

2024 Hung Fook Tong Sustainability Highlights



Our Operation

- 0 complaint case related to product health and safety received in 2023
- 65.9% fresh beverage products are sugar-free or in low sugar content, and 22.1% are low in salt
- 222 key suppliers

Our People

- 773 employees, 605 in Hong Kong, 168 in Mainland China
- 5,215.5 training hours involving 716 employees
- 93% of employees trained, with 7.3 average training hours per employee

Our Environment

- 7,866 tonnes of CO₂-e of Greenhouse Gas (GHG) Emissions, decreased by 20.2%
- 17,077 MWh of energy consumed, decreased by 47.7%
- 316.0 tonnes of food waste recycled, 163.4 tonnes of CO₂-e of Greenhouse Gas Emissions reduced

Our Community

- Contributed 126 service hours to the community
- Supported over 146 community projects and 138 organisations
- Over HK\$1.5 million of cash, coupons and in-kind products sponsored

HFT's Vision and Mission

Our Vision

Our vision is to emerge as a frontrunner in the sustainable food and beverage production industry, championing healthy lifestyles to enhance the well-being of the community.

Our Mission

- Harness our industrial strengths and capabilities to generate long-term value for sustainable corporate growth
- Preserve the authentic herbal tradition while producing high-quality food and beverage products
- Conserve the resources used throughout production and business operation to help ensuring a sustainable environment for future generations.
- Believe that fostering individual wellness is central to building a thriving society

Our Core Values

Authentic Operation

Keeping tradition in an authentic and innovative way

Caring People

Caring for the well-being of our people

Sustainable Environment

Conserving resources for future generations

Healthy Community

Enhancing health and quality of life

Board Statement

HFT has built its sustainability approach on over 30 years of promoting wellness and preserving herbal heritage, supported by a clear vision and mission. In 2024, it formalised this through a sustainability framework centred on four pillars—Operations, People, Environment and Community—covering key business impacts. The Group prioritises collaboration, healthier products, waste reduction and community support, while actively managing ESG risks, especially climate change, through emissions reduction, energy efficiency and supply chain engagement, including initial Scope 3 assessments. At the same time, HFT emphasises employee well-being, inclusion, and development to support long-term growth. Progress is being made across defined targets within the framework, with a continued focus on embedding sustainability and delivering lasting value for stakeholders.

We firmly believe in the transformative impact of collaboration and a people-centred approach. As such, we are committed to creating healthier product options, partnering with organisations to reduce food waste, and supporting charitable initiatives that benefit our communities. By prioritising the well-being of our employees and promoting nutritious dietary choices, we strive to improve the quality of life for individuals and communities alike.

Stakeholder Engagement & Materiality Assessment



The 16 material sustainability topics are marked in blue in the list below:

Focus Area	Index No.	Sustainability Topic	Material Topic
Our Environment	1	Air and Greenhouse Gas ("GHG") emissions management	
	2	Waste management	✓
	3	Energy efficiency	✓
	4	Water management	✓
	5	Efficient use of packaging resources	✓
	6	Climate change	✓
Our People	7	Comprehensive employment management system	✓
	8	Labour rights	✓
	9	Healthy and safe workplace	✓
	10	Employee welfare and wellbeing	✓
	11	Training and development	✓
	12	Supply chain management	✓
Our Operation	13	Product quality and sales service responsibility management	✓
	14	Customers' health and safety protection	✓
	15	Product recalls for quality	✓
	16	Customer complaints handling and response mechanism	✓
	17	Customers' and business partners' interests protection	✓
Our Community	18	Anti-corruption	
	19	Consideration of community needs and interests	
	20	Community investment	

