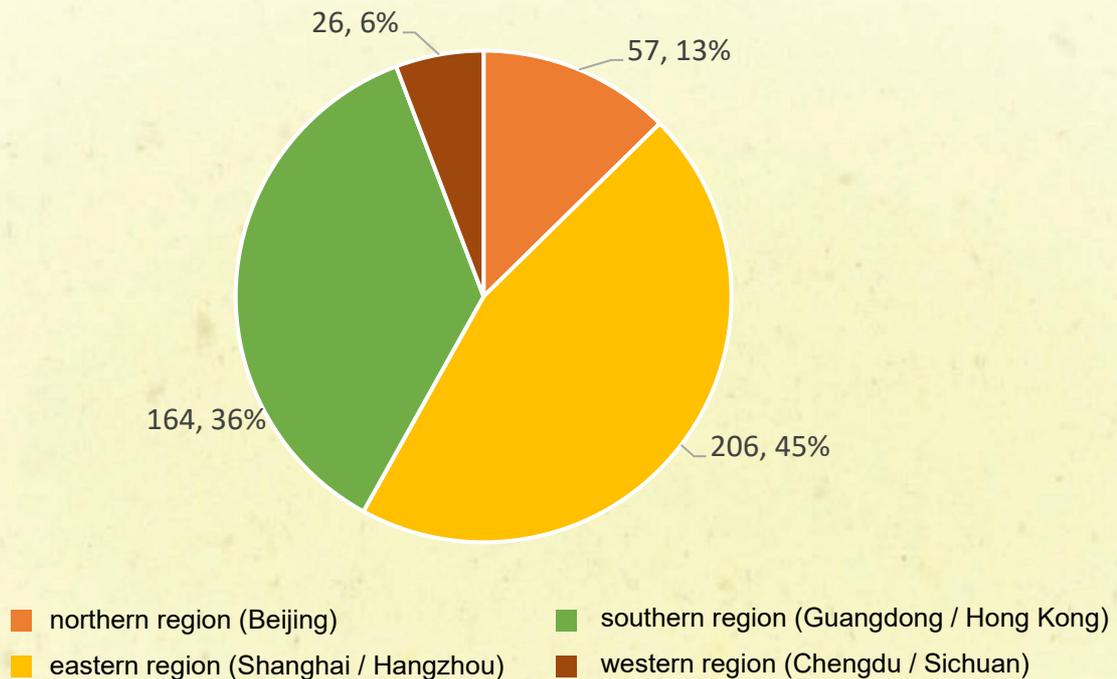


From Felicity to Operation

4. 幸福轉化融入經營

Updates during the Period:

During the Reporting Period, the Group had a total of 453 regular suppliers, which are distributed by regions as follows:



In addition, the food factory has conducted random inspections of the seasonal products by qualified food inspectors during the Period, and no food need to be recalled due to safety and health reasons. The food factory has taken all necessary environmental sanitation and pandemic prevention measures, there is no any non-compliance incidence. In addition, the stores also abides by the quarantine requirements for the purchase of various ingredients in accordance with the law, and actively cooperates with the inspection requirements of local law enforcement agencies. During the Period, the relevant inspections have passed or required improvement measures satisfied.



From Felicity to Operation

4. 幸福轉化融入經營

4.2 Food Safety

Targets		Key relevant regulations
<ul style="list-style-type: none"> • Provide customers with safe, high-quality and healthy dishes • Enhance employee awareness and prevent all food safety incidents 		<ul style="list-style-type: none"> • The Food Safety Law of the PRC • Food Safety Ordinance (Cap. 612)
Main strategies		
<ul style="list-style-type: none"> • Conduct good source control in the supply chain management • The person in charge of the purchasing department and the production department visit food ingredients source from time to time to learn about right season and healthy ingredients that suitable for use • Product quality department established in each district regularly inspect the stores to check the dishes quality and ensure that the kitchen environment and food producing process meet the relevant requirements • The person in charge of 5S management conducts regular store training, updates and reminds store operators of the food safety requirements • All food safety accidents must be recorded and reported to the relevant management departments of the districts (product quality management) and the Group (ERS management/compliance) at the same time, so as to further analyse, follow up and to enhance the preventive measures 		
Key risks	Responses	
<ul style="list-style-type: none"> • The pandemic affects the health of food production staff • Risk of food ingredients infection 	<ul style="list-style-type: none"> • Measure temperature and declare health situation before work. going to work. Staff with related symptoms not allowed to go to work • Continuous conduct good environmental sanitation works for stores and dormitories, and cooperate with relevant government measures to restrict the flow of people • Comply with the legal requirements for food disinfection and nucleic acid testing 	

Updates during the Period:

During the Reporting Period, the person in charge of 5S of the Group, through online training, reminded the district management the key control points regarding the food safety, so as to reduce the risks related to food producing process. The main contents include:

Personal hygiene and health of operators

- Pre-processing management / thawing method
- Environmental management (production area / separated area for cold dishes and Siu-Mei / dishwashing room)
- Equipment management (refrigerator / tableware)
- High-risk food management / food additive management
- Expiry date management
- Disinfection management / pathogenic biological control



In addition, during the Reporting Period, each district organised a cross-departmental quality inspection team (including representatives from operation management department, product quality department, training department, and supporting departments of respective districts), according to the inspection priorities jointly determined with the Group senior management, formulated the quality inspection form for store performance appraisal. Among them, food safety is the top important inspection area, and specifically divided into different production departments (Main Chinese dishes, Siu-Mei, Cold Dishes and Dim Sum) for thorough follow-up.



