

**Environmental,
Social and
Governance
Report
2022**



K & P International Holdings Limited
堅寶國際控股有限公司*

(Incorporated in Bermuda with limited liability) (Stock Code: 675)
(於百慕達註冊成立之有限公司) (股份代號：675)

* *For identification purpose only*
* 僅供識別

Environmental, Social and Governance Report

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I. PREAMBLE

Almost three years since the onset of the COVID-19 pandemic (“pandemic”), the global markets have seen the beginning of their economic recovery with the broader re-opening. In the post-pandemic era, the business modes and people’s living style are transforming, while the concerns about sustainability are increasing. Climate change and its consequences have become a hot topic again.

With the UN Climate Change Conference (COP27) successfully held in late 2022, leaders of major nations have reaffirmed their commitment to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels. They agreed to cut greenhouse gas emissions and boost the support needed by developing countries. Countries reached a historic decision to establish and operationalise a loss and damage fund, particularly for nations most vulnerable to the climate crisis. COP27 also saw significant progress on adaptation, with countries agreeing to move forward on the Global Goal on Adaptation. As a carbon-intensive country, China is prone to speed up its action to keep up with the trend and achieve its environmental goals. Since the manufacturing industry is a significant emitter in China, it is a potential target for restriction. It is worth noting that these possible changes in policies and legislation induce environmental, social and governance (“ESG”) risks toward manufacturing businesses.

Being one of the leading players in manufacturing industrial goods in China, K & P International Holdings Limited (the “Company”) and its subsidiaries (collectively, “the Group”) mainly engage in the manufacture and sale of precision parts and components (including keypads, synthetic rubber and plastic components and parts, liquid crystal displays) and design, manufacture and sale of consumer electronic products (comprising time, weather forecasting and other products). The Group realises that effective ESG management is crucial for dealing with the foreseeable but unpredictable ESG-related risks. Besides, the Group strives to positively impact its clients’ value chain by raising employees’ environmental awareness, fulfilling its corporate responsibility and incorporating sustainability into its business approach. To act as a role model in sustainable manufacturing, the Group regularly reviews and updates its ESG policies and targets based on market development and pushes all players in its value chain towards sustainability.

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II. ABOUT THE REPORT

In compliance with the requirement under Appendix 27 – Environmental, Social and Governance Reporting Guide (the “ESG Guide”) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by Hong Kong Exchanges and Clearing Limited (the “HKEx”) under the “Comply or Explain” provision, the Group is pleased to present its seventh Environmental, Social and Governance Report (the “ESG Report”) for the year ended 31 December 2022 (“FY2022”), which demonstrates the Group’s strategies, management approaches and efforts on ESG governance, as well as its sustainability performance during the review period.

Reporting Boundary

Adopting the operational control approach, the Group identifies the reporting boundary to include its core business, so as to demonstrate the dynamics between its operations with the external environment. Two subsidiaries manufacturing industrial goods in the mainland of the People’s Republic of China (the “PRC”) and one headquarter office in Hong Kong, which represent the major operations of the Group, are included in this ESG Report.

For the corporate governance section, please refer to the Group’s Annual Report 2022 (Page 9 to 37). The reporting period of this ESG report is for FY2022 unless specifically stated otherwise.

Reporting Principles

As the reporting principles underpin the preparation of the ESG Report, the content of this ESG Report has been determined, organised and presented in accordance with the principles of Materiality, Quantitative, Balance and Consistency.

Materiality:

The prioritisation the Group’s significant environmental, social and economic impacts is key for the Group in setting an effective sustainability strategy. The Group conducts annual materiality assessments based on the engagement with its stakeholders, intending to determine the strategic sustainability priorities. The result of the materiality assessment is reviewed by the Board of Directors (“the Board”), which then guide the Group in addressing stakeholders’ expectations more effectively. For more information, please refer to the section STAKEHOLDER ENGAGEMENT.

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Quantitative:

A series of well-defined Key Performance Indicators (“KPIs”) are used for measurement and benchmarking under sections of environmental and social sustainability issues in the ESG Report. Assumptions and conversion factors used in calculation are clearly stated in the footnote of the corresponding performance tables.

Balance:

The Group is committed to describing its sustainability progress in an unbiased manner through a fairly presented set of information which includes both its outstanding achievements and room for improvement in FY2022.

Consistency:

The Group has adopted the methodology and reporting framework that is consistent over years to allow meaningful comparison. In case of any significant changes regarding the calculation method or reporting framework, clear explanation will be made in the corresponding sections.

Information Disclosure

The information in this ESG Report was gathered through numerous channels, including but not limited to official documents and statistics of the Group, the integrated information of supervision, management and operation in accordance with the relevant policy, the internal quantitative and qualitative questionnaires based on the reporting framework, and sustainability practices provided by different subsidiaries of the Group. To deliver a more formalised ESG report that appeals to our global readership, the Group referenced to internationally recognised framework and industry-specific standards for reporting on its ESG performance. A complete content index and the Global Reporting Initiative Standards (GRI) linkage table are available at the end of the ESG report for readers' convenience to check its integrity. This ESG Report was prepared in both English and Chinese. Should there be any conflict or inconsistency, the English version shall prevail.

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III. SUSTAINABILITY MANAGEMENT



The Group pays attention to its sustainable management approaches and is fully aware of how the internal strategies positively influence other stakeholders. As such, the Group has actively integrated ESG-related opportunities and risks into its decision-making processes.

The Group carries out the sustainability approaches from top to bottom, with the Board assuming ultimate responsibility for approving, reviewing and overseeing the Group's overall ESG policies and the relevant reporting work. The Board dedicates management teams to guarantee the policies have been implemented and the duties have been fulfilled. In view of the ever-changing demand, the Group reviews and adjusts its sustainability policies constantly to follow the trend.

It is clear that the Board and the management teams take different roles in terms of ESG policies. However, their contributions are equally important and the Group cannot have outstanding achievements without their cooperation. Furthermore, both the Board and the management need to have sufficient knowledge of ESG issues and acknowledge the potential impacts they may have on the Group's business and operations.

Details of its management approach in both the environmental and social aspects can be found throughout different sections of this ESG Report. The Group believes effective stewardship of its corporate sustainability is vital to the Group's overall long-term success.

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IV. BOARD STATEMENT

Dear valued stakeholders,

On behalf of the Board, I am pleased to present to our stakeholders the ESG Report, demonstrating in detail the Group's approach and performance in terms of sustainable development for the year ended 31 December 2022.

ESG has always remained a cornerstone of our long-term strategy and our vision in becoming one of the most trusted national supply chain and manufacturing partner. Recent global disruptions and the COVID-19 pandemic's lasting effects have reaffirmed the need for a more sustainable way of work across and beyond our operations. Reflecting on the challenges of last year, I am proud of our staff members for their unwavering dedication and resiliency in acting with discipline and consistency to deliver on our commitments to stakeholders.

Developing our strategy

Reckoning that our success as a company is made possible by the relationships we maintain with our key stakeholders, we strive to incorporate the prioritised concerns and interests of our stakeholders into our sustainability goals and strategy development. To this end, we conduct materiality assessment annually to determine the strategic sustainability priorities for our business. After evaluating stakeholders' feedback, results are passed to the Board for internal discussion to validate the identified themes. This practice helps us determine the relative importance of current and emerging ESG issues and ensure our strategy aligns with our stakeholders' expectations.

For instance, "Solid Waste Stewardship" has been ranked top in the materiality assessment for consecutively three financial years. As a manufacturing production business, while handling of hazardous waste is unavoidable, we are fully aware of our potential impact on the environment. To address this concern properly, we have developed a series of emissions control and waste management policies to ensure that we do not cause significant negative impacts to the natural environment.

We also commit and actively contribute to the United Nation Sustainability Development Goals (SDGs), focusing our efforts on ways that can make the most positive impact to our workforce, community and the planet. In 2022, we continued to revitalise our commitment and aligned our ESG strategy with the SDGs that we can make the most impact in addressing: Goal 1: No Poverty; Goal 2: Zero Hunger; Goal 3: Good Health and Well-being; and Goal 4: Quality Education. More details about our actions can be found in the section STAKEHOLDER ENGAGEMENT.

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Knowing our progress

We believe that setting specific goals and targets motivate us to strive for progress. Last year, we announced our short-term environmental targets to ensure that our strategy aligned with the enhanced regulatory obligations as well as the broader concerted progress. For more information about our environmental targets and corresponding actions, please refer to the sub-section Targets and Actions.

As a manufacturing enterprise which business operations mainly rely on labour force, we are also specifically concern about the well-being of our workforce. Having set KPIs for our targets and goals, the Board is responsible for continuously monitoring the performance of our occupational health and safety and aiming for a zero work-related injury rate, while regularly reviewing and monitoring our progress on the reduction of emissions and resources used throughout the operations.

Looking ahead

Given our place in the supply chain ecosystem, we reckon that we have a tremendous opportunity to contribute to developing and implementing solutions to address our sustainability challenges and facilitate collective process. With our specific and holistic goals set to address the environmental challenges ahead and our dedication to accelerating a more sustainable value chain, we are committed to driving meaningful progress and create new opportunities for ourselves as well as for our stakeholders.

Last but not least, I would like to take this opportunity to express my thankfulness for the collaboration and partnerships we have established with our suppliers and customers in the past year. I would also like to thank our employees who bring in their passion and dedication every day to deliver on our sustainability commitments and to realise our business purpose to make quality products that create value and improve people's lives.

We appreciate your interest in our ongoing sustainability journey.

Lai Pei Wor

Chairman

Hong Kong, 24 March 2023

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V. STAKEHOLDER ENGAGEMENT



The Group views communications with both internal and external stakeholders as vital. The Group believes that stakeholders' ideas and comments help it identifies material topics to be tackled and thus allowing the Group to align its business direction with the stakeholders' expectations. Effective stakeholder engagement steers the Group's commitment to embracing their people's concerns and interests.

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The Group has developed a communication system through which stakeholders can express their thoughts. The channels include:

Communication with Stakeholders

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	<ul style="list-style-type: none"> – Compliance with laws and regulations – Anti-corruption policies – Occupational health and safety 	<ul style="list-style-type: none"> – Supervision on the compliance with local laws and regulations – Routine reports and tax payments
Shareholders	<ul style="list-style-type: none"> – Return on investments – Corporate governance – Business compliance 	<ul style="list-style-type: none"> – Regular reports and announcements – General meetings – Corporate website – Emails and enquires
Employees	<ul style="list-style-type: none"> – Employee’s remuneration and benefits – Health and safety in the workplace – Career development 	<ul style="list-style-type: none"> – Performance appraisals – Regular meetings and training – Emails, notice and team building activities with the management
Customers	<ul style="list-style-type: none"> – Product quality assurance – Protection of customer’s rights – Continuous improvement in reliability of products/services 	<ul style="list-style-type: none"> – Customer satisfaction surveys – Face-to-face meetings – Customer service hotline and emails
Suppliers	<ul style="list-style-type: none"> – Fair and open procurement – Win-win cooperation – Protection of intellectual property rights 	<ul style="list-style-type: none"> – Contracts and agreements – Suppliers’ satisfaction assessment – Telephone discussions and on-site visits
General public	<ul style="list-style-type: none"> – Engagement in local communities – Business ethics – Environmental protection awareness 	<ul style="list-style-type: none"> – Media conferences and response to enquires – Public welfare activities – Corporate website

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SDGs Alignment and Actions

In FY2022, the Group analysed its stakeholders' opinions on corporate sustainability stewardship according to the SDGs. The Group believes that aligning its ESG management with the SDGs is of great importance, and it is a perfect opportunity for the Group to keep up to date with the global direction and maintain a common language with businesses outside Hong Kong and the PRC.

