



新煮意控股有限公司
Food Idea Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8179

Environmental, Social and
Governance Report

2016



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About this Report

Food Idea Holdings Limited (the “Company”), together with its subsidiaries, (the “Group”) is pleased to present the first Environmental, Social and Governance Report (“Report”) to provide an overview of our commitment in achieving environmental, social and governance goals through our sustainability pillars. This Report is prepared by the Group with the professional assistance by APAC Compliance Consultancy and Internal Control Services Limited.

Preparation Basis and Scope

The Report is prepared in accordance with Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) relating to “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) and has complied with the “comply or explain” provisions as set out in the GEM Listing Rules.

This Report summarizes the performance of the Group in respect of corporate social responsibility in 2016, covering the businesses which are considered as material by the Group – engaged in (i) catering services, (ii) production, sales and distribution of food products to supermarket chains in Hong Kong, (iii) investments in securities; and (iv) money lending business. As it is the first time for the Group to publish of the Report, it does not contain all recommended disclosure. The Group will continue to optimize and improve the disclosure of indicators. This Report shall be published both in Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

Reporting Period

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2016 to 31 December 2016.

Contact Information

The Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to info@foodidea.com.hk.

Introduction

Founded in 2006 and listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM”) in 2011, Food Idea Holdings Limited is a fast-growing local group. Our principal activities include (i) catering services, (ii) production, sales and distribution of food products to supermarket chains in Hong Kong; (iii) investments in securities; and (iv) provision of money lending business.

Our food products operation represents production, sales and distribution of food products, such as barbecued food and Taiwanese Lou Mei to major supermarket chains. We operate a food processing factory in Tsuen Wan and over 60 concessionaire stores in Hong Kong.

After obtaining the relevant license in 2012, we have commenced our money lending business in 2015. We target customers who look for substantial loan amounts and can offer security for such loans.



The Group continues to sharpen its focus on sustainability and innovation. By operating in an economically, socially and environmentally responsible manner, the Group aims to achieve positive and sustainable outcomes for its businesses, the environment and the community at large. The Group is committed to sound corporate governance practices as well as robust enterprise risk management processes. It also actively builds a strong safety culture to achieve a zero-harm workplace. The Company strives to be an employer of choice, nurturing a competent and engaged workforce to drive sustainable growth. The Group has established a comprehensive operation control procedure to oversee the environmental, social and governance issues.

Stakeholders Engagement

Expectations and opinions from our stakeholders are important and valuable. The Group engages with its stakeholders, including employees, customers, investors, suppliers and the community, through utilizing different channels as listed the table below. Through the stakeholders engagement, the Group understands the expectations and concerns from stakeholders and the feedbacks obtained through these channels allow the Group to further enhance the sustainable development.

Stakeholders	Expectations	Engagement channels
Government	<ul style="list-style-type: none"> – To comply with the laws – Proper tax payment – Promote regional economic development and employment 	<ul style="list-style-type: none"> – On-site inspections and checks – Annual and quarterly reports – Website
Shareholders and investors	<ul style="list-style-type: none"> – Low risk – Return on the investment – Information disclosure and transparency – Protection of interests and fair treatment of shareholders 	<ul style="list-style-type: none"> – Annual general meeting and other shareholder meetings – Annual and quarterly reports, announcements and circulars – Meetings with investors and analysts
Employees	<ul style="list-style-type: none"> – Safeguard the rights and interests of employees – Health and safety – Working environment – Career development opportunities – Self-actualization 	<ul style="list-style-type: none"> – Conference – Training, seminars and briefing sessions – Emails
Customers	<ul style="list-style-type: none"> – Safe and high-quality products – Stable relationship – Information transparency – Integrity – Business ethics 	<ul style="list-style-type: none"> – Website, annual and quarterly reports – Emails and customer service hotline – Regular meetings

