Tam Jai International Co. Limited
譚仔國際有限公司

Climate Disclosure Report 2024/25

(Incorporated in Hong Kong with limited liability)
Stock Code : 2217

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Introduction

Tam Jai International Co. Limited ("TJI" or the "Company", together with its subsidiaries, the "Group" or "we") is committed to strengthening its Environmental, Social, and Governance ("ESG") leadership by implementing an adaptive climate management framework. As a leader in the Food and Beverage ("F&B") industry in Hong Kong since 1996, we recognise our responsibility to manage climate-related risks and seize opportunities arising from the global transition toward a carbon neutral economy. By actively responding to evolving climate-related regulations and standards, we aim to meet increasingly stringent compliance requirements and fulfil our disclosure obligations.

This year, we are pleased to present our second standalone Climate Disclosure Report (the "Report") for the financial year ended 31 March 2025 ("FY2025" or "the year under review"). The Report is prepared with reference to the IFRS S2 Climate-related Disclosures standard[1], offering an overview of our climate-related initiatives across four core elements: Governance, Strategy, Risk Management, and Metrics and Targets.

Since FY2024[2], we have strengthened our climate management readiness by establishing an adaptive climate management framework to identify, assess, manage, and mitigate the impacts of climate change on our business operations. While the framework is initially grounded in our Hong Kong operations, it is intentionally designed with strategic flexibility to adapt to future shifts, whether driven by business evolution, regulatory changes, or broader structural developments in our operating environment.

As we move towards FY2025, we maintained effective governance structures and made progress in accounting for greenhouse gas ("GHG") emissions. In particular, we have enhanced our data collection methodologies and expanded the scope of Scope 3 emissions to include more categories. This improvement has enabled us to gain deeper insights into our environmental footprint across the value chain. Furthermore, we have incorporated qualitative financial impact analyses of material climate-related issues to evaluate the impact of climate change on our business.

Key initiatives, such as the upcycling of surplus pork belly and the transition from plastic to paper-made takeaway mixian bowls, directly contribute to lowering our carbon footprint and reducing emissions across our value chain. These efforts reflect our strategic focus on resource efficiency and waste reduction, critical levers in our transition toward a circular business model aligned with climate goals.

To further institutionalise our climate commitments, we started to review and enhance our environmental targets, aiming for rigorous oversight and measurable progress. We reinforced this trajectory by signing the "Carbon Neutrality (Waste Reduction) Charter" in FY2024, formalising our pledge to cut operational waste and accelerate our path to net-zero emissions.

Moving forward, we will continue to take action to improve our climate performance. We also recognise the need to enhance our engagement with suppliers to close data gaps in our Scope 3 emissions inventory. Our goal is to improve the accuracy and completeness of our climate-related disclosures while identifying opportunities to create a positive environmental impact.

1 IFRS S2 Climate-related Disclosures is issued by the International Sustainability Standards Board ("ISSB") in June 2023, effective for annual reporting periods beginning on or after January 1, 2024

2 Financial year ended 31 March 2024

Governance

Effective governance is essential to ensuring accountability and strategic oversight of climate-related issues. At TJI, climate governance is embedded across all levels of the organisation, with clear roles and responsibilities defined to drive climate action and integrate sustainability into core decision-making.

Governance Structure

As the highest governance body, the Board of Directors holds ultimate accountability for overseeing all climate-related matters. The Board of Directors engages with the Executive Committee to endorse key climate-related commitments and integrate climate considerations into the Group's strategic planning. The Executive Committee assists the Board of Directors in evaluating, approving, and overseeing the implementation of climate-related initiatives and provides annual reports to the Board of Directors. Climate-related matters are reviewed by the Board at least once a year, supported by reporting and recommendations from the Executive Committee.

To support climate actions, the Group has established a dedicated ESG Committee, led by senior management and comprising cross-functional representatives with relevant climate expertise. The ESG Committee is responsible for monitoring the implementation of climate-related goals and targets, and reports regularly to the Executive Committee.

Governance

The ESG Committee works closely with the Working Group to facilitate execution, monitor results, and report on progress. This multi-tiered governance structure ensures accountability, strengthening cross-sectoral cooperation and embedding climate responsibility throughout the organisation.

Oversight from Board Level

Board of Directors

- Consisting of three Executive Directors, three Non-executive Directors, and three Independent Non-executive Directors
- Overseeing the Group's Enterprise Risk Management framework, including climate-related issues
- Collaborating with the management team in evaluating risk exposures and assessing the effectiveness of mitigation measures against strategic objectives and corporate values
- Reviewing climate-related matters at least once a year, embedding climate considerations into the long-term strategic agenda

Executive Committee

- Consisting of three Executive Directors from the Board of Directors and senior management
- Supporting the Board of Directors in overseeing the Group's climate-related initiatives
- Endorsing significant climate-related actions and allocating necessary resources
- Reviewing, evaluating, and advising the ESG Committee on the Group's climate-related practices, policies, procedures, strategies, and initiatives
- Engaging with stakeholders on emerging climate risks, trends, and opportunities
- Providing annual updates to the Board of Directors and holding meetings with the ESG Committee

Leadership from Committee Level

ESG Committee

- Comprising Executive Committee members and cross-functional representatives
- Setting and communicating the Group's long-term targets
- Assessing past performance and formulating annual strategic initiatives
- Allocating resources for delivering key climate-related actions
- Reporting to the Executive Committee regularly
- Tracking regulatory updates, developing action plans, driving critical sustainability programmes and ensuring alignment of measurement standards
- Convening regular meetings with the working groups for monitoring the progress of climate-related strategic initiatives and daily operations

