

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Scope and Reporting Period

This is the first Environmental, Social and Governance (“ESG”) report for Lam Soon (Hong Kong) Group and its subsidiaries (collectively referred to as the “Group”), highlighting its Environmental, Social, and Governance performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of its business operations in food and detergent in Hong Kong and Mainland China (accounts for 98% of the Group’s total revenue) from 1 July 2016 to 30 June 2017, unless otherwise stated. The business operation in Macau was excluded due to its relatively small scale.

Stakeholder Engagement and Materiality

In order to identify the most significant aspects for the Group to report on for this ESG report, key stakeholders including investors, shareholders and employees have been involved in regular meetings and engagement sessions to discuss and to review areas of attention which will help the business meet its potential growth and be prepared for future challenges.

Stakeholders’ Feedback

The Group welcomes stakeholders’ feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at webmaster@lamsoon.com.

Lam Soon’s Sustainability Mission and Vision

The Lam Soon Group is built on the strong heritage of value creation for our stakeholders and communities within which we operate. Over the years, we have taken a progressive approach in integrating sustainability into our businesses, towards a stronger, more resilient group. We are committed to: growing our businesses responsibly, balancing environmental with economic considerations, as well as creating a positive impact for our stakeholders and contributing to our communities.

範圍及報告期間

此為南順(香港)集團及其附屬公司(統稱「本集團」)刊發之第一份環境、社會及管治(「環境、社會及管治」)報告，以強調本集團於環境、社會及管治方面之表現，有關披露乃參考香港聯合交易所有限公司上市規則附錄27及指引所述之環境、社會及管治報告指引。

除另有說明外，本環境、社會及管治報告涵蓋本集團於香港和中國大陸之食品及清潔用品業務(佔本集團總收入98%)於二零一六年七月一日至二零一七年六月三十日在環境及社會兩大主要範疇之整體表現。澳門之業務因其規模較小而並無納入在內。

持份者參與及重要性

為確定本集團就本環境、社會及管治報告所匯報之最重要方向，主要持份者(包括投資者、股東及僱員)已定期參與會議、討論及審閱有助本集團業務發揮潛在增長及為未來挑戰做好準備的注意事項。

持份者意見

本集團歡迎持份者對我們的環境、社會及管治方法及表現發表意見。敬請閣下透過電郵向我們提出建議或分享意見，電郵地址為 webmaster@lamsoon.com。

南順的可持續發展使命與願景

南順集團建立在為持份者及我們所經營的社區創造價值之強大承傳上。多年來，我們採取進取的方針將可持續發展納入我們的業務，使集團變得更強大及強韌。我們致力：以負責任的態度拓展我們的業務、平衡環境與經濟考慮因素，以及為持份者締造正面的影響及為社區作出貢獻。

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Lam Soon's Sustainability Mission and Vision *(continued)*

Our core values continue to serve as our compass in all that we do:

Honour	To conduct business with honour
Human resources	To enhance the quality of human resources – as the essence of management excellence
Entrepreneurship	To pursue management vision and foster entrepreneurship
Innovation	To nurture and be committed to innovation
Quality	To consistently provide goods and services of the highest quality at competitive prices
Progress	To continuously improve existing operations and to position for expansion and new opportunities
Unity	To ensure oneness in purpose, harmony and friendship in the pursuit of prosperity for all
Social responsibility	To create wealth for the betterment of society

南順的可持續發展使命與願景 *(續)*

我們的核心價值將繼續指引我們各方面的發展：

道德	以有信譽之方式進行業務
人力資源	提升人力資源質量－作為卓越管理之精髓
企業精神	追求管理願景及培育企業精神
創新	扶持及致力創新
質量	持續以具競爭力的價格提供最優質的貨品及服務
進步	持續改善現有營運以及為擴展及迎接新機遇作好準備
團結	於追求成功的同時，確保目的、和諧及友好關係能夠互相協調
社會責任	創造財富以改善社會



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A. Environmental

1. Emissions

The Group pledges to make continuous improvement on managing and monitoring waste gas, wastewater, solid waste and noise. Every year, through engaging external licensed testing laboratories, we conduct environmental testing services for these parameters to evaluate the capability of existing facilities on meeting regulatory and environmental requirements and national standards. Starting from 2013, the Group also retain qualified institutions to carry out verification on greenhouse gas emission, as part of the commitment to the government's Emission Trading Scheme.

