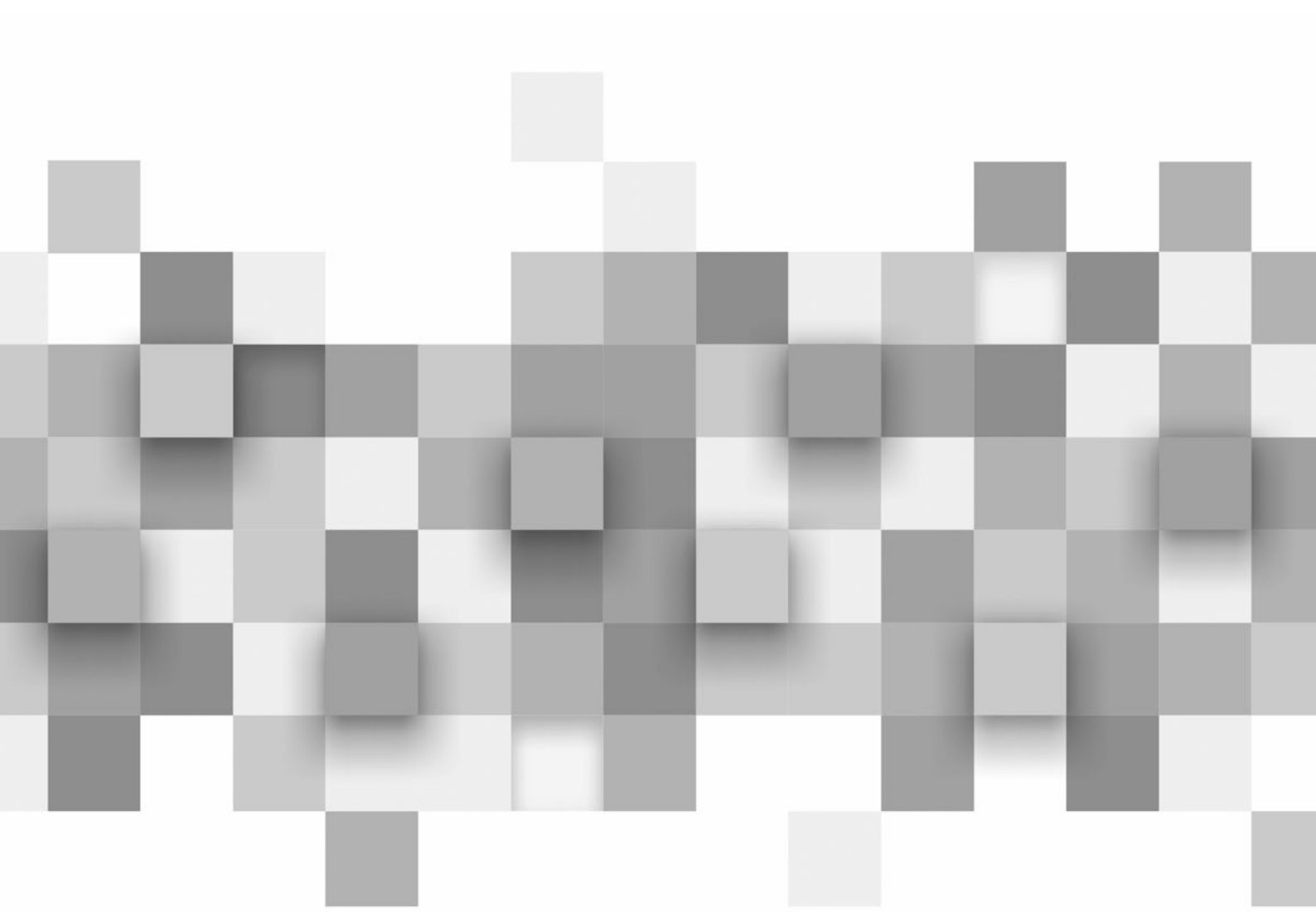


Top Standard Corporation

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8510



**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT
2022**

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ABOUT THIS REPORT

Top Standard Corporation (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**” and “**we**” and “**us**”) is pleased to present the Environmental, Social and Governance Report (the “**Report**”) for the year ended 31 December 2022 to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance (“**ESG**”) issues.

THE ESG GOVERNANCE STRUCTURE

The board of directors (“**the Board**”) has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Executive Directors are responsible for formulating ESG management policies, strategies, goals, and annual reporting and promoting related implementation. They also identify, evaluate, review, and manage major ESG issues, risks and opportunities while other departments are responsible for organizing, promoting, and implementing various ESG related tasks under the Group’s ESG management policies and strategies. All tasks will be reported to the Board regularly in order to review and re-formulate the policies and plans for achievement of goals and targets.

The Group has set short-term and long-term sustainable development vision and goals to achieve ongoing emission reduction according to governmental requirements. Relevant emission reduction targets and corresponding strategies are established and sustainable development factors have been incorporated into the Group’s strategic planning, business model and other decision-making processes. The Board regularly monitors and reviews the effectiveness of management approach, including reviewing the Group’s environmental, social and governance performance and adjusting corresponding action plans. The Board will continue to review the ESG related performance and review the progress based on the ESG related targets in the future, and will improve relevant ESG policies according to the target progress, so as to supervise and improve sustainability efforts. The Board is committed to integrating ESG principles into our business management practices.

