



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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

2023

環境、社會及管治報告





Introduction	03	4. Happy Operation	26
1. About This Report	05	4.1 Supply Change Management	27
2. About Tang Palace	08	4.2 Food Safety	29
2.1 Group Profile and Major Development Stages	08	4.3 Environmental Safety and Health	30
2.2 Group Culture and Values	09	4.4 Sales and Services	31
2.3 Awards and Accolades	10	4.5 Rights and Interests Protection	32
2.4 Sustainable Development and Risk Management	11	4.6 Integrity and Trust	33
2.5 Shareholders Communications	13	5. Happy Society	34
2.6 Materiality Analysis of Various Issues	14	5.1 Employment situation	34
3. Happy Environment	15	5.2 Training and Development	37
3.1 Relevant Data for Carbon Emission	15	5.3 Community Contribution	39
3.2 Relevant Data for Resources Consumption	16	6. Outlook	43
3.3 Goals and Strategies	17	7. ESG Index	44

Introduction

引言

Tang Palace marched its way into a new era of 30+ year, with the perfect blend of classic and innovation

We believe that sustainable development could be achieved through the participation of all stakeholders. It is precisely the belief in “Conveying Happiness Through Catering” that connects us, allowing the Tang Palace Group to transcend an exciting thirty years and reshape its mission, vision, and values at this crucial historical moment, entering a new era of 30+ years.

Craftsmanship

For over thirty years, Tang Palace has consistently focused on Cantonese cuisine, using meticulous craftsmanship to uphold the essence of Cantonese tradition. We adhere to the brand philosophy of “Quality Ingredients, True Freshness” strictly maintaining high standards for our ingredients. Our relentless pursuit is to deliver the fresh and purest flavors of Cantonese cuisine, ensuring that every guest who visits Tang Palace experiences its authentic charm.

Building upon a solid foundation of tradition and classics, we continuously seek opportunities for brand enhancement and innovation. We keep pace with the times, committed to providing our guests with creatively crafted and healthful delicacies, along with warm and personalized service. Our professional approach aligns with the core values of Tang Palace: “Safety, Kindness, Consideration, and Generosity”. We infuse a sense of human touch into our offerings, creating the delightful flavor that defines Tang Palace.

Meanwhile, we continue to explore new business models and potential joint ventures. Leveraging the advantages of our group’s multi-brand operations and strong collaborations with partners, we expand our culinary footprint, advancing toward the vision of creating a “International Centennial Brand filled with Blessings”.

Humanistic Care

Employees are an essential component of corporate development. “Letting employees feeling blessed” is precisely the mission upheld by Tang Palace continuously. We firmly believe that only happy employees can convey warmth and happiness to more guests.

From promoting mentorship to fostering multifaceted talent development, from working with love to sharing stories of happiness, from the Tang Palace Volunteer Team to the Humanity Wellness Department, we aspire to nurture employees’ happiness and growth through diverse dimensions of human care, making them integral members of the ‘Conveying Happiness Through Catering’ mission.

Since June 2022, Tang Palace has been implementing the “Happy Stories • Happiness Credit Points” program. As of March 2024, we have collected over 590,000 happy stories shared by Tang Palace employees. Among these, 189 carefully selected stories have been produced into videos, becoming valuable cultural assets for Tang Palace. This initiative aims to further propagate and pass on the power of happiness.

We firmly believe that in an era of market instability and frequent changes, supporting employees' physical and mental well-being is a crucial element for their happiness at work and in life. In 2023, we organized 4,727 diverse training sessions for employees, with a total of 48,557 participants. We regularly host innovation sharing sessions to drive internal reforms and provide a platform for employees to showcase their achievements and enhance their learning. Additionally, we organize various themed study tours and exchange activities, including topics like stellar service and product quality, corporate culture and management strategies, and creating blessed catering, and in-depth exchange meetings among food and beverage industry etc.

As the pandemic control measures are fully lifted, in 2023, we resumed the Blessed and Wisdom Youth Training Camp for employees' children. Additionally, we took a groundbreaking step by organising a free public course to promote traditional Chinese culture, aimed at promoting filial piety culture and creating a positive impact on society.

Social Engagement

Tang Palace's humanistic care and family-oriented culture create a team with a sense of happiness and belonging. This love and happiness not only exist within the organization but also extend to society, allowing love to flow.

The Group launches the "Tang Palace's Full Moon Program" together with "Free Lunch for Children" to contribute to the growth and health of school children in rural area, we also partner with "Chi Heng Foundation" for charity calendar giveaway to promote positive mind, we invite our customers to join "Earth Hour". Our Tang Palace volunteer team donates mooncakes to elderly house with love and blessing. The Group is awarded as the "Annual Platinum Partner" by "Plan International" etc. Through these initiatives, we aim to engage employees and customers in environmental and charitable activities, fulfilling corporate responsibility and benefiting the community.

Thanks to every member of the Tang Palace family, who has grown alongside Tang Palace, we have entered an era of 30+ years. Simultaneously, we express gratitude to our guests, employees' families, fellow industry professionals, partners, and the general public for their consistent recognition and support of Tang Palace. As we step into this 30+ year milestone, we remain committed to our original mission: "To make employees happy and customers happy". We fulfill our responsibilities in terms of environment, society, and governance within the culinary industry. In the ever-changing landscape, we maintain flexibility, embrace innovation, and courageously pursue growth. Together, we strive for excellence, convey happiness through catering. Our contributions extend to the well-being of employees, customers, shareholders, society, and the environment, and join 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 2023 to 31 December 2023 (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 (28 stores in total), including the regions in Northern China (Beijing), Eastern China (Shanghai / Hangzhou), Southern China (Shenzhen / Dongguan) and Western China (Chengdu). Those covered restaurants of the Report already representing over 80% of the main revenue sources of 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 mainland of 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 “**ESG Guide**”) under Appendix 27 of the Rules Governing the Listing of Securities 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.

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 Method 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方法與報告指南》), 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 Method 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方法與報告指南》) 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 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 and joint venture 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, European cuisine and Malaysian cuisine. As at the end of 31 December 2023, the Group operates 35 restaurants, and owns 16 restaurants under joint ventures. The Group's restaurants are located in Beijing, Shanghai, Shenzhen, Chengdu, Hangzhou, Suzhou, Dongguan, Hong Kong, Taiwan and Singapore with a food factory set up in Shanghai.

Type	Business model	Business area					
		Beijing	Shanghai Hangzhou Suzhou	Shenzhen Dongguan	Chengdu	Hong Kong Taiwan	Singapore
Traditional Chinese Food / Cantonese cuisine	Self-operated Core	 Tang Palace		 TANG PALACE SEAFOOD RESTAURANT			
		 Tang Palace 和园		 T 唐宮壹號 TANG'S CUISINE			
Modern Chinese food / Casual Dining	Self-operated Core / Authorized Joint Venture	 唐宮 唐宮 唐宮 SOUP DELICE				 唐宮小聚 SOCIAL PLACE	
Others cuisine: Sichuan / Huaiyang / Malaysian / Japanese / European	Joint Venture	 馬 莊 子 巴蜀風		 馬 莊 子 巴蜀風		 一 傳 KYOTO ICHIMODEN 糖肉而多 北街 新亞 ORIKU KAPPO JIKON MUSSELE 茶茶茶	

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 2008, 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.