Moreover, across the Group's major operation sites we have adopted ISO 14001 Environmental Management System. The system enables our effective and timely emergency mechanism in case of severe environmental pollution accidents, as well as keeping track of the Group's energy efficiency and emission reduction targets.

(i) Environmental Standards

The Group commits to strictly comply with following key standards and the relevant laws and regulations relating to the air, wastewater and noise:

- i) The Group commits to strictly comply with the Emission Standard of Air Pollutants for Boilers (DB44/765-2010 and GB 13271-2014) and Integrated Emission Standard for Air Pollutants (GB 16297-1996);

A. 環境

1. 排放

本集團承諾持續改善對廢氣、污水、固體廢物及噪音的管理及監察。我們每年委聘外部持牌測試實驗室提供針對該等參數的環境測試服務，以評估現有設施在達至監管及環境規定及國家標準之能力。自二零一三年起，本集團亦委聘合資格機構對全公司進行溫室氣體排放核查以響應政府的碳排放權交易計劃。

此外，我們已於本集團主要營運場所採納ISO 14001環境管理體系。該系統是我們於發生嚴重環境污染事故時有效及適時的應急機制，並能夠掌握本集團的能源效益及減排目標動向。

(i) 環境標準

本集團致力嚴格遵守以下有關空氣、污水及噪音之主要標準以及相關法律及法規：

- i) 本集團致力嚴格遵守鍋爐大氣污染物排放標準(DB44/765-2010及GB 13271-2014)及大氣污染物綜合排放標準(GB 16297-1996)；

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A. Environmental *(continued)*

1. Emissions *(continued)*

(i) Environmental Standards *(continued)*

- ii) The Group ensures the discharge meets the Discharge Limits of Water Pollutants (DB44/26-2011) issued by Department of Environmental Protection of Guangdong Province and the national Integrated Wastewater Discharge Standard (GB 8978-1996). All discharges from production and domestic activities are pre-treated on-site through regularly maintained grease trap and septic tanks prior to entering sewage collection system to nearby wastewater treatment facility; and
- iii) Noise generated from production strictly complies with Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008). Regular maintenance of machines and equipment is enforced to prevent noise generated under abnormal running conditions. Noise reduction devices have been installed for machines such as exhaust fans, air compressors and grinders in accordance to the requirements as specified in the Environmental Impact Assessment Report.

A. 環境 *(續)*

1. 排放 *(續)*

(i) 環境標準 *(續)*

- ii) 本集團確保排放遵守廣東省環境保護廳頒佈的水污染物排放限值(DB44/26-2011)及國家污水綜合排放標準(GB 8978-1996)。所有來自生產及日常用水的排放於進入鄰近污水處理設施之污水收集系統前均會通過定期維護的吸油圈及化糞池進行預先處理；及
- iii) 生產線產生的噪音嚴格遵守工業企業廠界環境噪聲排放標準(GB 12348-2008)。我們定期進行機器及設備維護，以避免異常運作狀況下產生噪音。我們已根據環境影響評估報告所列明的規定為排風扇、空氣壓縮機及磨床等機器安裝降噪裝置。

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A. Environmental *(continued)*

1. Emissions *(continued)*

(ii) Waste Management

Both non-hazardous waste and hazardous waste were generated from various processes during production. To prevent potential harm to human health through contamination of soil, air and water resources, the Group commits to ensure proper and immediate treatment of hazardous waste and waste that requires strict control by engaging capable and qualified companies for collection and further handling. Centralized waste collection, storage, transfer facilities are available for on-site solid waste in accordance to national standards, and to maximize recycling rate. Licensed companies are engaged to collect waste (such as PET bottles, soap and used bleach earth from the oil plants) for recycling purposes and proper disposal to landfills.

2. Use of Resources

(i) Energy Consumption

The Group promotes energy-saving initiatives. The Group's flour production plants have been replacing old T8/T5 fluorescent lamps to energy saving LED lamps. There were 500 LED lamps installed up till end of reporting period. The Group has made investment in replacing old motors with higher energy efficient ones, reducing power consumption, as well as investing in technology upgrade on heat exchanger and backwashing oil channels with preheated water. These initiatives helped minimizing grease solidification, lowering blockage frequency and maximizing heat exchange rate.

