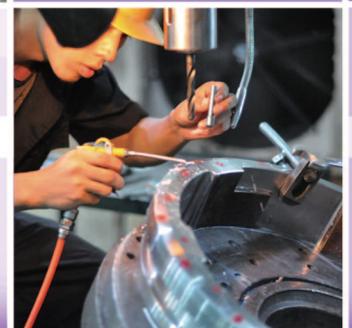
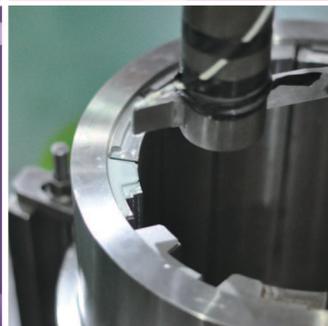


# Yuk Wing Group Holdings Limited

## 煜榮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1536



# 2022/23

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## APPROACH

Yuk Wing Group Holdings Limited (stock code: 1536) and its subsidiaries (hereafter, called the “**Group**”, “**we/our**”, or “**us**”) is committed to promoting transparency of the Group’s operations, creating a positive impact on the environment and society in which it operates, and also maintaining close relationships with our stakeholders through stakeholder engagement.

The results of the Environmental, Social and Governance (“**ESG**”) review shown in this report demonstrate the emphasis we place on environmental protection, and explain how we seek to continually improve our ESG strategy to be in line with the global standards.

With both integrity and determination, we look at issues that may have a reputational impact on, or that may pose a risk to, the Group in the short-, medium- or long-term. Issues that are important to our stakeholders, including but not limited to, our customers and employees, as well as the community, are also crucial to us. We are positive in developing opportunities with a focus on work ethics to ensure that the Group’s success in business development is sustainable, and that the benefits will pass on to our employees, customers and the environment.

The Group follows the principle of sustainable development. We endeavour to incorporate sustainability practices into our policies and mechanisms. By adopting green operational practices, we strive to reduce the environmental impacts caused by the business operations of the Group.

We are confident that the Group’s long-term success can be maintained as the Group properly manages the ESG issues with all relevant stakeholders.

Our sustainability strategy in the following aspects is applied to the work streams:

1. To promote environmental sustainability;
2. To attract, retain and support employees;
3. To engage with stakeholders;
4. To sustain local communities;
5. To strengthen community relations; and
6. To grow a supplier commitment.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

### Report Profile

We are pleased to present our ESG Report (“**ESG Report**”). This ESG Report mainly focuses on our operations in Hong Kong and the People’s Republic of China (the “**PRC**”). It describes the progress towards our goal of creating sustainable value for our shareholders and other stakeholders. During the process of our preparation of this ESG Report, we have conducted a thorough review and evaluation of the existing policies and practices.

### Report Scope and Boundary

This ESG Report contains information that is material for the stakeholders to understand the Group’s ESG practices and performance in its daily operations in Hong Kong and the PRC for the financial year from 1 April 2022 to 31 March 2023 (the “**Reporting Period**”). The Reporting Period is consistent with our financial year.

This ESG Report is prepared in accordance with the selected global, local and industrial standards and best practices, which include, but are not limited to, the ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKEX**”) (the “**Listing Rules**”). This ESG Report complies with all provisions of “Mandatory Disclosure” and “Comply or Explain”, as well as the principles of materiality, quantitative, balance and consistency. In preparing this ESG Report, the Group has adopted the international standards and emission factors specified in the ESG guidance material issued by the HKEX for computing the relevant Key Performance Indicators (“**KPIs**”). There is no change from the previous year in the way the ESG Report has been prepared. The application of materiality is detailed in the subsection headed “Materiality Assessment”. The ESG Report provides an unbiased picture of the Group’s performance within the Reporting Period, avoiding selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by the reader. The Group will maintain the consistency of the methodologies and KPIs of the Reporting Period and that of the future reporting periods, to allow for meaningful comparisons over time. Moreover, the relevant sections of the ESG Reporting Guide of the HKEX are provided from pages 24 to 27 of this ESG Report for cross-referencing purposes.

### Statement of the Board

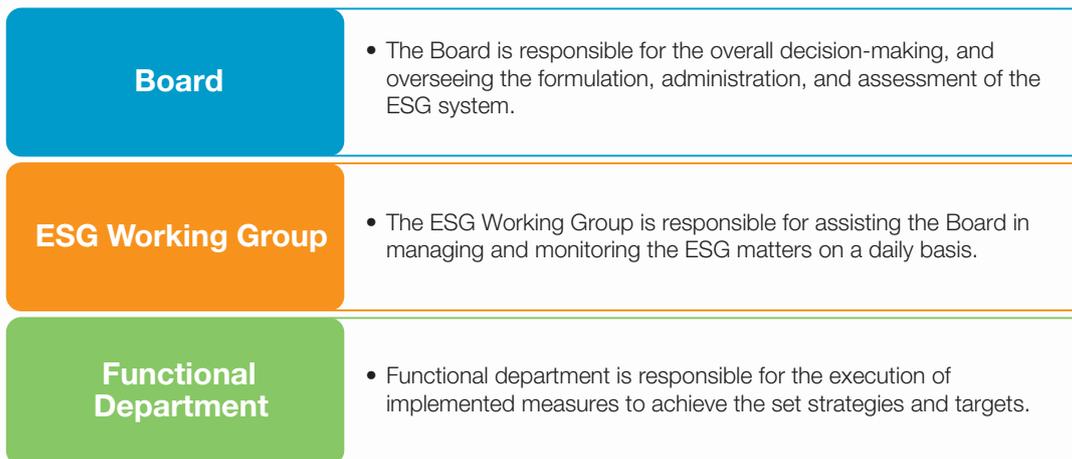
As a responsible corporate citizen, the Group acknowledges that prudent environmental and social management is of great importance to its sustainable economic growth. To pursue our sustainable business model, we integrate sustainability into our overall business strategy as well as daily operation. In addition, the Group has been focusing on maintaining closer connections with its stakeholders, listening to the voices of customers, caring for and growing with its employees and taking on more social responsibilities.

The Group has established a governance structure to enhance its management of ESG issues. The Board has overall responsibility for overseeing the Group’s ESG-related risks and opportunities, establishing and adopting the ESG-related strategies and targets of the Group, reviewing the Group’s performance annually against the targets, and revising the strategies as appropriate if significant variance from the target is identified. To exert governance over ESG issues, the Group has set up an ESG Working Group that comprises members from middle to senior management, who serve as support roles to the Board in implementing the ESG-related strategies and targets, conducting materiality assessments of ESG issues identified and prioritise them, promoting and monitoring the implementation of relevant ESG measures, collecting ESG data from the respective functional department, investigating deviation from ESG targets and liaising with the respective functional department to take prompt rectification actions.