About Tang Palace

2. 有關唐宮

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.

Stepping into the 30+ year milestone, we will continue to uphold the aspiration of “making employees and customers happy”. We fulfill our responsibilities in the realms of environment, society, and governance within the catering industry. In this rapidly changing and challenging era, we remain flexible, embrace innovation, and collaboratively strive for excellence. We seek opportunities to expand our business and culinary footprint, all while advancing toward the vision of creating an “International Centennial Brand that filled with blessings”.



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.

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. 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.

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 2023 and some are listed below.



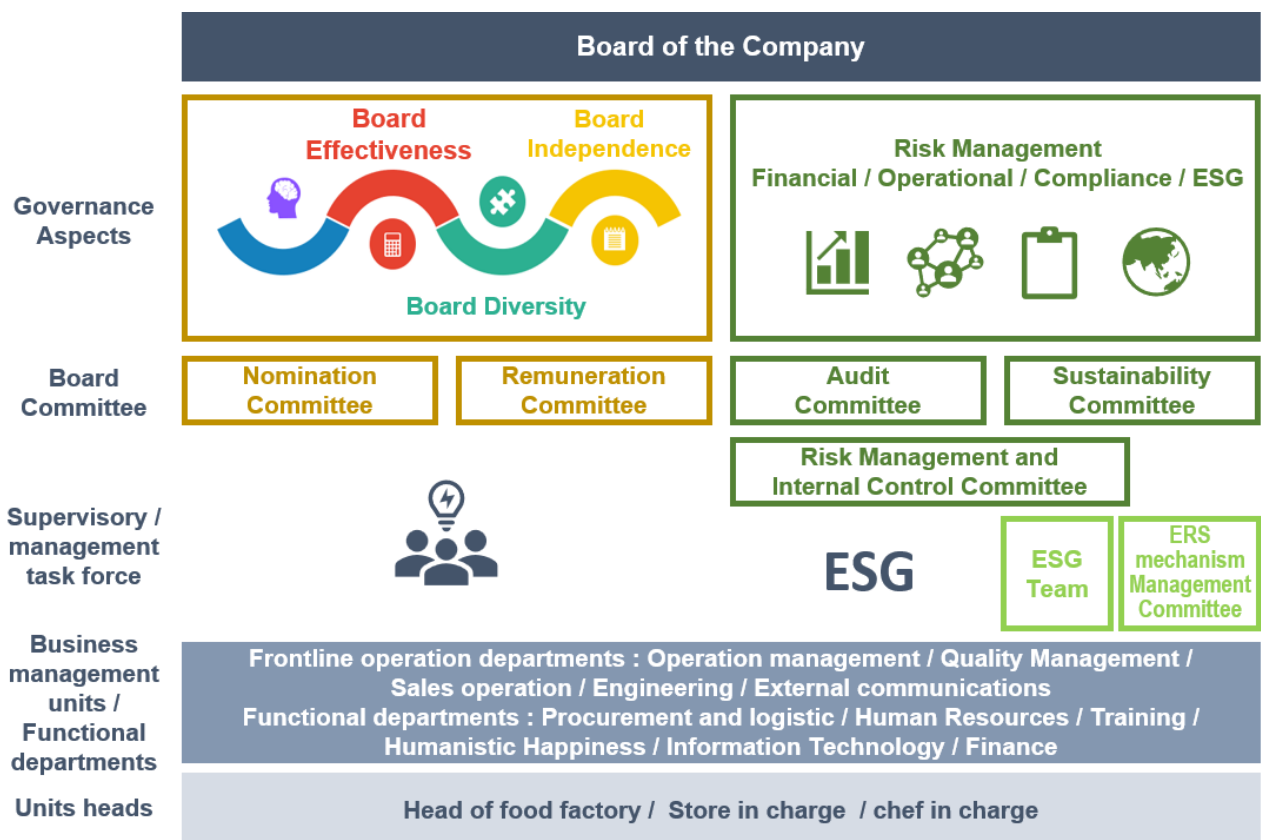
Organisation #	Award #
Enterprise Recognition	
《Hong Kong Economic Journal》	Honorary Award, Listed Company Awards of Excellence 2023 (Hong Kong) 6 th year Awarded by 《Hong Kong Economic Journal》
China Cuisine Association	2022 Top 100 Chinese Catering Enterprises Awarded for 13 consecutive years
China Cuisine Association	2022 Top 500 Chinese Restaurant 8th year Awarded
The Award of the 5 th Red Eagle Awards of China's Catering	Top 100 Catering Brands 2023 2nd year Awarded
The National Restaurant and Hotel Rating Committee	National Diamond-level Restaurant Demonstration Store Being awarded since 2007
Beijing Cuisine Association, Beijing Business	Top 100 Beijing Restaurant (2022-2023)
Famous Restaurants for delicacy	
lfeng.com	2023 Golden Phoenix Tree China Restaurant Guide One Star Restaurant & Two Star Restaurant 2nd year Awarded
Trip.com Group	Gold Award of Trip.com Group Gourmet Global Restaurant Awards
China Merchants Bank	listed in Signature Restaurant Billboard 2023
Shenzhen Chamber of Commerce, Food and Beverage	Icon store of Luohu district 2023
Chengdu Food Industry Association, Chengdu.cn	Chinese Catering Jade Award, Quality Restaurant
Humanistic Love and Passion	
Plan International	Annual Platinum Partner

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



BOARD DECLARATION

The board of directors take responsibility for the environmental, social, and governance (ESG) strategies and reporting within the group. They ensure alignment between the group's long-term development strategy, corporate culture, target, and values, while also implementing these principles in day-to-day operations. To incorporate relevant elements of the environment, society, and governance into the strategy-setting process, the board collaborates with the "Sustainable Committee" and the "**ESG team**". Under the guidance of external expert consultants, this group oversees matters related to environmental, social, and governance affairs. The "Sustainable Committee" convenes at least two meetings annually, during which they review the ESG team's reports and seek input from external experts. This allows them to stay informed about the latest industry trends related to ESG key issues and report significant decisions to the board.