A. 環境 *(續)*

1. 排放 *(續)*

(ii) 廢物管理

多個生產工序均會產生無害廢物及有害廢物。為避免受污染的泥土、空氣及水資源損害人體健康，本集團透過委聘有能力及合資格的公司收集及進一步處理廢物，致力確保有害廢物及需要嚴格控制的廢物得以妥善及即時處理。根據國家標準，本集團設有集中廢物收集、儲存及轉移設施以處理現場固體廢物及盡量提升回收率。本集團委聘持牌公司收集廢物（例如寶特瓶、肥皂及來自油廠的已用漂白土）以進行回收及妥善處理後堆填。

2. 資源使用

(i) 能源消耗

本集團推廣節省能源措施。本集團的麵粉生產廠一直以節能LED燈取代舊式T8/T5日光燈。直至報告期末，已安裝500盞LED燈。本集團作出投資，以較高能源效益的汽車取代舊車輛，降低能源消耗，並作出投資以對精煉生產線換熱器及使用熱水反覆沖洗毛油通道進行技術升級。此等措施有助將油脂固化減至最低、減少雜質堵塞並提高換熱效率。

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A. Environmental *(continued)*

2. Use of Resources *(continued)*

(i) **Energy Consumption** *(continued)*

Production involves the consumption of natural gas, petrol and diesel. The Group made use of electric forklifts for warehouses to lower our reliance on fossil fuels. Diesel boilers have been replaced with more energy efficient gas boilers and it is expected to help the Group achieving lower fuel cost, as well as reducing emission of air pollutants with cleaner energy.

(ii) **Water Consumption**

Water was supplied by Water Supplies Department in Hong Kong's operations, and was sourced from municipal water supply system in Mainland China. Water saving initiatives of the Group within the reporting period included upgrading water supply pipeline system within the plant zone, upgrading washrooms with water saving devices, and reusing wastewater from production for washroom use.

The oil plants have upgraded the water supply pipeline system during past years to prevent potential leakage. 40% of industrial wastewater is reused for factory washroom and greening in detergent production plant.

(iii) **Packaging Materials**

Packaging materials consumed by the Group were mainly plastic, cotton bags and paper for the protection of finished products during the reporting period. As part of the target set in Shenzhen City Waste Reduction Campaign 2014, the Group has put effort into improvement on packaging methods and greater efficient use of packaging materials. Such practice allowed the Group to enjoy a reduction of packaging material cost with less environmental pollution and impact caused by subsequent treatment processes. In addition, the Group is planning to develop more refill packaging products to reduce the consumption of plastic bottle used as the final packaging.

A. 環境 *(續)*

2. 資源使用 *(續)*

(i) **能源消耗 *(續)***

生產工序涉及消耗天然氣、汽油及柴油。本集團於倉庫使用電動叉車以減低我們對化石燃料的依賴。柴油鍋爐已被更具能源效益的燃氣鍋爐取代，預期將有助本集團降低燃料成本及使用更加潔淨的能源減少空氣污染物的排放。

(ii) **耗水**

香港營運用水由水務署提供，並採購自中國大陸的市政供水系統。本集團於報告期內的節約用水措施包括升級廠區內的供水管道系統、為洗手間加設節水裝置及重用來自生產的廢水作洗手間之用。

油廠已於往年升級供水管道系統以避免潛在漏水。40%的工業廢水被重新用於工廠洗手間及清潔用品生產廠的綠化。

(iii) **包裝材料**

於報告期內，本集團消耗之包裝材料主要為保護製成品的塑膠、棉袋及紙張。作為二零一四年深圳市減少廢物行動制定的目標之一，本集團已努力改善包裝方法及更有效率使用包裝材料。該做法令本集團能夠降低包裝材料成本及減少事後處理過程所帶來的環境污染及影響。此外，本集團正計劃開發更多補充裝產品，以減少消耗作為最終包裝的塑膠樽。

A. Environmental *(continued)*

3. The Environment and Natural Resources

The Group strives to maximize resource utilization and minimize waste within our operations to achieve effective and efficient resource management, we strictly comply with environmental laws and regulations. The Group also encourages the staff to adopt environmentally responsible behaviour and to raise awareness of environmental protection, for example, we encourage the staff to think before printing and use more recycled paper. Furthermore, electronic communication is encouraged to achieve a paperless office.