Among the 17 SDGs, stakeholders concern the most about Goal 1: No poverty, Goal 2: Zero hunger, Goal 3: Good health and well-being and Goal 4: Quality education. In response to the call and concerns from stakeholders, the Group has committed to contributing to the specific sub-targets under these four goals, in particular:

Goal 1: No poverty



Ending poverty in all forms everywhere is challenging but essential. During these few years, the pandemic has limited the free flow of goods and travels across the border, indirectly impacting business development not only for enterprises but also the development of the global economy. The decline in income and increase in unemployment rate have therefore translated into a rise in global poverty, while the income disparity in China has also accelerated. In view of this, the Group understands its corporate responsibility to help those in need. Therefore, the Group is committed to doing more charity work to facilitate social development, hoping to enhance the quality of life of the people.

Actions:

- The Group has formed volunteer teams to participate in local community events

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Goal 2: Zero hunger



Food price inflation remains high around the world because of the pandemic and extreme weather events which eventually impacting harvest of crops. High food prices have triggered a global crisis that magnifies hunger and malnutrition. Operating in China, which is one of the most imperative food providers, the Group understands its corporate responsibility to limit the harm to the natural resources and to protect natural environment for agriculture, so as to prevent the food shortage crisis from deteriorating.

Actions:

- The Group has followed sustainable production standards to reduce the harm to the natural environment
- The Group has tracked and monitored the pollutants emitted to ensure they are below the national standards. Pre-treatments are applied before discharge when necessary

Goal 3: Good health and well-being



The threat of the pandemic persisted in FY2022. The virus continued to put people's health at risk, both physically and mentally. Anti-pandemic measures implemented by the governments, such as social distancing and lockdowns, are both emotionally and physically challenging. Being a responsible employer who sees its employees as valuable assets, the Group has implemented various measures according to the pandemic situation to safeguard its employees and has paid close attention to the health of its employee.

Actions:

- The Group has implemented social distancing measures and has applied disinfection measures in the workplace to protect employees from the pandemic
- The Group has followed the local's government pandemic prevention and control guidelines in managing its facilities and operations

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Goal 4: Quality education

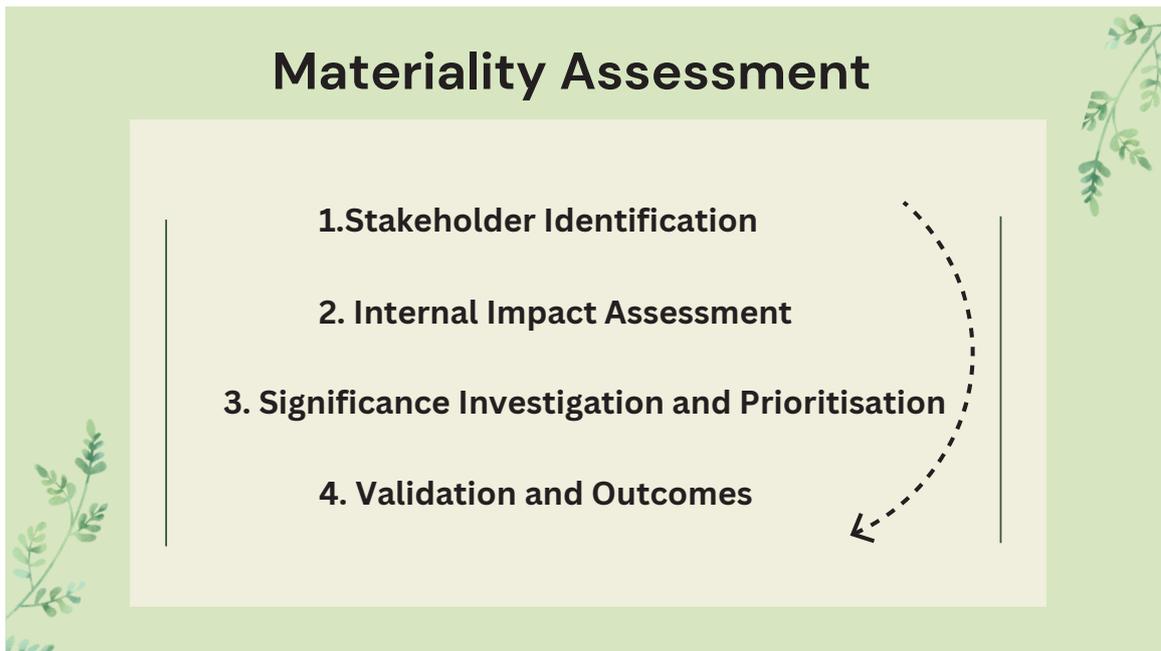


Ensuring inclusive and equitable quality education is imperative to society's development. Education liberates the intellect, unlocks the imagination and is fundamental for self-respect. It is the key to prosperity and opens a world of opportunities, enabling each of us to contribute to a progressive, healthy society. Believing that more diverse talents facilitates the prosperous development of its business development, the Group spares no effort in providing vocational training to its employees to upskill their professional skillset and facilitate them to further their career development.

Actions:

- The Group has provided over 2,400 hours of training for nearly 700 employees with more than 98% of them being general employees

Materiality Assessment



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Given that different stakeholders value different ESG-related risks and opportunities, it is imperative for the Group to review its stakeholders' point of views regularly. In FY2022, the Group conducted a stakeholder engagement survey to identify material topics that are significant to stakeholder decisions. The result allows the Group to recognise its actual and potential impacts, each topic's relative importance to its business and how its operations and products influence the upstream and downstream of the value chain. The assessment process demonstrated the Group's emphasis on stakeholders' engagement, with the survey results serving as a powerful tool for the Group to develop its action plans for more focused ESG management.

Step 1: Stakeholder identification

Key stakeholders were identified based on their involvement and dependence on the Group. After the key stakeholders were identified, the Group chose the representatives from each stakeholder group for engagement. In FY2022, external suppliers and business partners, internal general staff, managerial staff as well as senior management were invited to participated in the engagement.

Step 2: Internal impact assessment

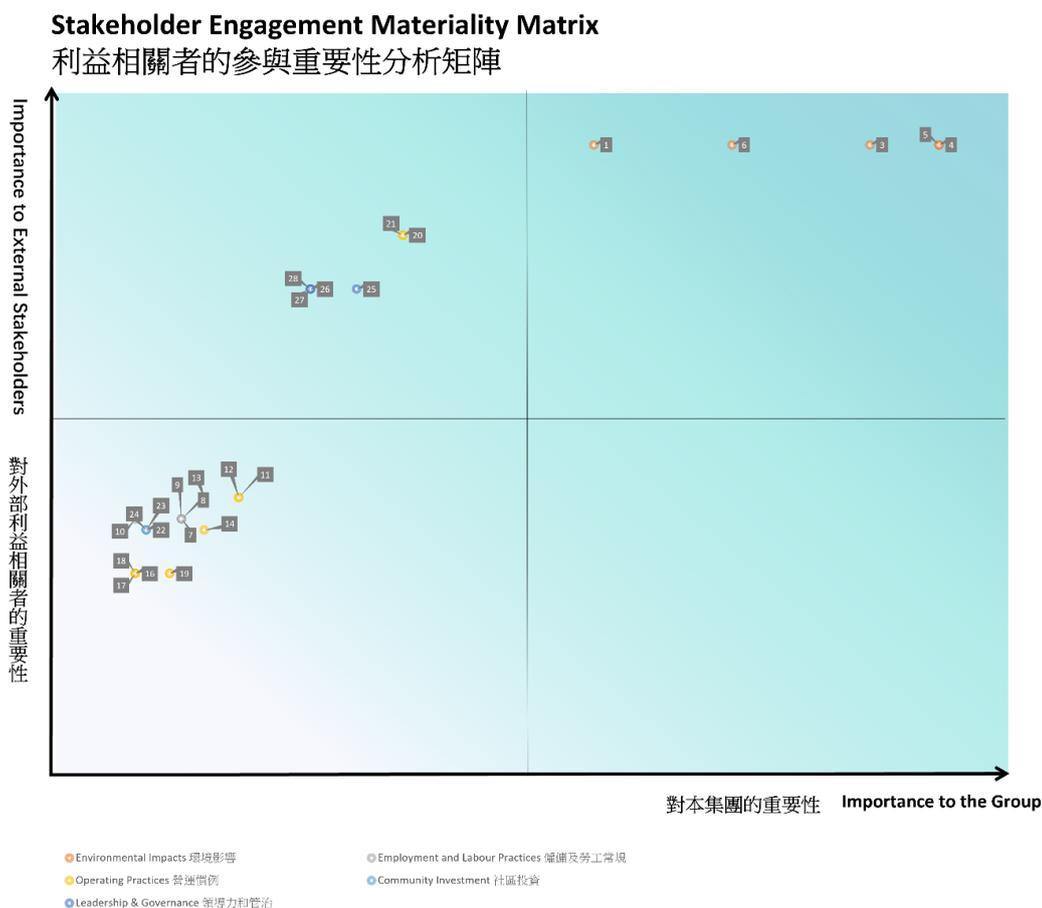
Through an internal desktop impact assessment, a list of 28 priority issues relevant to the Group's development strategy, industry development trend, regulatory market requirements, as well as social responsibility, among others, were generated.

List of ESG Issues for Materiality Assessment	
1. GHG Emissions	15. Product/Service Quality and Safety
2. Energy Management	16. Customer Privacy and Data Security
3. Water & Wastewater Management	17. Marketing and Promotion
4. Solid Waste Stewardship	18. Intellectual Property Rights
5. Climate Change Mitigation & Adaptation	19. Labelling Relating to Products/Services
6. Renewable and Clean Energy	20. Business Ethics & Anti-corruption
7. Labour Practices	21. Internal Grievance Mechanism
8. Employee Remuneration and Benefits	22. Participation in Philanthropy
9. Occupational Health and Safety	23. Cultivation of Local Employment
10. Employee Development and Training	24. Support of Local Economic Development
11. Green Procurement	25. Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
12. Engagement with Suppliers	26. Management of the Legal & Regulatory Environment (regulation-compliance management)
13. Environmental and Social Risk Management of Supply Chain	27. Critical Incident Risk Responsiveness
14. Supply Chain Resilience	28. Systemic Risk Management (e.g. Financial Crisis)

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Step 3: Significance investigation and prioritisation

An online evaluation survey was distributed among and completed by the well-selected key internal and external stakeholders. The scores of issues were analysed, prioritised and mapped into a final materiality matrix as shown below.



