



**日清食品有限公司**

**NISSIN FOODS COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)  
Stock Code: 1475



Environmental, Social and  
Governance Report

## CHAIRMAN'S MESSAGE

**Proud to be the “Earth Food Creator”**  
— and committed to serving the community  
with quality food products



**This is our first environmental, social, and governance (“ESG”) report (the “Report”).** We made a solid start in the first year as a public company<sup>1</sup>. As we are opening a new chapter in expanding our business in Hong Kong and the People’s Republic of China (the “PRC”), we humbly present our first ESG Report not to showcase our achievements on the sustainability front but rather as a statement of our commitment in driving initiatives across the Group<sup>2</sup> that would help address environmental, social and governance issues.

**Food safety is our lifeblood,** as to every food company. We take full responsibility for product safety and dedicate every effort in enforcing operating practices to ensure safety standards are being met throughout our supply chain. We invite the partners along the supply chain to contribute to the ESG aspects and help reduce the environmental and social risks in their operation.

**Employees are our greatest assets.** As The Employer of Choice and a Caring Company<sup>3</sup>, we seek to provide a work environment that is not only safe and healthy, but also open and supportive so as to facilitate the creation of innovative ideas and unleash the potential of our 3,400 staff<sup>4</sup>.

**Eating and sports are two axles of health,** as suggested by our founder Mr. Momofuku Ando. We advocate healthy living by supporting and promoting sports activities. One notable example is our title sponsor to the Hong Kong Tennis Association for “Nissin Hong Kong National Junior Tennis Championships” and “Nissin Tennis Clinic”. By bringing in world-class tennis champions to conduct trainings, we hope to fill the participants with hopes and foster their competitive spirit and healthy lifestyle. We also provide food education via our signature My Cup Noodles Factory and the World’s first Damae Iccho Factory.

**We strive to bring peace to the world and contribute to the sustainable future through the stable and reliable supply of quality food.** In this regard, we pledge to understand and be responsible for all the impacts our corporate activities have on the society related to consumers, local communities, shareholders, investors, the environment and all other stakeholders as a whole, and contribute to sustainability through our business activities.

**“At Nissin Foods, we take pride in delighting and surprising our stakeholders and consumers with our food innovation.”**

**Kiyotaka Ando**  
Chairman  
Nissin Foods Company Limited



<sup>1</sup> Nissin Foods Company Limited (“Nissin Foods” or the “Company”) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 December 2017.

<sup>2</sup> Nissin Foods is principally engaged in the manufacture and sales of instant noodles and is the vehicle holding interest of its subsidiaries, whereas the Company and its subsidiaries (the “Group”) are engaged in manufacturing and sales of noodles, retort foods, frozen foods, beverage products and snacks in Hong Kong and the PRC.

<sup>3</sup> The Company reaped “The Employer of Choice Award 2017” by Job Market in April 2018 and was named the “Caring Company 2017–18” by the Hong Kong Council of Social Service in March 2018.

<sup>4</sup> As at 31 December 2017, the Group had approximately 3,400 employees in Hong Kong and the PRC.



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## ABOUT THE GROUP

“ We strive to bring peace to the world and contribute to a sustainable future through a stable and reliable supply of quality food. ”

### INNOVATION AND PERSEVERANCE

In the early 50's, Japan was suffering from food shortage. Many people had to stand in long lines in the cold to get a bite to eat. Having witnessed this situation, our founder Mr. Momofuku Ando thought that peace will come to the world when there is enough food.

He then aspired to tackle it by developing a new type of noodles based on five objectives:

(1) delicious, (2) long shelf life, (3) easy to prepare, (4) safe, (5) affordable.

The biggest obstacle was finding a way to dry the noodles so that they can be stored for a long time. Having spent an entire year experimenting alone, one day in 1958, he tried applying “flash-frying” to noodle making and created the world's first instant noodles. The five objectives outlined the essential principles of making instant noodles and are still relevant today.

### THE INNOVATION TRADITION CONTINUES...

Our Chairman and Chief Executive Officer Mr. Kiyotaka Ando joined the Company in 2009 and has been spearheading the innovation journey in Hong Kong and the PRC since then. With the passion to be more environmentally friendly, he took the lead in replacing the Styrofoam-based packaging of our flagship Cup Noodles with ECO cup in 2009. ECO stands for “Ecology, Customers and Originality” and the cup is mostly made of paper and thus considered more ecological. The exploration continues today, with our devotion in delighting and surprising our consumers with our food innovation.

### THE GROUP TODAY

The Group is principally engaged in the manufacturing and sales of instant noodles, retort foods, frozen foods, beverage products and snacks in Hong Kong and the PRC. The Company has been listed on the Main Board of the Stock Exchange since December 2017.

“Earth Food Creator” is the guiding philosophy of the Group. It expresses our desire to contribute to the world and its people by creating food, the basis of all life.