B. Social

1. Employment and Labour Practices

(i) Employment

The Group deems employees as the most important resource. The Group provides competitive remuneration with various benefits to attract and retain talents. Salary is regularly reviewed with consideration of the market trend and results from salary surveys conducted by professional consultants. Annual increment and year-end performance bonus mechanism were incorporated in the Group's remuneration policy. Statutory compliance is a minimum, employees are entitled to provident funds, social security insurance and housing fund. Year-end bonus, life and health insurance, employee privilege, meals and transportation are provided. Fair terms on working hours, holidays, termination of contract, fringe benefits and leave entitlement are stipulated on the employment contracts signed between employees and the Group. Overtime work shall be applied through submission of application forms and approved by departmental supervisors. Any disputes will be settled according to the Group's appeal procedures in a just and prompt manner. The Group is in compliance with all applicable laws of Hong Kong and the People's Republic of China ("PRC") regarding labour rights and employment.

A. 環境 *(續)*

3. 環境及天然資源

本集團努力在營運中盡量充分利用資源並減少廢物，以達至有效及高效的資源管理，我們嚴格遵守環境法律及法規。本集團亦鼓勵員工採取對環境負責的操守及提升環保意識，例如，我們鼓勵員工於印刷前三思及使用再循環用紙，及進一步鼓勵使用電子通訊以達至無紙化辦公室。

B. 社會

1. 僱傭及勞工常規

(i) 僱傭

本集團視僱員為最重要資源。本集團提供具競爭力的薪酬及多項福利以吸引及挽留人才。本集團定期檢討薪金，當中考慮市場趨勢及專業顧問進行的薪金調查結果。本集團的薪酬政策中包括年度加薪及年終業績花紅機制。遵守法定規定是最低限度，僱員可享受公積金、社會保障保險及住房公積金。我們亦提供年終花紅、人壽及健康保險、僱員優惠、用餐及交通安排。僱員與本集團簽署的僱傭合約規定的公平條款涵蓋工時、假期、終止合約情況、附加福利及年假。超時工作應透過提交申請表格申請及經部門主管批准。任何爭議均將根據本集團的申訴程序公正及迅速地解決。本集團遵守所有香港及中華人民共和國（「中國」）有關勞工權利及僱傭之適用法律。

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B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

(i) **Employment** *(continued)*

Equal Opportunity

Equal opportunities are given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. The employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws of Hong Kong and the PRC.

Appraisal System

The Group has a systematic and standardized appraisal system to evaluate employees' performances, assess their capabilities and determine whether they are in line with the Group's business development. It also provides a basis for promotion, salary increase and a communication platform for employees and management to set mutually acceptable and measurable performance standards, career development opportunities.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

(i) **僱傭** *(續)*

平等機會

本集團在招聘、培訓及發展、晉升以及補償及福利方面為僱員提供平等機會。僱員並不會由於性別、種族背景、宗教、膚色、性取向、年齡、婚姻狀況、家庭狀況、退休、殘障、懷孕或香港及中國之適用法律所禁止的任何其他歧視因素而遭受歧視或被剝奪平等機會。

評估系統

本集團設有系統性及標準化評估系統以評估僱員表現、評核其能力及釐定彼等是否符合本集團的業務發展。系統亦提供晉升、加薪的基準及溝通平台，讓僱員及管理層可制定雙方接納及可計量的表現標準及事業發展機會。

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B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

(ii) Employee Health and Safety

The Group is committed to ensuring occupational health and safety of employees and complying with all applicable laws and regulations of Hong Kong and the PRC. Occupational health and safety policy is in place, for example, in PRC, new employees are required to perform health checks before employment starts, during employment (on an annual basis) and before employment ends. Employees exposing to high occupational risks shall conform to the statutory requirements on occupational health checks and appropriate personal protective equipment ("PPE") is provided to employees according to the duties they perform. Offices and canteens are assessed by qualified institutions to ensure they meet applicable national standards regarding indoor environmental pollution control. The Group also enters into contract with suppliers to ensure that they meet occupational safety standards while performing their works. There was no work-related fatality in the reporting period.