REPORTING PERIOD

The Report illustrates the Group’s policies and performance regarding the environmental and social aspects for the period from 1 January 2022 to 31 December 2022 (the “**Reporting Period**”).

REPORTING SCOPE

This Report summarizes the performance contributed by the Group in respect of corporate social responsibility for the year ended 31 December 2022, covering its principal activities in the bar operations under the brand name “The Code” which was acquired in June 2021. As the segment in relation to bar operation in Hong Kong accounts for the most significant part of the Group’s revenue and its impacts on stakeholders, it is covered in the current year as the core business of the Group in our scope of reporting by the Group as we consider that as material unless otherwise specified. Revenue from the aforementioned segment in Hong Kong accounted for approximately 83% of the total revenue of the Group during the Reporting Period. The Group will continue to optimize and improve the disclosure of general disclosure and KPIs and assess the impacts of its business on the major ESG aspects and to include the results of such assessment in this ESG Report.



ABOUT THIS REPORT

REPORTING BASIS

The Report is prepared in accordance with Appendix 20 of GEM Listing Rules of the Stock Exchange of Hong Kong Limited – “**Environmental, Social and Governance Reporting Guide**” (the “**ESG Reporting Guide**”) to summarise the ESG performance of the Group. The Group has complied with the mandatory disclosure requirements and the “**comply or explain**” provisions set out in the ESG Reporting Guide. The Report is prepared and published in both English and Chinese, which are available on the Company’s website at www.topstandard.com.hk. In the event of contradiction or inconsistency, the English version shall prevail. Corporate governance section can be found in the Group’s 2022 Annual Report on pages 23 to 41 therein.

During its preparation, the Group adheres to the reporting principles of materiality, quantitative, balance and consistency by:

Materiality: Identifying material issues through stakeholder engagement and making key disclosures about these issues.

Quantitative: Presenting information in a quantitative way, where feasible.

Balance: Reporting information in an objective and unbiased manner to ensure it reflects both the achievements and the challenges faced by the Group.

Consistency: Using consistent measurement methods to enable meaningful comparisons of the Group’s ESG performance.

APPROVAL OF THE REPORT

The Report was approved by the Board of the Group on 31 March 2023.

CONTACT INFORMATION

The Group welcomes your feedback on the Report for our sustainability initiatives. Please contact us by email to ir@topstandard.com.hk.

STAKEHOLDERS ENGAGEMENT

The Group emphasises the participation of our stakeholders, including staff, customers, suppliers etc. All of them have a substantial role on the success of our business or activities.

In compiling the Report, we have communicated with internal stakeholders in order to monitor and manage our impact on various aspects of the environment and society. The Group believes that stakeholders' engagement has significant influence in the development of sustainable development strategies and fulfilment of social responsibilities which are the bases for the Group's strategy formulation and decision-making.

Stakeholder	Expectation	Engagement channel	Measures
Shareholders and Investors	<ul style="list-style-type: none"> – Provide high transparency for information disclosure – Protect shareholders' rights and interests 	<ul style="list-style-type: none"> – Annual general meeting and other shareholders meetings – Annual report, interim report and announcements/publications 	<ul style="list-style-type: none"> – Issued notices of general meeting and proposed resolutions according to regulations – Disclosed Company's information by publishing annual reports, interim reports and announcements/publications – Disclosed corporate contact details on website and in reports and ensured all communication channels are available and effective
Employees	<ul style="list-style-type: none"> – Education and training – Career Development opportunities – Health and safety working environment – Safeguard the rights and interests of employees 	<ul style="list-style-type: none"> – Employee communication – Training and briefing sessions – Cultural and sport activities – Intranet and emails 	<ul style="list-style-type: none"> – Provided a healthy and safe working conditions and environment – Provided training to employee – Provided employment and promotion practices that do not discriminate on grounds of gender, disability, pregnancy, family status, race, colour, religion, age or other conditions recognized in law

STAKEHOLDERS ENGAGEMENT

Stakeholder	Expectation	Engagement channel	Measures
Customers	– Provide safe, high-quality products and services	– Website, brochures and annual report	– Provided quality products and services
	– Stable relationship	– Email and customer service hotline	
	– Business ethics	– Complaint handling mechanism	
Suppliers/Partners	– Honest cooperation	– Suppliers’ review and assessment	– Performed contracts according to agreements
	– Long-term partnership	– Regular meetings	– Enhanced daily communication, and established long-term cooperation with quality suppliers
	– Information resources sharing		
Public and communities	– Discharge social responsibilities	– Volunteering	– Kept communication channels open between the Company and the communities
	– Community involvement	– Annual report	

MATERIALITY ASSESSMENT

With a growing population, challenges such as climate change, energy supply and security, raw material scarcity, human health and safety, and employment are to be addressed to ensure that people can lead healthy and fulfilling lives. Faced with a wide range of issues, the Group is keen to identify those that have a great impact on its stakeholders and business, and then to develop its strategic priorities.

The Group adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. In the Reporting Period, the Company undertook its annual materiality assessment exercise. The objective of materiality assessment is to identify ESG topics that are material and relevant to the Group’s operation. This involved distributing questionnaires to stakeholders to identify the most significant environmental and social impacts on its business. To identify potential material topics for disclosure in the ESG Report, we took reference to the ESG Guide and set possible topics for assessment.