In addition, during the process of collecting and reviewing relevant data, the ESG Team engages in communication and discussions with various operational departments and oversight management teams (such as the Risk Management and Internal Control Committees, as well as the ERS mechanism Management Committee). Beyond identifying ESG-related risks through abnormal operational situations, they also uncover opportunities to enhance management efficiency. This assists the Sustainable Committee in prioritizing and managing initiatives based on business direction and strategy. Simultaneously, the ESG Team conducts interviews with internal and external stakeholders and seeks input from expert consultants. This allows them to understand the status and opportunities related to various ESG key issues within the company. They then establish prioritization for relevant projects and collaborate with different management departments to set quantifiable objectives. These efforts facilitate ongoing management oversight during routine work meetings.

2.5 Stakeholders Communication

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

Healthy and sustainable development, creating value for society			Communications channels		
Stakeholders	Concerns / Expectations	Our response and actions	1 Interactive communication	2 Specified information submission	3 other communication mechanism
Government and regulatory authorities	<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"> - Enhancing compliance awareness - Know the latest requirements - Active follow-up response 	✓	✓	✓
Investors	<ul style="list-style-type: none"> - Robust results with dividend payout - sustainable growth - operation with probity and transparency 	<ul style="list-style-type: none"> - Providing stable and sustainable returns - transparent and open information disclosure - Multiple and timely communication channels - Improving risk management 	✓	✓	✓
Customers	<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"> - Implementing strict control over food procurement - Protecting consumer rights - Comfortable dining environment - Providing heartfelt services 	✓	-	✓
Employees	<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"> - Providing diversified training - Promoting the work- life balance of employees - Establishing a good development platform 	✓	✓	✓
Suppliers / business partners	<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"> - Enhancing procurement management - Compliance with the contract / agreement - Pay attention to the food ingredients source and quality 	✓	✓	✓
Community	<ul style="list-style-type: none"> - Safe and compliant operation - Community welfare / harmony - Environmental friendly 	<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 advocation internally and externally 	✓	-	✓

1. Interactive communication (eg): Site inspection / AGM / post results announcement communication / customers service hotline / training / WeChat Group / Volunteer activities

2. Specified information submission (eg): Announcement / Disclosure / Employee appraisal / Integrity Statement

3. other communication mechanism (eg): Policy Seminar / official website / email / WeChat Group

Happy Environment

3. 幸福環境

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	3,931.62
Oxysulphide	Fuel vehicles and cooking stoves	KG	2.45
Particulate matters	Fuel vehicles and cooking stoves	KG	114.82

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	7,186.00 ²
	Indirect Emission from Energy – Purchased electricity and heating powers	Tonnes	10,687.69 ³
	Other indirect emission – Commercial flights	Tonnes	268.53

Total Emission: 18,142.22 Tonnes Carbon Dioxide Equivalent

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

Waste	Sources	Unit	Weight	Total Weight	Intensity
Non-hazardous waste	Food waste	Tonnes	2,920.25	4,441.62 Tonnes	4.646KG / RMB1,000 revenue
	Other waste	Tonnes	1,116.87		
	Recyclable waste	Tonnes	376.86		
	Waste oil	Tonnes	27.64		
Hazardous waste	Detergents and insecticides containers containing chemical substances	Tonnes		20.66 Tonnes	0.022KG / RMB1,000 revenue

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	1,242.70	52,552.16 mWh	0.055 mWh / RMB1,000 revenue
	Gasoline ⁴	mWh Equivalent	345.19		
	Direct Energy -	GJ	647.78		
	Diesel ⁵	mWh Equivalent	179.94		
	Direct Energy -	GJ	119,280.71		
	Natural gas ⁶	mWh Equivalent	33,133.56		
	Indirect Energy -	GJ	1,365.46		
	Purchased heating power ⁷	mWh Equivalent	379.29		
	Indirect Energy– Purchased electricity	mWh	18,514.18		
Water resource	cubic meter		427,777.8 cubic meter	0.447 cubic meters/ RMB1,000 revenue	
Packaging materials	Sauces for internal use	Tonnes	8.60	280.18Tonnes	0.293KG/ RMB1,000 revenue
	Product takeaway	Tonnes	176.34		
	New Year Cake / Rice Dumpling	Tonnes	42.57		
	Moon Cake	Tonnes	52.67		

- References to calculation methods include, but are not limited to, "The First National Pollution Source Census Manual on Urban Living Sources and Discharge Coefficients" and the "How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange;
- References for calculation methods include, but are not limited to, People's Republic of China domestic trade industry standards "Hotel Industry Greenhouse Gas Emission Standard", "Greenhouse Gas Accounting Tool for Chinese Cities (Pilot Version 1.0)", "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong", and the "How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX;
- Indirect emissions come from indirect greenhouse gas emissions generated during the production process of the restaurants' purchased electricity and Beijing district restaurants' purchased heat. References for calculation methods include, but are not limited to, People's Republic of China domestic trade industry standards "Hotel Industry Greenhouse Gas Emission Standard", and The 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 petrol consumption is 35,618.74 liters ;
- The actual diesel consumption is 16,811.53 liters ;
- The actual natural gas consumption is 3,063,900.44 cubic meters ;
- The actual purchased heat is 6,498.00 cubic meters in terms of hot water.

3.3 Goals and Strategies

The World Meteorological Organization (WMO) has issued a report indicating that in 2023, multiple climate records were broken, and the world is warming at an unprecedented rate. 2023 is projected to be the hottest year on record (and the past nine years from 2015 to 2023 have also been the hottest nine years on average). The global average temperature now exceeds pre-industrial levels by 1.4 degrees Celsius. As international organizations continue to call for action and financial markets contribute, businesses worldwide are increasingly aware that addressing and managing the environmental impact of their operations is not only a matter of corporate social responsibility but also crucial for long-term strategic considerations related to market positioning, risk management, and resource allocation. Furthermore, different reporting systems around the world are continually evolving, with increasing demands on companies for greater specification and quantification in disclosures, as well as broader coverage across upstream and downstream business chains. This trend underscores the need for companies to strengthen their internal management mechanism.

Through value chain analysis, we systematically assess the environmental impact of various aspects of business operations. This includes greenhouse gas emissions, energy/data consumption, and waste generation. We continuously strive to enhance and refine relevant management measures.

Key impacts to the business						
Climate events	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
Extreme low temperature 	Poultry growth Livestock disease / mortality	Grain freeze	Sea temperature affect the catch		Icing / bursting of pipes	
Extreme Rainfall 		Soaked crops				Affect customer visits (Note 1)
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 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 						

Business operations and the environment are mutually influential. While we systematically analyze the impact of business on the external environment through value chain analysis, we also continuously examine how environmental and climate changes affect different aspects of our operations. This enables us to make more effective risk mitigation strategies and seize opportunities. Within the value chain, we consistently consider the “well-being” of the natural environment and implement appropriate strategic measures to enhance and transform existing practices, striving to minimize our business’s impact on nature and achieve harmonious coexistence with the environment.

