



Tao Heung Holdings Limited

稻香控股有限公司\*

(Incorporated in the Cayman Islands with Limited Liability)  
Stock code: 573

# 2023

## Environmental, Social and Governance Report

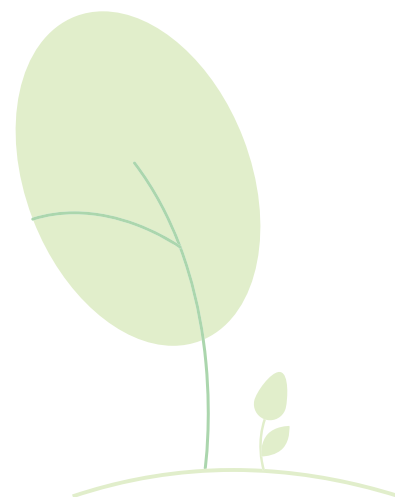
ENVIRONMENTAL

SOCIAL

GOVERNANCE

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# About This Report

The board of directors (the “Board”) of Tao Heung Holdings Limited (the “Company”) together with its subsidiaries, (collectively “Tao Heung” or the “Group”) hereby presents the Environmental, Social and Governance Report (“ESG Report”) for the year ended 31 December 2023 for the Group. It provides an overview how the Group, as a responsible corporate citizen, strikes for the balance between economic, environmental and social sustainability aspects of our business activities, encompassing environmental protection, employment and labour practices, operating practices and community involvement.

# About This Report

Tao Heung is a leading Chinese restaurant group in Hong Kong. With a mission to become one of the most esteemed and premier Chinese restaurant groups in Hong Kong and Mainland China, the Group currently operates a network of Chinese restaurants and bakery shops in Hong Kong and Mainland China under different brands, and two centralized food processing and logistics centres (the “Logistics Centres”) located in Tai Po and Dongguan, China respectively.

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. This report covers the Group’s restaurant operations, bakery operations as well as manufacturing of food products in Hong Kong and Mainland China. The environmental data presented covers our restaurants, bakery shops and Logistics Centres for the period from 1 January 2023 to 31 December 2023 (the “Reporting Period”).

In preparation for the report, the Group adheres to the following reporting principles under the ESG Reporting Guide:

<b>Materiality</b>	The materiality of ESG issues is identified based on the Group’s business operations and determined by the Board.
<b>Quantitative</b>	The data of the Key Performance Indicators are sourced from the statistics of relevant departments. The methodologies, assumptions and/or calculation tools used for the report have been disclosed where appropriate.
<b>Balance</b>	The Group adheres to the principles of accuracy, objectivity and fairness. We provide an unbiased information on the environmental, social and governance performance in the report.
<b>Consistency</b>	The methodologies adopted for preparation of this report are consistent with last year.

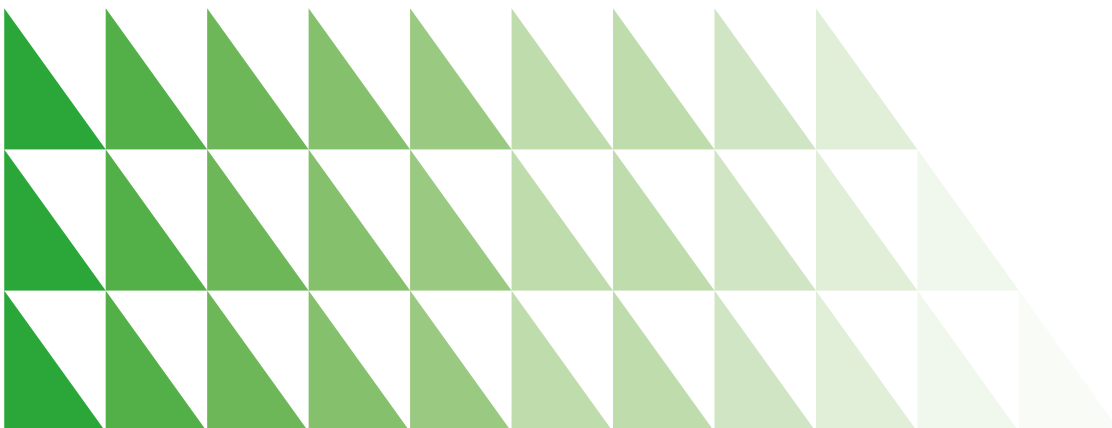




Sustainable development is the key to long-term success of an enterprise. The Group has always incorporated sustainable development in forming its corporate visions and setting its operating goals. The Group believes that the establishment of a robust governance structure and system can enhance its environmental, social and governance performance, which is essential for effective achievement of sustainable development targets.

The Group continued to appoint various department heads and senior executives as members of the “Environmental, Social and Governance Committee” (the “Committee”) which is mandated with the task of establishing and strengthening the management of sustainable development tasks. In addition to ongoing supervision and monitoring duties, the Committee also holds two working meetings each year to review and assess work progress and effectiveness.

Structure	Responsibility
1. Board of directors	<ol style="list-style-type: none"> <li>1. Supervising the works of the Committee</li> <li>2. Overseeing the Group’s sustainability performance</li> <li>3. Identifying and evaluate operational risks</li> </ol>
2. Committee	<ol style="list-style-type: none"> <li>1. Formulating Environmental, Social and Governance strategies and work approach</li> <li>2. Setting up sustainable environmental, social and governance goals and scope of work</li> <li>3. Reviewing and evaluating sustainability performance of each department</li> <li>4. Reporting to the Board of directors</li> </ol>
3. Departments	Implementing sustainability policies and measures