Step 4: Validation and outcomes

Given the materiality analysis matrix, the Group identified five issues of the most significant importance to the Group and its stakeholders during FY2022, namely “GHG Emissions”, “Water & Wastewater Management”, “Solid Waste Stewardship”, “Climate Change Mitigation & Adaptation” and “Renewable and Clean Energy.” The result was submitted, reviewed and approved by the Board. The Group will then allocate its resources to focus more on the management of these sustainability issues accordingly.

Stakeholders Feedback

As the Group strives for excellence, stakeholders’ feedbacks are always welcomed, especially on topics listed as high importance in the materiality assessment. Readers are also welcomed to share their views via the Group’s email at enquiry@kpihl.com.

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VI. ENVIRONMENTAL SUSTAINABILITY

The Group's core value is realisation of sustainable development and it believes that the environment is vital for long-term growth. Thus, reducing the nuisances during the production processes and corporate activities is the Group's priority. As the first step, the Group strictly complied with relevant environmental laws and regulations that are material to the Group's business in the PRC and Hong Kong office, including but not limited to the:

- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong);
- Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》;
- Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》;
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes 《中華人民共和國固體廢物污染環境防治法》;
- Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise 《中華人民共和國環境噪聲污染防治法》;
- Law of the People's Republic of China on Prevention and Control of Water Pollution 《中華人民共和國水污染防治法》; and
- Atmospheric Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國大氣污染防治法》.



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To transform towards an environmentally friendly enterprise, the Group has committed to minimising the environmental impacts of emissions from its manufacturing plants. The Group has established draconian internal regulations on the energy consumption, sewage treatment and solid waste management. Meanwhile, the “Target Guide and Plan” (目標指示與方案) and “Quality & Environment Management Manual” (質量環境管理手冊) have been implemented in the daily operations of factories for the identification, evaluation and update of material environmental pollution-related issues and the formulation of environmental management plans from a lifecycle standpoint in the future.

This section primarily discloses the Group’s policies, practices, targets and actions on the emissions, use of resources, environment and natural resources as well as climate change in FY2022.

A.1. Emissions

As environmental disruption is becoming one of the pressing problems in China, the Group has paid great efforts in the emission control of the two manufacturing plants commissioned in the PRC. The Group has been committing to measuring, monitoring and reviewing the operation plants’ emissions in order to control the emission quantitatively and qualitatively.

In FY2022, no disregard for influential laws relevant to air and greenhouse gas emissions, discharges into water or land, and generation of hazardous and non-hazardous waste was identified. For more detailed information regarding the amount of different categories of emissions, please refer to Table E1 in APPENDIX – PERFORMANCE TABLE.

Air & GHG Emissions

Manufacturing Business

Given the business nature, the Group’s major emissions come from its manufacturing plants, including air and greenhouse gases emissions, wastewater and waste.

The air emissions of the Group in FY2022 included sulphur oxides (“SO_x”), nitrogen oxides (“NO_x”) and particulate matter (“PM”), which amounted to 0.3 kg, 81.3 kg and 7.4 kg respectively.

Greenhouse gases (“GHGs”) emissions from the Group are principally caused by fossil fuel burning from transportation and electricity consumption during industrial operations. In FY2022, the Group’s GHG emissions under Scope 1 (Direct Emissions), Scope 2 (Energy Indirect Emissions) and Scope 3 (Other Indirect Emissions) were 51.3 tonnes CO₂e, 5,668.8 tonnes CO₂e and 20.9 tonnes CO₂e, respectively. The total GHG emissions amounted to 5,739.7 tonnes CO₂e, with the intensity of 21.1 tonnes/HKD Million. Similar to the emission pattern in FY2021, Scope 2 (Energy Indirect Emissions) accounted for 98.8% of the Group’s total GHG emission profile in FY2022.

Reckoning that combustion of fossil fuels is the main source for GHG emissions, the Group is committed to making changes focusing on these areas. The Group strives to minimise the consumption of fossil fuels by avoiding unnecessary business travel and optimising the production processes. The Group also implements effective policies and measures to monitor and control its use of resources during business operations. On top of those, the Group is dedicated to encouraging its employees’ behavioural change, such as switching off not-in-use electrical appliances and restricting the air conditioners’ temperature to 26 degrees Celsius.

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To further monitor and control its environmental emissions, the Group established an Environmental Safety Force, which is responsible for managing and implementing the Group's environmental policies accordingly. The Force inspected the environmental performance of the Group's operating sites to ensure their performances were up to the standards. For instance, the Group pre-treated the emitted gases through adsorption, desorption, catalytic combustion to meet the second-grade standard for the second-time frame of the Emission limits of air pollutants 《廣東省地方標準大氣污染物排放限值》 (DB44/27-2001), the standard emission limit in table 2 of the Emission standards for odour pollutants 《惡臭污染物排放標準》 (GB14554-1993), and the standard emission limit for the second-time frame of the Emission standard of volatile organic compounds for furniture manufacturing operations 《廣東省地方標準家具製造行業揮發性有機化合物排放標準》 (DB44/814-2010).

More policies and actions implemented by the Group to control its emissions are further discussed in the subsections headed "Electricity", "Other energy resources" and "Targets and Actions" below.

Wastewater

In FY2022, the wastewater from the Group mainly comprised domestic and commercial non-hazardous wastewater, while the industrial wastewater from the manufacturing business of the Group contained spraying, air compressor operation etc. Domestic wastewater was discharged to the sewage pipe directly, while industrial wastewater was collected separately in special containers for further treatment. 21,116.2 m³ of commercial and domestic wastewater and 14.4 m³ of hazardous wastewater (discharge after internal treatment) were generated in the year under review.

Manufacturing Business

For industrial wastewater, it was collected in the regulating tank for integrated biochemical treatment, including precipitation, decomposition, anaerobic decomposition and filtration. The wastewater was discharged only when it meets the standards. A part of the wastewater was reused in the production line after treatment.

Case Study: ZHONG SHAN K.S. ELECTRONICS COMPANY LTD.

The wastewater generated from the Group's painting process was discharged into the wastewater collection tank through special pipelines, followed by processes including "oil separation, coagulation, sedimentation, hydrolysis acidification, SBR treatment, precipitation, MBR filtration and sand filtration". After a series of measures, the quality of wastewater fully met the requirements of the first grade standard of the "Discharge limits of water pollutants in Guangdong Province" (DB 44/26-2001) (廣東省水污染物排放限值).

To ensure the wastewater discharged from the Group's factories was in full compliance with relevant standards, a professional testing agency called Global (GuangDong) Quality Technology Service Co., Ltd. was invited to assure the quality of wastewater from factories during the year under review. The test results were all below the emission limits based on a series of national standards, including GB 6920-1986, HJ 637-2012, GB 7494-1987 and BG 11893-1989.

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Hong Kong Office

Since the amount of wastewater generated from the office depends on the amount of freshwater consumed, the Group has adopted specific measures to reduce water consumption in the office, which are further described in the next subsection under **A.2. Use of Resources**. In FY2022, the municipal wastewater was directly discharged into the drainage system of the property building.

Solid waste

Reckoning that solid waste contributes indirectly to GHG emissions through the generation of methane from the anaerobic decay of waste in landfill sites and the emission of nitrous oxide from solid waste combustion facilities, the Group is committed to better controlling and management and generation and disposal of its solid waste.

During the year under review, the solid wastes generated during the manufacturing and operating processes by the Group are generally divided into two categories, namely domestic and commercial non-hazardous solid waste as well as industrial hazardous solid waste. All wastes generated during the reporting year were managed following the Quality & Environment Management Manual, which clearly defines the staff's responsibilities to rule out any grey areas.

During the year under review, 252.2 tonnes of non-hazardous commercial and domestic solid waste and 29.7 tonnes of hazardous solid wastes were generated by the Group and were disposed of by qualified companies. The non-hazardous solid waste intensity and hazardous solid waste intensity equalled to 0.9 tonnes/HKD million and 0.1 tonnes/HKD million respectively. In the meantime, the Group collected and recycled around 1.44 tonnes of plastic waste during the year.

Manufacturing Business

Given the business nature, the Group's major solid wastes are generated from its manufacturing activities. The types of industrial waste include activated charcoal, oil rags, paint sludge, waste barrels, waste mineral and engine oil dry sludge, etc. The Group has implemented internal hazardous wastes management protocols in a strict manner. For instance, specialists are responsible for collecting, labelling and sealing hazardous wastes in specific containers according to the Solid Waste Classification Table. Hazardous Waste Warehouse Managers from the Administration Department are responsible for checking all containers and coordinating the qualified company for further transportation, management, recycling and disposal of the hazardous waste.

Under the Environmental Principles, the Group's two plants in the PRC are regulated by the corresponding emission-related laws and regulations in the area. The Group strictly abides to the Restriction of Hazardous Substances Directive 2011/65/EU (RoHS 2.0) 《危害性物質限制指令》, which is the restriction of the use of certain hazardous substances in electrical and electronic equipment (EEE), and also plays an important role for the Group in the controlling the manufacturing process.

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Hong Kong Office

The solid waste generated from the Group's office operations in FY2022 was general domestic and commercial waste. General wastes are weighed, recorded, and collected accordingly. In order to reduce the amount of daily municipal solid wastes, the Group has implemented the following practices:

- Recycle as much solid waste as possible through waste classification;
- Educate employees on reducing the use of disposable items such as plastic tableware;
- Establish a "resources conservation" culture in the office;
- Advocate the reuse of office stationeries; and
- Recycle the office waste such as ink cartridges, toner cartridges, computers, light bulbs, etc.

More initiatives can be found in Targets and Actions.

Noise

Considering that noise is an unavoidable element during the manufacturing operations, the Group has focused on minimising its noise impacts to the surroundings. The Group is endeavoured to control the noise pollution through technical innovation and the acquisition of advanced equipment that is notably quieter and more efficient when compared to the old ones, hoping to reduce noise nuisance.

In FY2022, the Group engaged an external testing agency to investigate the noise level in several locations within the plant's operational boundary to ensure the noise level falls within the standard boundaries. According to the testing results, the sound pressure of noise at one meter away from the factory perimeter in the north, south, east and west test points at both day-time and night-time all met the emission standard for the second grade of Emission Standard for Industrial Enterprise Noise at Boundary (《工廠企業廠界環境噪聲排放標準》) (GB 12348-2008). In FY2022, no substantiated complaint concerning noise from its nearby residents was received.

A.2. Use of Resources

In FY2022, the primary resources consumed by the Group were electricity, petrol, diesel, water, paper and packaging materials (made of paper and plastic). Aiming to conserve resources during operations, the Group has followed the instruction listed in the Energy Resources Control Approach, which covers the scope of application, roles of departments, monitoring management, and conservation measures of electricity, water and other materials. In the meantime, the manufacturing plants of the Group has also developed their internal environmental strategy and customised the management approach based on their characteristic. Zhongshan KS Electronics Company of the Group (中山市堅城電子有限公司) for example, has implemented its environmental strategy of "Law Compliance, Saving Energy, Active Participation, Continuous Advancement" during the year under review, focussing on areas including the promotion of recycling, green procurement and improving energy efficiency.

Table E2 in APPENDIX – PERFORMANCE TABLE illustrates the amount of different resources used by the Group in the past three years.