Execution from Operation Level

Working Group

- Comprising operational teams and frontline staff responsible for on-the-ground execution
- Implementing climate-related projects and initiatives in alignment with the Group's overall strategy
- Reporting to the ESG Committee regularly to share progress, implementation challenges, and operational feedback

We have established a clear reporting framework to support the ongoing implementation and monitoring of climate-related actions. To advance climate initiatives in daily operations, members of the ESG Committee collaborate with department heads to set departmental targets and action plans. These plans are then assigned to the Working Group for execution. Department heads are responsible for tracking progress and seeking guidance from the ESG Committee as needed. This process is conducted regularly to assess departmental targets. For strategic climate initiatives, the ESG Committee directly engages with the Working Group to ensure the effective implementation of key projects.

Future Improvements

Reinforcing Governance

The Group recognises that effective climate governance requires continuous enhancement to respond to evolving landscape and regulatory expectations. Each ESG Committee member will be responsible not only for overseeing climate-related initiatives within their respective departments but also for fostering a culture of awareness, accountability, and collaboration.

We will regularly review and refine our governance structure by further defining the roles and responsibilities at each level. In addition, we aim to establish procedures and internal control mechanisms to monitor progress against climate-related targets (see "Metrics and Targets" Chapter).

Strengthening Competence

Acknowledging the strategic importance of climate-related issues, our management team continues to strengthen its climate governance capabilities. This commitment is reflected in the Group's track record of receiving multiple ESG-related awards, underscoring our emphasis on appointing qualified professionals to key governance positions. To enable informed decision-making, we will provide targeted training for the Board of Directors and Executive Committee, deepening their understanding of climate issues and the potential implications for our business operations. Meanwhile, we are considering providing relevant training across departments to enhance employees' understanding of our policies, goals, and past performance.

Performance Management

To enhance the integrity and quality of our sustainability data, we are planning to optimise our internal data management. This includes implementing more internal verification measures, such as requiring signatures from supervisors/department heads after data review to improve data accuracy and accountability. Furthermore, we are considering incorporating climate-related KPIs into employee performance appraisal.

Beyond existing metrics, we are developing new indicators to assess the financial impacts of climate risks and opportunities (see "Strategy" chapter). The ESG Committee will monitor progress on these KPIs in regular meetings, ensuring climate performance remains central to our strategic priorities.

Strategy

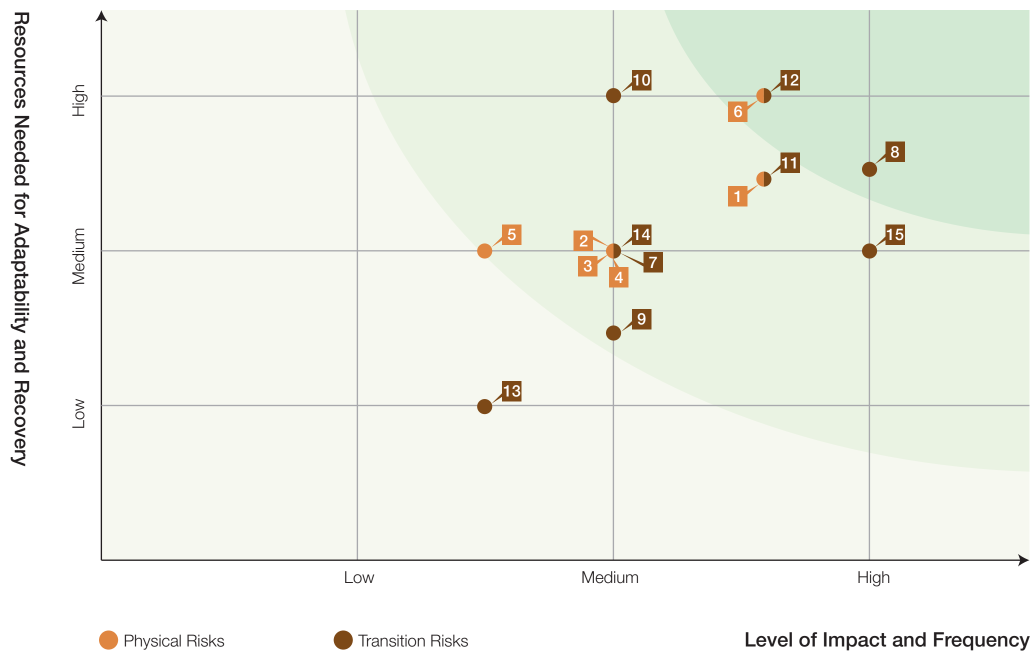
Our Commitment

As part of our long-term business strategy, we are committed to addressing the challenges and opportunities presented by climate change. As one of the leading and renowned restaurant groups in Hong Kong, we understand the unique role we play in supporting the transition to a low-carbon economy. To this end, we aim to implement a range of strategic and operational measures to mitigate the impacts of climate change, while ensuring compliance with increasingly stringent regulations and disclosure obligations.

Climate-related Risks

In FY2024, we conducted an identification, assessment and prioritisation of climate-related risks that may have significant impacts on our business operations, drawing insights from market research and cross-departmental discussions. In FY2025, following a review of these previously identified risks, we confirm that these material issues remain relevant and applicable to our business operations. As such, these issues will continue to inform our climate strategy and risk management approach.

