



LIPPO CHINA RESOURCES LIMITED

力寶華潤有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 156)

2016/2017 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

October 2017

CONTENTS

OVERVIEW	3
About this report	3
About us	3
Reporting period	3
Scope	4
Feedback	5
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT	6
OUR ENVIRONMENT	9
Emissions	10
Use of resources	12
The environment and natural resources	16
OUR PEOPLE	17
Employment	17
Health and safety	18
Training and development	19
OUR BUSINESS	20
Supply chain management	20
Product responsibility	20
Code of conduct	23
OUR COMMUNITIES	25
Charitable activities	25
Donations	25
HKEx ESG REPORTING GUIDE INDEX	26

OVERVIEW

About this report

As a responsible organisation, Lippo China Resources Limited (hereinafter referred to as “We” or the “Company”) and its subsidiaries (together, the “Group”) realise we have great responsibilities and, at the same time, opportunities to create values for the stakeholders and communities. By taking up the corporate social responsibility (“CSR”), we integrate sustainability throughout our diversified business operations and bring benefits to our precious environment, employees, supply chain and communities.

The Company is delighted to present the Environmental, Social and Governance (“ESG”) report (the “Report”) which provides information on CSR issues that are relevant to the Group and demonstrates our efforts in sustainable development. Information in the Report covers the Group’s governance structure for sustainability, environmental protection, human capital and community contribution.

About us

The principal activity of the Company is investment holding. Its subsidiaries, associates, joint ventures and joint operations are principally engaged in investment holding, property investment, property development, healthcare services, food businesses, property management, mineral exploration and extraction, securities investment, treasury investment and money lending.

Reporting period

The Report presents our sustainability performance for the year ended 31st March, 2017 (the “Reporting Period”). The Group will publish an ESG report annually.

Scope

The Report is prepared with reference to the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) contained in Appendix 27 of the Rules of Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEx”). The Report covers entities from different operating locations which are regarded to be material in contributing to the performance of the ESG of the Group during the Reporting Period, details of which are as follow:

Operating Location	Company Name
Hong Kong	Lippo China Resources Limited LCR Management Limited Delifrance (HK) Limited (“Delifrance HK”) LCR Catering Services Limited (“LCR Catering”)
Mainland China	力寶置業(泰州)有限公司 (Lippo Realty (Taizhou) Limited) (“Lippo Taizhou”) ¹ 福建莆田忠信物業管理有限公司 (Fujian Putian Zhong Xin Property Management Limited) (“Fujian Putian”) 莆田力寶商業顧問有限公司 (Putian Lippo Commercial Consultants Limited) (“Putian Lippo”) 北京力寶商業顧問有限公司 (Beijing Lippo Commercial Consultants Limited) (“Beijing Lippo”)
Singapore	Auric Pacific Group Limited (“Auric Pacific Group”) Auric Pacific Marketing Pte. Ltd. (“Auric Pacific Marketing”) Auric Pacific Food Manufacturing Pte. Ltd. (“Auric Pacific Food Manufacturing”) Sunshine Bakeries Pte. Ltd. (“Sunshine Bakeries”) Delifrance (Singapore) Pte. Ltd. (“Delifrance Singapore”) Food Junction Holdings Limited (“Food Junction”)
Malaysia	Auric Chun Yip Sdn. Bhd. (“Auric Chun Yip”) Auric Pacific Food Processing Sdn. Bhd. (“Auric Pacific Food Processing”)

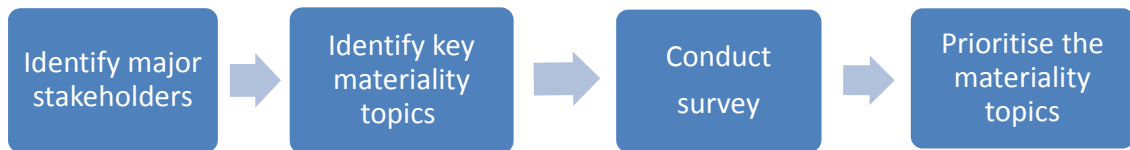
Note 1 Subsequent to the Reporting Period, the Group had disposed of its entire interest in Lippo Taizhou.