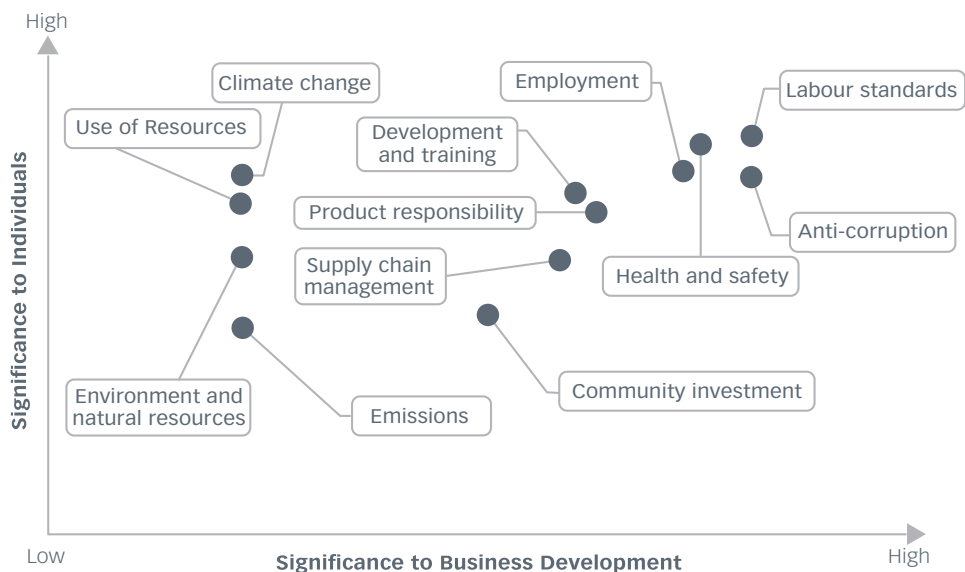
STAKEHOLDERS ENGAGEMENT

MATERIALITY ASSESSMENT (Continued)

According to the results of the materiality assessment, the Materiality Matrix below demonstrates the ESG topics with different significance to the Group, including:

- Emissions
- Use of Resources
- The Environment and Natural Resources
- Climate Change
- Employment
- Occupational Health and Safety
- Development and Training
- Labour Standards
- Supply Chain Management
- Product Responsibility
- Anti-corruption
- Community Investments

Materiality Matrix





ENVIRONMENTAL ASPECTS

To demonstrate the Group's commitment to sustainable development and compliance with laws and regulations relating to the environmental protection, the Group endeavours to minimize the environmental impact of its business activities and maintain green operations and practices. The Group's operations are subject to environmental protection laws and regulations in Hong Kong and have complied with Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) and Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong). The Group has also implemented policies within the Group to ensure that there is minimal wastage from our operations.

Our dedicated efforts were proven effective as there was no material non-compliance in laws and regulations related to environmental protection throughout the reporting period. We will continue to be alert to any non-compliance behaviour relating to critical environmental problems.

A1 – EMISSIONS

As the Group's operations mainly focuses on providing beverage and light refreshment to customers with limited food processing, no material emissions of nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matters ("PM") were identified during the Reporting Period. During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations related to environmental protection, air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste which have a significant impact to us.

In addition, the Group advocates emission reduction, and is committed to achieving sustainable operations and compliance with emission requirements permitted by the local authorities. The Group does not establish any quantitative targets or processes for tracing the achieved result due to the insignificant amounts of emissions and energy usage. We have set preliminary directional targets in terms of reducing emissions (including air pollutants, greenhouse gas, hazardous and non-hazardous wastes, and sewage). The Group actively implements the air pollutants control plan, electricity-saving plan, material-saving plan and measures to maintain or reduce the intensity of waste production and relevant gas emissions. It is believed that the established measures help raise employee's environmental awareness on reducing air pollutants and GHG emissions and waste generation. The Group reviews the progress and explore more opportunities for various environmental protection goals. Moreover, we are investing more resources in recycling to help the development of circular economy.

ENVIRONMENTAL ASPECTS

A1 – EMISSIONS (Continued)

Environmental aspects	Targets and Steps	Steps taken to achieve the target
Air Pollutants Emissions	The Group actively implements the air pollutants control plan and measures to maintain or reduce the intensity of air pollutants emissions.	<ul style="list-style-type: none"> – Reducing the use of chemical fuels by replacing gas stove with electrical appliance
Greenhouse Gas Emissions	The Group actively implements the electricity-saving plan and measures to maintain or reduce the intensity of greenhouse gas emissions.	<ul style="list-style-type: none"> – Switching off lights and turn off unnecessary energy-consuming devices when they are not in use – Setting the temperature of air-conditioning system in a range between 25°C to 26°C – Promoting environmental protection such as saving electricity by slogan or poster in the bar
Waste Reduction	The Group actively implements the material-saving plan and measures to maintain or reduce the intensity of waste production.	<ul style="list-style-type: none"> – Encouraging the use of paper by printing or photocopying on both sides of paper, where applicable – Implementing waste recycle practices – Avoiding the use of disposable items, such as cups, stirrers

As for greenhouse gases (“GHG”), the most significant parts of the Group’s carbon footprint come from electricity consumption in the Group’s bar operation. The Group has adopted the general approach towards controlling environmental impacts of activities as stated in the section of “**Use of Resources**”.