Stakeholders	Expectations	Engagement channels
Suppliers/partners	<ul style="list-style-type: none"> – Long-term partnership – Honest cooperation – Fair and open – Information resources sharing – Risk reduction 	<ul style="list-style-type: none"> – Business meetings, supplier conferences, phone calls, interviews and emails – Regular meetings – Review and assessment – Tendering process
Financial institution	<ul style="list-style-type: none"> – Compliance with the laws and regulations – Disclosure information 	<ul style="list-style-type: none"> – Consulting – Information disclosure – Annual and quarterly reports, announcements and circulars
Public and communities	<ul style="list-style-type: none"> – Community involvement – Social responsibilities 	<ul style="list-style-type: none"> – Volunteering – Charity and social investment – Annual and quarterly reports, announcements and circulars

Environmental Aspects

Emissions

As the Group specialises in food and production industry, we take various means to eliminate emission. The Group has formulated “Environmental Facilities Operation and Management Policy” to manage the emission from our daily operations.

Oil fumes and cooking odour emissions from cooking processes are air pollutants under the control of the Air Pollution Control Ordinance. The emission is monitored and recorded to ensure it complies with the laws and regulations. Oil fumes control equipment is installed to mitigate the emission. Regular maintenance is carried out to ensure control equipment works in good condition. During our food production process, liquified petroleum gas (“LPG”) and town gas are the major sources of energy which produce less air pollutants when compared to other fossil fuels. Besides, passenger cars are used in our daily operation. During the reporting period, the air pollutant emissions are as follows:

Air Pollutants	Emission (kg)
Nitrogen oxides (NOx)	11.27
Sulphur oxides (SOx)	0.22
Particular matter (PM)	0.71

The air pollutants are mainly generated from the vehicles while the rest of the emission are produced by the gaseous fuel consumption, including LPG and town gas.

Climate change is gradually concerned by the community. The Group manages the carbon footprint by minimising the energy consumption and water consumption as these activities cause significant emission of greenhouse gas. Policies and procedures adopted on resources saving are mentioned in the section “Use of Resources” of this Report. During the reporting period, the emission of greenhouse gas are as follows:

Greenhouse Gas Emission	CO2 equivalent (kg)
Scope 1 ¹	65,813.08
Scope 2 ²	171,633.17
Scope 3 ³	9,467.09
Total	246,913.34

¹ Scope 1: Direct emission from sources that are owned or controlled by the Group

² Scope 2: Indirect emission from the generation of purchased electricity consumed by the Group

³ Scope 3: Other indirect emission from electricity used for processing fresh water and sewage by government departments and business air travel by employees

Various activities (e.g. washing food material, defrosting, cooking and cleaning kitchen utensil) generate wastewater. The discharge of wastewater complies with Water Pollution Control Ordinance and the related wastewater treatment facilities are inspected regularly. In order to reduce the grease content in the wastewater, employees are encouraged to use less oil when cooking.

Food processing may generate solid waste. Waste will be treated according to the Waste Disposal Ordinance. Qualified recycling companies are engaged to handle the waste. The Group has implemented proper waste reduction measures (e.g. Reduce, Reuse, Replace & Recycle) and encouraged customers to support environmental protection in order to mitigate the waste production. During the reporting period, the Group did not aware any material generation of hazardous waste nor non-hazardous waste. The Group has complied with related environmental laws and regulations. During the reporting period, there was no case of prosecution for violating environmental legislation.

Use of Resources

The Group considers environmental protection as an essential component of sustainable and responsible business. We strive to minimise negative impact to the environment through optimising the use of natural resources and encouraging our customers, business partners and the wider community to embrace environmental stewardship.

In the daily operation, purchased electricity and fuel are the major energy consumption. During the reporting period, the resource consumption are as follows:

Resource	Consumption
Energy	
– Purchased Electricity	306,661.61 kWh
– Purchased Town gas	3,537.75 kWh
– Petrol	129,202.48 kWh
– LPG	112,035.56 kWh
Total Energy Consumption	551,437.40 kWh
Total Water Consumption	7,207.49 m³

As stipulated in “Energy Resource Policy”, the Group aims to promote resource saving and implement suitable energy saving measures in order to improve the energy saving performance. In the procurement process, energy saving and environmental impact of the equipment are the key concerns. The Group also raise the employees’ awareness on energy saving through education or training. We adopt production methods that are more water saving and reuse waste water under feasible circumstances. Water pipes are inspected regularly to detect any cracks. Regular maintenance of water supply system is carried out regularly. In order to save the electricity, lighting is turned off when the room is not in use and energy-saving lighting system and equipment are used. Air conditioning system is adjusted according to the season. For saving paper, we encourage double-sided printing and reuse paper that has been printed on one side.