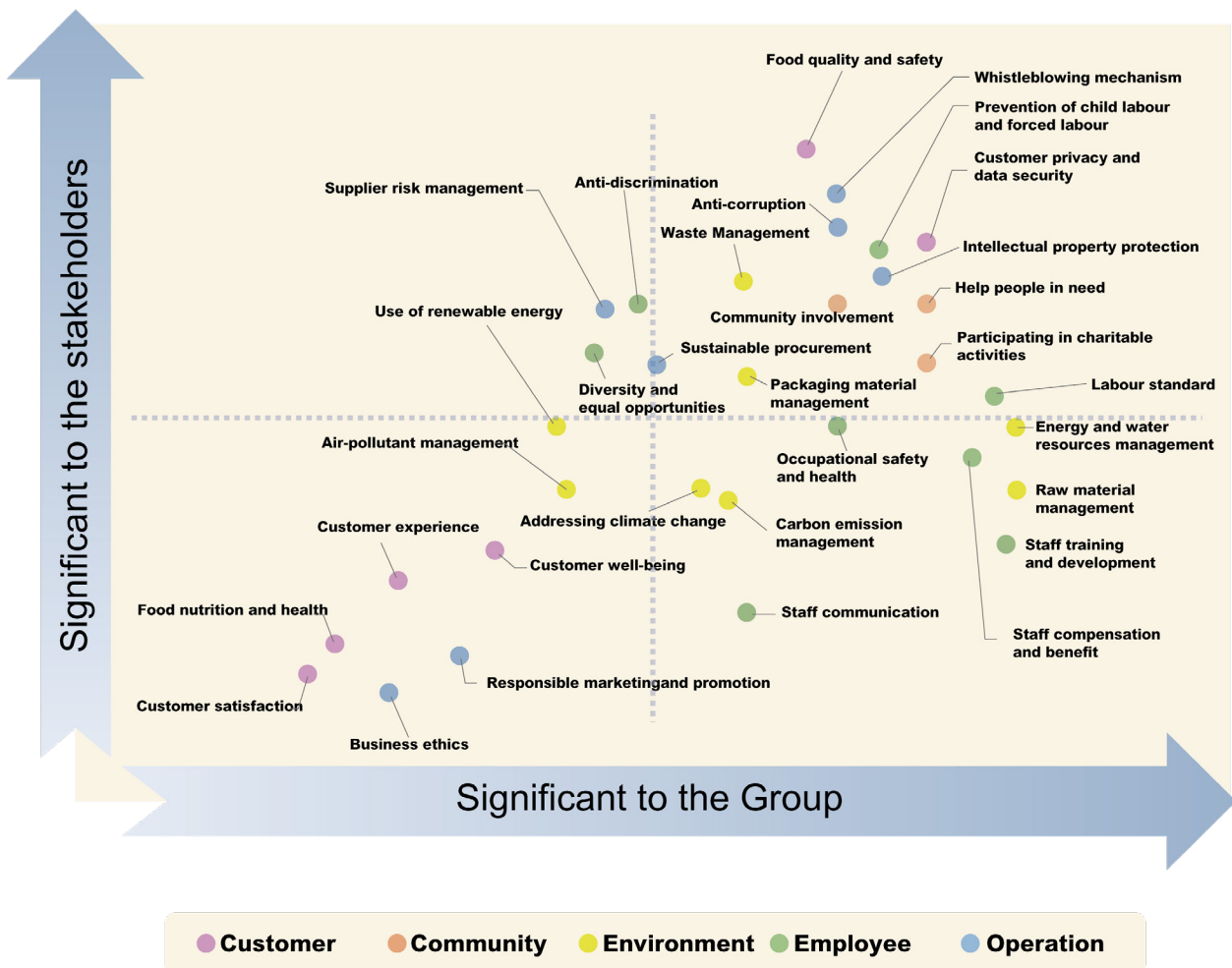
# Materiality Assessment

## STAKEHOLDER PARTICIPATION

The Group regularly communicates with stakeholders through various channels and collects their views and opinions on society, environment and governance. Stakeholders include: employees, shareholders, contractors, suppliers, landlords, customers, business partners, government/regulatory agencies, non-governmental organizations, banks, media, etc.

## MATERIALITY ASSESSMENT OF SUSTAINABLE DEVELOPMENT ISSUES

We referred to the ESG reporting guidelines of Hong Kong Stock Exchange and combined the opinions of various stakeholders on the environment, society and governance, and then integrated and analyzed them to identify a total of five potentially material issues.



# Materiality Assessment

	ESG issues	Material issues	Relevance
Customer	Customer satisfaction		
	Food quality and safety	✓	B6.Product Responsibility
	Customer experience		
	Food nutrition and health		
	Customer privacy and data security	✓	B6.Product Responsibility
Community	Customer well-being		
	Community involvement	✓	B8.Community Investment
	Help people in need	✓	B8.Community Investment
Environment	Participating in charitable activities	✓	B8.Community Investment
	Packaging material management	✓	A1.Emissions
	Waste Management	✓	A1.Emissions
	Energy and water resources management	✓	A2.Use of Resources
	Raw material management	✓	A3.The Environment and Natural Resources
	Air-pollutant management	✓	A1.Emissions
	Use of renewable energy	✓	A2.Use of Resources
	Combating climate change	✓	A4.Climate Change
Employment	Carbon emission management	✓	A1.Emissions
	Occupational safety and health	✓	B2.Health and Safety
	Staff communication	✓	B1.Employment
	Diversity and equal opportunities	✓	B4.Labour Standards
	Labour standard	✓	B4.Labour Standards
	Anti-discrimination	✓	B1.Employment
	Staff compensation and benefit	✓	B1.Employment
	Staff training and development	✓	B3.Development and Training
Operation	Prevention of child labour and forced labour	✓	B4.Labour Standards
	Anti-corruption	✓	B7.Anti-Corruption & Whistleblowing Mechanism
	Business ethics		
	Responsible marketing and promotion		
	Sustainable procurement	✓	B5.Supply Chain Management
	Supplier risk management	✓	B5.Supply Chain Management
	Whistleblowing Mechanism	✓	B7.Anti-Corruption & Whistleblowing Mechanism
Intellectual property protection	✓	B6.Product Responsibility	

# Environmental

As an environmental-caring company taking on corporate social responsibility in minimizing business impacts on the environment, we are committed to devoting our efforts to complying with the relevant laws and regulations, and actively promoting a sustainable development environment by striving for the reduction of air pollution, exhaust emissions wastages as well as the conservation of energy and natural resources.

## A1. Emissions

### A1.1 Gas Emissions

The main gas emissions of our Group come from oil fumes and cooking odors emitted during the cooking process at restaurants and the Logistics Centres.

The Group has taken the following measures to minimize the emissions of oil fumes and cooking odors:

1. Exhaust stove systems for frying, charbroiling, roasting and similar operations that emit excessive oily fumes are equipped with stainless grease filters to block most of the oily fumes and cooking odors, improving the air in the kitchen and removing greases.
2. Introduce the use of electric stir fryers and ovens to improve energy efficiency and reduce associated emissions. Compared to gas-fired equipment (e.g. woks, steamers, goose stoves), these cooking appliances generate less heat, lower kitchen temperatures and also reduce the electricity consumed for air-conditioning.
3. To reduce the impact of emissions caused to the public and improve the air quality in the kitchen, well-ventilated areas are selected for the installation of exhaust outlets, providing a better environment for the neighboring residents and a better working conditions for kitchen employees.
4. Qualified contractors are appointed to conduct regular inspections and maintenance of kitchen appliances and ventilation systems to ensure their normal operation.
5. Developing more food items for production in our Logistics Centres in order to reduce energy consumption and cooking odors otherwise caused by a distributed production process.

In the future, the Group will continue to introduce energy-saving technologies, kitchen equipment, electrical appliances, and production equipment to reduce gas emissions.

### A1.2 Exhaust Emissions

Emissions from vehicles are one of the major sources of air pollution. Currently, the Group's logistics and distribution services are provided by outsourced transporters whose logistics vehicles are powered by fossil fuels. To lower nitrogen oxides and floating particles emitted during the combustion of these fuels which pollute the air and cause environmental damages, the Group improved Hong Kong and Mainland China logistics delivery process and routes. Since 2022, we can reduce local transportation trips and cross-border deliveries more than 1,000 trips annually.

The Group will continue to take effective ways to reduce exhaust emissions.



# Environmental

## A1.3 Waste Management

The restaurants and Logistics Centres of the Group would produce various kinds of non-hazardous waste, including (1) waste cooking oil, (2) food waste, (3) plastic tableware, plastic bags, and packaging materials (4) sewage water, etc. during their operation. The Group has taken a series of measures to reduce such non-hazardous waste and minimize its impact on the environment.

The following measures have been implemented:

- |   |  |
|---|--|
| (1) Handling and disposal of Waste cooking Oils | Developing procedures for handling and recycling waste cooking oil ("WCO") to prevent it from polluting the environment and re-entering the food chain. For our Hong Kong restaurants and Logistics Centre, we follow the guidelines of the Environmental Protection Department to store and record WCO, and then hand it over to local qualified WCO collection merchants, which are registered in the Environmental Protection Department's waste cooking oil disposal and recycling administrative registration scheme, for collection and disposal. For our Mainland China restaurants, WCO is recycled by the vendors while WCO from Logistics Centre is handled by qualified solid waste disposal companies. |
|---|--|

In year 2023, the Group collected and recycled 54,976 liters of waste cooking oil (2022: 49,512 liters), an increase of approximately 11% due to the increase of business turnover .

