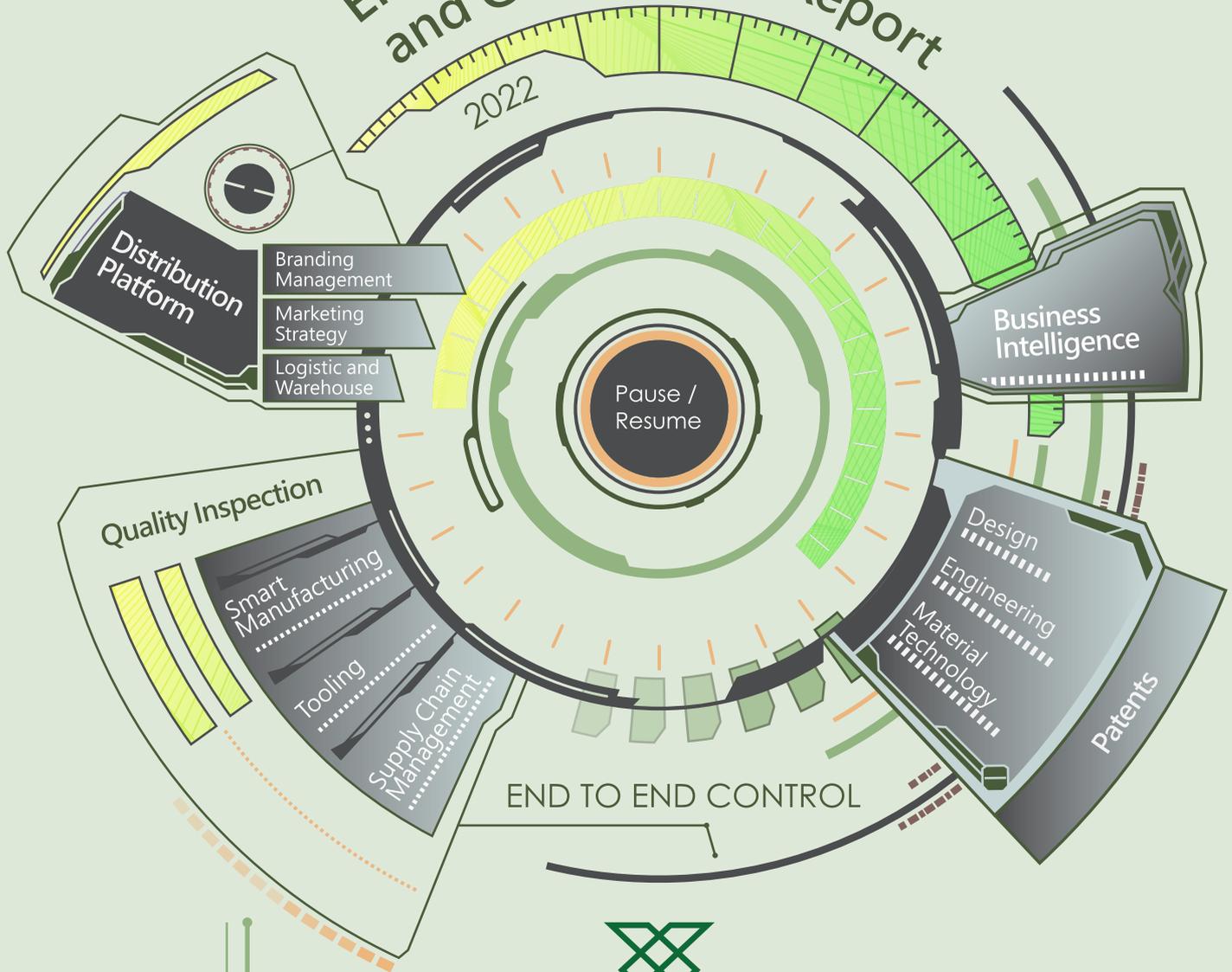


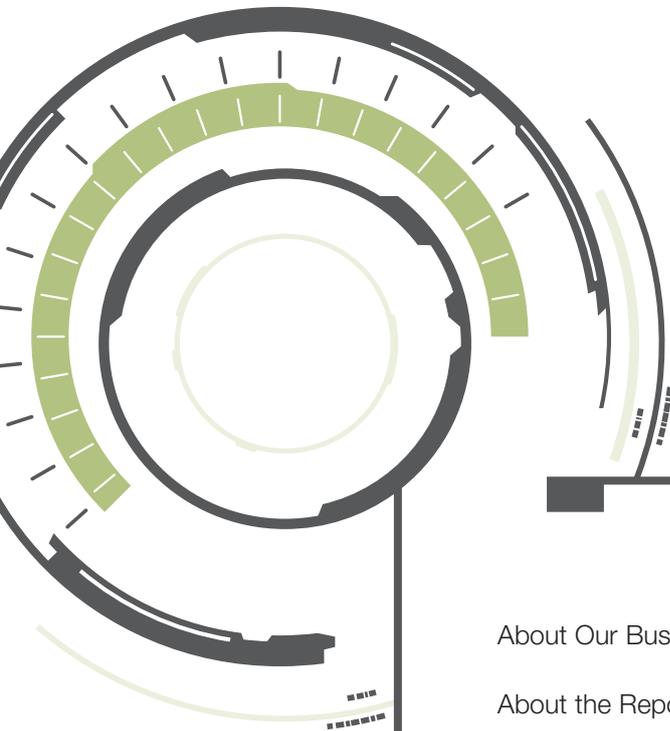
# Environmental, Social and Governance Report



King's Flair International (Holdings) Limited

科勁國際(控股)有限公司

Incorporated in the Cayman Islands with limited liability Stock Code : 6822



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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT OUR BUSINESS

Established in 1989, King's Flair International (Holdings) Limited (the "Company", together with its subsidiaries, "King's Flair" or the "Group") has been an integrated one-stop kitchenware and household product solutions provider. King's Flair provides quality services including production engineering, supply chain management and warehousing, to renowned kitchenware and household product brands from North America, Europe, and Asia. It aims to deliver five core values through its services, including:

### Trust

Gaining the trust of our customers and establishing long-term relationships by providing professional advice, market insights and quality production services.

### Extra Care-and-Control

Anticipating potential issues and managing risks effectively throughout the supply chain by maintaining strict control and thorough understanding of the production process.

### Extra Creativity

Delivering value-added services to the traditional ODM model through unique design solutions.

### Speed

Flourishing in a fast-paced environment without compromising quality.

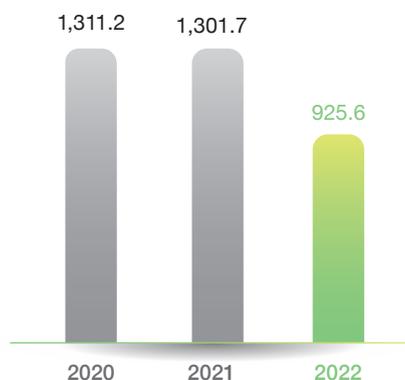
### Expertise

Continuously refining its entrepreneurial edge by constantly learning and responding to the rapidly evolving market.

The Group posted revenue results of HK\$925.6 million during the year ended 31 December 2022. The decrease was mainly attributable to the continuous stringent and extensive lockdown in various cities and districts in People's Republic of China during the year until early December 2022 and the conservatism among brand owners in the United States in placing orders due to uncertain consumer sentiments caused by the worsened global economic condition and the continued disruption in supply chain.

## Revenue Analysis

HK\$ million



### ABOUT THE REPORT

The Environmental, Social, and Governance (“ESG”) Report (the “Report”) encapsulates the sustainability policies, metrics, and performance of the Group for the financial year from 1 January to 31 December 2022 (“2022” or the “Reporting Year”). The Report aims to satisfy different stakeholders’ needs for information that facilitates a better understanding relating to the Group’s progress and development direction. The Report is available in both Chinese and English on the websites of The Stock Exchange of Hong Kong (“SEHK”) and King’s Flair ([www.kingsflair.com.hk](http://www.kingsflair.com.hk)). It has been confirmed by the Group’s ESG Committee and approved by the Board of Directors (the “Board”) on 20 March 2023.

### Reporting Year and Scope

The Report focuses on the operation of the Group’s primary business segment of trading of kitchenware and household goods, which generated about 92.6% of the Group’s total revenue during the Reporting Year. The Report focuses on King’s Flair’s 5 offices in Hong Kong (“head office and brand offices”), specifically its headquarter office in Sheung Wan, as well as offices in Sheung Wan, Tsuen Wan, a laboratory in Shatin, and a factory in Tai Po. It is worth noting that the Group’s Sheung Wan office was relocated to a different address within the same district in 2021. Thus, the scope for the Reporting Year does not include the previous Sheung Wan Office but includes the relocated office instead.