Feedback

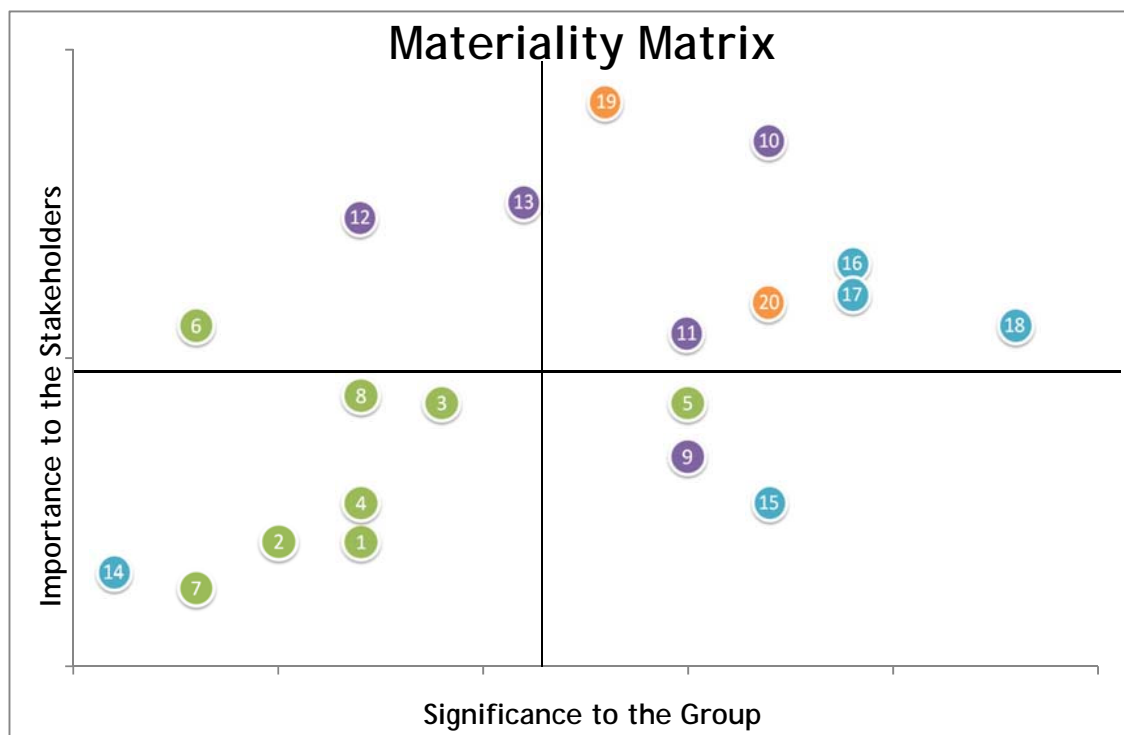
If you have any feedback or suggestions, please send them to the registered office of the Company at 40th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong or the Company's email address at lcr.ir@lippohk.com. We value your feedback on the Report. Your valuable feedback would greatly help us continuously improve our sustainable performance.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

A materiality assessment is required to identify the most material topics or relevant key performance indicators of the Group. During the preparation of the Report, we carried out a stakeholder engagement activity by a third party through an online questionnaire. The questionnaire acts as a tool for us to communicate with our stakeholders and obtain their opinions, and the ESG topics were generalized from the key performance indicators of the ESG Reporting Guide.



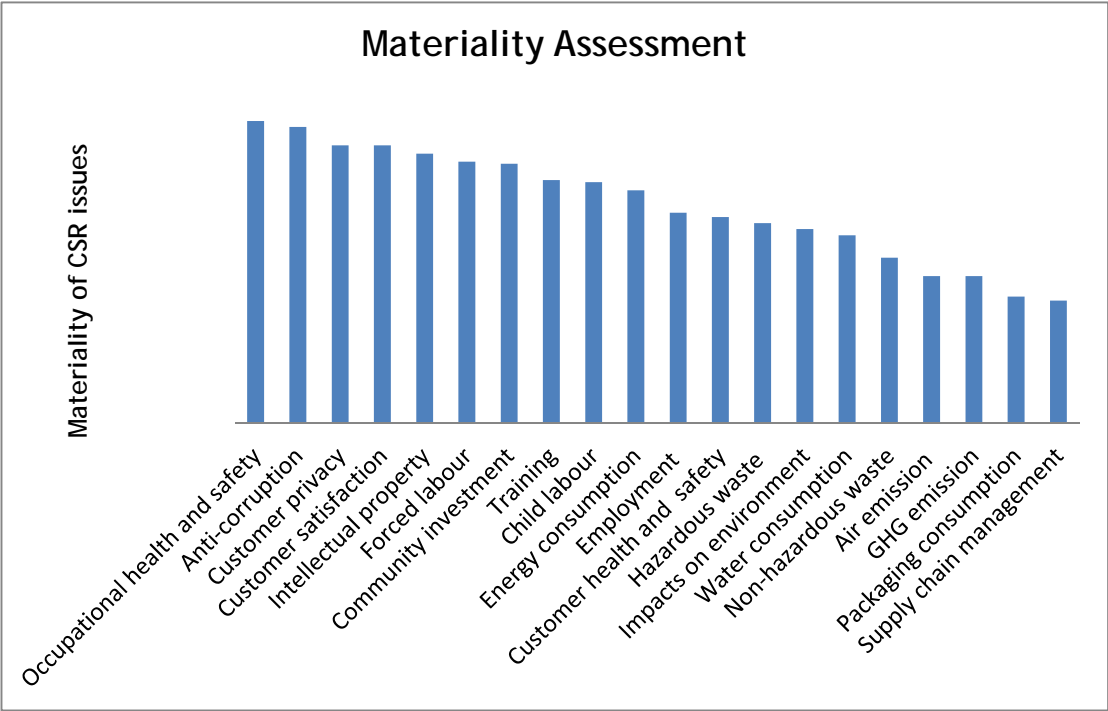
During the materiality process, we engaged both internal and external stakeholders. Their valuable feedback helps us identify the priority of material topics as shown below. The significances to the Group are shown on the horizontal axis, while the importance to the stakeholders is shown on the vertical axis of the materiality matrix. The topics considered to be of greatest importance are shown in the top right hand quadrant of the following graph:



Legend and topics		Level of Materiality	Within the Group	Outside the Group
Environmental				
1	Air emission	Low		
2	Greenhouse gas ("GHG") emission	Low		
3	Hazardous waste	Low		
4	Non-hazardous waste	Low		
5	Energy consumption	Medium	✓	
6	Water consumption	Medium		✓
7	Packaging consumption	Low		
8	Impacts on environment	Low		
Social				
9	Employment	Medium	✓	
10	Occupational health and safety	High	✓	✓
11	Training	High	✓	✓
12	Child labour	Medium		✓
13	Forced labour	Medium		✓
14	Supply chain management	Low		
15	Customer health and safety	Medium	✓	
16	Customer satisfaction	High	✓	✓
17	Intellectual property	High	✓	✓
18	Customer privacy	High	✓	✓
19	Anti-corruption	High	✓	✓
20	Community investment	High	✓	✓

The table above shows the material issues to our business and their impact within and outside of the Group. From the analysis, we noticed the material topics thus provide insights for us to formulate the direction of sustainable development to respond to the expectation of our stakeholders.

Knowing the priority of material topics helps us formulate sustainable development framework in the future, to meet stakeholders’ concerns and expectations.

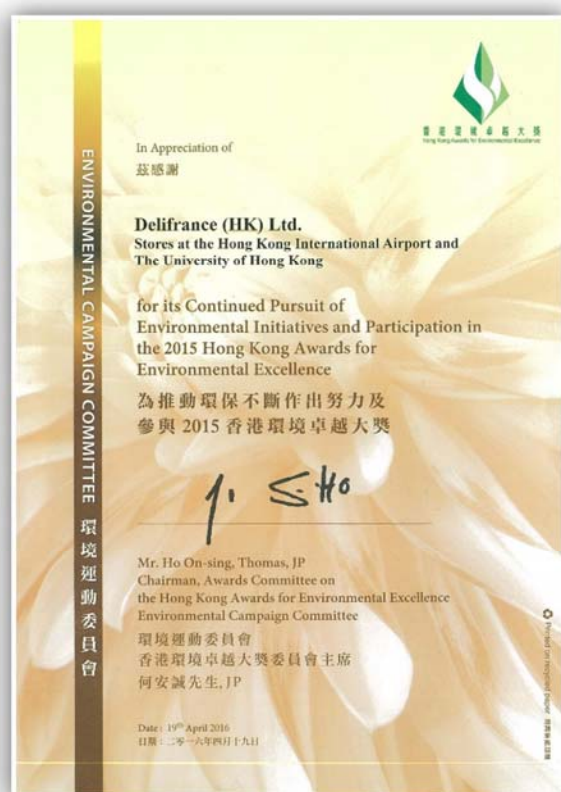


We will continually strengthen the communications and relationships with our stakeholders by various channels. We hope to make our commitments and undertake our responsibilities in accordance with the assessment results.

OUR ENVIRONMENT

As a responsible corporate citizen of the society, the Group attaches great importance to environmental protection and strives to maintain a balance between our operation and environment. Minimising environmental impacts is one of the most important objectives of our daily operation and long-term development. We are committed to complying fully with all applicable environmental laws and regulations in all of our operating locations, including Hong Kong, Mainland China, Singapore and Malaysia.

We continue to employ a wide array of measures, including operating a green office, controlling emissions and improving energy efficiency to ensure that the concept of sustainability is instilled into every level of our businesses. Delifrance HK has been awarded with Certification of Appreciation in Hong Kong Awards for Environmental Excellence by the Environmental Campaign Committee and Certification of Appreciation in "Friends of EcoPark" by the Environment Bureau, Hong Kong. In the future, we will continue to strive for sustainability.



Emissions

During the Reporting Period, the Group is not aware of any incident of non-compliance with relevant laws and regulations relating to air emissions, waste disposal and water discharge that would have a significant impact on the Group.

Air emissions

The Group is not aware of any material air emissions from its operation. Nevertheless, we take all reasonably practicable steps to fulfil our responsibility and are committed to controlling the exhaust gas within and outside our operation.

In the context of Hong Kong, all installation of exhaust gas must comply with the requirement/ regulation of the following governmental departments:

- Electrical and Mechanical Services Department
- Food and Environmental Hygiene Department
- Buildings Department
- Environmental Protection Department
- Fire Services Department
- Labour Department

GHG emissions

We are concerned about the Group's carbon footprint and committed to reducing the impacts of our operations on the environment by implementing various policies and guidelines, which will be further elaborated in the later sections of the Report.