- |                           |  |
|---------------------------|--|
| (2) Food waste Management | <ol style="list-style-type: none"><li>1. Optimize food purchase system at the Logistics Centres to avoid wastages due to excessive procurement.</li><li>2. Store food and raw materials on a first-in-first-out basis, and control the time and temperature of storage appropriately to avoid food spoilage.</li><li>3. Food waste is collected and processed by a cooperative environmental technology company every day and turned into valuable resources.</li><li>4. Our restaurants advocates a "food wise and waste less" culture and encourage customers to take away leftovers.</li><li>5. In order to align with government policies and achieve the vision outlined in the "Hong Kong Blueprint for Sustainable Use of Resources 2035" as well as reach carbon neutrality by 2050, Chung's House in Fotan under the group is honored to become an official signatory and achieve the gold-level requirements of the "Food Wise Hong Kong Campaign" - "Dining Establishments Pledge" program. By participating in this initiative, the group demonstrates its commitment as a socially responsible operator in addressing food resource and food waste issues. In the future, the group consider increasing the number of restaurants that are signatories.</li></ol> |
|---------------------------|--|



As a gold-level signatory to the Charter, the Group is committed to:

- ☆ Encourage customers to change their behavior to reduce food waste
- ☆ Develop measures to reduce food waste (e.g. by providing rationed meals)
- ☆ Implement action plans with quantifiable goals
- ☆ Improve the Group's waste management performance

# Environmental

(3) Management of plastic tableware, plastic bags and other packaging materials

Plastic is a material formed by organic substances with high molecular weight. It is characterized by its lightweight, plasticity, insulation, and corrosion resistance, and is widely used for cutlery, bags, and food packaging. However, plastic waste can destroy the entire marine ecosystem and pollute the environment. To contribute to environmental protection, the Group strives to reduce the use of plastic packaging and tableware.

Logistics Centres:

1. Suppliers are required to reduce unnecessary packaging and design.
2. Reduce the use of packaging materials by minimizing the frequency of small orders and switching to bulk purchasing.
3. Arrange for recyclers to collect used packaging materials in various forms.
4. Actively study the feasibility of using biodegradable plastic bags for seasonal products.
5. Increase the use of foldable and reusable transport containers to reduce waste.

The Group will actively study the feasibility of changing plastic packaging materials to recycled materials.

Restaurants:

1. Restaurants in Mainland China are providing biodegradable takeaway tableware.
2. We support the environmental protection and will not provide cutlery, and bags unless requested by the customers.
3. In line with the new legislation to control disposable plastics that will take effect on April 22, 2024, the Group will speed up switching to paper or bagasse made takeaway container and tableware in Hong Kong restaurants.

(4) Sewage treatment

The Group's restaurants and Logistics Centres are equipped with grease traps to separate oil, fat and grease from wastewater before it is discharged into the public sewerage system. We have engaged specialists in environmental engineering to conduct regular inspections and cleaning of grease traps to ensure their normal operation, avoid blockages, and reduce environmental pollution.

The Group did not generate any hazardous waste during the reporting period, therefore no relevant data is disclosed. The total amount of non-hazardous waste generated by our restaurants and Logistics Centres in Hong Kong and Mainland China were 712 tons and 1,620 tons respectively, representing an increase of approximately 13.7% and 3.4% respectively as compared to last year. The main reason is that the increase in business turnover has led to an increase in waste.

In the future, the Group will continue to conduct regular reviews and improve operational practices and equipment to enhance waste management effectiveness.

## A2. Use of Resources

The Group is committed to optimizing resources utilization and production patterns in order to reduce the impact on the environment. As our main consumption in the operation process is electricity and water, we adopt the following measures to reduce consumption and improve resource efficiency:



### i) Electricity saving

#### Hong Kong:

1. Our offices, Logistics Centres and restaurants are installed with e-energy-saving bulbs and/or tubes. Zone-controlled lighting, adjustable switches are used according to customer traffic needs in our restaurants.
2. Air conditioning system management is deployed in our restaurants. High-efficiency insulation cotton is used in the cold water pipes for better cooling efficiency. Each restaurant's air-conditioning system, including the kitchen, is managed by zone, adjusting according to customer traffic and operating hours.
3. Tao Heung has been actively participating in CLP's energy-saving and emission-reduction initiatives. All our restaurants in Kowloon and the New Territories have participated in the "CLP Peak Demand Management" Program to shift our power demand from peak to off-peak periods to improve energy-saving performance.
4. The kitchen and electrical equipment in restaurants and Logistics Centers are regularly inspected and maintained by registered contractors to ensure that the equipment operates normally and does not generate unnecessary energy consumption due to aging.
5. Office lighting, air-conditioning and other electronic equipment must be turned off when not in use.
6. In mid-2023, the group installed a quantum energy optimizer in the power distribution system of two frozen and chilled warehouses in the Logistics Centres. The optimizer uses patented quantum optimization technology (QOT) to regulate the flow of electrons and minimize the energy consumption during the power distribution process. Electron collision to reduce energy loss due to heat dissipation, thereby improving energy transmission efficiency. It is expected that the overall power consumption of the power distribution system can be reduced by approximately 10% per year.  
The Group will review the above-mentioned projects and if the results are satisfactory, the quantum energy optimizer will be installed on the other power distribution system, i.e. production workshops and frozen and chilled warehouse, etc.

#### Mainland China:

1. Each sector in the restaurants sets its equipment usage time.
2. Based on restaurant operating hours and customer flow, lighting and air-conditioning systems in unoccupied areas are turned off in a timely manner. Indoor temperature is pre-set at 25 degrees Celsius in accordance with environmental protection requirements.
3. The kitchen and electrical equipment of restaurants and Logistics Centres are regularly inspected and maintained by registered contractors to ensure their normal operation and prevent any unnecessary energy consumption due to aging.

During the reporting period, the Group's total energy consumption was 157,048 kWh (66,562 kWh in Hong Kong & 90,486 kWh in Mainland China), with electricity being the main energy consumption and the rest being gas/natural gas. Due to the Group's turnover increase, the energy consumed in a more effective way, the total energy consumption intensity in the Hong Kong and Mainland China region decreased by approximately 17.3% and 8.4% compared to the same period last year.



# Environmental

The Group is determined to promote the use of renewable energy. Since 2019, we have participated in CLP's "Feed-in Tariff" scheme and installed solar photovoltaic panels on the rooftop of our Logistics Centre in Tai Po, Hong Kong, providing power generation services through CLP's renewable energy system. In addition, we have since 2018 installed solar photovoltaic panels on the rooftop of the Logistics Centre in Dongguan, Mainland China to generate electricity through the solar photovoltaic system for self-use, with current monthly solar output accounting for about 15% of its total power consumption. The Group will continue our efforts to reduce carbon emissions and environmental pollution by exploring the feasibility of using more renewable energy reduce.

## **(ii) Water Conservation**

All our restaurants in Hong Kong and Mainland China use smart dishwashers to clean kitchen utensils with installation of high-efficiency water-saving faucets and equipment to reduce water consumption. In addition, the Group arranges for professional contractors to conduct regular inspections and maintenance of equipment to prevent water wastage due to equipment failure. We have also developed guidelines for using cleaning supplies (such as dishwashing detergent, bleach, cleaning chemicals and disinfectants, etc.), in order to reduce environmental pollution while saving water.