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Electricity

Electricity is principally consumed by manufacturing processes and the operations of the Group's office. In FY2022, the total electricity consumption of the Group amounted to 9,797.2 000'kWh, with 122.5 000'kWh consumed in Hong Kong Office and 9,674.7 000'kWh consumed in the factories in the PRC. During the year under review, an increase of around 16.0% in electricity usage was recorded.

With the implementation of the "Dual Control (能耗雙控)" Policy in the past, which the national and local governments restricted energy consumption, especially electricity use, the Group is highly aware of the energy consumption status of all of its business units. To effectively lower its electricity consumption, the Group has embedded the concept of "Saving Electricity" into its environmental management system and business strategy. In particular, the Group implemented the following practices:

- Check and renew electrical equipment in offices and factories to ensure their high efficiency;
- Develop operating guidelines for departments to use electrical products in control time period;
- Prioritise electrical appliances with recommended green specifications or rated high with China Energy Labels during procurement;
- Replace high energy-consuming light bulbs with more efficient LED lighting fixtures;
- Make good selection of the transformer capacity and motors;
- Arrange the operation of machines efficiently and repair malfunctioned ones timely; and
- Optimise the entire operating process by eliminating any unsustainable practice.

More initiatives in saving electricity can be found in Targets and Actions.

Other energy resources

In FY2022, petrol and diesel were used by the Group for transportation. Understanding that petrol and diesel are highly polluting fuels, the Group has tried hard to reduce the use of such fuels during its operations. In FY2022, the amount of petrol and diesel consumed by the Group was similar as FY2021, with 7,200.0 L and 12,628.2 L being recorded.

Controlling fossil fuel consumption is important to the Group as the usage causes adverse impacts on the environment and consequently worsening climate change. In FY2022, the Group continued to employ energy-efficient vehicles for transportation and operations. The Group also initiated competitive mechanisms to incentivise factories to pursue a "low carbon and low consumption" working environment and to encourage green transport.

More additional efforts on improving energy efficiency can be found in Targets and Actions.

Environmental, Social and Governance Report

Water

Water is vital to the Group's operations. In FY2022, the Group did not face any issue in sourcing water that is fit for purpose, while its annual water consumption was 67,519 m³, with an intensity of 248.2 m³/million HKD.

Water management has always been the Group's key concern. The Group also emphasised on raising employees' awareness on daily practices so as to promote water conservation. To further improved the utilisation efficiency of water resources, the Group has adopted the following practices:

- Adopt low-flow faucets or showers in the office and dormitory;
- Fix the broken faucets or taps timely once any leakage is spotted;
- Set a limit for utilisation of water among employees;
- Put "Saving Precious Water Resources" posters in prominent places;
- Conduct leakage tests and regular maintenance on the water supply system;
- Add ink-removing chemicals in the pool for spraying units that allows water reuse;
- Apply recirculating cooling water system in the injection moulding unit;
- Replace the aging faucets in the factory to reduce water loss and minimise safety hazards; and
- Use secondary recycled water for toilet cleaning and irrigation.

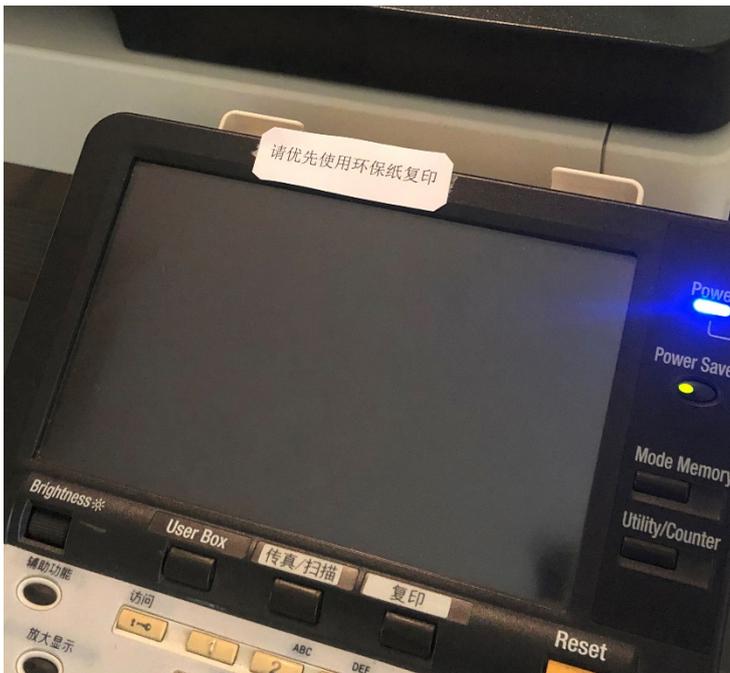


Environmental, Social and Governance Report

Paper

Paper was mainly consumed by the Group for administrative purposes. In FY2022, the Group used 2,643 kg paper while recycled 57.1 kg of its used paper. To minimise the consumption of paper and paper-made products, the Group adhered to its internal instruction of Administrative Paper Use Regulation during the year under review and exerted great efforts into the implementation of the following policies:

- Promote the concept of paperless office, and disseminate information by electronic means (i.e. via email or e-bulletin boards) as much as possible;
- Set duplex printing as the default mode for most network printers when printouts are needed;
- Spread the idea of “Think before print” by using posters and stickers in offices to remind the staff of avoiding unnecessary printings;
- Put boxes and trays as containers to collect single-sided paper for reuse;
- Encourage the use of recycled paper; and
- Strategically reduce the amount of paper purchased.



Environmental, Social and Governance Report

In the future, the Group will continue its effort to minimising paper consumption without compromising its work quality. The Group will also insist on implementing Environmental Principles and improving the environmental awareness of employees and business partners through training and seminars to save paper resources.

Packaging materials

Cartons, boxes and plastics were packaging materials frequently used by the Group. In FY2022, 1.2 tonnes of plastic-made and 3.6 tonnes of paper-made packaging materials were consumed. Aiming to enhance the utilisation efficiency, the Group is committed to replacing the traditional packaging materials with more environmentally friendly and cost-effective ones.

Besides, a made-to-order basis was adopted for the packaging process, which could efficiently control the amount of consumed packaging materials and avoid unnecessary waste. The Group regarded packaging recycling for internal use as a crucial step to lower the overall packaging waste. At the phase of delivery, for instance, plastic containers were collected by the Group and transported to the central recycling station. Looking forward, the Group will allocate more resources and human resources to managing packaging materials throughout the supply chain, conducting a comprehensive analysis and measuring the precise weight of various materials for packaging purposes.

Targets and Actions

Defining specific goals and targets helps the Group track and monitor its progress. Yet, the Group realises that its environmental impacts including manufacturing emissions and the consumption of resources during operations are highly dependent on the amount of sales order it received during the year. Embracing this fact, the Group stayed cautious and designed a series of goals and targets with the hope of demonstrating its commitment in promoting green production.

Environmental, Social and Governance Report

Aspect	Target	Action
Air Emissions	Taking FY2022 as the baseline year, the Group aims to reduce the amount of air pollutants emitted per HKD million revenue by FY2023.	The Group strictly controls its fossil fuel consumption through: <ul style="list-style-type: none"> • Reducing unnecessary business travel • Sealing the opened chemicals properly to avoid the escape of volatile organic compounds • Minimising the usage of the chemical during production
GHG Emissions	Taking FY2022 as the baseline year, the Group aims to reduce the amount of GHG emitted per HKD million revenue by FY2023.	The Group strictly controls the operating duration of machineries and equipment through: <ul style="list-style-type: none"> • Maximising the production efficiency • Assigning joint responsibility to the Maintenance Team and the Production Department in spotting abnormalities in the machineries and equipment
Wastewater	Taking FY2022 as the baseline year, the Group aims to reduce the amount of both hazardous and non-hazardous wastewater discharged per HKD million revenue by FY2023.	The Group strictly controls its wastewater discharges through: <ul style="list-style-type: none"> • Encouraging the reuse of the treated wastewater • Pre-treating the wastewater before discharge to ensure the waste meets the national and industrial standards
Solid waste	Taking FY2022 as the baseline year, the Group aims to reduce the amount of both hazardous and non-hazardous solid waste disposed per HKD million revenue by FY2023.	The Group strictly controls the flow of materials during operation through: <ul style="list-style-type: none"> • Encouraging the reuse of materials, such as using reusable towels instead of disposable rags • Grouping recyclable materials, including cartons and plastic bags, for further processing • Employing qualified third parties to collect and handle the hazardous waste

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Aspect	Target	Action
Electricity	<p>Taking FY2022 as the baseline year, the Group aims to reduce the amount of electricity consumed per HKD million revenue by FY2023.</p> <p>One of the manufacturing plant of the Group in the PRC further its commitment to lower its electricity consumption for production by 5% by FY2023 as compared to that of FY2022.</p>	<p>The Group actively promotes energy conservation through:</p> <ul style="list-style-type: none"> • Switching off not-in-use appliances and pieces of machinery • Adopting advanced technologies such as automatic induction controls to manage the mode of appliances based on needs • Optimising the working environment with natural sunlight and ventilation to reduce the reliance on artificial lighting and air-conditioner
Petrol & Diesel	<p>Taking FY2022 as the baseline year, the Group aims to reduce the amount of petrol and diesel consumed per HKD million revenue by FY2023.</p>	<p>The Group actively promotes resources conservation through:</p> <ul style="list-style-type: none"> • Prioritising energy-efficient vehicles and types of machinery during procurement • Conducting maintenance for and repairing vehicles and machineries regularly • Encouraging employees to use public transportation • Avoiding traveling by using online communication
Water	<p>Taking FY2022 as the baseline year, the Group aims to reduce the amount of fresh water used per HKD million revenue by FY2023.</p>	<p>The Group strictly controls the use of freshwater during the operation processes through:</p> <ul style="list-style-type: none"> • Optimising the water efficiency of the machineries and equipment • Organising water conservation training programmes for new hires to raise their awareness
Paper	<p>Taking FY2022 as the baseline year, the Group aims to reduce the amount of fresh water used per HKD million revenue by FY2023.</p>	<p>The Group actively promotes resources conservation through:</p> <ul style="list-style-type: none"> • Encouraging administrative staff to reuse and recycle office supplies • Setting procurement quota for each department

Environmental, Social and Governance Report

A.3. The Environment and Natural Resources

As a manufacturing enterprise, the Group realises that its environmental footprint might pose a threat to the natural environment and resources nearby if impacts are not addressed in a timely manner. Following the “safety, harmony and green development”(安全、和諧、綠色發展) strategy, the Group aspires to transit towards sustainability and be a green manufacturer. The Group has incorporated resource-saving policies and environmentally friendly innovations into the development approach, intending to enhance itself with the transformation to green production.

The Group assesses its environmental impacts and monitors how climate change affects its long-term prosperity based on the “Quality & Environment Management Manual”. Considering the impact scale, scope, frequency, attention rate, law compliance and other relevant indicators, air emissions and wastewater discharge were regarded as the potentially relatively significant impacts the Group had on the environment among other factors. To address these impacts, the Group implemented a series of internal policies with reference to the national guidelines and international standards, with the aim to perform better in the environmental aspects. In FY2022, the factories of the Group once again obtained the ISO 14001:2015 Environmental Management System certification in recognition of its outstanding performance in managing environmental-related impacts. Meanwhile, the Group also promotes the “5S” management system, which is a workplace organisation method that uses a list of five Japanese words: seiri, seiton, seis, seiketsu, and shitsuke, to better manage its production lines.