Supporting activities	Basic Activities					
	food ingredients purchase	Preparation and process	Dishes cooking	Dinning / Serving	other selling activities	Clean up
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	💡		💡	💡	

Note 1: During the reporting period, the regions including Guangdong Province, Guangxi Zhuang Autonomous Region, Hong Kong, and Macau were all affected by adverse weather conditions, heavy rain, and flooding caused by the remnants of powerful typhoons. These events led to severe disruptions in business operations, including waterlogging, property power outages, and transportation paralysis, resulting in financial losses.

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:

The Suzhou store has introduced and used 7 environmentally friendly model stoves, with the goal of reducing gas consumption and exhaust emissions from related stoves by approximately 22,000 cubic meters by 2024.

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





- Seasonal product packaging has added environmentally friendly main materials (such as FSC-certified cardboard) and biodegradable auxiliary materials, and also encouraging customers to recycle.
- Starting from 2022, the restaurants gradually and comprehensively use recyclable and reusable aluminum foil or corn fiber material produced takeaway boxes
- minimize unnecessary printings, request double-sided printing, use online training materials
- Since 2020, Guangdong has been implementing a store-based recycling program for items such as printed order sheets, old menu cards, used dim sum menus, and mooncake boxes. In 2023, approximately 2,911 kilograms of these materials were collected for recycling in the Guangdong region.

Target:

In 2024, there is a plan to replace some souvenir packaging with more durable materials, such as iron boxes. This change aims to encourage customers to reuse these items. The goal for that year is to replace 20,000 souvenir packaging boxes with the new, more sustainable material.



Tang Palace collaborates with Tzu Chi to launch a “waste reduction and resource recycling campaign” initiative in Shenzhen and Dongguan. They collect used printed order sheets (cash register paper, floor and production viewing sheets, etc.) from Tang Palace for circular regeneration. This effort aims to promote sustainability and encourage the reuse of materials.

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 issues with water supply during the reporting period, water scarcity remains a widespread concern worldwide. Additionally, the supply of drinking water and wastewater treatment both exert pressure on environmental ecosystems and contribute to carbon emissions. We will continue to make efforts in daily water conservation management.
- Currently, approximately 43% of our stores do not use sensor-activated faucets, and the water usage of nearly half of the stores are below 10%. We will continue to monitor water consumption and implement daily management measures. Our goal is to maintain water consumption density between 0.50 to 0.55 cubic meters per thousand RMB in revenue.

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 2023 (during the Reporting Period)	During the reporting period, both Beijing and Shanghai stores underwent renovations to replace traditional stoves with environmentally friendly ones in 3rd quarter. In 2023, some underperforming stores were closed, resulting in an increase in the proportion of stores using eco-friendly stoves from 45% in 2022 to 75%	During the reporting period, two stores in Beijing used energy-saving dishwashers, resulting in an estimated reduction of electricity consumption by approximately 14,000 kWh	In 2023, a total of 10 stores used an intelligent ventilation system, which 3 more stores has been used this system, which save an additional approximately 130,000 kWh of electricity, resulting in a combined total energy savings of 899,000 kWh across all stores
Plan in 2024	The Suzhou store has introduced and used 7 environmentally friendly model stoves, with the goal of reducing gas consumption and exhaust emissions from related stoves by approximately 22,000 cubic meters by 2024	Beijing is expected to have 1 stores using energy-saving dishwashers in the first quarter, which is expected to reduce electricity consumption by approximately 41,000 kWh	3 more stores in Beijing are expected to use an intelligent ventilation system, and a total of 13 stores are expected to reduce electricity consumption by approximately 920,000 kWh in 2024
Total energy-saving target	Through the aforementioned energy-saving equipment, the Group aims to reduce electricity consumption by a total of approximately 964,100 kWh in 2024.		

Other carbon emission reduction advocacy

Internal environmental protection information sharing 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.

幸福家园

唐宫人

幸福餐饮 | 唐宫2023“地球一小时”，献出一小时，共护一个地球

唐宫|行政部 唐宫人 2023-04-01 09:30 广东

唐宫2024“地球一小时”回顾 | 献出一小时，共护...

爱心传递 绿色环保 幸福家庭 健康人生

唐宫2024“地球一小时”回顾 | 献出一小时，共护一个地球

3.23 让我们一起，为地球献出一小时!

幸福餐饮 | 唐宫2023“地球一小时”，献出一小时，共护一个地球

唐宫绿色环保纪实

地球一小时 60

为地球献出一小时

行动！共创未来

受气候变化、自然衰退和全球疫情的影响，以人为本、以地球为先需要成为“新常态”，我们需要建设一个公平的、碳中和的、自然向好的未来。

选择环保品牌

行动！共创未来

分享不同的衣物给需要的人 而不是简单丢弃

自己动手升级改造 旧服装，体现新创意

合理采购 善用食材

行动！共创未来

适度点餐 鼓励光盘

厨余垃圾 不浪费

Internal 5S management training:

The 5S Committee of Group Yuanquan organized a specialized workshop on “Energy Conservation and Waste Reduction”. Approximately 850 participants attended the session. The workshop aimed to explain energy control and waste management, assisting store management in systematically analyzing and managing energy-saving initiatives. This further strengthens the connection between daily operations 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.



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 25, 2023, at 8:30 pm, we once again invited our customers to participate in and share the significance of the event.



3. 幸福環境



Consideration of Environmental and Health Elements in Menu Development:

The Group not only considers the proportion of vegetarian dishes during the menu design process but also incorporates healthy, innovative, and unique green elements when launching special menus and holiday products. For instance:

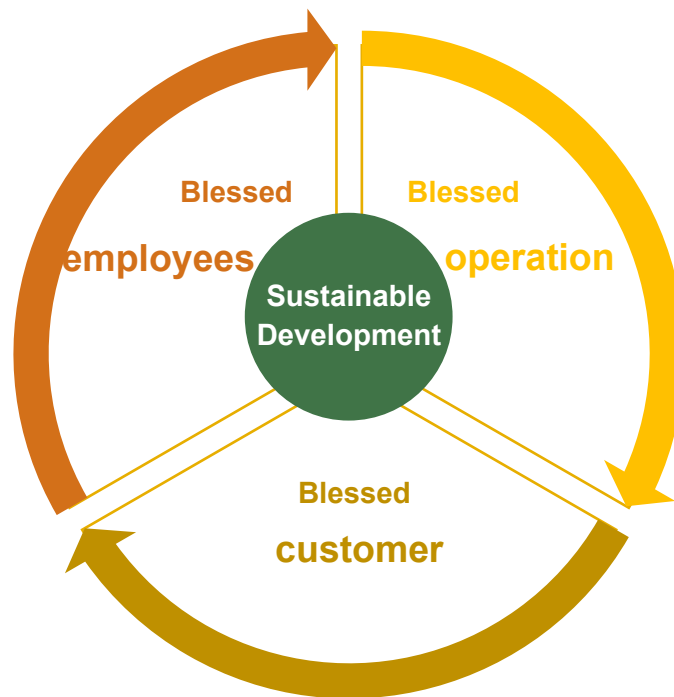
- During the Lunar New Year, we offer distinctive vegetarian-flavored rice cakes, including Black Pearl Bubble Milk Tea, Red Bean with Aged Mandarin peel, and Ginger Jujube variations.
- For the Dragon Boat Festival, our special vegetarian zongzi (sticky rice dumplings) include flavors like Vegetarian Meat with Salted Egg Yolk & Nuts, Red Quinoa Mixed Grain, and Kumquat Red Bean Paste.
- During the Mid-Autumn Festival, our vegetarian mooncake gift box features flavors such as Walnut and Purple Sweet Potato, Matcha and Red Bean, and Wolfberry and Walnut.
- Additionally, we have a series of Yunnan mushroom series dishes.