Climate-related Risk Materiality Matrix



Physical Risk		
1. Changes in precipitation patterns	3. Heatwave	5. Rising sea levels
2. Rising mean temperatures	4. Water stress	6. Increased frequency and severity of extreme weather

Transition Risk		
7. Increased carbon pricing	10. Costs of transition to lower emissions technology	13. Unsuccessful investment in new technologies
8. Enhanced emissions reporting obligations	11. Uncertain market signals	14. Shifts in consumer preferences
9. Exposure to litigation	12. Increased cost of raw materials	15. Increased stakeholder concern

Based on our materiality assessment, risks including "**Increased frequency and severity of extreme weather**", "**Enhanced emissions reporting obligations**" and "**Increased cost of raw materials**" are identified to be relatively more material to our business operations. For further details on the risk identification and assessment process, please refer to the "Risk Management" chapter.

In alignment with our financial planning timeframe, we have defined the time horizons within which the effects of each climate-related risk are expected to occur. This assessment allows us to prioritise risks more effectively and to develop targeted mitigation and adaptation strategies. In addition, the evaluation supports resource allocation and informs scenario analysis, ensuring that our strategies are aligned with the potential scale and timing of the risks.

	From (years)	To (years)
Short-term	0	less than 3
Medium-term	3	less than 10
Long-term[3]	10	30

Physical Risks

Although climate change has already triggered a variety of physical impacts, scientific evidence indicates that extreme weather events are becoming more frequent and severe. As such, we anticipate that the associated impacts will escalate in the coming decades.

Increased frequency and severity of extreme weather	
Risk Category	**Timeframe**
Acute	Medium term
Potential Impacts	**Mitigation Responses**
• The increasing frequency and severity of extreme weather events, such as typhoons and heavy rains, pose direct threats to public safety, potentially reducing customer traffic and leading to revenue loss during such events • Properties in Hong Kong are subject to typhoons, which exposes the Group to potential impacts including property damage, service disruptions, and increased employee management costs due to emergency response measures • Such events may disrupt supply chains, affecting the availability and stability of raw material supplies and product deliveries	• Climate-related risks are integrated into the site selection process for new stores • Priority is given to locations with robust infrastructure and lower historical susceptibility to extreme weather events • Preference is placed on well-established shopping malls and commercial areas to ensure operational stability during adverse weather conditions • The Group plans to establish a supplier rating platform to identify and prioritise local suppliers. This aims to secure a stable and reliable food supply, particularly during weather-related disruptions

3 Limited long-term time horizon to 30 years based on peers benchmarking and the need to quantify impacts within a limited timeframe

Strategy

In FY2025, Hong Kong continued to experience increasingly volatile weather conditions, including multiple strong typhoons and heavy rainfall. The Hong Kong Observatory ("HKO") issued several No.8 Gale or Rainstorm Warning Signals, highlighting the escalating threat of acute physical climate risks. Such events have the potential to cause damage to facilities, goods, and equipment, leading to increased repair and maintenance expenses. Properties located in high-risk areas may also face rising insurance premiums. The increased frequency and severity of extreme weather have broad impacts on operational continuity, cost management, and supply chain stability, underscoring the need for proactive mitigation measures and financial planning to mitigate these impacts.

Financial Impacts Analysis

In FY2025, we further refined key indicators and associated financial items to support the financial analysis of this material risk. We will continue to monitor and track the following indicators to evaluate the effectiveness of our risk management approach.

Indicator	Financial Item	Quantitative Indicator (Financial Impacts)
• % of restaurants exposed to flooding • Damage to facilities and large equipment caused by typhoons	• Revenue • Expenses • Capital Expenditure	• Loss of revenue per restaurant per day • Expenses occurred due to loss of inventory, repairment cost, and insurance for restaurants • Capital investment in new equipment to replace equipment damaged in extreme weather events

Despite the increasing frequency and severity of extreme weather events, we did not experience any significant financial impacts resulting from such events in FY2025. This outcome underscores the effectiveness of the proactive measures implemented across operations, including enhanced climate resilience planning, timely emergency response protocols, and improved staff preparedness. In particular, we drew valuable lessons from the flooding-related losses caused by heavy rain in the previous year. In response, protective measures were taken during rainy periods, and weather conditions were closely monitored to enable timely responses. As a result, no significant financial impacts were recorded in FY2025 due to flooding or typhoons.

Looking ahead, we will continue to allocate resources to enhance climate resilience across our operations, including ongoing investments in infrastructure upgrades, staff training, and emergency preparedness. These measures are planned within the Group's regular budgeting and are not expected to result in significant reallocation of resources.

Transition Risks

Transition risks stem from the evolving global shift towards a low-carbon economy, driven by climate-related policies, regulatory developments, technological advancements, and market changes. These risks may affect the Group's operations, financial performance, and reputation if not proactively managed.

<table>
<tr><th colspan="2">Enhanced emissions reporting obligations</th></tr>
<tr><td>Risk Category</td><td>Timeframe</td></tr>
<tr><td>Policy and legal</td><td>Short term</td></tr>
<tr><td>Potential Impacts</td><td>Mitigation Responses</td></tr>
<tr><td>• Governments are progressively strengthening climate ambitions and implementing policies aimed at decarbonising the economy
• Compliance with enhanced emissions reporting obligations may require the allocation of additional resources to improve data collection, monitoring, and reporting
• The transition to greener operations is essential to ensure transparency in emissions reporting and to avoid potential reputational risks. This shift may necessitate increased capital expenditure in areas such as renewable energy, electric vehicles, and environmentally sustainable equipment</td><td>• Conducting more comprehensive Scope 3 emissions accounting across the value chain
• Replacing plastic takeaway packaging with recyclable or sustainable alternatives
• Promoting food waste recycling and upcycling initiatives
• Introducing more sustainable and plant-based food options
• Adopting energy-and-water-efficient technologies across operations</td></tr>
</table>

In FY2025, we proactively advanced our emissions management capabilities to address these evolving obligations. Specifically, we partnered with an external professional to conduct a comprehensive Scope 3 emissions accounting. This initiative allowed us to better understand our carbon footprint and identify emission hotspots across our value chain. For detailed information regarding Scope 3 emissions, please refer to the “Metrics and Targets” Chapter.