To better understand our environmental impacts and develop future carbon reduction framework and targets of the Group, we have conducted a GHG emission assessment. The consumption of refrigerant, stationary fuel, vehicle fuel and electricity are the major contributors of our GHG emissions during the Reporting Period, details of which are as follows:

Source		GHG emissions (tCO ₂ e)
Scope 1	Refrigerant ²	12,613.66
	Stationary fuel ³	1,856.90
	Vehicle fuel ⁴	1,697.17
Scope 2	Electricity ⁵	14,109.58
	Towngas	41.30
Total		30,318.61

- Note 2 The refrigerant consumption only includes subsidiaries of the Company, namely, Auric Pacific Marketing, Sunshine Bakeries and Delifrance HK, which have operation needs.
- Note 3 The stationary fuel consumption only includes subsidiaries of the Company, namely Sunshine Bakeries and LCR Catering, which have operation needs.
- Note 4 The vehicle fuel consumption only includes the Company and its subsidiaries, namely, Auric Pacific Marketing, Sunshine Bakeries, Auric Chun Yip, Delifrance HK, Lippo Taizhou, Fujian Putian and Putian Lippo, which own vehicles.
- Note 5 The total electricity consumption only includes the Company and its subsidiaries, namely, Auric Pacific Group, Auric Pacific Marketing, Sunshine Bakeries, Auric Chun Yip, Auric Pacific Food Processing, Delifrance Singapore, Delifrance HK, Food Junction, Lippo Taizhou, Beijing Lippo and LCR Catering. The consumption of other companies is not included as their electricity consumption was considered insignificant or no separate bills were issued.

Waste disposal

Due to the Group's business nature, there is no massive production of hazardous waste in the course of our operations. Regarding non-hazardous waste, major wastes generated are food waste and daily mixed waste. During the Reporting Period, the quantity of waste⁶ generated from our operation are as follows:

Type	Quantity (tonnes)
Food waste	792,250.10
Mixed waste	221.98

- Note 6 The quantity of waste only includes subsidiaries of the Company, namely, Auric Pacific Marketing, Sunshine Bakeries, Auric Pacific Food Processing and Delifrance HK. Due to cycle collection, no monthly data were provided by Delifrance HK.

Proper and adequate waste disposal systems and facilities are in place to eliminate the risk of contamination and pollution to the environment. Proactive waste separation procedures are incorporated in daily operations. For instance, Sunshine Bakeries sets up a "Waste Management and Labelling" procedure to ensure that the management of both hazardous and non-hazardous waste complies with relevant local laws and regulations. Waste is identified and classified into seven types including food, dough, general, recyclable, scrap metal, bulky scrap and wastewater. Each classification of waste should be deposited properly at designated bins/locations for waste collection by licensed contractors. Proper waste separation and recycling can alleviate the burden on landfills, minimising our impacts on the environment.

It is inevitable that our food businesses generate food waste during their operations. However, we believe that "prevention is always better than cure". Thus, measures and guidelines are in place to reduce our waste at the source.

Going forward, we will participate in the food waste recycling scheme organised by the Hong Kong Government. Food waste will be first collected by our staff and then separated into biodegradable and non-biodegradable categories. The separated food waste will be transferred to the Kowloon Bay Pilot Composting Plant, a “waste-to-resource” facility, for treatment. These “waste” will be converted into useful nutritious compost soil for farming.

Case Sharing

Delifrance HK's effort on reducing food waste has been recognised by the Impressive Progress Award of the Food Wise Eateries Scheme 2017 by the Environmental Protection Department of Hong Kong Government.

For wasted oil, a suitable storage container is connected with the drainage of the outlet for collection. All the collected oil is then gathered by a designated recycling company on a regular basis and is converted into useable resources such as bio-diesel or soap.

Water discharge

Wastewater is unavoidable during the operation of our food processing business. The Group is committed to reducing the impacts caused by the wastewater discharge from our subsidiaries. During the Reporting Period, Auric Pacific Food Processing discharged a total of 238.53 tonnes of wastewater.

In Hong Kong, we ensure that all installations of drainage system must comply with the requirement/ regulation of the following governmental departments:

- Buildings Department
- Food and Environmental Hygiene Department
- Environmental Protection Department
- Drainage Department
- Labour Department

Use of resources

Knowing that natural resources are limited, the Group makes commitments on efficient use of resources. We adopt a proactive approach in minimising our environmental impacts caused by resource consumption, for the goal of sustainable development. We strive to lower our usage of electricity, water resource, fuel and packaging materials and maximise the utilization.

Electricity consumption

During the Reporting Period, the Group consumed the total amount of electricity⁷:

Total amount of electricity consumed (kWh)	28,938,792.24
--	---------------

Note 7 The total electricity consumption only includes the Company and its subsidiaries, namely, Auric Pacific Group, Auric Pacific Marketing, Sunshine Bakeries, Auric Chun Yip, Auric Pacific Food Processing, Delifrance Singapore, Delifrance HK, Food Junction, Lippo Taizhou, Beijing Lippo and LCR Catering. The consumption of other companies is not included as their electricity consumption was considered insignificant or no separate bills were issued.