From Felicity to Operation

4. 幸福轉化融入經營

4.3 Environmental Safety and Health

Targets	Key relevant regulations
<ul style="list-style-type: none"> • Effective management and reduction of various safety accidents • Enhance employees' awareness in health and safety in respect of environment, business operations and fire safety 	<ul style="list-style-type: none"> • The Production Safety Law of the PRC • The Law of PRC on Prevention and Control of Occupational Diseases • The Fire Control Law of the PRC • Occupational Safety and Health Ordinance (Cap. 509) • Fire Services Ordinance (Cap. 95) • Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap 599F)
Main strategies	
<ul style="list-style-type: none"> • Clear district and group inspection mechanism, inspect and prevent potential safety hazards in the working environment • The management mechanism to strengthen the reporting, analysis, recording and summary of various types of accidents (such as work-related injuries) • Regular meetings before business opening, regular training (including new employee induction training), case sharing of safety knowledge and participation in drills • Maintain good communication with district regulatory authorities, understand the latest regulatory requirements and actively cooperate with regular inspections 	
Key risks	Responses
<ul style="list-style-type: none"> • Physical and mental health of employee under pandemic control 	<ul style="list-style-type: none"> • Provide specific guidelines for store operations and dormitory life during special periods to reduce the risk of infection (such as precautions for commuting to and from get off work and suggestions for work and rest time) • The training department provides online learning classes for physical and mental health, and promotes a positive attitude of gratitude through sharing happy stories

Updates during the Period:

During the Reporting Period, the 5S person in charge of the Group also conducted comprehensive training on occupational safety, fire safety, pandemic prevention and control safety and first aid safety, to enhance employees' safety awareness and emergency response capabilities. In addition, the person in charge of the store will regularly organise store employees to conduct various safety training and sharing, in order to constant remind employees of the importance of safety protection from different aspects.

During the Reporting Period and in the past two years, no work-related fatalities occurred. During the Period, 17 people were involved in work-related accidents for the whole group, and the number of working days lost was 342. All industrial accidents that need to be reported, apart from reporting to the government labor department as required by laws and regulations, the operation management department of the districts will also record the cause analysis of the accidents and the remedial measures according to the Group specified reporting form, and to be used as internal cases reference for future prevention.





From Felicity to Operation

4. 幸福轉化融入經營

4.4 Sales and Services

Targets	Key relevant regulations
<ul style="list-style-type: none"> • By touching and professional service level, let customers feel being blessed during dining process • Realize the differentiation of products and service through brand upgrading and transformation 	<ul style="list-style-type: none"> • 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)
Main strategies	
<ul style="list-style-type: none"> • Regular online / offline training and specific reminders from mission cards, letting employees master the service standards and maintain a good attitude • 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 	

Updates during the Period:

A total of 139 mystery customer visits were arranged during the Period, covering 37 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.

- ✓ Clean and graceful environment
- ✓ Clean and dignified staff
- ✓ Soft and appropriate music
- ✓ Pleasant and refreshing smell
- ✓ Accurate and efficient service
- ✓ Professional and warm interaction
- ✓ Positive team vibe

.....



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 district 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 17 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.

In addition, to match the Group's direction of restaurant brand upgrade, the inter-departmental quality inspection team has also formulated a specific quality inspection form (for restaurant environment and service experience) so as to, on top of high-quality products, provide customers with an all-rounded pleasant and impressive dining experience.



From Felicity to Operation

4. 幸福轉化融入經營

4.5 Rights and Interest Protection

Targets	Key relevant regulations
<ul style="list-style-type: none"> • Good maintenance for own trademarks, respect the rights and interests as well as privacy of third parties 	<ul style="list-style-type: none"> • Trademark Law of the PRC • Copyright Law of the PRC • Personal Information Protection Law of the PRC • Trade Marks Ordinance (Cap. 559) • Copyright Ordinance (Cap. 528) • Personal Data (Privacy) Ordinance (Cap. 486)
Main strategies	
<ul style="list-style-type: none"> • Effective trademark registration and maintenance mechanism to protect own trademarks and respect other's • Regularly understands the various departments' needs on different office software, 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 	

Updates during the Period:

To better match the atmosphere of the restaurants, the Group has through the contracted professional background music service companies, centralised to provide suitable background music for the traditional Chinese restaurants, of which the contract terms clearly stated the service company needs to ensure the relevant music has been legally authorized to be used

In addition, in order to protect intellectual property rights and the consumers, the Group, with the assistance of trademark consultants and lawyers, carried out the following trademark maintenance work from different aspects:

Measures	Frequency	Description	Update for the Period
Monitoring similar trademark registration	Monthly	system program to conduct website search for similar trademark registrations that have entered the preliminary approval stage of the China National Intellectual Property Administration (for 43 categories of catering, the registered name has the word Tanggong (唐宮))	No registrations that need further follow-up were found during the Period
Actions against actual stores with very similar trademarks	As needed	If usage of a relatively similar trademark by a third party was found (with a physical store/similar cuisine), to avoid market confusion, corresponding actions will be taken accordingly, including complaints to the industry and commerce department, legal action, or application for invalidation to China National Intellectual Property Administration (if registered by that third party)	In September 2022, an application for trademark invalidation was made and has been accepted for follow-up
Dianping (大眾點評) checks in major cities	Quarterly	Designated person in administrative department will search the Dianping (大眾點評) in the major cities that the Group mainly operates (such as Beijing / Shenzhen / Shanghai / Chengdu / Hangzhou etc.), if trade name similar to "Tang Gong (唐宮)" was found, will report to the platform for rights protection	During the Period, a total of 63 restaurants with similar trademarks were found, 11 of which are still under understanding, and 30 restaurants are considered to be non-infringing (with registered trademarks, obvious differences in food types/environment). Other approximately 20 restaurants have been removed from the platform or voluntarily changed names after complaining to the platform