As an enterprise whose principal activities comprise of the manufacture and sale of industrial goods, there is no doubt that a reliable and stable supply of natural resources is imperative to the Group’s long-term success. Reckoning that negatively impacting the environment and natural resources may hinder the Group’s long-term business success, the Group is on its way of transiting to “clean” production and green business with quantitative environmental targets set, tracked and monitored. The Group aims to be a pioneer in leading the entire industry towards low-carbon economy and uniting its stakeholders to work harder regarding natural resources protection.

Environmental, Social and Governance Report

A.4. Climate change

In FY2022, climate change and its consequences once again became a major global concern, with countries reaffirming their goals and committing themselves to resolve climate change in the COP 27 Climate Summit held in 2022. Given that climate change may pose various types of operation and financial risks to the Group's business which in turn may affect its long-term success, the Group is dedicated to taking early actions in advance.

Considering the recommendation of the Taskforce on Climate-related Financial Disclosure (TCFD), the Group is committed to disclosing its climate-related information with reference to the framework. As the Group is still at the preliminary stage of reviewing, evaluating and planning its corporate climate strategies, the Group is committed to enhancing its climate-related disclosure with more related risks and opportunities identified, as well as corresponding mitigation measures and adaptation actions proposed.

Risk		Potential Impact
Physical Risk	<ul style="list-style-type: none"> • Increase in frequency and intensity of extreme weather events, such as typhoons, rainstorms, floods and heatwaves 	<ul style="list-style-type: none"> • Damages to infrastructure and buildings may incur repairing cost • Disruption of the electricity and water supply may cause operation instability • Weather events may cause unstable supply of raw materials, thus increasing the price of raw materials as the supply-and-demand balance is interrupted
Transition Risk	<ul style="list-style-type: none"> • Tightening environmental rules and guidelines 	<ul style="list-style-type: none"> • Compliance and operating costs are expected to rise in response to the rippled effect brought by stricter regulations • Extra investments may be needed to upgrade the current equipment

To minimise the potential financial impacts on the Group's operations, the Group proactively explored ways to mitigate these risks. In 2022, the Group continued to focus on the technological upgrades of the manufacturing plants to realise automated operations, which improved energy efficiency and reduced the waste of materials. Meanwhile, the Group will keep strengthening the robustness of its governance structure and integrating climate-related issues into its corporate risk management.

Environmental, Social and Governance Report

VII. SOCIAL SUSTAINABILITY

The integrated philosophy of “People-Oriented Management and Innovation” has always been the Group’s core value. The Group believes that a safe, secure and equal workplace benefits its employees both mentally and physically. As such, the Group has made enormous efforts in articulating the corporate vision of sustainable development from the Board down to all business units and implementing its inclusion and diversity strategy.

EMPLOYMENT AND LABOUR PRACTICES

B.1. Employment

The Group embraces the concept of “To let everybody fully display his/her talents and make the best use of everything” (人盡其才、物盡其用) and strives to offer its people a safe, secure and equal place for achievement and career development. The Group aims to prosper and grow together with its employees. As of the end of FY2022, the Group had a total of 820 full-time employees, of which 255 is male and 565 is female. More related information about the age, gender, employment type and geographical location categorisation of employee data can be found in Table S3 in the APPENDIX – PERFORMANCE TABLE.

Regulatory and legal compliance

The Group’s employment policies have been updated regularly to adapt to social changes and comply with the relevant laws and regulations in both Hong Kong and the PRC. In FY2022, the Group complied with all relevant laws and regulations, including the following:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);
- Employment Promotion Law of the People’s Republic of China (中華人民共和國就業促進法);
- Labour Contract Law of the People’s Republic of China (中華人民共和國勞動合同法);
- Law of the People’s Republic of China (中華人民共和國勞動法); and
- Insurance Law of the People’s Republic of China (中華人民共和國社會保險法).

During the year under review, the Group provided its employees with mandatory social insurance and medical insurance schemes. The Human Resources Department of the Group is responsible for reviewing and updating the relevant company policies on a regular basis in accordance with the latest laws and regulations.

Environmental, Social and Governance Report

Recruitment and promotion

The Group has adopted a set of transparent and clear internal procedures to conduct its annual recruitment plan. To attract high-calibre candidates, the Group offers fair and competitive remuneration and benefits based on the individuals' past performance, personal attributes, job experiences and career aspirations. The Group also makes reference to market benchmarks and has formulated the "Compensation Management Regulation" in determining its remuneration and benefits policies. The Human Resources (HR) Department is responsible for selecting qualified candidates for interviews with departmental managers according to the "Personnel Recruitment Plan". A thorough background check is then performed to guarantee the applicants' qualifications before a formal offer.

The Group has constantly reviewed its compensation packages and performs probationary and regular evaluations on the employee's performance. This encourages employees to release their full capacity and guarantees their contributions are recognised by the Group. Staff promotion opportunities are equally provided to eligible employees who have shown outstanding performance and potential in their positions in accordance with the established procedures written in the Employee Handbook.

Compensation and dismissal

Any compensation adjustment and employment termination are based on the lawful and justified internal policies of the Group, such as the Employee Handbook. The Group strictly prohibits any kind of unfair or illegitimate dismissal and therefore has formulated stringent policies regulating the procedures of dismissal of employees for employee management according to the relevant laws and regulations in Hong Kong and the PRC.

In FY2022, the turnover rate of the Group was 21.7%. More detailed information regarding Employee turnover rate by gender, age group and geographical region can be found in Table S4 in the APPENDIX – PERFORMANCE TABLE.

Working hours and rest period

The Group has formulated its policy on working hours and rest period periods based on local employment laws including the Provisions of the State Council on Employees' Working Hours (《國務院關於職工工作時間的規定》). The Group compensates those who work overtime with extra pay or additional paid leave. In addition to the basic paid annual leave and statutory holidays, employees are also entitled to other leave benefits such as marriage leave, maternity leave, compassionate leave, etc.

Environmental, Social and Governance Report

Equal-opportunity and anti-discrimination

The Group is committed to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all its human resources and employment decisions. Training and promotion opportunities, dismissals and retirement policies are determined regardless of the employee's age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other discriminative elements.

Besides, the Group eradicates workplace discrimination, harassment or vilification following local ordinances and regulations. The Group has formulated equal opportunity policies according to Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong) and the Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong). Once any discrimination-related cases are reported and substantiated, the Group will take necessary disciplinary actions against relevant employees immediately.

Other benefits and welfare

The well-being of employees has been one of the key factors for the Group to succeed. Apart from the provision of social insurance and provident fund to its employees, which include endowment insurance, medical insurance, unemployment insurance, employment injury insurance and maternity insurance (五險一金), the Group also provides other corporate benefits, such as team-building activities, annual dinner and recreational activities during festivals.

In FY2022, the Group complied with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2. Health and Safety

The Group strives to build a safe and secure working environment for all and has conducted regular reviews and audits in accordance with the statutory and industrial requirements to maintain occupational health and safety. With continuous efforts, the Group reported zero work-related fatalities in the past three years, including the reporting year. The work injury rate of the Group has remained low throughout the past three years. In FY2022, the number of lost days of work due to work-related injuries was 145 days, with 4 employees injured.

Occupational Health and Safety Data	2022	2021	2020
Number of Work-related Fatalities	0	0	0
Work injury cases	4	13	17

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The Group's internal safety and health policies have abided by relevant laws and regulations in Hong Kong and the PRC, including but not limited to the following:

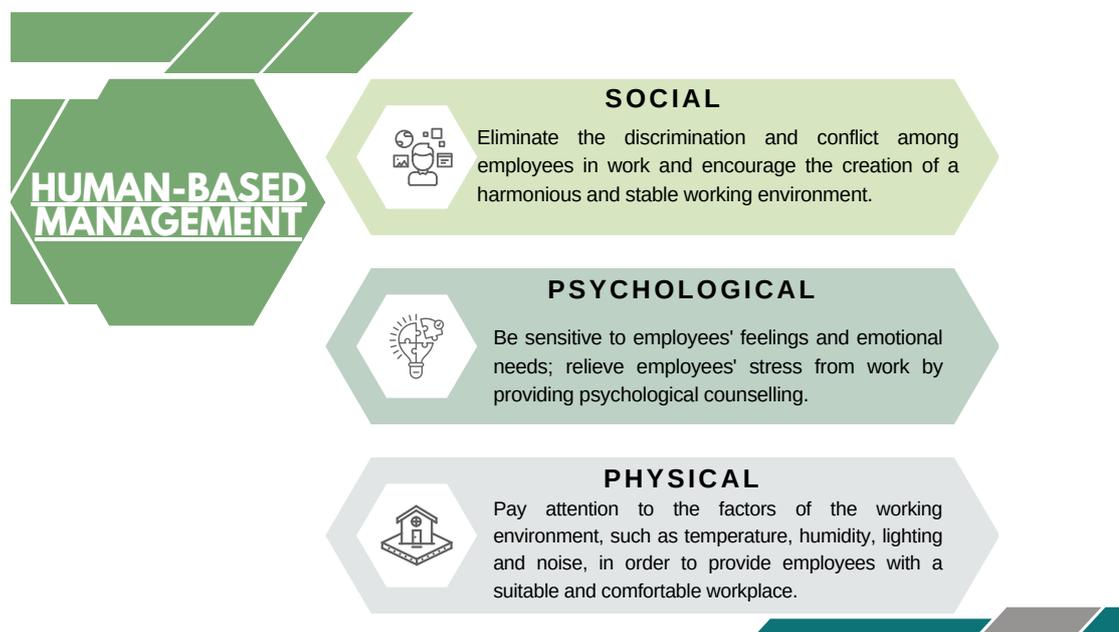
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);
- Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法);
- Report on Production Safety Accident and Regulations of Investigation and Treatment (生產安全事故報告和調查處理條例);
- Production Safety Law of the People's Republic of China (中華人民共和國安全生產法); and
- Regulation on Work-Related Injury Insurance of the People's Republic of China (中華人民共和國工傷保險條例).

In FY2022, the Group followed its internal policies, the "Quality & Environment Management Manual", to arrange occupational health and safety training for its employees. Courses related to topics such as the Proper Handling of Hazardous Materials, Occupational Health and Safety, Emergency Management and "5S" training were held. Meanwhile, the Group also offered free annual physical examinations for all employees, especially special medical examinations for workers engaged in work exposed to high risks in industrial undertakings.

Furthermore, the Group provided the employees with personal protective equipment ("PPE") such as uniforms, face masks and gloves to ensure operational safety. Supervisors of each business unit are responsible for monitoring the implementation of all occupational health and safety-related policies. The Group also requires its suppliers to provide relevant testing certificates, conduct functional and safety checks, and regularly arrange maintenance to guarantee equipment safety.

