

2025 Hung Fook Tong Sustainability Highlights



Our Operation

- 0 complaint case related to product health and safety received in 2023
- 61.9% fresh beverage products are sugar-free or in low sugar content, and 24.2% are low in salt
- 197 key suppliers

Our People

- 753 employees, 567 in Hong Kong, 186 in Mainland China
- 3,536 training hours involving 550 employees
- 73% of employees trained, with 6.4 average training hours per employee

Our Environment

- 7,413 tonnes of CO₂-e of Greenhouse Gas (GHG) Emissions, decreased by 6.4%
- 16,189 MWh of energy consumed, decreased by 6.4%
- 136.2 tonnes of food waste recycled, 75.01 tonnes of CO₂-e of Greenhouse Gas Emissions reduced

Our Community

- Contributed 58.5 service hours to the community
- Supported over 163 community projects and 153 organisations
- Over HK\$1.2 million of cash, coupons and in-kind products sponsored

HFT's Vision and Mission

Our Vision

Our vision is to become a leader in the sustainable food and beverage sector, promoting healthy lifestyles to improve community wellness.

Our Mission

- Leverage our industrial strengths and capabilities to create lasting value for sustainable corporate growth
- Keep the authentic herbal tradition while producing high-quality food and beverage products
- Conserve the resources used during production and business operation to help ensuring a sustainable environment for future generations.
- Believe that supporting individual wellness is fundamental to a prosperous 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

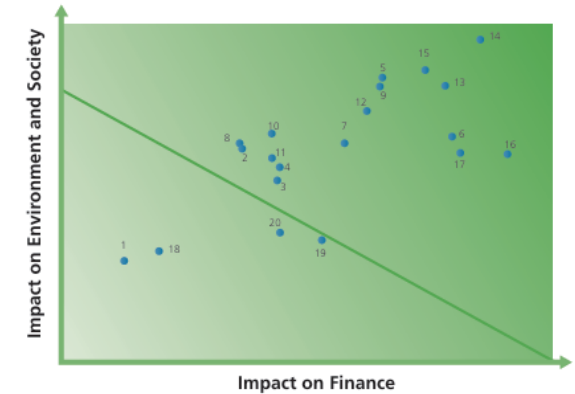
Enhancing health and quality of life

Board Statement

At HFT, our commitment is to building a resilient business model that integrates ESG considerations across our operations and value chain. As we mark our 40th anniversary in 2026, we reflect on our evolution into a modern wellness food and beverage enterprise, guided by our vision, mission, and respect for herbal heritage. Climate change remains our foremost environmental priority, and we continue to reduce emissions through energy efficiency, renewable energy adoption, logistics optimisation, packaging reduction, and responsible sourcing. In response to rising expectations, we are also advancing supplier engagement to support future Scope 3 emissions measurement. Our sustainability strategy framework, established in 2023 and structured around Operations, People, Environment, and Community, provides a systematic approach to addressing material ESG issues and aligning with evolving reporting standards.

We believe in the transformative power of collaboration and a human-centric philosophy. Accordingly, HFT is dedicated to developing healthier product choices, partnering to promote sustainability and reduce food waste, supporting charitable initiatives, and fostering an inclusive and supportive workplace. By prioritising employee well-being, professional development, and community engagement, we aim to enhance quality of life for our people and the communities we serve, while creating long-term value for our stakeholders.

Stakeholder Engagement & Materiality Assessment



The 16 material sustainability topics are marked in green 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 well-being	✓
	11	Training and development	✓
Our Operation	12	Supply chain management	✓
	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	✓
Our Community	17	Customers' and business partners' interests protection	✓
	18	Anti-corruption	
	19	Consideration of community needs and interests	
	20	Community investment	