We have intensified our efforts to reduce emissions from packaging by transitioning from plastic takeaway containers to paper-based alternatives, completed in FY2025. In addition, we participated in the “Plastic-free Rewards” programme in FY2025, and our SamGor branch at Kowloon Commerce Centre received a bronze award for its support of the campaign.

During the year under review, our Research and Development Department collaborated with the Hong Kong Institute of Vocational Education, the Hong Kong Design Institute, and the New Life Psychiatric Rehabilitation Association to launch a food waste upcycling initiative. Surplus pork belly from our central kitchen was transformed into a range of upcycled lifestyle products, which helped divert organic waste from landfills and reduce associated GHG emissions.

Financial Impacts Analysis

In FY2025, we reviewed the key indicators and associated financial items identified in FY2024 and confirmed that these indicators remain relevant and applicable for analysing the potential financial impacts of this climate risk.

Indicator	Financial Item	Quantitative Indicator (Financial Impacts)
• GHG emissions • Expenditure on renewable energy • Expenditure on green restaurant • Expenditure on capacity building	• Expenses • Asset	• Expenses occurred from green operation, staff training on green matters, and climate monitoring and reporting • Investments on renewable energy and green operation

All initiatives undertaken during FY2025 to mitigate the impacts of this risk, including Scope 3 emissions accounting, packaging optimisation, and food waste upcycling programmes, were executed within the Group’s planned budget and did not cause any significant reallocation of financial resources.

Strategy

Looking ahead, we recognise the potential financial implications arising from an increasingly stringent carbon regulatory environment, particularly with regard to carbon pricing mechanisms that may elevate operational costs for emissions-intensive activities. Furthermore, the transition towards low-carbon operations may require future capital investments in large-scale equipment upgrades and renewable energy initiatives. While these initiatives may involve higher upfront investments, they are expected to enhance long-term operational efficiency and mitigate exposure to carbon pricing risks. We will continue to closely monitor relevant policy developments and market trends to ensure that its decarbonisation strategy remains both environmentally and financially sustainable.

Increased cost of raw materials	
Risk Category	**Timeframe**
Market and technology	Short term
Potential Impacts	**Mitigation Responses**
• With the transition to a low-carbon economy, rising input costs (e.g., energy, water) and output requirements (e.g., waste treatment) may lead to increased overall production expenses • Higher raw material and ingredient costs may compress profit margins • Growing consumer expectations for environmentally responsible products may require the Group to source sustainable food ingredients • Adjusting product prices to reflect increased costs may affect customer demand, satisfaction, brand loyalty, and market share	• Planning to develop a supplier rating platform to improve supplier selection • Sourcing food ingredients that maintain both product consistency and stable inventory supply • Assessing the impact of product price changes on customer demand, satisfaction, and overall market competitiveness

In FY2025, we implemented a series of measures to reduce energy consumption across our offices, central kitchen, and restaurants, including adopting energy-efficient equipment and optimising operational practices to improve overall energy performance. In addition, we continue to explore sustainable food choices to enrich our green menu. During the year under review, we launched plant-based alternatives, such as "Mixian with Vegetarian Bean Curd Sheet Roll and Assorted Vegetables in Agaricus Blazei Mushroom Broth" for both TamJai and SamGor. We also introduced konjac noodles as a low-carb alternative to traditional rice noodles, along with a variety of vegetarian dishes like the "Cherry Tomato and Seaweed Salad in Sesame Dressing." By continuously expanding our green menu, we aim to provide a balanced range of options while promoting sustainable food choices.

Financial Impacts Analysis

In FY2025, we reassessed the key indicators and related financial items identified in FY2024, and confirmed that these indicators remain relevant and applicable for analysing the potential financial impacts of this climate risk.

Indicator	Financial Item	Quantitative Indicator (Financial Impacts)
• the % procured raw materials exposed to fluctuated price	• Expenses	• Cost for sourcing F&B ingredients

In FY2025, the Group continued to implement a range of initiatives in response to climate transition risks, including food waste upcycling and takeaway packaging optimisation. These initiatives required targeted investments in areas such as sustainable ingredient sourcing, product development, waste recycling, and technology integration. Although these activities involved additional expenditures, the overall financial impact remained manageable and did not significantly affect the Group's overall cost structure or capital allocation strategy. The associated expenditures have been incorporated into the Group's planned operational and sustainability budget allocations.

Looking ahead, the Group will continue investing in innovative initiatives to address this climate risk, such as sustainable sourcing and product innovation. These activities are aligned with the Group's long-term sustainability strategy and will be supported by planned operational budgets. While such initiatives may involve incremental costs, they are not expected to lead to substantial reallocation of financial resources or disruption to the Group's existing capital planning.

