



利記控股有限公司 LEE KEE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code : 637

2022/2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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01 MESSAGE FROM CEO

Despite the macroeconomic challenges that marked the 2022/23 financial year, we made substantial progress in Environmental, Social and Governance (ESG).

Cemented by our corporate mission of We Create Value Solutions Beyond Metals, we see sustainability and innovation as equally important. While we continue to innovate to create sustainable values, we believe transparency with our stakeholders is vital.

While it is easy to enact changes with like-minded partners and customers, we make a bigger impact by embracing and accepting diverse views, and together we create a more responsible and resilient supply chain and customer success.

There are no limits to what is possible with molten metals, and our can-do attitude ensures our offering of metal solutions through Responsible Sourcing, Sustainable Manufacturing and Product Innovation as we welcome the adventure on the new industrialization horizon.

Effective collaboration with suppliers and partners is a corporate culture that we long established. Our group adheres to the high ethical and sustainability standards and pitches responsible sourcing practices on many occasions. Metals made by us are now recognized as superior and have a low environmental impact. These qualities inspire our customers to take on the green journey benefiting future generations. At the same time, by providing client-centric solutions, we accomplished new ESG milestones.

Sustainable manufacturing is the driving force behind our green journey, and providing supreme-quality metals also contributes to this momentum. We are determined to build a better future by taking another

step forward to sustainable operations and adding weight to its effectiveness through technological advancement.

We are the early adopters of digital transformation and automation, and using IOT and data visualization streamlined our operation routines and accelerated our efficiency. It is crucial for us to ride on the high value-added production procedures with a robust environmental management system as we enter a more significant stage of new industrialization. We are delighted to be a pioneer in seeing this new horizon.

In the realm of innovation, we drive sustainability with eco-friendly products. Ongoing improvement, ergonomic and human-friendly alloy design is fundamental to improving accessibility and creating rooms for new possibilities. Our specialty alloys with tailor-made compositions and gender-inclusive designs enable quicker and easier production. At the same time, it reduced scope 2 carbon emission in the production process.

We continued to take steps to strive towards carbon neutrality, our solar panels accelerated our momentum, which the renewable energy generated is adequate to cover the electricity required by Promet Metals Testing Laboratory Limited, our internationally recognized laboratory, which spearheaded sustainability practice, enabling our clients transiting to a circular economy in the long term.

Further, we expanded the possibilities of metal usage with cutting-edge solutions while adhering to industry standards. When local requirements meet global standards, our high-quality, sustainable products are here to fulfil the unwavering commitment to our diverse customer mix worldwide.

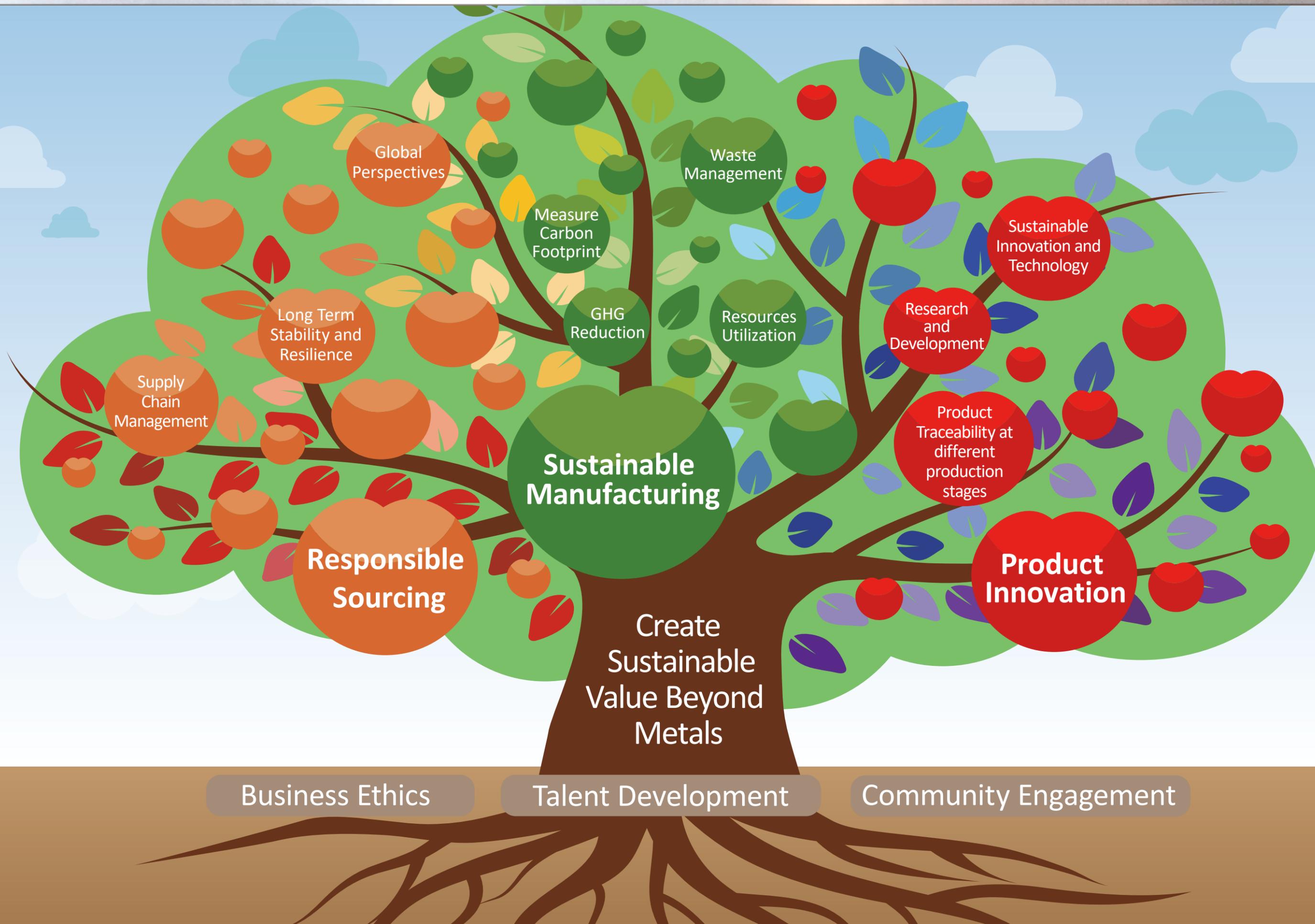
Metallurgy shaped human history, and it seamlessly shapes our everyday life through its evolution. We continue innovating metal solutions to make our future lighter, finer, and last longer. Customers, suppliers, and other stakeholders also joined us in our ESG initiatives. Together and through combined efforts, we made a bigger impact. We strengthened our governance to ensure responsible material sourcing for sustainable manufacturing and production.

Finally, I would like to sincerely thank our employees, customers, suppliers and other stakeholders for supporting our ESG strategy. By collaborating with our peers and partners in the supply chain, we shall build a greener and more impactful future for the next generation.

CHAN Yuen Shan Clara
Vice-Chairman and Chief Executive Officer

25 May 2023





ABOUT THE REPORT

Lee Kee Group (“Lee Kee” or “the Group”, which includes Lee Kee Holdings Limited and its subsidiaries) is dedicated to enhancing our business practices in order to attain our environmental, social and governance (“ESG”) objectives. This annual ESG report (the “Report”) covers our approach to ESG, which is based on our ESG Framework, and presents our ESG policies, initiatives and performance.

2.1. Reporting Scope and Boundary

This Report covers the ESG performance of the Group’s operations in Greater China (i.e., offices, warehouses, production plants, and laboratory) and Southeast Asia (i.e., offices) during the period from 1 April 2022 to 31 March 2023 (the “reporting year”), unless otherwise stated. The scope and boundaries of reporting remained the same compared to the previous reporting year.

2.2. Reporting Standard and Principles

This Report has been prepared in accordance with the “mandatory disclosure requirements” and the “comply or explain” provisions of the ESG Reporting Guide (the “ESG Guide”) set out in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”).

The Group has followed the four reporting principles as set out in the ESG Guide to define the report content and to ensure the quality of information disclosed in this Report, including:

MATERIALITY

The Group has identified its material aspects through materiality assessment. Senior management and the Sustainability Sub-Committee have reviewed and finalised the identified material aspects. For further details, please refer to the section headed “Materiality Assessment” of this Report.

BALANCE

Both positive and negative performances are disclosed in this Report in an impartial manner to ensure that the content and data are unbiased.

QUANTITATIVE

The Group has recorded and disclosed key performance indicators (“KPI”) in quantitative terms whenever possible. Information on the standards, methodologies, assumptions and source of conversion factors used for the calculation of environmental data are also indicated in this Report.

CONSISTENCY

The preparation approach of this Report is substantially consistent with the previous reporting year. Any changes in the reporting scope and calculation methodologies will be disclosed where applicable.

2.3. Feedback

The Group welcomes feedback on this Report, its approach to sustainability, and its performance. Please share your views and email us at ir@leekeegroup.com.

2.4. Independent Verification

This Report has been verified by an independent third party, Hong Kong Quality Assurance Agency (HKQAA), in accordance with the International Standard on Assurance Engagement 3000 (ISAE 3000) of the Internal Auditing and Assurance Standard Board (IAASB), to ensure its accuracy and completeness and to verify its adherence to the reporting guidelines. The scope of work carried out by HKQAA is set out in the verification statement which has been appended to this Report.

ESG HIGHLIGHTS

COMMITMENT TO WORLD CLASS STANDARD

Various subsidiaries were recognized by different world class organizations and standards :

First company in Greater China to be admitted as a Category 5 Associate Trade Member of the London Metal Exchange (LME)

London Metal Exchange Listed Sampler and Assayer (LSA)

Global Recycled Standard (GRS) Certification



ESG Report Verified by Hong Kong Quality Assurance Agency (HKQAA)

ISO 9001:2015 Quality Management Systems Certification

SGS United Kingdom Ltd
TÜV SÜD Management Service GmbH

IATF 16949:2016 Automotive Quality Management Systems Certification

SGS United Kingdom Ltd
TÜV SÜD Management Service GmbH

ISO 14001:2015 Environmental Management Systems Certification

SGS United Kingdom Ltd

GB/T 24001-2016 / ISO 14001:2015 Environmental Management Systems Certification

Beijing Head International Certification Co. Ltd

ISO 45001:2018 Occupational Health and Safety Management Systems Certification

SGS United Kingdom Ltd

GB/T 45001-2020 / ISO 45001:2018 Occupational Health and Safety Management Systems Certification

Beijing Head International Certification Co. Ltd

HOKLAS Accredited Laboratory under ISO/IEC 17025:2017

Hong Kong Accreditation Service

Reference to ISO 20400

Sustainable Procurement Guidance

ENVIRONMENT

Introduce policies to achieve the world mission of carbon neutrality (in line with Hong Kong's Climate Action Plan 2050)

Replacing commercial diesel vans with **electric vehicles** in our headquarter

Completed
200kw

Solar Power Generation Facility

20% reduction

in energy usage through adoption of advanced air compressors

Scrap Metal Recycling: recovered total
35,742kg of metals

Reduction in natural gas consumption

by introduction of Waste Heat Recovery System which turn flue gas of a smelting furnace to heat combustion-supporting air

6% reduction

in Energy Consumption intensity per tonne of production volume

PEOPLE

ZERO

Work-related fatalities in the past three years

Occupational Health and Safety (OHS) Targets

Safety training obtain **90% achievement**

Safety inspection obtain **90% achievement**

VALUE CHAIN

Established Member since 2021

Green Council | Sustainable Procurement Charter



Customer

Satisfaction Rate

94.4%

COMMUNITY ENGAGEMENT



T.R.E.E. Foundation themed with encourage a more proactive approach to sustainability development

SUPREME PRODUCT & BEYOND



Digital Transformation

- **New Casting Facilities with Robotic Arm & Industry 4.0 Integration in Hong Kong Plant:**
Real time data collection and insights
- **Automated Ingot Casting Facilities in Ningbo Plant:**
Automate skimming, demolding, cooling, and stacking

OUR ACHIEVEMENTS

The Chamber of Hong Kong Listed Companies (CHKLC) and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University

— Award of Excellence in ESG (Others and GEM companies)



Standard Chartered Corporate Achievement Awards 2022 Sustainable Corporate (Social Responsibility) — Outstanding Award



Hong Kong ESG Reporting Awards 2022 — Best ESG Report Small Cap, Commendation Award



CarbonCare InnoLab

- CarbonCare Label 2022 — Level 3
- CarbonCare ESG Label 2022 — Level 4
- CarbonCare Star Label



Federation of Hong Kong Industries, BOCHK Corporate Low-Carbon Environmental Leadership Awards 2021 — EcoChallenger & Low-Carbon Commitment Logo



Green council

— UNSDG Achievement Awards (Organisation Award - Merit)



Hong Kong Internet Registration Corporate Limited — Web Accessibility Recognition Scheme 2022-23 by Promet



Other Accreditations & Commitments

Environmental Bureau¹ & Electrical and Mechanical Services Department

- 4T Charter 2022
- Energy Saving Charter 2022

The Hong Kong Council of Social Service

- Caring Company-15 Years+

Hong Kong Awards for Environmental Excellence 2021

- Certificate of Merit (Manufacturing and Industrial Services)

Environmental Campaign Committee

- Hong Kong Green Organization

Environment Protection Department

- Commendation Scheme on Source Separation of Commercial and Industrial Waste — Bronze Award (Industrial/Office)
- Commendation Scheme on Source Separation of Commercial and Industrial Waste — Award for Enhancement

Customs and Excise Department of HKSAR

- Tier 2 Authorized Economic Operator

Hong Kong Q-mark Council Federation of Hong Kong Industries

- Hong Kong Q-Mark Elite Brand 2021 — Product Category
- Hong Kong Q-Mark License — Tin Copper Solder Wire

Federation of Hong Kong Industries

- Industry Cares Recognition Scheme 2022 — Industry Cares 5+ Year (Enterprise Group)

Department of Health

- Mental Health Workplace Charter — Mental Health Friendly Organisation

Promoting Happiness Index Foundation

- Happiness at Work logo — 10 Years Happy Company

Work Safety Standardization — 3rd Level (Non-Ferrous)

- Ministry of Emergency Management of the People's Republic of China

¹ The Environment Bureau, which issued the 4T and Energy Saving Charter, was restructured and renamed to the Environment and Ecology Bureau after July 1, 2022. The awards displayed in this Report still bears the name of the previous authority at the time of issuance.

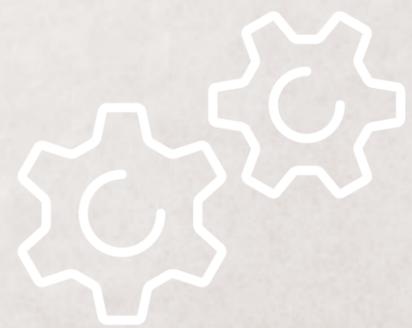
04 OUR SUSTAINABILITY



Governance



1. integrating sustainability into governance structures will ensure that sustainability initiatives are embedded at all levels of the group
2. transparency on sustainability performance can enable stakeholders' understanding and demonstrate the group's commitment and work progress
3. serious dealing on sustainability by management and staff could make the disclosure easier and mitigate risk, such as regulatory risk while bring stakeholders together on the clear direction and attract investors interest in sustainability
4. transparency on sustainability build an image of good governance and gain trust from stakeholders
5. it's believed more attention to sustainability will benefit the world, improved stakeholder relationship, build up a long-term thinking approach on the decision making



Innovation, Testing and Quality assurance

Sustainability has become an increasingly important consideration in everyday work. By adopting sustainable practices, we can reduce the environmental impact while improving efficiency and effectiveness.