The Environment and Natural Resources

For any possible incident that will cause pollution to the environment, the Group has clarified the management responsibilities of each post and taken measures to protect the local ecological environment and avoid the occurrence of environmental pollution and ecological damage on the affected sites as stipulated in the “Pollution Accident Management” session of the “Environmental Facilities Operation and Management Policy”. Once there is any accident of pollution, an emergency plan will be formulated immediately and the case is reported to the environmental department in order to protect the safety of people and the ecological environment.



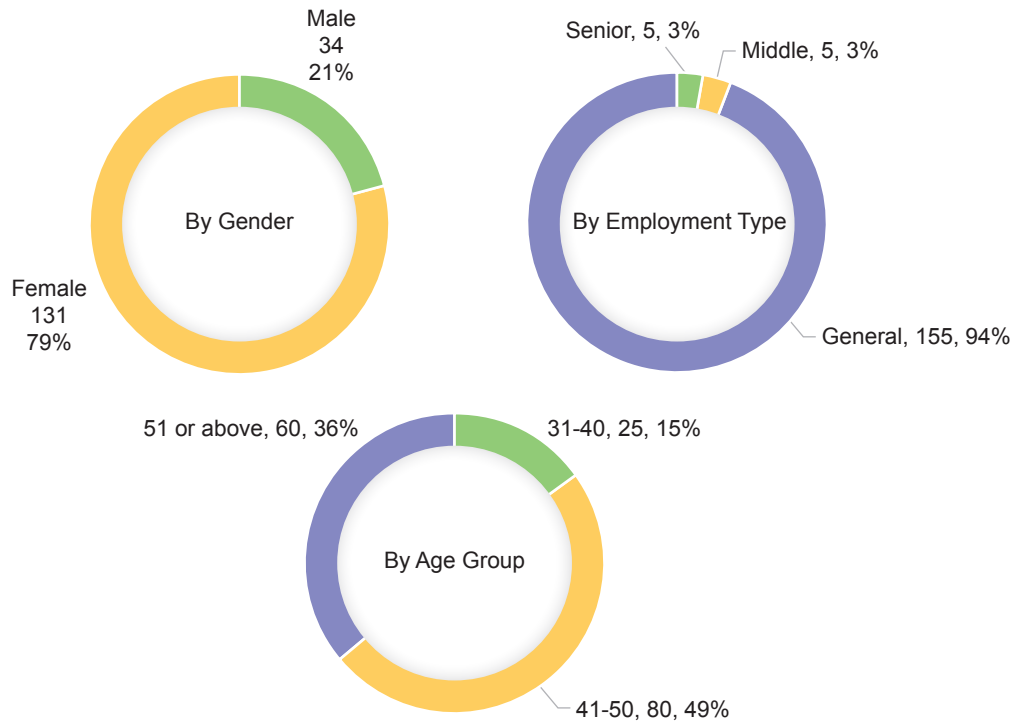
Social Aspects

Employment and Labour Practices

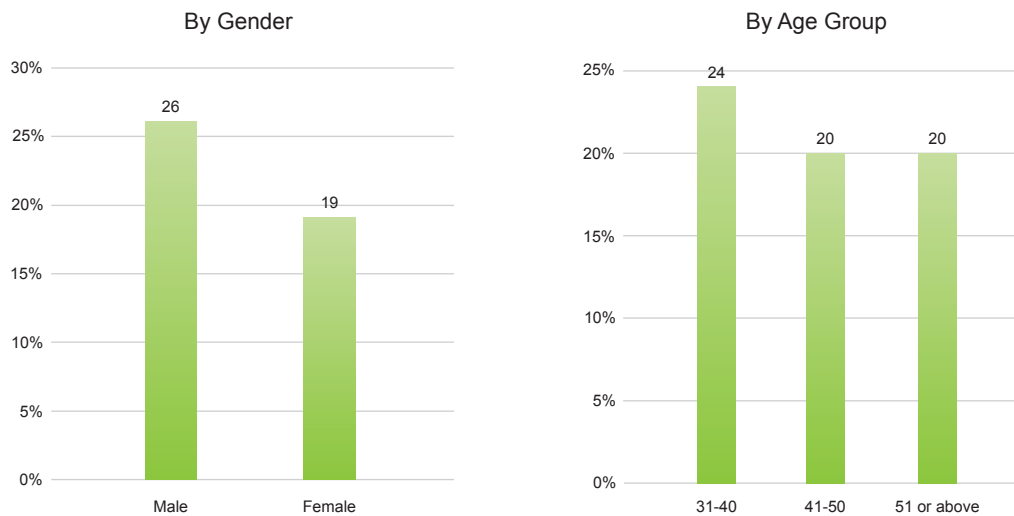
Employment

The Group believes people are important assets, which is the foundation for success and development of the Group. The Group is in strict compliance with the relevant laws and regulations including Employment Ordinance, Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination and Race Discrimination Ordinance. The Group's "Human Resource Management Policy" contains information regarding employment management, rights on termination, compensation, employee benefits, working hours and performance management and other policies for the benefit of its employees. The principle of equal opportunities is applied in all employment policies, in particular to recruitment, training, career development and promotion of employees. The Group promotes fair competition and prohibits discrimination or harassment against any employee on their gender, age, marital status, religion, race, nationality, disability or any status protected by law. During the reporting period, no concluded cases regarding employment brought against the Group or its employees were noted.

During the end of reporting period, the total workforce by gender, employment type, age group are as follows.



The employee turnover rate by gender, age group in the reporting period are as follows:





Health and Safety

Upholding the belief that safety is the first priority, the Group is committed to providing a healthy and safe workplace for all its employees and the community according to Group's "Health, Safety and Environment Policy Statement". The Group continues to improve the working conditions and monitor the effectiveness of safety-related controls. The Group strives to mitigate, reduce and control the health, safety and environment risks. We promote the importance of occupational health and safety to our employees. We reward the employee who has excellent performance in maintaining health and safety in the workplace. In order to evaluate the performance and effectiveness of the related measures and procedures, we conduct regular assessments and examination.