Opportunities

The Group views the transition to a low-carbon economy not only as a challenge but also as a strategic opportunity. We aim to reduce our carbon footprint by enhancing resource efficiency, adopting low-carbon practices and promoting sustainable lifestyles among our customers. Through ongoing efforts in green operations, responsible sourcing, and developing green menu, we strengthen our operational resilience while reinforcing our competitiveness in the market. In addition, we are exploring the application of renewable energy programs to support the broader decarbonisation agenda.

To further capitalise on climate-related opportunities, we have incorporated and will continue to implement energy-efficient technologies and operational practices across our business. For more information regarding our green initiatives, please refer to our annual ESG Report at https://tamjai-intl.com/en/sustainability/.

Scenario Analysis

To better understand the potential impacts of climate change on our business and to enhance the Group's overall climate resilience, we have undertaken a forward-looking scenario analysis. This exercise enables us to explore a range of plausible climate futures and assess how different climate-related risks may affect our operations over time. The insights gained from this analysis help to develop adaptive and flexible strategic plans that guide the Group's responses under varying climate conditions.

Conducted in FY2024, our analysis focus was placed on the Group's core operations in Hong Kong and part of our supply chain. In FY2025, we reviewed the results and confirmed that the findings remain relevant and applicable to the Group's current operational context. The analysis is reviewed on a regular basis and will be updated as needed in response to significant changes in our business model, market landscape, or regulatory environment.

Strategy

Framework of Analysis

Following the principles of high contrast, balanced representation, and scientific rigour, we utilise the Representative Concentration Pathways ("RCPs")[4] and Shared Socioeconomic Pathways ("SSPs")[5] developed by the Intergovernmental Panel on Climate Change ("IPCC")[6] to define three distinct climate scenarios. These scenarios, which vary in terms of potential climate impacts, are supported by qualitative and quantitative data sourced from both international and local organisations, including the HKO.

Scenario	RCP 8.5 and SSP 5 (High Emissions Pathways)	RCP 4.5 and SSP 2 (Intermediate Pathways)	RCP 2.6 and SSP 1 (Low Emissions Pathways)
Selection rationale	This scenario is selected to evaluate the potential outcomes if global efforts to reduce emissions remain insufficient and fossil fuel reliance persists.	This scenario reflects a moderate transition scenario where incremental policy implementation and technological advancements curb emissions growth at a moderate pace.	This scenario is selected to explore the effects of ambitious climate mitigation efforts aimed at limiting global warming below 2°C.
Scenario narrative	This "business-as-usual" pathway assumes minimal or delayed climate policies, leading to continued growth in GHG emissions. The scenario projects severe physical climate impacts, including more frequent and intense extreme weather events, sea level rise, and ecosystem disruptions. Economic growth relies heavily on fossil fuels and resource-intensive consumption, exacerbating climate risks and increasing vulnerability globally.	In this pathway, global emissions peak around 2040 before declining steadily, supported by incremental adoption of cleaner technologies and energy efficiency improvements. Sustainable development progress is uneven but ongoing. Renewable energy adoption grows steadily, but is not fast enough to fully displace traditional energy forms. Physical climate impacts remain significant but less severe than in high emissions scenarios, with increased resilience due to adaptation efforts.	This scenario assumes rapid deployment of low-carbon technologies, wide-scale behavioural changes, and effective global cooperation. Economic priorities shift towards sustainability and equity, with investments in renewable energy, circular economy practices, and low-carbon innovations. While transition risks increase due to fundamental structural changes across industries and economies, physical impacts of climate risks are substantially mitigated, supporting greater environmental stability and human well-being.

4 RCPs are scenarios that include time series of emissions and concentrations of the full suite of GHGs and aerosols and chemically active gases, as well as land use/land cover

5 SSPs serve as a basis for new emissions and socio-economic scenarios that describe alternative futures of socio-economic development without climate policy intervention

6 The IPCC is an intergovernmental body of the United Nations. It assesses the science related to climate change

Our scenario analysis was based on the following assumptions:

- Given that the majority of our operations remain located in Hong Kong, the scope of the analysis continues to focus on our Hong Kong operations.
- The analysis is based on the Group's operational profile as of FY2025. Climate-related risks projected for 2060 and 2100 are evaluated against this profile to assess their potential impact on our current business model.
- The Group's data input included restaurant locations, type of energy consumed, procurement categories, sustainability initiatives and capital/operational investments.

We identified the following parameters for scenario analysis:

Parameter Related to Physical Risks	Parameter Related to Transition Risks
Sea level rise	Carbon price
Global mean temperature increase	Renewable energy price
Precipitation pattern	Electric vehicles price
Water stress	Climate policy
Extreme weather	

Transition risks were primarily assessed under the Low Emissions Pathway (RCP 2.6 and SSP 1), where ambitious global climate action is anticipated. Physical risks, including chronic and acute climate risks, were analysed under the High Emissions Pathway (RCP 8.5 and SSP 5), which assumes limited mitigation efforts. For the Intermediate Pathway (RCP 4.5 and SSP 2), both transition and physical risks were considered to reflect a more balanced but uncertain development trajectory.

Our analysis is supported by the assumptions and scientific data from the following internationally recognised sources:

- IPCC Working Group I ("WGI"): Sixth Assessment Report
- World Climate Research Programme ("WCRP") Coupled Model Intercomparison Project
- World Resources Institute
- Guidance on Climate Disclosures from the Hong Kong Exchanges and Clearing Limited ("HKEX")

Overview of Findings

Low Emissions Pathways (1.5-2°C)

- Carbon pricing in Hong Kong is projected to reach HKD63/tonne by 2030 and HKD140/tonne by 2050.
- Renewable energy mix is projected to reach 61% by 2030 and 88% by 2050.
- The proportion of electric vehicles is projected to reach 20% by 2030 and 100% by 2050.
- Stringent climate regulations are anticipated to be introduced by governments, increasing compliance costs and the need for proactive adaptation.
- The frequency of extreme weather events is expected to rise slightly. For instance, extreme heat events are projected to occur 8.6 times over 50 years.