While the Group’s operations are not fully covered in this ESG Report, King’s Flair intends to broaden its reporting boundary in the future to better capture the Group’s environmental and social impacts.

### Reporting Standards and Principles

This Report has been prepared in accordance with the “mandatory disclosure” requirements and the “comply or explain” provisions of the Environmental, Social, and Governance Reporting Guide (the “ESG Reporting Guide”) in Appendix 27 of the Rules Governing the Listing of Securities on SEHK, and has been developed in accordance with the following reporting principles:

#### Materiality

The Group focuses on issues that are important to its stakeholders, and have a significant impact on its business, the environment and society. A stakeholder engagement survey and materiality assessment was conducted to identify key issues.

#### Quantitative

The Group ensures the Key Performance Indicators (“KPIs”) are measurable and supplemented by a narrative explaining its purpose, impacts and calculation methodology. An independent consultant was appointed to assess emissions and other environmental KPIs in accordance with local and international guidelines.

#### Balance

The Report strives to provide an unbiased picture of the Group’s ESG performance and avoids presentation formats that may inappropriately influence a decision or judgement by the report readers.

#### Consistency

The Group adopts consistent data collection and calculation methodologies, and provides historical data where appropriate to enable meaningful comparison of data over time. To allow shareholders to fully understand the Group’s ESG performance, this Report discloses the KPIs of both environmental and social aspects in compliance with the “comply or explain” provisions of the ESG Reporting Guide. There has been no change versus the previous years in the methods or KPIs used to prepare this report, unless otherwise specified.

The Group welcomes and value the feedback from our stakeholders to continuously improve our ESG management and performance via email ([ir@kingsflair.com.hk](mailto:ir@kingsflair.com.hk)).

### BOARD STATEMENT

Marking another year of unprecedented challenges arising from the ongoing COVID-19 pandemic, the climate crisis and geopolitical conflicts, the centrality of sustainability for business resilience is now more prominent than ever. Against this backdrop, the Group is currently at a pivotal growth phase with diversifying its product portfolio and expanding its production capacity for new materials and product features to meet the rapidly evolving market needs. In view of the various challenges confronted, the Group strives to continue innovating and investing resources in integrating sustainability into its development, in



order to meet the rising expectations of its stakeholders and build resilience to the challenges that lie ahead.

King's Flair focuses on the pillars of environmental, social, and governance to govern and guide its sustainable development and progress. Under these three pillars, targets are set together with a series of initiatives to allow for sustainability improvement. To drive the achievement of the Group's sustainability ambitions, the Group maintains a robust sustainability governance structure for effective sustainability management across its operations. The Board is responsible for leading the Group's sustainability strategy and practices and oversees all the relevant ESG issues. Meanwhile, the Group's ESG Committee, which is headed by a Board Member, further supports the Board to effectively manage ESG issues that have significant environmental and social impacts. The Group has also established various policies in place to guide the management of sustainability-related issues.

As a responsible corporate citizen, the Group strives to keep pace and respond to the rapidly changing sustainability landscape. To achieve this, the Group stays abreast of the latest sustainability developments and trends, while also closely monitoring the increasing expectations of our shareholders' and stakeholders' on properly managing sustainability-related issues. On top of dedicating efforts towards climate change management, transparent and high-quality operating practices, environmental stewardship, and supportive engagement with local communities, the Group has also worked hard towards protecting human rights along the value chain, which is a topic of growing concern in the international arena. We collaborate closely with our stakeholders including our suppliers to ensure that our value chain activities are conducted in a manner that promotes dignity and respect for all people.

To better prepare for future sustainability challenges and seize opportunities in the fast-changing market, the Group will continue to focus our efforts towards strengthening its sustainability foundation and maintaining strong relationships with its stakeholders. Moving forward, the Group will continue to leverage its strength to thrive with its stakeholders in its sustainability journey.

### SUSTAINABILITY GOVERNANCE

The Group believes that upholding high standards of governance, together with a robust, transparent reporting approach are pivotal to operating sustainably and with integrity. Under the Board's management, the Group has dedicated efforts throughout the years to improve its ESG management practices and better integrate ESG considerations into its business strategies where feasible.

#### Governance Structure

As the highest governance body in the Group, the Board holds the responsibility for the overall stewardship of the Group's sustainability strategy implementation. The Board is responsible for ensuring compliance with the required policies and procedures, ESG-related regulations, providing appropriate employee training, and conducting reviews of ESG matters on an ad-hoc incident driven basis. As part of our strong devotion to promoting diversity within the Group, an annual review is conducted by a nomination committee on the Board's composition based on age, background, gender, and skills.

Moreover, the Board delegates the responsibility to oversee ESG-related matters that are important to the Group's operation and the interests of its stakeholders to the ESG Committee (the "Committee"). The Committee is headed by a Board Member and comprises of five other key management members. The Board participates in ESG performance monitoring on an annual basis, while the Committee meets four times a year to discuss the following topics relating to ESG management:

- The overarching ESG policy;
- Key ESG risks and opportunities faced by the Group;
- Key ESG KPIs reported at Board level and performance monitoring.

During the Reporting Year, King's Flair reviewed its ESG landscape and identified the following issues related to the Group's activities that have a significant impact on the environment and society. The Group will prioritise the most material aspects based on the pillars listed below and carry out different measures that will facilitate its achievement in performance improvement.

ESG Landscape of King's Flair

**Environmental Pillar**

- Climate Change**
  - Carbon emissions
  - Product carbon footprint
  - Climate vulnerability
- Natural Resources**
  - Raw material sourcing
- Pollution & Waste**
  - Toxic emissions & waste
  - Packaging material & waste
  - Electronic waste

**Social Pillar**

- Human Capital**
  - Labour management
  - Health & safety
  - Human capital development
  - Supply chain labour standards
- Product Liability**
  - Product safety & quality
  - Chemical safety
  - Privacy & data security

**Governance Pillar**

- Corporate Governance**
  - Board diversity
- Corporate Behaviour**
  - Business ethics
  - Anti-corruption



## Risk Management

Operating in fast-moving markets, the Group maintains a robust risk management system to build its resilience to unprecedented changes. In addition to traditional risk types, ESG-related risks (including risks relating to climate change, health and safety, and supply chain labour practices) are examined within its business operations, products, and value chain, concentrating on areas where the Group can have the most significant impact. Under the Group's risk management framework, a compliance officer and risk managers compile risk reviews on a quarterly basis. High impact ESG risks would be recorded in the Group's risk inventory and communicated to the ESG committee for review. The following key ESG risks were recorded in King's Flair's inventory during the Reporting Year:

Table 1: ESG Risks Identified in 2022

Risk Type	ESG Risks Identified in 2022	The Group's Response
<b>Policy &amp; Legal</b>	Tightening government policy on environmental protection	Continue to monitor for any new government policies on environmental protection
	Increased emissions reporting requirements	Continue to update and comply with new reporting requirements
	Increased regulations of existing products or services	Continue to communicate with customers on product development and comply with relevant regulations
	Increased permitting restrictions and hence increase in production cost from suppliers	Continue to communicate with suppliers on new restrictions
<b>Technology</b>	Failure of new technology and resultant loss of investment	Continue to explore the feasibility of raw materials improvement
	Product substitution for lower emissions products (and therefore reduced demand for existing products)	Continue to explore and develop improved raw materials
	Increased stakeholder concern and negative external feedback	Continue to maintain consciousness on adverse feedback
<b>Climate change</b>	Increased frequency and severity of extreme weather events and disease related instances	Continue to review current operating procedures to provide precautionary measures

## Compliance Management

Complying with all relevant laws and regulations is a minimum requirement for the Group's operations. The Group has a framework in place to manage internal controls and business risk management processes, under which the Group has identified the laws and regulations that are significant to its operations. To meet compliance requirements, the Group has established management policies and procedures. This further minimises the risks of repercussions including enforcement actions, fines, penalties, and lawsuits as a result of non-compliance with relevant laws and regulations. During the Reporting Year, there were no incidents of non-compliance with relevant laws and regulations.