Happy Operation

4. 幸福經營

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:

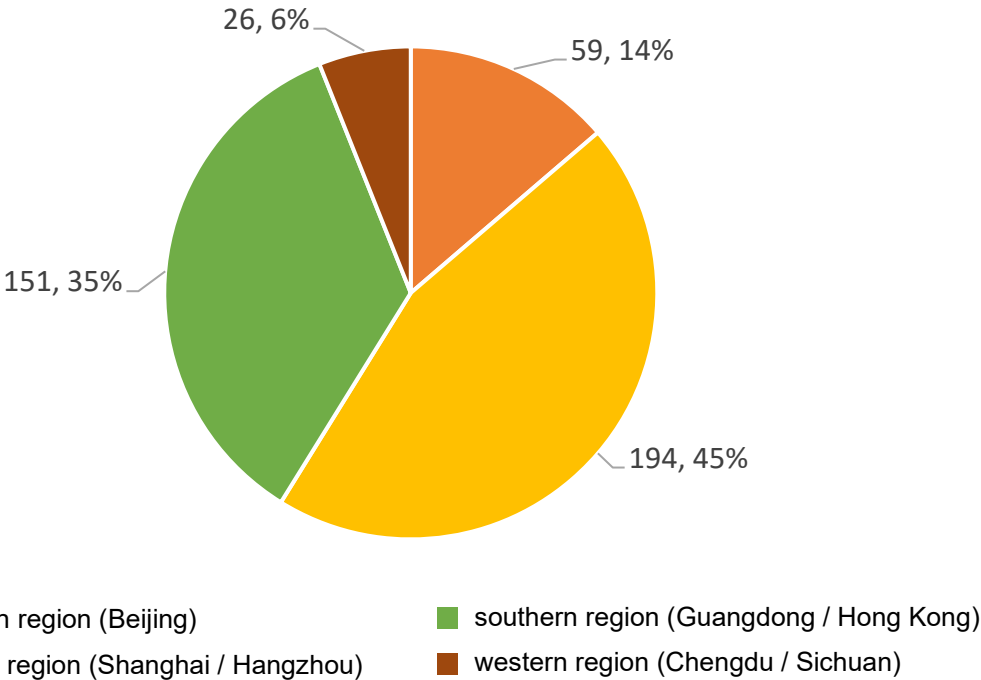
		food ingredients purchase	Preparation and process	Dishes cooking	Dinning / Serving	other selling activities	Clean up
Main management issues	Supply chain management	🐟	👨‍🍳				
	Food safety	🐟	👨‍🍳	👨‍🍳	🍴	🛍️	♻️
	Environmental Safety and Health		👨‍🍳	👨‍🍳	🍴		♻️
	Sales and Service				🍴	🛍️	
	Protection of interests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

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. During the reporting period, we reviewed and further improved relevant processes and policies. Supplier contracts now explicitly include the terms of honesty and integrity. • 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 • 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) 	
Key risks	Responses
<ul style="list-style-type: none"> • There was no material risk incidents related to suppliers during the period • In the current supplier management and assessment, there is still insufficient focus on environmental aspects or limitations on business low-carbon transformation 	<ul style="list-style-type: none"> • We plan to engage in-depth stakeholder communication with our key suppliers to enhance mutual understanding of each other's readiness and collaborative needs in the low-carbon transition mega-trend • We will maintain good communication and interaction with professional consultants to stay updated on the latest market concerns and reporting requirements

Updates during the Period:

During the Reporting Period, the Group had a total of 430 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. The food factory has obtained the Hazard Analysis and Critical Control Points (HACCP) system certification certificate. 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.

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"> • emphasizes the importance of supply chain management, the Group is strictly controlling the introduction of suppliers, establish filing systems for source trace • Our food factory undergo centralized testing for critical food ingredients (such as imported frozen food) • each region has established a quality control department to implement monthly and quarterly regional inspection mechanisms, as well as annual group assessments. This ensures the cleanliness of production equipment and environmental hygiene • The person in charge of 5S management conducts regular store training, updates and reminds store operators of the food safety requirements • customer comments and patrol of government are seriously reviewed and effective reporting system for incidents 			
Key risks		Responses	
<ul style="list-style-type: none"> • Risk of food ingredients infection • The health and well-being of operation staff • Hygiene management of all areas • The Government of the mainland China has announcement guidelines for additives during the period, food and beverage industry should comply, manage and cooperate 		<ul style="list-style-type: none"> • source trace: establish food supply files, recording the details of suppliers to ensure they are complied with the law, and ban ingredients of those failing • food ingredients sample testing: The Group has established a dedicated testing team to conduct recorded sampling of frozen ingredients and sauces, ensuring food safety • In the context of kitchen cleanliness and equipment requirements, the 5S management approach plays a crucial role • The group has clear requirements regarding the attire and hygiene of food factory employees. These requirements cover several aspects (staff hygiene pass, morning assessment for production staff, self-hygiene protocol) • Regular internal audits of 5S implementation will be conducted at the store, regional, and group levels to assess and evaluate the adherence to 5S standards • Online training was held for regional managerial staff during the reporting period as a reminder of food safety key control points, in the hope of reducing the risk of food production. • Additives Control Management (additives to be locked with assigned personnel to safeguard and record) 	

Updates during the Period:

During the period, the Group's 5S Management Committee conducted reviews of 24 key stores across various regions (6 in Beijing, 9 in East China, 4 in Chengdu, and 5 in Guangdong). The reviews primarily focused on food safety and environmental safety. All stores successfully passed the audits, and 17 of them achieved outstanding results, earning the title of "ERS Model Store":

Furthermore, during the reporting period, each region organized cross-departmental quality inspection teams, which included representatives from the Operations Management Department, Product Quality Department, Training Department, and representatives from back office of the respective regions. Based on the inspection priorities jointly established with senior management, quality inspection forms were developed for store performance assessment. Food safety was the primary area of inspection, and it was further divided into different production departments, including all production departments, for meticulous follow-up.