The Group will continue to review and refine the Group’s sustainability strategies in order to create long-term value for all stakeholders and the communities in which we operate.

## ABOUT THIS REPORT *(Continued)*

### Governance Structure



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT *(Continued)*

### Our Stakeholders

We believe that our key stakeholders play a crucial role in sustaining the success of our business, and we seek opportunities to understand the expectations and needs of our stakeholders through transparent communication. We continue to improve our sustainable development strategies based on the opinions of our stakeholders, so that mutual trust and cooperative relationships can be fostered. The probable points of concern of the stakeholders and the means of our communication and responses are listed below:

Stakeholders	Areas of concern	Communication and responses
HKEX	Compliance with the Listing Rules, timely and accurate announcements.	Meetings, training, workshops, website updates and announcements.
Government	Compliance with laws and regulations, tax payment according to law, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Suppliers	Payment schedule and stable demand of quality products.	Site visits, review and evaluation.
Investors	Corporate governance, business strategies and performance, and investment returns.	Shareholders' meetings, publication of financial reports or operational reports for investors and analysts.
Media & Public	Corporate governance, environmental protection and human rights.	Company's website updates and announcements, and interim and annual reports.
Customers	Product and service quality, delivery schedule, reasonable prices, commercial credibility, service value and personal data protection.	After-sales services.
Employees	Rights and benefits, employees' compensation, training and development, working environment, labour protection and work safety.	Employee trainings and activities, annual appraisal, employees' suggestion boxes and employee handbook.
Community	Community environment, employment opportunities, and social welfare.	Community activities, employee voluntary activities and community welfare subsidies and donations.

### Shareholders' Feedback

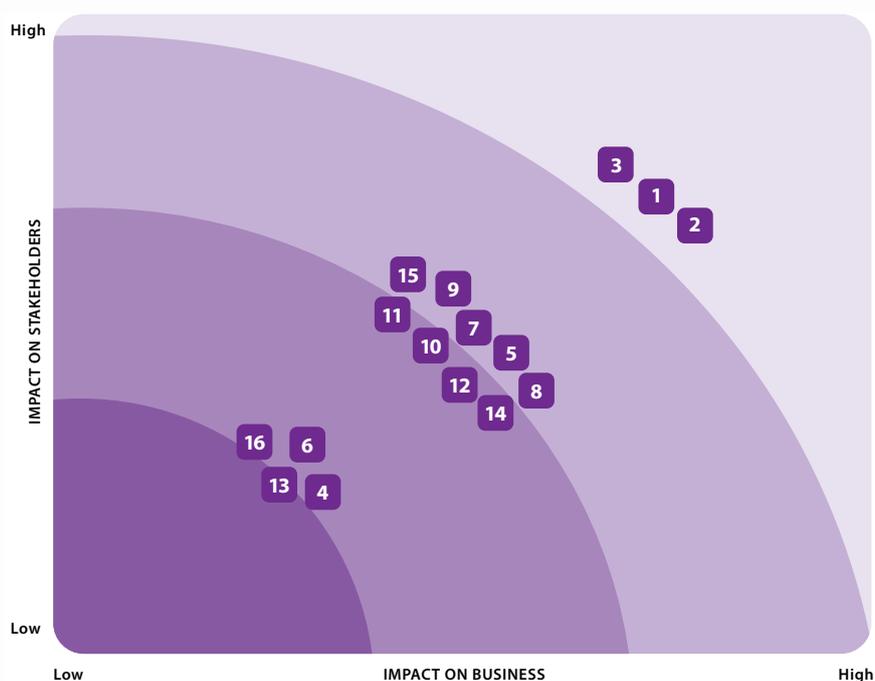
Your feedback and comments are important to us. We strive to enhance communication with our investors, stakeholders and the public. Please send your enquiries and concern in writing to the Group's principal business address in Hong Kong at Unit B, 13/F, Eton Building, 288 Des Voeux Road Central, Hong Kong for the attention of the Company Secretary.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT *(Continued)*

### Materiality Assessment

The Group has identified issues that may have an impact on, or that may pose a risk to, its business in short-, medium- or long-term. Issues that are important to our stakeholders, including but not limited to, our customers and employees, as well as non-governmental organizations, are also crucial to us. The Group has identified ESG issues that have a potential or actual impact on its sustainable development from various sources, such as issues identified in previous ESG reports, internal policies, industry trends and the Sustainability Accounting Standards Board's Materiality Map<sup>1</sup>. The ESG issues have been analysed with reference to an array of factors, including the Group's overall strategy, development, goals and targets. We have conducted a materiality assessment to rate the identified ESG issues that are pertinent to its business and stakeholders, and their respective level of impact. The assessment results are shown below:



#### Environmental Issues

1. Emissions
2. Greenhouse Gas Emissions
3. Hazardous Waste
4. Non-hazardous Waste
5. Energy Consumption
6. Water Consumption
7. Environment and Natural Resources
8. Climate Change

#### Social Issues

9. Employment
10. Health and Safety
11. Development and Training
12. Labour Standards
13. Supply Chain Management
14. Product Responsibility
15. Anti-corruption
16. Community Investment

<sup>1</sup> Sustainability Accounting Standards Board's Materiality Map, <https://materiality.sasb.org/>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL

### Overview

The Group is principally engaged in the manufacturing and trading of down-the-hole (“DTH”) rockdrilling tools, trading of piling and drilling machineries and trading of rockdrilling equipment.

We understand that the foundation for economic progress and well-being of the society is a healthy environment. The Group has been persistent in conducting business in an environmentally responsible and sustainable manner through the efficient use of resources, including energy, water, and raw materials.

Moreover, we are committed to upholding high environmental standards. To ensure strict compliance with the relevant requirements under applicable laws and regulations in Hong Kong and the PRC, the Group has established a Safety Committee (安全生產領導小組) and formulated comprehensive internal guidelines and procedures for environmental protection, e.g. “Enterprise Environmental Protection Management System Policy” (企業環保管理制度). By complying with relevant local environmental regulations and international general practices, we strive to further alleviate the impacts of our business operations on the environment.

### Emissions

The major types of air emissions created in the course of production are metallic dust and weld fumes, which are produced during the shot passivation and repair welding process.

We have complied with the requirements as set out in the local environmental laws and regulations in the PRC, including, but not limited to, the “Law of Environmental Protection of the PRC” (中華人民共和國環境保護法), the “Law of the PRC on the Prevention and Control of Atmospheric Pollution” (中華人民共和國大氣污染防治法), “Standards of Guangdong Province on Emission Limits of Air Pollutants” (廣東省地方標準 — 大氣污染物排放限值 DB44/27-2001) issued by the Guangdong Environmental Protection Bureau and the Administration of Quality and Technology Supervision of the Guangdong Province in the PRC and “Standard of Smoke and Dust Emission for Industrial Kiln and Furnace” (工業窯爐大氣污染物排放標準 GB9078-1996). There was no case of non-compliance with laws and regulations relating to air pollution and GHG emissions during the Reporting Period.