The Group complies with related health and safety laws and regulations such as Occupational and Health Ordinance. During the reporting period, there were 8 people involved in work injuries, and 400 lost days due to such injuries. The Group did not have work-related fatalities nor concluded cases regarding health and safety brought against the Group or its employees were noted.

Development and Training

To achieve continuous innovation and maintain competitive edges, the Group is keen on promoting staff training and development activities which aim to enhance their expertise, skills and management competence and improve their problem-solving ability. Comprehensive training materials and a suitable learning environment are available to employees. According to the Group's human resource policy, we provide diversified on-the-job training based on the needs of respective positions and the talents and interests of employees. High-caliber employees are selected to attend external training hosted by training institution or experts. Performance assessments are carried out regularly to measure employees' overall status in the achievement of goals and performance.

During the reporting period, the percentage of employees trained and the average training hours completed per employee by gender and employee category are as follows.

Percentage of employee trained

By Gender

– Male	21%
– Female	17%

By Employment Category

– Senior Management	60%
– Middle Management	40%
– General	15%

Average training hours

Hours/
employee

By Gender

– Male	1.99
– Female	0.50

By Employment Category

– Senior Management	1.50
– Middle Management	1.00
– General	0.77

Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose threat to sustainable social and economic development. The Group strictly complies with Employment Ordinance. The Group prohibits the use of child labour and forced labour as stipulated in the human resource policy and “Prohibition Forced Labour Policy and Regulations”. Only employee aged 18 or above is employed according to the recruitment guideline. Employee enjoys the right of freedom. Employee can report to the management if he/she finds his/her right is infringed.