From Felicity to Operation

4. 幸福轉化融入經營

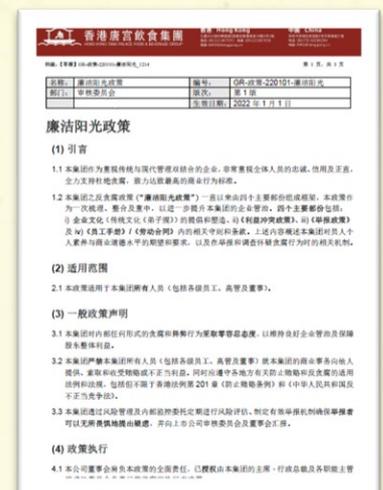
4.6 Integrity and Trust

Targets	Key relevant regulations
<ul style="list-style-type: none"> • Create a fair business environment and improve employees' professional ethics and awareness of misconduct 	<ul style="list-style-type: none"> • The Anti-Corruption and Bribery Law of the PRC • Anti-Unfair Competition Law of the PRC • Criminal Law of the PRC • Prevention of Bribery Ordinance (Cap. 201)
Main strategies	
<ul style="list-style-type: none"> • 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.

During the Reporting Period, the Group invited the Hong Kong Independent Commission Against Corruption (ICAC) to provide integrity training and share relevant cases for the Board and relevant group management. In addition, the group also reminded all employees during the Period that the existing corporate culture, employee handbook, whistle-blowing mechanism, and conflict of interest policies have clearly stated that the Group attaches great importance to law-abiding and integrity, and issued an integrity and probity policy to further reiterate relevant requirements.



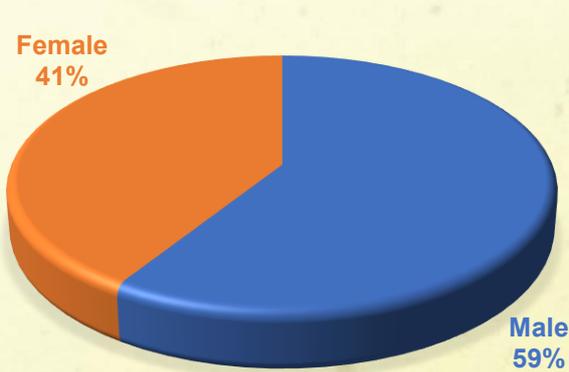


From Felicity to Society

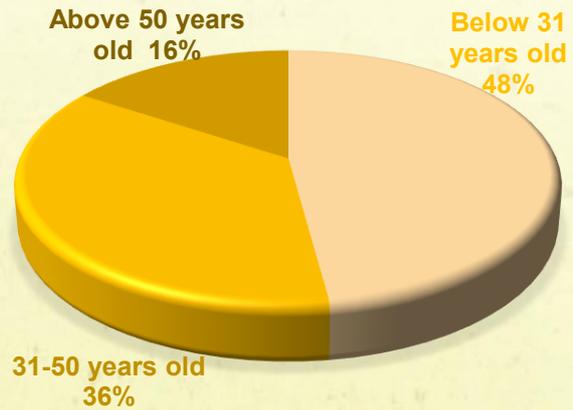
5. 幸福轉化惠及社群

5.1 Employment Situation

As of 31 December 2022, the total number of employees in the Group was approximately 3,000. 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.



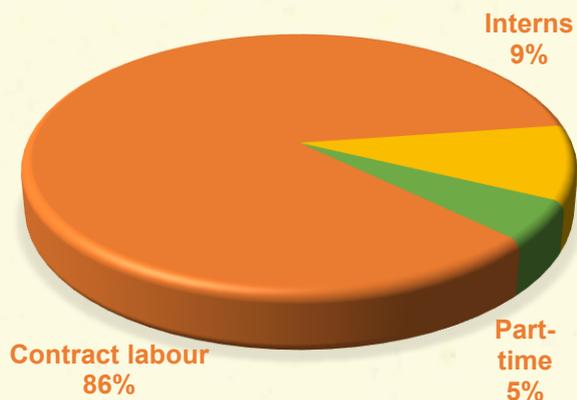
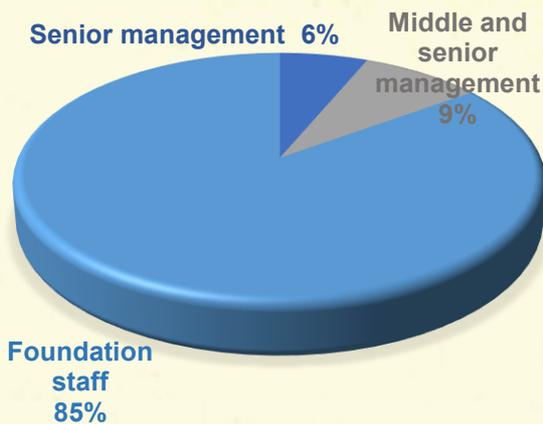
Relevant **turnover rates** under above grouping
(Male: 33.7% / Female: 29.9%)