We consider electricity usage as one of the sustainability priorities and recognise that we must play our part in reducing electricity consumption, and thus our carbon footprint. We aim to reduce our consumption, as well as the associated operation cost, by adopting the following energy-saving initiatives:

Aspect	Measures
Lighting	<ul style="list-style-type: none">• LEDs and fluorescent lamps are used in most of our offices and outlets. Compared to traditional light bulbs, they are more energy-efficient and eco-friendly. Electricity consumption can thus be reduced.• In some of our outlets, a lighting schedule is implemented. It allows different degrees of lighting at different times for better use of energy. Limited but sufficient lighting is allocated during non-business hours in order to conserve energy.
Air-conditioning	<ul style="list-style-type: none">• We set the temperature of air conditioning to strike the balance between electricity use and employee comfort.• Regular maintenance is scheduled to ensure proper temperature and energy efficiency.
Electrical Devices	<ul style="list-style-type: none">• Employees are encouraged to use energy-efficient and eco-friendly devices.• Employees are reminded to switch off all the electrical devices when they are not in use and during non-office hours.• All electrical appliances are well-maintained to prevent decline in efficiency.

Water consumption

It is inevitable that our day-to-day operations require the use of water for different purposes such as food production and cleaning process. To conserve water resource, we conduct regular maintenance to ensure there is no waste of water due to leakage. During the Reporting Period, the Group did not encounter any issue in sourcing water resource. The total water consumption⁸ is as below:

Total water consumption (m ³)	319,402.01
---	------------

Note 8 The total water consumption only includes subsidiaries of the Company, namely, Auric Pacific Group, Auric Pacific Marketing, Sunshine Bakeries, Auric Chun Yip, Auric Pacific Food Processing, Delifrance Singapore, Delifrance HK, Food Junction and LCR Catering. The consumption of other companies is not included as their water consumption may be considered to be insignificant or no separate bills were issued.

Fuel consumption

Stationary and vehicle uses are the main sources of our fuel consumption. Diesel represents a major proportion of the composition of our fuel consumption, used by ovens in our food businesses and vehicles for transportation. The total fuel usage during the Reporting Period is as follows:

Type		Amount of fuel consumed
Stationary fuel ⁹	Diesel oil (litres)	642,500.00
	Towngas (units)	68,830.63
Vehicle fuel ¹⁰	Unleaded petrol (litres)	15,575.36
	Diesel (litres)	603,183.63

Note 9 The stationary fuel consumption only includes subsidiaries of the Company, namely, Sunshine Bakeries and LCR Catering, which have operation needs.

Note 10 The vehicle fuel consumption only includes the Company and its subsidiaries, namely, Auric Pacific Marketing, Sunshine Bakeries, Auric Chun Yip, Delifrance HK, Lippo Taizhou, Fujian Putian and Putian Lippo, which own vehicles.

We are committed to replacing old vehicles with more fuel-efficient models. Moreover, we encourage employees to use telephone conference whenever possible to reduce carbon footprint caused by business travel.

Packaging materials

In our catering businesses, we do not recommend any use of disposable plastic or paper utensil, unless there is special request by customers. Alternatively, washed and sanitised stainless steel cutlery are provided. We always suggest customers not to use disposable utensils not only for environmental issues, but also for a better quality of food and drinks.

During the Reporting Period, the amount of packaging materials¹¹ used are as follows:

Type	Packing materials consumption (tonnes)
Stretch film	23.87
Wrapper	192.74
Carton box	158.93
Plastic	128.97
Metal	9.15
Paper	22.23
Aluminium	0.93
Disposable cutlery	10.94
Other	1.32
Total	549.08

Note 11 The packaging material consumption only includes subsidiaries of the Company, namely, Auric Pacific Marketing, Sunshine Bakeries, Auric Pacific Food Processing and Delifrance HK.

Green practices

We advocate the idea of environmental protection and energy conservation in our businesses. We encourage green practices at the workplace such as reusing paper, double-sided printing, careful photocopying, precise stationary ordering, recycling of printer cartridges and toners, using electronic communication channels and switching off idling lightings and electrical appliances. To conserve the environment, the Company encourages its shareholders to receive communications electronically via the websites of HKEx and the Company and an automatic footnote had been appended on all the Group's emails requesting the recipients to consider the environment before printing.

The environment and natural resources

Noise pollution

We aware that noise is generated during our operation process. At Sunshine Bakeries, a noise pollution control system is set up to monitor all types of noise sources including machines - equipment or processes - which generate excessive noise level at or above the action level as stipulated in the Environmental Protection and Management Act, 2008 in Singapore. Appropriate measures have been taken to reduce or control noise pollution from its operation and to create a more conducive environment for the employees.

Green procurement

Every decision from sourcing raw materials to the products displayed in front of customers is made with careful considerations of our earth, not just for tangible profits. Green ingredient sourcing is practised within the Group, including food and non-food items, in order to make our businesses more environmental friendly.

Case Sharing

We practise Green Ingredient Sourcing in our food business. For example, organic elements are continuously put into Delifrance HK's menu. Our major beverage and coffee drinks can be prepared by organic soymilk.