Strategy

Intermediate Pathways (2-3°C)

- Energy transition progresses moderately, with a mixed reliance on fossil fuels and renewables.
- Climate regulation tightens at a gradual pace, offering limited price signals to shift business behaviour significantly.
- Physical climate hazards become more pronounced. Extreme heat events are expected to occur 13.9 times over 50 years, posing health and safety concerns for frontline staff and increasing demand for cooling.

High Emissions Pathways (>4°C)

- No mandatory carbon pricing mechanism is assumed to be in place, though indirect regulatory and reputational costs may increase.
- Continued reliance on fossil fuels and energy-intensive practices leads to substantial temperature increases and sea-level rise, with heightened exposure to flooding and extreme weather.
- Extreme heat events are projected to occur 39.2 over 50 years.

Resilience of Our Business

Scenario analysis indicates that the Group is subject to varying levels of transition and physical climate risks under different future pathways. To address these risks, we have implemented emergency response plans and protective measures to mitigate potential operational and financial impacts. Our robust supply chain management also enhances our resilience to potential disruptions.

Recognising the uncertainties surrounding global decarbonisation pathways and our expanding international footprint, we acknowledge the challenges in fully committing to low emissions scenarios at this stage. As such, we are taking a pragmatic approach, reassessing our net-zero ambitions and aligning with an intermediate pathway that enables steady progress.

As a catering enterprise reliant on an agricultural supply chain, we focus on risks such as extreme weather events, water scarcity, and crop failures. We continue to enhance our climate resilience to align with the Intermediate Pathway, while exploring innovative solutions to support a long-term transition toward Low Emissions Pathways.

Limitations

This framework was established in FY2024 and reviewed in FY2025 to ensure its continued relevance and applicability. The analysis draws on current international regulations, industry practices, and scientific research. While scenario analysis provides valuable insights, it cannot capture all potential climate risks and opportunities. Therefore, ongoing monitoring and adaptation are essential. We also acknowledge the limitations inherent in assumptions and data accuracy, and welcome stakeholder feedback to support continuous improvement.

Future Improvements

In FY2025, we further disclosed our financial impact analysis of the material climate issues, marking progress in enhancing our climate-related disclosures. In the future, we aim to integrate climate risk considerations into financial planning to support long-term value creation. We also plan to strengthen our governance competency to ensure effective implementation and monitoring.

Risk Management

The Executive Committee supports the Board of Directors in overseeing the risk management system to ensure its effectiveness.

Risk Identification and Assessment Process

Our risk management approach covers a range of risks that may directly or indirectly affect the Group across different time horizons. We apply both qualitative and quantitative methods to identify material risks, with regular reviews to reflect evolving complexity.

During the year under review, we reviewed our climate risk management process to ensure it remains consistent with our overall enterprise risk framework.

Risk Identification

In FY2024, we conducted a climate-related risk analysis to identify, assess, and map potential material risks associated with our business operations, drawing on the results of scenario analysis and peer industry research. Please refer to the “Strategy” Chapter for details on the identified climate-related risks and the results of the scenario analysis.

Risk Prioritisation

We applied a scoring framework to prioritise climate-related risks across four dimensions: Level of Impact, Likelihood, Adaptability, and Recovery. Each dimension was rated on a scale of High (3), Medium (2), and Low (1).

Based on the findings of the analysis and defined rating criteria, we conducted statistical analysis to form a materiality matrix that highlights the most critical risks. This process supports efficient resource allocation to address the risks with the greatest potential impact.

Business Mapping

To assess the relevance of material risks across business functions, we mapped them along our simplified value chain comprising Inbound Logistics, Operations, Outbound Logistics, Marketing and Sales, and Services. This exercise incorporated both quantitative and qualitative insights using the six capitals framework, including financial, manufactured, intellectual, human, social and relationship, and natural capitals.

We then synthesised the findings using a Climate-Related Business Impact (CRBI) scorecard, which identified areas where the impacts of climate-related risks are most significant. These insights serve as critical inputs for guiding our next steps and informing strategic decision-making.

Risks Monitoring

Group-Wide Risk Management System

We have established a comprehensive climate-related risk management system that is integrated across the Group’s operations. The process encompasses risk identification, assessment, monitoring, response, reporting, and continuous improvement, enabling us to address the most significant risks in a timely and effective manner.

To ensure its effectiveness, an independent internal audit function of the Group conducts semi-annual reviews of the system. Operating independently from daily operations, the audit team uses a structured approach such as interviews, walkthroughs, and testing to evaluate the operating effectiveness of the system. The results are reported to the Board through the Audit Committee.

Risk Management

Future Improvements

Management Process

We deeply realise that early action on climate risk enhances our business resilience and competitiveness in the market. In response to evolving regulations and stakeholder expectations, we are improving our risk framework by strengthening protection and prioritisation mechanisms. In addition, we are exploring practical climate solutions, such as renewable energy programmes and carbon credits, to support our transition.

Management Plan — Restaurants

To mitigate risks associated with extreme weather, we have incorporated climate considerations into site selection and operational planning. We leverage data analytics and operations expertise to strategically select sites with lower risk exposure to flooding. We will continue to enhance site-level resilience by assessing flood risk using future climate projections and conducting routine inspections to identify physical vulnerabilities.