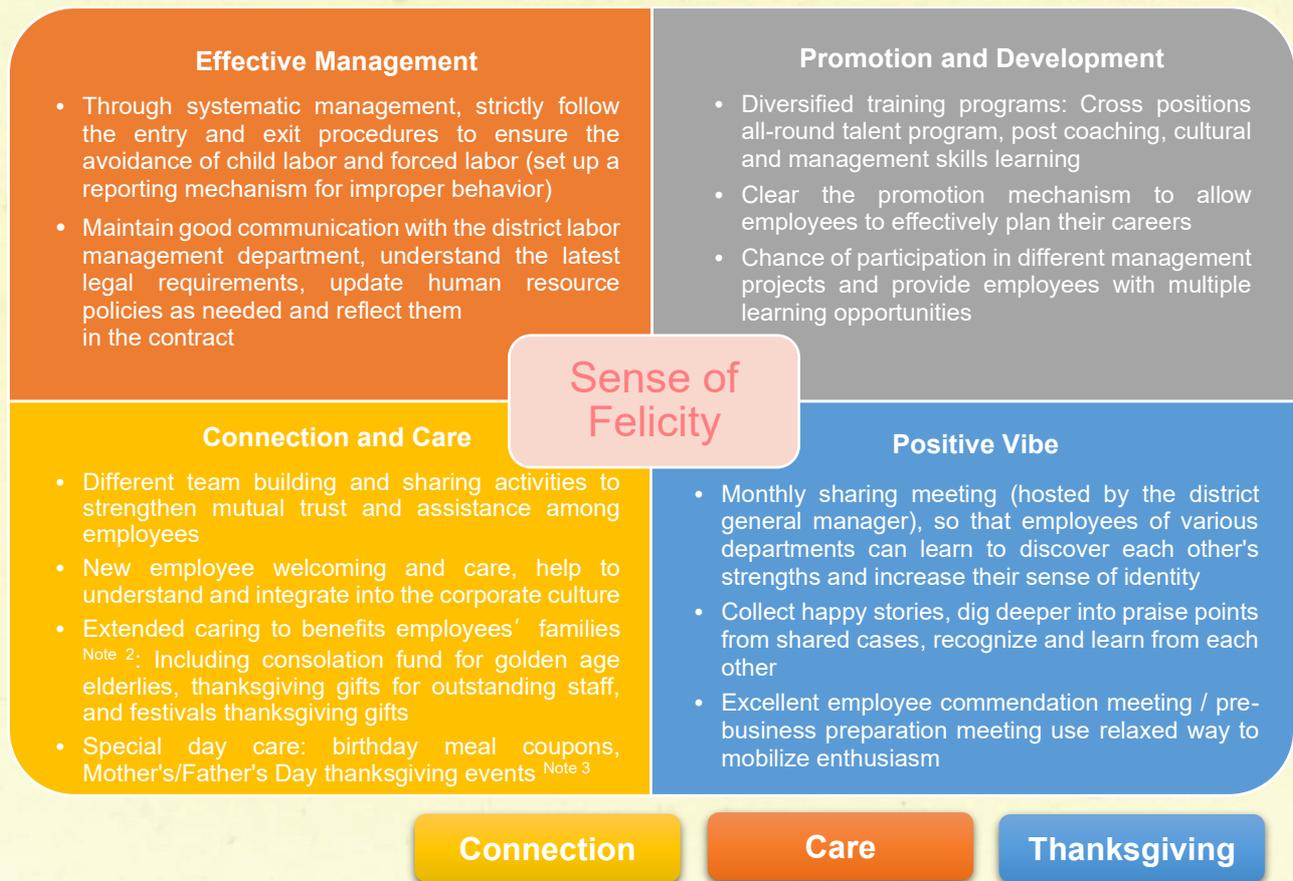
Relevant **turnover rates** under above grouping
(<31 : 36.1% / 31-50 : 34.5% / >50 : 19.2%)



Relevant **turnover rates** under above grouping
(Beijing 33.8% / Eastern China 31.4% / Guangdong 23.6% / Chengdu 34.0% / Hong Kong 54.4%)



As an enterprise that values employees' well-being, in addition to respecting employees' basic legal rights ^{Note 1}, we also continue to use various measures to make employees feel recognized, cared for and valued, so that they can personally experience this and share this Sense of Felicity with working partners, customers and relatives and friends This happiness:



Note 1: During the Period, 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. In addition, the Group Human Resources Department will also pay attention to the employment situation related to equal opportunities, employment diversity and anti-discrimination in the workplace, and will seriously handle related reports.

Note 2: Company offers consolation fund payments to our employees' parents aged 70 above in the Chinese New Year; and advocate 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; 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.

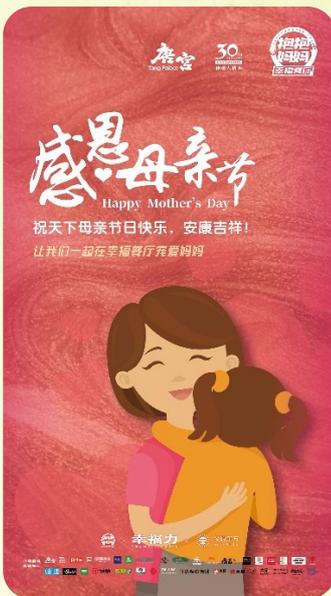
Note 3: The company will send birthday dining coupons for employees to enjoy with their families, and will also gives gifts and blessings to the employees who are also being parents, thanking them for conveying happiness through diligent work.

Besides, to provide more job opportunities for young people, Group has been cooperating with various school since 2006, and has established Hong Kong Tang Palace Hotel Management College with the Guangdong Industry Polytechnic, and being honored as "Demonstrative off-campus base of practical teaching for colleague students" in 2020. During the Reporting Period, the Group cooperated with 16 schools and provided 605 internship positions.