Sustainability can be incorporated into the design process by considering the entire lifecycle of a product or system. For example, we can select materials that are environmentally friendly, design a system with high energy efficiency, and optimize resource usage. Additionally, we can use simulation tools to test the environmental impact of the designs before they are built, reducing waste and improving performance.

Overall, by integrating sustainable practices, we can create more efficient and effective products and systems while also contributing to a more sustainable future.





LKG is a leading Zinc Alloyer, we committed to sustainable development in production as part of our ongoing efforts. We reduced our environmental impact and promote responsible business practices, we took steps to align our operations with sustainable development principles in every possible cases.

Manufacturing may bring significant impact on the environment and local communities, we shouldered the responsibility and committed to minimizing our carbon footprint while delivering high-quality products and services to our customers. To achieve this goal, we are implementing various initiatives to reduce waste, conserve resources, and promote sustainable practices throughout our process.

We set up renewable energy equipment, such as solar power systems to reduce our reliance on non-renewable sources and at the same time reduce our carbon footprint onsite. Adapting EV to replace conventional vehicles brought improvement to air quality and GHG emissions. Green manufacturing practices are implemented including reduced water usage, minimized waste through recycling efforts, and used eco-friendly materials in our products.

To work with liked mind, we are working with suppliers to promote sustainability to ensure they share our commitment, and we continue to explore ways to reduce our possible impact to the supply chain.

We believe sustainability is not only benefiting the environment, but also favoring business growth. By reducing the environmental impact, we could improve our efficiency in costs and resources, at the same time enhance trustworthiness and reputation with customers, employees, and other stakeholders.



As a salesperson, we see practicing sustainability the utmost importance in our daily life, such as bringing our own bottle of water, use handkerchief instead of paper tissue, and choosing sustainable products. While, as the front of the line reaching out to customers, we find ways to reduce resources consumption in the sales process by using digitalized procedures instead of paper hardcopy, as well as encourage our customer to avoid excessive packing during the logistic process.

In order to serve our customer sustainably, we R&D with our technical consultancy team on every possible opportunity; we promote our sustainable products by handholding our customers to pursue the value of using sustainable product and encourage them to make more sustainable choices. Many customers like and appreciate our sustainability initiatives and our long-term relationship begins.



We love talents and shoulder the mission to nurture the next generations in all possible occasion, such as offering visitation for different groups and background to our Head Quarter for a unique experience of Hong Kong Manufacturing. We aimed to create bigger ripple to influence the generations for a better understanding to the Advance Manufacturing and New Industrialization initiatives of Hong Kong.

Hong Kong got talents, just a matter of discovery and opportunities.

We tend to make the visitation plain and simple to show and tell our road of becoming a Metals specialist. *"We learnt Chemistry 101 from high school, how could a layman understand the Metals industry?"* That was the perception we imagined before the visit. Thus, we kept the presentation and demonstration straightforward, hoping to impress while educate. However, their understanding and in-dept technical questions are beyond our expectation. We are thrilled by their knowledge and love the new bloods that would bring inspirational reflection for evolution.

Metals could be moulded into many beautiful things; we see unlimited possibilities from the next generations. Stronger Together. Resilience brings courage to Challenges, Embrace, we could see harmony in diversity. Evolve widen opportunities and release potential. Be involved, you will understand.



MOVING TOWARD A SUSTAINABLE FUTURE



05

COMPANY PROFILE

5.1. Background Information about Lee Kee

Established in 1947, Lee Kee is a leading metals solutions provider that provides premium quality, professional, and reliable value-added products and services to our customers. We are one of the major zinc alloy importers to Mainland China, while our business network extends to multiple regions, including Greater China and Southeast Asia (such as Malaysia, Thailand and Singapore). Lee Kee Holdings Limited is a limited liability company headquartered in Hong Kong and listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 637).

The principal activities of the Group include trading zinc, zinc alloy, nickel, nickel-related products, aluminium, aluminium alloy, stainless steel and other electroplating chemical products. Additionally, the Group provides metal testing and consultancy services, and engages in alloy production in Hong Kong and Mainland China. In line with its mission beyond metal, the Group has expanded its services to include water testing.

5.2. Core Activities and Operations

Business Profiles	
	<p>Premium Metal</p> <p>Our Group offers a broad portfolio of quality metals, including commodities zinc, aluminium, nickel, copper as well as zinc alloy, aluminium alloy, stainless steel and electroplating chemicals. Apart from distributing top-quality products around the globe, Lee Kee has her own branded metal products — Mastercast, GZ, SA and LMP — which represent premium quality and reliability, rich experience and product expertise.</p>
	<p>Research & Development</p> <p>The Group's cross-disciplinary R&D team has strong experience in collaborating with manufacturers, engineers and product designers. By discussing their desired product features and performance specifications, the team comes up with a wide array of new alloys that meet not only their requirements but international industry standards.</p>
	<p>Quality Assurance & Testing</p> <p>Promet Metals Testing Laboratory is a highly accredited and reliable laboratory in Hong Kong that has gained recognition for its professionalism and competence. Its accreditations include ISO/IEC 17025 and The Hong Kong Laboratory Accreditation Scheme (HOKLAS). Promet is also an approved LME Listed Sampler and Assayer (LSA) for pure zinc, aluminium, and aluminium alloys, which affirm its credibility and reliability. The laboratory's expertise includes composition test and failure analysis, making it a reliable partner for companies across industries.</p>
	<p>Technical Consultancy</p> <p>With their rich experience tackling technical challenges across different industries, Promet Consultancy brings the latest knowledge and expertise to both die-casters and manufacturers. Promet's technical team has the wide array of expertise to investigate the root cause of defective components, conduct operational audits to improve quality and cost-effectiveness, or develop custom alloys tailored to specific applications, helping businesses achieve their goals.</p>

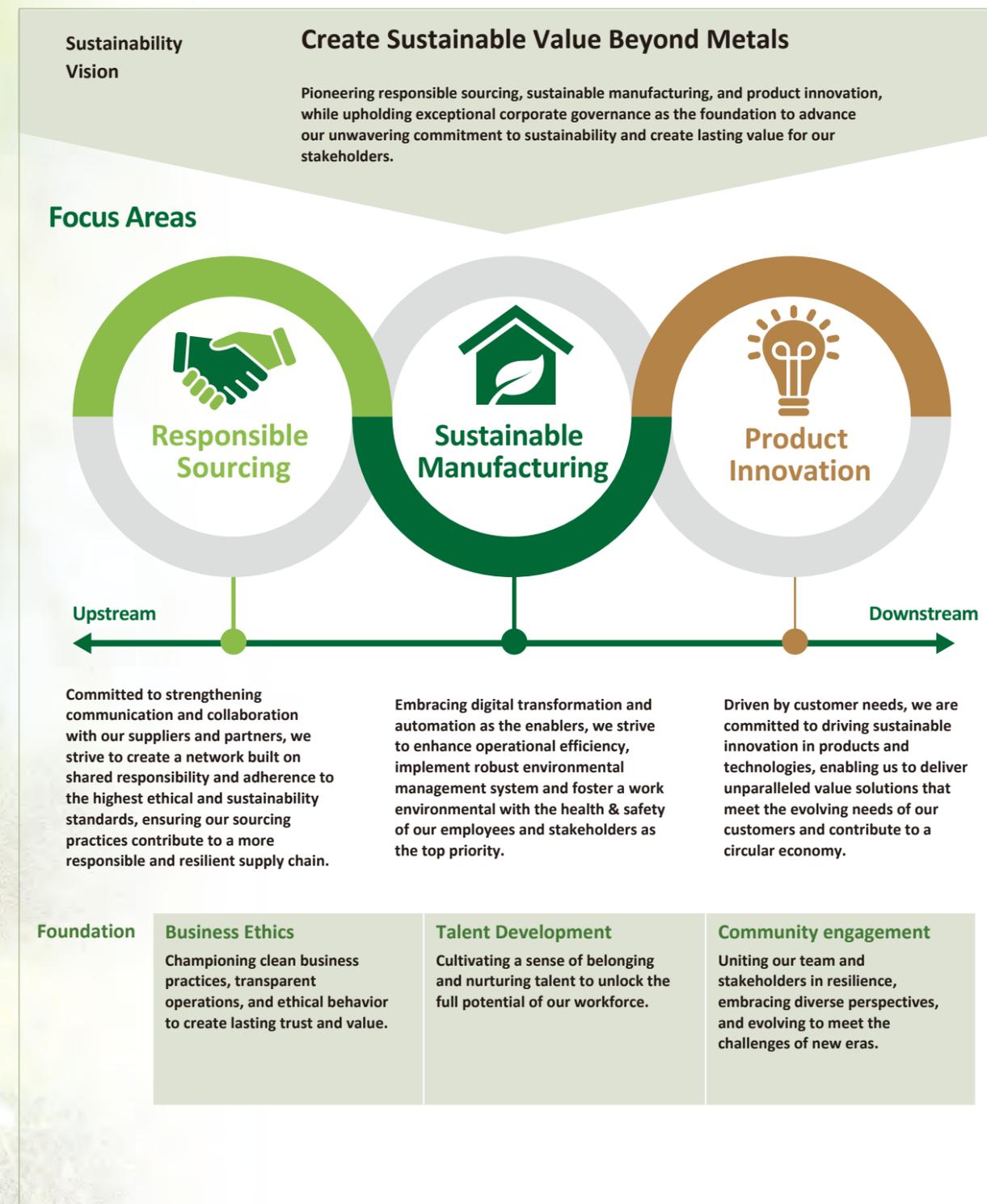
Contribution to Sustainability	
	<p>Premium Metal</p> <p>Our own branded metal products represent not only premium quality and reliability but also our commitment to sustainable sourcing and responsible production. By distributing top-quality products globally, we contribute to the development of sustainable infrastructure and support our clients in creating long-lasting, eco-friendly solutions across various industries.</p>
	<p>Research & Development</p> <p>By developing new materials and technologies, we empower our customers to create more sustainable products, reduce environmental impact, and contribute to the global transition towards a circular economy.</p>
	<p>Quality Assurance & Testing</p> <p>Promet sets the benchmark for sustainability by providing reliable, insightful, and professional testing services and ensuring the quality and sustainability of materials used across various industries. Our commitment to accurate testing and analysis supports responsible production, waste reduction, and overall industry sustainability.</p>
	<p>Technical Consultancy</p> <p>Our Technical Consultancy, Promet Consultancy, leverages its extensive experience and expertise to support die-casters and manufacturers in achieving their sustainability goals. Through collaboration and knowledge sharing, our consultancy services contribute to the continuous improvement and adoption of environmentally responsible strategies, driving sustainable growth for our clients and the industry as a whole.</p>

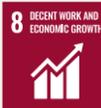
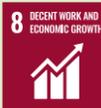


06 SUSTAINABILITY STRATEGY AND GOVERNANCE



6.1. Overview of the ESG Strategy Framework



ESG Strategy Framework VS Material Topics and UNSDGs Alignment			
ESG Strategy Framework		Material Topics	UNSDGs Alignment
Focus Areas	Product Innovation	<ul style="list-style-type: none"> Sustainable Products & Services 	
	Sustainable Manufacturing	<ul style="list-style-type: none"> Climate Change & Energy Efficiency Waste & Effluent Management Occupational Health & Safety 	 
	Responsible Sourcing	<ul style="list-style-type: none"> Supply Chain Management Labor Management 	 
Foundation	Business Ethics	<ul style="list-style-type: none"> Business Ethics 	  
	Talent Development	<ul style="list-style-type: none"> Human Capital Development 	 
	Community Engagement	<ul style="list-style-type: none"> Corporate Management 	

With sound governance and a strong corporate culture as the foundation, we ensure our business activities are conducted within the wider context of our communities and the environment, creating shared value for all our stakeholders. Our ESG Strategy Framework is mapped against the United Nations Sustainable Development Goals (UNSDGs), allowing us to contribute effectively to global sustainability efforts.

Our sustainability framework is a living document, continually evolving to meet the changing needs of our stakeholders and the environment. By aligning our strategies with our vision and prioritizing our focus areas, we are well-positioned to address the most pressing ESG issues and create shared value for all our stakeholders. Through collaboration and a long-term view, we will continue to explore new opportunities and drive our sustainability efforts forward. By fostering a sense of shared responsibility, we reinforce our commitment to creating a prosperous future for our company, our stakeholders, and the environment.

6.2. Sustainability Governance Structure

As a leading metals solutions provider, the Group acknowledges its crucial role in the global economy and its operations’ potential environmental and social impacts. We have implemented robust sustainability governance practices to address these challenges that guide our decision-making processes, operational strategies, and long-term goals. This is embedded at all levels of the Company, including the Board of Directors, the Sustainability Sub-Committee and the Sustainability Working Team.

The Board of Directors hold ultimate accountability for our ESG strategy and reporting, ensuring that responsibilities are appropriately delegated to respective committees and working teams for managing different sustainability issues. Also, the Board receives regular updates from the Sustainability Sub-Committee regarding ESG metrics and target progresses. This ongoing oversight and involvement demonstrate the Board’s dedication to integrating sustainability into our Company’s core practices and decision-making processes.

The Sustainability Sub-Committee spearheads the development and supervise of our overall sustainability strategies. Drawing on the expertise of an external ESG consultant, the Sustainability Sub-Committee adopts industry-leading practices to shape our sustainability approach.

Tasked with executing action plans centred on key material topics, the Sustainability Working Team operates under the guidance and coordination of the Sustainability Sub-Committee. Additionally, it is responsible for data collection and ESG report preparation. Regular group meetings facilitate internal discussions on ESG-related matters, ascertaining ongoing coordination and progress.

Driven by our corporate mission “We Create Value Solutions Beyond Metals”, our ESG Strategy Framework aligns our visionary strategies of creating sustainable value beyond metals. Our focus areas – Product Innovation, Sustainable Manufacturing, and Responsible Sourcing – guide our strategic approach to sustainability, enabling us to create a real impact and maximize long-term opportunities across the value chain.



6.3. Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

The Group recognises the significance of effective stakeholder engagement and collaboration. It engages different stakeholder groups, including employees, suppliers, customers, shareholders, local communities, and authorities, through various channels such as meetings and surveys. We greatly value their feedback and facilitate open communication to understand different views and values.

Stakeholders	Our Engagement Channels
Employees 	<ul style="list-style-type: none"> • Inductions • Training and development programs • Internal newsletters • Performance appraisals
Suppliers 	<ul style="list-style-type: none"> • Supplier pre-qualification questionnaire • Regular supplier meetings and performance reviews • Supplier sustainability assessments and audits
Customers 	<ul style="list-style-type: none"> • Customer service and support channels • Customer visit • Customer surveys and feedback mechanisms • Industry events and trade shows • Dedicated customer relationship managers
Shareholders and investors 	<ul style="list-style-type: none"> • Annual General Meetings • Annual reports and announcements • Website
NGOs and community partners 	<ul style="list-style-type: none"> • Collaborative projects and partnerships with local organisations • Sponsorship of local events and initiatives • Volunteering
Government and regulatory authorities 	<ul style="list-style-type: none"> • Statutory filings and announcements • Annual reports • Direct engagement with relevant government departments

The feedback from stakeholders of different backgrounds also helps the Group understand the everchanging market demands and global sustainability trends. This, in turn, informs the Group’s decision-making regarding its sustainability practices, initiatives, and disclosures. Through our engagement activities this reporting year, we gathered comments from stakeholders concerning the environmental, social and governance aspects of our business and turned them into actions.