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"> • Ensure the current environmental and safety policies comply with regulations and market conditions • Review and prevent potential safety hazards in the work environment • Enhance the safety awareness of employees through regular training 			
Key risks		Responses	
<ul style="list-style-type: none"> • Regularization of security policy measures 	<ul style="list-style-type: none"> • Understand the latest regulatory requirements and actively cooperate with regular inspections, maintaining good communication with regional regulatory authorities • Regularly implement regional and group inspection mechanisms, assess safety hazards in the work environment, and take preventive measures; strengthen management mechanisms for reporting, analyzing, recording, and summarizing various types of incidents (such as workplace injuries) • Regular training (including new employee onboard training), sharing safety knowledge through case studies, and participating in exercises; pre-operation meetings emphasize safe production and reinforce on-site safety operating procedures and inspections 		

Updates during the Period:

Continuously implementing occupational safety and health training and inspections at the store level, with the aim of consistently reminding employees about the importance of safety precautions from various perspectives. Group and regional 5S managers also undergo comprehensive training in occupational safety, fire safety, epidemic prevention, and emergency response to enhance employee safety awareness and accident preparedness.

During the Reporting Period and in the past two years, no work-related fatalities occurred. During the Period, 9 people were involved in work-related accidents for the whole group, and the number of working days lost was 432. 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.



4.4 Sales and Services

Targets	Key relevant regulations
<ul style="list-style-type: none"> • The reshaping and promotion of the group’s vision, mission, and values among foundation staffs • 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 • Promoting traditional Chinese culture to the public 	<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 375 mystery customer visits were arranged during the Period, covering 32 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. Additionally, in order to align with the group’s service upgrade strategy, during this reporting period, we commissioned third-party consultants to conduct a comprehensive assessment, repositioning, and professional training for our service organization.

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 departments will contact the customer, conduct an internal investigation, and respond within a reasonable time. In addition, 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, during the period, the group did not receive any significant complaints regarding food quality and employee services through official channels such as email and the company website.

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.

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:

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))	During the period, three similar trademarks were found under constant surveillance and judged to be potentially infringing
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 and October 2023, invalidation applications were filed for the three aforementioned trademarks, and they are currently under review
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 18 restaurants with similar trademarks were discovered, all of which are under follow-up

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.

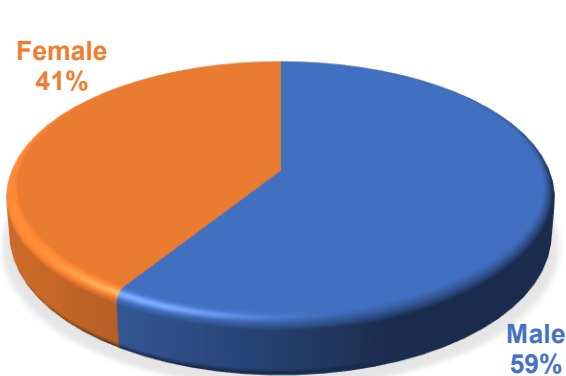
During the reporting period, the Group's Audit Committee revised the "Whistleblowing Policy" for the third edition, and the Internal Audit Department revised the Company Transparent Policy and Conflict of Interest Policy for the third edition. These revisions were communicated to all employees, serving as a reminder that the existing corporate culture, employee handbook, reporting mechanisms, and conflict of interest policies clearly emphasize the Group's commitment to legal and ethical conduct, further reinforcing relevant requirements.

Happy Society

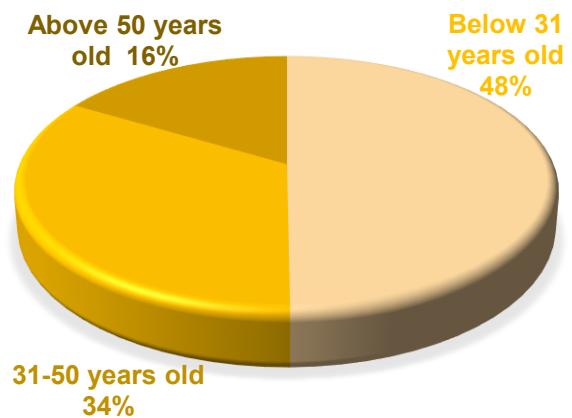
5. 幸福社群

5.1 Employment Situation

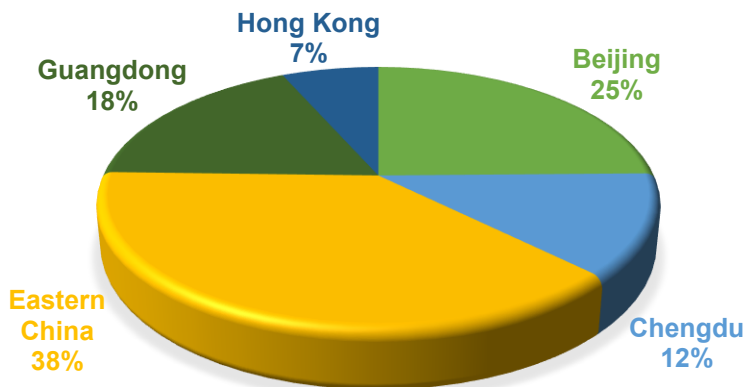
As of 31 December 2023, the total number of employees in the Group was approximately 3,000. The following are the analyses of the employment number from different aspects (including sex, age, regions, rankings and contract nature), and the turnover rate status under individual grouping.



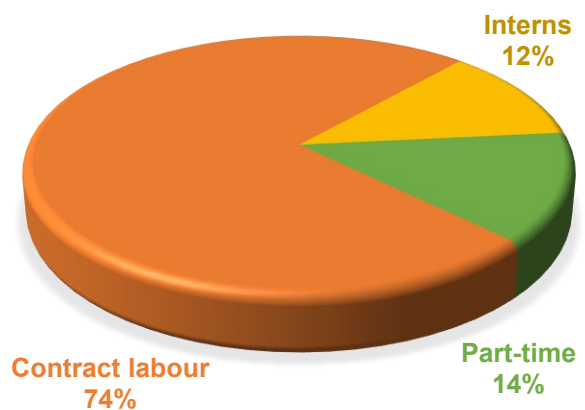
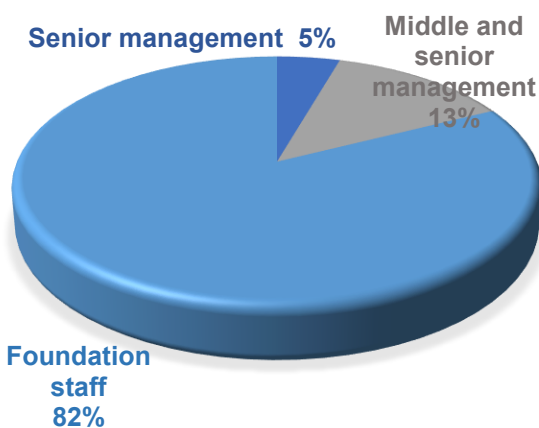
Relevant **turnover rates** under above grouping
(Male: 29.8% / Female: 27.8%)