During the reporting period, the total water consumption of the Group was 739,105 cubic meters in Hong Kong and 779,757 cubic meters in Mainland China, representing an increase of 22.4% and a decline of 5.9% respectively as compared to last year. During the reporting period, the water consumption intensity in Hong Kong and Mainland China decreased by 10.3% and 14.1% respectively due to effective control to the water use. As the COVID-19 epidemic subsided, the Group's business turnover rebounded during the reporting period, and the basic of water usage can be more effectively utilized, thereby achieving a reduction in the density and intensity of water consumption.

## **(iii) Economy in Use of Paper**

Since 2019, the Group has introduced various digital transformation initiatives, including the rollout of self-ordering systems, takeaway and membership apps, and online stores. This aims to promote self-service operations and accelerate service processes. The provision for customers with such intelligent dining experiences also aims to reduce paper consumption, thereby protecting trees and minimizing environmental impact. Since the introduction of online ordering, customers can use their phones to replace traditional ordering slips, greatly reducing paper usage and wastage.

To further reduce the impact of Tao Heung's operations on the environment, the Group will enhance energy efficiency by closely monitoring resource usage, installing more efficient equipment, and improving the operational processes of restaurants and the Logistics Centres.



## A3. The Environment and Natural Resources

The Group not only introduces various environmental protection measures in its operations but also promotes the employees' consciousness of environmental protection by making videos which educates how individuals can contribute to environmental protection. On the other hand, green procurement is encouraged such as purchasing sustainable seafood. Besides, we provide alternate choices of food ingredients such as stewed soup to replace shark fins in various kinds of banquets menu for customer selection.

We recognize that plant-based meats can positively affect our Planet, the environment and the climate as their production:

1. Uses 47% - 99% percent less land than conventional meat (m<sup>2</sup>-yr-land/kg-meat).
2. Emits 30% - 90% less greenhouse gas than conventional meat (kg-CO<sub>2</sub>-eq/kg-meat).
3. Consumes 72% - 99% less water than conventional meat (l-water/kg-meat).

The above impact reduction analysis up to 1 May 2019 uses the results of life cycle assessment with calculation based on: (impact of conventional meat - impact of plant-based meat) ÷ (impact of conventional meat)

Our Logistics Centres have developed some plant-based meat products for our OEM customers since 2021. In order to promote environmentally friendly food, the Group have also added plant-based meat products in our restaurant menus.

In the future, the Group will continue to promote green dining culture by reviewing the supply of ingredients, increasing the procurement of plant-based meats and developing new menus to provide more choices for customers.



## A4. Climate Change

Global warming and climate change increase the frequency and intensity of natural disaster events such as super typhoons, heat waves, rising sea levels, droughts and floods. Climate change poses a fundamental threat to our dwellings, economy, and mankind. It could severely disrupt the Group's business operations in the long-run. The Group will implement appropriate measures to combat climate-related risks, such as identifying and managing the impact of climate change on our business, taking a collaborative and proactive approach to mitigate the disruption of supplies, taking into account climate-related risks when planning the location and design of new projects and facilities, disclosing environmental performance in a timely manner to all stakeholders as well as striving to reduce carbon emissions.

The Group refers to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to analyze the risks and opportunities of climate change on the Group's operations.

### Risk and Opportunities

#### Physical Risks

The frequent and extend rise of extreme weather such as super typhoon, flooding or drought, etc.

#### Potential impacts

- Extreme weather may make it inconvenient for people to go out-dining, negatively impacting our business.
- The group need to consider further measures to ensure employee safety when they need to work under extreme weather, led to increase operation cost.
- Flooding and super typhoon may potentially damage the Group's properties, resulting in additional repair and insurance cost.

Changing of rainfall patterns, persistent heatwaves and shifting weather patterns

- Rising temperatures can indeed affect food quality, especially for dry goods stored at room temperature.
- Temperatures continue to rise, increasing electricity consumption and costs.
- Fluctuations in the supply of raw materials can impact the cost of sourcing those materials, leading to an increase in costs.

#### Transition Risks

More stringent climate disclosure requirements

#### Potential impacts

- The group may need more professional services, resulting in additional expenses.
- The Group aims to seek a sustainable growth in business by complying with stringent disclosure requirements.

Increasing regulation on packaging and plastic waste

- Increasing cost on transition to biodegradable and environmentally friendly alternatives.
- Switching to environmentally friendly packaging can promote a company's image.

During the reporting period, the Group's total carbon emissions comprised mainly indirect greenhouse gas emissions, which recorded 24,356 metric tons and 34,810 metric tons respectively for our Hong Kong and Mainland China operations, representing an increase of 4.2% from the prior year. During the reporting period, climate change-related issues had not been found to bear a significant impact on our operations when assessing food sources and supplies. The Group will continue to monitor climate-related issues.

# Environmental

## Environmental Performance Indicator: Hong Kong

	2023	2022	Change(%)
<b>Energy consumption</b>			
Electricity ('000 kWh)	56,038	51,072	9.7
Towngas ('000 kWh)	10,524	7,937	32.6
Total energy consumption ('000 kWh)	66,562	59,009	12.8
Intensity ('000 kWh/HK\$m revenue) <sub>1</sub>	37.3	45.1	(17.3)
<b>Generation of Greenhouse Gas (GHG)</b>			
Direct GHG emissions (tCO <sub>2</sub> e) <sub>2</sub>	2,463	1,517	62.4
Indirect GHG emissions (tCO <sub>2</sub> e) <sub>3</sub>	24,356	21,201	14.9
Total emission	26,819	22,718	18.1
Intensity (tCO <sub>2</sub> e /HK\$m revenue) <sub>4</sub>	15.0	17.4	(13.5)
<b>Air Emissions</b>			
Nitrogen oxides emissions (kg NOx) <sub>5</sub>	159	121	32.0
Sulphur oxides emissions (kg SOx) <sub>6</sub>	0.8	0.6	32.6
<b>Water consumption</b>			
Restaurants (m <sup>3</sup> )	662,493	548,833	20.7
Logistics Centre (m <sup>3</sup> )	76,612	54,862	39.6
Total water consumption (m <sup>3</sup> )	739,105	603,695	22.4
Intensity (m <sup>3</sup> /HK\$m revenue) <sub>7</sub>	415	462	(10.3)
<b>Waste production</b>			
Total hazardous waste produced (tonne)	N/A	N/A	N/A
Intensity (tonne /HK\$m revenue) <sub>8</sub>	N/A	N/A	N/A
Total non-hazardous waste produced-Foodwaste (tonne)	712	626	13.7
Intensity (tonne /HK\$m revenue) <sub>9</sub>	0.40	0.48	(16.7)
<b>Packaging Material Consumption</b>			
Total packaging material used (tonne)	195	201	(3.0)
Intensity (tonne /HK\$m revenue) <sub>10</sub>	0.11	0.15	(26.6)