To minimise the emissions of metallic dust, cyclone dust collectors and bag-filtering dust precipitators, which are capable of collecting over 99.5% of the metallic dust, are placed in our production facilities. Moreover, weld fumes are gathered using collection channels and are then released through an exhaust funnel that is approximately 15 metres in height.

Aside from the emissions generated from our production process as aforementioned, we have generated air emissions and greenhouse gas through various types of activities, including the use of gas cooking stoves, motor vehicles and electricity.

During the Reporting Period, the Group produced approximately 220.9 kg of Nitrogen Oxides (2021/22: 236.7 kg), approximately 0.4 kg of Sulphur Oxides (2021/22: 0.5 kg) and approximately 21.4 kg (2021/22: 23.0 kg) of Particulate Matter. These three types of air emissions slightly decreased during the Reporting Period. To uphold the principles of sustainable development, the Group is committed to maintaining the air emissions at the same level of the baseline year ended 31 March 2023 in the next reporting period. Same as in the previous reporting period, air emissions data from natural gas consumption is not disclosed due to its immateriality.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL (Continued)

### Emissions (Continued)

For greenhouse gas (“GHG”) emissions, approximately 591,279.0 kg of carbon dioxide (2021/22: 656,606.9 kg) was produced during the Reporting Period. The target is achieved as the GHG emissions intensity is 36.9 kg per unit produced during the Reporting Period. The decrease in GHG emissions was mainly caused by lower electricity usage as and work from home arrangement has been made for employees during the Reporting Period. Hence, it results in lower energy indirect (Scope 2) emissions. To uphold the principles of sustainable development, the Group aims to reduce the GHG emissions at/below the same level of the baseline year ended 31 March 2023 in the next reporting period. In order to help reduce the usage of fuel and the emissions of greenhouse gases, all machines and equipment would be turned off when they are not in use. All usage of fuel and mileage of the vehicles are recorded by drivers on a daily basis in order to monitor the usage of vehicles. Vehicles are under regular maintenance checks to facilitate fuel consumption efficiency, ensure road safety and keep carbon dioxide emissions at its minimum. For mitigating measures to reduce indirect emissions from purchased electricity, please refer to the below section sub-headed “Energy, Water and Raw Materials”.

Details of the Group’s air emissions and GHG emissions during the Reporting Period are shown as follows:

Emissions Indicators	Source	2022/23	2021/22
<b>KPI A1.1 Air Emissions</b>			
<i>Emissions Data from Vehicles</i>			
	Kilometres travelled	<b>193,033.0</b>	205,626.0
Units of fuel consumed (in L)	Diesel	<b>13,081.2</b>	11,725.8
	Petrol	<b>14,432.9</b>	17,980.6
<b>Emission type (in kg)</b>	<b>Nitrogen Oxides</b>	<b>220.9</b>	236.7
	<b>Sulphur Oxides</b>	<b>0.4</b>	0.5
	<b>Particulate Matter</b>	<b>21.4</b>	23.0
<b>KPI A1.2 Total GHG Emissions</b>			
<b>Scope 1: Direct Emissions</b>			
<b>Scope 1a – GHG Emissions from Stationary Combustion Sources</b>			
Units of fuel consumed (in m <sup>3</sup> )	Natural Gas	<b>25,331.0</b>	21,446.0
<b>Emission type (in kg)</b>	<b>Carbon Dioxide</b>	<b>54,827.3</b>	46,418.5 <sup>2</sup>
<b>Scope 1b – GHG Emissions from Mobile Combustion Sources</b>			
Units of fuel consumed (in L)	Diesel	<b>13,081.2</b>	11,725.8
	Petrol	<b>14,432.9</b>	17,980.6
<b>Emission type (in kg)</b>	<b>Carbon Dioxide</b>	<b>73,774.3</b>	79,434.9
<b>Scope 2 – Energy Indirect Emissions</b>			
Unit of Electricity Consumed (in kWh)		<b>806,813.8</b>	905,459.2
<b>Emission type (in kg)</b>	<b>Carbon Dioxide</b>	<b>462,077.8</b>	528,930.1
<b>Scope 3 – Other Indirect Emissions</b>			
<i>Business Air Travel by Employees</i>			
<b>Emission type (in kg)</b>	<b>Carbon Dioxide</b>	<b>599.6</b>	1,823.4
<b>Total GHG Emissions during the Reporting Period (in kg):</b>		<b>591,279.0</b>	656,606.9
<b>GHG Emissions per unit produced (in kg):</b>		<b>36.9</b>	50.9

<sup>2</sup> The GHG emissions data from stationary combustion sources for the last reporting period has been restated based on the data that made available.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL *(Continued)*

### Hazardous Waste and Non-Hazardous Waste

Hazardous and non-hazardous wastes are generated in the course of our production and daily operations. Hazardous wastes include cutting fluid, machinery oil, used oil rag, waste paint can, waste activated carbon and waste paint. Non-hazardous wastes include paper, paper boxes and iron scrap.

We have complied with the requirements as set out in the local environmental protection laws and regulations in the PRC, including, but not limited to, the “Law of Environmental Protection of the PRC” (中華人民共和國環境保護法), the “Law of the PRC on the Prevention and Control of Atmospheric Pollution” (中華人民共和國固體廢物污染環境防治法), the “Law of the PRC on Prevention and Control of Water Pollution” (中華人民共和國水污染防治法) and “Regulations of Guangdong Province on Prevention and Control of Environmental Pollution by Solid Waste” (廣東省固體廢物污染環境防治條例). There were no cases of non-compliance with laws and regulations relating to the generation of hazardous and non-hazardous waste during the Reporting Period.