ENVIRONMENTAL ASPECTS

A1 – EMISSIONS (Continued)

During the Reporting Period, the GHG emission from the operation is set out below:

Type of GHG emissions	GHG Emission	Equivalent CO ₂ emission (tons)
Scope 1 Direct emissions		–
Scope 2 Indirect emissions		18.87
Total		18.87
Intensity (tons/Revenue HKD'000)		0.002

Note:

The calculation of the GHG gas is based on the "A Corporate Accounting and Reporting standard" from The GHG Protocol.

Scope 1: Direct emissions from operations that are owned or controlled by the Group.

Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group.

Water Discharge

The Group strictly follows the requirements as set out in the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) when the Group discharges wastewater. The Group's bar operation has been obtained water pollution control license issued by the Environmental Protection Department of Hong Kong, and the Group has installed sufficient equipment to ensure wastewater is properly processed before discharge.

Wastes

The Group's operations of bar, serving customers with beverage and light refreshment, produces no hazardous waste.

With decreasing availability of suitable land for landfill and increasing environmental impacts of waste disposal, waste reduction has always been one of the objectives of the Group. In the line with the aim to reduce wastes, the Group has implemented waste recycle practices. The bar operation of the Group would produce various kinds of non-hazardous waste, including wine bottles, waste oil, food wastes etc. during their operation. We collected used bottles for recycling purpose, and had used oil filtering system installed before disposing into the sewage system. Used oil was also collected for recycling. The Group has a classification system for different types of wastes. Each type of waste has specific storage location and collection procedures. Wastes are separately stored and handled. Food wastes, wastes oil and wine bottles could be recycled and collected by waste collectors. However, no data regarding the KPIs of non-hazardous waste are collected because of the Group's insignificant amount of non-hazardous waste generated in view of our business nature. Looking forward, the Group would disclose such data in the coming financial year. There was no significant generation of hazardous wastes for the Reporting Period.

ENVIRONMENTAL ASPECTS

A2 – USE OF RESOURCES

The Group places high priority on the efficient use of resources. The major resources used by the Group are electricity and water.

In addition, the Group advocates energy and resources saving, and is committed to achieving sustainable operations and compliance with emission requirements by local authorities. The Group does not establish any quantitative targets or processes for tracing the achieved result due to the insignificant amounts of energy and water usage. We have set preliminary directional targets in terms of energy use efficiency and water efficiency, in order to perform better energy conservation and water conservation. The Group actively implements the electricity-saving plan, water-saving plan and measures to maintain or reduce the intensity of electricity consumption and water consumption. It is believed that the established measures help raising employee’s environmental awareness on saving energy and conserving resources. The Group will review the progress and explore more opportunities for various environmental protection goals. Moreover, we are investing more resources in recycling to help the development of circular economy.

Environmental aspects	Targets and Steps	Steps taken to achieve the targets
Energy Conservation	The Group actively implements the electricity-saving plan and measures to maintain or reduce the intensity of electricity consumption.	<ul style="list-style-type: none">– Switching off lights and turn off unnecessary energy-consuming devices when they are not in use– Setting the temperature of air-conditioning system in a range between 25°C to 26°C– Promoting environmental protection such as saving electricity by slogan or poster in the bar– Adopting LED lighting in the bar
Water Conservation	The Group actively implements the water-saving plan and measures to maintain or reduce the intensity of water consumption.	<ul style="list-style-type: none">– Promoting environmental protection such as saving water by slogan or poster in the bar– Monitoring usage of water and checking for variance with past records

Meanwhile, the Group strives to improve the efficient use of natural resources, such as minimising waste and emissions and implementing effective recycling program. Practical measures are implemented as follows.

ENVIRONMENTAL ASPECTS

A2 – USE OF RESOURCES (Continued)

Energy Use

Electricity is a major energy our bar restaurant operation consume every day. The Group promotes energy saving with various energy-efficient measures as below:

- Switching off idle lightings, electrical appliances, as well as electric and electronic devices
- Posting electricity saving notices near electric switches and air conditioning control panels to encourage staff and customers to adjust the air-conditioning temperature properly

Consumption of energy by the Group during the Reporting Period is set out below:

Type of energy	Energy Consumption	Energy consumed (kWh)
Purchased electricity		51,010
Total		51,010
Energy intensity (kWh/Revenue RMB'000)		4.91

Water

The Group did not encounter any problems in sourcing water that is fit for purpose. Water is mainly consumed in the cleaning process of the Group's bar restaurant business. The Group encourages employees to use scrapers or brushes to remove residuals before cleaning with water and promote water saving habits through posting green messages in the workplace to remind employees to use water effectively. During the Reporting Period, the water consumption was 103 (2021: 221) cubic metres with an intensity of 0.01 (2021: 0.03) cubic metres per Revenue HK'000. The Group would continue to arrange and assign responsible departments and personnel to quantify the water consumption in the coming year.

Packaging Material

As the Group's operations mainly focus on providing beverage and light refreshment, therefore no significant packaging material consumption can be identified during the Reporting Period.

We review the obsolete equipment and facilities from time to time, of which those satisfying the safety and sanitation requirements and without obvious changes both physically and functionally have been recycled and reused as much as possible.

The Group is in the process of arranging and assigning responsible departments and personnel on quantifying the packaging material consumption and aim to disclose such data in the coming year.