# Environmental

## Environmental Performance Indicator: Mainland China

	2023	2022	Change(%)
<b>Energy consumption</b>			
Electricity ('000 kWh)	64,343	64,121	0.3
Towngas ('000 kWh)	26,143	26,030	0.4
Total energy consumption ('000 kWh)	90,486	90,151	0.4
Intensity ('000 kWh/HK\$m revenue) <sub>1</sub>	87.7	95.7	(8.4)
<b>Generation of Greenhouse Gas (GHG)</b>			
Direct GHG emissions (tCO <sub>2</sub> e) <sub>2</sub>	5,647	5,623	0.4
Indirect GHG emissions (tCO <sub>2</sub> e) <sub>3</sub>	34,810	35,779	(2.7)
Total emission	40,457	41,402	(2.3)
Intensity (tCO <sub>2</sub> e /HK\$m revenue) <sub>4</sub>	39.2	44.0	(10.9)
<b>Air Emissions</b>			
Nitrogen oxides emissions (kg NOx) <sub>5</sub>	6,600	6,577	0.3
Sulphur oxides emissions (kg SOx) <sub>6</sub>	4,385	4,370	0.3
<b>Water consumption</b>			
Restaurants (m <sup>3</sup> )	507,527	579,636	(12.4)
Logistics Centre (m <sup>3</sup> )	272,230	248,760	9.4
Total water consumption (m <sup>3</sup> )	779,757	828,396	(5.9)
Intensity (m <sup>3</sup> /HK\$m revenue) <sub>7</sub>	756	879	(14.1)
<b>Waste production</b>			
Total hazardous waste produced (tonne)	Nil	Nil	Nil
Intensity (tonne /HK\$m revenue) <sub>8</sub>	Nil	Nil	Nil
Total non-hazardous waste produced-Food waste (tonne)	1,620	1,567	3.4
Intensity (tonne /HK\$m revenue) <sub>9</sub>	1.57	1.67	(6.0)
<b>Packaging Material Consumption</b>			
Total packaging material used (tonne)	195	263	(25.8)
Intensity (tonne /HK\$m revenue) <sub>10</sub>	0.19	0.28	(32.1)

# Environmental

## Notes:

1. Intensity is calculated by the total energy consumption ('000 kWh) divided by the revenue from operations for the financial year ended 31 December 2023 in Hong Kong and Mainland China, approximately HK\$1,783 million and 1,032 million respectively (2022: HK\$1,307 million and 942 million).
2. Direct GHG emissions from the combustion of fuels in stationary sources, i.e. Towngas.
3. Indirect GHG emissions from the consumption of purchased electricity and Towngas from The Hong Kong Electric Company Limited, the CLP Holdings Limited and The Hong Kong and China Gas Company Limited.
4. Intensity is calculated by the total emission of GHG (in tonnes) divided by the revenue from operations for the financial year ended 31 December 2023 in Hong Kong and Mainland China, approximately HK\$1,783 million and 1,032 million respectively (2022: HK\$1,307 million and 942 million).
5. Nitrogen oxides emissions from the combustion of fuels in stationary sources, i.e. Towngas.
6. Sulphur oxides emissions from the combustion of fuels in stationary sources, i.e. Towngas.
7. Intensity is calculated by the total water consumption (m3) divided by the revenue from operations for the financial year ended 31 December 2023 in Hong Kong and Mainland China, approximately HK\$1,783 million and 1,032 million respectively (2022: HK\$1,307 million and 942 million).
8. Intensity is calculated by the total hazardous waste produced (tonne) divided by the revenue from operations for the financial year ended 31 December 2023 in Hong Kong and Mainland China, approximately HK\$1,783 million and 1,032 million respectively (2022: HK\$1,307 million and 942 million).
9. Intensity is calculated by the total non-hazardous waste produced (tonne) divided by the revenue from operations for the financial year ended 31 December 2023 in Hong Kong and Mainland China, approximately HK\$1,783 million and 1,032 million respectively (2022: HK\$1,307 million and 942 million).
10. Intensity is calculated by the packaging material used (tonne) divided by the revenue from operations for the financial year ended 31 December 2023 in Hong Kong and Mainland China, approximately HK\$1,783 million and 1,032 million respectively (2022: HK\$1,307 million and 942 million).

Remarks: Mainland China's revenue excluded business that do not require the use of energy.



## B1. Employment

The Group firmly believes that our employees are our valuable assets and should be treated with respect. The Group hires the best candidates in the market by offering competitive salaries and benefits, performance-based incentives, growth opportunities, ongoing training, and internal promotion opportunities. We actively facilitate the recruitment of employees through various channels, such as participating in job fairs, organizing on-campus employment seminars, and encouraging existing employees to recommend suitable candidates to the Group. The Group has established policies on employment, promotion, dismissal, and anti-discrimination to ensure that employees of different ages, positions, genders, and nationalities can enjoy a fair and healthy working environment where they feel valued and encouraged. As at 31 December, 2023, the Group employed a total of 4,813 employees (2022: 5,221).

The table below shows the distribution of workforce by gender and age group as at 31 December 2023 and 2022, respectively:

2023	Male			Female			Total			
	Office	Logistics Centres	Rest-aurant	Office	Logistics Centres	Rest-aurant	Office	Logistics Centres	Rest-aurant	Total
Age										
Below 30	17	60	455	76	51	164	93	111	619	823
30 - 59	71	237	1,019	109	253	1,835	180	490	2,854	3,524
60 or above	10	16	126	3	43	268	13	59	394	466
Total	98	313	1,600	188	347	2,267	286	660	3,867	4,813

2022	Male			Female			Total			
	Office	Logistics Centres	Rest-aurant	Office	Logistics Centres	Rest-aurant	Office	Logistics Centres	Rest-aurant	Total
Age										
Below 30	21	81	467	85	72	206	106	153	673	932
30 - 59	78	220	1,077	101	255	2,140	179	475	3,217	3,871
60 or above	9	18	109	1	37	244	10	55	353	418
Total	108	319	1,653	187	364	2,590	295	683	4,243	5,221

The table below shows the staff turnover ratio by functional units as at 31 December 2023 and 2022, respectively:

### Hong Kong:

Average turnover rate	Office	Logistics Centre	Restaurants	Total
2023	3.15%	2.56%	5.74%	5.33%
2022	2.99%	2.40%	5.55%	5.14%

### Mainland China:

Average turnover rate	Office	Logistics Centre	Restaurants	Total
2023	1.90%	2.85%	3.38%	3.18%
2022	1.52%	4.91%	3.08%	3.21%

The Group is endeavoured to complying with the relevant employment laws and regulations in Hong Kong and Mainland China, and has established different mechanisms for employee compensation and benefits.

1. Recruitment: The Group adopts a fair, just, and open principle to hire the most suitable talent.
2. Establishment of competitive remuneration system: Remuneration package is reviewed annually and salary adjustments are determined based on factors such as employees' performance, the Group's operating conditions and market trends etc. to ensure that employees are remunerated at a competitive level. In addition, the Group has also developed related salary allowances and incentive bonus plans to attract and retain outstanding talents.
3. Establishment of promotion plan for employee development: Annual job performance evaluations are conducted for employees, and promotion and training opportunities are provided based on their evaluation results.
4. Apart from statutory holidays, employees are also entitled to paid leave such as annual leave, maternity leave, funeral leave and marriage leave.
5. A work-life balanced working environment is provided to our employees to ensure their physical and spiritual health.

## Care for employees

The cohesive team culture is one of the success factors of this Group. We strive to provide employees with a caring, harmonious, and dynamic work environment. To achieve this, the Group has implemented various measures and arranged diverse activities to promote close cooperation and effective communication among employees, fostering their sense of belonging and productivity. The Group shares its corporate activities and employee dynamics through the publication of "Tao Heung Quarterly," and also releases the latest Group news and information on restaurant bulletin boards and the intranet. In addition, the Group has always encouraged open communication and expression of opinions transcending corporate hierarchies. If employees have any opinions about their department or work, they can reflect them to their immediate supervisors, management, or human resources and administration departments. The Group will follow up and handle the opinions in a fair and just manner, explore room for improvement, and continuously improve the management of the Group.