### Nissin Foods' Enduring Values

食足世平

Peace will come to the world when there is enough Food

食創為世

Create Foods to serve society

美健賢食

Eat wisely for beauty and health

食為聖職

Food related jobs are a sacred profession





## ABOUT THE REPORT



This is the first ESG Report published by the Company. By reporting the policies, measures and performances of the Group in environmental and social aspects, it allows all stakeholders to better understand the progress of the Group towards sustainability.

The Report in both Chinese and English, has been published on the website of the Company at [www.nissingroup.com.hk](http://www.nissingroup.com.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk).

## REPORTING BOUNDARY

The report focuses on the manufacturing and sales of instant noodle products of the Group. The report covers the operation of two representative production plants located in Hong Kong<sup>5</sup> ("Hong Kong Plant") and in Shunde<sup>6</sup>, the PRC ("Shunde Plant") respectively (collectively "Sites of Operation") for the year ended 31 December 2017 (the "Reporting Period"). While the Report does not cover all of the Group's operations, the aim of the Group is to consistently enhance the internal data collection procedures and gradually expand the scope of disclosure.

## REPORTING STANDARD

The Report is prepared in accordance with the 'comply or explain' provisions of the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange. The four reporting principles: materiality; quantitative; balance; and consistency form the backbone of the Report. To ensure the accuracy of environmental key performance indicators ("KPIs"), the Group has commissioned a professional consultancy, Carbon Care Asia ("CCA"), to conduct a carbon assessment. In addition, selected key performance indicators that are categorised by the ESG Reporting Guide as 'recommended disclosures' are stated in the Report for enhancement of reporting. An ESG Reporting Guide content index is attached in the last chapter of the Report for reference.

## CONFIRMATION AND APPROVAL

Information contained in the Report is sourced from the official documents, management and operational information of the Group. The Report has been approved by the board of directors in June 2018.

## OPINION AND FEEDBACK

The Group values the opinion of stakeholders. If you have any questions regarding the Report, please contact the Company by the following channels:

Address: 11-13 Dai Shun Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong

Email: [pr@nissinfoods.com.hk](mailto:pr@nissinfoods.com.hk)

<sup>5</sup> Operated by the Company

<sup>6</sup> Operated by Guangdong Shunde Nissin Foods Company Limited, a subsidiary of the Company





# STAKEHOLDER ENGAGEMENT

The Group recognises the importance of continuous communication with its stakeholders and in responding to their feedback and addressing their areas of concern.

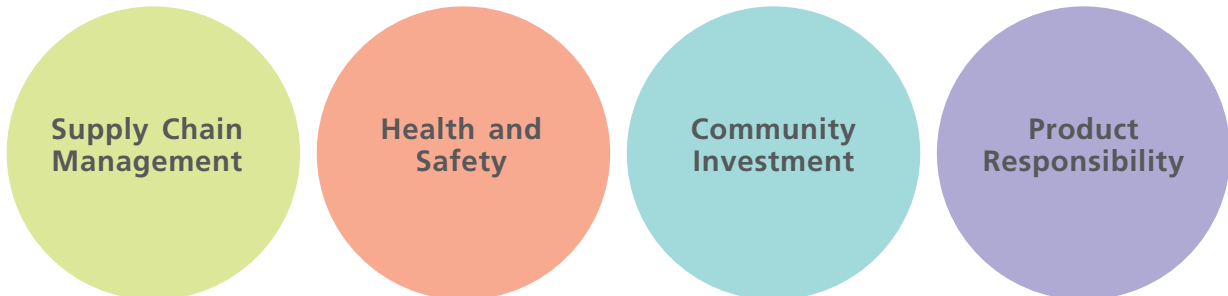
Stakeholders refer to groups or individuals materially influencing or being affected by the Group’s business. Their participation helps the Group identify potential risks and business opportunities. The Group gains better insights into different stakeholders’ interests and make sure that their ideas contribute to its progress towards sustainability through regular communications. To gather feedback from them, the Group engages the key stakeholders throughout the year in a number of ways.

## MAIN MEANS OF STAKEHOLDER ENGAGEMENT

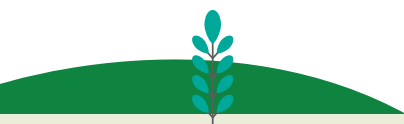


## MATERIAL SUSTAINABILITY ISSUES IN THE REPORTING PERIOD

To formulate the Group’s sustainability strategy and direction and to identify the most important environmental and social issues for the Group and its stakeholders, the Group commissioned CCA to conduct a round of management interviews. The Group has identified the following four issues from the eleven environmental and social aspects of the ESG Reporting Guide to be the main focus of the Report:



To foster a closer relationship with the stakeholders, the Group has established communication mechanisms with transparency, integrity and accuracy to ensure a timely response to stakeholders. In the future, the Group will continue to strengthen its interaction with stakeholders to create mutually beneficial relationships.