From Felicity to Society

5. 幸福轉化惠及社群





From Felicity to Society

5. 幸福轉化惠及社群引

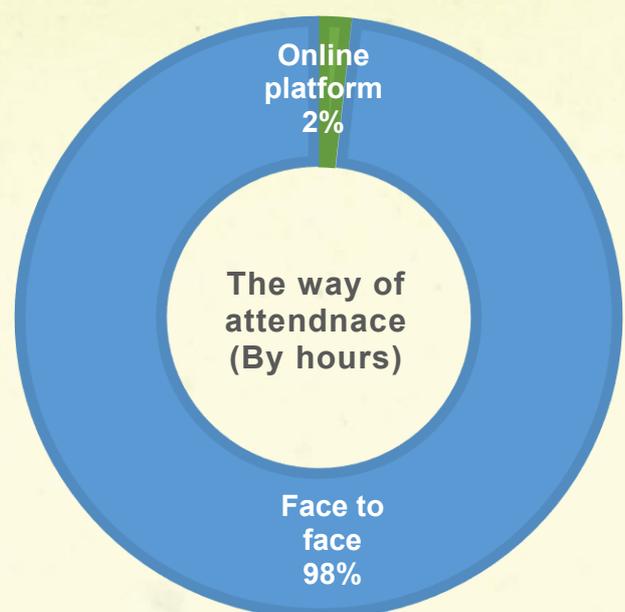
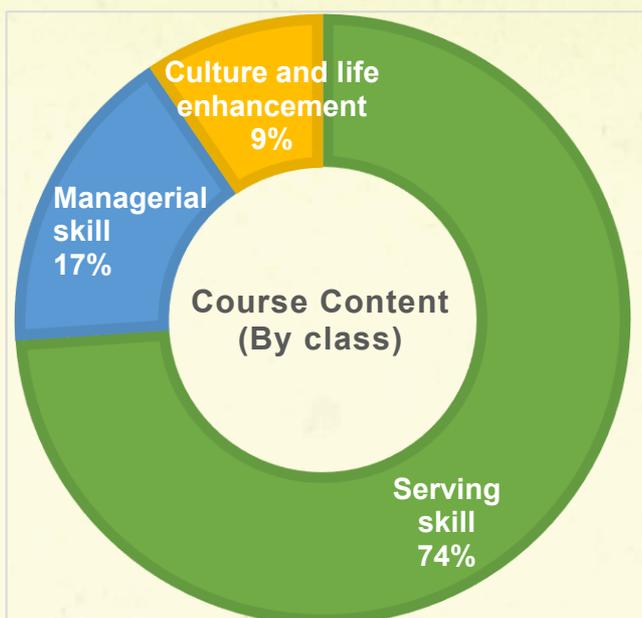
5.2 Training and Development

Training class situation during the Period

Our determination to learn and improve has not been affected by the normalized pandemic situation. During the Reporting Period, we arranged a total of 3,283 different types of training classes, involving a total of 5,323 hours and overing 62,050 participants.

	Serving skill	Managerial skill	Culture and life enhancement	Total
No. of training / lesson	2,427	544	312	3,283
No. of class participants	30,450	18,146	13,454	62,050
Training hours	3,715	1,171	437	5,323

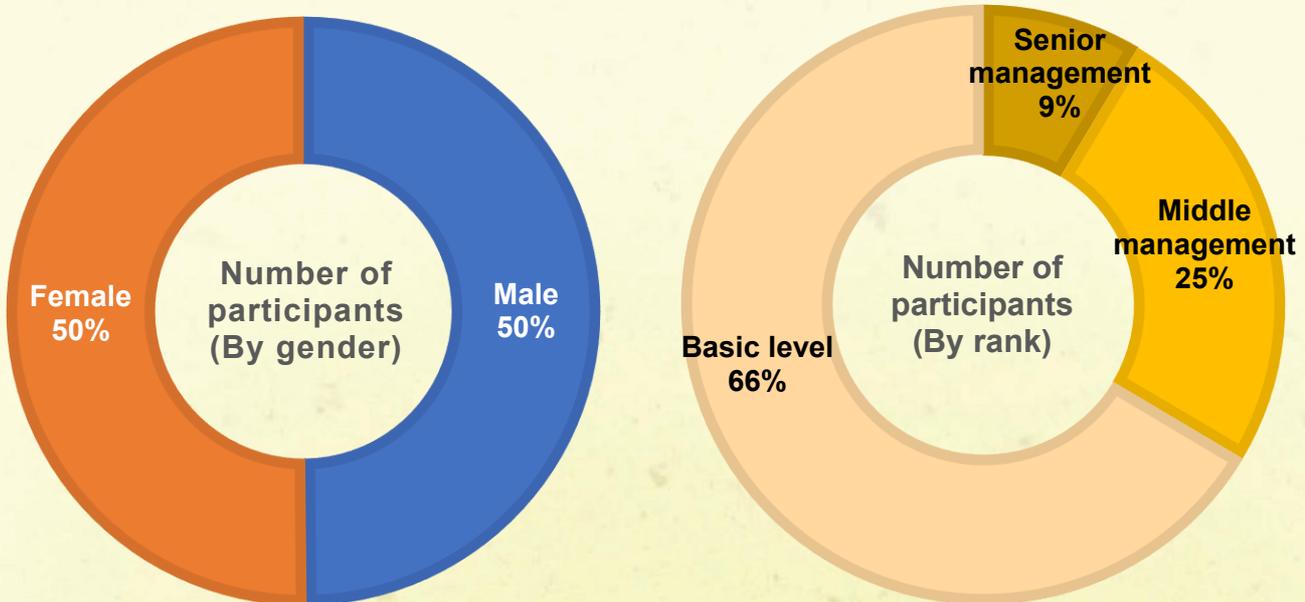
	Senior management	Middle management	Basic Level	Male	Female
No. of participants (in people times)	5,313	15,524	41,213	30,930	31,120
Average training time / staff (in hours)	354	675	835	570	1,145





From Felicity to Society

5. 幸福轉化惠及社群



During the Reporting Period, the Group has a total of 1,241 participants take place in the learning under cross positions all-round talent program through the mobile learning platform of “Peixunbao” (“培訓寶”, in which 12 learning videos were added this year), and obtained relevant skill certification, which will serve as the basis for future evaluation and promotion. In addition, during the Reporting Period, a total of 93 employees passed the assessment and were successfully promoted to section head or supervisors.