The Group complies with Employment Ordinance. During the reporting period, the Group did not find any cases related to child labour or forced labour.

Operating Practices

Supply Chain Management

The Group recognises that the conduct and behaviour of our suppliers, vendors and contractors can affect – both positively and negatively – the quality of our workplace and the environment, the lives of people in local communities, as well as our reputation and ability to operate effectively. We expect and demand that our supply chain partners uphold the Group’s principles of ethical business conduct and respect for human rights. We strive to do business only with those suppliers who share these principles.

The Group’s “Suppliers Social Responsibilities Control Procedure” strengthens the management of the social and environmental risks of suppliers. The procurement department is responsible for monitoring and evaluating the social responsibility performance of suppliers. The supplier is required to confirm that it has complied with all local laws and regulations and agrees to have an on-site inspection. If any serious cases of non-compliance are discovered during the on-site inspection for the supplier, we will terminate the contract with it. The Group maintains a long-term relationship with suppliers based on the results of supplier assessment. During the reporting period, there were 33 suppliers and all were from Hong Kong.

Product Responsibility

Food quality and safety are fundamental to the sustainable development of the Group. The Group has stringent procedures in selecting suppliers, procuring food ingredients and food processing process. “Food Quality and Safety Management Policy” is adopted to ensure the operation complies with related food safety laws and regulations, including but not limited to Food Safety Ordinance and Public Health and Municipal Services Ordinance. The Group aims to perform regular identification of hazards, determination of critical control points and timely implementation of effective control and monitoring measures. We define the food safety objectives and continually review to ensure consistent compliance. We also strive to employ competent staff, reliable contractors and source the reputable suppliers. An efficient, effective and suitable food safety management system is developed to continually improve our processes capable of delivery of safe food product.

Furthermore, the Group places the utmost importance to customers’ comments and advices. As stipulated in the Group’s “Customer Opinion Management Policy”, the Group strives to satisfy customers’ need and protect the Group’s reputation. The Group has specifically assigned personnel to follow up each case and has taken appropriate action in accordance with established policies and procedures. Mock recall is also conducted to help employee to familiar the recall procedures. If product sold is subjected to recall for safety and health reasons, it will be handled according to the requirements of the government. If the product is needed to be discarded, it will be wrapped properly and disinfected. Total weight is recorded and photo is taken before disposal. During the reporting period there were no product subject to recalls for safety or health reasons.

Anti-Corruption

The Group believes that the integrity of business is a foundation of corporate social responsibility, as well as a fundamental element of business’s competitive advantage and sustainability. For these reasons, we have systematically incorporated anti-corruption management principles into our operations, promoted a fair and just commercial competition to achieve a win-win situation with external partners and adhered to transparent and open mechanisms for internal management as stipulated in the “Anti-corruption and Anti-Fraud Management System”. The Group oversees all the issues related to bribery for all business activities, including procurement, sales, quality assurance etc. The Group has guidelines for employees to minimise the risk of corruption in relation to gift. Besides, we open up communication channels for employees to report suspected cases by phone or mail. An investigation will be carried out once the case is reported in order to identify the root cause. All these practical actions not only win the trust of customers but also enhance the sense of belonging and fair play among our employees. The Group is in strict compliance with Prevention of Bribery Ordinance. During the reporting period, there was no case of corruption litigation against the Group and its employees.



Community

Community Investment

As a socially responsible company, the Group is committed to understanding the needs of the communities in which we operate. The Group has adopted “Community Investment Policy”, which aims to build trust and stable relationship with our stakeholders. The Group strives to contribute to the society by focusing on four area including living standard of the community, culture, education and development and labour corporation.

- Living standard of community

We improve the living standard of the community by serving the local underprivileged people. For example, we provide development opportunities, health care and sport activities.