# Operating Practices





## SUPPLY CHAIN MANAGEMENT

### Supplier selection

The Group invites the partners along the supply chain to contribute to the ESG aspects and to help reduce the environmental and social risks. The Group has established a purchasing management system for the selection and assessment of suppliers:

Category	Highlights in criteria
<b>General</b>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Cost</li> <li>On-time delivery</li> <li>Speed of delivery</li> <li>Production capacity</li> <li>Quality management systems</li> <li>Risk management systems</li> <li>Product diversification</li> </ul>
<b>Food Safety</b>	<ul style="list-style-type: none"> <li>Documentation, certification or reports and traceability on food safety</li> <li>Results from annual assessment for food safety</li> </ul>
<b>Environmental Performance</b>	<ul style="list-style-type: none"> <li>Certificate for environmental management system</li> <li>Geographical location of suppliers</li> </ul>
<b>Social Performance</b>	<ul style="list-style-type: none"> <li>Ethical standards (e.g. on anti-corruption)</li> </ul>



In addition to the general procurement criteria, having a sound environmental and social risk management is one of the prerequisites in our supplier selection. The Group expects suppliers to comply with the relevant local laws and regulations as well as the aforementioned selection criteria, which were communicated to suppliers through documents such as the Group's Notice of Mutual Environment Requirements used in Shunde Plant. As for social risks, in addition to the emphasis on food safety management, the Group also expects ethical behaviour in the sourcing process. If supplier engages in any forms of corruption, employees are required to report to the management and the sourcing from the supplier in question will be terminated.





## Supplier assessment

The Group maintains a supplier list and conducts assessment to evaluate suppliers' performance on an annual basis. For example, Hong Kong Plant uses the Group's Annual Supplier Performance Review Form to assess the performance of each supplier with a scoring system. Suppliers who passed the assessment are retained in the supplier list, while follow-up actions will be examined by the management for unqualified suppliers, for example, termination of relationship with an unqualified supplier.

The Group reviews its supplier evaluation systems at least once a year.

## PRODUCT RESPONSIBILITY

To respond to the increasing attention from customers on its environmental and social responsibility, Nissin Foods has established various policies on product responsibility, stating the Group's commitment and guidance for its Sites of Operations regarding food safety and quality management, protection of customer privacy and intellectual property, as well as advertising and labelling matters.

### Food safety and quality management

Nissin Foods places high emphasis on food safety and quality management to ensure health and safety of its customers. The Group's Sites of Operations and all other food production plants have acquired the ISO22000 Food Safety Management System accreditation and are guided by the internal Management Manual in their operations. Across different stages in its production process, the Group has put in place quality control procedures for raw materials and finished goods which are monitored by the food safety team of the Group. In the event that quality issues arise after sales of products, the Group follows its product recall control procedures and tracking system to address such issues effectively.

Food Safety Evaluation and Research Institute Company Limited (the "Institute") located in Shanghai, the PRC, which Nissin Foods owns 5% stake, is accredited by the PRC National Accreditation Service for Conformity Assessment with ISO/IEC 17025, and is supporting the Group to prevent food contamination and ensure the quality and safety of raw materials and finished goods through providing food safety tests on its products and production facilities.

The Group also conducts on-site inspections which covers manufacturing processes and hygiene management of raw material suppliers and contract manufacturers, confirming the procurement criteria and providing guidance to the suppliers and manufacturers for improvement.

In addition to product quality control at the production plants, the Group has put in place a dual quality management system in which sample testings of raw materials and finished goods are conducted by the Institute.

### Robust quality control:

**Both Hong Kong Plant and Shunde Plant are accredited with ISO22000, the Food Safety Management System.**





## Protection of customer privacy and intellectual property

The Group is committed to protecting customer data (for example, data collected through customer hotlines) and privacy, as well as intellectual property rights. As stated in the Employee Handbook of Hong Kong Plant and the Code of Conduct in Shunde Plant, employees should protect information defined as confidential by the Group and respect intellectual property. Confidential information must not be disclosed to third parties on any platform without prior approval from the senior management, otherwise investigation and disciplinary actions will be conducted. Employees are requested not to disclose any confidential information pertaining to the Company at anytime during or after the period of their employment with the Company.

## Advertising and product labelling management

The Group acknowledges its responsibility in its product advertising and labelling. Regarding advertising, the internal control measures for advertising and promotion activities are put in place to manage the creation of advertising and promotion activities and to evaluate relevant media service providers. As for product labelling, control procedures have been adopted to ensure that products are properly packed and labelled in accordance with applicable laws and industry codes, so that customers and consumers are better informed about the products they purchased.

The Group has complied with laws and regulations related to product responsibility in its Sites of Operation, including but not limited to the Trade Descriptions Ordinance in Hong Kong and the Administrative Provisions on Food Labelling of the PRC. During the Reporting Period, the Group did not identify any material non-compliance in relation to product responsibility within the reporting scope.