ENVIRONMENTAL ASPECTS

A3 – THE ENVIRONMENT AND NATURAL RESOURCE

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate and monitor regularly the impact of past and present business activities regarding health, safety and environmental matters. With the integration of policies mentioned in sections "Emission" and "Use of Resource", the Group strives to minimise the impacts to the environment and natural resources. The principal business activities of the Group do not have a significant impact on the environment and natural resources.

A4 – CLIMATE CHANGE

Climate change has caused frequent extreme weather and has an impact on the business operations of the Group. Therefore, the Group has formulated working mechanisms to identify, prevent and mitigate climate change issues that may have a significant impact. The Group's management and operating departments identify material risks related to climate change via self-assessment questionnaires annually. Regarding the material risks identified, the Group organizes and develops prevention and control measures. The operating departments would then organize the supervision of material risks prevention and control, and report material risks to the management. Relevant operating departments arrange the implementation of the material risks prevention and control measures, continuously monitor the implementation, and timely report the progress of any issues encountered to the management. At the same time, we would adjust the use of resources and energy. In response to disasters and accidents which are easily induced by extreme weather, we always enhance the capability to the disaster response.

Physical Acute Risk

The Group has identified extreme weather such as typhoons, heavy rain, thunder and lightning and flooding that can cause physical acute risk. The potential consequences include damage to documents, equipment and even employees' health and life. The above potential consequences will cause economic losses to and increase operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effect of extreme weather.

Physical Acute Risk	
Extreme Weather	Preventative and mitigation measures
Typhoons	<ul style="list-style-type: none">– Close doors and windows with advance notice– Move materials and equipment to safety areas in advance, or covered with a tarp– Reinforce equipment and components that may be blown away
Heavy rain and flooding	<ul style="list-style-type: none">– Check that all windows and doors are closed– Clean up trash and make sure drains unblocked– Reinforce equipment and assets which may be damaged or blew away.
Thunder and lightning	<ul style="list-style-type: none">– Keep good conditions of earthing devices– Remind employees to save data and turn off computers

ENVIRONMENTAL ASPECTS

A4 – CLIMATE CHANGE (Continued)

Physical Chronic Risk

The Group has identified extreme weather such as extremely hot weather which can cause physical chronic risk. The potential consequences include a higher chance of getting heatstroke for employees, increasing turnover rate and work-related injuries. The demand for cooling for the working environment will be increased, which may lead to an increase in power demand and operating costs of the Group.

The Group has established different measures as below to prevent and minimize the negative effects of extreme weather.

Physical Chronic Risk	
Extreme weather	Preventative and mitigation measures
Extremely hot weather	<ul style="list-style-type: none"> – Keep a First-aid kit convenient – Keep cold water available 24 hours a day – Keep air conditioner on during business hours

Transitional Risk

The Group has identified related matters such as the tightened laws and regulations imposed by the government which can cause transitional risk. The potential consequences include a higher chance of breach of relevant laws and regulations.

The Group has established different measures as below to prevent and minimize the negative effects of transitional risk.

Transitional Risk	
Climate-related risks description	Preventative and mitigation measures
Legal risk	<ul style="list-style-type: none"> – Monitor the updates of environmental laws and regulations in advance – Continue monitoring of the ESG reporting standards of the Hong Kong Listing Rules
Exposure to litigation risk. We have to adapt the tightened law and regulations imposed by the local government due to climate change, as well as bear the risk of potential litigation once we fail to oblige the new regulations.	
Market risk	<ul style="list-style-type: none"> – Fulfill the climate-related regulations by the government – Prioritize the climate change as a high concern in the market decisions to show to the clients that the company is concerned about the problem and challenges of climate change
More customers are concerned about climate-related risks and opportunities, which may lead to changes in customer preference.	

SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

B1 – Employment

The Group's human resource policy sets out the Group's standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The Group strives for compliance with local employment laws and regulations, such as Employment Ordinance (Chapter 57 of the Laws of Hong Kong), and the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) in Hong Kong. During the Reporting Period, the Group did not violate any material employment laws or regulations regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare etc., and no employment claims were brought against the Group's continuing operations during the Reporting Period.

The Group recruits employees based on its business needs. The human resources department recruits employees according to the annual business development plan or specific requests from other departments. The Group adopts a fair, just and open recruitment process to eliminate discrimination in the recruitment process, whose employees face no discrimination regardless of race, gender, colour, age, family background, ethnic tradition, religion, physical fitness and nationality. The Group will punish discriminatory behaviors according to the severity of the offence. For example, inadvertently offending someone might warrant a reprimand. The Group seeks candidates through various channels, including online recruitment platforms and colleagues' references. The Group also encourages internal transfer of employees where appropriate.

Recruitment in the bar operation industry is highly competitive. Employees' remuneration is commensurate with their job nature, qualifications and experience. We believe we offer competitive salaries and benefits. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors. The Group continues to offer competitive remuneration packages and bonus to eligible staff, based on the performance of the Group and the individual employee. Our employees may also receive incentive awards, discretionary bonuses, long service payment and subsidies for their transportation and medical expenses. We believe our recruitment policy allow us to attract, motivate and retain employees who are crucial to the operations and the development of the Group.