And in response to the pandemic situation and the actual needs for store development, no management trainee program was conducted during the Reporting Period.

In order to facilitate and well prepare for the Group’s business direction of brand upgrading and transformation, the training department, together with the responsible persons in charge of dishes production and operation, specially arranges a series of on-site training on grooming, service skills, products knowledge and dishes introduction methods, as well as ordering and dishes suggestions skills, so as to improve the team expertise comprehensively.



From Felicity to Society

5. 幸福轉化惠及社群引

5.3 Community Contribution

Tang Palace's humanistic touch and family culture have created a team with a sense of felicity and belonging. This love and happiness not only exist within the Group, but the warmth is also shared with our customers, business partners, and the public, giving back to the community with warm service, artisanal products and care within our means as well as allowing love to flow around and happiness to be passed on.

Dissemination of Corporate Culture of Happiness and Felicity

Chinese Catering Well-being Conference (中國幸福力大會)



The Group was invited to participate in the Chinese Catering Well-being Conference to share its corporate culture of happiness with our peers, which focused on how the Group has transformed the concept of happiness into practical actions through four major mechanisms, spread the culture of happiness and felicity and allow love to flow through a rich and diverse range of activities. We also shared the story of how the Group adhered to conveying happiness through catering during the period of severe pandemic and shortage of supplies.

The Chinese Catering Well-being Conference were held in Shanghai in January 2022 and in Hangzhou in November 2022, respectively. More than 200 food & beverage brands attended the two events with over 1,500 attendees and over 600,000 visits watching the live streaming.

At the conferences, Tang Palace Group was awarded in recognition of Tang Palace's dedication to conveying happiness through catering, and its commitment to promoting the happiness of its employees, customers, business partners and society. Four staff from Tang Palace also shared their stories of spreading happiness in their work and lives and were awarded the 'Blossom of Happiness Award (幸福花開獎)' at the ceremony.



From Felicity to Society

5. 幸福轉化惠及社群



A Story about Happiness: Small Kindness & Great Love



Blessed Society, Blessed Business Partners

In March 2022, Shanghai was locked down due to the pandemic, travel was restricted, and daily necessities were scarce. Tang Palace employees stayed at the stores, giving up their dormitory residence, in order to provide safe and delicious meals to the customers quarantined in the hotel and the employees of seven stores in Eastern China, totaling more than 600 people. With limited manpower, our employees worked day and night to fulfill our mission of "bringing humanistic touch to our customers", providing livelihood protection for the people of Shanghai, delivering group purchases, takeaways and hope.

We extended our love to the community by sending meal boxes to the homeless that stayed in the Shanghai train station. We extend our love to our business partners. When the riders became the logistic link, we delivered love meals, summer drinks and festive food to the hardworking riders; and the riders gave back with sincere services, passing on Tang Palace's warm services to our customers. Love and gratitude flow warmly in the cycle of goodness.

"The harder it is, the more necessary we are to do good deeds. We never shifted our attention paid to the underprivileged." "Who says that only those who stand in the light are heroes?" said Ms. Weng Peihe, Chairman of the Board. Food and beverage workers are like shining stars, radiating the light of life in the vast night sky, even subtle and may not be enough, yet they silently dedicate themselves to life, responsibility, and love."



scan to watch
Well-being Conference
Introduction and
"Small Kindness & Great
Love" videos



The Story about Happiness: "Happy Sisters, Warmth Release"

Spread warmth and love at all times, so loneliness and fear would be a stranger. Respect the elders and loved ones, and honor the food and beverage industry. Warm our colleagues with care and guidance, and let love and light shine from within. Touch customers with professionalism and kindness.



scan to watch
Well-being Conference Introduction
and "Happy Sisters, Warmth
Release" videos





Free Lunch Charity

Joining hands with customers to provide free lunch for school children in rural areas

The Group once again launched the "Tang Palace's Full Moon Program" before the Mid-Autumn Festival, inviting customers to join us in charitable deeds. For every box of mooncakes sold at designated Tang Palace stores in the Mainland China before a specified date, the group donates RMB5 to the "Free Lunch Fund" of the China Social Welfare Foundation. The group donated a total of RMB150,000 to help school children in rural areas to enjoy free lunch and accompany them in their healthy growth.

A Charitable Activity

Care for Women's Health 2022

The Group supports the public welfare event of caring for women's health in China and sponsors the "China 525 Love Breast Day - Caring for Women's Health Charitable Activity 2022" and was awarded the Caring for Women Enterprise Award. Together with the Organizing Committee of Chest Care Plan Public Welfare and Pink Ribbon Breast Care Center, we spoke out for love. At the same time, we played the event information and promotion video on the restaurant display screen to further share the beauty of public welfare to more customers.