Input from diverse stakeholders enables the Group to stay attuned to evolving market demands and global sustainability trends, shaping our decision-making processes concerning sustainability practices, initiatives, and disclosures. Throughout this reporting year, our stakeholder engagement efforts have facilitated valuable feedback on the ESG dimensions of our business. We have transformed these insights into tangible actions, reinforcing our commitment to sustainable growth and responsible operations.



Customers

We are concerned about the availability, quality, and consistency of recycled alloy, as well as its potential impact on the products.

We understand and share our customers’ concern for sustainability and the quality of recycled alloy, and we are proud to have made it a key initiative over the past years. As part of our commitment to sustainable materials, we have certified to the Global Recycled Standard (GRS) to validate our efforts and promote sustainable materials across the industry.

For further information, please refer to the Product Innovation section of this report.



Suppliers

We are seeking more effective and consistent communication on ESG performance and requirements, as it would incentivise us to work more collaboratively with Lee Kee and improve our own performance.

We are committed to sustainability throughout our supply chain and have implemented a comprehensive supply chain management framework to ensure ethically and environmentally responsible practices. Our supplier selection and evaluation processes are designed to identify and mitigate potential environmental and social risks, and we require our suppliers to meet our responsible procurement practices. We value our partnerships with suppliers and will continue to prioritise sustainability in all aspects of our business.

For further information, please refer to the Responsible Sourcing section of this report.



Shareholders and investors

We are concerned about the governance practices, and we expect good governance to ensure responsible and transparent management, mitigate risks, and drive long-term value creation.

We recognise the importance of good governance practices and are committed to upholding high standards in all aspects of our operations. We take great pride in our reputation for responsible and transparent management, and we believe that our commitment to good governance has been a key factor in our success over the years. We will continue to prioritise governance as we work towards creating long-term value for our stakeholders.

Materiality Assessment

We recognise the importance of conducting materiality assessments to identify and prioritise the most relevant sustainability topics raised by our stakeholders. This, in turn, leads us to focus our sustainability efforts on the areas where we can make the most significant positive impact and address the expectations of our diverse stakeholder groups, ultimately strengthening our commitment to sustainable growth and responsible operations.

In our previous year’s ESG report, we presented a list of material topics that informed our strategic ESG priorities. As part of our ESG Strategy Framework development process, we conducted a comprehensive review of our materiality assessment results to identify and prioritize the significant ESG issues most relevant to our business operations and stakeholders. This process involved a thorough analysis of our existing business operations and ESG initiatives, as well as benchmarking our performance against industry peers to understand the current landscape and best practices. Also, we gathered valuable insights from key stakeholders, including senior management, department heads, customers, and suppliers, through one-on-one interviews. Engaging with these stakeholders allowed us to better understand their perspectives, concerns, and expectations regarding our ESG performance and strategy.

The prioritised list of material issues was presented to the Sustainability Sub-Committee and the Board for discussion and validation.

The material issues identified were:

Environment	Social	Governance
<ul style="list-style-type: none"> Sustainable Products and Services Climate Change and Energy Efficiency Waste and Effluent Management 	<ul style="list-style-type: none"> Talent Engagement Occupational Health and Safety Supply Chain Management Labor Management Corporate Engagement 	<ul style="list-style-type: none"> Business Ethics

Compared to the previous year’s results, our materiality assessment process revealed key changes in the prioritization of ESG topics, reflecting the evolving expectations of our stakeholders and the dynamic sustainability landscape. Notably, two new topics emerged as significant areas of focus:



- Sustainable Products and Services:** As the demand for environmentally friendly and socially responsible products and services continues to grow, we recognize the importance of meeting the evolving needs of our customers. Integrating sustainability into our product offerings and services will not only create value for our customers but also contribute to the overall ESG objectives of creating sustainable value beyond metals.

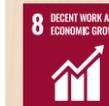


- Talent Engagement:** Our employees are the backbone of our company, and fostering a sense of belonging and engagement is crucial to our long-term success. By prioritizing talent engagement, we aim to create a supportive and inclusive work environment, where employees feel valued, motivated, and inspired to contribute to our sustainability efforts.

The rationale for these changes stems from our ongoing commitment to adapt and respond to the shifting priorities of our stakeholders, as well as the recognition that a proactive approach to sustainability is necessary for long-term business success. By incorporating these new focus areas into our ESG strategy, we ensure that our sustainability framework remains comprehensive and relevant, driving positive change for our company, stakeholders, and the environment.

Contribution to UNSDGs

In our ongoing commitment to contribute to the United Nations Sustainable Development Goals (UNSDGs), we have previously identified five UNSDGs that are most closely aligned with our sustainability strategy and where we can make a meaningful impact. This reporting year, we reaffirm our dedication to these goals as they continue to represent the core areas where our business operations, initiatives, and innovations can drive positive change. By consistently integrating these UNSDGs into our strategic planning and decision-making processes, we demonstrate our unwavering responsibility towards fostering a sustainable future for all stakeholders and the global community.



SDG 8 Decent work and economic growth

We are committed to fostering inclusive and sustainable economic growth within our operations while ensuring safe and healthy working conditions for our employees. We put significant efforts into creating quality employment opportunities, investing in skills development, and implementing robust labour standards throughout our value chain.



SDG 9 Industry, innovation and infrastructure

By investing in state-of-the-art technologies, enhancing resource efficiency, reducing environmental impacts, and supporting research and development initiatives, we work to build resilient infrastructure, promote sustainable industrialisation, and foster innovation within our operations.



SDG 12 Responsible consumption and production

We contribute to SDG12 by promoting sustainable sourcing practices, optimising resource use, minimising waste and implementing circular economy principles throughout our operations.



SDG 13 Climate action

Our commitment to SDG13 is reflected in our endeavours to reduce greenhouse gas emissions across our operations. By implementing energy-efficient technologies and setting ambitious emissions reduction targets, we strive to minimise our carbon footprint and support global efforts towards building a more climate-resilient and sustainable future for all.



SDG 17 Partnership for the goals

We are committed to fostering collaborative relationships with diverse stakeholders, including governments, industry peers, NGOs, and local communities. By sharing knowledge, resources, and best practices and participating in joint initiatives to tackle global sustainability challenges, we demonstrate our dedication to collective progress towards a more sustainable and prosperous future for all.

07 PRODUCT INNOVATION

In this chapter, we delve into our commitment to Product Innovation as a driving force behind our Company's evolution. Embracing a forward-thinking approach, we continuously strive to develop advanced materials, cutting-edge technologies, and innovative solutions that not only enhance our product and service offerings but also contribute to a sustainable future. Through our dedication to research, development, and collaboration, we are pushing the boundaries of what is possible in the non-ferrous metals industry and creating lasting value for our stakeholders.

7.1. Research & Development

At Lee Kee, we emphasise the dedication to research and development as a critical component of our product innovation strategy, with a particular focus on promoting sustainability within the non-ferrous metal industry. We have been investing to develop a cross-disciplinary R&D team, consisting of experienced professionals from various fields, including manufacturers, engineers, and product designers, who work collaboratively to create advanced materials and processes that minimise environmental impacts and contribute to a more sustainable future.



Our structured approach to R&D allows us to drive sustainable innovation through every stage of the development process. Collaborating closely with clients, we design and develop new alloys that not only satisfy performance specifications but also align with environmental goals, such as reducing greenhouse gas (GHG) emissions and conserving resources. This holistic approach ensures that our innovations contribute to both economic growth and environmental sustainability.



In our quest for sustainable product innovation, we have also invested in cutting-edge laboratory equipment and digital systems to streamline the R&D process and reduce the environmental footprint of our operations. These advanced technologies enable us to collect and analyse data more efficiently, allowing for continuous improvement in our processes and products, ultimately minimising our overall environmental impact.

In 2014 Lee Kee Group Limited joined the ranks of renowned international metal players by becoming the first company in Greater China to be admitted as a Category 5 Associate Trade Member of the London Metal Exchange (LME). Apart from producing and distributing metals, the Lee Kee Group’s businesses span from testing and technical consultancy to collaborative research and development. In 2016, Promet Metals Testing Laboratory Limited (Promet), part of the Lee Kee Group, also became an approved LME Listed Sampler and Assayer (LSA) for pure zinc, aluminium and aluminium alloys. Promet is not only the first laboratory in Hong Kong accredited in Metals and Metallic Alloys category by HOKLAS, an accreditation scheme operated by Hong Kong Accreditation Service (HKAS), the lab is qualified to conduct tests for the construction industry and test for contaminants in water. These achievements also highlight our commitment to sustainability, ensuring that the materials we assess meet stringent environmental and quality standards.

Development of Recycled Alloys

A key initiative during the past year has been the development of recycled alloys, which support our sustainability objectives by lowering GHG emissions and reducing the reliance on virgin materials.

In line with these efforts, we have acquired the Global Recycled Standard (GRS) certification. This certification will not only validate our commitment to sustainable materials but also help promote their adoption across the industry.

Reduced Environmental Impact

- Lower greenhouse gas (GHG) emissions compared to producing virgin materials
- Decreased energy consumption during the recycling process
- Conserves natural resources by reducing the demand for raw materials

High-Quality Standards

- Maintains comparable performance characteristics to virgin metals
- Rigorous quality control and testing to ensure compliance with international standards
- Wide range of applications across various industries, e.g. automotive, construction and garment sector



Global Recycled Standard (GRS) Certification

- Demonstrates our commitment to sustainable materials and practices
- Ensures the traceability and integrity of recycled content in our alloys
- Helps promote the adoption of recycled materials across the non-ferrous metal industry

Economic Benefits

- Supports the growth of a circular economy, promoting long-term sustainability

Through our unwavering dedication to research and development, we aim to position Lee Kee at the forefront of sustainable innovation within the non-ferrous metal sector. Our R&D efforts serve as a cornerstone of our commitment to driving positive change and fostering a more sustainable future for our industry and the planet.

7.2. Product Responsibility

Quality Policy & Management System

Our mission, “We Create Value Solutions Beyond Metals”, epitomises our dedication to offering high-quality products and integrated services. A crucial aspect of this commitment is our robust Quality Policy and the development and continuous improvement of our comprehensive Quality Management System (QMS) and Environmental Management System (EMS). These systems form the backbone of our efforts to consistently deliver high-quality products and services while minimising our environmental impact.

Quality Management System (QMS)	Environmental Management System (EMS)
<p>Our QMS is designed to encompass all aspects of our operations, from product design and development to manufacturing, supply chain management, and customer support.</p> <p>By implementing the international ISO 9001:2015 Quality Management Systems and IATF 16949:2016 Automotive Quality Management System standards across our factories in Mainland and Hong Kong, we demonstrate our adherence to globally recognised best practices and stringent regulatory requirements.</p>	<p>With our commitment to quality, we recognise the importance of minimising our environmental footprint and contributing to a sustainable future. Our EMS is based on the internationally recognised ISO 14001:2015 standard, which provides a framework for managing our environmental responsibilities and mitigating potential risks.</p>
<p>Our QMS enables us to:</p> <ul style="list-style-type: none"> • Establish and maintain a culture of quality and continuous improvement throughout our organisation. • Set measurable quality objectives that align with our overall business strategy and customer expectations. • Monitor and evaluate our performance against these objectives, using data-driven insights to drive improvements. • Ensure the availability of necessary resources, including skilled personnel, state-of-the-art equipment, and advanced technologies. 	<p>Our EMS enables us to:</p> <ul style="list-style-type: none"> • Identify and assess the environmental aspects and impacts of our operations, products, and services. • Set and achieve ambitious, measurable environmental objectives and targets, such as reducing waste, conserving energy, and minimising greenhouse gas emissions. • Comply with applicable legal, regulatory, and industry requirements, as well as our own environmental policies and standards. • Engage our employees, suppliers, and other stakeholders in our environmental initiatives and foster a culture of environmental responsibility. • Continuously assess and improve our environmental performance, ensuring that our EMS evolves in response to changing circumstances and emerging challenges.

By integrating and reinforcing our Quality Management System (QMS) and Environmental Management System (EMS), we are not only able to maintain the highest quality standards but also minimise our environmental impact. This comprehensive approach to managing our operations enables us to deliver exceptional value to our clients while contributing to a more sustainable future for our industry and the planet.

To achieve our Quality Objectives, we set targets for the following:



Punctual shipments



Reducing external complaints



Attaining exceptional customer satisfaction levels

These objectives serve as performance indicators, guiding our efforts towards continuous improvement and ensuring alignment with our overall business strategy.



Promet Metals Testing Laboratory Limited, a Group subsidiary, is an ISO/IEC 17025:2017 Accredited Laboratory, further emphasising our commitment to quality assurance and reinforcing our ability to provide reliable testing services to our clients. Our products comply with applicable international standards regulating product specifications, ensuring that our client’s expectations are not only met but exceeded.

Quality Assurance

The Group employs an all-encompassing quality assurance process that entails monitoring supplier performance, implementing quality control measures, fostering employee training and development, analysing customer feedback, and executing corrective and preventative actions.

We meticulously inspect suppliers’ test reports, conformance certificates, and materials declarations to verify that all raw materials conform to product specifications, RoHS 2.0, and REACH requirements. Product testing is conducted to confirm compliance with RoHS and EN 71–3 standards.

Our quality assurance process incorporates specific procedures for addressing customer complaints. Our Quality Team attentively evaluates customer feedback and swiftly implements effective corrective actions. Insights gleaned from complaints are conveyed to the responsible department, which subsequently identifies the issue’s source and applies corrective measures. Our annual customer satisfaction surveys have yielded a remarkable satisfaction rate of 94.4%, and we eagerly anticipate ongoing collaboration with stakeholders to stimulate continuous improvement.



Product Traceability

We uphold stringent standards for precise marking and labelling, ensuring the accountability, transparency, and integrity of our products, from raw materials to finished goods.

Our comprehensive product traceability system encompasses the following key elements:

Supplier Selection and Monitoring:	Raw Material Tracking:	Production Process Monitoring:
We meticulously evaluate and select suppliers based on their ability to provide high-quality raw materials that meet our strict requirements. Our ongoing supplier monitoring process includes regular audits, assessments, and performance reviews to ensure that they consistently adhere to our quality and traceability standards.	Each incoming batch of raw materials is assigned a unique identifier, allowing us to trace its origin, composition, and quality. We maintain detailed records of all material transactions, including purchase orders, delivery notes, and test reports, which are readily available for review and analysis.	Throughout the production process, we employ advanced technologies and stringent quality control measures to monitor and record critical product parameters, such as chemical composition. This data is linked to each product’s unique identifier, providing a comprehensive history of its manufacturing journey.
Identification and Labeling:	Storage and Distribution:	Customer Support and Feedback:
We utilise state-of-the-art marking and labelling techniques to identify our major zinc alloy brands, Mastercast, GZ and Zintec, and ensure seamless traceability uniquely. Each ingot bears a laser-marked product lot number, and our major zinc alloy brands feature QR codes on product labels. These codes disclose essential information, including the end product’s chemical composition and the associated greenhouse gas emissions per ton of product produced.	Our advanced inventory management system tracks each product’s location and movement throughout our storage and distribution network. This enables us to maintain full visibility, streamline order fulfilment, and rapidly respond to inquiries or issues.	Our customer support team is equipped with the necessary tools and information to address product-related inquiries, trace specific product batches, and provide prompt assistance in the event of quality concerns. We actively solicit customer feedback to continuously improve our products, services, and traceability system.