Our employee caring measures include:

1. Staff orientation: Ambassadors are arranged to welcome and embrace our new employees, introduce them to their colleagues, brief them their departmental responsibilities, and help them understand the corporate culture and working environment. In addition, welcome lunch will be arranged by the department heads to warm our new colleagues up, allowing the team to get to know each other and enhance communication.
2. Regular communication with employees: Through regular and ad hoc meetings, interviews as well as annual employee appraisals, ample opportunities for communication and understanding between the employees and their management and department heads are afforded in establishing team spirit.
3. Chairman's tea time: The Group's chairman regularly holds one-on-one conversations with restaurant colleagues to understand their problems and needs at work, home and with colleagues.
4. The human resources and administration department arrange interviews with colleagues who have suffered work-related injuries to understand their recovery progress and post-recovery working conditions.
5. The Group is committed to provide a friendly work environment for employees, such as setting up a "breastfeeding room", work-from-home arrangements during the pandemics, establishing a talent development fund, and implementing occupational safety measures.
6. The Group strive to obtain retail discounts and benefits from other companies as staff benefits to our employees.



# Social

The Group holds the following corporate events and activities regularly for our employee:

- i) Departmental meals
- ii) Employee group travels
- iii) Staff outings and field trips
- iv) Group celebrations, such as Mid-Autumn Festival Lantern Riddle Party, Christmas Party and BBQ etc.
- v) Recognition of employees with the "Loyal and Caring Employee" Awards
- vi) Monthly birthday parties for employees and distribution of birthday cash vouchers
- vii) Special allowances for weddings, funerals, and other celebrations
- viii) Recommendations and selection of candidates for "Excellent Employees" Awards
- ix) Establish a team-building fund and let the restaurants or Logistics Centres arrange team-building activities on their own to enhance team spirit.





## B2. Health and Safety

The Group values employees as its most valuable asset and appreciate that occupational safety and health is the top priority in our commitments to employees. In order to provide a safe working environment and protect employees from occupational hazards, the Group has developed our own management system based on the "5-S" ( 五常法 ) management system. In addition, the Group has developed operating manuals and promotional videos for employees, providing them with clear guidance on various occupational safety matters that must be followed by all employees. We believe that these measures can prevent serious work-related injuries and reduce the number of work-related accidents.

### Hong Kong:

1. Every new restaurant employees must upon joining watch and acknowledge in writing having viewed the new employee video, which includes basic occupational safety knowledge (such as lifting techniques). Office employees also receive information on occupational safety courses on their first day of work.
2. Arrangement will be made for restaurants that have experienced work-related injuries to undergo occupational safety re-training courses with follow-up on individual work injury cases.
3. The Group requires insurance companies to arrange for notary publics to assess and examine work-injured employees, and if necessary, arrange for rehabilitation treatments to help employees recover as soon as possible.
4. Different themed occupational safety and health video is produced and played on the company's intranet on a monthly basis.
5. Provision of various protective equipment and outfits such as labor protection shoes, masks, gloves, safety helmets etc.

### Mainland China:

1. Development of a safety production management system, including the "Safety Investment Guarantee System ( 安全投入保障制度 )", "Fire Safety Management System ( 消防安全管理制度 )" and , "Special Equipment Management System ( 特種設備管理制度 )" etc.
2. Establishment of a safety production management committee that meets regularly.
3. Scheduling Production Safety inspection frequency and monitoring time-tables spanning from daily, weekly, quarterly to holidays, professional production safety inspections.
4. Arrangement for employees to undergo annual health check-ups at designated medical institutions.
5. Provide protective equipment and outfits such as labor protection shoes, masks, gloves, safety helmets etc.

For the two years ended 31 December, 2023 and 31 December, 2022, there were no work-related fatalities recorded. In 2023, there were 1,997 days of work-related injury losses in Hong Kong (2022: 2,872 days), a decrease of 30.5% compared to the prior year. In Mainland China, there were 457 days of work-related injury losses in 2023 (2022: 718 days), a decrease of 36.4% compared to the prior year.

## B3. Development and Training

The Group develops and provides comprehensive internal training programs for all employees, aimed at ensuring that employees not only understand the Group's corporate culture and core values, but also have the appropriate skills to carry out their duties. In addition, to encourage lifelong learning, employees can apply for tuition subsidies when enrolling in courses approved by the Group. This not only enhances employees' personal professional knowledge, skills, and development, but also helps the Group establish a stable and capable team.

### Hong Kong:

1. New employee training is provided which mainly include corporate culture, new employee orientation courses, occupational safety, intranet and system operation guidelines, etc., to increase employee sense of belonging.
2. On-the-job training is provided with different training programs developed according to operational and departmental needs to ensure that employees receive adequate training. For example, the Group arranges for kitchen and frontline employees of Hong Kong and Mainland China restaurants to participate in exchange and training programs.
3. "Employee Training Subsidies" are provided to enable employees to attend external professional trainings to enhance their work skills and knowledge. For example, the Group arranges selected operational employees to enroll in courses at VTC Tao Miao Institute ( " 稻苗學院 ") to advance their management skills.
4. The Group's core operations is the restaurant business. In order to strengthen our competitive advantages and build a talent pool, the Group arranged 24 employees to enroll in the "Professional Diploma in Catering Industry Management" course organized by Vocational Training Council ("VTC") for a period of 4 months and duration of 90 hours. This course is a qualifications framework recognized at Level 4, this course provides cross-disciplinary theoretical and practical courses for catering industry practitioners to equip them with management knowledge and skills, including: human resource management, financial management, business and operations management, and customer service management, etc. Employees can use this to lay the foundation for future promotions. All trainees have successfully graduated from the course.

### Mainland China:

1. New employee training is provided which mainly include corporate culture, intranet and system operation guidelines, employee handbook explanation, dormitory rules, occupational safety and work regulations, etc. to increase employee sense of belonging.
2. On-the-job training is provided with different training programs developed according to operational and departmental needs to ensure that employees receive adequate training. For example, the Group arranges for kitchen and frontline employees in Hong Kong and Mainland China restaurants to participate in exchange and training programs.
3. The Group provides professional training to selected employees and subsidizes them to enroll in external professional courses to improve their work skills and knowledge, such as arranging kitchen heads to enroll in courses at Dongguan Tao Heung Chinese Cuisine Culinary Vocational Training Institute to enhance their cooking skills.

# Social

The Employees Retraining Board of Hong Kong launched the "ERB Manpower Developer Award Scheme" in December 2009 to exalt organizations which demonstrate outstanding achievements in manpower training and development and designate them as Manpower Developers (MD). With a view to recognize the exemplary and continuous achievements of a MD in manpower training and development, an upgrading mechanism was introduced in 2019-20 by the ERB whereby a "Super MD" status will be granted to a MD which has been awarded such a status for 10 consecutive years. We qualified for the MDs in April 2012 and attained the "Super MD" status. This much coveted recognition is an endorsement of the Group's contributions in our staff development and manpower training efforts.

During the reporting year, the Group was awarded the 2022 QF in "Action Achiever (Partner)" (QF in Action). Is a new initiative under the Qualifications Framework. It aims to promote a culture of lifelong learning and continuing education by encouraging different organizations to develop projects related to the Qualifications Framework, thereby enhancing the competitiveness of Hong Kong's human capital and assisting the continuous professional development of various industries. The Group has been actively supporting, applying and promoting Qualifications Framework projects.