Management Plan — Supply Chain & Logistics

We have diversified our suppliers to reduce dependence on single sourcing. Ongoing efforts will focus on strengthening supplier partnerships, improving transparency, and maintaining flexible inventory management. These measures aim to increase supply chain stability and reduce exposure to commodity price fluctuations caused by climate change.

Management Plan — Data Collection & Accuracy

Reliable climate data are essential for informed decision-making. To this end, we aim to enhance our data management by introducing additional internal verification processes during data collection. Department heads or designated supervisors will be responsible for reviewing the data and formally confirming its accuracy through their signature.

Metrics and Targets

In FY2025, we conducted a thorough review of our existing ESG targets to better monitor and evaluate our progress. Among these, we placed particular emphasis on climate-related issues and identify relevant indicators and targets to drive measurable progress.

Metrics and Indicators

Following the principles of i) Decision-useful; ii) Understandable; iii) Verifiable; iv) Objective and v) Comparable, we have identified GHG emissions as our primary metrics to effectively monitor and evaluate our performance and progress in emission management.

- *Accounting Boundary*: We adopt an operational control approach to consolidate emissions and resource consumption data, covering our major operations activities within restaurants[7], central kitchen, and offices located in Hong Kong.

- *Accounting Methodology*: Our reporting on emissions and resource consumption follows the methodology outlined in "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX.

- *Data Types*: Our GHG emissions have been calculated using primary activity data that results in GHG emissions.

- *Emission Factors*: Emission factors and Global Warming Potentials adopted were derived from IPCC Fifth Assessment Report and other published statistics as indicated in the "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX.

Table 1. The Group's GHG Emissions in FY2025 and FY2024

Indicator	Unit	FY2025		FY2024	
		Amount	Intensity* (Unit/HK$ million)	Amount	Intensity** (Unit/HK$ million)
Scope 1 Emissions	Tonnes CO_2e	515	0.20	493	0.19
Scope 2 Emissions	Tonnes CO_2e	19,504	7.41	18,531	7.21
Scope 3 Emissions[#, ^]	Tonnes CO_2e	8,478	3.22	515	0.20
Total (Scope 1, 2 & 3)	Tonnes CO_2e	28,496	10.83	19,538	7.60

* Intensity for FY2025 was calculated by dividing the amount of GHG emissions by the Group's Hong Kong revenue which was approximately HK$2,630.5 million in FY2025;

** Intensity for FY2024 was calculated by dividing the amount of GHG emissions by the Group's Hong Kong revenue in which was approximately HK$ 2,570.9 million in FY2024;

\# Scope 3 emissions for FY2024 included only emissions that arose from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments, and business air travel; and

^ Scope 3 emissions for FY2025 were expanded to include more categories as part of enhanced data collection efforts; therefore, direct year-on-year comparisons may not be applicable.

7 Include TamJai Yunnan Mixian and TamJai SamGor Mixian only

Metrics and Targets

Targets

In FY2025, we started to review and enhance our ESG targets to strengthen our sustainability commitment and drive measurable progress. As part of this process, we are developing a comprehensive set of environmental targets, among which GHG emissions reduction serves as one of focus of our commitments. For other targets, please refer to our FY2025 ESG Report.

Aspects	Target type+	Baseline Year	Target
GHG emissions	Intensity	FY2022[8]	Achieve a 25% reduction in GHG emissions per HK$ million of the Group's revenue by FY2031[9]

\+ Given our rapidly expanding business, we have chosen intensity indicators for our environmental targets to show the relationship between our business operations and emissions or resource consumption.

To advance progress towards our targets, both management and working-level employees are fully informed of the goals, and relevant measures are implemented to support their achievement. The targets will be reviewed periodically and adjusted as necessary, particularly in response to significant changes in our operations.

Comprehensive GHG Inventory — Scope 3 Emissions

In FY2025, the Group reviewed the Scope 3 emission categories that are closely related to its business operations and enhanced its data collection to include the following categories in Scope 3 emissions, including:

- Category 2: Capital goods
- Category 3: Fuel- and energy-related activities
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 8: Upstream leased assets

8 Financial year ended 31 March 2022
9 Financial year ended 31 March 2031

The Group adopted a cautious approach, carefully assessing emissions from value chain activities and accounting for the above Scope 3 categories in accordance with the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). Based on the data for FY2025, the Group's total Scope 3 emissions amounted to approximately 8,478 tCO_2e, covering the five categories mentioned above.

Scope 3 Category	FY2025 Amount (tCO_2e)	FY2025 Intensity (tCO_2e/HK$ million)
Category 2: Capital goods*	311	0.12
Category 3: Fuel- and energy-related activities**	3,137	1.19
Category 5: Waste generated in operations#	3,185	1.21
Category 6: Business travel^	10	3.77×10^{-3}
Category 8: Upstream leased assets+	1,835	0.70
Total	8,478	3.22

* Scope 3 — Category 2 includes emissions from the extraction, production and transportation of large equipment and furniture purchased or acquired by the Group's Hong Kong operations in FY2025;