Below is a list of laws and regulations, categorised by aspects that have a significant impact on the Group's operations:

Table 2: Relevant Laws and Regulations

Aspect	Relevant laws and regulations significant to the Group's operation
Environment	Air Pollution Control Ordinance, Waste Disposal Ordinance, Water Pollution Control Ordinance, Product Eco-responsibility Ordinance, Motor Vehicle Idling (Fixed Penalty) Ordinance
Employment	Employment Ordinance, Minimum Wage Ordinance, Employees' Compensation Ordinance
Health and safety	Occupational Safety and Health Ordinance, Dangerous Goods Ordinance
Product responsibility	<p><b>USA</b> Federal Food, Drug, and Cosmetics Act</p> <p><b>PRC</b> General Product Safety Directive, Registration, Evaluation and Authorisation and restriction of Chemicals, Product Quality Law</p> <p><b>Hong Kong</b> Personal Data (Privacy) Ordinance, Copyright Ordinance, Trade Descriptions Ordinance, Registered Design Ordinance</p>
Anti-corruption	<p><b>USA</b> Foreign Corruption Practices Act</p> <p><b>Hong Kong</b> Prevention of Bribery Ordinance</p>

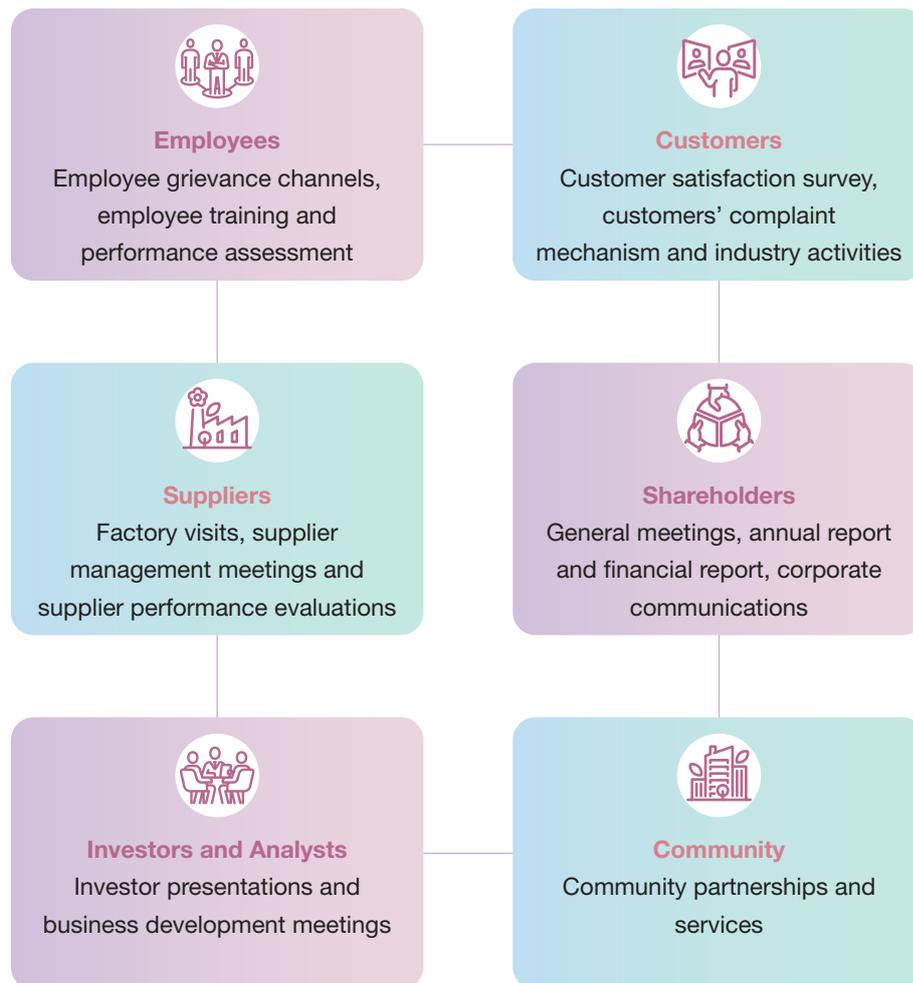
### STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Acknowledging the importance of stakeholders including customers, consumers, employees and shareholders to the Group’s long-term success, the Group is committed to maintain ongoing communication with its stakeholders to better understand their expectations. This allows the Group to stay abreast of market trends and developments, and refine its ESG strategy, approach and targets in alignment with stakeholders’ expectations. To ensure a proper understanding of stakeholders’ needs, the Group gathers feedback from different sectors and stakeholder groups, including internal stakeholders such as directors and employees, as well as external stakeholders, such as customers and suppliers.

#### Communication with Stakeholders

King’s Flair adopts a wide range of communication channels to gather stakeholders’ feedback relating to the Group’s ESG practices and performance. This helps guide the Group’s decision-making and strategy planning in alignment with stakeholders’ increasing expectations, as well as better positions the Group to respond to future sustainability challenges.

#### Engagement Channels of Key Stakeholders



**Materiality Assessment**

The Group conducted a stakeholder engagement survey during the Reporting Year to invite internal stakeholders to provide their opinion on each topic’s importance to themselves and to the impacts of the environment and society, as well as how the Group can further improve its sustainability performance.

To keep pace with the ever-changing business environment, the Group with the support of a third-party consultant reviewed and updated the list of sustainability topics that are relevant to its business and stakeholders based on global sustainability trends, as well as international and local reporting standards. During the Reporting Year, the Group updated the list to a total of 19 sustainability topics. “Air pollutant/greenhouse gas emissions management” was separated into “Air pollution management” and “Greenhouse gas emissions management” due to the difference in materiality to the Group’s stakeholders identified in previous year for these two topics. “Hazardous waste management” and “Non-hazardous waste management” were consolidated into “Waste Management”. “Coping with climate change” was revised to “Climate change action” to better reflect the Group’s proactive stance towards tackling climate change. “A sound employment management system” was renamed to “Employee engagement”. “Managing environmental/social risks in the supply chain” was revised to “Supply chain management” to cover other aspects of supply chain management in addition to environment and social risks management. Meanwhile, in response to the increasing focus on human rights in the international arena, “Respecting human rights along the value chain” was added as a new topic.

Based on the inputs from 71 internal stakeholders from the stakeholder engagement survey, a materiality assessment was conducted in which 10 topics were identified as material, with most topics categorised under the aspects of labour practices and operational practices. The materiality assessment results were reviewed and endorsed by the Board.

**King’s Flair 2022 Materiality Matrix**

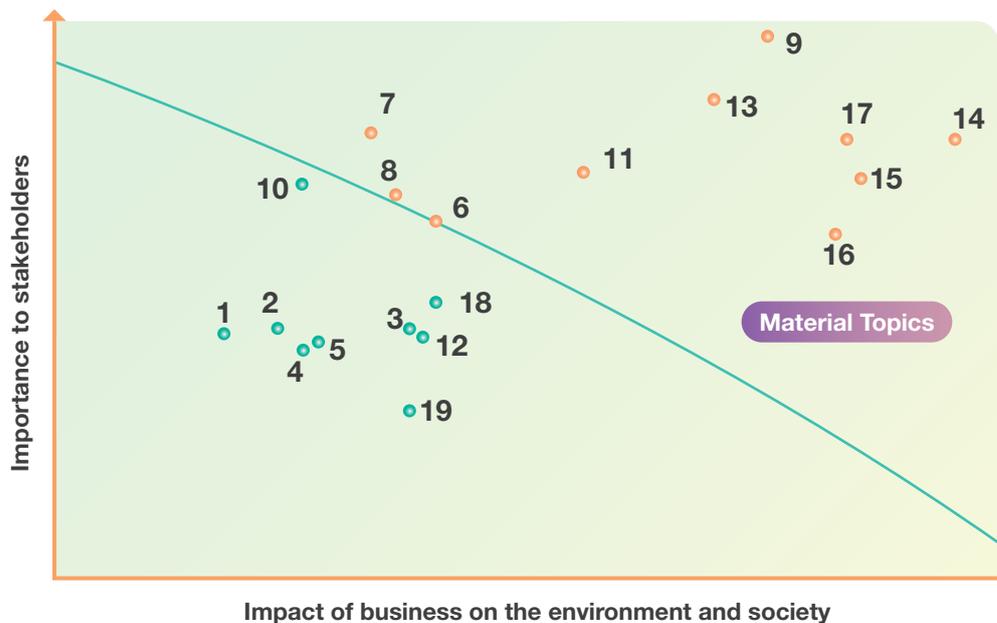


Table 3: Identified sustainability topics

<b>Environmental Aspects</b>	<ol style="list-style-type: none"> <li>1) Air pollution management</li> <li>2) Greenhouse gas emissions management</li> <li>3) Energy saving/efficiency</li> <li>4) Wastewater/water management</li> <li>5) Waste management</li> <li>6) Climate change action<sup>1</sup></li> </ol>
<b>Labour Practices</b>	<ol style="list-style-type: none"> <li>7) Employee engagement<sup>1</sup></li> <li>8) Equality, diversity &amp; anti-discrimination in the work environment<sup>1</sup></li> <li>9) A healthy and safe work environment<sup>1</sup></li> <li>10) Training and development</li> <li>11) Respecting human rights along the value chain<sup>1</sup></li> </ol>
<b>Operational Practices</b>	<ol style="list-style-type: none"> <li>12) Supply chain management</li> <li>13) Protecting customer data &amp; privacy<sup>1</sup></li> <li>14) Product quality management<sup>1</sup></li> <li>15) Customer health &amp; safety<sup>1</sup></li> <li>16) Protection of intellectual property rights<sup>1</sup></li> <li>17) Prevention of bribery, extortion, fraud &amp; money laundering<sup>1</sup></li> <li>18) Consideration of community needs &amp; interests</li> <li>19) Investing in the community</li> </ol>