08

SUSTAINABLE MANUFACTURING

We are deeply committed to sustainability and endeavour to integrate sustainable practices into all aspects of our business. We acknowledge that climate change poses a significant challenge to the world. And it also jeopardises our personnel and operations. Therefore, we have implemented measures to reduce our GHG emissions and prepare our operations and staff to tackle climate-related risks.

To ensure the safety, security and environmental responsibility of our operations, we have established an environmental management system and an occupational health and safety management system in compliance with ISO 14001:2015 and ISO 45001:2018 standards, respectively. These management systems cover our activities in the non-ferrous metals supply and logistics management, tin alloys, solder and zinc alloys manufacturing and provision of chemical testing, physical testing and microbiological testing services.



- Environmental policy
- Occupational health and safety policy
- Environmental aspects operating procedures
- Objectives and targets
- Hazard identification and risk assessment

- Environmental programs
- Training and awareness
- Emergency preparedness and response



8.1. Operational Efficiency and Environmental Management

As a responsible company dedicated to promoting sustainability, we have put into action a comprehensive Environmental Policy that clearly defines our commitment to safeguarding the environment, optimising resource utilisation, and reducing emissions and waste. We diligently adhere to all pertinent environmental protection laws and regulations across the various jurisdictions where we operate and continually strive to enhance our environmental performance.

In order to effectively address and manage our environmental responsibilities, we have instituted the Environmental Aspects Operating Procedures. These procedures provide a systematic framework for identifying, evaluating, and managing significant environmental aspects and their associated impacts. Our specialised environmental management team is entrusted with the responsibility of examining our Group’s activities, products, and services under normal, abnormal, and reasonably foreseeable emergency situations, taking

into account past, present, and future considerations. To maintain transparency and documentation, the Environmental Aspects Assessment Form is employed to record each identified Environmental Aspect and its corresponding Environmental Impact. The responsible departments are required to review the environmental aspects annually or if any of the following conditions arise:



Amendment or addition of environmental laws, ordinances and other subscribed requirements



Installation of new facilities or technologies



Significant process changes



Serious environmental accidents

Climate Change and GHG Reduction

As the frequency and severity of extreme weather events increase, it is imperative to prepare and adapt our personnel and operations to the effects of climate change. These unforeseeable events can impede our daily operations, underscoring the importance of transitioning to a low-carbon economy. In pursuit of carbon neutrality, the Mainland and Hong Kong are moving towards a low-carbon future, which presents both risks and opportunities. An analysis of climate risks and opportunities associated with this transition has revealed significant climate-related issues that could affect our operations. We have developed short and long-term action plans to facilitate the adaptation and mitigation of these risks. This assists us in positioning the Group better in a changing environment and establishing resilience against the impacts of climate change.

Climate Risks	Potential Impacts	Mitigation Measures
Physical Risks		
A prolonged period of extremely hot weather	<ul style="list-style-type: none"> Reduced operation efficiency 	<ul style="list-style-type: none"> Install sensors to identify high temperature and adjust work allocation Enhance automation to reduce manpower in certain processes
Increased frequency and severity of inclement weather events	<ul style="list-style-type: none"> Work sites closure Delivery delay Damages to buildings 	<ul style="list-style-type: none"> Set up a delegated team to monitor the weather and work out contingency plans Establish communication platforms to ensure all relevant staff are kept informed about the weather forecast and work sites situation Maintain sufficient inventory Purchase insurance coverage Allocate professional standby to ensure building safety in case of emergency
Transition Risks		
Enactment of more stringent laws and regulations related to climate change	<ul style="list-style-type: none"> Additional investment costs to comply with regulation changes 	<ul style="list-style-type: none"> Monitor regulatory trends Consult professional opinion Adopt renewable energy in operations Reduce carbon emissions

We acknowledge the substantial contribution of our operations to GHG emissions and the subsequent implications for climate change. In light of this, we have taken proactive steps to implement a range of measures designed to curtail both our direct and indirect GHG emissions. Our strategic approach encompasses infrastructure enhancements, the establishment of rigorous control measures, the adoption of renewable energy sources such as solar power, investments in energy-efficient equipment, and the optimisation of our production processes. Through these concerted efforts, we are dedicated to mitigating our environmental footprint and affirming our commitment to a more sustainable future.

Our approach to managing GHG and climate-related impacts:



Mitigation

Actions to reduce GHG emissions
Renewable energy
Low-carbon energy
Energy efficiency



Adaptation

Actions to manage climate impacts
Emergency response plan
Safety training
Business resilience plan

Efficient Waste Heat Recovery for Reducing Energy Consumption in Production Processes

Waste heat recovery has emerged as a promising technique for curtailing energy usage and enhancing efficiency in industrial operations. In our Ningbo facility, we have implemented a waste heat recovery system for the flue gas of a smelting furnace to heat combustion-supporting air, which is anticipated to contribute towards a reduction in natural gas consumption. The utilisation of waste heat not only helps in reducing the carbon footprint but also leads to significant savings in energy costs, thus presenting a mutually beneficial solution for the environment and financial performance.

Completes 200 kW Solar Power Generation Facility on Headquarters Rooftop

We have completed the construction of a solar power generation facility on the rooftop of our headquarters. The project began in June of 2021 and was brought to completion in December of the same year. This facility, boasting an average monthly capacity of 21,700 kWh, is anticipated to generate a considerable quantity of renewable energy, thereby reducing our carbon footprint. Since the installation’s culmination, we have achieved a total of the renewable energy output of 260,279 kWh in this reporting period. Our actions are aligned with our pledge to promote sustainability and environmental consciousness, and we take pride in supporting a greener planet.



Transitioning to Electric Vehicles: Replacing Diesel Commercial Vans with Clean Energy

As part of efforts to reduce carbon emissions and promote sustainable transportation, we have planned to replace commercial diesel vans with electric vehicles in our headquarter. The initiative will be supported by the New Energy Transport Fund, which will provide funding for the purchase of electric vehicles. The plan is set to take effect in June 2022, with the electric vehicles expected to be delivered by September 2023. As of March 2023, the initiative is in the tendering phase, with stakeholders working to ensure transparency and efficiency during the procurement process. The move to electric vehicles will not only help to reduce emissions but will also promote the use of clean energy in the transportation sector.

We are committed to reducing our carbon footprint in our business operations. To achieve this goal, we have been actively enhancing our energy efficiency practices, monitoring energy usage, and encouraging environmental consciousness among our staff. Our Board of Directors or its delegated committee conducts yearly assessments of our progress towards achieving our reduction targets, analysing the sources of GHG emissions and energy consumption, as well as identifying areas for improvement in various operations. In the fiscal year 2020/21, we established GHG emission targets that encompass all of our Group operations, with a base year of FY2020/21. We are on track towards achieving our environmental targets.

Aspects	Base year	Progress as of FY2022/23	Long-term Targets (by FY2030/31)
GHG emissions intensity (per tonne of production volume)	2020/21	↓11.2%	↓20%

GHG Emissions by Scope



Our production processes have shown a decline in production volume due to market demand, resulting in an unfortunate increase in emission intensity. To mitigate this issue, we are proactively implementing more efficient production methods and exploring alternative energy sources to enhance our environmental performance.

Energy and Water Efficiency Initiatives

The judicious utilisation of resources is a cornerstone of sustainable development. We are steadfast in our efforts to conserve natural resources across all aspects of our business, encompassing both our production facilities and office operations. Furthermore, we actively advocate for our contractors, suppliers, and customers to adopt similar resource-conscious practices. Recognising the considerable energy consumption inherent in metal production processes, we place a strong emphasis on energy conservation and emissions reduction. To this end, the Group champions a multifaceted strategy for environmentally-conscious operations that encompasses the following:

- Replace current equipment with energy-efficient alternatives to lower energy usage
- Conduct routine equipment check-ups to enhance operational efficiency
- Conduct periodical leak checks on air conditioning units and company vehicles to minimize energy usage

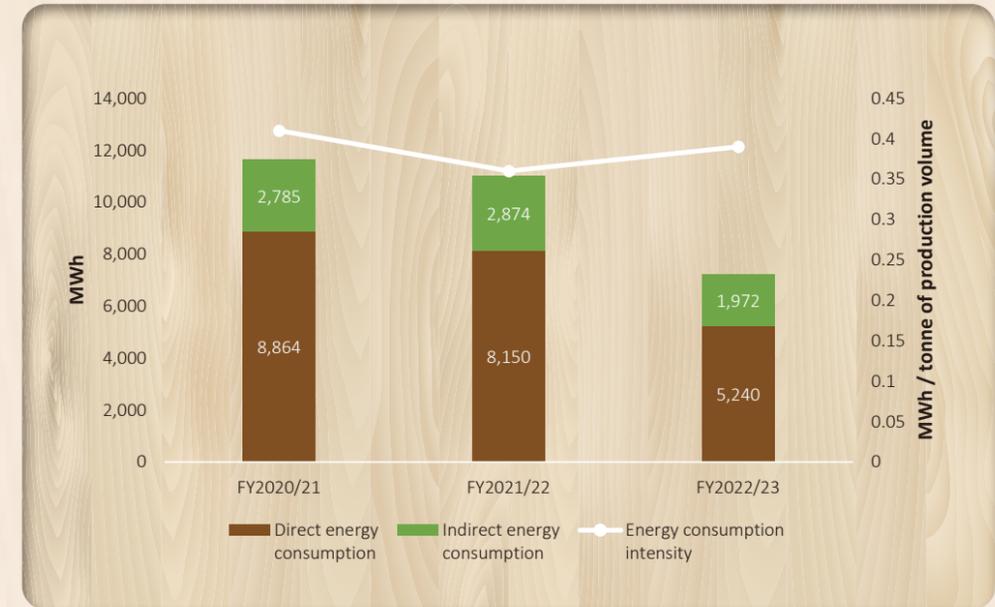
In order to ensure optimal efficiency of these systems, we regularly perform maintenance and cleaning of fan coil units and filters. Additionally, we conduct periodic inspections of air conditioning systems and company vehicles to minimise energy usage and resulting emissions. Furthermore, we are actively working towards improving energy efficiency in our offices by progressively replacing fluorescent lighting with more energy-efficient LED fixtures.

Reducing Carbon Footprint and Electricity Costs with Permanent Magnet Frequency Conversion Air Compressors

Adopting permanent magnet frequency conversion air compressors in lieu of conventional air compressors is a prudent strategy for diminishing energy consumption and curbing electricity expenses. These advanced compressors employ state-of-the-art technology to modulate their velocity and power output in accordance with the actual demand for compressed air. During this reporting period, we have phased out two conventional air compressors and replaced them with a permanent magnet frequency conversion air compressor, which has yielded a 20% decrease in energy usage compared to its predecessors. Given the ever-growing emphasis on sustainability and energy efficiency, investing in permanent magnet frequency conversion air compressors is a judicious decision towards fulfilling our carbon and energy reduction objectives.

Aspects	Base year	Progress as of FY2022/23	Medium-term Targets (by FY2025/26)
Energy consumption intensity (per tonne of production volume)	2020/21	↓6%	↓15%

Energy Consumption



Our production volume declined in comparison to the prior year, leading to the increase in energy consumption intensity per tonnes of production. This was attributed to fixed energy consumption and idle time during production downtime. To address this, we've invested in energy-efficient technologies, optimized our production processes, and enhanced our equipment maintenance procedures. These actions are aimed at achieving our medium-term target of reducing energy consumption intensity by 15% by FY2025/26.

The Group consumes water resources mainly for metal cooling in our processes. Recognising that the availability of clean water is an ongoing global concern, we strive to use freshwater resources wisely while performing sound water management practices, although the Group does not operate in water-stressed regions and faces no issues with water sourcing.

Revolutionizing Metal Cooling Processes with Innovative Water Bath Technology

During the reporting period, our mist-spraying open-loop water cooling systems have proven successful in achieving the desired strength and durability of metals through cooling. We have since upgraded our cooling system to a closed loop system, which employs a water bath for cooling purposes. The benefits of this system include heightened efficiency and environmental sustainability, as it eliminates water waste and excessive mist production. Moreover, closed-loop systems can be automated to achieve greater precision and consistency in the cooling process.

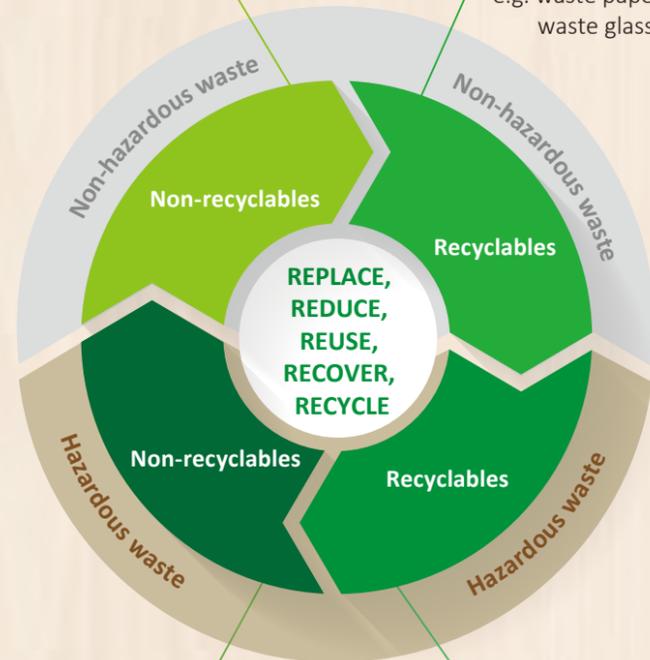


Implementation of a Sustainable Storm Water Collection System at our Headquarters

We have successfully established a stormwater collection system at our headquarter. This system is designed to collect rainwater from different surfaces, such as rooftops and paved areas, which is then stored in tanks. The collected water is utilised for non-potable purposes, including flushing toilets. This initiative aims to conserve freshwater resources and reduce the demand for municipal water systems during peak periods. By implementing such systems, we demonstrate our dedication to self-sufficiency and sustainability in water usage while also minimising our environmental impact.



- Collected by the government’s sanitary division
- e.g. general refuse
- Collected by qualified handlers for recycling
- e.g. waste paper, used plastic bottles, waste glass



- Collected by qualified handlers for disposal
- e.g. waste oil, chemical waste, waste batteries
- Collected by the manufacturer for remanufacturing
- e.g. empty toner cartridge

Waste Management Practices

Our waste management strategy is based on the “5R” framework, which includes Replace, Reduce, Reuse, Recover and Recycle. We collaborate with employees, contractors, and suppliers to encourage waste minimisation at the source and the adoption of recycled materials. The Group endeavours to reduce the amount of waste we produce and maximise the utilisation of reuse or recycling methods. We strictly comply with local regulations governing the treatment and disposal of hazardous waste. Furthermore, we conduct regular monitoring of our waste generation, including both solid and liquid waste, and track the recycling process at our facilities.