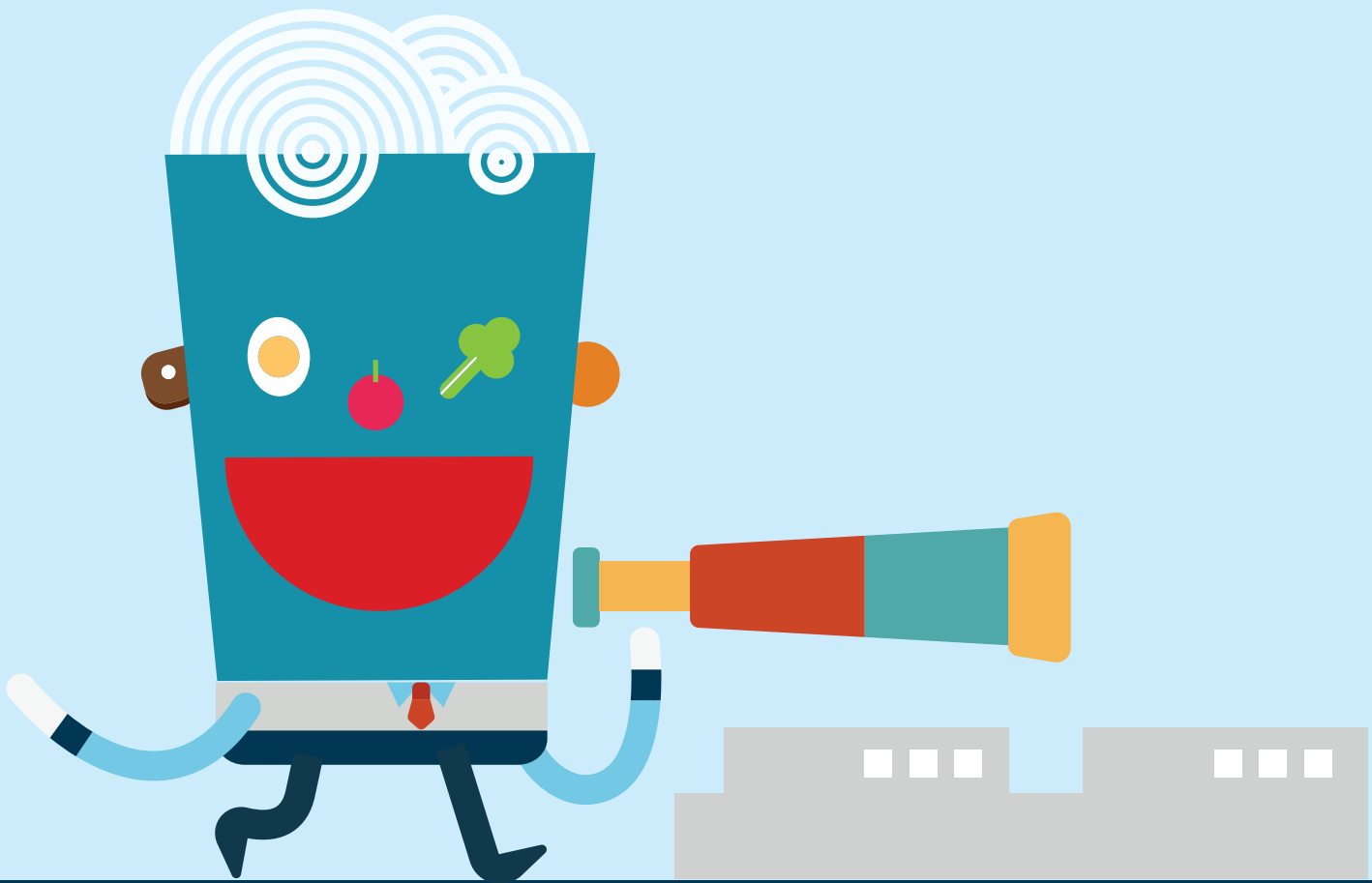
## ANTI-CORRUPTION

Nissin Foods is aware of the impact of its activities and its relationships with other members in the community. The Group upholds its values in integrity and has zero tolerance for bribery, extortion, fraud and money laundering. In addition to compliance with relevant laws and regulations, the Group has formulated a Code of Conduct for all employees in terms of acceptance of advantages and declaration of conflict of interest. Training on ethical standards was also conducted for employees to ensure their understanding.

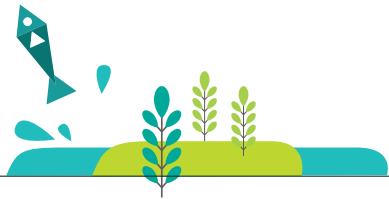
The Group has an internal whistleblowing mechanism through which all misconduct reporting will be handled in strict confidence and whistleblowers are protected from retaliation. Any employee in breach of the Group's policies relating to anti-corruption will be subject to disciplinary action such as termination of employment. The Group will report to appropriate authorities for cases of suspected corruption or other criminal offences.