(iii) Development and Training

With "Human Resources" as one of the core values, the Group believes that strengthening capabilities of its staff can benefit the Group and staff itself. Through communication channels such as discussion during performance appraisals, training needs are identified so that training provided can effectively address below goals:

- a. Facilitate achievement of the Group's and its departmental targets;
- b. Increase productivity in every aspect of working processes;
- c. Enhance staff's satisfaction; and
- d. Assist staff's career development.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

(ii) 僱員健康與安全

本集團致力確保僱員職業健康及安全，並遵守所有香港及中國之適用法律及法規。本集團設有職業健康及安全政策，例如，於中國，新僱員須於入職前、任職期間（每年）及離職前進行健康檢查。面臨高職業風險的僱員應遵守法律規定進行職業健康檢查，僱員亦根據其履行的職責獲提供適當個人保護設備（「個人保護設備」）。合資格機構會評估辦公室及食堂，以確保其符合有關室內環境污染控制的適用國家標準。本集團亦與供應商訂立合約，以確保其於進行工作時達至職業安全標準。報告期內概無工作相關死亡事故。

(iii) 發展與培訓

「人力資源」為本集團的核心價值之一，本集團相信，加強員工能力有利本集團及員工本身。透過表現評估時進行討論等溝通渠道，我們可發現培訓需要，使所提供培訓可有效應對以下目標：

- a. 促使達成本集團及其部門目標；
- b. 增加工作過程中各方面的生產力；
- c. 提升員工滿意程度；及
- d. 協助員工的事業發展。

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B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

(iii) Development and Training *(continued)*

The Group's training courses has four main categories: mandatory, skill enhancement, supervisory skills and managerial development, targeted for various levels of staff. During the reporting period, employees have been provided with both internal and external trainings on numerous areas including health and safety, customer services, product knowledge, management systems, communication skills, risk management, data security, financial budgeting, etc.

Staff are also encouraged to attend e-learning classes, seminars, team building activities and knowledge sharing events to advance their learning and skills, in which a policy has been established particularly on providing guidelines for employees to claim for reimbursement and subsidy on training and development activities, prerequisites, rules and conditions, application process, service commitment, etc.

(iv) Labour Standard

In pursuant to the Employment Ordinance of the Laws of Hong Kong in terms of employment management and the Labour Law of the PRC, there were no child nor forced labour in the Group's operation. The Human Resources Department performs information check for every employee candidates before interviews to ensure compliance with all the applicable laws in Hong Kong and the PRC regarding employment of child or forced labour.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

(iii) 發展與培訓 *(續)*

本集團的培訓課程有四大類：強制、技能提升、監督技能及管理發展，針對不同的員工級別。於報告期內，僱員已在多個範疇獲提供內部及外部培訓，包括健康及安全、客戶服務、產品知識、管理系統、溝通技巧、風險管理、數據安全、財務預算等。

本集團亦鼓勵員工出席電子學習課程、研討會、團隊建設活動及知識分享活動，以提升其知識及技能。我們亦已就此制定政策，特別是為僱員提供申領培訓及發展活動報銷及津貼的指引、先決條件、規則及條件、申請過程、服務承諾等。

(iv) 勞工準則

根據有關僱傭管理的香港法例、僱傭條例及中國勞動法，本集團在營運中並無童工或強制勞工的情況。人力資源部於面試前，對每位求職者進行背景調查，以確保遵守所有有關聘用童工或強制勞工的香港及中國之適用法律。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices

(i) Supply Chain Management

The Group's procurement policy has three major principles on procurement management:

- a. Buy only what the business operation needs with speculative behaviour prohibited;
- b. Source from local supplies to reduce transportation cost; and
- c. Source from high quality and competitive supplies to meet the Group's business strategy.

The policy states the Group's procurement strategy and provides guidelines and procedures on procurement processes such as sourcing new suppliers, assessing existing suppliers, managing suppliers in breach of the policy, tendering, quality assurance and payment/refund arrangements. When selecting and rating suppliers, the Group considers criteria including product price and quality, timeliness of delivery, payment terms, food safety, environmental performance and after-sales service.

It is essential to engage staff in maintaining, monitoring and improving the overall Group's procurement management. The Group highly encourages staff to take proactive, comprehensive and stringent measures in implementing measures to avoid unnecessary loss and ensure utilization of its resources in accomplishing the production, supply and sales targets.