As at 31 December 2022, the total number of full time and casual or part time employees of the Group is 10 (31 December 2021: 20), which are all based in Hong Kong. The Reporting Period KPIs focuses on the bar operations under the brand name "The Code" in Hong Kong only.

SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES (Continued)

B1 – Employment (Continued)

Below is a detailed breakdown of our employees by gender, age group, employment category, employment type and location as at 31 December 2022:

	Number of staff	% of Total
By gender		
Male	8	80
Female	2	20
Total	10	100
By age group		
30 or below	–	–
31-40	4	40
41-50	5	50
51 or above	1	10
Total	10	100
By employment category		
Normal	1	10
Middle	4	40
Senior	5	50
Total	10	100
By locations		
Hong Kong	10	100
Total	10	100
By employment type		
Full-time	10	100
Part-time	–	–
Total	10	100

SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES (Continued)

B1 – Employment (Continued)

Below is a detailed breakdown of our employee turnover rate by gender, age group and location during the Reporting Period:

	Number of staff	% of total
Turnover rate by gender		
Male	–	–
Female	1	50
Turnover rate by age group		
30 or below	1	100
31-40	–	–
41-50	–	–
51 or above	–	–

Note:

Turnover rate for employees in the relevant categories = Number of employees leave employment in the specified category/Number of total employees in the specified category.

B2 – Health and Safety

The Group is committed to providing a safe working environment to our employees. We follow safety manuals issued by the Occupational Safety and Health Council, which set out work safety measures to prevent common accidents which could happen in our operating premises. Also, we strictly comply with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) of Hong Kong. Further, we provide relevant on the job training to all our new recruits and existing employees, and remind employees of occupational safety through using warning labels and signs. The Directors believe these measures help to reduce the number and seriousness of work injuries of the employees and are adequate and effective to prevent serious work injuries.

Our general bar manager is responsible for the health and safety of our staff. Any accidents will be reported and in compliance with the applicable labour laws and regulations.

During the Reporting Period, the Group has complied with the laws and regulations in relation to workplace safety in all material respects, and therefore no lost days due to injury was resulted. Our Group did not have any incidents of work-related injuries and fatalities for the latest 3 financial years, including the Reporting Period.

The Group has established an internal management team responsible for monitoring the implementation of the occupational health and safety policies and measures.

In view of the continuous outbreak of novel coronavirus (“COVID-19”), we have provided face masks, face shields, hand sanitizers and RAT test kits for our employees to protect themselves and ensure their safety when they go to work.

SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES (Continued)

B3 – Development and Training

The Group provides on-the-job training to new recruits and existing staff. Training content includes but not limited to food processing and hygiene training. However, no training record was collected because the Group is in the process of allocating manpower and resources to keep record of such details. The Group would continue to arrange responsible departments and personnel in the collection and reporting of development and training data in the coming year.

B4 – Labour Standards

To help the employees to achieve work life balance and release their working pressure, the Group regularly provides benefits to employees and organises activities. It has provided employees with opportunities to socialise, have better understandings and exchanges between departments and roles, foster the spirit of teamwork and create a pleasant working atmosphere.

The Group's bar operation and offices strictly comply with the requirements of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) of Hong Kong which explicitly prohibit child and forced labour. Multiple control measures have been implemented in the recruitment process to ensure all new joiners are legitimate workers in Hong Kong. The Group has established comprehensive recruitment procedures to check the background of candidates in order to prevent any child labour or forced labour in operation such as checking the ID cards of the candidates. Once any violation is found, the Group will follow up in a more serious manner and handle such case in accordance with local laws and regulations. For example, we will timely understand the child's education status, and timely contact the local education department and its guardian to escort the child home.

The Group arranges the employees' working hours based on the statutory working hour standards and allows them to entitle paid leaves and sick leaves in accordance with relevant labour laws. During the Reporting Period, the Group is not aware of any material non-compliance with relevant laws and regulations relating to preventing child and forced labour.

OPERATING PRACTICES

B5 – Supply Chain Management

The Group recognizes that proper management of its supply chain could bring positive impacts to the social environment.

We had 2 main suppliers located in Hong Kong during the Reporting Period. Our suppliers mainly include food ingredients and beverage suppliers. Our suppliers are selected by our management team in consultation with our general manager. The Group will only engage suppliers that has a good reputation in the market, is operationally and financially sound, and whose terms of the proposed supply are acceptable to the Group. In respect of examination and verification of suppliers' qualifications, the suppliers must hold the government approved licences. The goods received from suppliers are required to be in compliance with the relevant hygiene and sanitary regulations. Evaluation on any suppliers for the initial provision of food merchandise shall be conducted by our management team. Such evaluation shall be in compliance with standards regarding food safety, performance of suppliers, hygiene documentary evidences, business reputation, sustainability and corporate social responsibility. The Group will conduct irregular review on the suppliers with continuous cooperation, including visiting the production workshops of the suppliers. In addition, we evaluate if the suppliers consider the environmental and social criteria including if the products and services provided are beneficial to environmental protection and fulfilling the Group's internal environmental requirement while minimizing the negative impact to natural environment, and strictly obeying the laws.

SOCIAL ASPECTS

OPERATING PRACTICES (Continued)

B5 – Supply Chain Management (Continued)

We require our suppliers and the products that they supply to the Group to meet our internal quality standards and the standards implemented by the relevant regulatory authorities in Hong Kong. To ensure that our suppliers maintain an acceptable quality, we provide feedback to our suppliers from time to time regarding quality standard issues.