From Felicity to Society

5. 幸福轉化惠及社群

Mid-Autumn Festival Community Visit

Sharing happiness with mooncakes full of love

The Tang Palace volunteer team delivered charity mooncakes and snacks to the elderly homes, sending warm blessings and gratitude, inheriting filial piety, and conveying happiness. The silky mooncakes and warm care carry the respect and filial piety of the Tang Palace people, and the warmth of the occasion sweetly touches the heart.



From Felicity to Society

5. 幸福轉化惠及社群引

Supporting community pandemic prevention work

providing healthy caring meals to boost energy of anti-pandemic personnel

The group adheres to the values of "Safety, Kindness, Consideration, and Contribution" and provides safe, caring, nutritious, and delicious Tang Palace Love Meals, warm afternoon tea, and seasonal fruits to selfless frontline personnel in pandemic prevention and control. This is to add a little bit more energy to the health of the anti-pandemic personnel, and to offer the highest respect with exquisite food.

A Story about Happiness: Loving afternoon tea

[Shenzhen] During the pandemic spread, we had to go to the community every day to conduct nucleic acid tests. Today is the Spring Equinox, Sister Xia led us to send every pandemic control worker a loving afternoon tea, so that they could try the Tang Palace handmade glutinous rice cakes, and the soothing tea made from bamboo canes. When the community workers received the tea, they were very touched. Although the pandemic control was very difficult for all, they felt the warmth and greetings from us.



A Story about Happiness: Heartfelt Gratitude & Blessing

[Shenzhen] At Xiangmi Lake's pandemic control center, 60 staff members have been working hard day by day against the shock of pandemic, safeguarding the safety of the Shenzhen people.

To express our heartfelt thanks to the pandemic prevention staff, we mobilized our staff to make a meaningful meal together. The dim sum department was responsible for making desserts and dim sum, preparing red bean paste sticky rice balls that symbolized unity and happiness and had a great taste, along with several healthy and delicious desserts that were popular among customers. The coaching team called on colleagues to write their blessings to the angels in white on the paper note to express their gratitude and care for them. Every colleague was very active and eager to write all the posts two days in advance.

On March 2, the tasty desserts were ready! When the desserts were delivered to the destination with aroma and love, the team from the Pandemic Prevention and Control Center came to greet us and opened the lid and said, "It's all full of love inside". We took a group photo together and left with a beautiful moment. When we left, there were many staff members to farewell and we felt being loved. The pandemic is merciless, but Tang Palace is full of love. We wish the city is surrounded with Tang Palace's love!





From Felicity to Society

5. 幸福轉化惠及社群



A Story about Happiness: Hot meals & satisfying smile



[Shanghai], on the evening of March 19, my colleagues and I were informed that we had to prepare 500 takeaways and deliver them to 7 communities before noon on March 20 to provide lunch for the working staff of the committees involved in the pandemic prevention and control work.

It was raining that day, but our colleagues were busy early the morning in the kitchen in washing vegetables, cutting meat, frying vegetables and steaming rice all the time, and we also arrived at the store before 8:40 a.m. to help packing. All of our colleagues worked hard and didn't dare to be sloppy and were successful in sending takeaways out thanks to everyone's all-out efforts.

Due to the limited seating capacity of the delivery vehicle, we assigned two of our colleagues to help unload the food, while the others walked to their own areas in the rain to meet with the people in charge of the community. I was responsible for the delivery to Shanghai Arch (濱江凱旋門) neighborhood. While waiting for the food truck, I took the opportunity to console the community workers and learned that they had been busy since the outbreak of the pandemic and had not had a good rest. Without any complaints despite hard work, they had initial aspiration of giving back to the society in mind. It didn't take long for the food truck to arrive. Seeing that the staff might not be able to get a hot meal in the cold at the pandemic prevention workplace, we speeded up and distributed the hot food to everyone. When they got the hot food and smiled with satisfaction, I couldn't help but feel happy that we could send love to the frontline workers.





From Felicity to Society

5. 幸福轉化惠及社群引

Plan International Caring Company Award

Promoting Children's Rights and Growth

In recognition and appreciation of corporative partners' long-term support to Plan International, the Group was awarded the "Plan International Caring Corporate Award" at the first Plan International Corporate and Foundation Appreciation Award Ceremony 2022 held on 19 August 2022, in recognition of Tang Palace's contribution in promoting children's interests and creating opportunities for children to lead a brighter life.

Since 2013, Tang Palace has participated in the Child Sponsorship Program of Plan International, donating monthly to support 20 children until they reach the age of 18, helping children, their families and communities to improve their overall quality of life in the long run in terms of education, skills training and youth empowerment. To date, Tang Palace has donated to support 47 children through Plan International.



Sunshine Sponsorship Nurturing Children to Become Pillars

The Group participated in the "Sunshine Sponsorship Program" of Beijing One Heart Sphere Charity Foundation to sponsor 10 university students with special needs to provide them with stable lives, so that they can build up self-confidence and perseverance in their school lives and become pillars with equal stress on integrity and ability.

Beijing One Heart Sphere Charity Foundation is a non-public raising foundation registered with the Beijing Municipal Civil Affairs Bureau. Its scope includes scholarship and education, support for medical aid and rehabilitation care; support for the development of education; support for disaster relief and post-disaster reconstruction; support for the promotion of ecological protection, etc. In order to provide equal educational opportunities for students from families suffering from poverty due to illness, to continue to complete their studies, to become self-sufficient and to help their families to get rid of their hardships, One Heart Sphere has launched the "Sunshine Scholarship" project since 2020, which helps students to cultivate a positive outlook on life and values through the basic support for their living and learning expenses, as well as through long-term psychological accompaniment, reading appreciation, summer camp cultural exchange and other multi-faceted cultural interactions. The program helps students cultivate a positive outlook on life and values during the process of being loved, passing on and giving love.