Education

We understand that behavioral changes are the key to environmental conservation. All of our staff, including frontline crews and backup teams, are updated with knowledge about green practices through regular meetings and conferences. We hope that the idea of green business can be instilled and applied in our daily operation.

OUR PEOPLE

Since employees are a crucial element to the business success of the Group, we offer competitive remuneration package to attract and motivate the employees. We also focus on maintaining a decent, safe and inspiring working environment for them.

Employment

Employment conditions

To create an ethical and pleasant working environment, our guidelines and policies are in place on working hours, rest periods, recruitment, dismissal, equal opportunity, diversity and anti-discrimination. Each of our entities has own human resources procedure to guarantee the elimination of child labour, forced labour or any unethical treatment to our employees.

We support equal employment and promote talented people who possess high standard of merits or contribute greatly to working performance. Through regular appraisals, we provide opportunities of promotion for our employees that meet both their goals and objectives of the Group. We believe that we as an employer extend beyond mere compliance with relevant laws and regulations. To retain and motivate our employees, we offer attractive remuneration package along with various benefits higher than the statutory requirements such as paid marriage, medical and compassionate leave, generous annual leave, healthcare insurance and retirement benefits.

Equal opportunity and diversity

The Group treats the employees with respect and fairness and encourages a culture of equal opportunity and regardless of age, gender, marital status and race. A Board Diversity Policy, with the aim of enhancing the quality of the Board's performance by diversity, was adopted in August 2013.

Health and safety

Safety management

We take care of employees' wellness and safety by building a safety working culture throughout the daily operation. Within the Group, the café-bakeries business segments are relatively complex and involve higher safety risks such as sharp injuries and manual handling operation. Therefore, safety management system is implemented in café-bakeries business segments to ensure the participation from top management to frontline staff towards achieving zero accident rate. It is imperative that contractors and sub-contractors working on our premises and every employee take the responsibility to make safety a part of their daily life at work.

A quality and control assessment team was formed and appointed by top management of the food businesses. The team conducts comprehensive risk assessments to identify the risk level of different tasks regularly. To mitigate safety risks, we have prepared a set of safety guidelines providing instructions on common occupational hazards, such as working at height and electrical equipment safety.

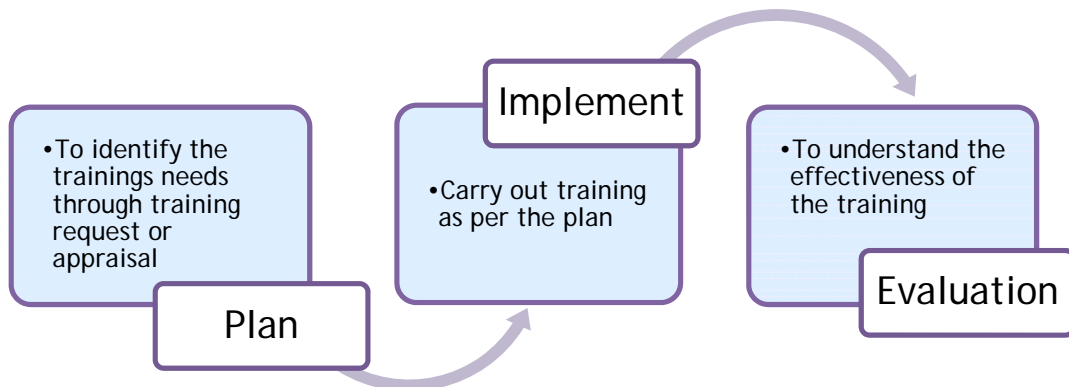
In Delifrance Singapore, we have established a safety committee to resolve health and safety issues and continuously improve the health and safety performance during work. Review meeting is held regularly to safeguard the effectiveness of execution. Disciplinary action is subject to non-compliance situations. We implement measures to spread the safety awareness among employees. For instance, occupational health and safety ambassadors are assigned at every branch of Delifrance HK to conduct regular inspection and to implement corrective measures if necessary.

We pay extra attention to chemical safety in the food manufacturing segment. A series of guidelines including chemical usage, storage, labelling, Material Safety Data Sheet (MSDS) control, procurement and waste management are established. Flammable storage license is obtained and emergency response plan is ready in compliance with the Fire Safety Act of Singapore.

While we make great efforts to keep our staff healthy and safe, accidents might happen. We have prepared well with contingency plan in place as remediation.

Training and development

We highly value the talents of our people. Training policy and operation manual were established as the framework of nurturing our employees.



Employees of the Group are encouraged to attend training and development courses to have the right knowledge and skills. The relevant divisions and departments would set aside a budget for the employees to attend training and development courses. Our staff from café-bakeries operations, for instance, are required to attend the training focused on food hygiene and safe facility operation. Performance appraisal is conducted annually to review the employees' performance and at the same time to identify the training needs, if any. The Group also provides continuous professional training for the Directors and senior management to develop and refresh their knowledge and skills which includes seminars and workshops, updates on regulatory requirements and development and corporate governance practices.

To cultivate the self-directed learning culture, we provide employees continuous learning and development opportunities through financial subsidies or sponsorship so that they could prepare themselves better for personal growth and future career development.