The Group has always placed occupational health and safety as its top priority. Thus, the Group is committed to assuring employees' health and safety in its operations. The Group aligns its internal occupational-related policies with the human-based management approach and take social, psychological and physical factors into account, aiming to provide a genuinely comfortable and safe environment to its employees.

Environmental, Social and Governance Report



In FY2022, the Group complied with relevant laws and regulations concerning providing a safe working environment and protecting the employees from occupational hazards.

Actions in the post-pandemic period

In 2022, since the pandemic was easing with the application of vaccinations and medications, business activities and the economy resumed gradually. Nonetheless, the Group still paid extra attention to preventing potential virus widespread in the workplace by establishing a task force responsible for handling issues related to the pandemic and formulating the “COVID-19 Prevention and Emergency Plan”(《新型冠狀病毒肺炎防治應急預案》). The Group enacted a series of measures to align with the community policy, including:

- Illustrating a specified area for parking of incoming foreign vehicles and sanitising them before letting them into the work place;
- Requiring a “Green Health Code”(綠色健康碼) and normal body temperature for any personnel entering the working sites;
- Wearing in the working area to prevent any potential risks of infection; and
- Cleaning and sanitising all workplace including the factories regularly.

Environmental, Social and Governance Report

B.3. Development and Training

The Group has followed its internal development and training policies to tailor training for its employees, both new hires and experienced. The Human Resources Department is responsible for building the Group’s policies and practices on delivering training programmes according to the Group’s business priorities and talent needs.

New employees are required to receive training covering the topics of the History of the Company, Corporate Governance Structure, Corporate Culture, Business Processes, and Management System. Experienced employees are invited to attend profession-oriented courses according to corporate demands and employees’ expectations. The Group has also established a series of policies according to the ISO 14001 and OHSAS 18001 (Occupational Health and Safety Management System), such as the “Regulation of Occupational Health and Safety”, “Regulation of Industrial Accident”, “Emergency Response Plan and Emergency Rescue System”, and “Fire Drill”.

The Group also supports its employees to step out of their comfort zone. Employees are encouraged to attend external training programmes and take professional qualification exams to enhance their competitiveness. Employees could receive reimbursement from the Group for successful achievements in professional qualification examinations and vocational qualification certificates. Besides, the Group has regularly invited external professionals to provide relevant training to its employees, which is believed to be beneficial to their career paths.

In FY2022, the Group provided 2,454 hours of training for 699 employees. Notably, the Group has emphasised the training and career development of its general employees, whose time spent on the training courses occupied over 96% of the total training time that the Group provided to all its staff. Among the training hours, males account for 39% while females account for 61% of the training time. For more information about the numbers of employees trained and training hours by gender and employee category, please refer to Table S5 and S6 in the APPENDIX – PERFORMANCE TABLE.



Environmental, Social and Governance Report

B.4. Labour Standards

The Group has abided by the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Labour Law of the People's Republic of China 《中華人民共和國勞動法》 and other related labour laws and regulations in Hong Kong and the PRC to prohibit any child and forced labour employment.

The Group has implemented its internal policies, such as Management Procedures for Child Labour and Juvenile Labour (《童工與未成年工管理程序》) and Management Procedures for the Prohibition of Forced labour (《禁止強迫勞動管理程序》), to avoid illegal employment. The Human Resources Department is responsible for ensuring all job applicants are lawfully employable before confirming any employment, while job applicants are required to provide valid identity documents during the recruitment process. Once there is any case against labour standards as stipulated in law, the corresponding employment will be immediately terminated. As for suppliers and business partners, the Group has enacted its supplier guidelines which specify its approach to human rights and labour matters, and urges all suppliers to put these into practice. The Group scrutinises its business partners in terms of labour compliance regularly.

In FY2022, the Group complied with the relevant laws and regulations in relation to the prevention of child and forced labour.

OPERATING PRACTICES

B.5. Supply Chain Management

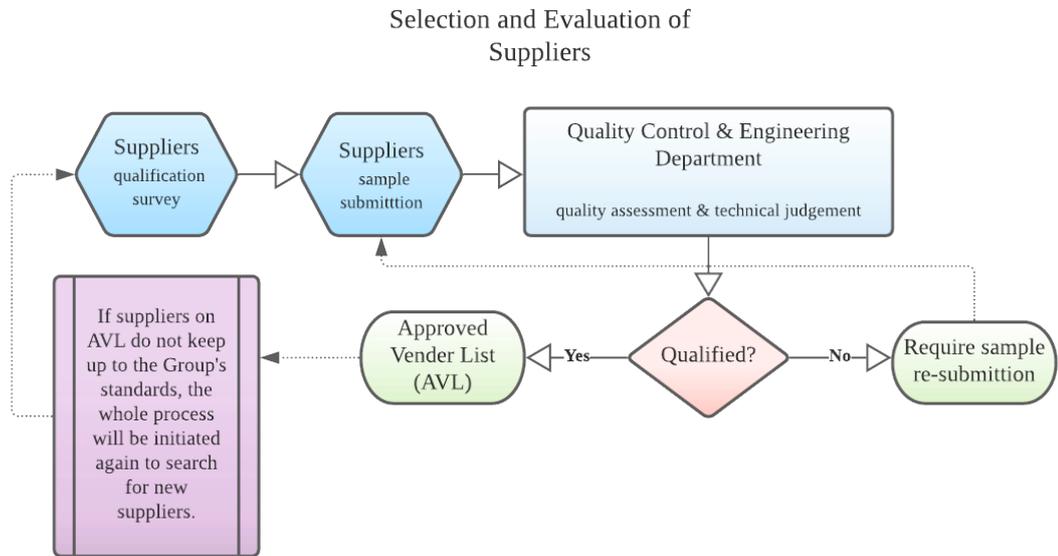
To demonstrate its role as a socially responsible enterprise, the Group has been committed to developing a sustainable supply chain that incorporates environmental and social considerations. In FY2022, the Group had 106 major suppliers in the PRC, 6 in Hong Kong and 1 in Taiwan, to which the below supplier management policies are applicable.

Supplier Engagement and Supply Chain Risk Management

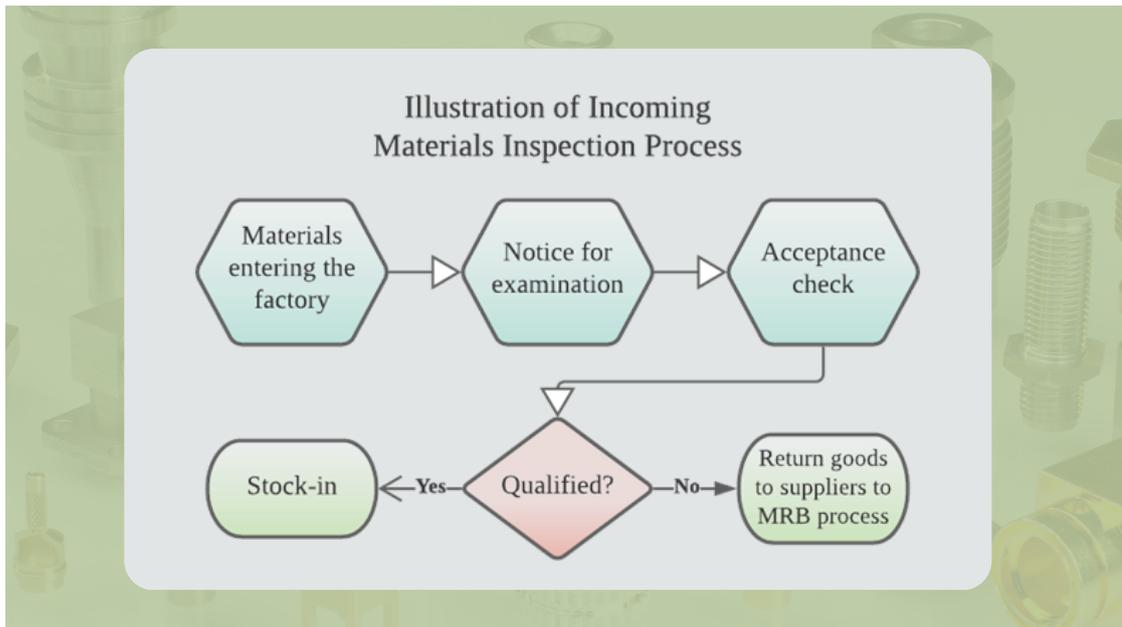
The primary raw materials purchased by the Group are plastics, electronic optical devices, hardware, and packaging materials. The Group has established clear internal regulations for procurement and supplier selection in accordance with ISO 9001 and ISO 14001, with the purpose of ensuring that all materials purchased meet the environmental and social requirements, while the suppliers are competent to meet the standards.

The "Selection and Evaluation of Suppliers Control Procedures" (供應商選擇和評價控制程序) is formulated to identify environmental and social risks along the supply chain by necessitating the Group's suppliers to possess legal business licenses and to provide materials with an environmentally friendly production procedure. The "Selection and Evaluation of Suppliers Control Procedures" has also clarified the roles and responsibilities in supplier selection process, from the investigation to the verification of suppliers. Specifically, the Quality Control Department has to collect relevant information on potential suppliers and examine their performance regularly, while the Department of Engineering has to evaluate the technical capability of suppliers. In the meantime, the final confirmation and file management should be the responsibility of the Department of Procurement.

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Besides, the Group’s “Incoming Material Inspection Control Procedures” (來樣檢驗程序) defines the responsibility of each department to make sure that the raw materials from suppliers are 100% qualified before being used for production. The Warehouse Department and Quality Control Department are responsible for the incoming material inspection, reception and storage.



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As continuous engagement is believed to be the key to maintaining a reliable and obedient supply chain for the Group, the Department of Procurement maintains good communication with suppliers by telephone discussions and on-site visits. Other than that, the Group has formulated internal policies about supplier management and has classified all suppliers into groups according to various factors to differentiate its management strategy. Given the solid and steady relationship with its suppliers, there were no material delays, values conflicts or other significant environmental and social issues regarding its suppliers in past years. The Group believes that a mutual understanding and a sense of responsibility towards each other is essential to maintaining a cooperative relationship, with suppliers' behaviour aligning with the Group's sustainability value.

In FY2022, the Group strictly adhered to its "Counter-measures to Address Risks and Opportunities Control Policy" (風險和機遇應對措施控制程序) for suppliers' social and environmental risk management. The Group followed rigorous and practical steps in supply chain management, from identifying risks, building the risk management team, formulating and executing plans to annual auditing and validity reviewing.

Green Procurement

Achieving and maintaining a sustainable value chain is one of the Group's aspirations. The Group believes that through ensuring the sources of imported materials, it can better identify and eliminate any potential environmental and social risks along the supply chain, while promoting the adoption of environmentally friendly materials at the same time. To this end, the Group always insists on implementing its Green Procurement policy on 100% of its suppliers, which means that the Group prioritises and only accepts the core raw materials for production that meet the RoHS, REACH standards.