The Group has complied with laws and regulations related to anti-corruption in its Sites of Operation, including but not limited to the Prevention of Bribery Ordinance in Hong Kong and the Criminal Law of the PRC on Crime of Embezzlement and Bribery. During the Reporting Period, the Group did not identify any material non-compliance or legal cases in relation to corruption within the reporting scope.



# Employment and Labour Practices

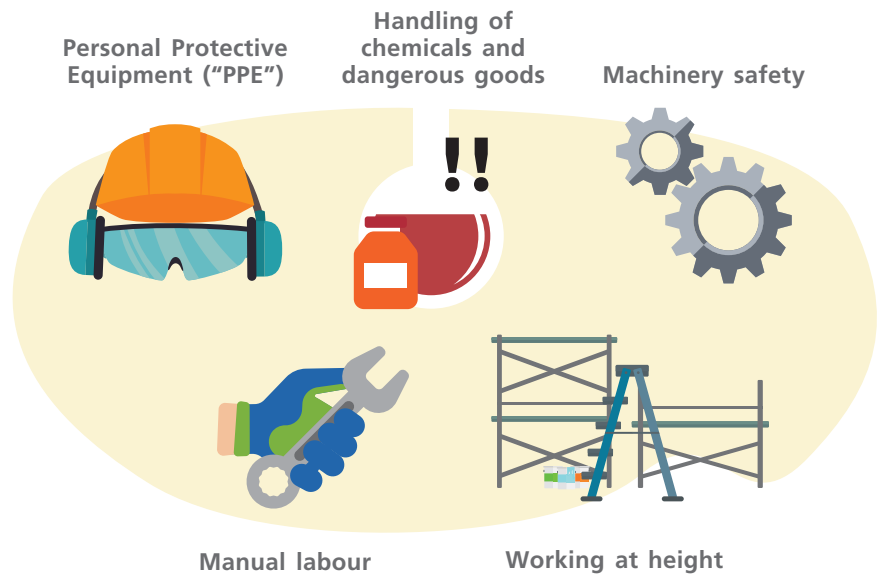


## HEALTH AND SAFETY

Nissin Foods is committed to maintaining a healthy and safe working environment. The In-house Safety Rules as well as the Occupational Health and Safety Standards applicable to Hong Kong Plant and Shunde Plant respectively provide employees with guidelines on protecting themselves from occupational hazards.

In the Group's Sites of Operation, employees in contact with chemicals and machines were exposed to greater occupational hazards. Hence, in addition to wearing appropriate PPE, employees are required to follow various guidelines set by the Group regarding chemical safety and machinery safety:

**Nissin has established health and safety guidelines for employees to follow regarding:**

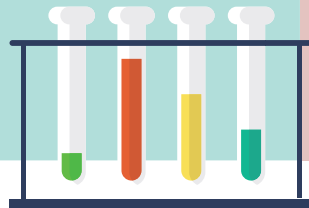


### Chemical safety

- Have proper understanding of the features, usage and potential hazards of the chemicals and obtain management approval before use
- Maintain good air circulation where chemicals are used and stored
- Label all chemical containers properly
- Ensure proper storage and prevent mixing of incompatible chemicals
- Maintain personal hygiene after contact with chemicals
- Chemical safety instructions are posted at conspicuous places

### Machinery safety

- Receive relevant training and/or qualifications before operating the machinery
- Abide by all operating instructions
- All machinery safety instructions are posted at conspicuous places
- Ensure proper use and maintenance of safety devices
- Raise any concerns or incidents to management immediately





The Group conducts fire drills at least once a year to enhance employees' awareness of fire safety. Emergency evacuation and operation of fire extinguishers are covered, allowing employees to familiarise themselves with emergency responses. The Group maintains records of fire drills for future reference and improvement.

Moreover, recognising the importance of consistent communication on health and safety, the Group has carried out safety training programmes for employees on a regular basis and conducted assessments after the completion of the programmes to evaluate their understanding. Health check is also provided to employees annually to enhance their awareness of health care.

The Group has complied with laws and regulations related to health and safety in its Sites of Operation, including but not limited to the Occupational Safety and Health Ordinance in Hong Kong and the Production Safety Law in the PRC. During the Reporting Period, the Group did not identify any material non-compliance relating to health and safety within the reporting scope.

## EMPLOYEE CARING

Nissin Foods regards its employees as the key to achieving sustainability and maintaining its market leadership. The Group has established various employment policies, such as the Employee Handbook of Hong Kong Plant and the Work Regulations document of Shunde Plant, which explains the internal employment standards regarding recruitment, discipline, remuneration, working hours, compensation and dismissal, etc.