B. 社會 (續)

2. 營運慣例

(i) 供應鏈管理

本集團的採購政策有三大採購管理原則：

- a. 僅購買業務營運所需，禁止投機行為；
- b. 從本地供應商採購，以降低運輸成本；及
- c. 向優質及具競爭力的供應商採購，以配合本集團的業務策略。

政策列出本集團的採購策略，並提供採購過程的指引及程序，例如物色新供應商、評估現有供應商、管理違反政策的供應商、招標、品質保證及付款／退款安排。於挑選及對供應商進行評級時，本集團所考慮的準則包括產品價格及品質、交付是否合時、付款條款、食品安全、環境表現及售後服務。

員工的參與對保持、監察及改善本集團整體採購管理屬必要的。本集團非常鼓勵員工採取積極、全面及嚴格的措施以避免非必要損失及確保使用其資源以達成生產、供應及銷售目標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(ii) **Product Responsibility**

Food Health and Safety

The Group gives high importance to food safety. Therefore, its food safety management starts from supplier control. Background, permits, licenses and certificates of suppliers are checked by the Group to ensure suppliers have no record in breaching food safety standards and regulations. The Group reiterates its meticulous selection process of suppliers and every product must be tested multiple times to ensure it is of international food safety standard. The Group is in compliance with all applicable standards of Hong Kong and the PRC regarding food safety. Moreover, all of the Group's production plants are certificated with ISO 9001 Quality Management System standard and ISO 22000 Food Safety Management System standard and other certifications that endorse international standards of quality and environmental management. The Group also fulfills relevant food safety and food labeling requirements, and accomplished the standards issued by World Health Organisation.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(ii) **產品責任**

食品健康與安全

本集團非常重視食品安全。因此，食品安全管理始於供應商控制。本集團會檢查供應商的背景、許可、牌照及認證，以確保供應商並無違反食品安全標準及法規的記錄。本集團重申，對供應商挑選過程一絲不苟，每件產品必須進行多次測試，以確保符合國際食品安全標準。本集團遵守所有有關食品安全的香港及中國適用標準。此外，本集團所有生產廠房均獲ISO 9001品質管理系統標準及ISO 22000食品安全管理系統標準認證以及其他認可國際品質及環境管理標準的認證。本集團亦履行相關食品安全及食品標籤規定，並達至世界衛生組織發出的標準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

(ii) Product Responsibility (continued)

Food Health and Safety (continued)

To ensure food materials are not contaminated in any production process, tests are performed against food or related raw materials (including packaging materials with direct contact with food) before entering production processes, semi-products during production and the final products. Testing is done by the Group's Quality Assurance Department and we also engaged qualified testing organisations to validate our results and to provide customer independent reports. The test results shall meet relevant national and industrial standards before proceeding to production or sales. Any materials or products not meeting required standards will be labelled, isolated and assessed by related departments. Reasons for failure in meeting standards will be analysed and rectifying measures will be implemented by related departments. The Group also employs standard procedures on cleaning and sterilization of food production plants and associated equipment to ensure a high standard of hygiene throughout the production.

In case of any reported incidents regarding product quality or safety, the Group deals with the cases promptly and responsibly, putting public health, safety and benefits at top priority. Products required to be recalled after assessments will undergo procedures from the Group-established product recall policy.

B. 社會 (續)

2. 營運慣例 (續)

(ii) 產品責任 (續)

食品健康與安全 (續)

為確保食材並無於任何生產過程中受到污染，我們於進入生產過程前對食品或相關原材料（包括與食品直接接觸的包裝材料）進行測試、於生產時對半成品進行測試及對製成品進行測試。測試由本集團品質保證部進行，而我們亦委聘品質保證機構驗證我們的結果及向客戶提供獨立報告。於進行生產或銷售前，測試結果應符合相關國家及行業標準。任何未達到規定標準的材料或產品將會被標籤、隔離及由相關部門評估。相關部門會分析未能達到標準的原因，並實施糾正措施。本集團亦採用清潔及消毒食品生產廠房及相關設備的標準程序，以確保整個生產過程保持高衛生標準。

如接獲任何有關產品品質或安全的事故報告，本集團會迅速及負責任地處理個案，並將公眾的健康、安全及利益置於首位。本集團將會針對評估後須召回的產品進行既定产品召回政策中的程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(ii) **Product Responsibility** *(continued)*

Product Labelling

The labelling control policy ensures that design and information of labels are in compliance with all the applicable standards and laws of Hong Kong and the PRC. Labels are required to be approved by the Legal Department and Quality Assurance Department with records filed.