Our Sustainability Strategy



Sustainability Target Monitoring

	2025 Target	2025 Progress	2030 Target		2025 Target	2025 Progress	2030 Target
Nutrition and Health	Increase % of fresh beverage products in low or no-sugar content to 70% and 25% of food product in low-salt content	Fresh beverage products with low or-no sugar content maintained at 61.9% and food products in low-salt content maintained at 24.2% 2025 target in progress	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 74% reduction in work-related injury rate against 2020 baseline 	<ul style="list-style-type: none"> Maintain 0 fatality rate 30.9% reduction in work-related injury rate against 2020 baseline 2025 target achieved for the fatality rate and not yet achieved for the work-related injury rate	<ul style="list-style-type: none"> Maintain 0 fatality rate 78% reduction in work-related injury rate against 2020 baseline
Responsible Production and Marketing	10% of HFT's product have front-of-pack nutrition label	8.4% of HFT's product have front-of-pack nutrition label 2025 target in progress	50% of HFT's product have front-of-pack nutrition label	Diversity, Equity & Inclusion	<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"> Have 1 female Executive Director as board member 73% of our total workforce is female and 62% of our female is in management role While Hung Fook Tong strictly adheres to the principle of 'equal pay for equal work', our current average pay figures show that women earn more than men across the Group. This 'negative' gap is driven by our workforce composition, specifically the higher concentration of female professionals in specialised and managerial roles compared to the broader workforce⁵ 2025 target achieved	<ul style="list-style-type: none"> Maintain gender equality for middle management and above, the proportion of each gender is not to exceed 70% The Board must consist of members from more than one gender
Sustainable Material Procurement	97% of direct and new suppliers have endorsed HFT's Supplier Responsibility Principles	100% of direct and new suppliers have endorsed HFT's Supplier Responsibility Principles 2025 target achieved	99% of direct and new suppliers have endorsed the HFT's Supplier Responsibility Principles				
Emission	35% reduction in carbon emission intensity (tonnes of CO ₂ -e/HK\$1,000 revenue) against 2019 baseline	36.8% reduction in carbon emission intensity (tonnes of CO ₂ -e/HK\$1,000 revenue) against 2019 baseline 2025 target achieved	40% reduction in carbon emission intensity (tonnes of CO ₂ -e/HK\$1,000 revenue) against 2019 baseline				
Energy Efficiency	18% reduction in energy intensity (MWh/HK\$1,000 revenue) against 2019 baseline	41.3% reduction in energy intensity (MWh/HK\$1,000 revenue) against 2019 baseline 2025 target achieved	28% reduction in energy intensity (MWh/HK\$1,000 revenue) against 2019 baseline				
Waste Management	75% waste diversion rate of non-hazardous waste	100% waste diversion rate ³ for non-hazardous waste 2025 target achieved	80% waste diversion rate for non-hazardous waste	Community Investment	<ul style="list-style-type: none"> Donate/invest HK\$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 Section 88 of the Inland Revenue Ordinance 	<ul style="list-style-type: none"> Donate/invest around HK\$1.2 million to the community through in-kind products, coupons and cash sponsorship Support 163 community projects and organisations Incorporated a recognised charitable organisation/company with Section 88 status under the Inland Revenue Ordinance 2025 target achieved for Section 88 charitable incorporation and not yet achieved for community investment and project support	<ul style="list-style-type: none"> Donate/invest HK\$2.5 million to the community through in-kind products, coupons and cash sponsorship Support at least 200 community projects and organisations
Circular Packaging Material	20% application rate of rPET as packaging material	23.1% application rate of rPET 2025 target achieved	50% application rate of rPET as packaging material				
Water Efficiency	20% reduction in water intensity (m ³ /HK\$1,000 revenue) against 2019 baseline	2.4% increase ⁴ in water intensity (m ³ /HK\$1,000 revenue) against 2019 baseline 2025 target in progress	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
- Post Partum Care Products
- Vegetarian Products

• Enhancing Customers' Experience

- Customer Services
- Innovative Digital Services

• Sourcing Responsibly

- Supplier Selection and Engagement Process

Indicator	Target	2025	2024
Average number of complaints received per month relating to product health and safety	<10 cases	1.92 cases (Target achieved)	1.75 cases

Total number of employees trained for anti-corruption:
50 employees

Total anti-corruption training hours:
100 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:

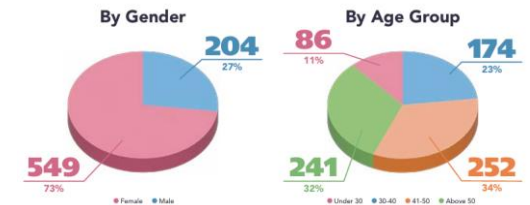
- HFT Life Training
- Food Safety Training
- Hung Fook Tong Management Academy Mobile Application
- Store Manager Meeting

• Protecting the Health and Safety of Employees

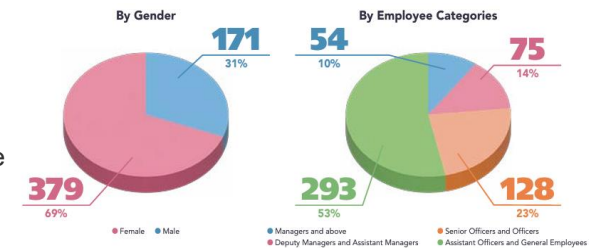
The Group's Safety Committee, chaired by the Chief Executive Officer and including representatives from various departments, oversees a comprehensive health and safety management system.