Reduce

In our ongoing pursuit of sustainable solutions, we emphasise the importance of minimising material consumption and waste generation throughout the production process.

- **Precision Material Management:** Implementing accurate calculations of material requirements, combined with expert tool arrangement and tool usage, can significantly enhance the processing quality of materials. Emphasising tool maintenance and proper handling can further contribute to reduced waste and improved efficiency in production.
- **Innovative Diecasting Technology:** We have pioneered a new technology for the diecasting process specifically tailored to the needs of the zinc diecasting industry. This groundbreaking innovation significantly reduces both material consumption and waste generation throughout the production process. Consequently, diecasting companies utilising this technology not only benefit from substantial material savings but also effectively decrease their products’ carbon emissions.

Recycle

We emphasise the importance of promoting a circular economy within our organisation. To further these objectives, we have implemented the following recycling initiatives across our operations:

- **Scrap Metal Recycling:** After steel bar testing, we collect scrap metal for recycling purposes. During the reporting year, we successfully recovered a total of 35,742 kg of metals, contributing to a more sustainable use of resources.
- **Industrial Waste Recycling:** We ensure that used lubricant oil generated from our production equipment are responsibly managed. These materials are collected and recycled by licensed waste collectors, mitigating their environmental impact.

- **Office Waste Recycling:** To minimise the waste generated in our office environments, we actively recycle common waste items such as paper, plastic, metal cans, glass, beverage cartons, and toner cartridges, diverting these materials from landfills and reducing our overall waste footprint. Also, after the Lunar New Year holiday, we actively participated in the Hong Kong Environmental Protection Department’s Peach Blossom Trees Recycling Programme. This initiative supports the responsible disposal and recycling of peach blossom trees, reducing the environmental impact of these seasonal decorations and promoting a culture of sustainability within our organisation. Every year, we have also promoted the recycling activities of used desk calendars, which after collection will be classified into paper and metal for recycling.

► **Proper Handling of Hazardous and Non-hazardous Waste**

Dedicated to minimising our impact on the environment and natural resources, we have implemented a wide range of measures to ensure the storage, handling and disposal of all hazardous and non-hazardous waste arising from our operations are in strict compliance with relevant laws and regulations, such as:

- Properly pack, label and store all spent acid after chemical analysis, and entrust licensed handler for collection and treatment.
- For microbiological waste, expired and contaminated labware generated from the microbiological test is sterilised by autoclave for 30 minutes at 121 degrees centigrade before disposal to avoid environmental exposure to labware contaminated with bacteria.

8.2. Digital Transformation and Automation

In our commitment to sustainable growth and environmental responsibility, we recognise the transformative potential of digital technologies and automation in shaping the future of manufacturing and management. As we continue to innovate and adapt, integrating these advancements into our operations is essential to minimising our environmental footprint, optimising resource utilisation, and fostering a more sustainable work environment.

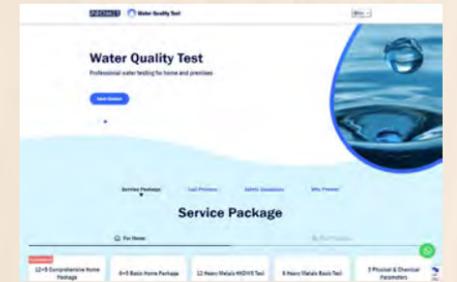
Digital transformation enables us to harness the power of data analytics to streamline operations and drive informed decision-making. By leveraging these technologies, we can improve visibility across our supply chain, enhance manufacturing processes, and identify opportunities for greater efficiency and sustainability.



Embracing Automation: E-Commerce and Virtual Event Platforms

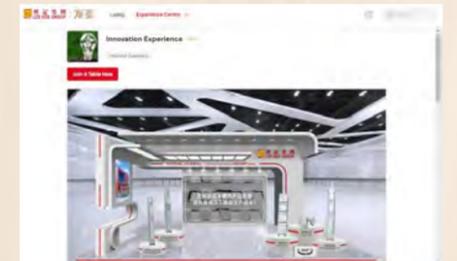
E-Commerce and Data Analytics:

We have launched and enhanced our e-commerce platform for Promet Water Testing equipped with advanced data analytics capabilities. By analysing customer behaviour, we can better understand their preferences and needs, allowing us to tailor our offerings and optimise our marketing strategies.



Virtual Event Platform:

Recognising the growing demand for online experiences in the new normal, we have developed and launched a virtual event platform that enriches customer relationship building. This digital solution allows us to engage with our customers in a more interactive and immersive way while leveraging user behaviour data to continuously improve our services.



By embracing this virtual approach, we can reduce the environmental impact associated with traditional in-person events, such as travel-related emissions and resource consumption, ultimately contributing to our overall sustainability efforts.

Automation plays a crucial role in our sustainability efforts by replacing repetitive, time-consuming, or hazardous tasks with advanced technologies such as robotics and computer-aided manufacturing. This transition not only boosts efficiency and precision but also promotes worker safety and job satisfaction, contributing to a more sustainable work environment.

Digital Transformation: Advancements in Casting Facilities and Industry 4.0 Integration

New Casting Facilities with Robotic Arm & Industry 4.0 Integration in Hong Kong Plant:

We have implemented state-of-the-art casting facilities featuring auto-skimming and auto-stacking robotic arms, which serve to improve worker safety by reducing exposure to hazardous tasks. In addition, this automation technology contributes to increased process stability and enhanced product quality.

Also, our new casting facilities are fully integrated into the Industry 4.0 system, enabling real-time data collection and analysis of process parameters. This advanced connectivity and data-driven decision-making facilitate ongoing performance monitoring, early identification of abnormalities, and timely warnings to address potential issues proactively.

Automated Ingot Casting Facilities in Ningbo Plant:

In December 2022, we added automated ingot casting facilities to our workshop, encompassing automatic skimming, demolding, cooling, and stacking. These facilities were put into production in February 2023, and we are currently in the process of upgrading and debugging the system to ensure optimal performance and efficiency.

8.3. Occupational Health and Safety

OHS Targets

- The number of accidents is not more than 4 cases in a year
- Zero fatal & serious accident
- Safety training obtain 90% achievement according to the yearly safety management plan
- Safety inspection obtain 90% achievement according to the yearly safety management plan

OHS Performance

- 0 Work-related fatalities in the past three years
- 201 Lost days due to work injuries

Health and Safety Management



Lee Kee upholds the safety and health of all employees as an utmost priority in its operations. We firmly believe that a successful and sustainable organisation must prioritise the wellbeing of its workforce, and we have implemented a robust health and safety management system to ensure that our employees can work in a safe and secure environment.

Our Occupational Health and Safety (OHS) Policy outlines our commitments and objectives in maintaining high standards of occupational health and safety in accordance with relevant laws and regulations. Top management plays a crucial role in this process, as their responsibilities include maintaining and continually improving the OHS management system to prevent work-related injuries, providing a framework for setting OHS objectives, eliminating hazards, and reducing OHS risks, among others.

To further demonstrate our dedication to employee wellbeing, our Hong Kong operation has implemented a comprehensive system for mitigating and controlling OHS risks, which is certified under the ISO 45001:2018 standard. This internationally recognised certification attests to our rigorous approach to health and safety management, as well as our ongoing efforts to ensure the highest level of safety and wellbeing for our employees.

During the reporting period, there were three work-related injuries were recorded due to a laceration, a fall from a working ladder, and a fall on stairs respectively. The incidents were expeditiously scrutinized, and comprehensive reports were generated inclusive of root cause analysis, corrective actions, and improvements, which were shared

with our employees. Concurrently, the corresponding operational protocols were thoroughly evaluated, and appropriate measures were implemented to ensure the well-being of our employees, who are integral to our business operations.

Safety Committee: Fostering a Culture of Safety and Accountability

In our Hong Kong operations, we have established a Safety Committee to ensure a strong focus on OHS throughout our organisation. Chaired by the Associate Production Director, the Safety Committee holds monthly meetings to discuss and review accidents, follow up on safety issues and reporting, evaluate safety inspection findings, review safety briefings and agreements with contractors, and share essential safety information. By maintaining open channels of communication and encouraging a collaborative approach to safety management, we strive to foster a culture of accountability and continuous improvement in OHS practices.

Health and Safety Inspections: Proactive Monitoring and Risk Mitigation

As part of our commitment to maintaining a safe working environment, we conduct monthly health and safety inspections. These inspections involve surveying working sites to identify potential safety, environmental, and 5S issues that may pose risks to our workers. Upon identifying any concerns, the responsible departments are required to follow up on the case within a specific period according to its risk level. This proactive approach to monitoring and risk mitigation allows us to address potential hazards promptly and maintain a high standard of safety across our operations.

Emergency Preparedness and Contingency Plan: Enhancing Resilience and Responsiveness

In our commitment to safeguarding health and safety across our value chain, we recognise the importance of emergency preparedness and have established robust contingency planning and emergency drills. Our Contingency Plan sets out the essential requirements and instructions for enhancing emergency preparedness and handling potential OHS emergencies effectively. The planned responses are communicated to workers, contractors, visitors, emergency response service providers, government authorities, and the local community as appropriate.

As stipulated in our Contingency Plan, responsible departments are expected to perform tests and maintain proper testing records to identify existing problems and potential room for improvement. While most contingency plans are tested for effectiveness annually, cybersecurity plans are tested every three years. By regularly reviewing and evaluating testing performance, we ensure the effectiveness of our contingency procedures and revise plans as necessary following testing or the occurrence of emergency situations.

Health and Safety Standards for Suppliers: Extending Our Commitment to the Value Chain

To ensure high OHS standards are maintained across our entire value chain, we have implemented a pre-screening process for suppliers, assessing their safety performance and risks through a supplier questionnaire. Furthermore, contractors are required to sign a safety agreement before commencing work with our organisation. This approach not only safeguards our employees but also promotes a culture of safety and responsibility among our suppliers and partners, contributing to the overall sustainability and ethical performance of our business operations.

Safety Training: Empowering Employees with Knowledge and Skills

As part of our commitment to maintaining a safe working environment and fostering a culture of responsibility, we provide comprehensive safety training to all relevant staff. This includes forklift training and chemical handling training, which equip our employees with the necessary skills and knowledge to perform their tasks safely and efficiently.

In our Hong Kong operation, we organised fire safety training during the reporting year to ensure compliance with required standards and to strengthen the fire safety knowledge of our employees. The training provided information on the latest escape routes, precautions for escape in case of fire accidents and chemical leakages, and the use of fire extinguishers and hose reel systems. Representatives from the Fire Services Department were also invited to share their expertise on fire safety in our fire prevention talks.

Similarly, in our Shenzhen operation, we conducted two fire safety training sessions during the reporting year to enhance employee awareness and preparedness. By investing in fire safety education and training, we demonstrate our commitment to maintaining a safe working environment and empowering our employees with the knowledge and skills necessary to respond effectively in emergency situations.

COVID-19 Precaution: Proactive Measures to Safeguard Employee Health

In response to the COVID-19 pandemic, we have established a comprehensive set of guidelines titled “COVID-19 Guidance on Control and Response Measures.” These guidelines cover visitors and contractors, ensuring that everyone who enters our facilities is aware of and adheres to our safety protocols. To further protect our employees, we have also procured essential prevention and control materials, including masks, disinfectant wipes, and disinfectants, for their use.

Promet’s Water Testing Services: Protecting Public Health and Raising Awareness

At Promet, we are dedicated to protecting public health by offering a comprehensive suite of water testing services. Our water testing capabilities encompass heavy metals, chemical and physical parameters, and microbiological water analysis, ensuring the accurate assessment of water quality and safety.

Recognising the importance of water safety awareness and the protection of student health, we have extended our commitment to the community by providing free water testing services to schools in the Tai Po district. This initiative not only helps safeguard

the wellbeing of students and staff but also raises awareness about the significance of water quality and the need for regular testing.

Through our water testing services and community outreach efforts, we aim to foster a culture of vigilance and responsibility towards water safety, ultimately contributing to the overall sustainability and wellbeing of our society.

09

RESPONSIBLE SOURCING



In this chapter, we highlight our unwavering commitment to ethical and sustainable procurement practices throughout our supply chain. We outline our efforts to ensure the responsible sourcing of raw materials and products, engage with suppliers who share our sustainability values, and promote transparency and accountability in our operations. By adhering to stringent ESG standards, we work towards minimising our impact and fostering a more responsible and resilient supply chain that benefits all stakeholders.

9.1. Supply Chain Management

Lee Kee recognises the crucial role suppliers play as partners in our business and prioritises fair and transparent cooperation with them. We understand that the long-term stability and resilience of our supply chain are vital to the smooth operation of our business. To ensure that our suppliers meet our high standards, we have established protocols to monitor and evaluate their environmental and social management practices, in addition to assessing the quality of their products and services. We are committed to working with suppliers and business partners who share our values of environmental and social responsibility.

As such, we prefer to partner with suppliers who hold certifications such as ISO 14001 Environmental Management System or who have signed our Environmental Support Statement. Our dedication to maintaining a sustainable and ethical supply chain reflects our commitment to conducting business in a manner that benefits all stakeholders.



Our supply chain management framework is a comprehensive approach that aims to guarantee sustainability across our supply chain. This framework is crafted to evaluate and appraise risks in our supply chain, scrutinise suppliers' adherence to our sustainability prerequisites, and establish robust partnerships with suppliers to augment sustainability performance. Our objective in implementing this framework is to abate the environmental and social impact of our activities and instil ethical practices within our supply chain. We firmly believe that the triumph of the Group is intimately associated with the sustainability of our supply chain, and we are steadfastly devoted to perpetually bettering our practices in this regard.

As an Established Member of the Green Council's Sustainable Procurement Charter since 2021, we pledge to put into practice responsible sourcing procedures with reference to ISO 20400 Sustainable Procurement Guidance. Additionally, we actively engage in industry association-organised metal conferences to exchange information on industry best practices along the entire supply chain. These efforts underscore our commitment to sustainability throughout our supply chain and our commitment to continually improving our sustainability practices. We are exploring collaborations along the supply chain to promote and strengthen sustainability.

Supplier Selection and Evaluation Process

With the mission of being a leader in the metals industry, we recognise the importance of sustainability impacts across our value chain.

In Hong Kong, our Supplier Questionnaire Checklist helps to identify and mitigate potential environmental and social risks along our supply chain. Preference is given to companies holding related ISO certificates and other documents pertaining to quality. Setting out specific requirements for suppliers to support our environmental, social and business objectives. Our Supplier Questionnaire Checklist has been using in our headquarter, Shenzhen and Wuxi operations. It articulates our responsible procurement practices. They are:



Prior to engaging with us, suppliers within our scope of assessment must demonstrate their commitment to these values by either obtaining ISO 14001 certification or signing a Supplier Environmental Support Statement.

- In Hong Kong and Ningbo, suppliers are required to sign an agreement dedicated to environmental protection before commencing work with us.
- In Ningbo, they must also sign additional documents, including the Raw Material Non-Radioactive Substance Certificate, the Integrity Commitment, and the Environmental, Occupational Health and Safety Protection Agreement, in addition to the environmental protection agreement.

- Our operations in Shenzhen and Wuxi mandate suppliers to complete a comprehensive questionnaire that covers both environmental and social aspects. It is mandatory for suppliers of raw materials and products to comply with these requirements.
- We are in the process of creating a supplier audit assessment form for our Shenzhen and Wuxi branches, covering areas on human rights, living wage, occupational health and safety, anti-discrimination and environmental management system.