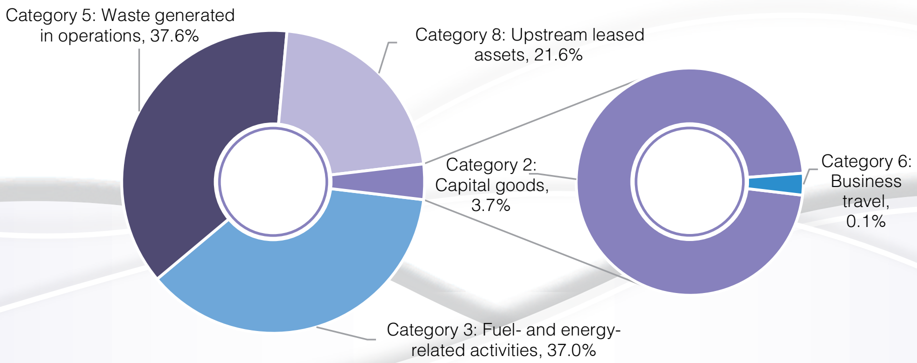
** Scope 3 — Category 3 includes emissions from the extraction, production and transportation of fuels and energy purchased or acquired by the Group's Hong Kong operations in FY2025;

\# Scope 3 — Category 5 includes emissions from the disposal and treatment of waste generated and freshwater consumed by the Group's Hong Kong operations in FY2025;

^ Scope 3 — Category 6 includes emissions from the air travel undertaken by employees for business-related activities in FY2025; and

\+ Scope 3 — Category 8 includes emissions from the operation of assets leased by the Group's Hong Kong operations in FY2025.

Scope 3 Emissions in FY2025



The Group will continue to refine its data collection and accounting methods in the future to enhance the reliability of Scope 3 emission data. We are also committed to putting adequate controls in place to ensure data quality.

Metrics and Targets

Future Improvements

Cross Industry Metrics

We recognise the importance of aligning with the IFRS S2 Standard and will continue to enhance our data collection in the future. Efforts will be directed toward progressively exploring additional quantitative metrics and indicators that reflect the Group's exposure to and management of climate-related risks and opportunities. These may include:

- Proportion of assets and business activities materially exposed to physical and transition risks:
  - the % of restaurants exposed to flooding
  - the % of procured raw materials exposed to fluctuated price
- Amount of expenditure or capital investment deployed toward climate-related risks and opportunities:
  - Capital investment in renewable energy
  - Expenditure on green restaurant investment
  - Expenditure on capacity building
- Remuneration
  - The % of executive management remuneration linked to climate-related considerations

We acknowledge the strategic value of introducing an internal carbon price to support decision-making and risk management. However, the lack of market data presents challenges in determining a credible pricing. Therefore, an internal carbon price has not been adopted at the current stage but remains under ongoing review as market conditions evolve.

About this Report

Tam Jai International Co. Limited is pleased to present its second Climate Disclosure Report covering the period from 1 April 2024 to 31 March 2025. With reference to the IFRS S2 Climate-related Disclosures standard, this report follows a structured framework under four key pillars, namely Governance, Strategy, Risk Management, and Metrics & Targets, to demonstrate our commitments and achievements in addressing climate change.

Reporting Scope

The reporting scope of this Report covers the Group's Hong Kong operations, including corporate offices, restaurants[10] and central kitchen situated in Hong Kong. As we continue our international expansion, we anticipate gradually extending our climate disclosure framework to include overseas operations in the future.

Report Access and Feedback

In pursuit of excellence, we highly value the perspectives of our stakeholders and welcome their feedback and suggestions. Readers are welcome to share their views with us at cc.dept@tamjai-intl.com or write to us by mail at 8/F, D2 Place ONE, 9 Cheung Yee Street, Lai Chi Kok, Kowloon, Hong Kong with attention to Corporate Communications Department.

Who We Are

As a leading restaurant group headquartered in Hong Kong, Tam Jai International Co. Limited continues to advance its business with a steadily growing footprint, operating over 240 stores across Hong Kong, Mainland China, Singapore, Japan and Australia. The Group's portfolio of distinguished brands includes TamJai Yunnan Mixian (譚仔雲南米線), TamJai SamGor Mixian (譚仔三哥米線), and international brand TamJai Mixian (譚仔香港米線), as well as Japanese dining brands, Marugame Seimen and Yakiniku Yamagyu, through franchising and licensing in Hong Kong[11].

Throughout our journey, we have remained committed to delivering a dining experience that combines quality and affordability, while pursuing our global expansion ambitions. In FY2025, we have debuted stores in Australia through joint venture and franchising. Meanwhile, beyond the franchise partnership established in the Philippines, we welcomed a new strategic partner in Malaysia to strengthen our brand exposure and extend our presence across more Southeast Asian markets.

As a sustainability pioneer in the catering industry, we work closely with our employees, customers, and business partners to build a responsible enterprise that contributes positively to both the environment and the communities we serve. Our efforts are guided by our ESG Strategy Framework built upon three core pillars: 1) Nourishing Communities; 2) Uplifting People; and 3) Preserving Nature. Under the third pillar, we place great emphasis on climate management. We aim to minimise our environmental impact and protect natural ecosystems through responsible resource use, efficient waste management, climate risk mitigation, and the adoption of sustainable practices.

Forward Looking Statement

This Report contains forward-looking statements regarding our financial condition, results of operations, business strategies, operating efficiencies, growth opportunities, plans and objectives of management, and other matters. These statements are based on necessary estimates, reflecting the best judgment of our senior management, and are subject to uncertainties that could cause actual results to differ materially from those suggested by the statements. Consequently, readers are advised to consider these forward-looking statements in light of the various important factors outlined in this Report.

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10 Include TamJai Yunnan Mixian and TamJai SamGor Mixian only

11 The franchise stores are not included in the boundary of this report

Tam Jai International Co. Limited
譚仔國際有限公司