We maintain regular contact with the major suppliers and all ingredients delivered to us are inspected by our staff at the time of delivery to ensure they meet our quality standards. Those do not meet our quality requirements would be returned to the originating supplier. If a supplier fails to meet our quality standards persistently, we will consider replacing such supplier.

Supplier evaluation will be performed by the general bar managers to assess the quality and price of the ingredients supplied as well as the quality of service of the suppliers.

The Group has established an internal management team responsible for monitoring the implementation of the aforementioned procedures.

B6 – Product Responsibility

The Group believes that food, beverage and services quality is critical for the Group's success. Quality food and beverages served at the bar operation and quality services provided by the staff personnel are some of our strengths to maintain competitive. The Group has implemented a strict bar quality control system. The general bar manager is responsible for the overall implementation of the bar's food and beverages safety measures. Furthermore, the general bar manager is responsible for ensuring daily hygiene and food and beverages quality.

The Group strictly adheres to the applicable laws and is not aware of any material non-compliance with the relevant laws and regulations on health and safety, advertising, labelling and privacy matters related to products and services provided during the Reporting Period.

Bar Management

The Group is responsible to comply with the applicable laws and regulations in its daily operations. As such, customers under the age of 18 are prohibited to enter the bar or alcohol selling establishment. Manager of the bar operation is responsible to alert and offer guideline to the staff to handle suspected under-age entry or orders, such as identification checks upon entrance.

Food and Beverage Qualities

To ensure the quality of food, all ingredients purchased for the preparation of food dishes are only to be purchased from authorised suppliers as instructed by our general bar manager. All food ingredients and semi-processed food ingredients are required to be stored in covered shelves or refrigerators depending on the nature of the food ingredients. All food handlers must sterilise their hands before processing food ingredients and wear gloves when processing food ingredients. Our general bar manager will provide on-the-job food processing and hygiene training to other pantry staff on an on-going basis. Pantry staff will perform cleaning work on the pantry, while some cleaning works have been outsourced to third party professional cleaning service providers as well, such as pest control.

SOCIAL ASPECTS

OPERATING PRACTICES (Continued)

B6 – Product Responsibility (Continued)

Food and Beverage Qualities (Continued)

To guarantee the food and beverage product quality, the Group selects only the suppliers which passed selection procedures with required standards. Our general bar manager is responsible to check the food and beverage products regularly for identifying if there is any abnormality upon delivery to the bar restaurants. Any food and beverage products which show signs of abnormality are returned to the supplier for replacement or refund. The Group's inventory mainly comprises beverages.

The preparation of food ingredients, dishes and beverages at our bar is principally carried out by our pantry staff. The food and beverages after leaving the preparation area will be checked in the pantry before being served to our customers.

The Group places huge importance on the quality of food and beverage to protect our customers from any potential health and safety issue.

During the Reporting Period, there were no sold products that were subject to recalls for safety and health reasons as our business operation does not involve the sales of products.

Service Quality

An integral part of our operation of bar is the ability to properly deliver customer service. If we are not able to manage our customers' expectations, this may have an adverse effect on drawing in customers to our bar and the reputation of the Group. Daily briefing sessions and evaluations are conducted by our general bar manager to ensure the quality of our services. We collect feedback from our customers from various channels, namely (i) our telephone hotline; (ii) our website, social media pages and emails; and (iii) instant feedbacks by our customers at the bar. Our general bar manager will discuss the customers' feedbacks during the routine briefing sessions and will compile all the feedbacks and identify and evaluate the issues with the relevant personnel in order to improve our overall service quality. Our general bar manager will also discuss the customer feedbacks with our Group's senior management to improve our overall service quality.

We view these complaints as a mean to consistently improve our service level and food quality. Our general bar manager is responsible for promptly resolving any complaints to food and service quality at bar level. As soon as we receive a complaint from a customer in our bar, our general bar manager will try to resolve the matter to our customer's satisfaction at bar level. If the complaint relates to our staff, it will be handled by the general bar manager directly for a resolution of the issue.

We ensure that each of our staff undergoes proper training at the time of joining the Group and at the time of recruitment. We assess applicants in terms of job knowledge, relevant experience, personality, general attitude, communication skills and maturity to enhance the quality of services provided to our customers. All floor staff are trained to be courteous, efficient, polite and responsive to provide good hospitality to customers.

During the Reporting Period, there were no customer complaint recorded. We will continue to keep good relationships with our customers and uphold our current standard of customer service.

SOCIAL ASPECTS

OPERATING PRACTICES (Continued)

B6 – Product Responsibility (Continued)

Intellectual Property Rights

The Group has registered one domain name www.topstandard.com.hk. We have taken appropriate steps to protect our intellectual property rights. We have registered the principal trademark that is necessary for us to carry out the business operation and internet domain names. We may take necessary legal actions if any infringement of trademarks or any misappropriation of our brand name is discovered. The Group also requires its employees to keep trade secrets and other proprietary intellectual property rights of the Group confidential. We had not experienced any infringement to our intellectual property during the Reporting Period which had a material adverse effect on our business, results of operations, financial condition and prospects, and we had not received any infringement claims nor had we filed any infringement claims against any third party during the Reporting Period.