- Culture projects

The Group has recognised culture is a key part of our heritage and history. We support high-quality cultural projects, which can both enhance the living standards and encourage creativity.

- Education and development

The Group believes that education and development can help the future leaders to equip skills and knowledge, thus the Group supports all the training and skill developments related to the Groups’ business. It is because education, professional employees and creativity are the main driving force for sustainable development.

- Labour Cooperation

The Group respects the freedom of association and the right of collective bargaining of the employee. We encourage communication between the management team and employee by the establishment of a channel for employee feedback.

The Group will continue to contribute to the sustainable development of the community by building a healthy and dynamic community.

The Stock Exchange of Hong Kong Limited's Environmental, Social and Governance Reporting Guide

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
A. Environmental			
Aspects A1: Emission			
A1	General Disclosure	"Emission"	4
KPI A.1.1	The types of emissions and respective emissions data	"Emission"	4-5
KPI A.1.2	Greenhouse gas emissions in total and, where appropriate, intensity	"Emission"	5
KPI A.1.3	Total hazardous waste produced and, where appropriate, intensity	"Emission"	5
KPI A.1.4	Total non-hazardous waste produced and, where appropriate, intensity	"Emission"	5
KPI A.1.5	Description of measures to mitigate emissions and results achieved	"Emission"	4-5
KPI A.1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	"Emission"	5
Aspect A2: Use of Resources			
A2	General Disclosure	"Use of Resources"	5-6
KPI A2.1	Direct and indirect energy consumption by type in total	"Use of Resources"	6
KPI A2.2	Water consumption in total and intensity	"Use of Resources"	6
KPI A2.3	Description of energy use efficiency initiatives and results achieved	"Use of Resources"	5-6
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	"Use of Resources"	5-6
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not applicable to the Group's business.	N/A
Aspect A3: The Environment and Natural Resources			
A3	General Disclosure	"The Environment and Natural Resources"	6
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	The Group currently does not report on this indicator.	N/A

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
B. Social			
Aspect B1: Employment and Labour Practices			
B1	General Disclosure	“Employment”	7
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	“Employment”	8
KPI B1.2	Employee turnover rate by gender, age group and geographical region	“Employment”	8
Aspect B2: Health and safety			
B2	General Disclosure	“Health and Safety”	9
KPI B2.1	Number and rate of work-related fatalities	“Health and Safety”	9
KPI B2.2	Lost days due to work injury	“Health and Safety”	9
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	“Health and Safety”	9
Aspect B3: Development and Training			
B3	General Disclosure	“Development and Training”	9
KPI B3.1	The percentage of employee trained and employee category	“Development and Training”	9
KPI B3.2	The average training hours completed per employee by gender and employee category	“Development and Training”	10
Aspect B4: Labor Standard			
B4	General Disclosure	“Labour Standard”	10
KPI B 4.1	Description of measures to review employment practices to avoid child and forced labor	“Labour Standard”	10
KPI B 4.2	Description of steps taken to eliminate such practices when discovered	“Labour Standard”	10
Aspect B5: Supply Chain Management			
B5	General Disclosure	“Supply Chain Management”	10
KPI B5.1	Number of suppliers by region	“Supply Chain Management”	10
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored	“Supply Chain Management”	10

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Section	Page
Aspect B6: Product Responsibility			
B6	General Disclosure	“Product Responsibility”	11
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	“Product Responsibility”	11
KPI B6.2	Number of products and service related complaints received and how they are dealt with	The Group currently does not report on this indicator.	N/A
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights	The Group currently does not report on this indicator.	N/A
KPI B6.4	Description of quality assurance process and recall procedures	“Product Responsibility”	11
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	The Group currently does not report on this indicator.	N/A
Aspect B7: Anti-corruption			
B7	General Disclosure	“Anti-Corruption”	11
KPI 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 case	“Anti-Corruption”	11
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	“Anti-Corruption”	11
B8: Community Investment			
B8	General Disclosure	“Community Investment”	12
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	The Group currently does not report on these indicators.	N/A
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	The Group currently does not report on these indicators.	N/A