Promotion of Healthy Lifestyle

The Group strives to improve public well-being by promoting healthy lifestyle. It established a "Good Mother" website and Knife Oil Facebook, which aims to share resources about healthy and balanced lifestyle with the public. Moreover, the Group produces videos through social media platforms in which registered dieticians introduce nutritional values of its products, shares recipes using nutritional ingredients and organizes trainings to promote healthy diets.

Customer Communication

The Group values any complaint or feedback from customers as they provide the Group with better understanding of customers' concern and facilitate improvement of its products and services. The Group also pays special attention to enquiries regarding health and safety aspects as they not only increase customers' understanding of its products but also strengthen customers' confidence in its brands. The Group pledged to handle any enquiry or complaint cases according to the standard procedure established, provide prompt response and keep traceable record of the cases in its system. To ensure complaints are resolved with customers' satisfaction, complainants will be invited to rate his/her satisfaction and provide feedback regarding to their complaint cases after the cases are resolved.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(ii) **產品責任** *(續)*

產品標籤

標籤控制政策確保標籤的設計及資料符合香港及中國的所有適用標準及法律。標籤須取得法律部及品質保證部批准以及提交記錄。

推廣健康生活

本集團致力透過推廣健康生活提升公眾身心健康。本集團建立「好媽媽」網站及刀嘜臉書專頁，旨在與公眾分享有關健康及均衡生活方式的資源。此外，本集團透過社交媒體平台製作視頻，其中由註冊營養師介紹其產品的營養價值，分享使用營養豐富材料的食譜及舉辦培訓班以推廣健康飲食。

客戶溝通

本集團重視任何客戶投訴或反饋，因其能使本集團可以更理解客戶的顧慮，以及促進改善產品及服務。本集團亦特別注意有關健康及安全方面的查詢，因其不僅提升客戶對產品的理解，亦加強客戶對其品牌的信心。本集團承諾，會根據制定的標準程序處理任何查詢或投訴個案，提供迅速回應及在系統內保留可追溯個案記錄。為確保投訴以客戶滿意的方式解決，投訴人將於個案解決後獲邀為其滿意度評分及就其投訴個案提供反饋。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(ii) **Product Responsibility** *(continued)*

Intellectual Property ("IP") Rights

The Group strives to protect its own IP rights and respects third party IP rights according to all related applicable laws and regulations. It registers new IPs (including trademarks, design and patents) in different parts of the world, renew existing IP rights, supervise usage of IPs and assess whether its IP rights have been infringed by other parties. The Group may take legal actions against any alleged infringer.

The Group also ensures its service providers, suppliers or business partners undertake and warrant that all their deliverables or products are their original creation and/or do not infringe third party's IP rights. Infringers are liable to specified appropriate consequences in the event of breach.

Data Protection

The Group strictly follows its policy, manual and guideline and procedure on protecting customer data. Before collecting personal data from customers, the Group informs customers of its intended purposes of which the personal data collected will be used. The Legal Department ensures that the Group is in compliance with the Personal Data Protection Ordinance of the Laws of Hong Kong and any applicable laws in any document, publicity and marketing activity. Procedures on handling, storing, transferring and erasing customers' personal data collected is reviewed periodically.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(ii) **產品責任** *(續)*

知識產權 (「知識產權」)

本集團致力根據所有相關之適用法律及法規保障其自有知識產權及尊重第三方知識產權。本集團於世界各地註冊新知識產權(包括商標、設計及專利)、重續現有知識產權、監察知識產權的使用及評估其知識產權是否已被其他人士侵犯。本集團可能對任何涉嫌侵權人士採取法律行動。

本集團亦確保其服務供應商、供應商或業務合作夥伴承諾及保證，彼等所有可交付產品或產品為其原創及／或並無侵犯第三方知識產權。侵權人士須承擔侵權所致的特定適當後果。

資料保護

本集團嚴格遵守其保障客戶資料的政策、手冊及指引及程序。向客戶收集個人資料前，本集團會告知客戶所收集個人資料的擬定用途。法律部確保本集團在任何文件、宣傳及市場推廣活動中遵守香港法例個人資料(私隱)條例及任何適用法例。我們會定期檢討所收集的客戶個人資料的處理、儲存、轉移及刪除程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(iii) **Anti-corruption**