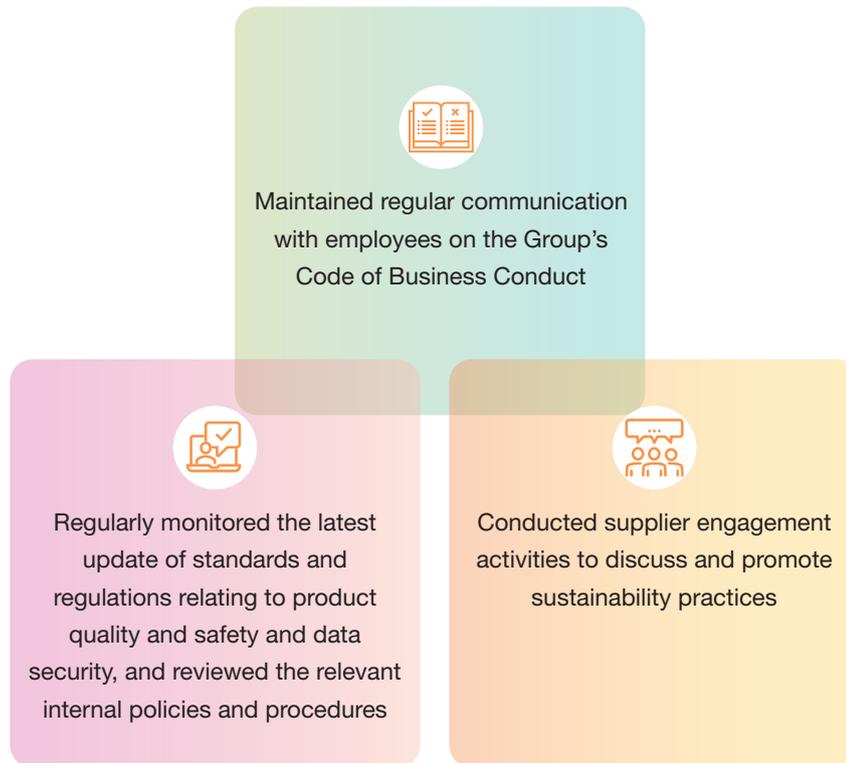
<sup>1</sup> Topic that has been identified as material



## PRODUCT AND SERVICE RESPONSIBILITY

The Group strives to maintain a safe, efficient and ethical place of business through upholding the highest level of business ethics and devoting significant efforts towards incorporating ESG considerations in its operations. Combined with King's Flair's commitment in maintaining strong customer and supplier relationships throughout the value chain, this further enables the continuous production of high-quality products that satisfy market demand.

### 2022 Progress Highlights



## Fair and Honest Operations

The Group strives to uphold high standards of ethical behaviour and professional conduct across its business operations, and further extends this commitment to its business partners. As stipulated in the Staff Handbook, the Group does not tolerate any form of corruption and conflict of interests in its operations. Additionally, the Group expects all of its business partners to adhere to the Code of Business Conduct in order to maintain high levels of business ethics throughout its value chain.

Under the Group's Whistleblowing Policy, a confidential reporting mechanism is provided to King's Flair's employees and business partners to report on any malpractice and misconduct. The Whistleblowing Committee is then assigned to handle the reports received and carries out fair investigation procedures while keeping the whistleblowers' identities confidential. To enhance awareness on anti-corruption practices, anti-corruption training is provided to our employees, when possible. Due to the COVID-19 pandemic, the Group did not conduct anti-corruption training during the Reporting Year. The Group will continue to assess the situation and consider conducting related training in the near future.

The Group places strong emphasis on the protection of customer privacy and intellectual property rights. The Staff Handbook and Code of Business Conduct stipulates policies to protect the rights of the Group and customers, which are regularly communicated to the Group's employees. Confidentiality measures, such as the signing of confidentiality agreements for all potential suppliers submitting quotations, are strictly applied to prevent the leakage of the designs of patented products. Moreover, the Group also introduced a Non-Disclosure Agreement ("NDA") policy in which all counterparties are required to follow, with standardised NDA templates rolled out during the Reporting Year. Although product development is controlled by the Group only, the production process is divided up and distributed among several suppliers. This further prevents any single external party from having access to information relating to the full process and raw materials of the Group's patented product designs.

To better safeguard customers' intellectual property and data privacy, the Group's Policy on IT Access Control and User Access Management restricts employees' and business partners' access to customer data in the Group's system. Guided by the policy, the Group is required to review employees' data access authority on a regular basis to avoid excessive authorities. Moreover, the Group stays abreast of updates in data privacy standards and regulations, and further updates the policy accordingly.

### **Responsible Supply Chain Management**

As suppliers play a key role in maintaining quality products and services for the Group's customers, as well as supporting the Group's sustainability ambitions to shift to more environmentally conscious and socially responsible practices along its value chain, King's Flair works hard towards sustaining strong relationships and working closely with its suppliers.

To ensure supply chain activities meets the Group's standards and expectations, suppliers are required to follow the Quality Handbook for Suppliers' Products and the Code of Business Conduct. The two policies were developed to regulate supplier performance and to assist the Group in mitigating potential environmental and social risks along its supply chain. The Group has communicated clearly in the Code of Business Conduct its expectations towards suppliers in managing sustainability issues such as human rights, the prohibition of child or forced labour, occupational health and safety, environmental compliance, and business integrity. Engagement activities are also conducted to reinforce the ideas of sustainability to the Group's suppliers and monitor their actions. The Group also conducts workshops with its suppliers to share and discuss sustainability ideas and promote responsible practices. During the Reporting Year, the Group conducted anti-corruption workshops with its suppliers.

### Procedures of Supplier Management

The Group attributes significant importance towards the control of its supplier network. Guided by the Group's Supplier Selection, Approval and Evaluation Procedure which is part of the Standard Operating Procedures ("SOP"), King's Flair has a rigorous selection, approval, and partner evaluation process.

#### Supplier Selection

For the supplier proposals, King's Flair takes into account industry sources such as relevant regulatory agencies, international trade organizations, and manufacturers. Supplier assessment is further conducted considering suppliers' quotation, engineering and product development capabilities, ability to perform, and quality of materials delivered. Given the Group's business nature, supplier quotations may require disclosure of confidential customer information. With this in mind, all suppliers are required to sign a Confidentiality Supplier Agreement prior to the quotation process.

#### Approving Suppliers

The Group requires all new manufacturing suppliers to complete the Factory Evaluation Form supplemented with supporting documents to demonstrate their ability in delivering the services stated in the quotation. The Supply Chain Manager and the Group's top management are responsible for the supplier's authorisation and approval. The Supply Chain and Quality Department have authorisation to withdraw approval and refuse the use of suppliers who have continuous unsatisfactory performance. If the disapproved supplier wishes to be engaged again, it will need to resubmit for approval.

#### Supplier Evaluation

To evaluate supplier performance, the Group has a rating system in place. The Group evaluates existing suppliers at least once a year based on their engineering and product development capabilities, as well as their quotations, purchasing policies, shipping and logistics approach, quality control measures, and financial performance.

Suppliers with a "Poor" rating will be required to provide improvement measures. The Group will monitor the supplier performance on a quarterly basis until improvement is observed. In the case that the suppliers receive a lower rating, the Group will not award any new projects to the supplier and will further look for other sourcing options.

### Review of Suppliers ESG Performance

As part of the Group's SOP, the Group has in place the Supplier Selection, Approval and Evaluation Procedure, where suppliers' environmental and social performance is continually assessed. Supplier audits are also conducted on an ad-hoc basis to ensure that all suppliers comply to the Code of Business Conduct. Besides, ongoing review and examination are conducted on suppliers' compliance performance with relevant laws and regulation.

### Quality Product and Services

The Group places a high value on introducing great quality products to the market in a safe and responsible manner. To uphold the Group's commitment in delivering quality products and services, the Group specifies in its Supplier Quality Manual its requirements and expectations for quality, health, and safety during the raw material selection, production, warehousing management, and inspection processes. The Group regularly monitors the latest developments on product safety and quality regulations and reviews its internal standards and materials.