The waste produced during the Reporting Period is shown as follows:

Waste Indicators	2022/23	2021/22
<b>KPI A1.3 Hazardous Waste</b>	<b>(in tonnes)</b>	<b>(in tonnes)</b>
Cutting Fluid	4.87	7.04
Machinery Oil	0.78	1.36
Used Oil Rag	2.34	1.92
Waste Paint Can	0.74	0.53
Waste Activated Carbon	0.20	0.18
<b>Total Hazardous Waste Produced</b>	<b>8.93</b>	<b>11.03</b>
<b>Hazardous waste produced in tonnes per unit produced</b>	<b>(in tonnes/ unit produced)</b>	<b>(in tonnes/ unit produced)</b>
Cutting Fluid	0.00030	0.00055
Machinery Oil	0.00005	0.00011
Used Oil Rag/Used Rag	0.00015	0.00015
Waste Paint Can	0.00005	0.00004
Waste Activated Carbon	0.00001	0.00001
<b>Intensity of Hazardous Waste Produced</b>	<b>0.00056</b>	<b>0.00086</b>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL *(Continued)*

### Hazardous Waste and Non-Hazardous Waste *(Continued)*

Waste Indicators	2022/23	2021/22
<b>KPI A1.4 Non-Hazardous waste</b>	<b>(in tonnes)</b>	(in tonnes)
Paper/Paper Box	<b>0.70</b>	0.16
iron scrap	<b>204.53</b>	179.16
<b>Total Non-Hazardous Waste Produced</b>	<b>205.23</b>	179.32
<b>Non-Hazardous waste produced in tonnes per unit produced</b>	<b>(in tonnes/ unit produced)</b>	(in tonnes/ unit produced)
Paper/Paper Box	<b>0.00004</b>	0.00001
iron scrap	<b>0.01276</b>	0.01389
<b>Intensity of Non-hazardous Waste Produced</b>	<b>0.01280</b>	0.01390

During the Reporting Period, the use of machinery oil has significantly decreased due to using newer machines to replace the old machine, which the frequency of repairing the old machine reduced. Hence, the machinery oil used in repairing work dropped during the Reporting Period. However, the amount of waste paint can increased because the product required painting increased significantly during the Reporting Period, which leads to more waste paint can produced. The target of both non-hazardous waste and hazardous waste are achieved during the Reporting Period.

To minimise the adverse impact caused by the disposal of hazardous waste, we have engaged qualified third-party recycling companies for handling waste disposal. All hazardous wastes we produced are recycled by recycling companies with respective licenses, such as the “Hazardous Waste Collection, Storage, Disposal Business License” (危險廢物收集、儲存、處置經營許可證) and “Dangerous Goods Road Transport Business License” (道路危險貨物運輸經營許可證). For all non-hazardous wastes produced, they are sold to the respective recyclers.

In order to reduce the production of waste, statistics of waste produced are recorded in a Waste Register so that the management of the Group can closely monitor the volume of hazardous and non-hazardous wastes produced and disposed of. Our employees are constantly reminded to avoid using excessive materials during production or daily operations. To reduce paper waste from office-use, the Group promotes the use of double-sided printing and encourages our employees to use online communication channels and electronic administrative platforms. In the next reporting period, we will strive to reduce the intensity of hazardous waste and non-hazardous wastes produced at/below the same level of the baseline year ended 31 March 2023 in the next reporting period respectively.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL *(Continued)*

### Use of Resources

We strictly comply with the requirements as set out in the local environmental protection laws and regulations in the PRC, including, but not limited to, the “Environmental Protection Law of the PRC” (中華人民共和國環境保護法) regarding the efficient use of resources.

We believe that efficient resource consumption means more than consuming less, but also means consuming resources at its optimal level. Our main sources of resource usage are electricity, water, raw materials and packaging materials.

#### *Energy, Water and Raw Materials*

During the Reporting Period, the Group consumed approximately 1,360,633.4 kWh of energy (2021/22: 1,437,140.8 kWh) and approximately 3,838.0 cubic metres of water (2021/22: 7,023.4 cubic metres). The decrease in energy consumption is because of the drop in electricity consumption. As work from home arrangement has been made for employees, which leads to a greatly reduced electricity consumption during the Reporting Period. Also, the decrease in water consumption was mainly due to the epidemic situation has eased gradually and the government has cancelled the cleaning and disinfection work requirement. Hence, the amount of water used in cleaning and disinfection work was reduced, which led to the total amount of water consumption plunging significantly during the Reporting Period. Comparative figures for energy and water consumption between the Reporting Period and the previous reporting period are as follows:

Use of Resources Indicators	Unit	2022/23	2021/22
<b>KPI A2.1 Energy Consumption<sup>3</sup></b>			
<b>Electricity</b>	kWh	<b>806,813.8</b>	905,459.2
<b>Diesel</b>	kWh	<b>140,011.6</b>	125,504.9
<b>Petrol</b>	kWh	<b>139,874.1</b>	174,256.9
<b>Natural Gas</b>	kWh	<b>273,933.9</b>	231,920.8
<b>Total Energy Consumption</b>	kWh	<b>1,360,633.4</b>	1,437,140.8
<b>Energy Consumption Intensity</b>	kWh/employee	<b>15,639.5</b>	18,191.7
<b>KPI A2.2 Water Consumption</b>			
<b>Total Water Consumption</b>	cubic metre	<b>3,838.0</b>	7,023.4
<b>Water Consumption Intensity</b>	cubic metre/employee	<b>44.1</b>	88.9

During the Reporting Period, the energy and water consumption intensity have both decreased compared with the previous reporting period, which achieved the target. We will strive to reduce the energy and water consumption intensity at/below the same level of the baseline year ended 31 March 2023 in the next reporting period respectively.

<sup>3</sup> The energy consumption data for the Reporting Period and the last reporting period are disclosed in accordance with the “Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, which was different from the method adopted in the previous reporting period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## A. ENVIRONMENTAL *(Continued)*

### **Use of Resources** *(Continued)*

#### *Energy, Water and Raw Materials (Continued)*

We have implemented multiple measures to reduce our usage of energy and raw materials, which includes:

- Control raw material usage and reduce raw material wastage by procuring raw materials, especially tungsten carbide ring, with sizes similar to finished products, and monitor the quality of our work-in-progress and products closely;
- Switch off electronic appliances and lights during lunch hours and non-working hours;
- Keep the indoor temperature at 24 degrees Celsius or above;
- Keep the doors closed while the air-conditioners are in use; and
- Recycle raw materials whenever possible.

We do not have any issues in sourcing water, and the existing supply of water meets our daily operational needs. Water consumption by the Group is minimal, which mainly serves the purpose of basic cleaning and sanitation. In order to reduce water wastage, we regularly inspect the water supply facilities and actively promote water conservation awareness among our employees. We also ensure that our waste water discharge level complies with “Discharge Limits of Water Pollutants” (水污染物排放限值DB44/26-2001) in the PRC.

In addition, the staff canteen located at our factory in the PRC produces non-hazardous waste water and sanitary sewage, with the waste water being treated by the three-stage sludge to separate oil and slag, and the sanitary sewage is being processed by a three-stage septic-tank. As such, we attempt to minimise the environmental impacts caused by the water discharge.