Our Sustainability Strategy



Sustainability Target Monitoring

	2024 Progress	2025 Target	2030 Target		2024 Progress	2025 Target	2030 Target
Operation				People			
Nutrition and Health	Fresh beverage products are in low or no sugar content increased from 63% to 66% and food products in low salt content maintained at 22%	Increase % of fresh beverage products in low or no sugar content to 70% and 25% of food product in low salt content	Increase % of fresh beverage products in low or no sugar content to 80% and 30% of food product in low salt content	Health and Safety	<ul style="list-style-type: none"> Maintain 0 fatality rate 51% reduction in work-related injury rate against 2020 baseline 	<ul style="list-style-type: none"> Maintain 0 fatality rate 74% reduction in work-related injury rate against 2020 baseline 	<ul style="list-style-type: none"> Maintain 0 fatality rate 78% reduction in work-related injury rate against 2020 baseline
Responsible Production and Marketing	Study and prepare for the implementation of front-of-pack nutrition label on HFT's products	10% of HFT's product have front-of-pack nutrition label	50% of HFT's product have front-of-pack nutrition label	Diversity, Equity & Inclusion	<ul style="list-style-type: none"> The Board comprises 5 male and 1 female members, which account for 83% and 17%, respectively, of the total members of the Board 72% of our workforce is female 	<ul style="list-style-type: none"> Track progress of peer companies to further strengthen board diversity No single gender should account for 90% or more of the total members of the Board 	<ul style="list-style-type: none"> Maintain gender equality for middle management and above, the proportion of each gender is not to exceed 70% No single gender should account for 90% or more of the total members of the Board
Sustainable Material Procurement	100% of direct and new suppliers have endorsed HFT's Supplier Responsibility Principles	97% of direct and new suppliers have endorsed HFT's Supplier Responsibility Principles	99% of direct and new suppliers have endorsed the HFT's Supplier Responsibility Principles	Community			
Environment				Community Investment			
Emission	31.6% reduction in carbon emission intensity (tonnes of CO ₂ -e/HK\$1,000 revenue) against 2019 baseline	35% reduction in carbon emission intensity (tonnes of CO ₂ -e/HK\$1,000 revenue) against 2019 baseline	40% reduction in carbon emission intensity (tonnes of CO ₂ -e/HK\$1,000 revenue) against 2019 baseline	Community Investment	<ul style="list-style-type: none"> Donate/invest around \$1.5 million to the community through in-kind products, coupons and cash sponsorship Support 146 community projects and organisations Set up a recognised charitable organisation/company under S88 of the Inland Revenue Ordinance 	<ul style="list-style-type: none"> Donate/invest \$2.2 million to the community through in-kind products, coupons and cash sponsorship Support at least 170 community projects and organisations Set up a recognised charitable organisation/company under S88 of the Inland Revenue Ordinance 	<ul style="list-style-type: none"> Donate/invest \$2.5 million to the community through in-kind products, coupons and cash sponsorship Support at least 200 community projects and organisations
Energy Efficiency	39.1% reduction in energy intensity (MWh/HK\$1,000 revenue) against 2019 baseline	18% reduction in energy intensity (MWh/HK\$1,000 revenue) against 2019 baseline	28% reduction in energy intensity (MWh/HK\$1,000 revenue) against 2019 baseline	² The waste diversion rate applies to both office and factory in Hong Kong			
Waste Management	100% waste diversion rate ² for non-hazardous waste	75% waste diversion rate for non-hazardous waste	80% waste diversion rate for non-hazardous waste				
Circular Packaging Material	The application rate of rPET maintained at 7%	20% application rate of rPET as packaging material	50% application rate of rPET as packaging material				
Water Efficiency	7.1% increase in water intensity (m ³ /HK\$1,000 revenue) against 2019 baseline	20% reduction in water intensity (m ³ /HK\$1,000 revenue) against 2019 baseline	30% reduction in water intensity (m ³ /HK\$1,000 revenue) against 2019 baseline				

Our Approach to Sustainability

OUR OPERATION

• Safeguarding Product Safety and Quality

- Quality Management System
- Product Recall System

• Protecting Customers' Rights

- Customer Privacy and Intellectual Property Rights
- Responsible Marketing and Labelling

• Upholding Business Standards

- Whistleblowing
- Anti-corruption Training

• Delivering Better and Healthier Products

- Sugar-free, Low sugar or Low Salt Content products
- Low-calorie Rare Sugar (稀少糖) Products
- Green and Healthy Products
- Launch of Post Partum Care Products

• Enhancing Customers' Experience

- Customer Services
- Innovative Digital Services
- JIKA ON! Online Platform and Collaboration with Delivery Platforms
- Introduction of meal ordering platform with artificial intelligence technology

• Sourcing Responsibly

- Supplier Selection and Engagement Process

Indicator	Target	2024	2023
Average number of complaints received per month relating to product health and safety	<10 cases	1.75 cases (Target achieved)	0.75 cases

Total number of employees trained for anti-corruption:

43 employees

Total anti-corruption training hours:

86 hours



OUR PEOPLE

• Creating a Desirable Workplace

- Remuneration and Compensation
- Recruitment, Promotion and Dismissal
- Working hours and Holidays
- Fair, Inclusive and Diverse Workplace
- Employee Welfare
- Labour Standards

• Nurturing Talents

HFT designs targeted programmes to develop employee skills:

- HFT Life Training
- Food Safety Training
- Hung Fook Tong Management Academy Mobile Application

• Protecting the Health and Safety of Employees

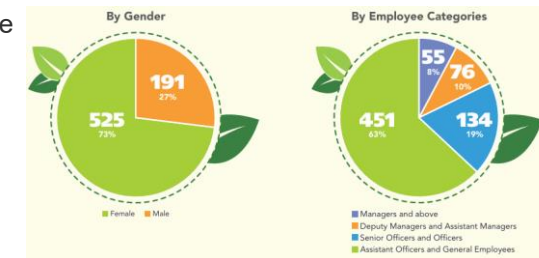
The Group's Safety Committee, chaired by the Assistant General Manager and comprising representatives from various departments, is tasked with overseeing a comprehensive health and safety management system.