To ensure compliance with mandatory local and international health and safety requirements, the Group closely collaborates with its suppliers according to the Supplier Quality Manual. King's Flair provides a list of qualified raw materials to suppliers to ensure that the raw materials selected for production are certified under the list. Before proceeding with production, inspection of the product specification list, material safety data sheet, REACH<sup>2</sup> report, and food-grade compliance certificate are conducted.

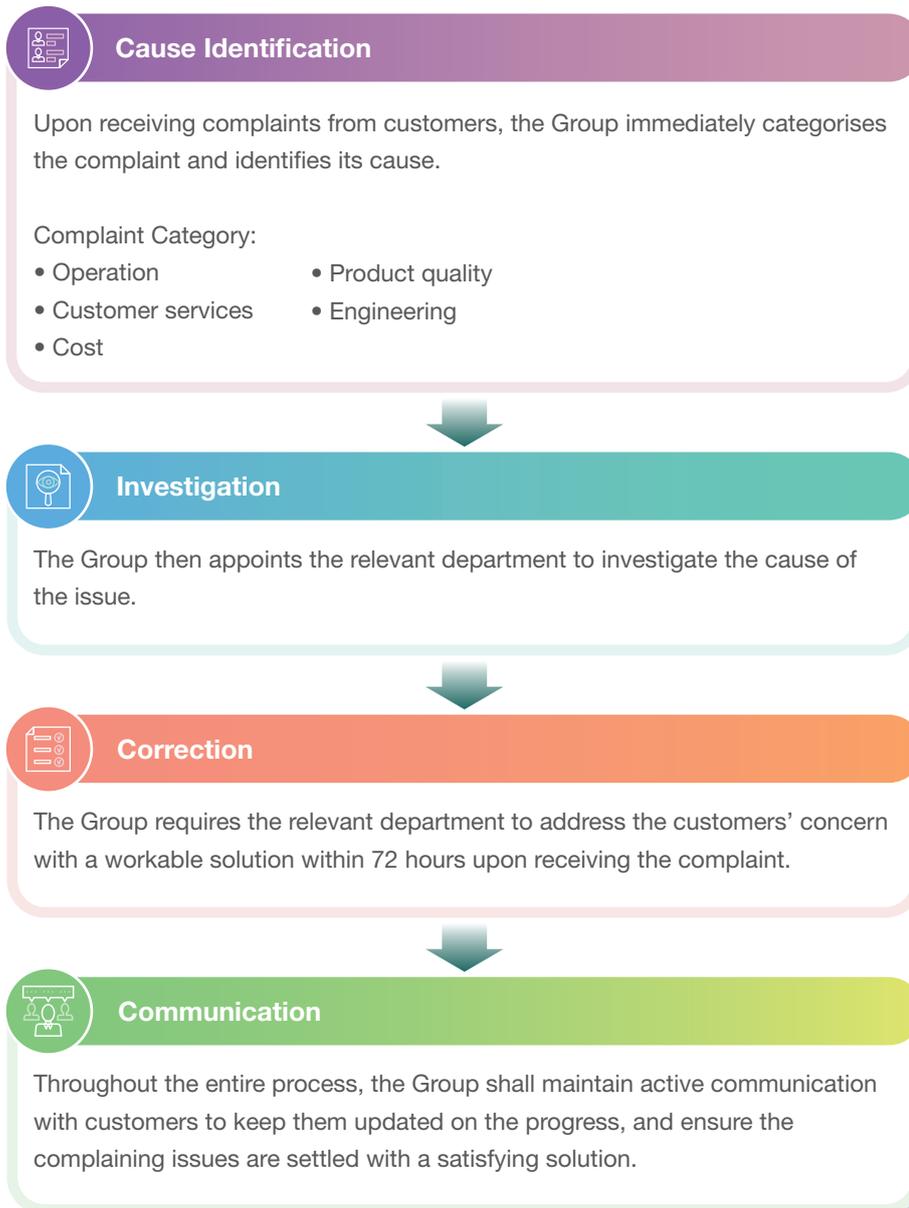
During the production process, the Group's quality assurance professionals are assigned to production plants stations to oversee the production processes. To avoid cross-contamination from other materials, the Group utilises separate machines to produce BPA-free materials. The Group's first-in, first-out warehousing management system further prevents the prolonged storage of finished goods. In addition, sensitive materials such as polycarbonate are stored separately in designated areas of the warehouse. King's Flair also maintains close communication with its suppliers throughout the production process to ensure products comply with all relevant laws and regulations. In the event of non-conforming products, product recall procedures and defined measures are in place including risk and causes evaluation, investigation procedures, communications and instructions to customers and associated parties, the consideration of replacement products, and others. During the Reporting Year, no product recalls were observed.



<sup>2</sup> Registration, Evaluation, Authorisation and Restriction of Chemicals

As the Group strives to continuously improve its product quality and processes efficiency in alignment with customers' expectations, customer feedback received is actively considered. To ensure customer feedback are responded, handled and taken into account appropriately, the Group has developed a Customer Feedback Handling Procedure within its SOP. During the Reporting Year, the Group received no customer complaints related to its products or services.

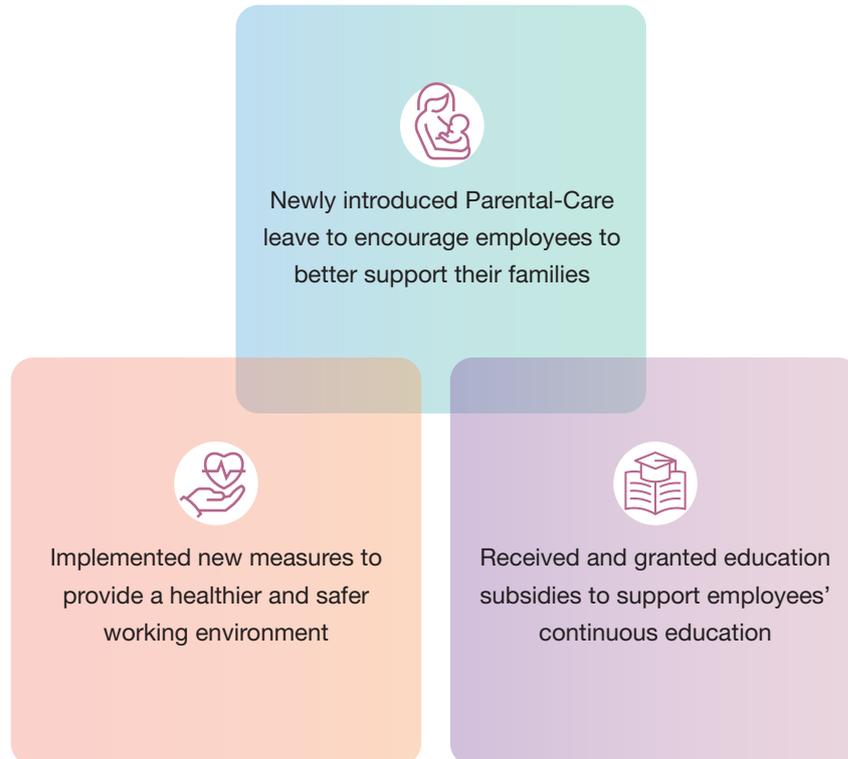
## Customer Feedback Handling Procedure



## EMPLOYMENT PRACTICES

Built on the Group's commitment to ethics and human rights, the Group strives to provide a fair, ethical, safe and inclusive working environment.

### 2022 Progress Highlights



### Nurturing Employees

The Group adopts a people-centric philosophy in its human resources management strategy and policies. King's Flair's Staff Handbook outlines the relevant policies regarding remuneration, recruitment and promotion, dismissal, working hours, holidays, anti-discrimination, benefits and welfare. Employees are encouraged to refer to the Staff Handbook to review their rights and obligations.

The Group provides various communication channels including a dedicated hotline, email, or in writing via a reporting form, for employees to report any potential violations of the requirements stipulated in the Staff Handbook. Information reported will be recorded in an official file, followed with investigation procedures and disciplinary action if necessary. Throughout the process, the informant's identity will be kept confidential. In addition, King's Flair believes that through seeking and considering feedback from its employees through effective and open communication channels, this can further establish a healthy, two-way employer-employee relationship as well as a collaborative work culture based on the values of partnership, transparency, respect, and diversity.