#### *Packaging Materials*

Packaging materials consumed by the Group mainly include splints, laminated timber, strap and roll nails. During the Reporting Period, approximately 31.6 tonnes of splint (2021/22: 28.4 tonnes), approximately 19.2 tonnes of laminated timber (2021/22: 25.9 tonnes), approximately 1.9 tonnes of strap (2021/22: 1.1 tonnes) and approximately 0.1 tonnes of nails (2021/22: 0.2 tonnes) are produced.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL *(Continued)*

### Use of Resources *(Continued)*

#### Packaging Materials *(Continued)*

Comparative figures for the intensity of packaging materials used between the Reporting Period and previous reporting period are as follows:

Packaging Materials Indicators	2022/23	2021/22
<b>KPI A2.5 Packaging Materials Used</b>		
<b>Packaging Materials Intensity</b>	<b>(in tonne/ unit produced)</b>	<b>(in tonne/ unit produced)</b>
Splint	0.00197	0.00220
Laminated Timber	0.00120	0.00201
Strap	0.00012	0.00009
Nail	0.00001	0.00002
<b>Total Packaging Materials Intensity</b>	<b>0.00330</b>	0.00432

### The Environment and Natural Resources

We value environmental sustainability and strive to incorporate it into every aspect of its business. As aforementioned, we have adopted a variety of environmental-friendly practices in our business. In addition to emissions and waste, noise is unavoidably created when we operate our machines. We strive to minimise the nuisance caused to the nearby community. Noise control measures are adopted in our productions including sound insulation, vibration reduction, noise elimination and sound absorption.

In regard to noise pollution, the Group's production facilities have complied with the "Emission Standard for Industrial Enterprises' Noise at Boundary" (工業企業廠界環境噪聲排放標準 GB12348-2008) in the PRC.

With our efforts made in environmental protection, we are pleased to report that there were no non-compliance issues regarding all relevant laws and regulations in Hong Kong and the PRC for the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENTAL *(Continued)*

### Climate Change

We have taken into account the potential climate-related risk according to the recommendations of the Task Force on Climate-related Financial Disclosures. The Board regularly reviews and identifies all climate-related issues that may pose risks on the Group in the short, medium and long term. During the Group's annual enterprise risk assessment, all potential risks and opportunities arising from climate change are covered, and their corresponding mitigation strategies are evaluated. The potential transition risks and physical risks from climate change which may pose adverse financial impacts on the Group's businesses, and their corresponding mitigation strategies are shown below:

Risk Type	Potential Financial Impact Low  Medium  High 	Short-term	Medium-term	Long-term	Mitigation Strategy
		(This Reporting Period)	(1–3 years)	(4–10 years)	
<b>Transition Risks</b>	<b>Policy and Legal</b> Increased compliance costs and potential disruption related to new climate-related regulations.				Regularly monitor the regulatory environment and strictly adhere to the Group's emission-reduction measures to maintain a low emission level.
	<b>Market</b> Reduced demand for goods due to shift in consumer preferences to greener products.				Continue to monitor the product market to ensure that our products exceed customer demands and expectations.
<b>Physical Risks</b>	<b>Acute</b> Extreme weather conditions such as flooding and storms that lead to supply chain disruption, reduction of revenue and loss of property.				Maintain a large supplier base and set up safety measures and contingency plans in regard to extreme climate events.
	<b>Chronic</b> Increased operating costs related to increased need for cooling and heating due to changing temperatures.				

We are confident that both the transition risks and physical risks do not have a material impact on the Group's operation. Nonetheless, we will continue to monitor any climate change risk to minimise our exposure to both transition risks and physical risks.

## B. SOCIAL

### Employment and Labour Practices

As a responsible employer, we strictly comply with all relevant employment laws and regulations that have a significant impact on us, including, but not limited to “Employment Ordinance”, “Minimum Wage Ordinance”, “Employees’ Compensation Ordinance”, “Mandatory Provident Fund Schemes Ordinance”, and “Sex Discrimination Ordinance” in Hong Kong, and the “Labour Law of the PRC” (中華人民共和國勞動法), the “Labour Contract Law of the PRC” (中華人民共和國勞動合同法), the “Law of the PRC on Work Safety” (中華人民共和國安全生產法), “Social Insurance Law of the PRC” (中華人民共和國社會保險法), the “Law of the PRC on the Protection of Rights and Interests of Women” (中華人民共和國婦女權益保障法) and the “Law of the PRC on the Protection of Disabled Persons” (中華人民共和國殘疾人保障法) in the PRC.

We have formulated our internal policies in accordance with relevant labour laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare, and employment development and training.

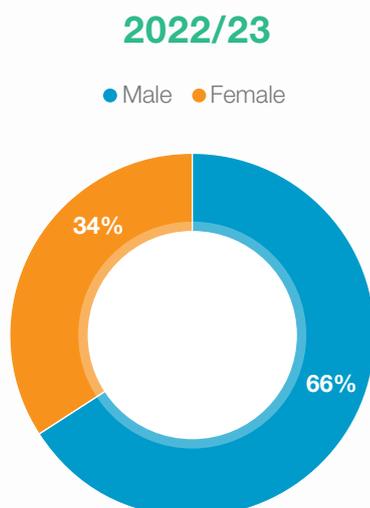
To ensure that key policies are clearly and consistently communicated to our employees, the Group has established a “Staff Handbook”, which details the rights of our employees, such as working hours, leave entitlements and other benefits and welfare. Every employee is provided with a copy of the “Staff Handbook” when they join the Group.

During the Reporting Period, there was no incident of non-compliance in relation to relevant labour laws and regulations, and the Group had not been subject to any material labour laws claim, lawsuit, penalty or disciplinary action.

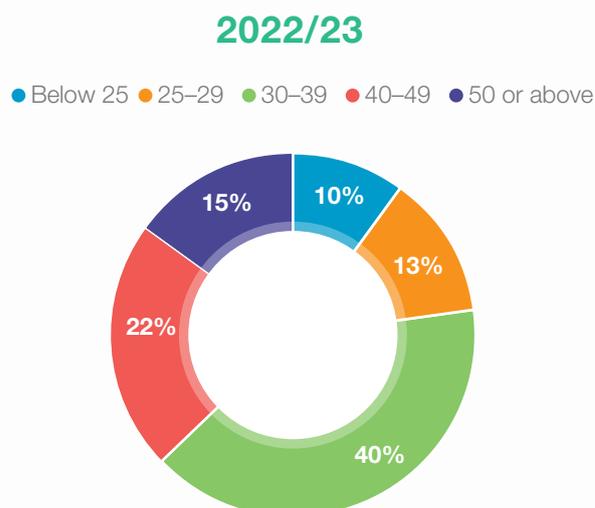
### Our Team

We believe that a diversified and equitable workforce is vital for our business development. We strive to ensure our recruitment process is fair and without any discrimination. As of 31 March 2023, the Group had a total of 87 employees (as of 31 March 2022: 80 employees). Details of our workforce by gender, employment type, age group and geographical region are shown as follows:

**Total number of employees by gender:**



**Total number of employees by age group:**



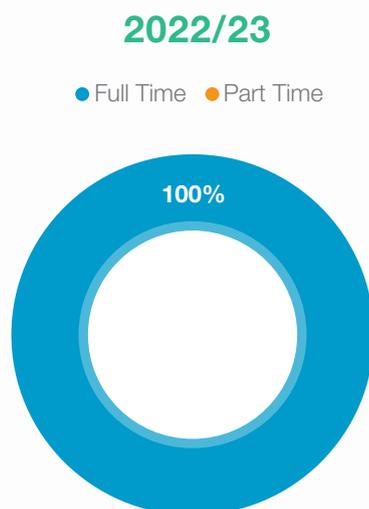
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL (Continued)

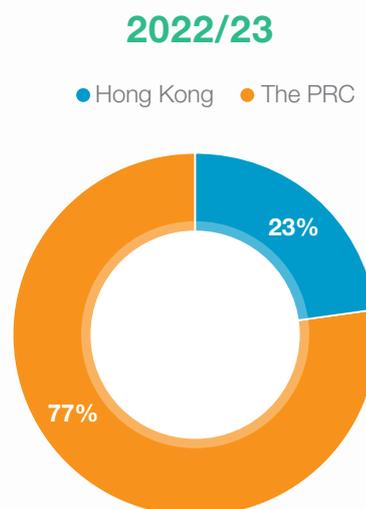
### Employment and Labour Practices (Continued)

#### Our Team (Continued)

Total number of employees by employment type:



Total number of employees by region:



During the Reporting Period, 5 employees left the Group, which constitutes a total employees turnover rate of 6%. Our turnover rate by gender, age group and geographical region are shown as follows:

#### Employees Turnover Rate

	2022/23
<b>By Gender</b>	
Male	5%
Female	7%
<b>By Age Group</b>	
< 25	11%
25–29	18%
30–39	–%
40–49	5%
≥ 50	8%
<b>By Region</b>	
The PRC	6%
Hong Kong	5%

## **B. SOCIAL** *(Continued)*

### **Employment and Labour Practices** *(Continued)*

#### *Welfare and Benefits*

The Group has established a fair and reasonable remuneration regime, adhering to the principle of fairness, incentive and legality. The remuneration of employees includes basic salaries, annual remuneration and attendance bonuses. For effective personnel management, we offer rewards (e.g. promotion) and inflict punishments (e.g. dismissal) based on employees' attendance and performance.

Employees who have completed their probation are entitled to all statutory holidays, leave and welfare as stipulated in the national and local laws and regulations, including, but not limited to, paid maternity leave, paternity leave, compassionate leave and annual leave.

In order to comply with the "Labour Law" (中華人民共和國勞動法) in the PRC, we manage the work schedules for our employees in the PRC production facility with no more than 8 working hours per day and 44 hours per week on average.

We believe that maintaining a good work-life balance is essential to employees' physical and mental health. Thus, our employees are never forced to work overtime.

#### *Child Labour and Forced Labour*

The Group does not tolerate the recruitment of child labour and the use of forced labour. We ensure that the labour contracts signed with our employees are on a fair, equal, voluntary and mutually agreed basis. Every recruitment is subject to a stringent internal review process that includes verifying the personal information of applicants.

For example, the Human Resources Department carefully verifies the identity of applicants to ensure that child labour is not recruited. Any individuals under legal working age are not recruited.

During the Reporting Period, the Group has complied with relevant employment laws and regulations, including, but not limited to, the "Law of the Protection of Minors in the PRC" (中華人民共和國未成年人保護法) and the "Provisions on the Prohibition of Using Child Labour" (中華人民共和國國務院令-禁止使用童工規定) in the PRC. All our employees are aged over 18, and have been properly employed in accordance with the requirements of all applicable laws and regulations. The Group does not use any unlawful or unfair means to restrict the employee benefits and rights enjoyed by its employees. No non-compliance incidents or grievances were noted by the Group during the Reporting Period.

#### *Equal Opportunity, Diversity and Anti-discrimination*

The Group is committed to providing a friendly working environment where employees are treated fairly and equally. All employees are assessed based on their ability, job performance and contribution irrespective of their nationality, race, religion, disability, sexual orientation, political opinion, gender, age or family status. Through proactive enforcement of the policy on prohibition of discrimination and harassment, we strive to create a workplace free of bullying, belittling and sexual harassment.

## **B. SOCIAL** *(Continued)*

### **Health and Safety**

The Group is dedicated to providing a safe working environment for all of our employees. The occupational health and safety of our employees are always our top priority. We make every effort to minimise and avoid potential occupational hazards.

During the Reporting Period, the Group has complied with relevant laws and regulations regarding health and safety, including, but not limited to, the “Law of the PRC on Work Safety” (中華人民共和國安全生產法), the “Law of the PRC on the Prevention and Treatment of Occupational Diseases” (中華人民共和國職業病防治法) in the PRC, and the “Regulations on Work Safety Permits” (安全生產許可證條例) in Hong Kong.

To ensure occupational health and safety, we have established a comprehensive set of policies regarding the occupational health and safety management system. Moreover, the Group has established a “Fire Safety Management Guideline” that formulates the procedures of fire safety inspection to make sure that fire safety equipment is in good condition. Regular fire drills are also conducted to ensure that employees are well aware of evacuation routes and fire extinction measures.

Furthermore, the Group has developed emergency plans in regard to production disruption, fire control and industrial injuries. In the occurrence of any material operational disruption, actions are taken immediately in accordance with the emergency plan. Impacts on production efficiencies and the environment caused by the accident are to be assessed and kept to a minimal level.

We ensure that our workers are technically and professionally certified before assigning them to operate special equipment, such as forklifts, bridge cranes and lifting equipment, etc. The Human Resources Department closely monitors the validity of these certificates. The certificates are properly retained during the service period of the respective employees. Operation manuals for different equipment are also available to curb workplace accidents.

In order to keep in line with the safety requirements of our production facility, the Human Resources Department performs daily inspections on hygiene, workplace and machinery safety. Inspections of designated protective measures, such as the protective clothing and face masks used by staff operating the machines, would also be conducted on a regular basis.

In addition, the Group provides regular safety and first aid training to different levels of employees in order to arouse employees’ awareness of workplace health and safety. If an employee encounters any work-related injuries, the Group will take all necessary measures to make sure that proper medical care and treatment is offered to the respective employee.