Relevant **turnover rates** under above grouping
(<31 : 32.1% / 31-50 : 22.7% / >50 : 27.3%)



Relevant **turnover rates** under above grouping
(Beijing 28.1% / Eastern China 32.5% / Guangdong 21.4% / Chengdu 23.4% / Hong Kong 42.5%)



Connection



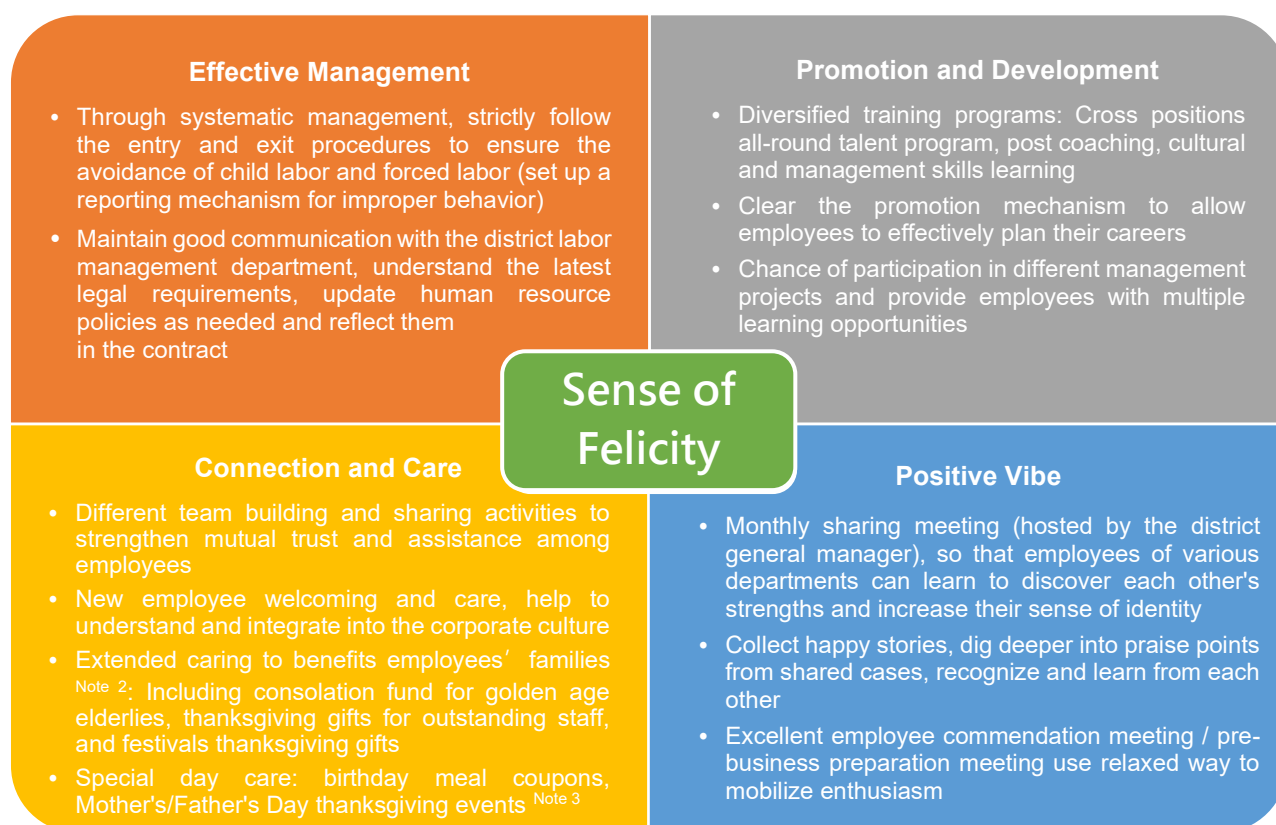
Care



Thanksgiving



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 17 schools and provided 696 internship positions.

5.2 Training and Development

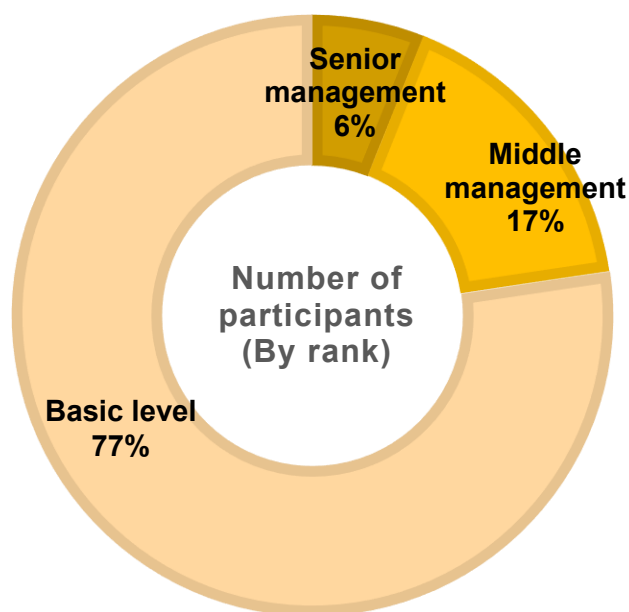
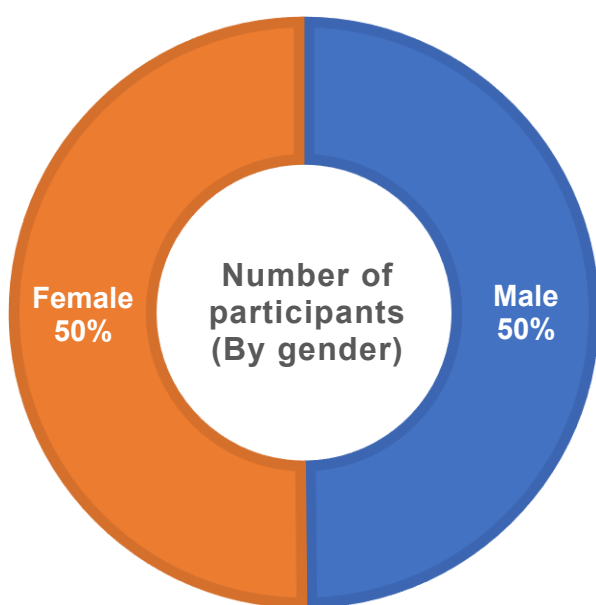
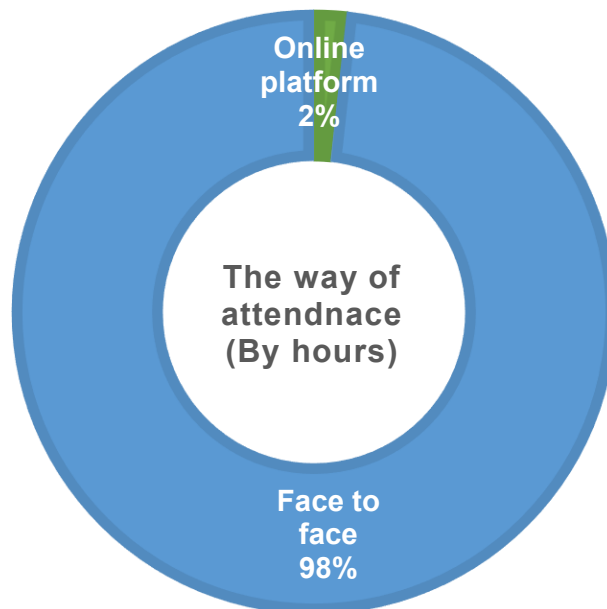
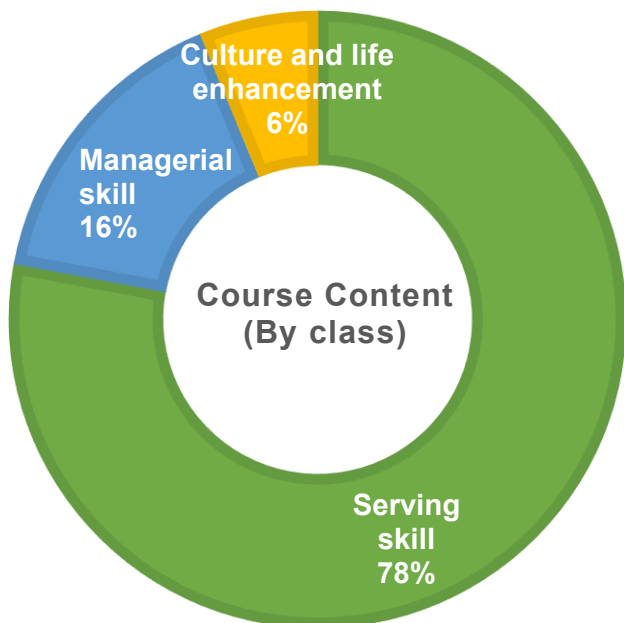
Training class situation during the Period