OUR BUSINESS

Supply chain management

Selection and evaluation process

Our philosophy for supply chain management is to share our green spirit with vendors. To ensure environmental and social risks are managed apart from quality and reliability, our food businesses, for instance, have established policies and procedures for monitoring vendors. To guarantee the best price without compromising the quality, under normal circumstances, at least three vendors should be obtained for same category of comparable materials. New potential suppliers have to go through assessment before approval, while ongoing evaluations are arranged for approved suppliers as continual improvement of quality products and services. Supplier approval list is updated regularly.

Food and beverage selection

For our café-bakeries business entities, we conduct food safety and hygiene audits on existing vendors regularly to identify potential hazards, including microbiological, chemical and physical, with audit results tabulated for improvement. Yearly random microbiological and chemical tests have to be conducted as well. For new suppliers whose materials to be used in the Group's final products, we have additional requirements apart from going through the general selection process. We have to ensure that food-related suppliers have proper staff health records as required by the relevant authorities. We would collect samples for production as trial batch to understand the performance, and for chemical and bacteriological testing.

Product responsibility

Food Safety

Delivering food that is of high quality standard and safe for consumption is the fundamental basis in response to provide excellent customer service. Our policies, food safety management system and infrastructure are reviewed regularly to maintain the standard of services and products. Below are the elements that underpin our approach to uphold quality and safety.

Case Sharing

Our vision - To provide baked goods of exceptional quality to every household in Singapore.

Sunshine Bakeries

Food safety policy

We are committed to providing safety products by outlining the principles to guide the processes during different operating stages to maintain food traceability and safety standard as well as regulatory requirement, from procurement of raw materials, to preparation and the delivery of products to our outlets or customers.

Aligned to international standards

Different safety management systems are implemented into our daily operation as tools of monitoring and risk control.

Companies	Standards Applied and Certification Attained
Sunshine Bakeries	Good Manufacturing Practice (GMP) Pre-requisite program
Delifrance Singapore	<ul style="list-style-type: none">• ISO 22000:2005 Food safety management system• Food preparation HALAL Certificate• Certificate of Commendation

These internationally recognised systems provide guidance and good practices within the industry on identifying and controlling safety hazards, from facilities cleaning and sanitation to personal hygiene, and from waste disposal to pest control. Processes for preparation, cooking and packaging are all standardised to ensure product quality and safety. We regularly do product testing, making sure that they are in good condition. Internal audit by quality assurance team and external assessments by third parties are conducted regularly to ensure the effectiveness of the system and to identify improvements.

Product information and labelling

We strive to provide our community with the information required to make informed buying decisions. Our product labels provide information on product name, product code, product weight, production date and expiry date. A systematic review and approval process is in place before advertisement launch to the market to safeguard accurate presentation and protect customers.

Transparent crisis management

The Group maintains a product recall program that establishes the strategy and specifies the procedures to be followed. Product recall committee and food safety team are responsible for implementing and overseeing the recall process. Method of product identification is defined for traceability purpose. During the Reporting Period, no product was recalled due to safety and health reasons.

Total customer experience

Apart from offering quality food, we strive for providing total customer experience to our customers. Here are some examples:

Case Sharing

Delifrance HK was recognized for Quality Tourism Services Scheme by the Hong Kong Tourism Board. This is required to pass stringent annual assessments showing that high standards of product quality and service are met.



Case Sharing

Our vision - To have people connect with one another over food, with the best dining experience in affordable and comfortable settings.

Food Junction

Case Sharing

Delifrance Singapore earned 2 Star, 12 Gold and 12 Silver awards during 2016 in the Excellent Service Award. Excellent Service Award is a national award held by six industry lead bodies in Singapore that recognizes individuals who delivered quality service.

Complaint handling

Our relationships with customers are the cornerstone of the Company's success. Customer feedback about their experiences with our service is the key to improvements on our service quality. In the event of receiving complaint, we will take prompt actions to investigate the issue and carry out remediate action plans according to the complaint handling procedure. Corrective and preventive measures will be followed to avoid re-occurrence.

Case Sharing

Delifrance HK established three levels of seriousness on handling customers' feedback. Staff has to reply complaints classified as Level 1 and 2 within 1 working day while level 3 complaints are replied within 2 hours. Recommended remedies are standardized for staff to take reference.

Code of conduct

Integrity is the foundation of business continuity. Therefore, it is our aim to cultivate a corporate culture of integrity in dealing with employees, suppliers and customers.

Anti-corruption

Anti-corruption is the foundation of business continuity as well as corporate sustainability, which at the same time the most material topic rated by our stakeholders. Stringent policies are stipulated in the employee guidelines as well as human resources procedures in relation to compliance with local laws and regulations, such as soliciting or accepting any advantages in the business operations, to ensure employees' actions abide by our internal regulations. We prohibit any form of bribery, extortion, fraud and money laundering in the business operations. Internal control mechanism is in place for monitoring. We have not noticed any concluded legal cases regarding corrupt practices during the Reporting Period.