In line with our commitment, we will continue to implement the same supplier assessment approach for our suppliers in raw materials and products throughout our operations. This will enable us to establish a consistent and unified approach to supplier management, further strengthening our ability to mitigate risks and ensure the ethical production of our products and services.

Supplier Performance Monitoring and Assessment

We highly value responsible supply chain management, which entails rigorous oversight of our suppliers' ESG practices and performance. We conduct annual reviews of our approved suppliers to ensure their compliance with our standards for quality, pricing, service delivery, legal and regulatory compliance, and environmental and occupational health and safety management, as well as relevant certifications. Our review process is designed to identify and mitigate any regulatory, environmental, or social risks that may arise in our supply chain. Our subsidiaries conduct these evaluations, which are then submitted to our headquarters for approval.

We prioritise the production of superior quality products and services that are ethically produced, and any supplier failing to meet these standards will be expected to provide a remedial plan or face termination.

To ensure that our employees are knowledgeable about our supply chain management criteria, we provide regular training sessions. Our staff are trained on how to recognise and comprehend the hazards linked to supplier interaction, such as the exploitation of child labour and adherence to labour laws. This equips our employees with the knowledge to make informed choices when dealing with suppliers and to mitigate any possible threats. By establishing strong partnerships with our suppliers and ensuring that they align with our ethos and meet our standards, we are able to maintain our ledge to ethical and sustainable business practices.

9.2. Conflict Minerals

The Group is fully committed to upholding responsible mineral sourcing practices in accordance with the Organisation for Economic Cooperation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We acknowledge the potential risks associated with conflicted minerals and remain dedicated to maintaining a conflict-free supply chain. Our Hong Kong, Shenzhen and Wuxi offices have assessed suppliers for conflicted minerals to confirm that all obtained materials are free from conflict and human right abuses. We will continue to strive for responsible mineral sourcing practices as we understand very well the importance to identifies high risk suppliers and supports sourcing practices through engagement. We take pride in the traceability and origin tracking of raw materials in our supply chain, promoting transparency and accountability.

Our primary objective is to ensure that our supply chain is free from conflict minerals and materials sourced from conflict-affected areas. To achieve this goal, we have put in place specific requirements for our supply chain, which include a declaration of conflict minerals in raw materials and a screening process to prevent the sourcing of materials from conflict regions. We ensured that our suppliers in our Hong Kong office dealing with related metals completed a questionnaire indicating the absence of conflicted minerals. We have taken a firm stance against conflict metals, such as gold, tantalum, tungsten, and tin, from mines in conflict regions in the Democratic Republic of Congo that are controlled by non-government military groups or unlawful military factions. Our Supplier Questionnaire outlines these requirements, and our unwavering commitment to responsible sourcing practices is demonstrated through our strict adherence to these guidelines.

10

RESPONSIBLE BUSINESS OPERATIONS



At Lee Kee, we recognise that responsible business operations serve as the cornerstone of our sustainability strategy framework, enabling us to excel across our key pillars of product innovation, sustainable manufacturing, and responsible sourcing. As a leading non-ferrous metal company, we are deeply committed to fostering a culture of business ethics, investing in human capital development, and actively engaging with our communities. These three interconnected dimensions of responsible business operations reinforce our dedication to ESG excellence, driving our long-term success and ensuring that we create a positive and lasting impact on society and the environment.

10.1. Business Ethics

To ensure responsible business operations, the Group places a high priority on business ethics and exercises strict oversight of the business processes. We are committed to incorporating business ethics throughout the Group's structure and building high standards of ethical behaviour from the inside out. From our employees to our suppliers, we use a variety of approaches to ensure that all employees are involved in our monitoring procedure.

Anti-corruption: Upholding Ethical Conduct and Fostering Transparency

Our Group is steadfast in our commitment to maintaining high standards of ethical conduct throughout our operations and value chain. Our Code of Conduct and Employee Handbook serve as comprehensive guides outlining our anti-corruption policies, which all employees must adhere to. To make certain familiarity with these policies and our expectations for ethical conduct, our Human Resources Department conducts mandatory internal training for all new employees.

Furthermore, we prioritise ongoing education and awareness by inviting the Independent Commission Against Corruption to deliver annual anti-corruption training sessions at our Hong Kong office. In addition to fostering a culture of integrity within our organisation, we extend this commitment to our suppliers. We ensure their adherence to ethical standards through the use of a supplier questionnaire checklist, promoting transparency and accountability within our value chain.

During the reporting year, there have been no reported cases of non-compliance relating to bribery, extortion, fraud, or money laundering.

Safeguarding Intellectual Property and Ensuring Information Security

Our Group understands the importance of intellectual property (IP) protection and information security in maintaining a sustainable and competitive business. Our intellectual property policies are outlined in our Employee Handbook, which requires employees to act in accordance with the information security measures set forth, including compliance with relevant copyright laws, appropriate use of computer software for business purposes, and taking security precautions when accessing the company network.

To further guide our employees, we adhere to the "Code of Practice for the Use of Company Computers" and "Software Use Policy", ensuring responsible and secure use of company resources. We also exercise strict control over content IP and confidential information, implementing Non-Disclosure Agreements (NDAs) with suppliers before engaging in projects, such as the development of Promet's Online Defect Diagnosis website and other promotion-related items.

Whistleblowing: Fostering Transparency and Accountability

Lee Kee recognises the importance of whistleblowing in promoting transparency, accountability, and ethical conduct across the organisation. We have established a robust whistleblowing policy, providing employees and external parties with a confidential channel to report any potential instances of malpractice or impropriety to our senior management or Audit Committee.



We offer the option for anonymous reporting and are committed to treating all disclosures with sensitivity and confidentiality. This policy encourages open communication and cooperation among employees, outside parties, and management, enabling us to collectively address and resolve any concerns and prevent further misconduct.

10.2. Human Capital Development

The Group adheres to a people-oriented approach and values our employees as our important human resources. We have developed a detailed and comprehensive Employee Handbook, which aims to protect the basic rights and interests of our employees. In addition to this, we also have regulations governing our employees and provide a comprehensive training system to ensure that our talents are developed in a compliant and appropriate manner. During the reporting period, the Group did not have any labour violations or employment cases in breach of labour guidelines.



Talent Recruitment and Management: Ensuring Equality, Fairness, and Employee Growth

Our Group is dedicated to offering equal opportunities and fair treatment to all our employees and job candidates, fostering a diverse and inclusive work environment. As outlined in our Employee Handbook, we extend equal opportunities to all, regardless of race, gender, religion, age, marital status, disability, or nationality, throughout the recruitment and employment process.

We have implemented a robust recruitment screening process to reinforce our commitment to fair employment practices. In terms of promotion, we provide our employees with opportunities to realise their potential and recognise their outstanding performance. Our Employee Handbook sets out the criteria for promotion, requiring employees to meet specified goals and objectives and demonstrate the ability to handle a higher position with increased responsibilities. All promotions must be recommended by the employee’s respective department head and receive senior approval. Our HR & Admin Department reviews and endorses all promotion and salary recommendations to ensure fairness and consistency.

Our Employee Handbook also outlines the conditions and procedures for terminating employment contracts and safeguarding the rights and interests of our employees. We carefully evaluate and consider employee feedback to continuously improve our employment practices.

Recognising the importance of open dialogue within our organisation, we encourage transparent communication between employees and management. Performance appraisals serve not only as a tool for measuring and assessing employee performance but also as a platform for two-way communication, enabling employees to gain a clear understanding of performance expectations and plan for future career development. The results of these appraisals contribute to bonus sharing, salary adjustments, promotions, transfers, and the overall career development of our employees.

Training and Development

The development and growth of employees are indispensable to the continuous development of our business. Therefore, we continuously deploy resources and provide employees with extensive training opportunities to keep our people abreast of the latest developments in the industry and enhance their knowledge and performance.

We have set out the six guiding principles in General Training and Development Policy in our Employee Handbook to guide the implementation of training and development programs.

	<ul style="list-style-type: none"> Provide induction training for new employees and for those newly transferred to different departments
	<ul style="list-style-type: none"> Ensure appropriate in-house and external training, enabling individuals to keep up with satisfactory job performance
	<ul style="list-style-type: none"> Encourage staff to join external courses for employees’ career development
	<ul style="list-style-type: none"> Provide training required by those selected for promotion so that they are appropriately prepared for their new responsibilities
	<ul style="list-style-type: none"> Provide sponsorship/subsidy to encourage employees to further study and well-equip themselves to take challenges ahead
	<ul style="list-style-type: none"> Encourage learning sharing among Lee Kee members

Job-specific Training

A wide variety of training programs are provided to employees at different levels and positions according to their needs and our development requirements. For instance, all new joiners are required to attend the New Hire Orientation on topics such as corporate culture, general policies and office rules, confidentiality and anti-corruption, safety and information technology. To ensure the training quality, employees are required to complete an Employee Training Feedback Questionnaire for the purpose of course effectiveness evaluation and continuous improvement of our training program.

Support Employee’s Career Advancement

To motivate our employees to pursue career development, our employees may reimburse expenses upon satisfactory completion of any work-related course or modules for long-term programs leading to a formal academic certificate.

Subsidy provided for the associate to join the workshop on the job-related initiative, such as “Data Protection in Direct Marketing Activities” by Hong Kong Privacy Commissioner for Personal Data to Marketing staff to train their marketing knowledge.

Diversity, Equal Opportunity, and Non-discrimination: Fostering an Inclusive and Respectful Workplace

At Lee Kee, we recognise the value of a diverse workforce in driving our business operations and success. We are committed to creating and maintaining a workplace that is free from discrimination and harassment, ensuring equal opportunities for all our employees. As outlined in our Code of Conduct, we strictly prohibit any form of discrimination, harassment, or vilification and require our employees to comply with all relevant laws and regulations.

To raise awareness and reinforce our commitment, we provide seminars to educate our employees and mandate that they familiarise themselves with the rules and regulations set forth in our Code of Conduct. Our Group enforces a zero-tolerance policy for discrimination or harassment in the workplace.

We continuously review our policies, welcoming suggestions or questions from our employees at any time. Employees are encouraged to report any suspected discrimination to the Human Resources and Administration Department through our internal grievance procedure. All complaints are treated with the utmost confidentiality, and any violations of laws, regulations, or Lee Kee’s policies will be subject to disciplinary actions or dismissal.

Employee Benefits and Wellbeing: Valuing Our Workforce and Supporting Their Needs



At the heart of our organisation lies our commitment to the wellbeing and satisfaction of our employees. We are guided by three key principles — Fairness and Consistency, Pay for Performance, and Market Competitiveness — to provide equitable remuneration that reflects the responsibility and performance of our employees, thereby attracting and retaining top talent. Our Employee Handbook outlines the principles and structure of our remuneration policy.

To ensure that our salary offerings align with market standards, we conduct annual reviews of pay adjustments, taking into account the performance of our business, current market trends, economic conditions, and the performance and potential of our employees. We offer competitive remuneration packages that recognise our employees’ contributions. All regular full-time employees who have completed a full year’s service are eligible for a discretionary performance bonus according to our policy.

In addition to statutory holidays, we provide a range of leaves, including annual, sick, marriage, maternity, bereavement, paternity, and examination leaves, to accommodate our employees’ diverse needs.



Upon successful completion of their probationary period, all permanent full-time employees are entitled to join our Group Medical Scheme, which covers outpatient and inpatient services. We also provide travel insurance for employees during authorised business travel outside their place of employment, offering additional protection. Our Long Service Award program recognises employees for their dedication, commitment, and loyalty to Lee Kee.

Our Employee Handbook stipulates working hour requirements, and eligible employees are entitled to overtime allowance with prior authorisation from their supervisors. We also offer compensatory leave for eligible employees who work on rest days, holidays, or during inclement weather, ensuring their efforts are fairly rewarded. Furthermore, we provide flexible office options, allowing employees to work remotely from home during the pandemic or in cases of adverse weather conditions.

Respect for Human Rights

At Lee Kee, we are deeply committed to protecting the rights and interests of our employees and actively work to ensure that our business operations adhere to the highest ethical labour standards. We strictly prohibit the use of child labour and forced labour in compliance with all applicable laws and regulations pertaining to the prevention of such practices.

Our internal recruitment regulations and procedures, overseen by the HR & Admin Department, reflect our commitment to upholding human rights. We diligently inspect the identification documents of job applicants to confirm they are of legal working age, thereby preventing the employment of underage workers.

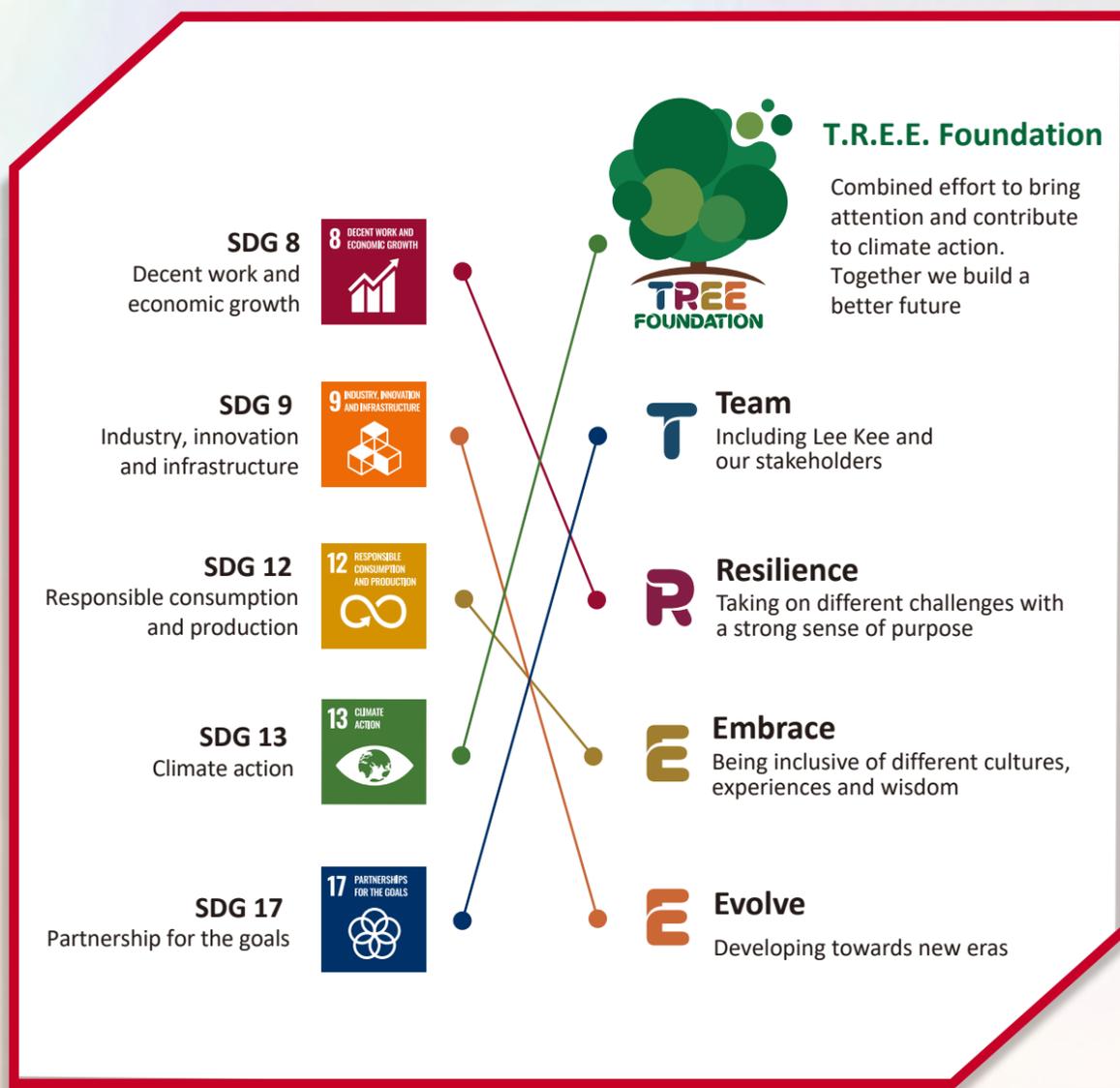
Furthermore, we extend our commitment to ethical labour practices to our supply chain by incorporating our standards into our supplier evaluation criteria. We require our suppliers to adopt and maintain the same labour practices, ensuring that no instances of child labour or forced labour occur at any point across our supply chain.