During the Reporting Period, there were zero cases of work injuries and zero lost days. For the years ended 31 March 2022 and 31 March 2021, there were four cases of work injury in total, resulting in 198 total lost days as we have pledged to provide sufficient days of sick leave for our employees to compensate for their injuries. All work injury cases were timely reported to relevant government bodies. For the past three reporting periods, including the Reporting Period, there were no work-related fatalities cases. Documents from the government and hospitals were properly kept by the Human Resources Department for follow-up actions and future references.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL (Continued)

### Health and Safety (Continued)

In the midst of COVID-19, the Group has implemented additional measures to safeguard the health of its employees, customers and the general public. The established measures include, but are not limited to:

- Conducting frequent disinfection; and
- Providing pandemic prevention supplies such as protective masks, disinfectant and thermometers.

The Group will continue to assess the development of the pandemic and regularly review the relevant countermeasures in accordance with government announcements to ensure the effectiveness of such measures.

### Development and Training

Employees are our most valuable asset. Thus, we place a strong emphasis on the personal development of our employees. A wide range of training programmes are provided to our employees to enhance their knowledge and capabilities.

Orientation training sessions are provided to newly recruited employees by their respective department supervisors. The training covers the introduction of our Group, their own department structure, responsibilities, required skills and work instructions.

We also require all our newly recruited staff to attend safety training before the commencement of their duties. Upon the completion of the training, our staff would have a good understanding of the relevant laws and regulations, the Group's internal policies relating to safety and available safety measures. The aim of providing such training is to minimise the chance of having any work-related injuries.

During the Reporting Period, we organised fire safety training for all staff in the PRC office, aiming to reinforce their fire safety awareness. Upon the completion of fire safety training, our staff would be equipped with basic fire safety knowledge and skills, including methods of fire escape and proper ways of using fire extinguishers.

In addition, we arranged a training session on machinery operation for all our production staff, covering safety measures in operations, maintenance and inspection of various machinery.

During the Reporting Period, the percentage of our employees who completed training is 78.2% while the average training hours completed per employee was 2 hours. The breakdown of employees who completed training and the average number of training hours per employee by gender and employment category are shown as follows:

Percentage of Employees Trained	2022/23
<b>By Gender</b>	
Male	69.1%
Female	30.9%
<b>By Employment Type</b>	
Entry level	80.9%
Middle level	14.7%
Management level	4.4%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL (Continued)

### Development and Training (Continued)

#### Average Training Hours

2022/23

##### By Gender

Male

2.2

Female

2.5

##### By Employment Type

Entry level

2.7

Middle level

1.1

Management level

1.3

### Supply Chain Management

The Group places a strong emphasis on supplier management. We have formulated a “Purchasing Policy” (採購管理制度) that clearly states the procurement procedures and selection criteria for suppliers.

We work closely with our existing suppliers to ensure the quality of the products and to reduce the environmental impact caused by the products being manufactured from our production facilities. In order to ensure the effectiveness and sustainability of our supply chain, we continue to cautiously select new suppliers based on our defined criteria, such as their size, products, services, quality, delivery time, cost-effectiveness, etc. We also set clear expectations for our suppliers in areas such as environmental impact and child labour. In addition, suppliers with more advanced and green production technologies are preferred, in order to minimise unnecessary waste produced during the production process.

Approved suppliers are evaluated annually to ensure that suppliers meet the requirements on quality, delivery time and engineering techniques. The Group also continuously monitor and evaluate suppliers for their record of handling environmental and social issues. Suppliers who are not up to the standard for a prolonged period are to be disqualified.

As of 31 March 2023, the Group has a total of 77 suppliers. The Group will continue to work closely with our suppliers and strive to optimise our supply chain capabilities in order to fulfil our responsibilities in social and environmental protection. The breakdown of our suppliers by geographical region is shown as follows:

#### Number of Suppliers by Geographical Region

Country/City	Number of Suppliers
The PRC	72
Hong Kong	1
Korea	3
Others	1
<b>Total</b>	<b>77</b>

## B. SOCIAL *(Continued)*

### Product Responsibility

The Group strictly complies with the relevant laws and regulations relating to product responsibility that have a significant impact on us, including, but not limited to, the “PRC Product Quality Law” (中華人民共和國產品質量法), “Law of the PRC on Protection of the Rights and Interest of Consumers” (中華人民共和國消費者權益保護法), the “Law of Tort of the PRC” (中華人民共和國侵權責任法) in the PRC, and the “Trade Description Ordinance” (商品說明條例) and the “Sale of Goods Ordinance” (貨品售賣條例) in Hong Kong.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations related to health and safety, advertising, labelling and privacy matters relating to products and services provided.

### Quality Assurance

In order to minimise our product liability risk and ensure customer satisfaction, the Group has established a “Quality Management System and Process Policy” (品質管理制度及流程). The policy articulates clear guidance on the implementation of quality assurance plans. Quality Control Department is responsible for inspections on raw materials, work-in progress and finished goods. To further ensure product quality, inspection reports are issued by the Quality Control Department prior to the delivery of products to our customers. As such, we strive to maintain and exceed our standards of quality products in the future.

In addition, regular inspections and maintenance of our machines and equipment are performed to ensure that they are well-functioning. The Production Department is required to immediately report any machinery malfunctions and arrange repair and maintenance. During the Reporting Period, there was no product sold or shipped subject to recall for safety or health reasons.

### Customer Service

Sound customer service is essential in maintaining a long-term relationship with our customers. To ensure that our customers possess adequate knowledge on operating the products, the Group has set up an experienced aftersales team to provide on-site technical support in Hong Kong and Macau upon request. The Group also requires overseas distributors in Scandinavia, Japan and India to provide the end users with aftersales technical support.

The Group makes every effort to promptly investigate and resolve all disputes and complaints lodged by customers. All complaints received are diverted to and handled by our Quality Control Department in a timely manner. In the event of non-artificial performance failure, the Group would recall the products and provide customers with up to 100% refund. Moreover, we offer customers with other value-added services, including repair and maintenance services for the machinery and equipment they purchased from us. We will continue to maintain good relationships with our customers and improve our product and service quality.

During the Reporting Period, the Group did not receive any material complaint related to product and service quality.

## B. SOCIAL *(Continued)*

### Product Responsibility *(Continued)*

#### *Intellectual Property Rights*

During the Reporting Period, we have strictly complied with relevant laws and regulations in regard to product responsibility in Hong Kong and the PRC that have a significant impact on us, including, but not limited to, the “Copyright Ordinance” in Hong Kong, and the “Trademark Law of the PRC” (中華人民共和國商標法), “Civil Code of the PRC” (中華人民共和國民法典) and the “Copyright Law of the PRC” (中華人民共和國著作權法) in the PRC.

We actively seek patent and design protection for important innovations and designs. Our Research and Development Department (“**R&D Department**”) actively monitors the status and usage of the Group’s intellectual property (“**IP**”). When potential IP infringement is identified, the case will be reported to the R&D Department. If the reported infringement is confirmed, the case would be passed to the management for further action.