### Remuneration and Benefits

Recognising that employees are backbone of the Group's operations, ongoing reviews are conducted to ensure the Group's talent pool is aligned with its current operation and future development needs. To attract and retain talents, the Group provides competitive remuneration packages and benefits with reference to market standards and based on individual performance. Adhering to the Staff Handbook which outlines working hours and leaves system guidelines, employees are entitled to not only statutory holidays but also paid annual leave, wedding leave, maternity leave, paternity leave, birthday leave and other holidays according to their rank and service years. The Group also newly rolled-out the Parental-Care leave during the Reporting Year, which allows employees to provide more support to their families. Further demonstrating the Group's support towards employees and their families, as well as their future generation in pursuing tertiary education, King's Flair provides an interest-free loan to support the education of its employees' children. For employees who have worked for ten years or more with King's Flair, they are eligible to apply for a loan of up to HK\$200,000.

### Workplace Inclusiveness and Diversity

King's Flair strives to promote a diverse, inclusive and harassment free working environment for its employees. The Group provides its employees guidance on its approach on anti-discrimination and anti-harassment in the Staff Handbook. In the event of reported incidents of discrimination and harassment, the Group's senior management will partake in the incident investigation.

It is also important to the Group that all employees are treated equally. In addition to ensuring the recruitment process adheres to principles of equal opportunities, the Group strives to create a working environment where every employee is treated with respect and dignity, regardless of their gender, race, religion, illness, mental or physical disability, family status, sexual orientation or political status.

### Human and Labour Rights

With increasing awareness and concerns on human rights issues, the Group has dedicated significant efforts towards safeguarding human and labour rights throughout its value chain. The Group stipulates its approach and expectations on protecting human rights and employees' interests with employment contracts, the Code of Business Conduct and the Staff Handbook, which is developed based on prevailing international labour regulations and guidelines on employment equality, labour rights, and health and safety standards. To prevent the use of forced labour and child labour, the Group collects candidates' personal information during the recruitment process to verify the age and other profile statistics. Moreover, the Group has agreements with new suppliers to ensure compliance with relevant local and international labour regulations in its supply chain activities.

### Occupational Health and Safety

The health and safety of the Group's employees are of utmost importance to the Group. The Group has established Environmental, Health, and Safety Policies along with a host of measures to uphold its commitment to employee health and safety. This includes the installation of air purifiers to improve indoor air quality, participating in fire drills, and conducting regular inspections of safety equipment at the headquarter office and branch offices. In addition, the Group also introduced new measures in 2022 to provide a healthier and safer working environment for its employees. This includes implementing regular environment disinfectant services and establishing a multi-purpose area for staff to enjoy.

In the event of work-related injury, the Group encourages its employees to report the incident to supervisors promptly, in which the department head will assess and determine the severity of the incident and subsequently arrange proper handling procedures. To strengthen occupational health and safety awareness and knowledge, the Group provides safety training to all employees on responsible practices within factory operations, as well as general safety guidance relating to laboratory work.

The Group, as an office-based operation attaches great importance to employee well-being and strives to provide a healthy and positive working environment. Delivering our commitment on promoting work-life balance, the Group provides birthday leave and newly introduced Parental-Care leave during the Reporting Year to enable its employees to provide more support to their families.

### PROTECTING EMPLOYEE HEALTH AND SAFETY DURING THE COVID-19 PANDEMIC

During the Reporting Year, the Group continued to implement its contingency plan to mitigate the negative impacts of the COVID-19 pandemic on its employees. To minimise the risk of infection, the Group provided rapid antigen test and face masks to employees, and required employees to conduct temperature declaration on a daily basis. Moreover, special work arrangements were provided including allowing pregnant employees and those with chronic diseases to work from home. Employees who exhibited COVID-19 symptoms were also requested to work from home until they were tested negative.

### Employee Training and Development

As employees are King's Flair's greatest asset, the Group makes great effort in providing career advancement and continuous learning opportunities to all its employees. The Group stipulates its training commitment and guidelines in the Staff Handbook, as well as communicates the different programmes in place for employees to obtain continuous professional education. The Group also offers up to HK\$150,000 in sponsorship for master's or bachelor's degree programs to employees who have worked for the Group for two years or more.

During the Reporting Year, the Group conducted training for different working levels. For senior staff, the Group provided a management training in August. Meanwhile a "Virtual Manufacturing" workshop was delivered to all employees.

The Group adopts a performance management system to facilitate employees' advancement in their careers, which consists of three stages: planning, execution, and review.

Performance Management System



## ENVIRONMENTAL STEWARDSHIP

The Group strives to effectively manage its environmental issues and minimise detrimental environmental impact throughout its value chain through implementing a wide array of strategies and measures. To uphold this commitment, the Group has formulated policies on energy efficiency, water efficiency, and waste management within its Environmental, Health, and Safety Policy Statement, while GHG emissions policies are detailed in its Climate Change Policy.<sup>3 4</sup>

### 2022 Progress Highlights



### Emissions Reduction

The Group strives to support the global movement in transitioning to a low-carbon economy through dedicating significant efforts towards reducing its carbon footprint. The Group’s carbon emissions mainly arise from electricity consumption at the headquarter office and branch offices. With this in mind, the Group dedicates significant resources to improve energy efficiency and promote energy saving across its offices. Details on the Group’s energy management measures are described in the “Resource Optimisation” section.

To drive continuous improvement in the Group’s environmental performance, a qualitative target was established in 2022 to closely monitor the Group’s carbon emissions on a monthly basis. Moreover, a professional sustainability consultant was appointed to conduct a carbon assessment. Through monitoring and analysing the Group’s carbon emissions, this further enables the Group to assess the effectiveness of the measures implemented and further identify areas for improvement. The Group is taking steps to further align its targets with the Hong Kong government’s Climate Action Plan 2050.

<sup>3</sup> Air emissions are considered relatively insignificant to King’s Flair’s operations, and hence no corresponding policies and targets have been developed.

<sup>4</sup> Discharges into water and land are considered relatively insignificant to King’s Flair’s operations, and hence no corresponding policies and targets have been developed.

## Environmental, Social and Governance Report

During the Reporting Year, the total GHG emissions of the headquarter office and branch offices were 202.5 tonnes of CO<sub>2</sub>-e. Scope 2 emissions from purchased electricity, which accounted for 152.5 tonnes of CO<sub>2</sub>-e or 75% of total emissions, was the main source of emissions. This is followed by Scope 1 emissions from the combustion of fossil fuels, contributing 39.9 tonnes of CO<sub>2</sub>-e or 20% of total emissions. Scope 3 emissions, which accounted for 10.1 tonnes of CO<sub>2</sub>-e, or 5% of total emissions, comprised of business travel by air, paper waste disposal and the electricity used for freshwater and sewage processing.

Table 4: GHG Emissions in 2022 vs 2021

Scopes	GHG Emissions	
	Emissions (tonnes of CO <sub>2</sub> -e)	
	2022	2021 <sup>5</sup>
Scope 1: Direct GHG emissions	<b>39.9</b>	59.7
Scope 2: Indirect GHG emissions	<b>152.5</b>	152.0
Scope 3: Other indirect GHG emissions	<b>10.1</b>	5.8
GHG emissions in total	<b>202.5</b>	217.5
GHG intensity (per square foot floor area)	<b>0.009</b>	0.010

When compared to 2021, total GHG emissions decreased by 7% in 2022, while GHG intensity per square foot decreased by 16%. This was mainly due to the decrease in diesel consumption from the Group's yacht. With fewer customers arriving to Hong Kong in 2022, the yacht's utilisation decreased. In addition, the 75% increase in Scope 3 emissions in 2022 compared to 2021 is mainly contributed by the Group's increase in business air travel during the Reporting Year with an improved COVID-19 pandemic situation and relaxed border restrictions.

Air emissions from the use of mobile vehicles include nitrogen oxides, sulphur oxides, and respirable suspended particles. The Group released 10.7 kg of respirable suspended particles, 2.1 kg of sulphur oxides, and 133.5 kg of nitrogen oxides during the reporting year.

<sup>5</sup> Scope 3 emissions and the GHG emissions in total in 2021 have been revised due to adjustments in the paper usage amount in 2021 as mentioned in the Resource Optimisation section of this Report.

## Responsible Waste Management Practices

Waste management is an important component in King's Flair's approach to sustainable development. The Group targets to reduce its waste impact through the continuous use of sustainable materials and recycling in a responsible manner across its operations.

King's Flair continuously promotes a culture of reducing waste at source across its office operations. To avoid the generation of waste, the Group replaced disposable utensils with reusable alternatives and further encourages its employees to shift to reusable food and drinkwares. The Group also ensures waste is disposed appropriately and responsibly with dedicated staff in charge of domestic waste collection.

In addition to reducing waste, the Group also promotes recycling waste through initiatives such as placing waste separation bins for plastic bottles, metal, and waste paper at the headquarter office and branch offices. The Group also donates computer equipment waste to relevant recycling organisations. The administration and personnel department record the aforementioned processes. For all internal events held during the Reporting Year, all the operation waste generated were handled carefully for recycling.