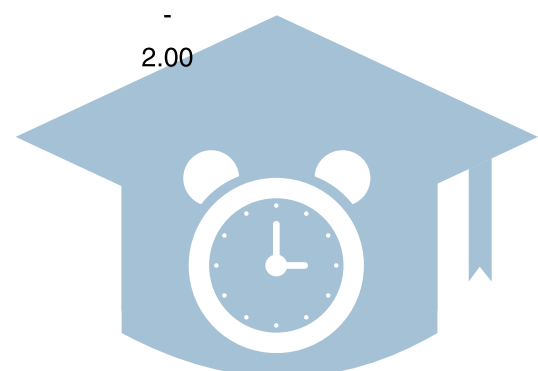
The table below summarizes the percentage of employees trained by gender and employee category (such as senior management, middle management), as well as the average training hours completed per employee by gender and employee category in 2023 and 2022, respectively.

## Hong Kong:

	Percentage of Employees Trained		Average Training Hours Completed	
	2023	2022	2023	2022
<b>Gender</b>				
Male	7.54%	30.79%	29.72	1.55
Female	2.23%	20.34%	48.80	1.49
<b>Employee Category</b>				
Senior Management	65.22%	85.91%	20.93	2.04
Middle Management	7.91%	29.33%	41.45	0.68

## Mainland China:

	Percentage of Employees Trained		Average Training Hours Completed	
	2023	2022	2023	2022
<b>Gender</b>				
Male	51.55%	37.20%	4.65	2.00
Female	75.74%	20.34%	4.04	2.00
<b>Employee Category</b>				
Senior Management	100.00%	-	20.6	-
Middle Management	80.38%	5.50%	4.48	2.00



## **B4. Labour Standards**

As a caring company, we do not impose limitations based on gender, physical condition, family status, or race. All of our policies comply with the relevant labour standards, regulations and requirements without any significant violation. We strictly prohibit the employment of child labor or use of forced labor. The Group complies with the requirements of the Employment Ordinance (Chapter 57, Laws of Hong Kong) and the Labor Law of the People's Republic of China, ensuring that all employees we hire meet the minimum legal age requirements.

## **B5. Supply Chain Management**

The Group follows strict criteria for selecting appropriate suppliers. In order to ensure stable and timely supply of the required ingredients, our central procurement department and quality assurance department maintain stringent control in the supplier selection and evaluation process. For new suppliers, our central procurement department evaluates relevant information including, where applicable, hygiene certification, certificate of origin and internationally recognized certification on food hygiene and management system. Our central procurement department will also perform site visits with our quality assurance department to assess the food hygiene, working environment as well as production and quality control process of the potential major suppliers. As for existing suppliers, the central procurement department conducts regular on-site inspections with the quality assurance department and will also hold meetings with suppliers if necessary. The Group only purchases from authorized suppliers. In addition, suppliers are rated based on their performance to facilitate more purchases from suppliers with good ratings.

### **B5.1 Sustainable sourcing**

The group is committed to providing seafood that is safe, sustainable, and traceable, and has obtained several relevant certifications for sustainable development.

One important certification is the Best Aquaculture Practices (BAP) certification. This certification ensures that the production process of farmed seafood meets a set of standards for sustainability, environmental responsibility, and social accountability. By sourcing seafood products that are BAP certified, the group ensures that the fish and other farmed seafood provided in Mainland China restaurants are obtained from facilities that adhere to sustainable practices and best management practices.

In addition, the group also sources seafood products that comply with the Marine Stewardship Council (MSC) production and supply chain standards. MSC is an independent non-profit organization that aims to promote sustainable fishing and ocean resource management. Seafood products carrying the MSC blue eco-label can be traced back to sustainable fishing sources, ensuring that these products come from fisheries that implement sustainable fishery management measures.

# Social

The use of these sustainable development certifications and regulatory standards demonstrates the group's commitment to protecting marine resources and adhering to environmental and social responsibility. By sourcing certified seafood products, the group provides customers with verified seafood products that align with sustainable development principles and best practices



Any unit or individual selling MSC-certified seafood products must adhere to strict regulations to ensure the segregation of MSC-certified and non-certified products. MSC conducts random DNA testing of seafood samples in the market annually to verify the reliability of the production and supply chain. During the reporting period, Mainland China procurement team purchases from environmentally certified suppliers accounted for approximately 3% of the overall procurement. In the future, we aim to further expand the green procurement list and the scope of sustainable sourcing.

Region	Hong Kong	Mainland China	Taiwan	Total
No of active suppliers	742	458	1	1,201
	(61.8%)	(38.1%)	(0.1%)	

## B6. Product Responsibility

### B6.1 Quality control on our foods

The Group places great emphasis on food quality and the hygiene of our food products, which are considered key factors to ensure our success in the restaurant industry. The Group strictly adheres to the applicable laws and regulations and implements an effective food safety management system. The Logistics Centre in Dongguan has been accredited with various international certifications, such as the ISO 22000 in food safety management since 2010, the HACCP” (Hazard Analysis Critical Control Point) management system since 2016, and the FSSC 22000 in food safety in 2022. The Logistics Centre in Hong Kong is also accredited with the ISO 22000 certification and the HACCP certification since 2014. In addition, one of our restaurants is accredited with the international certification of ISO 14001 in environmental management and ISO 22000 in food safety management since 2013. In order to maintain the food quality standard, our quality assurance team regularly conducts operational audits on the Group's food quality and hygiene environment in our restaurants and Logistics Centres. The Group also provide training to employees regularly so as to ensure the quality of our food and the compliance with our established quality control guidelines pertaining to food ingredients receiving, storing and issuing practices, food preparation and production, waste management food and personal hygiene, etc.

The State Administration for Market Regulation has formulated the ( 餐飲服務明廚亮灶工作指導意見 ) (the “Working Guidelines”) according to the relevant provisions of the Food Safety Law of the People's Republic of China, which is promulgated nationwide since 2015 to exhort catering service providers to strengthen food safety management, operate with integrity and be law-abiding, regularize a transparent processing process, and promote food safety in a socially compliant manner. Currently, 27 out of 39 of our restaurants in Mainland China have implemented the ( 明廚亮灶 ) initiatives under these Working Guidelines

## **B6.2 Product Information**

The Group is committed to complying with the commodity, advertising, and food labeling regulations in Hong Kong and Mainland China. We require our employees in relevant positions to possess pertinent knowledge when they are hired. We also provide internal training or sponsor external professionals to train our employees from time to time.

## **B6.3 Quality control on our services**

The Group understands that customer feedback is crucial to improving our services and product quality. To ensure that customer feedback and complaints are handled properly, we provide comprehensive internal and external training to our employees for good customer service. We value customer feedback and suggestions, and have set up a comprehensive feedback system that allows customers to communicate with our Group through various channels such as customer service hotlines, email, social media pages, and restaurant feedback cards. When evaluating the overall performance of each restaurant, this customer feedback will be considered as a critical performance indicator. We have assigned a dedicated team to handle and follow up on each case.

In order to increase our customers' satisfaction, randomly conduct opinion surveys among customers with the aim of enabling the Group to evaluate customer satisfaction and expectations regarding our services, dining environment and food quality. The results of the satisfaction survey help us assess whether our employees are complying with the existing quality control guidelines and identify areas for improvement accordingly, allow us to understand better our customer expectations and help us identify and bridge any gaps between our established quality standards and customer expectations.