Whistleblowing

We pay high attention to the grievance mechanism to enhance competitiveness and the management policies. A whistleblowing policy was established to ensure that information is disclosed confidentially.

The foundation and rationale for the Company's whistleblowing policy are as follows:

1. Providing reporting channels and guidance on whistleblowing to employees or third parties, for example, customers, suppliers etc. of the Group, to raise concerns rather than neglect them;
2. Promoting a climate of accountability and disclosure with respect to the Group's accounting, internal control and auditing matters; and
3. Revealing inappropriate practices or misconduct before these activities cause disruptions or losses to the Group.

The Group makes every effort to keep a whistleblower's identity confidential. Whistleblowers can make direct reports to the Internal Audit Department, the Chief Executive Officer or the Audit Committee of the Company. The Internal Audit Department is responsible for monitoring and reviewing the effectiveness of the policy.

Data privacy

We are committed to protecting privacy and intellectual property information for customers, suppliers and employees. All information is collected, transferred, abandoned and stored only by assigned employees and only with permission. Any leakage of such information to any other parties that are not involved is strictly prohibited. The Group has the right to dismiss the employees immediately who violate the rules stipulated in the employee handbook or guidelines and employment contracts. After-office-hour, access to office areas is restricted and controlled. Employees are strictly prohibited from dealing with the shares of the Group if they possess any inside information.

Intellectual property

We endeavour to protect intellectual rights by different measures. We also actively monitor any infringement by free-riding brands across the countries to safeguard customers from losses caused by misleading brand names.

OUR COMMUNITIES

Charitable activities

While striving for excellent financial performance, we remain committed to fulfilling social responsibility by making substantial investment in the communities. The Group is committed to invest in the communities where it operates by a setting a donation policy and donation foundation to support the work of various charitable bodies, educational bodies and cultural societies from time to time.

Apart from donation, we also took part in various community projects during the Reporting Period. These included fundraising events for local social services and educational organizations, donating books to children in Fujian Province, and supporting clinical and healthcare development in Singapore.

Case Sharing

Delifrance HK was awarded the Certificate of Appreciation in Food Donation Partner 2015-2016 by Food Grace, the first recycle organization in Hong Kong. Food Grace is a nonprofit charity established in 2009, aims at connecting the food industry and underprivileged in order to convert from the excessive food into the resources of community.



Donations

As a responsible corporate group of companies, we care for and support the communities where we operate. Charitable and other donations made by the Group during the Reporting Period amounted to HK\$2,357,000.

HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures		Policies and Procedures	Explanation / Reference Section
Aspect A Environmental			
A1 Emission	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	<ul style="list-style-type: none"> ➤ Environmental Protection Policy/Guidelines ➤ Air Emissions Policy/Guidelines ➤ Waste Management and Labelling Procedure ➤ Prevention of Food Waste Guidelines ➤ Wastewater Management Policy/Guidelines 	OUR ENVIRONMENT - Emissions
A2 Use of Resources	Policies on efficient use of resources, including energy, water and other raw materials.	<ul style="list-style-type: none"> ➤ Environmental Protection Policy/Guidelines ➤ Efficient Use of Resources Policy/Guidelines ➤ Green Practices 	OUR ENVIRONMENT - Use of resources
A3 The Environment and Natural Resources	Policies on minimising the Company's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> ➤ Noise Pollution Control 	OUR ENVIRONMENT - The environment and natural resources

HKEx ESG Reporting Guide General Disclosures		Policies and Procedures	Explanation / Reference Section
Aspect B Social			
B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<ul style="list-style-type: none"> ➤ Staff Handbook/Guidelines ➤ Human Resource Policy ➤ Orientation Handbook 	OUR PEOPLE- Employment
B2 Health and Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to providing a safe working environment and protecting employees from occupational hazards.	<ul style="list-style-type: none"> ➤ Staff Handbook/Guidelines ➤ Occupational, Health and Safety Manual and Guidelines 	OUR PEOPLE - Health and safety
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<ul style="list-style-type: none"> ➤ Staff Handbook/Guidelines ➤ Training Guidelines 	OUR PEOPLE - Training and development
B4 Labour Standard	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to preventing child or forced labour.	We complied with the relevant laws and regulation, and prohibit child and forced labour at workplace.	OUR PEOPLE - Employment

HKEx ESG Reporting Guide General Disclosures		Policies and Procedures	Explanation / Reference Section
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> ➤ Procurement Standard Operating Procedure ➤ Vendor Master Management 	OUR BUSINESS - Supply chain management
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	<ul style="list-style-type: none"> ➤ Food Safety Policy ➤ Food Safety Management System 	OUR BUSINESS - Product responsibility
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering.	<ul style="list-style-type: none"> ➤ Whistleblowing Policy ➤ Human Resources Policy ➤ Employee Handbook /Guidelines ➤ Code of Conduct 	OUR BUSINESS - Code of conduct
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the Company operates and to ensure its activities take into consideration the communities' interests.	<ul style="list-style-type: none"> ➤ Donation Policy 	OUR COMMUNITIES