The Group is dedicated to creating a fair working environment where each employment and promotion decision is made by considering individual employees' experience, qualifications and work performance. Besides, providing a working environment free from harassment and discrimination reflects the core value of Nissin Foods. No discrimination of sex, marital status, pregnancy, disability, family status or race is tolerated within the Group.



The management of the Group cherishes open communication and staff opinions. Measures have been adopted to help employees express their opinions, suggestions or complaints. The Group adopts an open office set-up with minimal partition to facilitate open and direct communication among staff and the management. Employees are encouraged to report to their department head or write to the senior management directly as and when necessary.

The management also recognises the importance of work-life balance in promoting healthy living, and in attracting and retaining talents. To promote this, the "Smart Working Campaign" is advocated to encourage employees to work smart and improve their time management so that they can spare more time with their family members.



The Group has complied with laws and regulations related to employment in its Sites of Operation, including but not limited to the Employment Ordinance in Hong Kong and the Labour Contract Law in the PRC. During the Reporting Period, the Group did not identify any material non-compliance relating to employment within the reporting scope.

Moving forward, the Group will consider refining its employment policies to include measures on promoting diversity at the workplace.

## DEVELOPMENT AND TRAINING

Nissin Foods believes that training and development is key to the career development of its employees. The Group has put in place various training and development programmes in its Sites of Operation. The programmes provide guidance in setting relevant requirements and targets, and in conducting assessments for effective training and development.

### Training

The Group encourages the employees to attend job-related training courses for personal development. While the Human Resources Department is responsible for designing an annual training plan, employees may raise training requests to the management. During the Reporting Period, employees received trainings including corporate philosophy, operation requirements of various departments, hygiene management in foods production and communication and negotiation skills. The employees' performances were evaluated after the trainings.

### Career Development

For continuous improvement, the Group recognises the importance of setting strategic objectives and conducting performance appraisal with employees. On an annual basis, strategic objectives with follow up action plans are set by individual departments. Department heads will review the progress on personal development and achievement of objectives together with employees before submitting to the senior management for further evaluation and approval. Two-way communication is emphasised as the management values employees' input in the process.



## LABOUR STANDARDS

Nissin Foods adopts a zero-tolerance policy against child labour and forced labour. The Employee Handbook of Hong Kong Plant and the Work Regulations document of Shunde Plant articulate the Group's measures in conducting background checks and inspection of identity documentations at recruitment to avoid child labour. Regarding overtime work, the employees are required to seek approval from their supervisors if they need to work in non-working hours. Meanwhile, overtime allowance and/or compensatory leave are offered to entitled employees.

The Group has complied with laws and regulations related to preventing child and forced labour in its Sites of Operation, including but not limited to the Employment Ordinance in Hong Kong and the Labour Contract Law in the PRC. The Group did not identify any material non-compliance relating to child labour and forced labour within the reporting scope.

# Community Investment





True to Mr. Momofuku Ando’s belief that “Eating and sports are the two axles of health”, the Group is committed to promoting sports and healthy lifestyle.

The Group has partnered with the Hong Kong Tennis Association to launch a series of tennis promotion programmes. It has been the title sponsor of the Nissin Cup Noodles Hong Kong Junior Series and Nissin Demae Iccho Hong Kong Junior Novice competitions since 2015. In the Reporting Period, the Group extended its title sponsorship to the Nissin Hong Kong National Junior Tennis Championships, with the goal to identify and groom potential teen tennis champions.

The Group has been organising “Nissin Tennis Clinic” since 2015. By bringing in world-class tennis champions to conduct trainings for tennis lovers, adults and children alike, the Group hopes to fill the participants with hopes and foster their competitive spirit and healthy lifestyle. The programme is fully sponsored by the Group and thus the participants can enjoy the classes free of charge.

The Group is proud to have Mr. Asif Ismail and Mr. Hubert Karrasch as coaches during the Reporting Period:



Date	Coach	Title
March 2017	Mr. Asif Ismail	Former Hong Kong and India Davis Cup representative Ranked No. 1 in India Men’s Open
December 2017	Mr. Hubert Karrasch	Ranked No.1 in ITF Men’s Seniors Singles Ranked No.1 in ITF Seniors Doubles

At Nissin Foods, we take pride in delighting and surprising our stakeholders and consumers with our food innovation.

The Group opened its thematic My Cup Noodles Factory (“MCNF”) and the World’s first Demae Iccho Factory (“DIF”) in Hong Kong in November 2016. Located in the Hong Kong International Airport Passenger Terminal 2, the two attractions engages visitors with interactive educational activities to spark their creative thinking.

It is an educational and inspiring experience. Visitors create their own original Cup Noodles and/or handmade Demae Iccho with a package designed by themselves. Our staff will introduce the manufacturing process of instant noodles with relevant nutrition and health knowledge. At MCNF, participants can select one from among four varieties of soup base and four toppings from among 12 condiments. Altogether, there are 5,460 flavor combinations.