During the reporting period, the Group have not identified any significant violations of the relevant standards, rules, and regulations regarding the provision of products and services related to health and safety, advertising, and labeling. In 2023, we received 720 complaints related to products and services (2022: 1,024).

## **B6.4 Protection of Personal Data**

Our comprehensive feedback system and membership system collect customer data from time to time which may consist of personal information. The Group strictly complies with the provisions of the Personal Data (Privacy) Ordinance to ensure that all personal data collected are to be treated with strict confidentiality and for the stated purposes only.

During the reporting period, The Group has not violated any relevant regulations on privacy.

## **B6.5 Intellectual Property Rights**

The Group respects and protects intellectual property rights. The Group currently runs its restaurants under various brands with necessary filing or registration of trademarks. The Group would take appropriate actions to ensure that the intellectual property rights are observed and protected.





## B7. Anti-Corruption & Whistleblowing Mechanism

The Group strictly adheres to anti-bribery laws and regulations, such as the Prevention of Bribery Ordinance. The Group believes that integrity is a valuable asset for both businesses and society at large. The Group has established a code of conduct and guidelines for employees and suppliers to prevent any fraudulent and corrupt behavior. The Group has a system that allows employees to report any illegal activities, corruption incidents, circumvention of internal controls, incorrect or improper financial practices or any other impropriety that should be reported to the Management through specific procedures and channels. If suspected cases of bribery and other criminal offenses are found after investigation, the individuals involved will be subject to disciplinary action by the Group or referred to relevant law enforcement agencies. In addition, to raise awareness of anti-corruption, our Group plans to invite Hong Kong's Independent Commission Against Corruption (ICAC) to arrange anti-corruption seminars for employees at different levels so that employees will be aware of potential pitfalls they may encounter, especially for colleagues working in high-risk areas. During the reporting period, the Group did not have any significant non-compliance with applicable laws and regulations regarding bribery, fraud, and money laundering.

## B8. Community Investment

Apart from running a sustainable Chinese cuisine business, Tao Heung has always been proactive in its community service and corporate social responsibilities. The Group actively promotes various charitable activities and encourages employees to participate in charitable activities during their free time.

### Hong Kong:

1. The Group endeavoured to promoting a culture of food conservation and reducing food wastage through donation initiatives which helps those in need while contributes to environmental protection.  
During the reporting period, the Group has donated approximate 8,000 pieces of mooncakes to schools and social welfare organizations.
2. The Group supports and participates in social charities and has sponsored the “Disabled Walk” event of the Hong Kong Federation of Handicapped Youth since 2013. This year, the Group sponsored the Hong Kong Federation of Handicapped Youth-“Caring "Inclusion" Joy Charity Walk 2023” in support of disability inclusion and encourage societal equality and respect in different walks of life.
3. The Group has been commended by the Hong Kong Council of Social Service for 18 consecutive years as a “Caring Company” in the business sector.
4. During the reporting period, the Group donated a total of HKD 260,000 to support various charitable activities in the community.
5. The Group encourages employees to participate in the Standard Chartered Hong Kong Marathon and actively engage in other social volunteering work. Through participation in these activities, our employees can also nourish their physical and mental health.
6. The Group encourages our employees to be a responsible and caring citizen by joining the “Organ Donation Promotion Charter” launched by the Hong Kong Department of Health.



7. Cooperate with “SLCO Community Resources” and Pok Leung Kok to organize mooncake and dim sum making and museum visit activities to encourage speech-impaired children to develop in various aspects and build their self-confidence.
8. Provide venues for charitable or public organizations to organize activities, such as: Food Angel - "Canstruction HK - Gala Luncheon " and QEH Alumni Association.
9. The group won the Hong Kong Institute of Marketing (HKIM) Market Leadership Award 2023 in recognition of the group’s contribution and achievements in marketing creativity and excellent marketing strategies in today’s digital world, demonstrating our unique business approach to the industry and the public, and affirming the brand and marketing leadership position.

## **Mainland China:**

1. Since 2021, the restaurant located in Tao Heung Food Culture Center will carry out the Charity Week donation action on the second week of every month, donating RMB one dollar each time for each checkout.
2. Continuing care of the needy and disabled people in Hengli Town, Dongguan by giving foods.
3. During the reporting period, the Group donated a total of CNY 54,000 to support various charitable activities in the community.

We are devoted to the preservation and succession of Chinese food culture. Tao Heung has operated the “Tao Heung Museum of Food Culture” in Hong Kong since 2005. From 2013 onward, The Group has been providing a venue in Fotan to a charitable fund established by the founders of the Group for the “Tao Heung Museum of Food Culture” event with free admission and guided tours. The museum gives the public an opportunity to deepen their understanding of the Chinese food culture. Tao Heung also provides a venue to the Institution of Dinning Art to conduct courses for the industry practitioners.

In addition, The Group has always been committed to contributing to the industry and nurturing the next generation of culinary professionals, embracing those who wish to develop their careers in the food and related industries. To carry out this mission, we have been patronising the operation of the Dongguan Tao Heung Chinese Cuisine Culinary Vocational Training Institute (“Training Institute”) since 2021. Through training, certification, and work experience, the new professionals in the industry Training Institute will inherit from the Training Institute the Chinese culinary skills and traditions.

In July 2021, the Training Institute was recognized by the Department of Human Resources and Social Security of Guangdong as a ( 廣東省重點民辦社會培訓機構 ) and ( 廣東省首批職業技能等級認定社會培訓機構 ). It is authorized to carry out vocational skills certification and evaluation for five nationally recognized professions, including Chinese Chefs, Chinese Pastry Chef, Western Chef, Western Pastry Chef, and Tea Master.

The Training Institute is located in the Group’s PRC headquarter in Dongguan, and is divided into two areas: a teaching area and a living area. The teaching area covers a total area of 3,820 square meters and is equipped with advanced, integrated training and multimedia classrooms with intelligent information systems, as well as a culinary competition hall designed according to cooking skill competition standards, which is currently the only one in Mainland China. The training courses provided include Chinese cuisine, dim sum and pastries, Western cuisine and pastries, confections, coffee, wine, etc. Since its commencement of operation in late 2021, the Training Institute has trained over 3,000 students to date.



# Social

During the reporting period, the training college held a number of cooking competitions, such as: "Global Chef Competition", "Dongguan Western Cooking Skills Competition" and "Dongguan Western Pastry Chef Skills Competition", etc.



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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).	14-16
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A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	14-16
A1.5	Description of emissions target(s) set and steps taken to achieve them.	7-9
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<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	10-11
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General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	12
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<b>A4 Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	13
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.	13

General Disclosures and KPIs	Content	Page number
<b>B Social</b>		
<b>Employment and Labour Practices</b>		
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B1.1	Total workforce by gender, employment type (for example, full- or part-time), age Group and geographical region.	17
B1.2	Employee turnover rate by gender, age Group and geographical region.	17
<b>B2 Health and Safety</b>		
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B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	20
<b>B3 Development and Training</b>		
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B6.3	Description of practices relating to observing and protecting intellectual property rights.	24-25
B6.4	Description of quality assurance process and recall procedures.	24-25
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	24-25
<b>B7 Anti-corruption</b>		
General Disclosur	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.	26
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.	26
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	26
B7.3	Description of anti-corruption training provided to directors and staff.	26
<b>B8 Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	26-28
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	26-28
B8.2	Resources contributed (e.g. money or time) to the focus area.	26-28