B.6. Product Responsibility



Environmental, Social and Governance Report

Regulatory & legal compliance

In FY2022, the Group complied with relevant rules, regulations and standards in Hong Kong and the PRC relating to health and safety, advertising, labelling and privacy matters concerning its products and services and methods of redress, including but not limited to the following:

- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong);
- Consumer Council Ordinance (Cap. 216 of the Laws of Hong Kong);
- Patents Ordinance (Cap. 514 of the Laws of Hong Kong);
- Work Safety Law of the People's Republic of China(中華人民共和國安全生產法);
- Product Quality Law of the People's Republic of China (中華人民共和國產品質量法);
- Price Law of the People's Republic of China (中華人民共和國價格法);
- Law on Protection of Consumer Rights and Interests of the People's Republic of China (中華人民共和國消費者權益保護法);
- Advertising Law of the People's Republic of China (中華人民共和國廣告法);
- Patent Law of the People's Republic of China (中華人民共和國專利法); and
- Intellectual Property Law of the People's Republic of China (中華人民共和國知識產權法).

Quality Assurance

The Group highly values its clients' trusts and satisfaction. Keeping this in mind, the Group has established its Quality Management System, which is in line with the ISO 9001 requirements, so as to generate high-quality products consistently.

Aiming to produce high quality final products and ensuring its top-notch services satisfy customers' needs, the corporate philosophy has cascaded through all levels of the enterprise. The Group has established the "Internal Audit Control Procedures" (《內部審核控制程序》) and "Customer Product Requirement Review Control Procedures" (《顧客產品要求評審控制程式》) that monitors, investigates and manages the products throughout the production process, from manufacturing to delivery. These internal guidelines assist the Group in obtaining CE marking by strictly complying with local and global rules and regulations such as the REACH and RoHS, with CE marking being a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area (EEA).

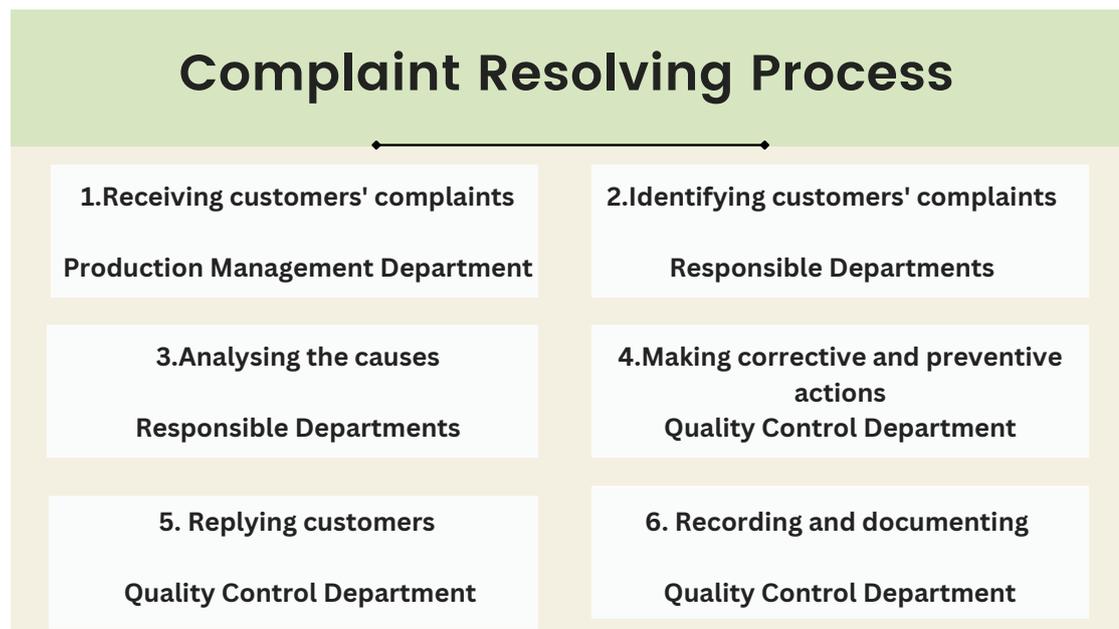
Environmental, Social and Governance Report

Meanwhile, the Group has also regulated that all incoming materials must comply with the requirements of controlled substances as mentioned in REACH, RoHS and Sony SS-00259 according to its internal policy of “Controlled Substances Assurance Agreement” (《限禁用物質保證協議書》). With the effective implementation of the policy of “Final Inspection Work Procedures” (《最終檢驗作業程序》), “Incoming Material Inspection Control Procedures” (《進料檢驗控制程序》), “Product Protection Control Procedures” (《產品防護控制程序》) and “Quality & Environment Management Manual” (《質量環境管理手冊》), the Group has shown its commitment to delivering its best services and products to its clients.

With continuous efforts, no sold or shipped products were subjected to recalls for safety and health reasons during the year under review.

Customer feedback & complaints

Ensuring customers are respected and their voices are treated seriously is important for the Group’s image and long-term development. As such, the Group has established standard procedures for handling product enquires and customer complaints. The “Customer Service Management Procedures” (客戶服務管理程序) provides a standard working process for dealing with customer complaints. The Group can review and update its products and services accordingly through the complaint-resolving procedure, which sustains its position in the market.



In FY2022, the Group received 0 complaints from its customers. The Group pays great attention to all complaint issues and once any complaints are received, the Group will follow up with customers timely through the format of 8D Report (*Eight Discipline Problem Solving (8D)*, which is a set of problem-solving skills commonly used among quality control engineers and other professionals).

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Different departments are responsible in a parallel manner to handle the complaints effectively to minimise the impact on the customers. In particular, the Quality Control Department is responsible for the back-inspection and corrective actions, the related Production Department is responsible for reviewing the production procedures and improving the product quality, and the Marketing Department is responsible for communicating the needs of the clients. In view of the past complaints regarding the outer appearance of the products, to avoid similar mistakes from happening again, the Group strengthens the relevant staff training, posted pictures of the damaged product surfaces on-site to remind its employees, and refined the packing materials to enhance product protection.

In terms of the regulation of any matter about product recalls, the Group has implemented its internal policies, including the “Control Procedure of Nonconforming Products” (《不合格產品控制程序》) and “Control Procedure of Returned Products” (《退回產品控制程序》). Once the Group receives the returned products, a comprehensive inspection process will be performed immediately, and the Group will take full responsibility and recall the unqualified products if the case is substantiated.

Advertising

The Group has formulated internal guidelines to prevent any untrue or exaggerated advertisements that violate the Advertising Law of the People’s Republic of China (《中華人民共和國廣告法》). The Marketing Department is responsible for monitoring all of its marketing materials to ensure their authenticity.

Data protection and privacy matters

Given that the Group treats data protection and privacy matters seriously, it has implemented a series of policies stipulating systematic procedures when handling sensitive information and private data. The cybersecurity is monitored and maintained by the Information Technology (IT) Department, while the Employee Handbook states rules for protecting confidential business information and sensitive personal data, and all employees are obligated to follow them. Meanwhile, the Administrative Department is responsible for ensuring that limited access is granted to customers’ information. Provision of customer’s information to external parties without the authorisation is strictly prohibited. All customers’ personal data must be treated as confidential and accessible by designated personnel only. In FY2022, there were no substantiated complaints concerning breaches of customer privacy or any incidents of loss of customer data.

In FY2022, the Group complied with all relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products and services. Since intellectual property (IP) and labelling are considered not material to the Group given its business nature, the IP-related and labelling-related regulations and policies are not mentioned in this ESG report.

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B.7. Anti-corruption

To maintain a fair and ethical working environment, the Group complies with the local laws and regulations relating to anti-corruption and bribery, including:

- Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法);
- Law of the People's Republic of China on Anti-money Laundering (中華人民共和國反洗錢法);
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

In FY2022, the Group did not violate any applicable laws and regulations concerning bribery, extortion, fraud and money laundering. No concluded legal case regarding corrupt practices were brought against the Group or its employees during the year under review.

In order to earn the trust of customers and society, the Group reckons that compliance with laws and regulations is a fundamental must. Therefore, the Group has formulated and strictly enforced its anti-corruption policies as stipulated in its Employee Handbook to manage any dishonest practices. The Group prohibits all forms of bribery and corruption and requires all employees to demonstrate professional ethics following its code of conduct, while the Group's Administrative Director is responsible for the oversight of the execution of anti-corruption policies and the handling of related cases.

Whistle-blowers can report verbally or in writing to the Audit Committee or the Department of Human Resources for any suspected misconduct with full details and supporting evidence. The Group promotes an effective grievance mechanism to protect the whistle-blowers from unfair dismissal or victimisation. Once criminality is suspected after investigation, the Group will promptly report to relevant regulators or law enforcement authorities when the management considers it necessary.

During the year under review, the Group arranged 3 anti-corruption training for its staff and directors to raise internal awareness of the Group's determination in prohibiting bribery, corruption or any other unethical business behaviour. Meanwhile, the Group's Administrative Department used to organise anti-corruption training prepared by Responsible Business Alliance (RBA), so as to familiarise staff with anti-corruption initiatives and the latest updates of the relevant laws and regulations.

While raising awareness of internal staffs by integrating corruption prevention-related knowledge into the Group's training programme, the Group also pays attention to the integrity of its suppliers. With regard to this, all suppliers of the Group are required to sign an Integrity and Confidentiality Agreement (供應商廉潔承諾書) when entering into a business partnership with the Group.

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COMMUNITY

B.8. Community Investment

Being a corporate citizen, the Group is committed to producing higher standards of living and quality of life for the surrounding communities while maintaining profitability for its stakeholders. The Group has always been willing to give back to society. Over the years, the Group has organised and participated in many charitable activities, including fundraising and community cleaning activities, which focused on the healthy development of the local communities.

Due to the pandemic outbreak and the corresponding prevention and control measures launched in FY2022, the Group did not organise or participate in community activities in the reporting year. Nevertheless, the Group has never halted its willingness to positively influence the people, communities and places that support and need the Group. Endeavor to make concerted efforts to build a better world, the Group's volunteer team of employees have made good use of this time to conduct training and get themselves ready to contribute to the community soon again in the future.