Indicator	2025	2024	2023
Lost days due to work injury	124.0	154.0	351.0

Total workforce: **753**



Number of employees who received training: **550**



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

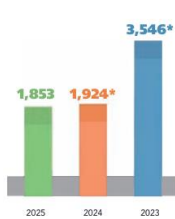
Other general wastes

- Dispose of waste in landfills through contracting waste collectors

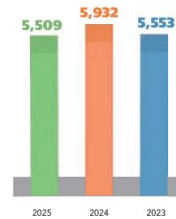
Responding to Climate Change

HFT is actively pursuing strategies to reduce greenhouse gas (GHG) emissions, including the implementation of energy efficiency measures to manage and lower its emissions footprint. To evaluate the effectiveness of these initiatives, the Group has established procedures to measure and forecast GHG emissions in accordance with relevant Hong Kong and PRC regulatory guidelines, as well as international standards such as ISO 14064-1 and the GHG Protocol.

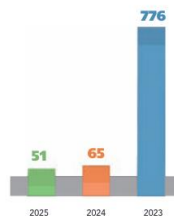
Scope 1: Direct GHG emissions¹⁶ (tonnes of CO₂-e)



Scope 2: Energy indirect GHG emissions¹⁷ (tonnes of CO₂-e)

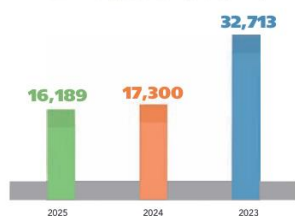


Scope 3: Other indirect GHG emissions¹⁸ (tonnes of CO₂-e)

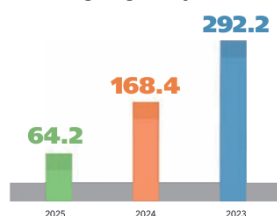


Managing Natural Resources Efficiently

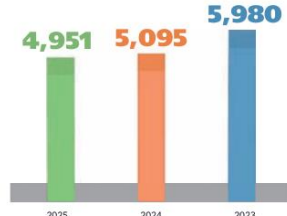
Total Energy Consumption (MWh)



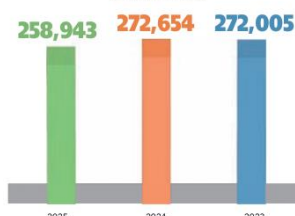
Plastic packaging materials consumption in Hong Kong Factory (tonnes)



Office paper purchases volume (kg)



Total water consumption (cubic meters)



OUR COMMUNITY

Our Focuses in Connecting Communities

Contributing to a Loving Community

Supporting Skip Lunch Day 2025

HFT continued its support for The Community Chest of Hong Kong's "Skip Lunch Day" for the 16th consecutive year.

Offering a Discount to the Valued Community Groups

HFT offered special discounts and promoted membership programmes for seniors, students and caregivers of the elderly and people with disabilities.

Fundraising for the "Wang Fuk Court Fire Relief Fund"

HFT launched an emergency community support initiative to raise funds and provide meals to those in need, supporting the livelihood recovery of affected residents.

Treasuring our Environment

Earth Hour 2025

HFT raised awareness of climate change by promoting sustainable lifestyle changes among staff.

CLP Retail and Catering Coupons Programme

HFT joined the CLP Community Energy Saving Fund's CLP Retail and Catering Coupons Programmes to support local consumption and energy conservations.

Plastic Bottles Recycling

HFT is one of the sponsors of the trial bottle recovery scheme, focusing on reducing waste from beverage consumption.

Preserving Cultural Heritage

"Hong Kong Stories" Campaign

HFT was invited by MTR to join the "Hong Kong Stories" campaign by setting up the "Lok Ma Chau Hung Fook Tong" exhibition at Lok Ma Chau Station to promote the history of herbal tea and cultural heritage.

Driving Inclusion

Community Engagement through Cantonese Expression

HFT launched a campaign across 30 stores to advocate Cantonese culture through social media engagement.

"Hung Panda" Community Exploration

This initiative engaged customers as visitors through interactive experiences to encourage exploration of the unique character of different districts.

Promoting Health and Wellness

Healthy N-Dish Rice Series

This tailor-made healthy meal plan was launched to support a balanced lifestyle.

Low/No Sugar Beverage Promotion

HFT hosted "No-Sugar Challenge" activities across 30 stores to promote low and no-sugar beverages.

HFT Life Art Tour

HFT integrated art into everyday spaces, allowing the public to appreciate art while enjoying healthy products.

Connecting Education and the Workplace

Supporting Student Career Exploration through Industry Partnership

HFT partnered with the Chinese Manufacturers' Association of Hong Kong on the 2025 Business-School Partnership Programme, providing students with a two-week mentored retail internship to support career exploration while promoting corporate social responsibility and sustainability.

Industry Exposure for Youth Career Development

HFT supported Teenshare's Management Trainee/Graduate Programme by hosting an on-site company visit for EdUHK students to provide first-hand workplace exposure and career insights.