Personal Data Protection

The Group is committed to providing beverage and light refreshment with high standards of quality and reliability, as well as protecting the personal information of its customers. Controls on computer systems are in place to prohibit any unauthorized access to the confidential data, for example, a password is required to access the system. Any form of unauthorized information transfer, both directly and indirectly, to any third parties are strictly prohibited. With a comprehensive feedback system and the development of membership system, the data collected from its customers from time to time may consist of personal information. All customer data is securely stored in the computer with password encryption to ensure the protection of customer privacy. No copy of customer's personal data should be made and taken-away from the office and bar outlets. The Group keeps reminding its employees and emphasizing the importance of protecting the personal data. In the process of collecting and processing personal data, the Group will comply with relevant laws and regulations such as Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) of Hong Kong. The Group also has measures designated to prevent unauthorized access to personal data such as password and code.

Advertising

We advertise and set menu in accordance with the Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong) of Hong Kong. The Group ensures the contents of the Group's advertisements and menus truly reflect the facts and are consistent with the Group's services and products without misleading information.

SOCIAL ASPECTS

OPERATING PRACTICES (Continued)

B7 – Anti-Corruption

To ensure operation efficiency and employees' development in a fair and honest working environment, the Group has formulated policies, established procedures for declaration and reporting of conflict of interest and provided channel for employees to report internal misconduct. The Group also conducts investigation regarding the integrity of the employees at all levels regularly. The Group has set up whistleblowing hotline. If there is any suspected case related to fraud, employees are encouraged to report the related cases and give suggestions to the senior management.

Whistle-blowers can report verbally or in writing to the audit committee of the Company for any suspected misconduct with supporting evidence. The audit committee of the Company will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group has established an effective grievance mechanism to protect the whistle-blowers from unfair dismissal or victimization. Where any crime is suspected by the Group, a report will be submitted promptly to the relevant regulators or law enforcement authorities when the management of the Group considers it necessary. The management of the Group is responsible for overseeing the implementation and monitoring of the Group's measures to prevent bribery, extortion, fraud and money laundering and whistleblowing procedures.

Due to its recent corporate expansion and COVID-19 impact during the year, resources allocated to anti-corruption training was limited, and therefore no such training was conducted to the management during the Reporting Period (2021: Nil). The Group is in the process of organising trainings for directors and employees to raise their awareness towards anti-corruptions in the coming year.

The Group has been in strict compliance with law and regulation related to anti-corruption and prevention of bribery, extortion, fraud and money laundering, including but not limiting to the Anti-Money Laundering and Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) of Hong Kong. During the Reporting Period, the Group did not identify any material non-compliance of laws and regulations related to the prevention of bribery, extortion, fraud and money laundering, and there was no legal case regarding corrupt practices brought against the Group or its employees. The Group also did not identify any concluded legal cases regarding corrupt practice brought against the Group or its employees during the Reporting Period.

The Group has established an internal management team responsible for monitoring the implementation of the aforementioned policy.

COMMUNITY

B8 – Community Investment

The Group is committed to creating sustainable prosperity that brings long-term social and economic benefits for all stakeholders, particularly to maintain the relationship with interest groups which are relevant to business operation. However, no donation was made by the Group during the Reporting Period (2021: Nil). The Group is in the process of determining the focus areas of contributions. The Group will continue to explore other means to contribute more to the environment and strive to facilitate the building of a healthy and sustainable society in the future.

REFERENCES TO THE ESG REPORTING GUIDE

Subject areas, aspects, general disclosures and KPIs		Chapter/ Disclosure	Page
A. Environmental			
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.	Emissions	7-8
KPI A1.1	The types of emissions and respective emissions data.	Emissions	7
KPI A1.2	Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity.	Emissions	9
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emissions	9
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emissions	9
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions	8
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.	Emissions	8-9
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources	10
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources	11
KPI A2.2	Water consumption in total and intensity.	Use of Resources	11
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources	10
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.	Use of Resources	10
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Use of Resources	11



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Subject areas, aspects, general disclosures and KPIs		Chapter/ Disclosure	Page
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Emissions, Use of Resources and The Environment and Natural Resources	12
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions, Use of Resources and The Environment and Natural Resources	12
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.	Climate Change	12
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.	Climate Change	12-13
B. Social			
Employment and Labour Practices			
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.	Employment	14
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment	15
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	16

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Subject areas, aspects, general disclosures and KPIs		Chapter/ Disclosure	Page
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.	Health and Safety	16
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	16
KPI B2.2	Lost days due to work injury.	Health and Safety	16
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	16
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	17
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training	17
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training	17
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.	Labour Standards	17
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards	17
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards	17

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Subject areas, aspects, general disclosures and KPIs		Chapter/ Disclosure	Page
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	17-18
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management	17
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	17-18
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	17-18
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	17-18
Aspect B6: Product Responsibility			
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 health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility	18
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility	19
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility	19
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility	20
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility	19
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility	20

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Subject areas, aspects, general disclosures and KPIs		Chapter/ Disclosure	Page
Aspect B7: Anti-corruption			
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 bribery, extortion, fraud and money laundering.	Anti-Corruption	21
KPI 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.	Anti-Corruption	21
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption	21
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption	21
Community			
Aspect B8: Community Investment			
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.	Community Investment	21
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	21
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment	21