From Felicity to Society

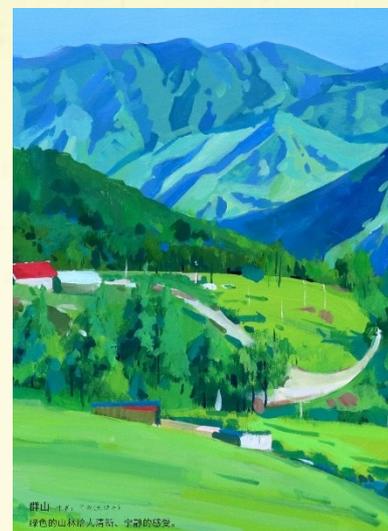
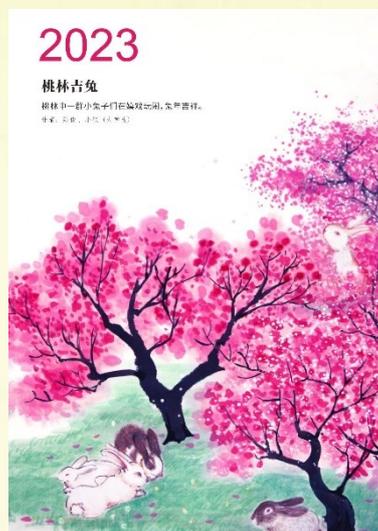
5. 幸福轉化惠及社群



Tang Palace Charity Calendar painted with beautiful colors

Tang Palace partnered with the Chi Heng Foundation in Hong Kong for four consecutive years to produce beautiful calendars from paintings by beneficiary children and teenagers of the Foundation, the calendars are promoted and distributed in all of our 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.





OUTLOOK

6. 展望



Co-create a New Chapter of Happiness and Felicity

The sustainable development of a corporate depends on the participation of various stakeholders. It is the belief of "Conveying Happiness through Catering" that connects each other and letting the Group span over 30 wonderful years.

The road ahead will usher in more challenges, more opportunities, and more thirty years. We will live up to the customer trust and industry reputation that accumulated over the years, continue to maintain the original mission of "making employees and customers happy", and formulate sustainable development strategies in line with market changes, customer needs and ESG initiatives, and work together towards the vision of becoming a centennial enterprise that filled with happiness and felicity.



Relevant Disclosure Index	Description	Relevant Sections in the Report
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 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.17-25
	KPI A1.1 - The types of emissions and respective emissions data.	P.15
	KPI A1.2 - 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.15
	KPI A1.3 - Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P.15
	KPI A1.4 - Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P.15
	KPI A1.5 - Description of emissions target(s) set and steps taken to achieve them.	P.19
	KPI A1.6 - 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.19-20
Aspect A2: Use of Resources	General Disclosure 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.18-25
	KPI A2.1 - Direct and / or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P.16
	KPI A2.2 - Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P.16
	KPI A2.3 - Description of energy use efficiency target(s) set and steps taken to achieve them.	P.22, 24-25
	KPI A2.4 - 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.21
	KPI A2.5 - Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P.16
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	P.17
	KPI A3.1 - Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P.18-25
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P.17
	KPI A4.1 - Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P.17



ESG INDEX

7. ESG 指標索引

Relevant Disclosure Index	Description	Relevant Sections in the Report
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P.35
	KPI B1.1 - Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	P.34
	KPI B1.2 - Employee turnover rate by gender, age group and geographical region.	P.34
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P.30
	KPI B2.1 - Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P.30
	KPI B2.2 - Lost days due to work injury.	P.30
	KPI B2.3 - Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P.30
Aspect B3: Development and Training	General Disclosure 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.23-24, 30, 38
	KPI B3.1 - The percentage of employees trained by gender and employee category (e.g. senior management, middle Management).	P.37-38
	KPI B3.2 - The average training hours completed per employee by gender and employee category.	P.37-38
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P.35
	KPI B4.1 - Description of measures to review employment practices to avoid child and forced labour.	P.35
	KPI B4.2 - Description of steps taken to eliminate such practices when discovered.	P.35
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P.27
	KPI B5.1 - Number of suppliers by geographical region.	P.28
	KPI B5.2 - Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P.27
	KPI B5.3 - Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P.27
	KPI B5.4 - Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P.27, 19-20



Relevant Disclosure Index	Description	Relevant Sections in the Report
Aspect B6: Product Responsibility	<u>General Disclosure</u> 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.29-32
	<u>KPI</u> B6.1 - Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P.28
	<u>KPI</u> B6.2 - Number of products and service related complaints received and how they are dealt with.	P.31
	<u>KPI</u> B6.3 - Description of practices relating to observing and protecting intellectual property rights.	P.32
	<u>KPI</u> B6.4 - Description of quality assurance process and recall procedures.	P.28
	<u>KPI</u> B6.5 - Description of consumer data protection and privacy policies, how they are implemented and monitored.	P.32
Aspect B7: Anticorruption	<u>General Disclosure</u> 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.33
	<u>KPI</u> B7.1 - Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	P.33
	<u>KPI</u> B7.2 - Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P.33
	<u>KPI</u> B7.3 - Description of anti-corruption training provided to directors and staff.	P.33
Aspect B8: Community Investment	<u>General Disclosure</u> 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.39-46
	<u>KPI</u> B8.1 - Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P.39-46
	<u>KPI</u> B8.2 - Resources contributed (e.g. money or time) to the focus area.	P.39-46

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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