10.3. Community Engagement

We deeply understand that corporate social responsibility is a crucial element in the continuous development of a corporate. Under the unprecedented challenge in the year, we are more aware of the concept of symbiosis. In order to encourage us to be more proactive in our future direction, we have restructured the CSR Committee to T.R.E.E. Foundation with the following core values and elements.



The T.R.E.E. Foundation’s mandate is to foster corporate social responsibility and encourage a more proactive approach to sustainable development. The foundation is based on fundamental values such as team, resilience, embrace, evolve for the progress towards a better future. Through our collective efforts, we aim to contribute to the fight against climate change and tackle the various challenges confronting our society. Our foundation is aligned with the United Nations Sustainable Development Goals (UNSDGs), and our logo reflects this alignment, with each color representing a different goal and the interlocking branches symbolizing the interconnectedness of our efforts towards sustainable development.



Helping Disadvantaged Groups: Strengthening Community Ties and Promoting Inclusivity

We recognise the importance of supporting disadvantaged groups within our society and actively engage in initiatives that contribute to their wellbeing and empowerment.

- **Site Visits for Schools and Charity Organizations:** As an advanced manufacturing workplace, we invited students with special educational needs (SEN) to a one-day site visit at our Tai Po headquarter. During their visit, they had the opportunity to tour our manufacturing plant and laboratories, allowing them to learn about diverse job functions and working environments. This experience broadened their horizons and encouraged holistic career planning.



- **Donations and Support for Disease Prevention:** Demonstrating our commitment to community health, we donated two cartons of adult masks to Pui Chak Garden, a residential care homes for persons with disabilities (RCHDs), and provided delivery service to assist in distributing the masks, helping prevent diseases among community residents.

- **Supporting Social Enterprises during the Festive Season:** In a show of solidarity with disadvantaged groups and to provide festive care and warmth to our staff, we purchased cakes as Christmas gifts from Dignity Kitchen, food court run by differently-abled and disadvantaged individuals.



- **Promoting Inclusive Online Access:** Our Promet Water Testing website has been accredited with the Web Accessibility Recognition Scheme 2022–2023 - Friendly Website Award. This recognition highlights our efforts in making the internet accessible and fostering a more inclusive society.

Education and Youth Development: Investing in the Future and Fostering Talent

We firmly believe in the importance of education and youth development as key drivers of a sustainable and prosperous society. We actively engage in initiatives that support the advancement of young minds and encourage them to pursue their passions and dreams.

- **Sponsoring Students from Low-Income Families:** We donated to two students from Zhejiang University through the Hong Kong Seagull Scholarship Group Limited. This support enabled the students to successfully complete a one-year course in 2022–2023, helping them achieve their academic dreams despite financial constraints.

- **Nurturing the Next Generation in Sustainable Manufacturing:** We participated in the first-ever Innopreneur Experience Journey, co-organised by FHKI and HKSTP, introducing secondary school students to the latest developments and opportunities in Hong Kong’s industrial and science and technology industries. During the event, two students experienced a workday at Lee Kee, learning about the industry’s skills needs and guiding them in choosing the right subjects.



- **Promoting Sustainability and Community Awareness:** At the Inno Expo@Tai Po event, we showcased a self-produced video on how zinc and aluminium alloys are used in everyday life, along with demonstrations of alloy ingots. This interactive approach allowed students to learn through play while promoting the concept of sustainable development and raising community awareness.



- **Panorama Experience Day:** Staff from our Logistics and Production Departments led 12 youths from Hong Kong Christian Service in the Panorama Experience Day, providing a tour of our office and factory and offering interactive tasks to help them understand our daily operations. This experience broadened their understanding of the metal production industry, inspiring them to explore diverse development paths.



- **Supporting Local Sports:** In collaboration with Tai Po Football Club, we sponsored and co-organised the Youth Cup Tournament of the Lee Kee — Tai Po Youth Football Scheme. This initiative provided football games and training activities to encourage youngsters to learn about football and nurture Hong Kong’s future sports elites.



Environmental Protection: Demonstrating Our Commitment to a Greener Future

- **Sponsoring Tree Plantation Projects:** We sponsored a Tree Plantation project in Bhutan, planting 200 saplings to support local ecosystems and contribute to global reforestation efforts.



- **Promoting Environmental Awareness through Art:** In an effort to raise environmental consciousness, we engaged young photographers from Bhutan to capture the beauty of nature. These photographs were then used as virtual meeting wallpapers, serving as a subtle reminder to meeting participants of our Carbon Emission reduction initiatives and the importance of preserving the environment.



- **Supporting Global Environmental Campaigns:** In response to the United Nations World Water Day and the WWF’s Earth Hour campaign, we organised the “I Love...” Earth Staff Activity to encourage our employees to protect the environment. Through this event, our staff demonstrated their commitment to preserving the Earth by writing Earth notes and expressing their personal pledges to environmental conservation.

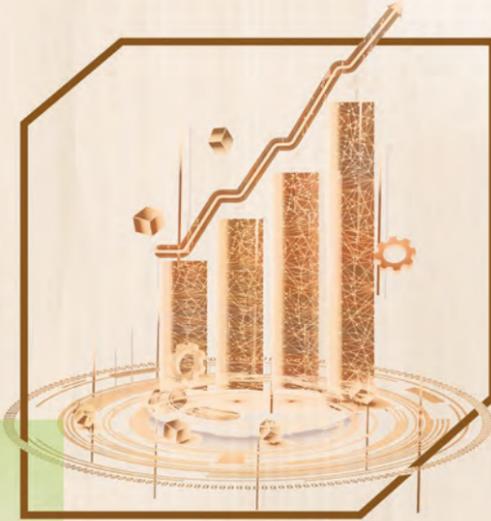
Employee Volunteering: Fostering a Culture of Sustainability and Community Engagement

We actively encourage our staff to engage in volunteer activities that demonstrate our commitment to environmental stewardship and foster a sense of community involvement.

- **Participating in the Green Run 2022 Corporate Team Race:** A team of four staff members from our Group participated in the Green Run 2022 Corporate Team Race, an event designed to promote sportsmanship, environmental awareness, and eco-friendly practices in daily life. In recognition of their efforts, the team received a certificate of appreciation. As a reward for completing the Green Run, the event organiser, Green Council, sponsored our company to purchase a CLP Renewable Energy Certificate (REC) of 1,000 kWh of electricity, further supporting our commitment to clean energy and environmental protection.



11 ENVIRONMENTAL AND SOCIAL PERFORMANCE DATA TABLE



HKEX KPI ²	Unit	FY2022/23	FY2021/22	FY2020/21
A. Environmental³				
A1.2 Greenhouse gas emissions in total and intensity				
Scope 1 emissions ⁴	Tonnes of CO ₂ e	970	1,498	1,692
Scope 2 emissions ⁵	Tonnes of CO ₂ e	848	1,238	1,285
- Total (Scope 1 and 2 emissions)	Tonnes of CO ₂ e	1,817 ⁶	2,736	2,977
- Intensity	Tonnes of CO ₂ e / tonnes of production volume	0.097	0.090	0.11
A1.3⁷ Total hazardous waste produced				
Mix of hydrochloric acid and nitric acid				
- Total	Litres of waste produced	80.0 ⁸	42.6	117.1
- Intensity	Litre of waste produced / tonnes of production volume	0.0043	0.0014	0.0041
Hydrofluoric acid				
- Total	Litres of waste produced	20.0 ⁸	12.4	21.8
- Intensity	Litre of waste produced / tonnes of production volume	0.00107	0.00040	0.00077
Waste lead-acid battery				
- Total	Kg of waste produced	0.0 ⁹	156.0 ¹⁰	—
- Intensity	Kg of waste produced / tonnes of production volume	0.0000	0.0050	—
Total hazardous waste recycled				
Empty toner cartridges				
- Total	Number of waste recycled	5 ¹¹	10	20
- Intensity	Number of waste recycled / tonnes of production volume	0.00027	0.00032	0.00071
Light tube¹²				
- Total	Kg of waste recycled	0.0 ¹³	26.3	8.1
- Intensity	Kg of waste recycled / tonnes of production volume	0.00000	0.00085	0.00029
A1.4¹⁴ Total non-hazardous waste produced				
General waste¹⁵				
- Total	Tonnes of waste produced	45.1	53.9	150.1
- Intensity	Tonnes of waste produced / tonnes of production volume	0.0024	0.0017	0.0053
Total non-hazardous waste recycled				
Paper waste				
- Total	Kg of waste recycled	896 ¹⁶	1,270	1,160
- Intensity	Kg of waste recycled / tonnes of production volume	0.048	0.041	0.041
Aluminium can				
- Total	Kg of waste recycled	48.3	40.0	27.5
- Intensity	Kg of waste recycled / tonnes of production volume	0.0026	0.0013	0.0097
Plastic bottles				
- Total	Kg of waste recycled	217.3 ¹⁷	169.2	54.6
- Intensity	Kg of waste recycled / tonnes of production volume	0.0116	0.0055	0.0019
Glass				
- Total	Kg of waste recycled	43.6	43.6	52.1
- Intensity	Kg of waste recycled / tonnes of production volume	0.0023	0.0014	0.0018
Scrap metal				
- Total	Kg of waste recycled	35,742	34,179	33,220
- Intensity	Kg of waste recycled / tonnes of production volume	1.91	1.10	1.17

² Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.

³ The cut-off date of production volume is based on the manufacturing site's ERP system.

⁴ Refers to direct GHG emissions from fuel combustion. The emissions data was calculated based on emission factors adopted from "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX.

⁵ Emissions associated with electricity purchased are calculated based on the latest available emission factors provided by the power companies and national authorities.

⁶ Scope 1 and scope 2 emission reduction is mainly contributed by a decrease in production volume at our operations in Hong Kong and Ningbo.

⁷ Hazardous waste data only includes Hong Kong operations.

⁸ Due to malfunctioning of the metal testing apparatus in FY2021/22, the consumption of acid for testing purposes was reduced. However, in FY2022/23, there was a subsequent increase in acid consumption.

⁹ All lead-acid batteries replaced in FY2021/22 remain operational and functional, without any need for replacement in FY2022/23.

¹⁰ Waste lead-acid battery data was a newly reported item starting from FY2021/22.

¹¹ Our robust efforts to transition towards electronic system have resulted in a reduction in printing needs, thereby leading to a decrease in recycled toner cartridge in FY2022/23.

¹² Light tube data includes fluorescent tubes and light bulbs.

¹³ No light tubes have been recycled in FY2022/23 as the light tubes which require recycling are being temporarily stored and have not yet been provided to a qualified handler for recycling.

¹⁴ Non-hazardous waste data only includes Hong Kong operations, except for recycled scrap metals which include both Hong Kong and Mainland operations.

¹⁵ General waste data includes the municipal waste disposed of at landfills in Hong Kong operations.

¹⁶ Our robust efforts to transition towards electronic system have resulted in a reduction in printing needs, thereby leading to a decrease in paper waste recycled.

¹⁷ In FY2022/23, we have installed additional recycling bin at our office. As a result, a notable improvement in our employees' conscientiousness regarding environmental protection and has led to a significant increase in plastic bottle recycled.

HKEX KPI ²		Unit	FY2022/23	FY2021/22	FY2020/21
A. Environmental³					
A2.1 Energy consumption					
Direct energy consumption (Fuel consumed)					
- Total	'000 kWh	5,240	8,150	8,864	
- Intensity	'000 kWh / tonnes of production volume	0.28	0.27	0.31	
Indirect energy consumption (Purchased electricity and town gas)					
- Total	'000 kWh	1,972	2,874	2,785	
- Intensity	'000 kWh / tonnes of production volume	0.105	0.094	0.100	
Total energy consumption					
- Total	'000 kWh	7,212	11,024	11,649	
- Intensity	'000 kWh / tonnes of production volume	0.39	0.36	0.41	
B. Social					
B1.1 Total workforce					
No. of people					
193					
187					
186					
By employment type					
- Full-time	No. of people	187	183	185	
- Part-time	No. of people	6	4	1	
By gender					
- Male	No. of people	99	95	99	
- Female	No. of people	94	92	87	
By age group					
- Under 30	No. of people	20	18	18	
- 30 to 50	No. of people	116	115	118	
- Over 50	No. of people	57	54	50	
By geographical region					
- Hong Kong	No. of people	112	106	116	
- Greater China (other than Hong Kong)	No. of people	73	74	65	
- Southeast Asia	No. of people	8	7	5	
B1.2 Overall turnover rate¹⁸					
%					
17.6					
27.3					
21.5					
By gender					
- Male	%	17.2	18.9	23.2	
- Female	%	18.1	35.9	19.5	
By age group					
- Under 30	%	35.0	72.2	50.5	
- 30 to 50	%	12.9	27.8	24.6	
- Over 50	%	21.1	11.1	4.0	
By geographical region					
- Hong Kong	%	18.8	22.6	25.0	
- Greater China (other than Hong Kong)	%	12.3	35.1	13.8	
- Southeast Asia	%	50.0	14.3	40.0	
B2.1 Work-related fatalities					
- Number	No. of people	0	0	0	
- Rate	%	0	0	0	
B2.2 Lost days due to work injury					
No. of days					
201					
4					
36					

¹⁸ It is calculated as the "total number of employees leaving employment during the reporting year divided by the total number of employees as of 31 March 2023 and then multiplied by 100%".