Moving forward, the Group strives to understand the needs of the community where it operates and establish corresponding policies to address the needs. The Group will also continue to identify opportunities to collaborate with strategic partners in delivering for social good.





# Protecting the Environment





To help mitigate the risks of climate change and minimise negative impacts on the environment, the Group has formulated the Group's Regulations (日清食品集團規章) with a chapter on environmental management (環境規章) to provide guidance in managing emissions and use of resources in its operation. Besides the Group's Sites of Operations, all other food production plants have acquired the ISO14001 Environmental Management System accreditation. This report has covered one plant in Hong Kong and one plant in Shunde, the PRC. We expect the total emission to increase correspondingly in future reports as we expand the reporting boundary to include more production facilities and/or as our business continues to grow.

To enhance stakeholders' understanding of the Group's business and operations, we would also report the average emissions per unit as one of the KPIs for on-going comparisons, in addition to the total emission.

## EMISSIONS

### Greenhouse gas emissions

The Group commissioned CCA to conduct a carbon assessment to quantify the greenhouse gas ("GHG") emissions (or "carbon emissions") in its operation. The process of quantification was conducted according to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong and the guidelines published by the National Development and Reform Commission<sup>7</sup> in the PRC with reference to other international standards such as the ISO14064 standards.

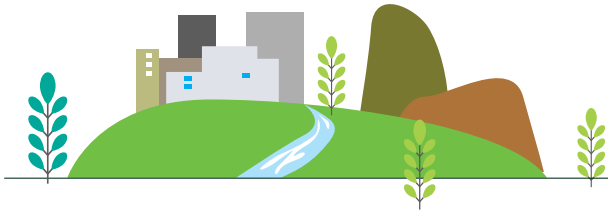
In the reporting period, combustion emissions of fuels in stationary sources of the production plants and vehicles (i.e. the major emission sources in Scope 1) were the largest contributor to the Group's GHG emissions which accounted for more than half of total GHG emissions, followed by indirect emissions by electricity purchased from power companies (i.e. the major emission source in Scope 2).



Scopes	GHG emissions in Sites of Operation (in tonnes of CO <sub>2</sub> -e) and in percentage	
<b>Scope 1 — Direct emissions</b>	9,215.1	52.0%
<b>Scope 2 — Energy indirect emissions</b>	8,487.8	47.9%
<b>Scope 3 — Other indirect emissions that occur outside the company<sup>8</sup></b>	9.4	0.1%
<b>GHG emissions in total</b>	17,712.3	100%
<b>GHG emissions intensity (in tonnes of CO<sub>2</sub>-e per square metre)</b>	0.6	

<sup>7</sup> The Guidelines for Accounting and Reporting Greenhouse Gas Emissions from China Food, Tobacco, Alcohol, Beverages and Purified Tea Manufacturing Enterprises (Trial)

<sup>8</sup> Scope 3 GHG emissions include activities related to operations in Hong Kong Plant only.



## Air emissions

The major source of air pollutant emissions was the gas boiler of Shunde Plant. In its Sites of Operation, the Group carried out periodic cleaning and maintenance of exhaust systems, dust collectors and range hoods to reduce the impact of air emissions.

The Group will continue to assess, record and disclose its GHG and air emissions annually. Data in the Reporting Period will be used as a baseline for comparison against the data in the coming years, which will give the Group more insights when formulating environmental protection strategies.

Moving forward, the Group will review emissions data in the Reporting Period to plan for emission reduction measures in its Sites of Operation.

## Air pollutants

Emissions in Sites of Operation (in kg)<sup>9</sup>

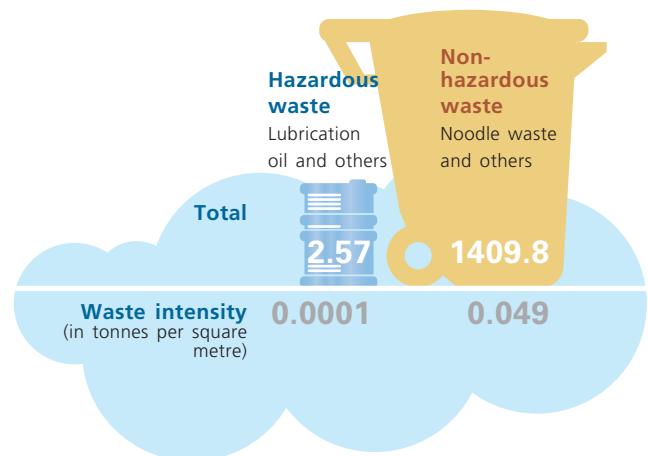


## Waste

In the daily operation, the Group generates non-hazardous waste such as noodle waste and plastic waste, as well as hazardous waste including waste lubrication oil from production. Employees follow the Good Practice Guidelines (良好操作指引) to handle waste appropriately and ensure both hazardous and non-hazardous wastes are collected by licensed contractors properly.