Indicator	2024	2023	2022
Lost days due to work injury	154.0	351.0	226.0

Total workforce: **773**



Number of employees who received training: **716**



Our Approach to Sustainability



OUR ENVIRONMENT

Managing and Reducing Wastes

Food waste

- Surplus food was donated to NGOs
- Diverted to Organic Resources Recover Centre Phase 1
- Processed by fertilisers

Recyclables

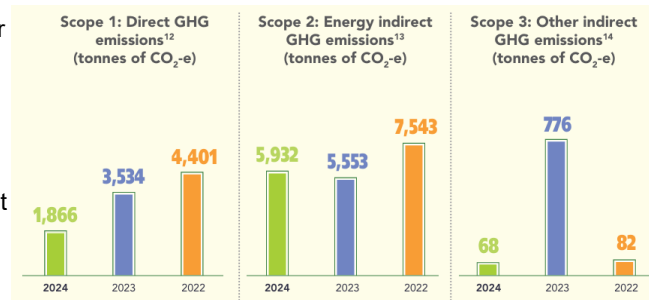
- Engage certified recyclers for re-selling or re-processing materials such as paper, metal and plastics

Other general wastes

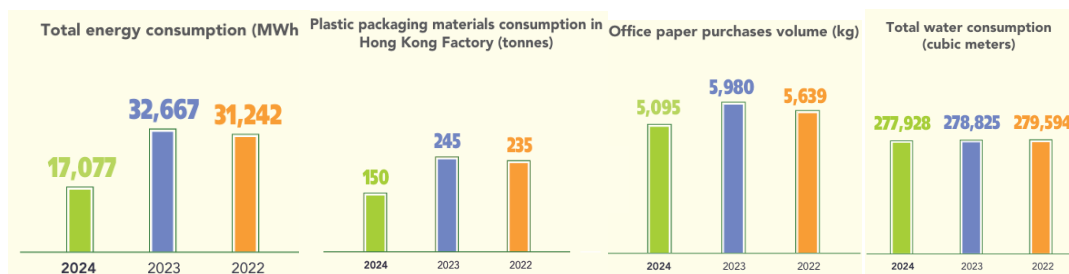
- Dispose in landfills through contracting waste collectors

Responding to Climate Change

To evaluate the effectiveness of these initiatives, HFT has established a procedure for measuring and forecasting its GHG emissions. This quantification of GHG emissions adheres to guidelines set forth by esteemed organisations such as the Environmental Protection Department and the Electrical and Mechanical Services Department of Hong Kong, the National Development and Reform Commission of the People's Republic of China, as well as international standards like ISO 14064-1 and the GHG Protocol.



Managing Natural Resources Efficiently



OUR COMMUNITY

Our Focuses in Connecting Communities

Contributing to a Loving Community

Supporting Skip Lunch Day 2024

HFT continued its support for The Community Chest of Hong Kong's "Skip Lunch Day" for the 15th consecutive year.

Volunteering Activity

HFT's volunteering team joined the "Used Book Recycling Campaign 2024" organized by World Vision Hong Kong to support grass-roots children with Special Education Needs and their families in Hong Kong.

Participating in Oxfam Trailwalker 2024

HFT continued the support to Oxfam Trailwalker by providing soup sponsorship for walkers and volunteers involved in the event.

Offering Discount to the Valued Community Groups in the Society

HFT offered special discounts and promoted membership programmes for seniors and students.

Treasuring our Environment

Supports Plastic Bottles Recycling

HFT is one of the sponsors of the trial bottles recovery scheme at Tin Shui Wai area, initiated by Drink Without Waste to reduce waste from beverage consumption.

Surplus Food Donation

HFT collected surplus food items from designated retail stores and Hong Kong Factory.

Promoting Health and Wellness

Healthy and Wellness Talk on Promoting Healthy Eating Concepts to Primary School Students

HFT organized a health and wellness talk for 100 primary school students to promote healthy eating and wellbeing.

Driving Inclusion

HSBC x Love 21 Foundation

HFT engaged individuals with Down syndrome and autism by offering office tours and job shadowing in administrative functions, providing hands-on exposure to clerical work.

Sponsoring and Participating in Barrier Busters 2024

"Barrier Busters 2024" was designed to allow the public to experience the challenges faced by individuals with disabilities and long-term illness. The funds raised from this event were used to support the services of the Hong Kong Rehabilitation Society.

Discount Offerings during Mega Events

HFT supported mega events through promotion campaigns, such as "Buy One, Get One Free" discount and exclusive membership cards and coupons.

Company Visit to HFT

HFT hosted a company visit for school students to highlight cultural significance and health benefits of herbal tea while fostering interest among younger generations.

HFT x B.Duck Cultural Trip

HFT partnered with B.Duck to launch additive-free beverages with limited-edition packaging inspired by iconic Chinese landmarks, alongside organising a sponsored cultural trip for participants to visit these sites and deepen their understanding of Chinese heritage.