During the Reporting Period, we arranged a total of 4,727 different types of training classes, involving a total of 7,029 hours and overing 48,557 participants.

	Serving skill	Managerial skill	Culture and life enhancement	Total
No. of training / lesson	3,683	751	293	4,727
No. of class participants	32,034	7,640	8,883	48,557
Training hours	4,809	1,510	710	7,029

	Senior management	Middle management	Basic Level	Male	Female
No. of participants (in people times)	2,937	8,060	37,560	24,477	24,080
Average training time / staff (in hours)	344	382	994	703	1,166





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 activities related to high-quality professional competence, service standardization, and product knowledge and dishes introduction methods, as well as ordering and dishes suggestions skills, so as to improve the team expertise comprehensively.

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.



Free Lunch Charity

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

The Group has launched the “Tang Palace Full Moon Project” before the Mid-Autumn Festival, inviting customers to join us in charitable deeds. As long as customers purchase mooncakes from designated Tang Palace branches before the specified date, the Group will donate RMB5 to a charitable organization for every box of mooncakes sold.

Since 2021, the Group has annually donated the proceeds from the “Tang Palace Full Moon Project” to the China Social Welfare Foundation’s Free Lunch Fund. This initiative aims to provide free lunches to rural schoolchildren, supporting their healthy growth. In 2023, the donation amount reached RMB150,000, and the cumulative total donated so far stands at RMB462,120.

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.



Plan International Partner

Promoting Children's Rights and Growth

The Group has been honored with the "Annual Platinum Partner Award" by Plan International. This award recognizes and appreciates the group's long-term support for Plan International and their contributions to promoting the rights of children and girls.



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 52 children through Plan International.

Sunshine Sponsorship Nurturing Children to Become Pillars

The Group has participated in the "Sunshine Sponsorship Program" of Beijing One Heart Sphere Charity Foundation for the third year. It provide funding to 10 university students with special needs to provide them stable lives, enabling them to return to campus, receive equal education, and complete their university studies.

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.



Tang Palace Charity Calendar painted with beautiful colors

Tang Palace partnered with the Chi Heng Foundation in Hong Kong for five 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 mainland China. The beneficiaries primarily include students from families affected by AIDS, including students suffering from poverty, disease and discrimination.



Helping Rural Revitalization Oroqen

The Tang Palace Volunteer Group participated in the “Rural Revitalization - Oroqen Tourism Photography Exhibition and Ethnic Specialty Product Promotion Exhibition” volunteer event. They assisted with reception and logistical work, contributing to the revitalization of rural areas



Charity Course promoting filial piety Liaofan's Four Lessons, lesson of elderly caring

Tang Palace group took a groundbreaking step by organising large-scale, free public courses to promote traditional Chinese culture. By extending our core values of filial piety to the community level, we aspire to create a positive impact on society



Youth training camp for traditional Chinese culture Learning Life with Gratitude

The Tang Palace Group introduced traditional culture in 2013 and expanded it to the children of employees in 2014, launching the "Youth Training Camp for Traditional Chinese Culture" welfare program. To date, 11 sessions have been held, with a total of 331 children participating. The training camp for 2023 took place in August and lasted for five days, with a total of 56 children in attendance.





唐宮

Tang Palace
HONG KONG
TANG PALACE
FOOD & BEVERAGE
GROUP

香港
唐宮
飲食
集團



Outlook

6. 展望

Due to the instability of the global political and economic landscape and the ever-changing nature of the food and beverage industry, survival for F&B enterprises is filled with challenges, as well as new opportunities. The sustainable development of businesses relies on a solid foundation of corporate culture, coupled with a team of individuals who possess a sense of aspiration, unity, adaptability, and a willingness to innovate, in order to explore greater possibilities.

Entering the fourth decade, we will live up to the accumulated customer trust and industry reputation built over the years. We will continue to uphold our initial commitment of "making employees and customers happy," and formulate sustainable development strategies that align with market changes, customer needs, and the principles of "environment, society, and governance." Together, we will strive towards the vision of becoming a centennial enterprise with blessings.

Let us bloom in winter like spring.

7. ESG 指標索引

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.21-25
	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.22-25
	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.17-18
	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

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.36
	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, 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.36
	KPI B4.1 - Description of measures to review employment practices to avoid child and forced labour.	P.36
	KPI B4.2 - Description of steps taken to eliminate such practices when discovered.	P.36
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
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 training and information 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.39-42
	<u>KPI</u> B8.1 - Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P.39-42
	<u>KPI</u> B8.2 - Resources contributed (e.g. money or time) to the focus area.	P.39-42

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. Our address: Room 1003, 10th floor, Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong. Email: report@tanggong.cn



www.tanggong.cn