HKEX KPI ²		Unit	FY2022/23	FY2021/22	FY2020/21
B3.1 Percentage of employee trained¹⁹					
%					
90.2					
90.9					
83.9					
By gender					
- Male	%	87.9	89.5	81.8	
- Female	%	92.6	92.4	86.2	
By employee category					
- General staff	%	89.6	93.8	86.7	
- Middle manager	%	89.3	91.1	83.7	
- Senior manager	%	100.0	58.3	60.0	
B3.2 Average training hours per employee					
Hours					
17.3					
24.9					
23.9					
By gender					
- Male	Hours	22.3	35.2	35.5	
- Female	Hours	12.1	14.1	10.6	
By employee category					
- General staff	Hours	17.3	25.5	32.0	
- Middle manager	Hours	19.9	28.9	7.0	
- Senior manager	Hours	6.0	2.3	2.5	
B5.1 Number of suppliers by geographical region²⁰					
No. of suppliers					
- Greater China	No. of suppliers	55	37	12	
- Asia (Other than Greater China)	No. of suppliers	15	20	5	
- Rest of the world	No. of suppliers	6	8	3	
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons					
%					
0					
0					
0					
B6.2 Number of products and service-related complaints received					
No. of complaints					
4					
18					
10					
B7.1 Number of concluded legal cases regarding corrupt practices brought against the Company					
No. of cases					
0					
0					
0					
B7.3 Number of anti-corruption training conducted					
No. of training sessions					
4					
6					
—					
Total number of participants who attended the anti-corruption training					
- Employees	No. of people	117	84	—	
- Directors	No. of people	3	3	—	

¹⁹ Including employees who were still working in the Company as of 31 March 2023 only. It is calculated as the "total number of employees who received training divided by the total number of employees as of 31 March 2023 and then multiplied by 100%".

²⁰ The coverage has been extended to incorporate all raw material and product suppliers since FY2021/22. Hence, the data for FY2022/23 and FY2021/22 are not directly comparable to data for FY2020/21. In FY2022/23 supplier list, we have updated with active suppliers within past 2 years only, so the number of suppliers may not be directly comparable with FY2020/2021 and FY2021/2022.

12 MEMBERSHIP

Lee Kee is a member of the following organisations through which we share knowledge and remain up-to-date on the latest industry trends and best practices.

Organisations	
Aluminium Stewardship Initiative	The Association of Construction Materials Laboratories Ltd
Business Environment Council	The Chamber of Hong Kong Listed Companies
Federation of Hong Kong Industries (Groups 2, 4, 7, 19 and 26)	The Chinese General Chamber of Commerce
Hong Kong Association for Testing, Inspection and Certification	The Chinese Manufacturers' Association of Hong Kong
Hong Kong Auto Parts Industry Association	The Hong Kong General Chamber of Commerce
Hong Kong Chinese Importers' & Exporters' Association	The Hong Kong Management Association
Hong Kong Construction Materials Association	The Hong Kong Metals Manufacturers Association
Hong Kong Electrical Appliance Industries Association	The N.T. North District Manufacturers' Association of Hong Kong
Hong Kong Electro-Plating Merchants Association	The Toys Manufacturers' Association of Hong Kong
Hong Kong Foundry Association	上海市壓鑄技術協會
Hong Kong General Building Contractors Association	中山市鎖業協會
Hong Kong Institution of Certified Auditors	中國五金製品協會拉鍊分會
Hong Kong Medical and Healthcare Device Industries Association	中國有色金屬理事會
Hong Kong Metal Merchants Association	中國國際貿易促進委員會中國對外貿易理事會
Hong Kong Mould and Product Technology Association	台北市電器商業同業公會
Hong Kong Plumbing & Sanitary Ware Trade Association	台灣拉鍊工業同業公會
Hong Kong Surface Finishing Society	台灣鎖業暨五金發展協會
Hong Kong Watch Manufacturers Association	彰化縣水五金產業發展協會
International Zinc Association	廣東省拉鍊商會
London Metal Exchange	廣東省家電商會
Thai — Hong Kong Trade Association	廣東省鑄造行業協會

13 RELEVANT LAWS AND REGULATIONS

Aspects	Relevant Laws and Regulations ²¹
<p>Aspect A1: Emissions</p> <p>Air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste</p>	<p>Hong Kong: Noise Control Ordinance (Cap. 400), Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), Air Pollution Control Ordinance (Cap. 311) and Water Pollution Control Ordinance (Cap.358).</p> <p>Mainland: Ningbo Atmospheric Pollution Prevention and Control Regulation (寧波市大氣污染防治條例), Ningbo Environmental Pollution Prevention and Control Regulation (寧波市環境污染防治規定), Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), 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), Production Safety Law of the People's Republic of China (中華人民共和國安全生產法) and Hazardous Chemicals Safety Management Regulation (危險化學品安全管理條例).</p>
<p>Aspect B1: Employment</p> <p>Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare</p>	<p>Hong Kong: Employment Ordinance (Cap. 57), Minimum Wage Ordinance (Cap. 608), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Personal Data (Privacy) Ordinance (Cap. 486), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602) and Inland Revenue Ordinance (Cap. 112).</p> <p>Mainland: Labour Law of the People's Republic of China (中華人民共和國勞動法) and Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法).</p>
<p>Aspect B4: Labour Standards</p> <p>Preventing child and forced labour</p>	<p>Hong Kong: Occupational Safety and Health Ordinance (Cap. 509), Boilers and Pressure Vessels Ordinance (Cap. 56), Factories and Industrial Undertakings Ordinance (Cap. 59), Dangerous Goods Ordinance (Cap. 295) and Prevention and Control of Disease Ordinance (Cap. 599).</p> <p>Mainland: Measures for the Administration of Occupational Health Examination (職業性健康檢查管理規定), Special Rules on the Labour Protection of Female Employees (女職工勞動保護特別規定) and Prevention and Control of Occupational Diseases Law of the People's Republic of China (中華人民共和國職業病防治法).</p>
<p>Aspect B2: Health and Safety</p> <p>Providing a safe working environment and protecting employees from occupational hazards</p>	<p>Hong Kong: Occupational Safety and Health Ordinance (Cap. 509), Boilers and Pressure Vessels Ordinance (Cap. 56), Factories and Industrial Undertakings Ordinance (Cap. 59), Dangerous Goods Ordinance (Cap. 295) and Prevention and Control of Disease Ordinance (Cap. 599).</p> <p>Mainland: Measures for the Administration of Occupational Health Examination (職業性健康檢查管理規定), Special Rules on the Labour Protection of Female Employees (女職工勞動保護特別規定) and Prevention and Control of Occupational Diseases Law of the People's Republic of China (中華人民共和國職業病防治法).</p>

Aspects	Relevant Laws and Regulations ²¹
<p>Aspect B6: Product Responsibility</p> <p>Health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</p>	<p>Restriction of Hazardous Substances Directive (EU) 2015/863 amending Annex II to Directive 2011/65/EU, (RoHS 2.0) and the European Union (EU) Regulation EC 1907 /2006 Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).</p>
<p>Aspect B7: Anti-corruption, bribery, extortion, fraud and money laundering</p>	<p>Hong Kong: Prevention of Bribery Ordinance (Cap. 201), and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap 615).</p> <p>Mainland: Anti-Money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法) and Suppression of Corruption Regulation of the People's Republic of China (中華人民共和國懲治貪污條例).</p> <p>Singapore: Prevention of Corruption Act (Chapter 241).</p> <p>Thailand: The Organic Act on Anti-Corruption B.E. 2561 (2018).</p> <p>Malaysia: Malaysian Anti-Corruption Commission (MACC) Act 2009.</p>

²¹ For English version, the laws and regulations in Mainland are presented in both English and Chinese. Should there be any discrepancy between the Chinese and the English name, the Chinese version shall prevail.

14 HKEX ESG REPORTING GUIDE CONTENT INDEX

Mandatory Disclosure Requirements		Section /Remarks
Governance Structure	A statement from the board containing the following elements: <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) 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); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	Sustainability Governance Structure
Reporting Principles — Materiality	The ESG report should disclose: <ul style="list-style-type: none"> (i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. 	Reporting Standard and Principles
Reporting Principles — Quantitative	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.	Reporting Standard and Principles
Reporting Principles — Consistency	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.	Reporting Standard and Principles
Reporting Boundary	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. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope and Boundary

Subject Areas, Aspects, General Disclosures and KPIs		Section /Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: <ul style="list-style-type: none"> (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.	Operational Efficiency and Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed.
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).	Operational Efficiency and Environmental Management Environmental and Social Performance Data Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental and Social Performance Data Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental and Social Performance Data Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Operational Efficiency and Environmental Management
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.	Operational Efficiency and Environmental Management

Subject Areas, Aspects, General Disclosures and KPIs		Section /Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Operational Efficiency and Environmental Management
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).	Operational Efficiency and Environmental Management Environmental and Social Performance Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Operational Efficiency and Environmental Management
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.	Operational Efficiency and Environmental Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the business nature of Lee Kee, this KPI is considered not material and thus is not disclosed.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Operational Efficiency and Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Operational Efficiency and Environmental Management
Aspect 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.	Operational Efficiency and Environmental Management
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.	Operational Efficiency and Environmental Management

Subject Areas, Aspects, General Disclosures and KPIs		Section /Remarks
B. Social		
Employment and Labour Practices		
Aspect 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.	Human Capital Development
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Environmental and Social Performance Data Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Environmental and Social Performance Data Table
Aspect 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.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety Environmental and Social Performance Data Table
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety Environmental and Social Performance Data Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

Subject Areas, Aspects, General Disclosures and KPIs		Section /Remarks
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Human Capital Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Environmental and Social Performance Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Environmental and Social Performance Data Table
Aspect 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.	Human Capital Development
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Human Capital Development
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Human Capital Development
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Sourcing
KPI B5.1	Number of suppliers by geographical region.	Environmental and Social Performance Data Table
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.	Responsible Sourcing
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Sourcing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Sourcing

Subject Areas, Aspects, General Disclosures and KPIs		Section /Remarks
Aspect 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.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Environmental and Social Performance Data Table
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility Environmental and Social Performance Data Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Ethics
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Business Ethics
Aspect 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.	Business Ethics
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.	Environmental and Social Performance Data Table

Subject Areas, Aspects, General Disclosures and KPIs		Section /Remarks
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics Environmental and Social Performance Data Table
Community		
Aspect 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.	Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement

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VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency (“HKQAA”) has been engaged by Lee Kee Group (“Lee Kee”) to undertake an independent verification of “Environmental, Social and Governance Report 2022/2023” (“the Report”) for Lee Kee Holdings Limited (Stock Code: 637) and its subsidiaries. The scope of HKQAA’s verification covers the data and information associated to the sustainability performance of Lee Kee in the period of 1st April 2022 to 31st March 2023 for its major operations in Greater China (i.e., offices, warehouses, production plants, and laboratory) and Southeast Asia (i.e., offices), as disclosed in the Report.

The aim of this verification is to provide a reasonable assurance on the reliability of the report content. The Report has been prepared in accordance with “Environmental, Social and Governance Reporting Guide” (“ESG Guide”) set out in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”).

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the ESG Guide of the SEHK.

The verification process included verifying information relevant to reporting and management procedures, including stakeholder engagement methods and result, and materiality assessment processes. In addition, system and process for collecting, collating and reporting sustainability performance data were verified. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

Independence

Lee Kee is responsible for the collection and presentation of the information in the Report. HKQAA does not involve in compiling or in the development of the Report. Our verification activities are independent from Lee Kee. There was no relationship between HKQAA and Lee Kee that would affect the independence of HKQAA for providing the verification service.

Conclusion

Based on the verification results, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the ESG Guide of the SEHK;
- The Report illustrates the sustainability performance of Lee Kee, covering all material and relevant aspects in a balanced, clear, comparable and timely manner; and
- The data and information disclosed in the Report are reliable and complete.



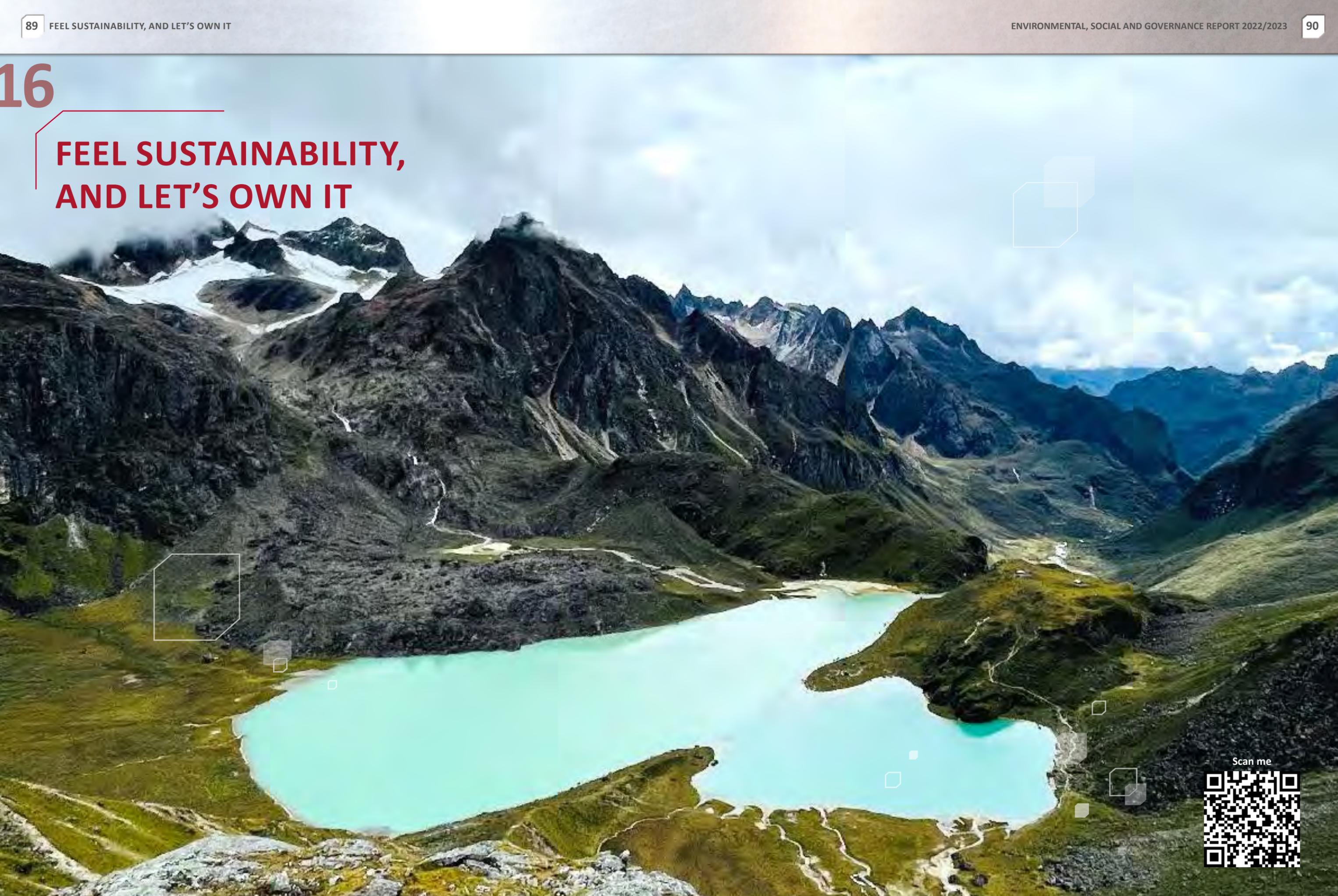
Nothing has come to HKQAA attention that the selected sustainability performance information and data contained in the Report has not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria. In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of Lee Kee, and discloses transparently their sustainability performance that is commensurate with their sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

Ronnie Ng
General Manager, Construction Business
8 June 2023

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FEEL SUSTAINABILITY, AND LET'S OWN IT





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We Create Value Solutions Beyond Metals
引領金屬發展 共創增值方案

Lee Kee Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

16 Dai Fat Street, Tai Po Industrial Estate, N.T., Hong Kong
www.leekeegroup.com

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