The Group takes a zero-tolerance approach to bribery and believe in conducting our business in an ethical manner with high integrity. The Group has implemented policies on anti-corruption and procedures concerning offering or accepting gifts and gratuities. All employees are required to become acquainted with and to abide by these policies and procedures. Any fraud, corruption, irregular transactions or breach of ethics shall be reported to the Internal Audit Department. Such reports, if any, shall be treated in strict confidence to protect the identity of the whistleblower.

The Group was in compliance with the applicable laws on prohibiting corruption and bribery of Hong Kong and the PRC. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the reporting period.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(iii) **反貪污**

本集團對賄賂採取零容忍態度，並秉承以高度誠信的道德方式進行業務的信念。本集團已實施反貪污政策及針對收受禮物及報酬的程序。全體僱員須熟習及信守該等政策及程序。任何欺詐、腐敗、異常交易或違反道德準則的情況均應向內部審核部門申報。有關報告(如有)應嚴格保密處理，以保障舉報者的身份。

本集團遵守香港及中國有關反貪污的適用法例。於報告期內，概無針對本集團或其僱員作出的有關腐敗行為的已判決法律個案。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

3. Community Investment

The Group has long been committed to striving for the betterment of society and holds strongly the belief to support for social responsibility. In recognition of our support for community affairs and corporate citizenship, we were given the Caring Company Award for the ten consecutive years by the Hong Kong Council of Social Service. We maintained our strong tradition of participating in various charitable causes during the year. In 18 July 2016, we collaborated with the Hong Kong Federation of Youth Groups to conduct a baking workshop for youth volunteers at the Lam Soon Bakery Academy. After their training, those volunteers were responsible to organise series of cookie-making classes for 115 underprivileged families in 8 different districts to share the joy of baking. In 5 November 2016, we collaborated with The Hong Kong Institute of Chartered Secretaries to organise a “Cookies Baking Workshop” for 14 children from 2 centres of SAHK at Lam Soon Bakery Academy learning and enjoying a joy of making cookies. Throughout the year, we also donated our products to various charitable organisations such as flour, edible oils and flour to Hong Chi Association; as well as edible oil products to Helping Hand.

B. 社會 (續)

3. 社區投資

本集團一直以來致力改善社會及堅定支持社會責任。為表彰我們對社區事務及企業公民的支持，我們連續十年獲香港社會服務聯會頒發商界展關懷獎項。我們於年內繼續保持堅定傳統，參與不同的慈善活動。於二零一六年七月十八日，我們與香港青年協會合作以於南順廚藝學院為年輕義工舉辦烘焙工作坊。義工們於接受培訓後負責於8個不同地區內共115個貧困家庭舉辦曲奇製作班系列活動，以分享烘焙樂趣。於二零一六年十一月五日，我們與香港特許秘書公會合作，於南順廚藝學院為來自香港耀能協會兩間中心的14名兒童，舉辦「愛心曲奇烘焙班」，學習及享受製作曲奇的樂趣。年內，我們亦向多間慈善組織捐贈麵粉、食油等產品、向匡智會捐贈麵粉及捐贈食油產品予伸手助人協會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Volunteer Baking Workshop 義工烘焙工作坊

18 July 2016
2016年7月18日



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Collaborated with The Hong Kong Institute of Chartered Secretaries to organise "Cookies Baking Workshop" for children from SAHK
與香港特許秘書公會為來自香港耀能協會的小朋友合辦「愛心曲奇烘焙班」

5 November 2016
2016年11月5日



Distribution of Christmas gifts to beneficiaries
派發聖誕禮物予受惠人士

16 December 2016
2016年12月16日



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Shenzhen Lam Soon Oil Donation Action "A Little Token of Love Pass" paying a visit to the Children's Home of Shenzhen Social Welfare Centre
「點滴心意，愛心傳遞」深圳南順油脂愛心捐贈公益行動，探訪深圳社會福利中心之兒童院

13 January 2017
2017年1月13日



The Community Chest Walk for Millions – New Territories
香港公益金新界區百萬行

26 February 2017
2017年2月26日