Moreover, we act proactively to protect our IP rights against third-party infringers. For Research and Development Cooperation, a technical cooperation agreement specifying the confidentiality requirements of proprietary information and rights upon patent entitlement, is signed with the relevant parties to protect the Group’s IP rights.

In addition, for parties with access to the IP of the Group, agreements with confidentiality clauses are signed. We also require our staff to sign the confidentiality agreement and anti-competitive agreement.

#### *Data Protection*

The majority of our products are custom-made to suit the needs of individual customers. Construction drawings are passed to the Production Department for the production of customised products. To avoid information leakage, copying and/or scanning of the construction drawings are strictly prohibited. Computers with access to the construction drawings are also not accessible to the internet and external storage devices.

Moreover, non-disclosure agreements are signed by all employees of the Group to ensure that they are aware of their legally binding obligation of protecting the confidential information of the Group. Disciplinary action will be taken against the employee in case of breach and the Group will reserve its right to legal action. The Group’s practices in collecting, using and maintaining its information are strictly compliant with the “Personal Data (Privacy) Ordinance” (個人資料(私隱)條例) in Hong Kong, and “Personal Information Protection Law of the PRC” (中華人民共和國個人信息保護法) and the “Cybersecurity Law of the PRC” (中華人民共和國網絡安全法) in the PRC.

## B. SOCIAL *(Continued)*

### **Anti-Corruption and Money Laundering**

During the Reporting Period, we have compiled all relevant local and national laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering, including, but not limited to, the “Prevention of Bribery Ordinance” in Hong Kong, and the “Criminal Law of the PRC” (中華人民共和國刑法) and “Anti-Money Laundering Law of the PRC” (中華人民共和國反洗黑錢法) in the PRC.

The Group prohibits acts of corruption and bribery committed by its employees. Our “Employee Feedback and Anti-corruption Policy” (僱員回饋和反舞弊管控規範) clearly set out the procedures and channels for reporting corruption and fraudulent cases. As stipulated in the policy, every employee should immediately report any suspected fraud cases or corruption.

After detecting the potential case of fraud or corruption, the investigation will be conducted with due care and the investigation process is kept confidential. For proven fraud cases, management will take corrective action immediately.

In the case of a conflict of interests, the employees must declare their personal interests and report the matters to the Group’s management. Employees are strictly prohibited to abuse their power and/or take advantage of their position for personal gain.

Since the Group’s business is not highly exposed to the risk of corruption, no training in such area was held during the Reporting Period. All directors received training on corporate governance prior to the Group’s listing or at the time of joining the Group, so that they are aware of their duties and responsibilities on integrity. The Group will provide and subsidise training of anti-corruption to its employees and director when necessary. During the Reporting Period, we were not aware of any cases or reports of corruption, bribery, extortion, fraud or money laundering.

### **Community Investment**

Community investment is an integral part of our corporate culture. We are attached to our social responsibilities and are committed to building a better society.

We are committed to disseminating the spirit of service in our community and creating sustainable societal value. During the Reporting Period, we have taken the initiative to support our local community through donations to a number of non-governmental organisations, including, but not limited to, Tai Shan Charitable Association Ltd., Shunde Daliang Charity Federation and Tung Wah Group of Hospitals. The focus area of our contribution is health and elderly welfare. A total of HK\$67,907 was donated to the above institutions to provide medical and social services for the underprivileged, particularly elderly people.

We will continue to devote our time, resources and capital for the betterment of the society. By doing so, we hope to encourage our employees to serve the community, while promoting corporate social responsibility and bringing positive impacts to society.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX's GUIDE TO ESG REPORT

### Part A: Environmental

ESG Aspects	Related Section	Remarks
<b>A1. Emissions</b>		
Information on the policies and 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.	Overview, Emissions, Hazardous and Non-Hazardous Waste	
KPI A1.1 The types of emissions and respective emission data.	Emissions	
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).	Emissions	
KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous and Non-Hazardous Waste	
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous and Non-Hazardous Waste	
KPI A1.5 Description of emissions target(s) set and steps taken to achieve them.	Emissions, Hazardous and Non-Hazardous Waste	
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.	Hazardous and Non-Hazardous Waste	
<b>A2. Use of Resources</b>		
Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources	
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).	Energy, Water and Raw Materials	
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Energy, Water and Raw Materials	
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy, Water and Raw Materials	
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.	Energy, Water and Raw Materials	
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX's GUIDE TO ESG REPORT *(Continued)*

### Part A: Environmental *(Continued)*

ESG Aspects	Related Section	Remarks
<b>A3. The Environmental and Natural Resources</b>		
Policies on minimising the issuer's significant impacts on the environment and natural resources.	Overview, Emissions, Hazardous and Non-Hazardous Waste, Use of Resources, the Environment and Natural Resources	
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions, Hazardous and Non-Hazardous Waste, Use of Resources, the Environment and Natural Resources	
<b>A4. Climate Change</b>		
Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change	
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.	Climate Change	

### Part B. Social

ESG Aspects	Related Section	Remarks
<b>B1. Employment</b>		
Information on the policies and 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.	Employment and Labour Practices	
KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our Team	
KPI B1.2 Employment turnover rate by gender, age group and geographical region.	Our Team	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX's GUIDE TO ESG REPORT *(Continued)*

### Part B. Social *(Continued)*

ESG Aspects	Related Section	Remarks
<b>B2. Health and Safety</b>		
Information on the policies and 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.	Health and Safety	
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	Health and Safety	
KPI B2.2 Lost days due to work injury.	Health and Safety	
KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety	
<b>B3. Development and training</b>		
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training	
KPI B3.2 The average training hours completed per employee by gender and employee category.	Development and Training	
<b>B4. Labour standards</b>		
Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Child Labour and Forced Labour	
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Child Labour and Forced Labour	
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Child Labour and Forced Labour	
<b>B5. Supply chain management</b>		
Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	
KPI B5.1 Number of suppliers by geographical region.	Supply Chain Management	
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.	Supply Chain Management	
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX's GUIDE TO ESG REPORT *(Continued)*

### Part B. Social *(Continued)*

ESG Aspects	Related Section	Remarks
<b>B6. Product responsibility</b>		
Information on the policies and 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 method of redress.	Product Responsibility	
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Customer Service	
KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Customer Service	
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights	
KPI B6.4 Description of quality assurance process and recall procedures.	Quality Assurance and Customer Service	
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Protection	
<b>B7. Anti-corruption</b>		
Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption and Money Laundering	
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.	Anti-Corruption and Money Laundering	
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-Corruption and Money Laundering	
KPI B7.3 Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Money Laundering	
<b>B8. Community investment</b>		
Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the communities' interests.	Community Investment	
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment	
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Community Investment	

**Yuk Wing Group Holdings Limited**  
**煜榮集團控股有限公司**