### Type of waste

Amount of waste produced in Sites of Operation (in tonnes)



Based on data in the Reporting Period, the Group will explore opportunities in waste reduction in its Sites of Operation to reduce impact on the environment.

<sup>9</sup> Air emissions include activities related to operations in Shunde Plant only.



## USE OF RESOURCES<sup>10</sup>

The main resources consumed by the Group are energy, water and raw materials.

Energy consumption in Sites of Operation	
<b>Direct energy use</b>	
Towngas (in GJ)	39,893
Natural gas (in GJ)	126,959
Petrol (in GJ)	615
Diesel (in GJ)	6.4
Direct energy use in total (in GJ)	167,473.4
<b>Indirect energy use</b>	
Purchased electricity (in MWh)	15,244
Purchased steam (in GJ)	17.5
Indirect energy use in total (in GJ)	54,896.5
Energy consumption in total (in GJ)	222,369.9
Energy intensity (in GJ per square metre)	7.8
Water consumption in Sites of Operation	
Water consumption in total (in cubic metres)	183,571
Water consumption intensity (in cubic metres per square metre)	6.4

The Group has the Good Practice Guidelines and implemented various measures to engage its employees for more efficient use of resources.

Resource	Highlights of measures
<b>Electricity</b>	<ul style="list-style-type: none"> <li>Gradually replace current lights with energy-efficient LED lights</li> <li>Set up power-saving mode for computer equipment</li> <li>Maintain the air-conditioning temperature above 24 degrees Celsius in offices</li> <li>Monitor electricity consumption</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>Monitor water consumption</li> <li>Conduct maintenance of equipment to prevent water leakage</li> </ul>
<b>Paper</b>	<ul style="list-style-type: none"> <li>Adopt double-sided printing and reuse one-sided printer paper</li> <li>Prioritise electronic communication over mailing</li> <li>Arrange recycling of paper packaging (such as cartons) by qualified contractors</li> </ul>

<sup>10</sup> The Group also uses packaging materials for products; however, records were not available for the Reporting Period, the amount of packaging materials purchased will be disclosed in the next Reporting Period.



Since energy is a significant resource utilised by the Group, the Group has implemented various systems and procedures regarding energy management. Different departments are responsible for maintaining their good practices to utilize and monitor energy consumption at their workplaces. Trainings on efficient use of energy are also organised to increase the awareness of employees.

Moving forward, the Group will refine its water and energy saving measures across business operations to promote more sustainable practices in its use of resources.

## THE ENVIRONMENT AND NATURAL RESOURCES

The Group acknowledges its environmental impact and recognises the importance of proper management.

The Group has identified potential incidents from its operation that may have a significant impact on the environment and natural resources, such as chemical spillage, explosions and palm oil spillage. In this regard, the Group has established measures for preventing and addressing such incidents in its policies of Emergency Preparation and Response for Hong Kong Plant and the Emergency Plan for Environmental Pollution Incidents for Shunde Plant respectively. The management is responsible for monitoring and reviewing the implementation of these measures for continuous improvement.

In addition, since one of the key raw materials of its products is palm oil, the Group has adopted procedures to prevent palm oil spillage in the production sites so as to avoid a significant impact on the environment. For example, the Group has clear instructions to pump palm oil from the vendor's oil tanker truck to the oil storage tank located in its production sites.

The Group has complied with all related environmental laws and regulations in its Sites of Operation, including but not limited to the Air Pollution Control Ordinance in Hong Kong and the Environmental Protection Law in the PRC. During the Reporting Period, the Group did not identify any material non-compliance relating to environmental laws and regulations in the reporting scope.



Material Aspect	Content	Page Index/Remarks
<b>A. Environmental</b>		
<b>A1 Emissions</b>		
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.	18
A1.1	The types of emissions and respective emissions data.	18
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	18
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	19
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	19
A1.5	Description of measures to mitigate emissions and results achieved.	18–19
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	19
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	20
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	20
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	20
A2.3	Description of energy use efficiency initiatives and results achieved.	20–21
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	There were no problems in sourcing water encountered in our operations
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Data is not available. We are in the process of developing a tracking system on this topic
<b>A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	21
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	21



Material Aspect	Content	Page Index/Remarks
<b>B. Social</b>		
<b>B1 Employment</b>		
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.	13
<b>B2 Health and Safety</b>		
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.	12–13
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	12–13
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	14
<b>B4 Labour Standards</b>		
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.	14
B4.1	Description of measures to review employment practices to avoid child and forced labour.	14
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	8–9
<b>B6 Product Responsibility</b>		
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, labelling and privacy matters relating to products and services provided and methods of redress.	9–10
B6.3	Description of practices relating to observing and protecting intellectual property rights.	10
B6.4	Description of quality assurance process and recall procedures.	9
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	10

Material Aspect	Content	Page Index/Remarks
<b>B7 Anti-corruption</b>		
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.	10
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.	10
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	10
<b>B8 Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	16
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	16