During the Reporting Year, the Group generated 6.344 tonnes of hazardous waste and 19.526 tonnes of non-hazardous waste. The significant increase in hazardous waste compared to 2021 is due to the expiration of various materials that were in storage, leading to the disposal of such expired materials.

During the Reporting Year, all hazardous waste was collected by a vetted, dedicated hazardous goods treatment supplier.

*Table 5: Waste Generation in 2022 vs 2021*

Waste Types	Waste generation (tonnes)	
	2022	2021
Hazardous waste	<b>6.344</b>	0.175
Hazardous waste intensity (per 1,000 square foot floor area)	<b>0.278</b>	0.008
Non-hazardous waste	<b>19.526</b>	20.28
Non-hazardous waste intensity (per 1,000 square foot floor area)	<b>0.854</b>	0.975

### Resource Optimisation

Given that the main resources used at the headquarter office and branch offices are electricity, petrol, diesel, paper and water, the Group concentrates its efforts towards the efficient use and conservation of such resources.

Understanding the key role that behavioural change plays in driving energy conservation, employees are kindly reminded to turn off lights, air conditioners, computers, and other electronic equipment when not in use. Additional energy conservation measures implemented include increasing the usage of LED lighting, as well as encouraging employees to reduce overtime hours in the office and increase working from home practices. The Group also suggests individual participation of energy conservation initiatives. The Group's total energy consumption during the Reporting Year was 426.0 MWh, a 15% decrease compared to 2021 which is mainly due to the lower utilisation of the Group's yacht, further leading to a lower diesel consumption. Meanwhile, the energy intensity was 0.02 MWh per square foot of floor area.

The Group also dedicates efforts towards enhancing the environmental awareness of its employees through promoting water conservation practices. During the Reporting Year, the Group's total water consumption was 249 m<sup>3</sup>, which is a slight 9% increase compared to 2021<sup>6</sup>. Furthermore, the Group's water consumption intensity was 0.01 m<sup>3</sup> per square foot of floor area. The Group has yet to establish water and energy efficiency targets but plans to do so once the Group's operations have stabilised.

King's Flair is aware that its operations involve a significant amount of paper consumption. In efforts to minimise paper consumption, the Group encourages its clients to accept electronic versions of design documents when possible, and reminds employees to reduce the amount of paper used in the workplace. The Group has also gradually adopted different measures to achieve a paperless workplace including digitising its workflow through an Enterprise Resource Planning ("ERP") system which will integrate multiple platforms into one, further refining and optimising internal operations and processes. In addition to reducing paper consumption, the Group also strives to utilise responsibly sourced paper. During the Reporting Year, the Group utilised environmentally friendly paper to produce its annual report.

During the Reporting Year, a volume of 404.5 kg of paper usage<sup>7</sup> was recorded. The decrease in the amount of paper used is related to the Group's transition to digitalising its business workflow. Moreover, 402.7 kg of paper used was collected, treated, and recycled by certified recyclers during the Reporting Year.

Table 6: Paper Usage in 2022 vs 2021

Use of Paper	Paper Usage (kg)	
	2022	2021 <sup>8</sup>
A4	<b>306.9</b>	1,372.1
A3	<b>39.9</b>	29.9
Coloured Paper	<b>7.5</b>	10.0

<sup>6</sup> The increase in water consumption in 2022 was mainly caused by repair work conducted by the management office of the building for one of King Flair's branch offices, in which the water was directly used from the office.

<sup>7</sup> Paper usage included A4 paper, A4 coloured paper, A3 paper and other printed paper products such as business cards and annual reports.

<sup>8</sup> The paper usage amount in 2021 has been revised due to adjustments in the data availability of paper inventory at the Group's offices.

### Impact on the Environment

The Group understands that the design and manufacturing process involved in launching new products both have their respective environmental impacts. With this in mind, it is widely agreed that a robust supply chain management system is vital to address the environmental impact along the Group's value chain from product development.

The Group has in place its Quality Handbook for Suppliers' Products and Supplier Code of Conduct which was developed with the objective to reduce the environmental impact of products throughout their entire life cycle. The Quality Handbook for Suppliers' Products and Supplier Code of Conduct are followed to guide the raw materials used, transportation methods, waste and chemical management, and production emissions of its suppliers' plants. The Group also conducts supplier engagement activities such as workshops to brainstorm sustainability-related ideas to reduce product's carbon footprint and environmental impact.

The Group also strives to increase the use of environmentally friendly materials during the product design phase. With significant investment made towards research, the Group developed a new material using spent coffee grounds in the previous year, which has become an increasingly popular material in the market. The Group will continue to scale up its efforts towards the development of sustainable materials.

### Climate Change Action

The Group is mindful of the adverse risks posed by climate change to its operations and supply chain. These include the increase in severity and frequency of extreme weather events which could potentially cause disruption for supply chain logistics, and lead to delays in project delivery and further financial losses. King's Flair demonstrates its commitment to manage climate-related risks and strengthen its climate resilience by adopting the Group's Climate Change Policy.

To build up the Group's climate resilience and preparedness, the Group stays abreast of developments of environmental regulations and standards. The Group also monitors climate and disease-related incidents on a daily basis and applies the appropriate procedures and actions to current operations and work arrangements. A wide array of climate mitigation measures are described in the Climate Change Policy, including adopting industry best practices to improve energy efficiency, communicating with stakeholders to reduce daily carbon emissions where possible, and incorporating climate change considerations into the Group's procurement process.

The Group aims to integrate climate change into its overarching corporate risk management process via the implementation of the Climate Change Policy. The Climate Change Policy will be reviewed once every three years or from time-to-time when necessary.

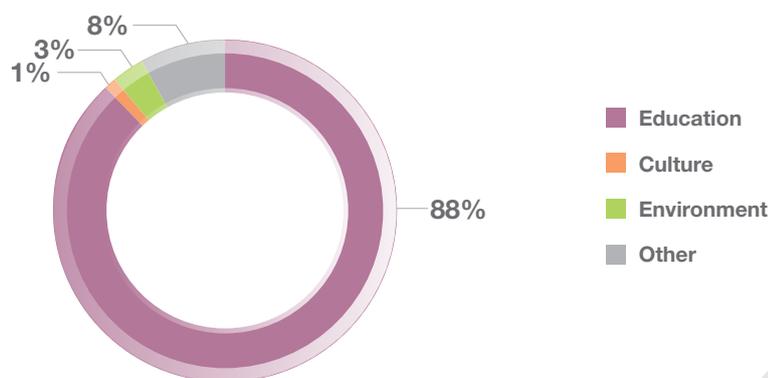
## COMMUNITY INVESTMENT

As a responsible corporate citizen, King's Flair recognises the importance of investing in the community and values the relationships with the communities it is part of. During the Reporting Year, King's Flair developed the Group's Community Investment Policy, which stipulates its commitments on making a positive difference to the people and places around it through encouraging employee volunteering and supporting local causes. The Community Investment Policy also serves as a framework for the type of organisations and the type of contribution the Group is able to provide to further ensure that King's Flair's community contributions have a charitable purpose and are aligned to its business, employee and community needs. To uphold its commitment, community investment themes are established in which community contributions should be aligned with. These include supporting the areas of education, health, culture, and the environment.

The Group and its employees contribute to community-based organisations and initiatives through investments of time, money, and products and services, to address a wide range of issues and causes. During the Reporting Year, over HK\$3.58 million total was donated to organisations for the benefit of meaningful causes. One of the focus areas during 2022 was education, with monetary donations made to The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology, City University of Hong Kong and organisations including The Commission on Poverty, the Hong Kong Federation of Youth Groups and Plan International Hong Kong. The Group also donated to The Community Chest New Territories Walk for Millions in which the funds raised were designed to support the provision of family and child welfare services.

Recognising the importance of promoting art and culture in our community, King's Flair's other focus area of contribution is culture with donations made to organisations such as the Haven of Hope Christian Service during 2022. The Group also places great emphasis on promoting sustainability and environmental protection with different stakeholders in its communities. With this in mind, the Group supported the Sustainable Investing and ESG Conference 2022 organised by the World Green Organisation as a Platinum Sponsor.