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VIII. APPENDIX – PERFORMANCE TABLE

Table E1. The Group's Total Emissions by Category in FY2022 ^{10,11}

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2022	Intensity ¹ (Unit/HK\$ million) in FY2022	Amount in FY2021	Intensity ² (Unit/HK\$ million) in FY2021	Amount in FY2020	Intensity ² (Unit/HK\$ million) In FY2020
Air Emissions ³	SO _x	Kg	0.30	-	0.37	-	0.54	-
	NO _x	Kg	81.27	-	84.29	-	25.68	-
	PM	Kg	7.44	-	7.83	-	1.89	-
GHG Emissions	Scope 1 ⁴ (Direct Emissions)	Tonnes of CO ₂ e	51.29	0.19	63.0	0.15	89.7	-
	Scope 2 ⁵ (Energy Indirect Emissions)	Tonnes of CO ₂ e	5,668.75	20.84	5,121.6	12.25	5,190.9	-
	Scope 3 ⁶ (Other Indirect Emissions)	Tonnes of CO ₂ e	20.93	0.08	27.3	0.07	25.9	-
	Total (Scope 1 & 2 & 3) ⁷	Tonnes of CO ₂ e	5,739.73	21.10	5,211.9	12.47	5,306.5	15.6
Hazardous Waste	Solid Wastes ⁸	Tonnes	29.70	0.11	8.2	0.02	7.9	0.02
	Wastewater	Tonnes	14.4	0.05	450.3	1.08	612.7	1.8
Non-hazardous Waste	Solid Wastes ⁸	Tonnes	252.24	0.93	52.4	0.13	137.2	0.4
	Wastewater ⁹	Tonnes	21,116.20	77.63	59,137.3	141.48	42,802.4	125.9
Recycled Waste ¹²	Plastic	Tonnes	1.44	-	99.4	-	-	-
	Metal	Tonnes	-	-	2.7	-	-	-
	Others	Tonnes	-	-	2.5	-	-	-

Environmental, Social and Governance Report

1. Intensity for FY2022 was calculated by dividing the amount of air, GHG and other emissions respectively by the Group's revenue of HK\$272.00 million in FY2022;
2. The amount and intensity in FY2020 and FY2021 were extracted from the data in the ESG Report FY2020 and FY2021 of the Group;
3. The Group's air emissions only included the air pollutants from fuel consumption of motor vehicles. The surge in air pollutants emissions as compared to FY2020 is mainly due to the advancement of vehicle categorisation during data collection;
4. The Group's Scope 1 (Direct Emissions) included only the consumption of liquid fuels in motor vehicles and stationary consumption on-site during operations;
5. The Group's Scope 2 (Energy Indirect Emissions) included only electricity consumption;
6. The Group's Scope 3 (Other Indirect Emissions) included other indirect emissions from paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments;
7. The Group's total GHG emissions is calculated by adding the three scopes of emissions and deducting the carbon offset by tree-planting which amounted to around 1.24 tonnes CO₂e;
8. The amount of solid waste in FY2022 only covered production and domestic wastes from the manufacturing plants of the Group in the PRC;
9. Since the wastewater generated from the Group's office in FY2022 only covered domestic sewage from employees, the total amount of wastewater discharged from the Group's office in FY2022 was based on the assumption that 100% of the fresh water consumed entered the municipal sewage system;
10. The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, The GHG Protocol Corporate Accounting and Reporting Standard, the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories and the Fuel Consumption Limits for Heavy-Duty Commercial Vehicles;
11. Due to technical difficulty in data collection for a full financial year, completed environmental data of the Group was estimated through the equation: (data collected for [M] number of months)/([M] number of months)X 12. The Group will continue to enhance its data collection method in the future; and
12. Recycled waste only includes the data of the manufacturing and operations of HPIL in the PRC.

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Table E2. Total Resource Consumption in FY2022

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2022	Intensity ¹ (Unit/HK\$ million) in FY2022	Amount in FY2021	Intensity ² (Unit/HK\$ million) in FY2021	Amount in FY2020	Intensity ² (Unit/HK\$ million) in FY2020
Energy ³	Electricity	000'kWh	9,797.15	36.02	8,438.23	20.20	9,853.97	29.00
	Petrol	000'kWh	69.78	0.26	136.12	0.30	128.66	0.40
	Diesel	000'kWh	135.16	0.50	117.79	0.30	228.82	0.70
	Total	000'kWh	10,002.09	36.77	8,692.14	20.80	10,211.44	30.0
Water	Water	m ³	67,519.00	248.23	67,809.75	162.20	43,719.02	128.60
Paper	Paper	Kg	2,643	9.72	1,546.84	3.70	2,726.73	8.00
Raw materials	Plastic	Tonnes	1,522.80	5.60	2,503.94	6.00	1,706.22	-
	Paper	Tonnes	1,200.00	4.41	763.64	1.80	-	-
Packaging materials	Plastic	Tonnes	1.2	0.0044	2.00	0.0026	24,748,286 in factory A and 1 tonnes in factory B	-
	Paper	Tonnes	3.63	0.0134	1.08	0.0048	2,995,879 in factory A and 0.2 tonnes in factory B	-

1. Intensity for FY2022 was calculated by dividing the amount of resources that the Group consumed in FY2022 by the Group's revenue of HK\$272.00 million in FY2022;
2. The amount and intensity in FY2020 and FY2021 were extracted from the data in the ESG Report FY2020 and FY2021 of the Group; and
3. The energy conversion of resources consumed was based on the energy coefficient set out in "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange".

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Table S3. Number of Employees by Age Group, Gender, Employment Type, Position Type, Geographical Locations of The Group in FY2022 ¹

Unit: Number of employees		Age group			
Gender	Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	Total
Male	25	54	111	65	255
Female	31	212	312	10	565
Total	56	266	423	75	820

Unit: Number of employees		Position			
Gender	General staff	Management	Senior management	Director	Total
Male	237	11	2	5	255
Female	564	1	0	0	565
Total	801	12	2	5	820

Employment type		
Full time	Part time	Total
820	0	820

Geographical location	
Locations	Number of employees
PRC	787
Hong Kong	33
Total:	820

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

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Table S4. Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2022 ¹

Unit: Number of employees	Age group				Total
	Aged 30 or below	Aged between 31 to 40	Aged between 41 to 50	Aged 51 or above	
Gender					
Male	33	35	18	0	86
Employee turnover rate (%)	132.00	64.81	16.22	0	33.73
Female	35	34	23	0	92
Employee turnover rate (%)	112.90	16.04	7.37	0	16.28
Total	68	69	41	0	178
Total employee turnover rate (%)	121.43	25.94	9.69	0	21.71
Geographical locations					
	Locations	Employee turnover	Employee turnover rate (%)		
	PRC	178	22.62		
	Hong Kong	0	0		

1. The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who resigned in FY2022 by the number of employees in FY2022. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

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Table S5. Number and Percentage of Employees Trained in the Group by Gender and Position Type in FY2022 ¹

Total number of employees trained					699
Total number of employees at financial year end					820
% of employees trained					85%
<hr/>					
Unit: Number of employees			Position		
<hr/>					
			Senior		
Gender	General staff	Management	management	Director	Total
<hr/>					
Male	130	9	0	5	144
% of employees trained	18.60%	1.29%	0.00%	0.72%	20.60%
Female	554	1	0	0	555
% of employees trained	79.26%	0.14%	0.00%	0.00%	79.40%
Total	684	10	0	5	
% of employees trained	97.85%	1.43%	0.00%	0.72%	
<hr/>					

1. The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2022. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table S6. Training Hours Received by the Employees of the Group by Gender and Position Type in FY2022 ¹

Unit: Training Hours			Position		
<hr/>					
			Senior		
Gender	General staff	Management	management	Director	Total
<hr/>					
Male	874	47	0	33	954
Average training hours	3.69	4.27	0	6.50	3.74
Female	1,492	8	0	0	1,500
Average training hours	2.65	8.00	0	0	2.65
Total	2,366	55	0	33	2,454
Average training hours	2.95	4.58	0	6.50	2.99
<hr/>					

1. The training information was obtained from the Group's Human Resources Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

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IX. REPORT DISCLOSURE INDEX

Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
A. Environmental				
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	GRI 2-27, GRI 3-3 (c), GRI 305, GRI 306	16
		<i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations</i>		
	KPI A1.1	The types of emissions and respective emissions data.	GRI 305-1, 305-2, 305-3, 305-6, 305-7	16,42
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 305-1, 305-2, 305-4	16,42
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 (a)	18,42
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306-3 (a)	18,42

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Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	<i>GRI 3-3 (c, d), GRI 305-5</i>	23
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<i>GRI 3-3 (c, d), GRI 306-4, 306-5</i>	18
A2: Use of Resources	General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	<i>GRI 3-3 (c)</i>	19
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<i>GRI 302-1, 302-3</i>	20,44
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<i>GRI 303-5</i>	21,44
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	<i>GRI 3-3 (c, d), GRI 302-4, 302-5</i>	23
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<i>GRI 3-3 (c, d), GRI 303-1</i>	21
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	<i>GRI 301-1</i>	23,44

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Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	<i>GRI 3-3 (c)</i>	26
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<i>GRI 3-3 (c, d), GRI 303-1, GRI 304-2, GRI 306-1, 306-2</i>	26
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	<i>GRI 2-12 (a, b-i), GRI 3-3 (c)</i>	27
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	<i>GRI 201-2</i>	27
B. Social				
<i>Employment and Labour Practices</i>				
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<i>GRI 2-27, GRI 3-3 (c)</i>	28
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	<i>GRI 2-7 (a, c), GRI 405-1 (b)</i>	45
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	<i>GRI 401-1 (b)</i>	46

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Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	<i>GRI 2-27, GRI 3-3 (c), GRI 403-1</i>	30
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	<i>GRI 403-9, 403-10</i>	30
	KPI B2.2	Lost days due to work injury.	<i>N/A</i>	30
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	<i>GRI 3-3 (c, d), GRI 403-1, 403-3, 403-5, 403-7</i>	31
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer	<i>GRI 3-3 (c), GRI 404-2 (a)</i>	33
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	<i>N/A</i>	47
	KPI B3.2	The average training hours completed per employee by gender and employee category.	<i>GRI 404-1</i>	47

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Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<i>GRI 2-27, GRI 3-3 (c)</i>	34
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<i>GRI 3-3 (c), GRI 408-1 (c), GRI 409-1 (b)</i>	34
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	<i>GRI 3-3 (c, d), GRI 408-1 (c), GRI 409-1 (b)</i>	34
<i>Operating Practices</i>				
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	<i>GRI 3-3 (c)</i>	34
	KPI B5.1	Number of suppliers by geographical region.	<i>GRI 2-6 (b-ii)</i>	34
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	<i>GRI 2-6 (b-ii), GRI 3-3 (c, d), GRI 303-1 (c), GRI 308-1, 308-2, GRI 414-1, 414-2</i>	34
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	<i>GRI 2-6 (b-ii), GRI 3-3 (c, d), GRI 303-1 (c), GRI 308-1, 308-2, GRI 414-1, 414-2</i>	34
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	<i>GRI 3-3 (c, d)</i>	36

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Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	<i>GRI 2-27, GRI 3-3 (c), GRI 417-2, 417-3, GRI 418-1</i>	36
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<i>N/A</i>	36
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	<i>GRI 2-29, GRI 3-3 (c, d), GRI 418-1</i>	38
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	<i>N/A</i>	39
	KPI B6.4	Description of quality assurance process and recall procedures	<i>N/A</i>	37&39
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<i>GRI 3-3 (c)</i>	39
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	<i>GRI 2-27, GRI 3-3 (c), GRI 205-3</i>	40

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Aspects	ESG Indicators	Description	GRI Standards Alignment*	Page
	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 cases	<i>GRI 205-3</i>	40
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	<i>GRI 2-26, GRI 3-3 (c), GRI 205</i>	40
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	<i>GRI 205-2</i>	40
<i>Community</i>				
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<i>GRI 3-3 (c)</i>	41
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<i>GRI 203-1 (a)</i>	41
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<i>GRI 201-1(a-ii)</i>	41

* The linkage between the GRI standards and disclosures that relate to each aspect in HKEX ESG Reporting Guide refers to the summary table from the 'Linking the GRI Standards and HKEX ESG Reporting Guide' (updated July 2020), with amendments from the GRI Universal Standards 2021



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