**Monetary Contributions by Focus Area**



## KEY PERFORMANCE INDICATORS SUMMARY

### Environmental Key Performance Indicators

Environmental Data	2022	2021	2020	Unit
<b>EMISSIONS</b>				
<b>Types of emissions and respective emissions data<sup>9</sup></b>				
Nitrogen oxides (“NOx”) emissions	<b>133.5</b>	380.7	257.2	kg
Sulphur oxides (“SOx”) emissions	<b>2.1</b>	5.7	3.9	kg
Respirable suspended particulates (“RSP”) emissions	<b>10.7</b>	30.4	20.6	kg
<b>Total GHG emissions and intensity<sup>10</sup></b>				
GHG emissions in total	<b>202.5</b>	217.5	176.4	tonne(s) CO <sub>2</sub> -e
Scope 1	<b>39.9</b>	59.7	24.8	tonne(s) CO <sub>2</sub> -e
Scope 2	<b>152.5</b>	152.0	136.9	tonne(s) CO <sub>2</sub> -e
Scope 1 & 2	<b>192.4</b>	211.7	161.7	tonne(s) CO <sub>2</sub> -e
Scope 3	<b>10.1</b>	5.8	14.6	tonne(s) CO <sub>2</sub> -e
Greenhouse gas intensity	<b>0.009</b>	0.010	0.018	tonne(s) CO <sub>2</sub> -e/square foot floor area
	<b>1.93</b>	1.66	1.52	tonne(s) CO <sub>2</sub> -e/employee
<b>HAZARDOUS AND NON-HAZARDOUS WASTE AND INTENSITY</b>				
Total hazardous waste	<b>6.344</b>	0.175	0.057	tonne(s)
Hazardous waste intensity	<b>0.278</b>	0.008	0.006	tonne(s)/thousand square foot floor area
Total non-hazardous waste	<b>19.526</b>	20.28	4.699	tonne(s)
Non-hazardous waste intensity	<b>0.854</b>	0.975	0.492	tonne(s)/thousand square foot floor area

<sup>9</sup> Emissions from vehicles and vessels included, emissions were calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong compiled by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong.

<sup>10</sup> Scope 3 emissions in 2021 have been revised due to the adjustment in the paper usage amount in 2021 as mentioned in the Resource Optimisation section of this Report. Total GHG emissions and greenhouse gas intensity (tonne(s) CO<sub>2</sub>-e/employee) for 2021 have also been revised accordingly.

## Environmental, Social and Governance Report

Environmental Data	2022	2021	2020	Unit
<b>USE OF RESOURCES</b>				
<b>Total direct/indirect energy consumption by type and intensity</b>				
Total energy consumption	<b>426.0</b>	503.0	351.8	MWh
Direct energy consumption	<b>138.0</b>	206.6	150.0	MWh
Petrol	<b>105.5</b>	112.1	85.9	MWh
Diesel/Gas Oil <sup>11</sup>	<b>32.5</b>	94.6	64.1	MWh
Indirect energy consumption	<b>288.0</b>	296.4	201.8	MWh
Purchased electricity	<b>288.0</b>	296.4	201.8	MWh
Energy intensity	<b>0.019</b>	0.024	0.037	MWh/square foot floor area
	<b>4.1</b>	3.8	3.0	MWh/employee
<b>Total water consumption and intensity</b>				
Total water consumption	<b>249.0</b>	227.6	300.5	m <sup>3</sup>
Total water consumption intensity	<b>0.011</b>	0.011	0.031	m <sup>3</sup> /square foot floor area
	<b>2.4</b>	1.7	2.6	m <sup>3</sup> /employee
<b>Total packaging material amount and intensity<sup>12</sup></b>				
Packaging material amount	<b>0.139</b>	N/A	N/A	tonne(s)
Packaging material intensity	<b>0.006</b>	N/A	N/A	tonne(s)/thousand square foot floor area
	<b>0.001</b>	N/A	N/A	tonne(s)/employee

<sup>11</sup> Note that for direct energy consumption, diesel and gas oil was calculated for 2021 and 2022, whereas only diesel was accounted for in 2020.

<sup>12</sup> Under normal circumstances, no packaging materials are used in the Group's offices. However, due to the replacement of damaged product packaging in one of our branch offices, packaging material was purchased and used for this independent event.

## Social Key Performance Indicators

### Employment<sup>13 14</sup>

Number of Employees <sup>15</sup>		2022	
By Gender	Male	62	105
	Female	43	
By Rank	Level C Senior Management	3	105
	Senior Management	27	
	Middle Management	55	
	General Staff	20	
By Age Group	30 and below	18	105
	31-40 years old	35	
	41-50 years old	31	
	Above 50 years old	21	
By Employment Category	Full-time	105	105
	Part-time	0	
Gender Ratio (male to female)		1.44:1	

<sup>13</sup> Based on employees as of 31 December 2022.

<sup>14</sup> Other than employees employed by the Group, the Group also has workers that provides services for King's Flair and work at the Group's office from time to time. Other workers include consultants, courier staff, auditors, contractors and other maintenance staff. As the Group does not directly employ nor directly manage the activities of such other workers, it does not have records of the exact number of relevant workers, therefore could not be reported.

<sup>15</sup> All of the Group's employees are located in Hong Kong.

## Environmental, Social and Governance Report

### New Hire<sup>16</sup>

2022

By Gender	Male	19		
	Female	15		
By Age Group	30 and below	10	34	32%
	31-40 years old	8		
	41-50 years old	12		
	Above 50 years old	4		

### Employee Turnover<sup>17</sup>

2022

By Gender	Male	31	50%		
	Female	24	56%		
By Age Group	30 and below	17	94% <sup>18</sup>	55	52%
	31-40 years old	17	49%		
	41-50 years old	18	58%		
	Above 50 years old	3	14%		
By Geographical Region	Hong Kong	55	52%		

<sup>16</sup> New hire rate = number of new employees during the Year/ number of employees as of 31 December 2022.

<sup>17</sup> Turnover rate = number of employee turnovers/ number of employees as of 31 December 2022.

<sup>18</sup> The Group categorises interns as employees, and thus interns are also included in the calculation of employee turnover rate. The turnover rate observed for the 30 and below age group is partially attributed by interns who have left the Group due to the completion of their corresponding internship programmes. During the Reporting Year, there were 9 interns who have left the Group.

## Health and Safety

Fatality or injury rate		2022	
Employees suffering from work-related fatality <sup>19</sup> or injury	Male	0	0
	Female	0	
Lost days due to work injury	Full-time	0	0
	Part-time	0	

## Training

Number and percentage of employees trained <sup>20</sup>		2022			
By Gender	Male	22	35%		
	Female	5	12%		
By Rank	Level C Senior Management	1	33%	27	26%
	Senior Management	13	48%		
	Middle Management	12	22%		
	General Staff	1	5%		

Average training hours (hours) <sup>21</sup>		2022	
By Gender	Male	2.2	1.65
	Female	0.8	
By Rank	Level C Senior Management	3.2	1.65
	Senior Management	3.4	
	Middle Management	1.2	
	General Staff	0.2	

## Supply Chain Management

Number of suppliers <sup>22</sup>		2022	
By Geographic Region	Mainland China		173

<sup>19</sup> No employees of the Group suffered from work-related fatalities in the past three years.

<sup>20</sup> Percentage of employees trained = total trained employees of that particular category/ total number of employees of the particular category.

<sup>21</sup> Average training hours = total training hours of the particular category/ total number of employees of the particular category.

<sup>22</sup> All of the Groups suppliers are based in Mainland China and are manufacturing suppliers.

## REPORT CONTENT INDEX

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	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	4-6
	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	4-5
<b>Reporting Principles</b>		
Description of the application of the Reporting Principles	<p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	3, 9-11
		3
		3
<b>Reporting Boundary</b>		
Description	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	3

Material Aspect	Content	Page Index/Remarks
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<b>A1 Emissions</b>		
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A1.3	Total hazardous waste produced and, where appropriate, intensity.	23, 27
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A1.5	Description of emissions target(s) set and steps taken to achieve them.	21
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.	23
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	21 King's Flair does not have a raw material policy, given that their business model reflects that of a service provider rather than a manufacturer, therefore deemed to be not material.
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	24, 28
A2.2	Water consumption in total and intensity.	24, 28
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	24
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.	No issues in sourcing water during the Reporting Year.
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	28

## Environmental, Social and Governance Report

Material Aspect	Content	Page Index/Remarks
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A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	25
<b>A4. Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	25
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.	25
<b>B. Social</b>		
<b>B1 Employment</b>		
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<b>B2 Health and Safety</b>		
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.	19 8
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B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	19

Material Aspect	Content	Page Index/Remarks
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B3.2	The average training hours completed per employee by gender and employee category.	31
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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.	13-15, 25
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	13-15, 25
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	13-15, 25
<b>B6 Product Responsibility</b>		
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.	8, 12, 13, 15, 19 Product advertising and labelling considered insignificant to King's Flair's operations, so corresponding policies have not been developed.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	15
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## Environmental, Social and Governance Report

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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.	There were no legal cases regarding corrupt practices brought against the Group in the Reporting year.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	12
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